

**Chartwells School Dining Service
Food Service Budget-Cost Reimbursable
Scurry-Rosser ISD**

School Year: 2015-2016

Revenues:

Cash Sales

Student Breakfast Sales	\$	15,048.00
Student Lunch Sales		104,771.00
Student Snack Sales		-
Student a la Carte Sales		74,675.00
Adult Sales		9,926.00
Catering Sales		\$788
Interest Income		-
Concession Sales		-
Vended Meals Sales		-
Total Cash		\$ 205,208.00

State and Federal Reimbursement/Funding:

National School Lunch Program	\$	188,437.00
School Breakfast Program		56,413.00
Afterschool Care Program		-
Summer Food Service Program		-
Seamless Summer Option		-
State Matching Fund		2,409.00
Commodities Received		26,425.00
Other Funding		-
Total Reimbursements		\$ 273,684.00

Total Revenues

(= All Cash Sales + All Reimbursements)	\$	478,892.00
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**Scurry-Rosser ISD
FOOD SERVICE BUDGET (cont.)**

Expenses

Gross Food Costs	\$	216,805.00
Food Delivery Cost		-
Commodities Used		26,425.00
Commodity Delivery		2,200.00
Commodity Processing		-
Total Food Costs	\$	245,430.00
Labor Costs (#FTE/PTE)		
FSMC Salaried Employees FTE: <u>1</u> PTE: <u> </u>		
Base Gross Salary	\$	-
Educational Assistance		-
Incentive Payments		-
Bonus		-
Merit Increase		-
Retirement/IRA		-
401K, 403 (b) (7)		-
Fringe Benefits		-
Payroll Taxes		-
District/FSMC Hourly Staff		
Gross Salaries	\$	115,071.00
Fringe Benefits		38,973.00
Payroll Taxes		20,883.00
Other Payroll Costs		
Worker's Comp.		-
Other & TRS		-
Total Labor Cost	\$	174,927.00

**Scurry-Rosser ISD
FOOD SERVICE BUDGET (cont.)**

FSMC Fees	Administrative Fee Costs	\$	20,476.00
	Management Fee Costs		16,045.00
	Total Fees	<u>\$</u>	<u>36,521.00</u>
 FSMC Direct Costs			
	Paper and Disposable Goods	\$	15,365.00
	Cleaning Supplies	\$	2,911.00
	Replacements/smallwares	\$	-
	Contracted Labor - Specify	\$	-
	Travel	\$	2,000.00
	Insurance Expenses	\$	6,191.00
	Communication	\$	-
	Office Supplies	\$	500.00
	Postage	\$	-
	Bank Deposit Services	\$	-
	Uniforms & Laundry	\$	1,000.00
	Other Delivery & Freight/NonFood	\$	-
	Advertising, Promotions & Menus	\$	-
	Marketing/Franchise & Décor	\$	-
	Equipment Repair	\$	-
	Outside Services	\$	-
	Training	\$	500.00
	Security Background Check	\$	-
	Miscellaneous - Property Tax	\$	25.00
	Total FSMC Direct Costs	<u>\$</u>	<u>28,492.00</u>

**Scurry-Rosser ISD
FOOD SERVICE BUDGET (cont.)**

SFA Direct Costs

Miscellaneous - Specify	\$	-
Total SFA Direct Cost	\$	-
Total Direct Costs	\$	<u>28,492.00</u>

FSMC Indirect Costs

FSMC Charges		
A. Technology Allocated Charges	\$	5,631.00
B. Other Technology Charge	\$	-
Insurance Allocated Charges	\$	-
Other Allocated Charges-Amortization	\$	-
Franchise Charges	\$	-
Performance Bond	\$	1,990.00
Other Indirect Cost Categories	\$	-
Total FSMC Indirect Costs	\$	<u>7,621.00</u>

Total Discounts, Rebates, Applicable Credits, allowances or incentives from FSMC Suppliers credited to LEA	\$	24,378.00
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Total Expenses = all food costs+all labor costs+all fees+all direct costs+all indirect costs-total discounts,rebates,applicable credits.	\$	<u>468,613.00</u>
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Surplus/Subsidy = Total Revenues - Total Expense	\$	<u>10,279.00</u>
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FSMC Guaranteed Return	\$	10,000.00
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FSMC Employee Responsible for submission of this budget data:

Name: Jennifer Boesch

Telephone: 512-382-9427

EXHIBIT F

METHODOLOGY FOR ALLOCATED COSTS

Scurry-Rosser Independent School District

Per RFP requirements, our proposal has used an A la Carte Equivalent factor of \$3.288.

