

Contracting with a Food Service Management Company

February 2024



OKLAHOMA
Education

Important Acronyms

- AR - Administrative Review
- CNP - Child Nutrition Programs
- CPI - Consumer Price Index
- FSMC - Food Service Management Company
- RFP - Request for Proposal
- SA - State Agency
- SFA - School Food Authority (school)

Contracting with FSMC: Guidance for SFA



United States
Department of
Agriculture

Food and
Nutrition
Service

**Contracting with Food Service
Management Companies:**

Guidance for School Food Authorities

Complete Glossary of Terms

Contracting with Food Service Management Companies: Guidance for School Food Authorities - **Page 5-9**

- Found on CARS in Other Documents under Food Service Management Company Heading

Training Objectives

- Evaluate reasons for contracting with FSMC
- Understand responsibilities of both SFA and FSMC
- Obtain a general understanding of the procurement process
- Know where to find further information and assistance

Important to Know!

- Contracting with an FSMC does not release the SFA from ANY responsibilities for the Child Nutrition Programs 7 CFR 210.16
- When procuring services, you **MUST** ensure free and open competition
- If an FSMC is going to submit a proposal, they **CANNOT** have any part in writing the solicitation
- SFA should **analyze** Food Service Operation to determine what best meets the needs of the SFA

WHERE TO START?

SFA's Information

The next slides we will be discussing the responsibilities of:

- School Food Authority (SFA)
- Local Education Authority (LEA)

Where to Start? -- Step 1

- Thoroughly read “Contracting with Food Service Management Companies: Guidance for School Food Authorities”
 - Can be found in CARS in Other Documents

Where to Start? -- Step 2

Put together a team or teams that can:

- Analyze your current child nutrition programs
- Conduct a competitive procurement via RFP
- Negotiate the final contract with FSMC representatives
- Monitor the FSMC contract
- Control and monitor ***all*** aspects of the Child Nutrition programs to ensure compliance with rules and regulations
- Ensure that FSMC charges are correct and that all costs are allowable

Where to Start?-- Step 3

Analyze current Food Service Operation by...

Identifying the current cost of operations in relation to the number of reimbursable meals

- ADP-average daily participation by building
- All costs-food, labor, supplies, equipment, employee benefits
- Use of USDA Foods

Analyze non-fiscal aspects

- Wellness policy, nutrition lessons, farm to school, smart snacks, etc.

Determine benefits and consequences

Where to Start? -- Step 4

Determine whether contracting with an FSMC is best for the program

- ✓ If **no**, continue with self-operation
 - Work on program improvement, increasing revenue, decreasing expenses
- ✓ If **yes**, contact the State Department to Contact other SFAs that are using Food Service Management Companies

Deciding to Contract

Once ALL of the steps are completed and the SFA makes the decision to contract part/or all of the Food Service

Your next step will be to.....

Contact Child Nutrition

- If you are interested in using a FSMC or need to obtain a copy of the RFP, contact Child Nutrition at the Oklahoma State Department of Education (OSDE)
- Contact **Karen Davis** at:
Email: Karen.Davis@sde.ok.gov
Phone: 405-521-3327
Fax: 405-521-2239
- An SFA can **ONLY** obtain a copy of the RFP from OSDE not from a FSMC!

Now What?

- Obtain the state prototype RFP and Exhibits
- Carefully review the prototype
- Changes ***cannot*** be made to RFP
 - SFA can add an Addendum to be more restrictive , with SA approval
- Any agreement between the SFA and the FSMC shall be subject to OSDE review

Contract Type

Fixed Price

- A set meal price is established
- All other food sold is charged via Meal Equivalencies
- Credit for USDA Donated commodities received is made on monthly invoices as they are received
- Predictable cost
- ***DIRECT BILLING IS NOT ALLOWED***

Fixed-Priced Contract

- Based on unit charge per meal served (i.e., breakfast, lunch, snack)
- Projects the cost of operating the program
- Includes three parts: ***Direct costs of operations, Administrative Fee*** and/or ***Management Fee***
- **Price per meal cannot change throughout the contract period even due to economic fluctuations**

What is Best For the SFA?

- What do you want the FSMC to do for your programs?
- How do you want those services performed?
- What do you envision the program would look like with FSMC management?
- Are there services, equipment, menu choices, nutrition education classes, local foods, visiting chefs, taste tests, etc., that you want?
- What aspects of your current program do you want to keep and what aspects do you want changed?

COMPLETING THE REQUEST FOR PROPOSAL (RFP)

Completing the RFP

What information does the FSMC need?

- Number of sites, ages served, enrollment, ADP (average daily participation)
- Meal service hours
- CN Programs the district is currently participating
 - If the district wants to add in a program or service in the future, it needs to be listed in the RFP
- Meal prices for students & adults and a la carte prices

Completing the RFP (cont.)

What information does the FSMC need?

