



CHELSEA
SCHOOL DISTRICT

BUSINESS OFFICE

500 Washington Street
Chelsea, MI 48118
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www.chelsea.k12.mi.us

Date: April 24, 2019

To: Dr. Julie Helber, Superintendent

From: Michelle Cowhy, Assistant Superintendent Finance & Admin. Svc.

Re: Annual Food Service Contract Renewal

Each year the district is required to complete an annual renewal application through the Michigan Department of Education to renew our food service contract with Chartwells. We must submit documents and get approval from them prior to taking to you for your approval.

We sent in the attached documents and received our approval on April 15, 2019 for the 2018-2019 school year from MDE. I have also attached the approval letter from MDE.

I recommend that you approve the renewal of Chelsea School District's contract with Chartwells for the 2019-2020 school year.



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

SHEILA A. ALLES
INTERIM STATE SUPERINTENDENT

April 15, 2019

RECEIVED

APR 23 2019

**SUPERINTENDENT'S
OFFICE**

Dr. Julie Helber, Superintendent
Chelsea School District
500 Washington Street
Chelsea, MI 48118-1144

Re: Agreement No. 81040

Dear Dr. Helber:

On April 9, 2019, the Michigan Department of Education (MDE) received your request for renewing its food service management contract (FSMC) with Chartwells for the 2019-2020 school year and has approved the following:

1. Equivalent Meal Factor – change \$3.4625 current equivalent meal factor to \$3.5450 per USDA/MDE guidelines. This represents an increase of 2.38% from the previous year.
2. The current management fee of \$0.0159 per meal will increase by 2.5% to the new management fee of \$0.0162 per meal.
3. The current administrative fee of \$4,299.15 per month will increase by 2.5% to the new administrative fee of \$4,406.62 per month for 10 months.
4. The advance payment of \$30,000 will remain the same.
5. The Current CPI-U for December 2018 is 2.8%.
6. There are no guarantees for the 2019-2020 school year.
7. There is no client investment planned for the 2019-2020 school year.

MDE concurs with the school district's recommendation that the contract be renewed with Chartwells for the 2019-2020 school year and be taken to the school district's Board of Education for approval. Once the board approves the contract renewal, a signed copy of the Agreement Page and the Contract Renewal Agreement must be forwarded to MDE for its files. If the school board should make any changes to the contract, these changes must be forwarded to MDE for its approval before the contract renewal can be signed by the school district.

The contract with Chartwells is for a one-year period from July 1, 2019, to June 30, 2020, going from July 1st to June 30th thereafter.

STATE BOARD OF EDUCATION

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Dr. Julie Helber
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April 15, 2019

If MDE can be of further assistance to you or your approved FSMC, please contact the Food Service Contract Unit staff at mde-fsmc-vended@michigan.gov or 517-241-5348.

Sincerely,



Diane L. Golzynski, Director
Office of Health and Nutrition Services

dlg:rz:ck

Chelsea School District
School District Name

July 1, 2015
Date of Original Contract

81040
District Number

Year of Renewal (circle) 1 2 3 (4)

Contract Renewal Agreement - FSMC Cost Reimbursable Contract

This document contains the rates and fees for the furnishing of food service management for nonprofit food service programs for the period beginning July 1, 2019, and ending June 30, 2020. The terms and conditions of the original contact are applicable to the contract renewal.

The bidder shall not plead misunderstanding or deception because of such estimates of quantities, or of the character, location, or other conditions pertaining to the proposal.

RATES MUST NOT BE ROUNDED UP. DO NOT EXCEED TWO DECIMAL PLACES.

	<u>2018/19 Rate</u>	<u>2019/20 Rate</u>	<u>Percentage Change/Increase**</u>
1. Reimbursable Breakfasts	1. NA	1. NA	1. NA
2. Reimbursable Lunches*	2. NA	2. NA	2. NA
3. A la Carte Meal Equivalents*	3. NA	3. NA	3. NA
4. Management Fee Per Meal (Breakfasts and Lunches) and Meal Equivalent (A la Carte)	4. 1.59 cents	4. 1.62 cents	4. 2.5%
5. Administrative Fee Per Meal or Month	5. \$4,299.15 per mth/10 mths	5. \$4,406.62 per mth/10 mths	5. 2.5%
6. Equivalent Meal Factor	6. \$3.4625	6. \$3.545	6.
7. At Risk Suppers*	7. NA	7. NA	7. NA
8. After School Snacks	8. NA	8. NA	8. NA
9. Advance Payment, if any (flat amount)		9. \$30,000.00	9.

*Rates must be the same.

**Percentage increase must not exceed the allowable increase established in the original contract.

By submission of this proposal, the FSMC certifies that, in the event it receives a renewal award under this solicitation, the FSMC shall operate in accordance with applicable program laws and regulations. This agreement shall not exceed one year.

Signed: Belinda Oakley
Food Management Company Representative
Belinda Oakley, CEO, Chartwells K12
Title

3/6/19
Date

Acceptance of Contract Renewal Agreement

Signed: _____
School Food Authority Representative

Title

Date

Acknowledgement for FSMC Contract Renewal

By submission of the contract renewal documents, the School Food Authority (SFA) of **Chelsea School District** acknowledges its responsibilities as outlined in the food service contract, including the overall operational and financial responsibility for the Child Nutrition Programs.

The SFA certifies it has carefully examined its food service contract and the following Michigan Department of Education (MDE) administrative policy memorandums:

1. Food Service Contracts Administrative Policy No. 2: Guidance on Material Changes and Review Requirements for Food Service Management Company and Vended School Meals Company Contracts, School Year 2018-2019
2. Food Service Contracts Administrative Policy No. 3: Guidance on Oversight and Monitoring Food Service Contracts, School Year 2018-2019
3. Food Distribution Administrative Policy No. 1: Proper Crediting of USDA Donated Foods Value, School Year 2014-2015

Additionally, the SFA acknowledges it is required to conduct monthly (or at least quarterly) invoice reconciliations of its food service contract to ensure compliance with Federal law.

The SFA certifies staff of **Chelsea School District** directly and independently conduct reconciliations of food service contract invoices to verify the following: usage and crediting of USDA Foods; allowable costs; the accuracy of fees and/or per meal charges; as well as the application of proper purchase rebates, discounts, and credits in accordance with the district's food service contract.

The SFA further acknowledges it may be required to submit copies of any and all books and records pertaining to the food service contract including, but not limited to, food service contract invoices with supporting documentation from the FSMC or Vendor, internal SFA reconciliation materials, distributor invoices, and all other related documents.

Michelle Cowhy
Signature of SFA Representative

3/21/19
Date

Michelle Cowhy
Name of SFA Representative

AGREEMENT PAGE – FSMC Contract Renewal

This bidder certified that he/she shall operate in accordance with all applicable State and Federal laws and regulations.

This solicitation/contract, attachments, and the RFP proposal of the successful bidder, with addenda, if any, constitute the entire agreement between the SFA and FSMC. The parties shall not execute any additional contractual documents pertaining to this RFP, except as permitted by applicable law.

This Agreement shall be in effect for one year and may be renewed by mutual agreement for four (4) additional one-year periods.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representative on this day and year.

Date of Original Contract:

7/1/2015

Contract Renewal Year:

4

ATTEST:

Name of SFA

Signature of SFA Representative

Name

Title

Date

Signature of Witness for SFA

ATTEST:

Compass Group USA, Inc.,
by and through its Chartwells Division

Name of FSMC



Signature of FSMC Representative

Belinda Oakley

Name

CEO, Chartwells K12

Title

3/6/19

Date



Signature of Witness for FSMC