MEAL EQUIVALENCY RATE	
Lunch Rate	
Current Year Federal Free Rate of Reimbursement	\$3.04
Current Year State Match Reimbursement Rate	\$0.0255
Current Year State Program Reimbursement Rate (If Applicable)	\$0.00
Current Year Value of USDA Entitlement Donated Foods	\$0.2475
Current Year Value of USDA Bonus Donated Foods (If Applicable)	\$0.00
Total Meal Equivalency Rate:	\$3.288

Fringe is determined through an annual analysis of the payroll taxes and workers comp run rates for the state we are operating in. The 2015 rates for the state of Texas are as follows:

- 1) FICA – 6.20% up to maximum \$117,000 salary
- 2) SUTA – 7.31% up to maximum \$9,000 salary
- 3) FUTA - 0.60% up to maximum \$7,000 salary
- 4) Medicare - 1.45%
- 5) Workers Comp is 4.65%
- 6) Performance Bond rate will be \$4.50 per \$1,000, as required by TDA (Texas Department of Agriculture)

Insurance Coverage:

It is a requirement in all Texas NSLP contracts that the Food Service Management Company (FSMC) carry minimum liability insurance coverage. Risks covered in this category include general liability, employment practices liability, umbrella liability, pollution, fiduciary, crime and directors and officers liability. In order for Chartwells to be in compliance with USDA regulations, our methodology for allocating liability insurance charges shall be a percentage of revenue method. Our liability insurance is calculated and charged out based on a combination the following: geographic area for Texas, claims experience within industry, and level of reserves required to be held under self-assurance regulations and paid premiums. Liability Insurance is allocated based upon the volume of the account, and is subject to CPI increases. The amount allocated to Scurry-Rosser ISD for the 2015-2016 school year will be \$0.0383 cents per meal.

Information Technology System

- CHAT Training Kits: \$23 per month
- My Finance Monthly maintenance allocation: \$80 per month
- MyCompass website: access forms, information, resources, menus - \$150 per year
- Computer: \$135 per month
- MyStaff Payroll System: \$25 per month
- Nutrislice: \$125 per month
- Webtrition Nutritional Analysis: \$75 per month

Guaranty Language

Exhibit I – Schedule of Terms for FSMC Guaranty

The text set forth on Exhibit I is deleted and replaced with the following:

1. SFA agrees that all SFA Direct and Allocated Expenses (“Expenses”) are clearly listed in the RFP and this Contract, and for the purposes of computing SFA’s foodservice financial position for the school year 2015-2016, these expenses shall not exceed \$0.00. Should the Expenses to the food service program remain at or below this amount, FSMC will reimburse SFA in the event there is a Deficit (“Expenses exceeding Revenues”). In the event the Expenses exceed this amount and there is a Deficit, SFA shall use prior foodservice fund balances or funds from non-foodservice accounts to remedy the deficit situation to the extent such Expenses were exceeded.

In no circumstance, excepting the case of clear negligence on the part of FSMC, shall FSMC be held accountable for amounts above the agreed upon Expenses as it pertains to any liability regarding a breakeven budget.

In the event of an increase to the mutually agreed upon Expenses in subsequent years, FSMC shall have the right to increase meal and a la carte pricing to offset such increase. The parties shall make all reasonable efforts to cap such increases at a rate equal to or below the increase to the relevant Consumer Price Index (“CPI”).

2. Guaranteed Return. The FSMC guarantees that the return to the SFA from the food service program (exclusive of the cost of equipment repairs, maintenance, replacements, and smallwares) for the 2015-2016 school year will be \$10,000. If the annual operating statement shows a profit less than \$10,000, the FSMC will reduce its fee by the difference between the actual and the guaranteed amount, but in no event shall the reimbursement obligation exceed \$10,000. The Guaranteed Return is based on the following conditions and assumptions remaining in effect for the school year or contract year, as applicable.

