



**NORTH SLOPE BOROUGH SCHOOL DISTRICT**

**M E M O R A N D U M**

**TO:** Nancy Rock, President  
Members of the School Board

**THROUGH:** David Vadiveloo, Chief School Administrator

**THROUGH:** Fadil Limani, Chief Financial Officer

**THROUGH:** Craig Jones, M&O Director

**FROM:** Fadil Limani, prepared on behalf of M&O *FL*

**DATE:** June 13, 2022

**SUBJECT:** Authority to Proceed and Negotiate with- Nana Management Services

**Memo No. SB22-216  
(Action Item)**

DocuSigned by:  
*David Vadiveloo*  
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**2020-2025 STRATEGIC PLAN SUMMARY**

- 1.0 STUDENT SUCCESS:** All students will reach their intellectual potential and achieve academic success through integrating Iñupiaq knowledge systems into the core content areas and focusing on the development of the Whole Child.
- 1.2 ATTENDANCE:** Cultivate an environment where attendance is valued, encouraged, and supported and implement a culturally integrated calendar that is aligned across the district to increase attendance and expand options for students.
- 1.7 STUDENT WELL-BEING:** Support the physical, nutritional, mental and social-emotional health of all students.
- 2.4 STUDENTS AND STAFF IN COMMUNITY:** Facilitate staff involvement in community and village events and integrate student community projects into unit development to foster the spirit of volunteerism.
- 4.0 FINANCIAL & OPERATIONAL STEWARDSHIP:** Effectively employ our operational and financial resources to support the long-term stability of the district.
- 4.2 FINANCIAL STEWARDSHIP:** Ensure financial management based on what is best for our students.
- 4.3 LEARNING ENVIRONMENT AND SUPPORTS:** Create student-centered schools incorporating culture beyond curriculum into all aspects of our work including facilities and operations.

**Background:**

The National School Lunch Program (NSLP) is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. It provides

nutritionally balanced, low-cost or no-cost lunches to children each school day. The program was established under the Richard B. Russell National School Lunch Act, signed into law by President Harry Truman in 1946. About 7.1 million children participated in the NSLP in its first year. Since then, the Program has reached millions of children nationwide: 1970: 22.4 million children; 1980: 26.6 million children; 1990: 21.1 million children; 2000: 27.3 million children; 2010: 31.8 million children; and 2016: 30.4 million children.

The Food and Nutrition Service (FNS) of the United States Department of Agriculture (USDA) administers the Program at the Federal level. At the State level, the NSLP is administered by the Department of Education and Early Development through the Child Nutrition Program.

The NSLP is generally operated by public or non-profit private schools of high school grade or below. Public or non-profit private residential child care institutions may also participate in the NSLP, and charter schools may participate in the NSLP as public schools. Participating school districts and independent schools receive cash subsidies and USDA Foods for each reimbursable meal they serve. In exchange, NSLP institutions must serve lunches that meet Federal meal pattern requirements and offer the lunches at a free or reduced price to eligible children. School Districts can also be reimbursed for snacks served to children who participate in an approved afterschool program.

The School District has participated and continues to participate in the NSLP Program including the School Breakfast Program and the Fresh Fruit & Vegetable Program. The School District's revenues surrounding the Child Nutrition Cluster is in excess of \$1 million annually. In addition, the NSLP Program plays a significant role surrounding the E-Rate eligibility and funding received annually from the Federal Communications Commissions (FCC) through the administration of the Universal Service Administrative Company (USAC). The NSLP Program is a highly complex program and provides for significant food program audit compliance requirements including Federal Single Audit requirements as set out in the Uniform Guidance.

**Timeline:**

On or about April of 2020, the School Board through the Food Service Committee directed the School District administration to conduct an assessment of the Food Service Program including the possibility of outsourcing it to a third party in an effort to provide additional nutritional value such as fresh milk, fish, freshly prepared meals, and fresh fruit and vegetables. Since this was a priority of the School Board, the administration included this in the FY2021 Budget in which the North Slope Borough provided an additional \$1M dedicated to the Food Service Program.

The District Administration made an attempt to entertain discussions with the third-party vendors surrounding the assistance they may be able to provide surrounding the Food Service Program, however that was short lived due to the staffing changes within the School District operations and the COVID-19 shut down. The District proceeded to order the FY21 Food Service order, however due to COVID-19 and the lack of inventory management system in place at the Food Service operations, the District ordered more food than it needed to or have adequate space to

safely store the new food inventory. As a result, the site administrators had to give the food away to the outlying communities.

For the FY22 Food Order, the District had employed a permanent M&O Director and Coordinator and took an immediate action to address the Food Service concerns that had materialized at the Board level including taking a conservative approach toward the FY22 Food order.

On or about October of 2021, the State of Alaska Department of Education and Early Development through the Child Nutrition Program had conducted a preliminary and informal assessment of the School District's Food Service operations and noted areas of concern and needing improvement. At that time, the NSLP Coordinator from DEED strongly recommended to the School District the possibility of outsourcing the Food Program to ensure compliance of the Food Program with the State and Federal program audit requirements.

In December of 2021, the M&O Director had an informal discussion with NMS based on DEED's recommendation and see in what capacity they may be able to assist our School District.

On January 24, 2022 the District administration held a Food Committee meeting to discuss the Food Service Program and the two options (Option 1- Maintaining Existing Structure or Option 2-Outsourcing of the Food Program). Based on the information presented, the Food Committee unanimously supported option 2 of outsourcing the Food Service Program. Subsequently, as part of the Legislative Fly-In in Juneau, the District Administration was able to schedule a site inspection of one of the Juneau Schools and their Food Service Director to discuss their experience in outsourcing of the Food Program. The School District individuals for this meeting consisted of the Board President, Board Clerk, M&O Director and the CFO. During our meeting, we learned that the Juneau School District had seen a significant increase in enrollment of approx. 35 % including significant financial savings as a result of outsourcing the Food Program to NMS.

Following the meeting in February 2022 and understanding USDA's bidding requirements, the School District worked with the Department of Education and Early Development, specifically the Child Nutrition Program to approve the Request for Proposal (RFP), that conformed to USDA's requirements prior to posting. The School District received approval from the State Agency on March 30, 2022. The School District finalized and released the RFP for advertisement on April 8, 2022. On April 21, 2022, NMS Management met with the Chief School Administrator, M&O Director and CFO as highlighted in the RFP document.

The School District received and evaluated the bids on May 4, 2022 noting NMS was the only and successful bidder. On May 16, 2022, the District administration scheduled a meeting with the Food Service Committee to discuss the RFP. As a result of the meeting and requirements of the RFP, the recommendation was to bring the underlying proposal before the entire School Board for an authority to proceed and enter into contract negotiations.

Since the Food Service Inventory will become an integral part of the negotiations, NMS has requested to conduct an inventory observation in all of our School sites including reviewing our FY23 Food order to ensure adequate quantities and the food ordered meeting their expectations for the FY23 operations as NMS would purchase the School Districts existing and new incoming food inventory and reimburse over a period of 12 months.

**Proposed Motion:**

“I move that the NSBSD Board of Education authorize the Chief School Administrator and the Chief Financial Officer to proceed and enter into negotiations with Nana Management Services surrounding the School District’s Food Service Program commencing on July 1, 2022. Once a mutual understanding of the operating contract has been reached by both parties, the contract will be brought before the Board of Education for adoption and ratification on or prior to July 1, 2022.”

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

Vote: \_\_\_\_\_