



Office of the City Manager

CONSENT CALENDAR
October 16, 2012

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: Scott Ferris, Acting Director, Parks, Recreation & Waterfront Department
Subject: Contract: Bananas Inc. for Child Care Subsidy Voucher Program

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract and any amendments with Bananas, Inc. in an amount not to exceed \$188,579 for a three year contract beginning October 17, 2012 and ending October 16, 2015.

FISCAL IMPACTS OF RECOMMENDATION

Funds for this contract are available in the Child Care Mitigation Operating Subsidy Fund (“Childcare Fund”) (budget code 251-5801-450- 30-38). The beginning Fund Balance for FY 2013 is \$188,579. The Child Care Voucher Program would begin in FY 2013. The contract would allocate 60% of the Fund Balance in Year One; 50% of the remaining balance in Year Two, and 100% of the remaining balance in Year Three.

CMS No: DYQ2I

CURRENT SITUATION AND ITS EFFECTS

To prepare for a new contract to administer this program, the City conducted a competitive bidding process to solicit program administration services (Bid Specification No. 13-10693). On August 30, 2012 the City received one proposal, from Bananas, Inc. Their proposal was strong and they had positive and supportive references. Therefore, staff recommends that a new contract be authorized.

BACKGROUND

Since 1993, the City has collected fee revenues from certain development projects to offset their impacts on affordable childcare in Berkeley, and used the revenues for affordable childcare projects. In 2006, the Commission on Early Childhood Education (CECE) began a multi-year process to develop a new program, called the Child Care Subsidy Voucher Program, to administer the funds.

In 2011, the Commission on Early Childhood Education (CECE) completed the design of the new Child Care Subsidy Voucher Program that would disburse childcare funds over a three year period, after which an evaluation would be conducted, and the

program would be considered for renewal, subject to the availability of funds. On July 10, 2012, Council approved the new Child Care Subsidy Voucher Program (Resolution No. 65,817-N.S.)

The process of developing a new child care subsidy voucher program involved the work of the Commission and its subcommittees, as well as participation by members of the general public representing licensed childcare providers, parents, and resource and referral agencies. In developing the program, the CECE established the following primary objectives: To support the 2020 Vision goal to increase access to quality early education for low income children of color in the City; to protect the supply of quality early education programs in the face of state and local budget cuts that threaten funding for Berkeley Early Childhood Education (ECE) providers and thereby threaten access for low income Berkeley children; and to focus on two-year olds as the target of this subsidy. There is a greater number of subsidized pre-school programs (ages three-to-five) in Berkeley than childcare programs (ages zero-to-two). Given this, the Commission decided to focus on subsidies for childcare programs (ages 0-2) to support low-income families who are trying to obtain quality early childhood education in order to prepare their children for subsidized preschool programs. When families participate in the voucher program, they will be required to place their children on the wait-lists of pre-school programs that provide subsidies. The policy has the following elements:

City of Berkeley Child Care Subsidy Voucher Program

1. The City shall conduct a Request for Proposals (RFP) process to obtain a contractor to administer the Child Care Subsidy Voucher Program for working families in Berkeley that meet income eligibility specified in the Child Care Mitigation Fee Ordinance.
2. The contract will be for a period of three years. The contractor would charge a fee of not-to-exceed 15% of the funds administered per year. In Year One, 60% of the current fund balance is to be spent; in Year Two, 50% of the remaining fund balance would be spent; and in Year Three, 100% of the remaining fund balance would be spent, as long as it does not exceed the amount spent in Year One.
3. Priority will be given to families who use providers located within the City of Berkeley. Vouchers may be used with licensed providers only.
4. Vouchers will be valued at \$600 per child per month.
5. Vouchers may be used only for youth who are two years of age when beginning their participation in the program, and for a period not to exceed one year.
6. The Vendor will issue a stipulation that families receiving vouchers will have to be placed on wait-lists for pre-schools that offer subsidized slots and also that families will participate in trainings and support services related to seeking quality child care.

RATIONALE FOR RECOMMENDATION

The Parks, Recreation and Waterfront Department has determined that Bananas, Inc. meets the requirements as set out in the Bid Specification (No. 13-10693).

ALTERNATIVE ACTIONS CONSIDERED

None

CONTACT PERSON

Tanya Moore, Youth Services Coordinator, Parks, Recreation & Waterfront Department,
981-6705

Scott Ferris, Director, Parks, Recreation & Waterfront Department, 981-6700

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: BANANAS INC. FOR CHILD CARE SUBSIDY VOUCHER PROGRAM
USING THE CHILD CARE MITIGATION OPERATING SUBSIDY FUND

WHEREAS, on April 20, 1993, Council authorized the imposition of child care mitigation fees as conditions for the approval of development projects (Ordinance No. 6,179-N.S. and Resolution No. 56,913-N.S.); and

WHEREAS, on October 17, 1995 the Berkeley City Council authorized the establishment of a Child Care Mitigation Operating Subsidy Fund to receive these funds (Resolution No. 58,206-N.S.); and

WHEREAS, in 2011, the Commission on Early Childhood Education (CECE) completed the design of the new Child Care Subsidy Voucher Program that would disburse childcare funds over a three year period, after which an evaluation would be conducted, and the program would be considered for renewal, subject to the availability of funds; and

WHEREAS, on July 10, 2012, Council approved the new Child Care Subsidy Voucher Program (Resolution No. 65,817-N.S.); and

WHEREAS, in July of 2012, to prepare for a new contract to administer this program the City conducted a competitive bidding process to solicit proposals (Bid Specification 13-10693). On August 30, 2012, the City received one proposal from Bananas, Inc. Their proposal was strong and they had positive and supportive references; and

WHEREAS, funds are currently available in the Child Care Mitigation Operating Subsidy Fund (budget code 251-5801-450-30-38) As of July 1, 2012, the fund balance is \$188,579. CMS No: DYQ2I.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager and/or her designee is hereby authorized to execute a contract and any amendments with Bananas, Inc. in an amount not to exceed \$188,579 for a period of three years beginning October 17, 2012 and ending October 16, 2015. A record signature copy of said contract will be on file in the Office of the City Clerk.