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**Memorandum**

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To: Michael Kapolka, Superintendent  
From: Marcus Kaemming, Assistant Superintendent  
Subject: Annual Food Service Contract Renewal  
Date: March 24, 2026

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Mr. Kapolka,

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 MDE prior to sending the renewals to you for approval.

We sent the attached documents and received our approval on March 5, 2026 for the 2026-2027 school year from MDE. I have also attached the approval email from MDE.

We recommend that you approve the renewal of Chelsea School District's contract with Chartwells for the 2026-2027 school year.

The Equivalent Meal Factor was set by USDA/MDE guidelines at \$5.14 and the management fees increased by 2.5% per our contract agreement.

Thank you for your consideration,  
Marcus Kaemming

School Year 2026-2027  
**Food Service Management Company**  
**Contract Renewal Agreement**  
**(COST REIMBURSABLE CONTRACT)**

**Note: Do not complete this tab if sponsor has a Fixed Price contract.**  
**Use the Fixed Price Agreement form on next tab.**

<b>Sponsor Name</b>				<b>Agreement Number</b>	
Chelsea School District				81040	
<b>Food Service Management Company Name</b>				<b>Year of Original Contract</b>	
Compass Group USA, Inc. by and through its Chartwells Division				2025	

This document contains the rates and fees for the furnishing of food service management for non-profit food service programs for the period beginning **July 1, 2026, and ending June 30, 2027**. The terms and conditions of the original contract are applicable to the contract renewal. The Consumer Price Index for All Urban Consumers (CPI-U) for the Midwest Region for December 2025 is 4% as released by the U.S. Bureau of Labor Statistics. The Equivalent Meal Factor increased from \$4.9700 to \$5.14 for SY 2025-2026.

This Contract Renewal Agreement, attachments, and the original Contract, with addenda, if any, constitute the entire agreement between the Sponsor and the Food Service Management Company. The parties shall not execute any additional contractual documents pertaining to this Contract, except as permitted by applicable law.

<b>RATES MUST NOT BE ROUNDED UP</b>					
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Fee Items	Current SY 25-26 Rate <i>(must match what was approved by MDE for the SY 25-26 renewal)</i>	Percentage Rate of Increase		New SY 26-27 Rate**	Note:
		% Per Original Contract	Other Agreed Upon % for SY 26-27*		
1. Management Fee per Meal (breakfast and lunch) and Meal Equivalent (a la carte)	\$ 0.0300	2.5%	2.5%	\$ 0.0307	*Only percentage rates lower than the original contract's percentage rate may be negotiated and/or agreed upon by both parties (such as 0%) for renewals. Higher negotiated percentage rates are <b>not</b> allowed; a rebid for new contract terms will be necessary.  **Price Per Meal and Meal Equivalents must be quoted as if <b>no</b> USDA Donated Commodities will be received.  ***Planned Client Investment refers to any planned dollar amount the FSMC will invest on the Sponsor's behalf to improve the food service program (such as the purchase of large kitchen equipment or improvements to serving lines, etc.). The Sponsor will pay back that dollar amount to the FSMC over a specified time period as agreed upon by both parties.
2. Administrative Fee per Meal or Month	\$ 5,200.00	2.5%	2.5%	\$ 5,330.00	
3. Reimbursable Breakfasts	N/A	N/A	N/A	N/A	
4. Reimbursable Lunches	N/A	N/A	N/A	N/A	
5. A la Carte Meal Equivalents	N/A	N/A	N/A	N/A	
6. After School Snacks	N/A	N/A	N/A	N/A	
7. At Risk Suppers	N/A	N/A	N/A	N/A	
8. Special Milk	N/A	N/A	N/A	N/A	
9. Has the SY 26-27 budget been agreed upon by the Sponsor and FSMC? (yes/no)		NO			
10. Advance Payment dollar amount for SY 26-27, if any	\$	30,000.00			
11. Guaranteed Return dollar amount for SY 26-27, if any		N/A			
12. Planned Client Investment*** dollar amount for SY 26-27, if any		N/A			
13. Has the Sponsor made any changes to the scope of service in the last year?	<input checked="" type="checkbox"/> Mark all that apply.		<b>Describe Changes Made in the Last Year</b>	<b>Addendum or Amendment Approved by MDE (yes/no)</b>	
	<input type="checkbox"/> Added or closed a site(s) <input type="checkbox"/> Began a new child nutrition program, such as CACFP, SFSP, FFVP, etc. <input type="checkbox"/> Made changes to meal types served, such as adding snacks or suppers <input type="checkbox"/> Added a vendored meal agreement/contract with another sponsor <input type="checkbox"/> Added an alternate agreement with another local education authority (LEA) <input type="checkbox"/> Made changes to revenue, such as catering, concessions, vending machines, etc. <input type="checkbox"/> Other (describe)				

