



May 27, 2020

Jennifer

Good Afternoon

As we discussed, Edvocate recommends the District to approve the 2020-2021 Food Service Renewal with Chartwells under the following parameters:

- No increase to Student meal prices
- Guarantee of \$52,000
- FSMC Fee increase of 2.0% to \$0.1581

Why the Guarantee is lowered from \$78,000 to \$52,000

- No increase in Student Meal Prices
- Impact of the Mandated Minimum Wage - \$15,000(increase in Chartwells payroll costs)
- Uncertainty of the elimination of the block lunch at the High School
- Uncertainty of COVID 19 School Closures

Edvocate renewal process

- Negotiated no increase to student meal prices, even though Chartwells costs increased due to minimum wage increase
- Negotiated a guaranteed return of \$52,000
- Negotiated FSMC Fee increase of 2.0% to \$0.1581 even though 3% was allowable
- Chartwells wanted a break-even renewal, with no surplus guaranteed. This was based on February 2020 YTD ACTUAL forecasted into their 2020-2021 Budget. Other reasons Chartwells gave for a break-even was the impact of the minimum wage, uncertainty of the elimination of the High School block lunch and the uncertainty of the COVID-19 school closures.
- Initially we were able to get them to increase to \$35,000 – which was the guarantee amount of the only other proposal for 2019-2020
- After continued negotiations with the Chartwells DM we were able to get the Guarantee raised to \$45,000. The DM was not authorized to go any higher.
- We then contacted Chartwells Regional Vice President and was able to negotiate the Guarantee to \$52,000
- Was informed that Chartwells would not renew at anything higher than \$52,000
- Negotiated Chartwells fee increase of the allowable 3% down to 2% to help offset.
- Recommended the \$52,000 to district because history showed that was still the best deal.

Sincerely,

A handwritten signature in blue ink that reads "Bill Gerichter".

Bill Gerichter
President, Edvocate, Inc.