

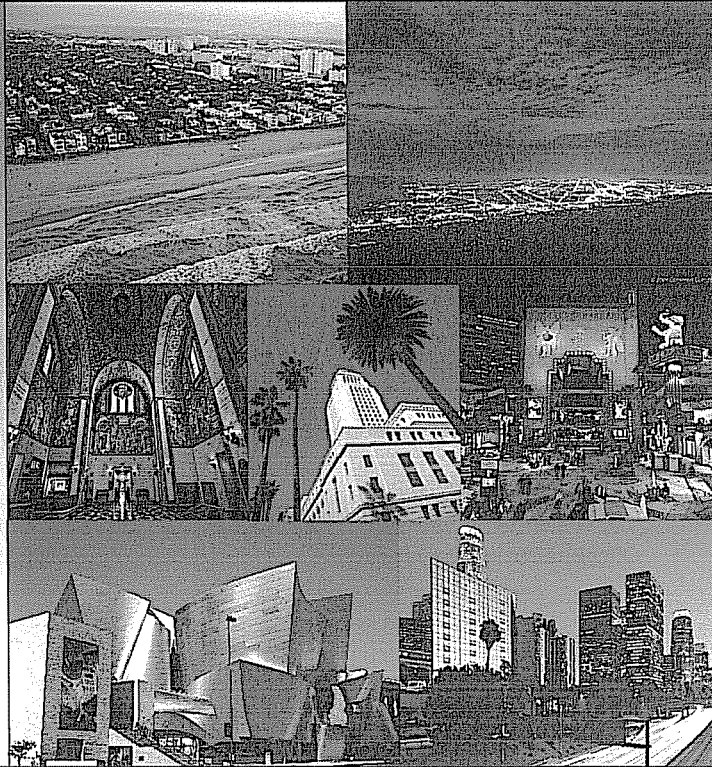
13-1721



## **OPA Comments on Sodexo Amendment #4**

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**February 5, 2014**



### **Summary**

- This analysis is based on review of DWP and CAO reports, not an separate investigation.
- What is cafeteria and catering usage history?
- What is estimated value?
- What are alternatives?
  - Immediately
  - Longer-term



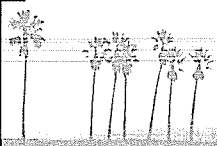
### What has been the utilization of the cafeteria and catering?

	Over last 22-24 months
Daily transactions in cafeteria	1,200 per day
Average transactions per JFB employee	0.54
Average \$ transaction	\$3.80
Cafeteria revenue per month	\$90,000 per month
Catering per month	\$1,100 per month
Catering and emergency food service commitment per month	Was \$40,000 per month Proposing \$33,250 per month
Offset payment per month	\$31,000 per month
Offset per cafeteria transaction	\$1.33 per transaction



### What's value?

- Average transaction of \$3.80 is a mix of breakfast and lunch beverage/snack sales and meals, while average cost is \$5.13
  - > Split of meals vs beverage/snacks is unknown
  - > Local meal costs are available at \$5 or more
  - > Beverages/snacks can be obtained from vending machines at \$1-2
  
- Rate perspective: employee subsidy of at least \$380,000 per year



## Next Steps

- Immediate choices
  - No Amendment until food service business plan developed and, if needed, re-bid.
    - ✓ Sodexo has already stopped service
    - ✓ Continue with food truck access for employees at JFB
  - Approve Amendment, which requires business plan and re-bid within 15 months
    - ✓ Is it appropriate to push for greater public use of food service in a secured facility?
    - ✓ Increased cafeteria revenues do not reduce the offset payment under this Amendment.
- Longer-term choices: the food service business plan, previously requested by DWP Commission in prior Amendment review



Date: 2/5/14

Submitted in 585 Committee

Council File No: 6

Item No.: 13-1721

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