<b>Before MDE Approval - Both parties must sign this portion prior to GEMS/MARS upload.</b>	<b>After MDE Approval</b>	
The Food Service Management Company (FSMC) certifies that it will operate in accordance with all applicable State and Federal laws and regulations. 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. The FSMC shall not plead misunderstanding or deception because of such estimates of quantities, or of the character, location, or other conditions pertaining to the proposal. This Agreement shall not exceed one year.  IN WITNESS WHEREOF, both parties agree to the terms specified on this Contract Renewal Agreement and hereto have caused this Agreement to be signed by their duly authorized representative on this day and year.	<b>FOR MDE USE ONLY</b>  Michigan Department of Education (MDE) has reviewed and approved this Food Service Management Company Contract Renewal Agreement for School Year 2026-2027.	
	<b>MDE Reviewer Signature</b>	<b>Date Approved</b>
	<i>Tammy Saul</i>	<i>3/5/26</i>
<b>FSMC's Authorized Representative Signature</b>	<b>Sponsor must sign this section AFTER MDE's review/approval in GEMS/MARS.</b>	
<i>AJ Shaffer</i>	The Sponsor may proceed with this item at the next board meeting for approval and obtain the authorized Board Representative signature and date below. Once the contract renewal is fully executed, it is the Sponsor's responsibility to upload a copy of the final, fully executed FSMC Contract Renewal Agreement form into GEMS/MARS and submit a copy to the FSMC.	
<b>Printed Name/Title</b>	<b>Sponsor's Board Representative Signature</b>	
Amy Shaffer, CEO, Chartwells K12	<b>Date</b>	
<b>Sponsor's Authorized Representative Signature</b>	<b>Printed Name/Title</b>	
<i>[Signature]</i>	<b>Date</b>	
<i>2/19/26</i>	<b>Printed Name/Title</b>	
<i>Michael Kapulka</i>		



Nicole Lechner <nlechner@chelseaschools.org>

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## Contract Renewal Approval - Chelsea

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**MDE-GEMS** <noreply-mde-gems@notifications.michigan.gov>

Thu, Mar 5, 2026 at 4:21 PM

Reply-To: MDE-GEMS <MDE-GEMS@michigan.gov>

To: mkapolka@chelseaschools.org

Cc: nlechner@chelseaschools.org, ndarby@chelseaschools.org, mkapolka@chelsea.k12.mi.us, SaulT1@michigan.gov, ZavalaR1@michigan.gov

03/05/2026

Michael Kapolka  
Chelsea School District Agreement #81040  
[500 WASHINGTON ST](#)  
[CHELSEA MI 48118](#)

Dear Michael Kapolka:

The Michigan Department of Education (MDE) has received your request for renewing the food service management company contract with Chartwells for the 2026-2027 school year and has approved the following:

1. The current management fee of \$0.0300 per meal will increase by 2.5% to the new management fee of \$0.0307 per meal.
2. The current administrative fee of \$5,200.00 per month will increase by 2.5% to the new administrative fee of \$5,330.00 per month for 10 months.
3. The advance payment will be \$30,000.
4. There are no guarantees for the 2026-2027 school year.
5. There is no client investment planned for the 2026-2027 school year.

MDE agrees with the recommendation that the contract be renewed with Chartwells for the 2026-2027 school year. It is ready for approval by the sponsor's Board of Education. After it is approved, signed copies of the Contract Renewal Agreement must be uploaded to MDE in GEMS/MARS. Upload the document in the **Final Signed Documents section of the Food Service Contract Renewals (26-27)**. If the board makes any changes to the contract, these changes must be sent to MDE for approval before the contract renewal can be signed by the sponsor.

This renewed contract is in effect from July 1, 2026, to June 30, 2027.

If you have any questions or have contract changes, please send an email to [MDE-FSMC-Vended@michigan.gov](mailto:MDE-FSMC-Vended@michigan.gov) with "Contract Renewal" in the subject line.

Sincerely,

Emily Ross, RDN  
Procurement Compliance Manager  
Food Distribution Unit  
Office of Nutrition Services  
Michigan Department of Education  
[RossE@michigan.gov](mailto:RossE@michigan.gov)

Dr. Deanne K. Kelleher, RDN  
Director, Office of Nutrition Services  
State Child Nutrition Director  
Michigan Department of Education