



**Board Meeting Date:** 4/17/2023

**Title:** Food Service Management Contract – 2023-2024 School Year

**Type:** Action

**Presenter(s):** Mert Woodard, Director, Business Services

**Description:** Prior to the start of the 2022-2023 school year the District conducted a request for proposals (RFP) process to select a vendor to provide the District with school nutrition management services. Various District stakeholders were involved in the RFP process, including, but not limited to, Board members, District administration, the District's appointed sourcing agent, families of students, and students. A district-wide survey was also an element of the selection process. Compass Group USA, Inc. through its Chartwells division was selected to continue as the District's school nutrition manager.

During the 2022-2023 school year the District has sought feedback from students, staff, and the Food Wellness Committee regarding Chartwells' performance. The feedback indicates that Chartwells has met expectations and has improved its quality of service over the prior year.

**Recommendation:** Authorize the District administration to execute all agreements necessary to exercise the District's option to extend the current school nutrition management services contract with Compass Group USA, Inc., by and through its Chartwells division, by one year, with the term ending June 30, 2024.

**Desired Outcomes from the Board:** Review the enclosed attachments.

**Attachments:**

1. Food Service Management Sourcing Summary - 2022
2. Food Service Management Contract Renewal School Year 2023-24

## Sourcing Summary (2022)

### General Information

<b>Organization:</b>	ISD #273 – Edina Public Schools	<b>Date:</b>	6/20/2022
<b>Department:</b>	Administration	<b>Category:</b>	Vended Meal (Food Service Management)

### Process Notes

<b>Process used</b>	RFP/B process as defined by the Minnesota Department of Education (MDE)
<b>Notes</b>	<ol style="list-style-type: none"> <li>1. Chartwells has been the incumbent provider under a 'Fixed Price' contract</li> <li>2. District &amp; Chartwells (incumbent) completed survey of food services in district</li> <li>3. PTO Committee was invited to take an active role in assessing options for this mandatory process</li> <li>4. While the district requested proposals for both contract structures ('Fixed Price' and 'Cost-Reimbursable'), the District ultimately chose to that pursue Cost-Reimbursable contract structure as its flexibility is a better fit for the collaborative relationship with the community (families, students) in designing future menus.</li> <li>5. All lunches have been subsidized in current school year therefore sales data and free/reduced meal count estimates were based on 2019 results with adjustments made based on enrollment numbers for 2021-22 school year.</li> </ol>
<b>Vendors contacted:</b>	<ul style="list-style-type: none"> <li>• Aramark (no submission)</li> <li>• Chartwells (submitted)</li> <li>• Genuine Foods (no submission)</li> <li>• SFE (submitted)</li> <li>• Sodexo (no submission)</li> <li>• Taher (submitted)</li> </ul>

### Evaluation Process

Proposals were reviewed by:

1. PTO Committee\*
2. School Board Representative
3. District-level Operations Director
4. Principal from an Edina school

\*PTO Committee scoring is a composite of three evaluations and approved by the committee leadership

### Proposed Pricing

Meal Type	Proj. Annual Meals	Chartwells - Per Unit	SFE - Per Unit	Taher - Per Unit	Chartwells	SFE	Taher
Breakfast	106,166	\$1.55	\$3.68	\$3.38	\$164,557.30	\$390,935.06	\$358,841.08
Lunch	485,886	\$3.23	\$3.68	\$3.38	\$1,570,869.44	\$1,789,178.02	\$1,642,294.68
Ala Carte Equivalent	260,393	\$3.23	\$3.68	\$3.38	\$841,850.57	\$958,845.14	\$880,128.34
Milk	15,776	\$0.30	\$0.25	\$0.35	\$4,732.80	\$3,944.00	\$5,521.60
Admin Fee (excludes Milk)	852,445	\$0.18	\$0.13	\$0.06	\$153,440.10	\$109,283.45	\$51,146.70
<b>Totals</b>					<b>\$2,735,450.21</b>	<b>\$3,252,185.67</b>	<b>\$2,994,699.81</b>

### Cost-Reimbursable Contract Proposal Scoring\*

FSMC	Chartwells				SFE				Taher					
Evaluator	PTO	Admin/School Board			PTO	Admin/School Board			PTO	Admin/School Board				
Score	83.4	92	100	96	87.3	86	91	92	94.4	77	87	94		
Composite Score				92.8	Composite Score				89.1	Composite Score				88.1

\*See next page for complete scoring review

### Recommendation

Based on the compilation of the proposal evaluations, the recommendation of the District is to move implement the Cost-Reimbursable (structure) agreement with Chartwells. This agreement is structured year-to-year allowing the district future flexibility if there is future lack of satisfaction in the vendor's performance at the same time allowing up to four (4) years of partnership should all parties be satisfied.



