



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

10E. Preview

Date: March 5, 2007

SUBJECT: FOOD SERVICE MANAGEMENT CONTRACT/CAFETERIA MEAL PRICE INCREASE

BOARD GOAL: All students will achieve educational excellence.

All systems in the Keller Independent School District will be effective, efficient, and accountable in support of the district's mission

FISCAL NOTE: Funded Through Food Service Revenues in Fund 240

ANTICIPATED DATE FOR ACTION: March 26, 2007

Background Information:

- School districts that contract with a Food Service Management Company (FSMC) under the National School Lunch Program (NSLP) and the School Breakfast Program (SBP) have the option to annually renew the contract for four one-year terms after the procurement year
- KISD is in the fourth year of a maximum 5-year agreement with Chartwells for management and operation of its food services program
- The district must consider renewal and notify TDA of its intent to renew or not by April 30, 2007

Administrative Considerations:

- An increase is requested by Chartwells for the administrative charge and the management fee, both of which are currently \$.036 per meal

- An increase of 2.08% is requested, based on the 12-month change in the CPI from January 2006 to January 2007, which is the allowable methodology for determining such increases under current federal and state FSMC guidelines
 - The current administrative charge and management fee of \$.036 each would be increased to \$.0367 per meal with this adjustment
 - This amounts to an increase of \$.70 per each 1,000 meals and meal equivalents sold
 - Last year's fee adjustment was 3.51%
 - The current guarantee of \$120,786 remains in effect with the same conditions that were agreed upon for the 05-06 and 06-07 school years
- As with last year, Chartwells and the district are mutually determining a list of goals for the 2007-08 school year, which will be presented with the contract amendment in its final form on March 26
 - A draft copy of the proposed contract amendment for 2007-08 is attached, along with financial and meal count data for the 05-06 and 06-07 years
 - It is anticipated that the administration will recommend renewal of the FSMC contract with Chartwells at the March 26 Board meeting

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Respectfully submitted,

Bill Stone, Asst. Supt.
Business Operations