- Preparation facilities, preparation or satellite
- School calendar/serving dates
- Historical information about CN programs for past three years
- How responsibilities will be divided between SFA and FSMC
- How costs are divided between SFA and FSMC

Completing the RFP

What information does the FSMC need?

- USDA Foods entitlement and usage
- Current personnel, salaries, benefits, etc.*
- Local Wellness Policy
- LEA policies that affect CN Programs, such as Weather Days, Emergency Procedures, Bargaining Unit Contracts, etc.
- Any information that allows the FSMC to create a proposal that fits the LEA and provides the services the SFA envisioned

21-Day Cycle Menu

The SFA must include 21-day cycle menus for meals for all applicable programs in the RFP/Exhibits

- Include portion sizes and crediting for all components and for each grade group served.
- List all menu choices for reimbursable meals including alternate menu choices.
- **FSMC *MUST* follow menus for 21 days**
- Changes **MAY** occur after the 21 days, but it ***MUST*** be approved in writing by the SFA

Before the RFP Can Go Out for Bid

The final signed RFP and exhibits MUST be sent to OSDE for approval

- Allow at least 3-4 weeks for review revision-review process

Going out for Bid

- Advertise the RFP on a public forum such as school website, local ***newspaper (is required)***, or any other place the school advertises.
- Issue the RFP to all FSMC's who make a request
- ***Advertisement is to be placed for two weeks***

Advertise the RFP (Example)

REQUEST FOR PROPOSAL: FSMC SERVICES

Request for Proposal for a Fixed Price Contract for providing food service management services to the ABC School District can be picked up at 123 Education Lane, Smarttown, USA, 12345 any time between 8:00 a.m. and 4:00 p.m. A required pre-proposal meeting will be held on Monday, May 2, 2017 at 2:30 p.m. Proposals are subject to all the conditions and specifications stated in the Request for Proposal and will be received at the address above and shall be marked on the envelope "Food Service Management Proposal, #100." Proposals will be received until May 25, 2017 for supplying ABC School Food Authority with food service management services during the 2017-2018 school year. For more information you may call Ms. Smart School, 555-555-5555.

Federal Regulatory Requirement

Allow free and open competition in accordance with the following regulations:

- General procurement requirements apply:
 - 2 CFR Part 200
 - Regulations specific to School Nutrition Programs
 - 7 CFR Parts 210, 215, 220, 225, 226 as applicable; 245, 250 and FNS instructions

Transparency- Public Procurement

A SFA must not restrict or eliminate competition by:

- Placing unreasonable requirement
- Requiring unnecessary experience or excessive bonding
- Conflicts of interest
- Any arbitrary action in the process

Buy American

- When conducting the procurement, district must ensure compliance with the Buy American Provision whether directly by SFA or if purchasing on behalf of SFA
- The purchase of domestic foods is required for all agricultural commodities purchased for the NSLP

Updates & Clarifications for FY2025 RFP

- The FSMC cannot attach or add anything to the RFP once it is approved by the State Agency
 - OSDE approval is given **before** the board signs
- The FSMC must annually provide information on food costs (e.g. Nonprogram foods)
- The SFA will determine collection procedures
- The SFA CNP Director must have access to any kitchen facilities, cafeteria, warehouse, or office used for CNP. This includes State Agency and USDA personnel, if applicable
- Bid Protest Procedures between the SFA and FSMC

Updates & Clarifications for FY2025 RFP (Continued)

- Meal Equivalency Rate formula change
 - This will change annually
- Employees – Retained by SFA, Retained by FSMC, and Employed by SFA until they leave then FSMC
 - Multiple boxes can be checked
 - Employed by both: check boxes 1 & 2
- Professional Standards with an understanding both SFA and FSMC director must meet USDA hiring and training standards
- Geographical Preference

Updates & Clarifications for FY2025 RFP (Continued)

- The reports listed the FSMC must provide the district. *Example:* nonprogram foods report
- Changes cannot be made to the RFP without State Agency approval
- Collection procedures are done by the SFA
- A transition plan will no longer be an option for the new RFP
 - Those who have an approved RFP with the transition plan for employees can continue to do so until the district rebids



THINGS TO CONSIDER WHEN FILLING OUT THE RFP

Changes to the RFP

Allowable

- The district can add to the contract
- The SFA will write an addendum and attach it to the beginning of the contract
 - ***Do not put it in the body of the RFP***

Unallowable

- ***DO NOT*** change any wording to the RFP
- ***DO NOT*** remove any items from the RFP
- ***DO NOT*** strike through any items in the RFP
- ***DO NOT*** delete any items from the RFP

Pre-Proposal Conference

- Decide whether it's required or optional
 - It should be done for districts who have never been with a FSMC
 - It can be conducted via Zoom or Facetime
- Usually includes a facility walk-through
- Optional vendor presentations
- Schedule about mid-way between advertising and proposal due date

REQUEST FOR PROPOSAL (RFP) IS OBTAINED

How to Obtain a FSMC

- Receive the proposal(s)
- Open on the deadline (date & time) indicated in RFP
 - Evaluation team members review ***independently***; proposals are not compared to one another
 - Add individual scores together
 - Select the proposals that meet the preset cut-off score and submit to Negotiation team

Evaluate the Bids: Individual

Information from Page 5 on the RFP

RFP Individual Evaluation Form

One form per reviewer. Each reviewer scores each FSMC on their own based on the bid received.