## School Nutrition Programs Renewal of Food Service Management Contract School Year 2023-24

Food service management contracts that started in 2019-20 or later may be renewed for the 2023-24 contract year if both parties have mutually agreed to renew.

Federal regulations for the National School Lunch Program (NSLP), at 7 Code of Federal Regulations section 210.16 and Minnesota Statutes section 123B.52, allow a food service management contract to be renewed for a term not to exceed one year for up to four renewals (a total of five years including the original contract).

This renewal document must be used to meet NSLP requirements and for contract payments to be allowable costs to the nonprofit school food service. No changes may be made to this renewal document without preapproval by the Minnesota Department of Education (MDE), except for the information required to be inserted by the school food authority.

### 1. Definitions

“SFA” is the school food authority (school district, nonpublic school or residential child care organization) contracting for food service management.

SFA: ISD #273 Edina Public Schools

Cyber-Linked Interactive Child Nutrition Systems (CLICS) Identification Number: 1000003881

“Company” is the company providing food service management to School.

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

“Original contract” is the first year of the food service management contract, which was competitively procured and specified the terms for contract renewals.

The original contract was for school year 2022-23.

### 2. Renewal of Contract

SFA and Company mutually agree to renew the original contract for the term indicated below, not to exceed one year.

This is the 2nd year of the contract, counting the original year of the contract and renewals.

Start Date for Renewed Contract: 07/01/2023 End Date for Renewed Contract: 06/30/2024

### 3. Adjusted Meal Prices

SFA and Company have mutually agreed to 2023-24 prices or fees as shown below. The maximum amount that 2023-24 prices or fees may be increased is 8.8 percent (Consumer Price Index (CPI-U), Food Away from Home, Midwest Region, for the twelve months ending December 2022).

Check one:

☐

Fixed Meal Price Contract – Prices are adjusted as shown below.

☒

Cost-Reimbursable Contract – Fees are adjusted as shown below.

The fixed price(s) or fixed administrative fee(s), and the calculation of the revised price(s) or fee(s), are shown below:

Meal Service	2022-23 Price or Fee	Percent Increase (maximum 8.8%)	2023-24 Price or Fee
Fixed Admin Fee per meal- breakfast	\$ .18	<u>5</u> %	\$ .189
Fixed Admin Fee per meal - lunch	\$ .18	<u>5</u> %	\$ .189
Fixed Admin Fee per meal- after school snack	\$ 0.0	<u>0</u> %	\$ 0.0
Fixed Admin Fee per meal- milk	\$ 0.0	<u>0</u> %	\$ 0.0

### 4. Meal Equivalency Factor

The meal equivalency factor for school year 2023-2024, used to determine the number of lunches that the a la carte food service revenue is equivalent to for billing purposes, is \$4.95.

### 5. Value of USDA Foods

Contract prices do not take into account the value of USDA Foods that Company will receive during the contract year. Company will continue to credit SFA for USDA Foods received for the renewed contract year.

At the time that this contract renewal is sent to MDE, the SFA must include a completed Reconciliation of Credits for USDA Foods form to show that USDA Foods have been fully credited during the 2022-23 contract year.

### 6. Non-Financial Adjustments

☒

No material changes have been made since the original contract.

☐

Minor non-financial adjustments for renewal, if any, are described here:

## 7. Revised Program Requirements

Company agrees to meet all SNP requirements including requirements that become effective during the renewed contract year.

## 8. Termination

Either party may terminate the contract for cause as allowed in the original contract. The contract may be terminated for (no cause) if the partners mutually agree to terminate for convenience.

