



NOT-FOR-PROFIT HOSPITAL CORPORATION

2018 JAN 24 AM 11:26

OFFICE OF THE
SECRETARY

Date: **JAN 24 2018**

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is proposed emergency legislation, "Modification to Contract No. NFPHC-8-1 with Morrison Approval and Payment Authorization Emergency Act of 2017" and accompany declaration resolution, to approve Modification No. 3 to Contract No. NFPHC-8-1 ("contract") and approve payment for goods and services received and to be received for services to Not-for-Profit Hospital Corporations.

Council action is necessary to approve the Contract in the amount of \$3,054,291.00 for the period beginning August 1, 2017 and ending on July 31, 2018.

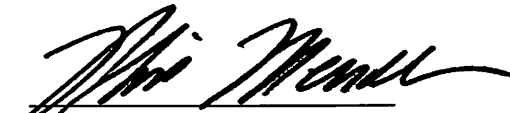
As always, I am available to discuss any questions you may have regarding this proposed Contract. In order to facilitate a response to any questions you may have, please have your staff contact me at (202) 574-6611. I look forward to a favorable consideration on this contract.

Sincerely,

A handwritten signature in black ink that reads "Luis A. Hernandez". The signature is written in a cursive style with a large, sweeping initial "L".

Luis Hernandez
Chief Executive Officer
Not-for-Profit Hospital Corporation

Enclosure


Chairman Phil Mendelson
on behalf of the Not-for-Profit
Hospital Corporation

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve, on an emergency basis, Contract No. NFPHC-8-1 Modification 3 between the Not-for-Profit Hospital Corporation and Morrison Management Specialists Inc. (Morrison), to provide nutritional services to the Hospital, and to authorize payment for the services received and to be received under the Contract.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the “Contract No. NFPHC-8-1 Modification 3 with Morrison Approval and Payment Authorization Emergency Amendment Act of 2018”.

Sec. 2. Pursuant to section 451 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51), and notwithstanding the requirements of section 202 of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-352.02), the Council approves Contract No. NFPHC-8-1 Modification 3 between the Not-for-Profit Hospital Corporation and Morrison, for nutritional services to the Hospital and to authorize payment for the services received and to be received under this Contract and payment in the amount of \$3,054,291.00.

Sec. 3. Fiscal impact statement.

36 The Council adopts the fiscal impact statement of the Chief Financial Officer as
37 the fiscal impact statement required by section 4a of the General Legislative Procedures
38 Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-
39 301.47a).

40 Sec. 4. Effective date.

41 This act shall take effect following approval by the Mayor (or in the event of veto
42 by the Mayor, action by the Council to override the veto), and shall remain in effect for
43 no longer than 90 days, as provided for emergency acts of the Council of the District of
44 Columbia in section 412(a) of the District of Columbia Home Rule Act, approved
45 December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

46

COUNCIL CONTRACT SUMMARY

Pursuant to section 202(c-1) of the Procurement Practices Reform Act of 2010, as amended, D.C. Official Code § 2-352.02(c-1), the following contract summary is provided:

(A) **Contract Number:** NFPHC-8-1 MOD 3
Proposed Contractor: Morrison
Contract Amount: \$3,054,291.00.00; option year 3
Unit and Method of Compensation: Monthly
Term of Contract: 1 year; 8/1/17 – 7/31/18
Type of Contract: Fixed Price
Source Selection Method: Competitive Quotes

(B) **For a contract containing option periods, the contract amount for the base period and for each option period. If the contract amount for one or more of the option periods differs from the amount for the base period, provide an explanation of the reason for the difference:**

Base Period Amount: CA 20-432; \$2,295,192.00

Option Period 1 Amount: CA 21-0151; \$2,314,305.00
Explanation of difference from base period (if applicable):

Pricing for supply and service increased as well as additional staffing required.

Option Period 2 Amount: \$2,634,513.00
Explanation of difference from base period (if applicable):

Pricing for supply and service increased as well as additional staffing required

Option Period 3 Amount: \$ Proposed above
Explanation of difference from base period (if applicable):

Pricing for supply and service increased as well as additional staffing required

Option Period 4 Amount: \$ N/A
Explanation of difference from base period (if applicable):

(C) **The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:**

Management and staffing of the Food and Nutrition program including the purchase of food and food service items.