*Evaluation Criteria and weighted points must match the points listed in the RFP

Reviewer:	Jane Doe			Date:	3/23/XX
Vendor A:	Hildago FSMC	Vendor B:	Okie Foods	Vendor C:	CNP LLC
Evaluation Criteria:	Weight Pts from RFP	Points from Reviewer:			Notes:
		Vendor A	Vendor B	Vendor C	
Price	30	20	30	25	
Service, Capability Plan	15	15	10	15	
Experience, References	10	10	5	5	
Accounting and Reporting System	20	10	10	10	
Program Financial Profile, Financial Condition, Stability, Business Practices	5	2	5	5	
Promotion of School Food Program	10	5	10	10	
Involvement of Students, Staff, & Patrons	10	5	10	0	
Total	100	67	80	70	

Once completed, give form back so the group evaluation form can be completed.

Evaluate the Bids: Group

RFP Group Evaluation Form

**It must be evaluated by the committee of 3-5 people*

School District: Green Public School

Vendor A: Hildago FSMC

Vendor B: Okie Foods

Vendor C: CNP LLC

Reviewer Name:	Total Points from Each Reviewer:			Notes:
	Vendor A	Vendor B	Vendor C	
Jane Doe	67	80	70	
Joe Superintendent	2	70	70	
Karen Director	70	85	75	
Total	139	235	215	

**The vendor with the highest points is to be awarded the contract. However, if you have marked negotiate with the FSMC in your RFP, you can do so with the number of FSMC that is list in the district's RFP. You may need to change points during negotiations*

Each person that scored the FSMC must print and sign.

By signing this form, I validate the above information is true and correct with what I scored on the individual score sheet.

Print Name:

Signature:

Individual Evaluation Form

Group Evaluation Form



UNALLOWED – After the RFP is received

- Allowing a potential contractor access to sealed bid information before the bids are publicly opened
- Disclosing the content of proposal offers submitted by others to a potential supplier prior to the supplier submitting an offer
- Accepting FSMC proposals after all bids are publicly read

Negotiations

- Negotiations can only take place if indicated in the RFP
- Determine what parts of the RFP are negotiable
- Negotiate proposed contract terms
- Select the proposal that best meets price and other criteria
- Notify awardee*



AWARDING THE CONTRACT

Awarding the Contract

- Submit required contract package for review to OSDE
- ***Once accepted by OSDE, submit for Board approval, if required by district***
- Submit the signed contract and materials to OSDE (***within 10 days***) and return two copies to SFA; ***meals prepared by an FSMC cannot be claimed prior to this date***

Penalty for Violations

Any violation of free and open competition will make a proposal non-responsive

- If the contract was already awarded, the SFA must rebid the contract
- If the violation occurred prior to the award of the contract, the FSMC's proposal will be considered ineligible

Awarding the Bid

- SFA signs and submits paper copies of Base Contract Checklist, Non-delegable Duties, and Independent Price Determination form
- SFA submits paper copies of Debarment form, Lobbying Certification, and Lobbying Activities that are signed by FSMC

Federal Requirements

In order to use nonprofit school food service account funds:

- SFA must have a proper contract and follow proper procurement procedures
- SFA must have the contract reviewed and approved by OSDE prior to signing with FSMC

No contract may be executed by ANY party without prior written approval by the State Agency

Money from the Non-Profit Food Service account must not be used to pay the FSMC until a contract is OSDE approved!

Partnerships

Once all documents/contracts have been approved by the OSDE, the SFA/LEA and the FSMC, there is a partnership between the SFA/FSMC and they should work together

At NO time does the SFA/LEA relinquish control of any part of the food service

Annual Requirements

- **ALL** FSMC contracts run through June 30
 - It is the responsibility of the SFA to monitor the contract to ensure that the contract is followed
- **ALL** contracts & renewals must be reviewed and approved by the State Agency before executing the contract or renewal
- **ALL** contracts and renewals are for one year

Annual Requirements

- ***ALL*** contracts may be renewed via addendum for a maximum of four renewals; a total of five years
- The Renewal Addendum must be on district letterhead using only the CPI Index for annual price increases or decreases
- ***The SFA and/or FSMC can decide NOT to renew the contract at ANY TIME***