### SIGNATURES

School Food Authority: ISD #273 Edina Public Schools

Address: 5701 Normandale Road

Authorized Representative: Mert Woodard

Title: Director of Business Services

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

School Food Authority Contact: Mert Woodard

Title: Director of Business Services

Phone: \_\_\_\_\_

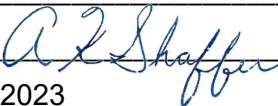
Email: \_\_\_\_\_

Company: Compass Groups USA, Inc. by and through its Chartwells Division

Address: 2400 Yorkmont Road

Authorized Representative: Amy Shaffer

Title: CEO

Signature: 

Date: 3/31/2023

Company Contact: Kirsten Kruizenga

Title: Director of Dining Services

Phone: \_\_\_\_\_

Email: Kirsten.Kruizenga@compass-usa.com

# Independent Price Determination Certificate

Both the SFA and the FSMC shall execute this Independent Price Determination Certificate.

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

**ISD #273 Edina Public Schools**

Name of FSMC

Name of SFA

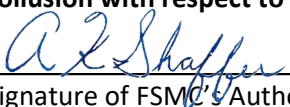
By submission of this offer, the FSMC certifies, and in the case of a joint offer, each party thereto certifies as to its own organization, that in connection with this procurement:

1. The prices in this offer have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other FSMC or with any competitor.
2. Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed to the FSMC and will not knowingly be disclosed by the FSMC prior to opening in the case of an advertised procurement or prior to award in the case of a negotiated procurement, directly or indirectly to any other FSMC for the purpose of restricting competition.
3. No attempt has been made or will be made by the FSMC to induce any person or firm to submit or not submit an offer for the purpose of restricting competition.

Each person signing this offer on behalf of the FSMC certifies that:

1. He or she is the person in FSMC's organization responsible within the organization for the decision as to the prices being offered herein and has not participated, and will not participate, in any action contrary to 1 through 3 above; or
2. He or she is not the person in FSMC's organization responsible within the organization for the decision as to the prices being offered herein, but that he or she has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate in any action contrary to 1 through 3 above, and as their agent does hereby certify; and he or she has not participated, and will not participate, in any action contrary to 1 through 3 above.

**To the best of my knowledge, this FSMC, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any government agency and have not in the last three years been convicted of or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as follows:**

  
Signature of FSMC's Authorized Representative

**CEO**  
Title

**3/31/2023**  
Date

In accepting this offer, the SFA certifies that no representative of the school food authority has taken any action that may have jeopardized the independence of the offer referred above.

\_\_\_\_\_  
Signature of SFA  
Authorized Representative

**Director of Business Services**  
Title

\_\_\_\_\_  
Date

## INSTRUCTIONS FOR DEBARMENT CERTIFICATION FORM

1. By signing and submitting this form, the prospective lower-tier participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower-tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower-tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower-tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower-tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted to obtain a copy of those regulations.
5. The prospective lower-tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower-tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower-tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion — Lower Tier Covered Transactions," without modification, in all lower-tier covered transactions and in all solicitations for lower-tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower-tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, search the records on the System for Award Management (SAM). [View the SAM website.](#)
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower-tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies as appropriate, including suspension and/or debarment.

# CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

## LOWER-TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Executive Order 12689, and 31 U.S.C. 6101; Debarment and Suspension, 2 CFR Part 417, Subpart C, Responsibilities of Participants Regarding Transactions Doing Business with Other Persons.

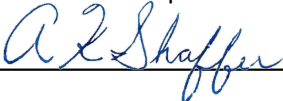
(Please read instructions on next page before completing Certification.)

1. The prospective lower-tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
2. Where the prospective lower-tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Company Name: Compass Groups USA, Inc. by and through its Chartwells Division

Project Name: National School Lunch Program

Name/Title of Authorized Representative: Amy Shaffer/CEO

Signature: 

Date: 3/31/2023



## CERTIFICATION REGARDING LOBBYING


The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a federal contract, the making of any federal grant, the making of a federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment or modification of a federal contract, grant, loan or cooperative agreement;
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Company Name: Compass Groups USA, Inc. by and through its Chartwells Division

Project Name: National School Lunch Program

Name/Title of Authorized Representative: Amy Shaffer/ CEO

Signature: 

Date: 3/31/2023