



**PROSPECT HEIGHTS DISTRICT 23  
FINANCE COMMITTEE  
MEMORANDUM**

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**Date:** November 2, 2020

**Title:** Proposed Cost Increase & Amendment to the District's Food Service Contract

**Contact:** Amy McPartlin, Assistant Superintendent for Finance & Operations

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Much like we saw last spring, ISBE has provided guidance to districts regarding the renegotiation of service contracts to account for the increased costs based on the current COVID-19 environment. Unfortunately, the agreed upon meal rate was awarded on a bid that contemplated a complete school year with certain levels of attendance, participation, projected meal counts, ala carte sales and several other factors that will most likely not come to fruition this year due to the ongoing pandemic.

As we jointly bid with Wheeling CCSD 21, the meal rates in the awarded bid are dependent on the program looking and operating like it would during a traditional school year at both districts, which unfortunately does not look like it will be the case during this school year. Organic Life is requesting an increase towards the current breakfast rate by \$1.00 and lunch rate by \$1.00 to help offset some of the additional PPE, sanitation, food and packaging costs associated with the modified pandemic meals service program.

District 23 has taken issue with this request and has attempted to renegotiate at a lesser increase. However, as the District participates in a cooperative agreement, our options for stand-alone pricing are limited. If we were to split from Wheeling District 21, the cost of total meals including labor, at our bid rates, even with COVID-19 increases, would be impossible for Organic Life to sustain. The competitive bid rate for District 23 as a stand-alone district would be estimated between \$3.98-\$4.42/meal, significantly higher than the current cost of \$1.37/\$2.37 for breakfast and \$2.34/\$3.34 for lunch (bid price/bid price with proposed increase).

Currently District 23 is providing daily lunch and breakfast at no cost, to all in-person students. Through our weekly meal distributions, we continue to offer meal support to all children under the age of 18 in our community. All of these meals are fully reimbursable. The "good news" is that with the extension of the Summer Food Service Program, through June 30th, also comes the increased rate of reimbursement of an additional \$1 per meal, that will be used to cover the cost of meal and minimize the impact of the proposed cost increase, still allowing the District to realize a small profit on each meal.

The formalized amendment has been attached for the Committee's review. We are requesting approval of the proposed increase with action to be taken by the Board of Education at the November 11th meeting.