Addendums

- An addendum can be with the original RFP ***BEFORE*** OSDE receives the signature pages
 - ***DO NOT attach an addendum with signature pages of the RFP. It must be sent separately***
- Once OSDE receives your addendum, OSDE will approve or not approve it. OSDE will send it back to the SFA regarding the status of the addendum to be kept in your file
- **If you do not have an addendum with an Approved stamp on it, it is NOT APPROVED by OSDE**

RESPONSIBILITIES

SFA Responsibilities

- Monitoring - Must monitor the food service operation through periodic on-site reviews at least once annually using the SFA-FSMC Monitoring Form
- Review and approve menus each month
- Meal count records
- Meal patterns

Monitoring Form Sample Page

SFA-FSMC Monitoring Form

Review Date: _____

Name of District and Site Monitored: _____

Menus and Service	Yes	Needs Improvement	N/A
Has the FSMC followed the 21-day cycle menu, as described in contract, for the first 21 days of the contract? (Monitored during the first year of contract only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If changes were made to menus following the first 21 days of the contract, did the SFA approve them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have all menu standards been maintained as to type and quality of meal service as outlined in the contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have all menus been developed using the agreed upon menu planning system(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the FSMC serving only reimbursable meals that comply with the latest USDA dietary guidelines as established by USDA in Federal regulations for the National School Lunch Program, the School Breakfast Program, and all other USDA contracted meal programs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the SFA retained control of the quality, extent, and general nature of its food service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the SFA made no payment to the FSMC for meals that are spoiled or unwholesome at time of delivery, or do not meet detailed specifications, or do not otherwise meet the requirements of the contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Lunch/Breakfast On-Site Review Form

SCHOOL FOOD AUTHORITY (SFA) LUNCH ON-SITE REVIEW CHECKLIST

According to 7 CFR 210.8(a)(1) and 7 CFR 220.11(d)(1), every school year prior to February 1, each SFA with more than one

School Name: Review Date:
SFA Reviewer:

NATIONAL SCHOOL LUNCH PROGRAM ON-SITE REVIEW (Review Date:)

The following questions are recommended, at a minimum, to complete the on-site review requirement:

YES NO MEAL-COUNTING AND -CLAIMING SYSTEM

1. Is the method used for counting reimbursable meals in compliance with the approved point of service requirement? (Meal counts must be taken at the location[s] where complete meals are served to children.)

2. Is the point of service meal count used to determine the school's claim for reimbursement?

SFA Responsibilities

- Review USDA Foods utilization
 - Ensuring the full value for USDA Foods are credited on the invoice for commodities received that month
 - USDA Foods reconciliation must be conducted annually
 - Ensure USDA Foods are being used in a timely manner
- Establish all meal and a la carte prices
- Review edit check worksheets
- Develop the food service budget
- Review monthly profit and loss statements and support documents

SFA Responsibilities

- Create Procurement Procedures
- Conduct Direct Certification
- Conduct Verification
- Obtain list of homeless, runaway, and migrant students from district liaison
- Develop a charge policy
- Pursue the student debt

SFA Responsibilities

- Maintain free/reduced eligibility information
- Develop and implement local wellness policy
- Establish the **Food Service Advisory Board** composed of students, teachers and parents
 - Meet at least twice/year as a best practice

SFA Responsibilities

- Responsible for certifying claim for reimbursement
- Review USDA commodity credits
- Validate actual monthly invoice to FSMC's monthly billing

Food Quality and Specifications

- No payments made to FSMC for meals that are spoiled, unwholesome and do not meet the specification developed by the SFA
- If SFA outlines the Grade and Quality of products in the RFP, these must be followed by the FSMC

Professional Standards

- Both employees of the SFA and FSMC must comply with the requirements contained with the Professional Standards.
- Consider adding points to the Award Criteria for the FSMCs proposed plan for meeting the training requirements.

SFA Responsibilities

ONLY a district Authorized Representative can certify the claim

FSMC Responsibilities

- As provided in contract, monthly profit/loss statement
- Menus, productions sheets, portion sizes for designated menu plan option
- Provide and implement proper monetary collection methods such as taking money in line for a meal
- Employee training

FSMC Responsibilities

- Provide acceptable meal counting and accountability methods
- Assistance with Administrative Review documentation
- Provide documentation regarding nutrition content of foods served

Possible FSMC Services

- Analysis of trends and participation reports
- Support services such as Dietitian or Chef
- Personnel management
- Nutrition education
- Promotions
- Regular presentations to school board and other groups

FSMC Responsibilities

Non-program Food Report Documentation

- Cost of:
 - Reimbursable Meals
 - Non-program Foods
- Revenue from:
 - Non-program Foods
 - Total Revenue

NOT Allowable

- If an item is not in the RFP and not ALL management companies had chance to bid on it, it cannot be done
- If the SFA does not have an approved addendum, it cannot be done
- **Direct Billing is not allowed.** Everything charged to the district must be in the fixed price per meal charge