(D) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past performance components:

For the initial contract, the Hospital constructed and released a three-part RFP for Managed Services for the Hospital in September 2013 requesting leadership and corporate support for the Environmental Services, Facilities Engineering and Food and Nutrition Services departments of the Hospital. This RFP was sent to thirteen (13) vendors. Five (5) vendors did not respond to the RFP in any way, four (4) vendors formally declined to participate, four (4) vendors submitted proposals to all or part of the RFP and two (2) of those respondents withdrew their response. Morrison was the only firm that provided a proposal response Food and Nutrition Services management component of the RFP. An onsite facility tour was provided, provision was made to answer Morrison's questions within the identified timeframe, a formal proposal was submitted by Morrison and a meeting was held providing Morrison with an opportunity to present additional information and answer questions.

(E) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District. Include the identity of the protestor, the grounds alleged in the protest, and any deficiencies identified by the District as a result of the protest:

There is no protest associated with this contract.

(F) The date on which a competitive procurement for these goods or services was last conducted, the date of the resulting award, and a detailed explanation of why a competitive procurement is not feasible:

N/A

(G) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private sector contracts with requirements similar to those of the proposed contract:

Morrison Management Specialists is a member of the Compass Group. Compass Group is the nation's only food service company exclusively dedicated to providing food, nutrition and dining services to the healthcare and senior living communities through its two operating divisions: Morrison Healthcare Food Services and Morrison Senior Living. With over 1,200 registered dietitians, 200 executive chefs and 16,600 professional food service team members, Morrison is actively committed to fostering ways to enjoy great-tasting, healthy food through socially responsible practices and superior customer service. The Atlanta-based company serves approximately 460 acute care clients and 370 senior living clients in 41 states including some of the largest and most prominent integrated healthcare systems and senior living communities in the United States. Based in Charlotte NC, Compass Group North America is the leading foodservice and support services company with more than \$12.8 billion in revenues in 2013.

(H) The period of performance associated with the proposed change, including date as of which the proposed change is to be made effective:

1 year; August 1, 2017 – July 31, 2018

(I) The value of any work or services performed pursuant to a proposed change for which the Council has not provided approval, disaggregated by each proposed change if more than one proposed change has been aggregated for Council review:

The Hospital has spent \$254,524.25 monthly for the past four months for a total of \$1,018,097.00

(J) The aggregate dollar value of the proposed changes as compared with the amount of the contract as awarded:

N/A

(K) The date on which the contracting officer was notified of the proposed change:

The Contracting Officer is notified of all expired contracts 120-days prior to expiration. Due to personnel transitions.

(L) The reason why the proposed change was sent to Council for approval after it is intended to take effect:

In addition to the operations review by its consultant, hospital has experienced a series of personnel changes that have affected the timeliness of negotiations, preparation of the Council package, and proper transmittal.

(M) The reason for the proposed change:

Exercise next option year

(N) The legal, regulatory, or contractual authority for the proposed change:

The NFPHC has independent contracting authority pursuant to D.C. Official Code, §§44-951.06(6), 44-951.11.

(O) A summary of the subcontracting plan required under section 2346 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.* (“Act”), including a certification that the subcontracting plan meets the minimum requirements of the Act and the dollar volume of the portion of the contract to be subcontracted, expressed both in total dollars and as a percentage of the total contract amount:

Morrison does not have a subcontracting plan associated with this contract.

(P) Performance standards and the expected outcome of the proposed contract:

The Contractor's performance will be regularly and routinely monitored by the Director of Risk Management and reported to the Chief Executive Officer for the Hospital. The expected outcome of this contract is to have the Contractor's services provided to the Hospital in an efficient, competent and cost effective manner.

(Q) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:

The Chief Financial Officer for the Hospital has reviewed the proposed contract and has provided certification of funds.

(R) A certification that the contract is legally sufficient, including whether the proposed contractor has any pending legal claims against the District:

See enclosed legal certification.

(S) A certification that Citywide Clean Hands database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, either: (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District; or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding debt as provided under D.C. Official Code § 2-353.01(b):

The Citywide Clean Hands report indicates the contractor is current with its District taxes.

(T) A certification from the proposed contractor that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:

The Contractor has certified that it is in compliance with federal tax requirements.

(U) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.*:

The Contractor is not a certified local, small or disadvantaged business enterprise.

(V) Other aspects of the proposed contract that the Chief Procurement Officer considers significant:

None.

(W) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:

The Contractor's name does not appear on the Federal or District Excluded Parties Lists

(X) Any determination and findings issues relating to the contract's formation, including any determination and findings made under D.C. Official Code § 2-352.05 (privatization contracts):

None

(Y) Where the contract, and any amendments or modifications, if executed, will be made available online:

The hospital intends to post the executed contract on its website once revamped. Until then, the contract will be available on-site.

