

MEMO



TO: Big Lake School Board

FROM: Angie Manuel, Director of Business Services

DATE: July 20th, 2026

SUBJECT: Renewal of Food Service Management Contract

The food service contract renewal with Chartwell's is attached for your review. This marks the fifth year of our partnership with Chartwells under the current food service management contract. State law allows the original contract plus 4 renewals for a total of 5 years. At the end of 5 years, the District must solicit proposals for a food service management company using federal procurement standards. Since the District will be at the end of the allowable 5 years of renewals, request for proposals will be solicited this coming winter for the 2027-2028 fiscal year and beyond.

The contract renewal proposes a cost-reimbursable contract, which is the same as prior years, and an increase of 4.0% to the administrative fees. The administrative fee paid to Chartwell's would change to 22.97 cents per meal, from the 25-26 contract of 22.09 cents per meal. This is the maximum increase in administrative fees allowed by the Food and Nutrition division of the Minnesota Department of Education. Last year's increase in administrative fees was 3.1%. The 4.0% increase represents the current inflationary environment.

I have been very pleased with our Chartwells food service director and area manager. They are both an asset to our district and genuine partners who consistently keep our best interests in mind. They especially provide valuable support with ongoing state and federal regulations.

One item to note is the contract renewal template was not released by MDE until June 30th, 2026. MDE has indicated they will accept contracts approved after July 1st, retroactive to July 1st, 2026, due to the late release of the template.

I recommend approval of the 2026-2027 contract renewal with Chartwell's.