Material Changes

- No item may be added or replaced if it would constitute a material change to the contract
- Would responders have bid differently if proposed change had existed at time of the bidding?
- OSDE has defined a material change as “A change that would result in a contract increasing more than \$150,000

Possible Material Changes

- Adding/Removing programs or school sites
- Combining with or leaving another district
- Changing from 4 day to 5-day week
- Budget impact
- Possible material changes:
 - Starting Community Eligibility Provision
 - Adding the At-Risk Afterschool Meal Program

Adding Programs

If you add a program ***AFTER*** the contract is approved. Child Nutrition funds cannot be used to pay the FSMC until an amendment is sent ***AND*** approved by the State Agency

Material Changes

To add programs or sites, submit rationalization to OSDE indicating why it is not a material change

- If OSDE agrees - proceed with program
- If OSDE disagrees - FSMC contract must be rebid to add program

Known Changes During the Contract

Plan for the next five years

- If the district is aware they will add a school site, changing days, combining with another district, etc., as long as it is indicated with an addendum in the RFP, a rebid will not be required as all parties are aware of this change within the contract

Changes in the Contract

Any and all changes ***MUST*** be put in writing and sent to OSDE for approval

Examples:

- Adding a program not marked in the FSMC contract
- ***NOT*** renewing the FSMC contract
- Annual Renewal agreement
 - Must use OSDE Renewal agreement form

Contract Renewal Agreements

- If the State Agency does not receive a contract renewal agreement, it is assumed the FSMC contract was not renewed the school went back to self-operational
- Child Nutrition funds cannot be used to pay the FSMC without a State Agency approved renewal agreement

Reminder!

- ***The SFA remains responsible for the Program Operations and cannot relinquish control of the Program to the FSMC***
- If the FSMC or SFA want to add, or change anything in the contract, contact OSDE to request making these the changes
- If any changes made to child nutrition made that are not allowed or not approved, the SFA may be required to go out on rebid

Reminder!

This is the district's child nutrition program, therefore, if the school wants to add any programs or make any changes (example: going CEP) it is up to the SFA *NOT* the FSMC

BILLING INFORMATION

Charging the District

- The FSMC cannot be directly bill the district
- The district cannot be charged differently than the price approved by OSDE
- **All to the district must be on the Attachment M**
 - The only exclusion is if the district is on FFVP and buying the fruits & vegetables from the FSMC

Charging the District

- ***The FSMC can ONLY change the price of the contract once a year at renewal***
 - It can only change per the CPI percentage amount
- ***The district DOES NOT have to accept the new price from the FSMC***
 - It is an agreement between the two parties

Transition Plan & Approval

During the 5-year contract, if the school and the FSMC agree to a transition plan

- The FSMC transition form is required each ***MONTH*** the FSMC charges the district for an ***NEW*** employee
- The FSMC Transition Labor form must be signed by both the school & FSMC
- **The new FY2025 RFP no longer allows a transition plan**

Transition Plan & Approval

- If the transition plan was not approved by OSDE, AND if the FSMC Transition Labor form is not sent to OSDE showing employee changes, ***Child Nutrition funds cannot be used for the additional charge***
- The FSMC Transition Labor form must be signed by both the school & FSMC each time changes occur!

Monthly Transition Form



OKLAHOMA
Education

CHILD NUTRITION PROGRAMS FSMC MONTHLY LABOR TRANSITION FORM

Name of District:	Green Public School	County/District Code:	00/1001
MONTH and Year the Employee(s) Left The District:	April-23		
Start Year of the original RFP:	2021	Date form sent to OSDE:	5/2/2023

**This form must be sent to the State Department every MONTH a new employee goes with FSMC.*

Name of Employee Who Left the District AND/OR Name of Employee Hired by the FSMC	Date Employee LEFT the District	Date NEW Employee Started with FSMC	FIXED- PRICED Rate charging for New Hire
Tammy Faye	4/3/2023		
Jill Jackson		4/14/2023	0.1000
Paula Post	4/19/2023		

Labor Transition Form

Labor Transition Form (Example)



Charging for Employees

- If the district has 5 positions total at the beginning of the contract, and the district says all those employees can be transitioned, the FSMC can only charge for 5 employees if they all leave
 - *Example:* The district can only charge for 2 employees not 3. Only 2 positions were filled.
 - Position A – vacant – filled 8/24 – vacant 5/15, filled 8/14
 - Position B
 - Position C – vacant – filled 1/6
 - Position D
 - Position E

Supply Chain Funds (SCA)

- **This money belongs to the district**
- The FSMC cannot decide for a district if they want to receive these funds or not
- The FSMC ***MUST*** give the district invoices for the amount of minimally processed food they supplied to the district

Allowable SCA Expenditures

SCA funds must exclusively be used for the purchase of **domestic (Buy American)** food products (commodities) that are unprocessed or minimally processed. These may include:

