



JOY HOFMEISTER
STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

MEMORANDUM

DATE: February 26, 2018

TO: School Food Authorities (SFAs) Contracting With Food Service Management Companies (FSMCs)

FROM: Debbie Hamilton, Executive Director *DH*
Child Nutrition Programs (CNP)
Oklahoma State Department of Education (OSDE)

As a result of the latest United States Department of Agriculture (USDA) Management Evaluation (ME) conducted in May 2017, the following changes are required to be made to the CNP Request for Proposal (RFP) prototype:

1. All references to the use of *Invitation for Bid (IFB)*, *Bid*, or *Bidder* have been removed throughout the document. The new FSMC contract is now an RFP.
2. The USDA Nondiscrimination Statement was taken out of the front cover and replaced with the *Assurance Statement* from FNS 113, Appendix B.
3. Page 3, A: Added dates and that the contract is a one-year contract with the option of four 1-year renewals beginning July 1 of each year.
4. Page 3, B: Completely removed.
5. Page 4, first paragraph: The reference to determining the value of donated commodities has been moved to the USDA section.
6. Page 4, box in the middle of the page: *Commodity precrediting* as an option for FSMC contracts will no longer be allowed. Reference to precrediting removed.
7. Page 4, the verbiage below the box: *Deescalation* was added. Verbiage added *The only price increase allowed is if the Consumer Price Index (CPI) increases.*
8. Page 6, (2) (b): Added the number of references needed 2c. and 2f. Added the requirement that USDA Professional Standards must be met.

9. Page 6, (3): Added the verbiage *or equivalent financial documentation if a new company (in business one year or less)* . . .
10. Page 6, (4): Items (b), (e), and (f) were combined.
11. Page 7, 2a: Removed verbiage pertaining to General Fund required to contribute. This is not allowed.
12. Page 8, 2b: Added the following verbiage: *This is a fixed price contract and no additional negotiations for funds may be conducted once the price is finalized. If the LEA plans to increase salaries for LEA employees, this must be stated up-front and part of the original contract. It cannot be added during renewals.*
13. Page 8, 4: The information about a public opening was removed since this is an RFP. An RFP does not allow for a public opening and the RFP is due at the date and time specified in the contract.
14. Page 9, 8: Added the verbiage . . . *approved by the Oklahoma State Department of Education (OSDE) and signed by the LEA and the FSMC representatives.*
15. Page 11, Section I, B, second paragraph: The two *references* were removed. Verbiage was also added regarding checking any of the boxes that might be programs **to be** implemented (even if at a later date). If a program is added at a later date, this could result in rebidding the contract due to a material change to the contract. OSDE defines a material change as *a change that would result in a contract increase of \$150,000 or more*. For example, if adding the At-Risk Program to the contract would increase that contract \$150,000 or more, the contract must be rebid for the following renewal year.
16. Page 14, Section IV, USDA Donated Foods: Precrediting has been removed as this will no longer be an option. Each month the FSMC should show a credit on the SFA's monthly invoice for the amount of commodities received for that month.
17. Page 15, Section IV, K: *Oklahoma State Department of Education* was added to this item.
18. Page 17, Section VI, G: Added verbiage on the potable water requirement.
19. Page 20, Section X, C: Added verbiage on the requirement for substitution for special diets based on documentation from a state-recognized medical authority.
20. Page 22, Section XIX, A: Added the requirement of a performance bond.
21. Page 23, Section XX, B: Added the full regulatory citation for *Contract Work and Safety Standards Act* in 2 CFR 200, Appendix II E.

22. Page 23, Section XX, C: The *Oklahoma Equal Opportunity and Discrimination* statement was added.
23. Page 24, Section XX, F: The first box, *SAM.gov* was added.
24. Page 24, Section XX, H: The full regulatory citation from 2 CFR 200, Appendix II(I), was added.
25. Page 27, Section XXIV, B: The full regulatory citation from 2 CFR 200, Appendix II F, was added.
26. Page 28, Section XXV: OSDE modified what was formerly Section XXIV to which is now Section XXV which properly reflects necessary requirements for bonds in procurement regulations for an FSMC. If the SFA will require the FSMC to operate SFSP and the proposal for SFSP exceeds \$100,000, the FSMC will be required to obtain a bond. The bond must not be less than 5 percent and not more than 10 percent as determined by the Sponsor. A copy of the bond must accompany the contract.

Failure of BOTH parties to sign this addendum will result in the requirement to rebid the contract.

Signatures below certify agreement with the required changes to the contract for food service with _____ School District.

Date: _____

Food Service Management Company

School Food Authority Representative