(Z) Where the original solicitation, and any amendments or modifications, will be made available online:

The Hospital's website is currently being upgraded and the hospital intends to post the solicitation as soon as possible. Until then, the solicitation remains available on-site.



Government of the District of Columbia

CERTIFICATE OF CLEAN HANDS

MORRISON MANAGEMENT SPECIALISTS

4721 MORRISON DR STE 300

MOBILE, AL 36609-3350

EIN : ***5966**

As reported in the Citywide Clean Hands system, the above referenced individual or entity has no outstanding liability with the District of Columbia. As of the date herein, you have complied with the following official DC code and therefore are issued this Certificate of Clean Hands.

TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS AND FEES
CHAPTER 28. GENERAL LICENSE LAW
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT
D.C. Code § 47-2862 (2006)
§ 47-2862. Prohibition against issuance of license or permit.

**Authorized By Doris Faulkner
Acting Chief of Collections**

Date: Tuesday this 23rd day of January 2018 11:41 AM

Tracking#: 774877

This document is a certified, complete and true copy.

Government of the District of Columbia
Office of the Chief Financial Officer



MEMORANDUM

To: Luis A. Hernandez, Chief Executive Officer

From: Lilian Chukwuma, CFO – Not-for-Profit Hospital Corporation

A handwritten signature in blue ink, appearing to read 'Lilian Chukwuma', is written over the 'From:' line.

Date: January 23, 2018


Re: Contract No. NFPHC-8-1 between the Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc.

The Not-for-Profit Hospital Corporation (NFPHC) intends to contract with Morrison Management Specialists, Inc. for management of the Food and Nutrition program including the purchase of food and food service items. The total annual cost is \$3,054,291 covering a twelve month period.

The Office of the Chief Financial Officer hereby certifies that the funds are included in the NFPHC FY 2018 approved budget. All funds proposed under this contract for FY 2018 are contingent upon the approval of the NFPHC FY 2018 Appropriated Budget.

MEMORANDUM

To: Luis A. Hernandez
Chief Executive Officer

From: Emil Hirsch 
Outside Counsel

Reference: Contract No. NFPHC-8-1 between the Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc. (proposed modification for exercise of Option Year Three)

Date: January 23, 2018

Subject: Legal Sufficiency

I have reviewed the above-referenced proposed modification to Contract No. NFPHC-8-1 between the Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc. and hereby certify that it appears to be legally sufficient. Please be advised that my finding is premised on any Modifications being submitted to and approved by the Council of the District of Columbia.

NOT-FOR-PROFIT HOSPITAL CORPORATION commonly known as United Medical Center , an instrumentality of the District of Columbia government, hereinafter known as the "Hospital".		CONTRACT MODIFICATION		
		1. Contract Number <p style="text-align: center;">NFPHC - 8-1</p>		
2. Address (Send invoices here) Not-For-Profit Hospital Corporation United Medical Center - Accounts Payable 1310 Southern Avenue, S.E. Washington, D.C. 20032		3. Effective Date of Modification <p style="text-align: center;">August 1st, 2017</p>	4. Requisition/Purchase Order/Task Order/Modification Number: <p style="text-align: center;">MODIFICATION 3</p>	
5. Department(s) Using Goods or Services: David Boucree DBoucree@united-medicalcenter.com				
6. Contractor: Morrison Management Specialists, Inc. 3761 Commerce Drive Suite 401 Baltimore, MD 21227 Tom Schwendeman 410-622-9710 thomasschwendeman@IAMMorrison.com		7. Subject: This modification exercises Option Year Three as provided for in the Contract. The term of this modification shall be August 1, 2017 through July 31, 2018		
8. Exercise of Option	<input checked="" type="checkbox"/> Change Order	<input type="checkbox"/> Supplemental Agreement	Letter Contract/ Contract Extension	<input type="checkbox"/> Other:
9. Modification/Change Order Amount		10. Total Contract Amount <p style="text-align: center;">\$3,054,291</p>		

11. Prior to the expiration of the Option Year Two term of this Contract and in accordance with the authority contained in Paragraph 3 therein, the Hospital constructively agreed to exercise Option Year Three of this Contract and the Contractor continued to perform in order to give the Hospital ample time for authorizing signatures to be obtained for the execution of this modification.