- Fluid milk, cheese, yogurt
- Fruits and vegetables (including 100% juices)
- Grain products (loaf of bread, pastas, rice)
- Meats (whole, pieces, ground)
- Meat alternates (beans, legumes)

85

SCA Example Using Funds

- 1) The FSMC monthly invoice to the district is \$25,000
- 2) The FSMC gives the district food invoices showing this school used \$8,345 in milk for the month billed
- 3) The district can use \$8,345 of SCA funds to pay the FSMC invoice and the remainder of the invoice is to be paid with Child Nutrition funds

ATTACHMENT M



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Attachment M is *REQUIRED*

- It is *required* the FSMC submit the Attachment M even if they provide an invoice
- The only OSDE approved Attachment M that can be used are in Other Documents or the attachment M from the RFP
 - There are currently three Attachment M versions
- The amount the district pays is the amount on the Attachment M MINUS the USDA Foods credit for that month

Attachment M (Top)

Numbers on Attachment M *MUST* match Edit Check

Based on 18 Days of Services					
Breakfast Meals		Lunch Meals		Snack Meals	
Contract Breakfasts		Contract Lunches		Contract Snacks	
SBP Breakfasts	3558	NSLP Lunches	4595	NSLP Snacks	0
SFSP Breakfasts		SFSP Lunches/Suppers		SFSP Snacks	
SSP Breakfasts		SSP Lunches/Suppers		SSP Snacks	
CACFP Breakfasts		CACFP Lunches/Suppers		CACFP Snacks	
	3558		4595		0
Total Breakfasts		Total Lunches		Total Snacks	
1779	+	4595	+	0	=
(Total Breakfasts ÷ 2)		Total Lunches		(Total Snacks ÷ 3)	
Lunch Equivalents Based on Meal Counts					

Attachment M (Middle)

Adult revenue goes here. They are not a contract meal

Based on 18 Days of Service	
Total Revenue From Adult Meals (If Applicable):	\$ 325.25
Total Revenue From À la Carte Sales (If Applicable):	\$ 210.10
Total Revenue From Catering/Special Event Meals (If Applicable):	\$
Total Revenue From Concessions (If Applicable):	\$
Total Revenue From Vending Machine Sales (If Applicable):	\$
Total Extra CNP Revenue:	\$ 535.35

\$ 535.35	÷	4.25	=	125.96
Total Extra CNP Revenue		Meal Equivalency Rate (Current FY Free rate + incentive rate + USDA Foods)		Meal Equivalent Based on Extra Revenue

Adults Revenue should be the total the district should have received if not charging

This amount is will change every year. It will always be the same rate as the Adult/Contract lunch meal price in Schedule B

Adult lunches x rate on Attach B or more if charging more

Schools Gives the FSMC (Monthly)

- A copy of the Edit Check to know how much to bill for breakfast and lunch
- The number of contract meals served for breakfast and lunch
- The total revenue amount from A La Carte
- **Any other documentation needed for billing**

Schools Give the FSMC (Monthly)

- The total revenue amount from Adult/Visitor Meals
 - It is the amount the school *SHOULD* have collected not what actually collected
 - Adult meals revenue is the number of adults x the amount listed in Schedule B per meal service **or** if the district is charging more use the higher amount
 - Visitor meals is the amount of visitors x the amount you charge per meal service
 - Adult meal revenue amount + Visitor meal revenue dollar amount

Adult & Visitor Revenue Example

- **Required Price on Schedule B:** Lunch: \$4.70 & Breakfast: \$2.28
 - School charges Teachers: Lunch: \$2.50 Breakfast \$1.00
 - School charges Visitors: Lunch \$5.00 Breakfast: \$3.00

August Adult & Visitor Meals:

Teachers: Lunch: 138 meals Breakfast 25 meals

Visitors: Lunch: 32 meals Breakfast 0 meals

How to figure revenue amount: $(138 \times \$4.70) = \$142.70 + (25 \times \$2.28) = \$57.00 + (32 \times \$5.00) = \160