CONDITIONS

- a) Cash and/or reimbursement levels from State and Federal sponsors do not fall below the levels estimated in FSMC’s proposed budget.
- b) The value of USDA donated foods will not be less than the value of USDA donated foods estimated in FSMC’s Proposal (if year one) or the previous Agreement year.
- c) The number of days meals are served during the school year will not be less than:

<u>School Category</u>	<u>Breakfast</u>	<u>Lunch</u>
Elementary Schools	175 days	175 days
Middle Schools	175 days	175 days

High Schools

175 days

175 days

- d) Changes in district policies, practices and serving requirements including but not limited to changes in bell schedules, meal service periods or proposed staffing may result in an adjustment.
- e) The student enrollment for the current year will not be less than 988 students.
- f) The level of wages, salaries and fringe benefits will not exceed those included in FSMC's Proposal. In the event of an increase in wages or fringe benefits payable to employees as a result of unionization or changes in minimum wage rates or taxes, the guarantee shall from the date of increase in wages, minimum wage rates, taxes or fringe benefits be adjusted by such actual increase.
- g) The number of participating health insurance participants does not exceed the level of participants in FSMC's Proposal.
- h) Any SFA employees' vacation/sick time accumulated prior to the effective date of this Agreement will remain the sole responsibility/liability of SFA.
- i) The selling prices of Menu Pattern Meals and a la carte selections will not be less than those included in FSMC's Proposal.
- j) Service will not be interrupted as a result of fire, work stoppage, strike or school closing.
- k) SFA and its representatives including but not limited to, school principals, teachers and SFA employees shall fully cooperate with FSMC in the implementation of the Food Service Program. SFA shall fully cooperate with FSMC to limit the expansion of competitive food sales in order to maximize the gross receipts and other non-cash sales of the Food Service Program.
- l) SFA shall have timely submitted all documentation for reimbursement claims, except where such failure is due to an act or omission of FSMC.
- m) Changes in legislation (including but not limited to the Healthy Hunger Free Kids Act and the Affordable Care Act), regulation, reimbursement rates, meal components or quantities required by the National School Lunch Program or changes in the State's school nutrition policies will affect the guarantee in proportion to the impact of such change.
- n) There shall be no material changes in vendor prices throughout the year.
- o) Due to the volatile nature of raw material costs, FSMC and SFA shall review quarterly the costs associated with paper and plastic supplies and fuel surcharges on deliveries. Any changes in FSMC's cost shall result in an adjustment to the guarantee.

- p) FSMC's guarantee is based on revenue amounts and service levels/requirements set forth in the RFP. Should a shortfall in any of these revenue amounts or service levels/requirements set forth by SFA occur, the guarantee shall be adjusted accordingly.
- q) Make-up days due to inclement weather shall have equal or greater sales revenue as a normal day of operation for the period in which the inclement weather cancellation occurred.
- r) There are no bad debts, including losses from uncollectible accounts. In the event there are bad debts/uncollected funds, such amounts shall be factored into the guarantee as if they were collected in full.
- s) The number of students eligible for free and reduced price meals will be no less than that estimated in FSMC's Proposal.
- t) The following variable SFA expenses charged to the Food Service budget by SFA must be identified and capped so as not to exceed the following amounts:
 - a. SFA expenses in the amount of \$0.00
- u) In the event labor costs are higher than that budgeted by FSMC as a result of SFA not providing the collective bargaining agreement in connection with the RFP, the guarantee shall be adjusted by such amount.
- v) In the event labor costs are higher than budgeted by FSMC as a result of SFA providing incomplete or inaccurate information regarding salary and benefit costs, the guarantee shall be adjusted by such amount.
- w) If meals are to be provided to charter schools or any other outside entity, the number of such meals ordered shall be mutually agreed upon.
- x) USDA donated foods received by SFA are compatible with the menus outlined in FSMC's Proposal.
- y) The information in the RFP remains unchanged, capital commitments are used as proposed, and FSMC has the ability to implement the food service program as set forth in FSMC's Proposal.

In the event the foregoing conditions are not met during the school year, FSMC's guarantee obligation shall be reduced by an amount equivalent to any increased cost or loss of revenue attributable to the changes in such conditions.