Insert the below as Option Year Three Price Schedule into Section B

Contract Line Item No. (CLIN)	Item Description	Monthly Pre-Bill Amount	Annual Not to Exceed Amount
0001	<p><i>Management Services Fee: calculated using the Not-to-Exceed ("NTE") amounts from the below-listed categories assuming food service for 86,874 patient days and with the mutual agreement that although the Contractor shall collect and deposit all revenue from retail sales locations operated by Contractor (e.g. cafeteria), the Contractor shall provide a monthly credit to the Hospital. The amount of the credit will be total sales revenues less applicable sales taxes Contractor is required to remit in connection with those sales.</i></p> <p>LABOR – guarantee of 11 FTEs (Contractor employees) – ESTIMATED AT \$889,143 per year</p> <p>1 Director - Salary/benefits estimated at \$130,752 per year \$130,752 3 Dietitians - Salary/benefits estimated at \$254,106 per year \$254,106 1 Patient Manager - Salary/benefits estimated at \$88,543- per year \$88,543 1 Chef - Salary/benefits estimated at \$95,921-per year \$95,921 1 Sous Chef - Salary/Benefits estimated at \$66,407 per year \$66,407 1 Retail Manager - Salary/benefits estimated at \$70,168 per year \$70,168 1 Supervisor Patient Services - Salary/benefits estimated at \$61,082 per year \$61,082 1 Supervisor CTY - Salary/benefits estimated at \$62,572 per year \$62,572 1 Administrative Coordinator - Salary/benefits estimated at \$59,592 per year \$59,592</p> <p>FOOD – ESTIMATED AT \$1,380,449 per year \$1,380,449</p> <p>Patient Trays - estimated at \$545,713 per year \$545,713 Nourishments - estimated at \$39,093 per year \$39,093 Floor Stocks - estimated at \$214,343 per year \$214,343</p>	\$193,126	\$2,761,791

Supplements - estimated at \$102,157 per year \$102,157
 Other food - estimated at \$42,040 -per year \$42,040
 Cafe/retail - estimated at \$336,017 per year \$336,017
 Free meals - estimated at \$6,834 per year \$6,834
 Requisitions - estimated at \$19,175 per year \$19,175
 Catering - estimated at \$74,295 -per year \$74,295


DIRECT COSTS - ESTIMATED AT \$361,136 -per year \$361,136

Includes: office supplies; in-service training materials/supplies; employee physicals, testing and background checks for Contractor employees; laundry; cleaning/dishwashing supplies; menu paper and print; kitchen paper/plastic; marketing/merchandising materials; patient education materials; Contractor business licenses/permits (exclusive of licenses related to the service of alcohol); computer hardware/print paper for computers supplied by Contractor; smallwares and tablewares replacements; postage; uniforms; armored car services; bank charges (including credit card fees and debit card fees); dues and subscriptions for Contractor employees; and sanitation audit fees.

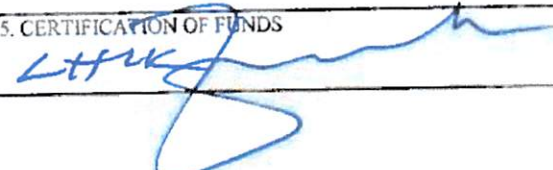
CORPORATE SUPPORT - FIXED FEE AT \$131,063 per year \$131,063

Support from the Contractor's corporate personnel, including but not limited to the District Manager, Regional Vice President, Regional Dietitian and Customer Experience Manager support, as well as IT support for POS system implemented by Morrison and e Finance system.

0002	OTHER ALLOWABLE CHARGES Late Fees - NTE 1% of amounts not paid within 45 days of invoice receipt Multi-Service Discount Reimbursement (requires written approval prior to invoicing)	N/A N/A	\$80,000 (\$22,500)
0003	PERFORMANCE INCENTIVE - NTE \$3,750 per quarter	N/A	\$15,000
0004	FINANCIAL PERFORMANCE PLAN (See Exhibit 1A outlining Base Year Budget)	N/A	\$20,000
0005	LIMITATION OF LIABILITY	N/A	\$200,000
TOTAL, NOT-TO-EXCEED AMOUNT			\$3,054,291

12. Name of Contractor: MORRISON MANAGEMENT SPECIALISTS Signature of Contractor: 	Date: 9/14/17	13. Name of Contracting Officer: Signature: _____	Date
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14. LEGAL SUFFICIENCY
PLEASE SEE ATTACHED

15. CERTIFICATION OF FUNDS
 PLEASE SEE ATTACHED **L. LITTA CONTRACTOR (9/14/17)**