❖ **Total Adult and Visitor Revenue for Attachment M is \$359.70**

- G. The SFA shall be legally responsible for the conduct of the food service program and shall supervise the food service operations in such manner as will ensure compliance with the rules and regulations of the State Agency and USDA regarding each of the CNP covered by this contract.
- H. Per 7 CFR Part 210.9(b)(1), the SFA shall retain control of the CNP food service account and overall financial responsibility for the CNP. Maintain a nonprofit school food ~~service~~ and observe the requirements for and limitations on the use of nonprofit school food service revenues set forth in §210.14 and the limitations on any competitive school food service as set forth in §210.11.
- I. The SFA shall establish all selling prices, including price adjustment, for all reimbursable and nonreimbursable meals/milk and à la carte (including vending, adult meals, contract meals, and catering) prices. (Exception: Nonpricing programs need not establish a selling price for reimbursable meals/milk.) The PSMC must follow the SFAs unpaid meal charge policy.
- J. The PSMC shall operate with the SFA in promoting nutrition education and coordinating the SFA's food service with classroom instruction.
- K. The PSMC shall comply with the rules, regulations, policies, and instructions of the State Agency and USDA and any additions or amendments thereto, including USDA Regulation 2 CFR 200; 318-326, and Appendix II to Part 200; 7 CFR 210, 220, 243, 250; 2 CFR 400, 2 CFR 416, 2 CFR 417, 2 CFR 418; 7 CFR Part 215 (SMP), if applicable; 7 CFR Part 225 (SFSP), if applicable; and 7 CFR Part 226 (CACFP), if applicable; and all food nutrition, services, instructions, policies, and guidance, if applicable.
- L. Revenues to the nonprofit school food service must be used solely to operate or improve the nonprofit school food service. Scholarships, or any other fund outside the nonprofit school food service account, are not necessarily nor reasonable food service expenses and, therefore, cannot be funded from the SFA nonprofit school food service account. PSMC contracts may not contain provisions or allow noncontractual practices that provide for payments that do not accrue to the nonprofit school food service account.
- M. Computation of Lunch Equivalency Rate and Lunch Equivalents
1. Lunch Equivalency Rate: The rate is the sum of the total reimbursement received for each lunch meal served and claimed.

Lunch Rate	
Current Year Federal Free Rate of Reimbursement for Meal Pattern Performance <i>(Includes additional \$.08 incentive)</i>	\$
Current Year State Match Reimbursement Rate	\$
Current Year State Program Reimbursement Rate (If Applicable)	\$
Current Year Value of USDA Entitlement	\$
Current Year Value of USDA Bonus Donated Foods (If Applicable)	\$
Total Lunch Equivalent Rate	\$

This price will change every year to match the Schedule B

THIS IS A FIXED-PRICE

- N. Payment Terms/Method: The PSMC shall invoice SFA at the end of each month for amounts due based on on-site records. The SFA shall make payment within business days of the invoice date.

Attachment M (Bottom)

3. Grand Total of Meal Equivalents:

6374	+	125.96	=	6499.96
Lunch Equivalents Based on Meal Counts (Item 1 Above)		Meal Equivalents Based on Extra Revenue (Item 2 Above)		Grand Total of Lunch Equivalents

6499.96	x	3.15	=	20'474.89
Lunch Equivalencies		Bid Award Amount		Total \$ Amount Owed

This amount must match the contract on page 4, if a new contract, or the amount on the renewal agreement. It may be more if you are allowing the FSMC to charge for an employee transition

FIXED-PRICE CONTRACT REQUEST FOR PROPOSAL

Competitive Proposal—the FSMC will be paid at a fixed rate per meal/lunch equivalent.

The fixed price must include all labor (including bonuses, if any) and expenses as shown below. They may not be charged back to the SFA in any other manner. *The proposed fixed price should not include, or net out, the value of commodities (USDA Foods)*

- a. Menu development specific to the operation
- b. Nutrition education materials and program expense
- c. Design services specific to the operation
- d. Education programs via assembly programs, schoolroom programs, parent/teacher meetings, and school food advisory committee meetings
- e. Personal representation, visitation, and coverage on a regular basis by a principle of FSMC
- f. All accounting
- g. All payroll costs and documentation
- h. Administrative dietetic, nutritional, sanitation, and personnel advice
- i. All costs incurred in hiring and relocating, if necessary, the FSMC management team
- j. All training costs for FSMC employees
- k. All travel costs for training for FSMC employees
- l. All miscellaneous costs to operate the program: i.e., consumable marketing materials, posters, menu templates, proprietary printed materials
- m. One-time performance bond
- n. Depreciation for major new marketing programs as negotiated and approved in writing by the superintendent in advance

To be completed by the FSMC:

A. *Fixed Price Per Meal/Lunch Equivalent: \$ _____

The fixed price per meal/lunch equivalent will be subject to an annual escalation/de-escalation provision, made at the time of contract renewal (if any), based on the Consumer Price Index (CPI) for Food Away From Home. The specific CPI used will be equal to the CPI for all Urban Consumers, as of March of the current year (rounded down to the nearest cent). The only price increase allowed once contract is signed by both parties is the increase in the CPI.

* Because some of the provisions of the new meal pattern requirements do not go into effect until later, the FSMC needs to be aware of the new meal pattern implementation timeline. *Refer to the Appendix.*

**The price
charged will
be listed on
page 4 of the
RFP**

Charging the District

- The district cannot be directly billed
- The district cannot be charged differently than the price approved by OSDE
- The price can only change one time per year per the CPI
- **All charges to the district must be on the Attachment M**
 - The only exclusion is if the district is on FFVP and buying the fruits & vegetables from the FSMC

FOOD SERVICE MANAGEMENT COMPANY MONTHLY LUNCHEQUIVALENCY WORKSHEET

ATTACHMENT M

Month/Year:

Once the contract has been awarded, this form is to be used by the food service management company (FSMC) to show the school district the calculations for determining the lunch equivalencies for each month. Submit Attachments M and M1 to the SFA with the monthly invoice.

