

Livonia Public Schools

Business Services Office

Date: May 21, 2013

To: Randy Liepa, PhD., Superintendent

From: Lisa Abbey, Director of Business Services

Re: Review of Renewal for Food Service Cooperative Agreement with
Plymouth-Canton Community Schools

As you know, we have a two year cooperative agreement with Plymouth-Canton Community Schools (PCCS) to provide Food Service Management for Livonia Public Schools.

We have been very pleased with the program and we are recommending a two year extension of the agreement. Attached is a detailed memo from Nick Armelagos about the program and the cooperative agreement (attached). Nick's memo also notes the term of the agreement and the termination options for each district.

We would like to review the renewal of the cooperative food service agreement with at the Tuesday, May 28, 2013 Finance Committee meeting. Thank you.

LA/kp

Attachments

c: Board of Education

Memo

To: Dr. Randy Liepa, Superintendent
From: Nick Armelagos, Administrator of Finance
Date: 5/23/2013
Re: Food Service Cooperative Agreement between Livonia Public Schools and Plymouth Canton Community Schools

Attached please find a new two year Food Service cooperative agreement between Livonia Public Schools (LPS) and Plymouth Canton Community Schools (PCC-S). This new agreement is for the period beginning July 1, 2013 and ending June 30, 2015.

Back in August 2011, LPS entered into the original two year agreement with PCCS with the intentions of sharing the services of PCCS's Director of Food Service, revamping the entire Food Service program at LPS and deriving some cost savings from the combined purchasing power of the two districts. I believe the students and the entire school district at large have benefitted from this agreement and recommend that LPS enter into a new two agreement with the option to renew on a year to year basis.

Also attached is a bullet point review of the main highlights/changes to LPS's Food Service Program of the first two years of the agreement with PCCS such as:

- A 8% and 31% increase in lunch and breakfast meals served from FY 11
- Breakfast served at all locations
- Food Courts implemented at all three high schools
- Fruit and vegetable carts implemented at the lower/upper elementary and middle schools
- All staff training for new Federal meal guidelines in FY 13
- Managers utilizing technology to place food orders on-line

The new agreement includes a new provision to share the services of PCCS's Registered Dietician (RD) and pay one third (1/3) of her salary and benefits. The justification is based on the following:

In January 2012 – the federal government passed the Healthy Hunger Free Kids Act with mandatory implementation to begin July 2012. This new act makes it mandatory that we implement new nutrition guidelines in stages over the next five years. Part of that implementation is validation from the state as to compliance to the new meal patterns which includes submission of nutritional analysis and menu cycle with weekly and daily requirements. Both districts were successful in passing the review. The use of a RD brought great validation with the Michigan Department of Education (MDE) as both districts went through the compliance process. Also throughout the first two years of the agreement, LPS has

utilized the PCCS RD to assist with concerns from parents on dietary needs and allergy issues at LPS and as soon as parents find out we are working with an RD it puts them at ease. I believe there is justification with the new federal laws that if LPS Food Service were working without a cooperative agreement that we would need to hire the services of an RD ourselves. The annual cost for one third of the RD's wages and benefits will be approximately \$18,000.

Finally the new agreement does not include any excess surplus sharing with PCCS that was in the first agreement and a thirty (30) day termination provision for any defaults by either party.

Thank you for your consideration.

FOOD SERVICE COOPERATIVE AGREEMENT BETWEEN LIVONIA PUBLIC SCHOOLS AND PLYMOUTH-CANTON COMMUNITY SCHOOLS

THIS AGREEMENT is made and entered into on this 1st day of July 2013, by and between PLYMOUTH-CANTON COMMUNITY SCHOOLS, of Plymouth, Michigan, 48170, Party of the FIRST PART, and hereinafter referred to as P-CCS, and Livonia Public Schools, of Livonia, Michigan, the Party of the SECOND PART and hereinafter referred to as LPS.

RECITAL

The P-CCS and LPS desire to share services and work cooperatively to operate food service programs providing services that exceed the high expectations of its constituents, and whereas the districts believe working cooperatively will enhance operations to achieve this goal, the districts hereby agree to enter into a contract to:

1. Share the services of P-CCS's Director of Food Service
2. Purchase food supplies from common vendors
3. Training and professional development
4. Programming
5. Share the services of P-CC's Registered Dietician and pay 1/3 of the salary and benefits

The parties agree that this cooperative agreement will continue for a period of two years to include the 2013-2014 and 2014- 2015 school years. Agreement will thereafter be renewed on year to year basis unless either party provides the other with written notice of its intent to terminate this agreement no later than April 1st of each year.

WITNESSETH:

The said P-CCS for and in consideration of the agreement and covenants hereinafter mentioned, THAT IT IS FURTHER MUTUALLY AGREED AND UNDERSTOOD AS FOLLOWS:

1. P-CCS shall not cause or allow any liens to be filed against said districts as a result of any of cooperative activities.
2. As consideration herein, P-CCS shall receive payment from LPS for:
 - a. Reimbursement of half of the P-CCS Director of Food Service's wages and benefits on a monthly basis. The first payment for said reimbursement shall be due and owing as of the 10th day of July 2013 and payment shall continue in a like manner during the term of this agreement.
 - b. Reimbursement of P-CCS Director of Food Service expenses associated with operation of LPS food service program
 - c. Reimbursement for agreed upon training and professional development
 - d. Reimbursement of 1/3 time, of the P-CCS Registered Dietician and benefits on a monthly basis. The first payment for said reimbursement shall be due and owing as of the 10th day of July 2013 and payment shall continue in a like manner during the term of this agreement.

3. Where applicable and deemed appropriate, P-CCS and LPS shall reimburse the other party for actual percentage cost of shared purchases or services. These purchases and/or services may occur from time to time where volume discounts apply to bulk or volume discounts.
4. P-CCS and LPS shall pay all operating expenses relating to such food service operations within their individual districts, and shall furnish all labor, equipment and all other equipment and supplies necessary to provide meal services in accordance with the usual food service practices in this area, and shall comply with all government programs and regulations as applicable.
5. This agreement is not to be assigned, in part or in whole, by P-CCS or LPS, without the written permission of the other party.
6. This agreement shall be binding upon and inure to the benefit of and be obligatory upon the parties hereto.
7. This agreement is not intended to create nor does it create any partnership or joint venture between P-CCS and LPS, and neither party hereto is liable for the debts of any other party hereto.
8. It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the state of Michigan.
9. LPS agrees not to hire any P-CCS staff assigned to provide services associated with this agreement for a period of not less than two years after the expiration of termination.
10. In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney's fees.
11. P-CCS and LPS, at their own cost and expense during the term of this agreement, shall maintain and keep in effect liability insurance, workers compensation, unemployment and all necessary agreements to pay obligations and defend itself against claims
12. This agreement shall not in any way interfere with any non-food service operations present or future of either party.
13. This agreement may be terminated in the event of default by any party hereto, by giving notice of such default, in writing, served upon the offending party by mailing, giving the offending party thirty (30) days in which to correct the default; and if not so corrected, the agreement terminates. The parties hereto may also avail themselves of any remedy provided for under the then existing laws of the State of Michigan.
14. The invalidity of any provision of this agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.
15. This agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.
16. Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing signed by either party or any authorized representative of each party.

IN WITNESS WHEREOF, both parties have hereunto set their hands on this 1st day of July 2013.

By: _____ Livonia Public Schools

By: _____ PLYMOUTH-CANTON COMMUNITY SCHOOLS

Witness:

By: _____