

MEMORANDUM

TO: NWABSD Board of Education
Members

DATE: June 6, 2023

NUMBER: 23-143

FR: Office of the Superintendent

SUBJECT: Approval of FY24
Contract; NANA
Management Services,
Food Service for All K-12
Sites

ABSTRACT:

Board approval is required for all service contracts over \$50,000.

ISSUE:

At issue is the approval of the Food Service Contract between NWABSD and NANA Management LLC (NMS) for Fiscal Year 2023-2024, not to exceed \$3,600,000.00

BACKGROUND AND/OR PERTINENT INFORMATION:

The School District went out to Request for Proposals for Food Service Management for FY22 with the option to renew the contract for up to four (4) years through FY26. Nana Management Services, LLC was the single proposer that the district had, and is offering competitive prices for their services (see below).

Meal	Current Pricing	Pricing for FY24	Increase
Breakfast	\$4.89	\$5.28	8%
Lunch	\$9.04	\$9.76	8%
Seconds	\$3.24	\$3.50	8%

The breakfast and lunch meals are partially reimbursed through the National School Lunch Program, Summer Food Service Program, or Single Summer Option. The District is not reimbursed for seconds; therefore, those costs are supported by the District's food service program which in a typical year is a transfer from the general operating fund. In FY24 the District's food service program will be supported by COVID Relief Funding (ESSER III).

NMS has had a hard time retaining staff members with the amount of school closures there are. On top of the 8% increase per meal served, they are requesting that the District pay a fee of \$800 per day for any non-operational school closure, i.e., for school staff shortages, weather, safety, etc.

From FY15 through FY21 the average amount paid to NMS for meals is approximately \$2,800,000, \$2.3 million being the lowest and \$3.1 million being the highest. I suggest setting the not to exceed contract amount at \$3,600,000 to cover any large upticks in student meals.

ALTERNATIVES:

1. Approve the All K-12 Sites Food Service Contract between NWABSD and NANA Management Services LLC for Fiscal Year 2023-2024, as presented.

2. Disapprove the All K-12 Sites Food Service Contract between NWABSD and NANA Management Services LLC for Fiscal Year 2023-2024, as presented;
3. Take no final action.

ADMINISTRATION'S RECOMMENDATION:

The Administration recommends the Board approve the All-Sites Food Service Contract between NWABSD and NANA Management Services LLC for Fiscal Year 2023-2024, not to exceed \$3,600,000, as presented.



Revised-

May 31, 2023

Terri Walker
Superintendent
Northwest Arctic Borough School District
RE: Food Services Contract Renewal for 2023/2024 School Year

Dear Ms. Walker:

Thank you for giving us this opportunity to continue our partnership. It has been a privilege and a pleasure working with you and The Northwest Arctic Borough School District, and we look forward to continuing our strong partnership for the 2023/2024 school year and beyond. We truly value our relationship!

We continue to face challenges due to extraordinary cost increases. We are seeing cost increases of over 22% overall and all-time low breakfast participation numbers, far lower than the agreed-upon RFP.

This year, we have also had many school closures due to weather and the KVL school issues.

Our cost increases are broken down as follows -

- Labor increases - up 9% year over year (healthcare 17%)
- Food cost increases – up 9% year over year
- Supply cost increases – up 11% year over year
- Freight cost increases – up 28% year over year
- School closures – School closures.

To help offset the cost increases outlined above, NMS requests an 8% price increase.

Our new pricing would be as follows –

Fixed meal price for Student and Adult Breakfast -	\$5.28
Fixed meal price for Student and Adult Lunch -	\$9.76
Seconds-	\$3.50

In addition, for unforeseen closures, NMS proposes a charge to cover our costs when a school closes unexpectedly. Please understand that to keep employees, NMS must pay them when a school closes. NMS is proposing a fee of \$800 per day for any non-operational closure, i.e., for closures due to the district's staff shortages, weather, or any other reason not on the district's calendar at the beginning of the school year.

Please don't hesitate to give me a call with any questions.

Sincerely,

Scott Evers
Area Manager
Food & Facilities Management
907-952-9702

CC: Megan Williams
Director of Administrative Services