1. **Actual Meal Counts:** To make the meal count computation, include all Child Nutrition Programs that are a part of the contract (i.e., National School Lunch Program [NSLP] meals, School Breakfast Program [SBP] meals, After-School Snack Program [ASSP] meals, contract meals, Summer Food Service Program [SFSP] meals, Seamless Summer Program [SSP] meals, Child and Adult Care Food Program [CACFP] meals, if applicable). The number of lunches, breakfasts (2 breakfasts equal 1 lunch), and snacks (3 snacks equal 1 lunch) served to children shall be determined by actual count.

Based on Days of Services					
<i>Breakfast Meals</i>		<i>Lunch Meals</i>		<i>Snack Meals</i>	
Contract Breakfasts	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	Contract Lunches	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	Contract Snacks	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
SBP Breakfasts	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	NSLP Lunches	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	NSLP Snacks	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
SFSP Breakfasts	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	SFSP Lunches/Suppers	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	SFSP Snacks	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
SSP Breakfasts	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	SSP Lunches/Suppers	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	SSP Snacks	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
CACFP Breakfasts	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	CACFP Lunches/Suppers	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	CACFP Snacks	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
Total Breakfasts		Total Lunches		Total Snacks	
+ <div style="border: 1px solid black; width: 100px; height: 20px;"></div>		+ <div style="border: 1px solid black; width: 100px; height: 20px;"></div>		= <div style="border: 1px solid black; width: 200px; height: 20px;"></div>	
<i>(Total Breakfasts ÷ 2)</i>		<i>Total Lunches</i>		<i>(Total Snacks ÷ 3)</i>	
<i>Lunch Equivalents Based on Meal Counts</i>					

2. **Extra Revenue:** Based on extra revenue received—extra CNP revenue shall include sales from adult meals, à la carte sales to students and adults, and revenue from catering, vending machine sales, and concessions.

Based on Days of Service	
Total Revenue From Adult Meals (If Applicable):	\$ <div style="border: 1px solid black; width: 150px; height: 20px;"></div>
Total Revenue From À la Carte Sales (If Applicable):	\$ <div style="border: 1px solid black; width: 150px; height: 20px;"></div>
Total Revenue From Catering/Special Event Meals (If Applicable):	\$ <div style="border: 1px solid black; width: 150px; height: 20px;"></div>
Total Revenue From Concessions (If Applicable):	\$ <div style="border: 1px solid black; width: 150px; height: 20px;"></div>
Total Revenue From Vending Machine Sales (If Applicable):	\$ <div style="border: 1px solid black; width: 150px; height: 20px;"></div>
Total Extra CNP Revenue:	\$ <div style="border: 1px solid black; width: 150px; height: 20px;"></div>

Food Service Management Company Attachment M

District Name:				Month/Year:				Number Days of Service					
Did your school allow a Labor Transition fee?				Y or N		(If yes, fill out this box)				Comment:			
X				\$0.0000		= \$0.00							
# of employees being paid by the FSMC for this month		Rate per Employee from Transition				Total added to Bid Award							
		OR Max Rate Per Transition Plan											

1. Actual Meal Counts: To make the meal count computation, include all Child Nutrition Programs that are a part of the contract (i.e., National School Lunch Programs [NSLP] School Breakfast Program [SBP], After School Snack Program [ASSP], contract meals, Summer Feeding [SFSP], Child and Adult Care Food Program [CACFP]). The number of lunches, breakfasts (2 breakfasts = 1 lunch), and snacks (1 snack = 3 lunch) served to children shall be determined by actual count.

The numbers listed in this section must match the edit check. *Adult meals DO NOT go in this section.											
Breakfast Meals				Lunch Meals				Snack Meals			
Contract Breakfasts				Contract Lunches				Contract Snacks			
SBP Breakfasts				NSLP Lunches				NSLP Snacks			

Attachment M

Attachment M Example



Version 2: In Other Documents one includes labor and USDA Foods (Calculates) and one only includes a spot for USDA Foods

There is a 1 page and 2 page of Version 2

Upcoming

- This training (FSMC) will be on OSDE Connect
 - The link will be in Other Documents under Training Information (Give us one week to get it uploaded)
- FSMC RFP Walkthrough and Q&A will be held on March 13th at 1:30 pm
 - The zoom link can be found In Other Documents under Training Information
 - **This is *ONLY* for SFA or school district employees**

QUESTIONS?

Thank you for attending
today, for questions,
please call our office
405-521-3327



OKLAHOMA
Education