

GLASSBORO SCHOOL DISTRICT

Monthly Board Items

**Date Submitted:**

5/18/2020

Proposed Effective Date:

7/01/2020

Submitted by:

Jennifer Johnson, Business Administrator

Position/Item:

Food Service Management Company

Proposed cost/amount:

\$52,000.00

Funded Through:

Cafe

Board Action Requested:

Recommend approval of attached resolution to renew 2020-2021 contract for Food Service Management with Chartwells.

Details and Ramifications:

The management fee will increase 2% from \$0.1550 to \$0.1581 per meal and the food service management guarantee will decrease from \$78,339 to \$52,000.

Concerns:

The minimum wage increase resulted in an additional salary costs of approximately \$15,000.

Other Comments:

During negotiations, the districts position was to not increase student lunch prices and Chartwells agreed to not increase the management fee to the current CPI index of 3%.

**Glassboro Board of Education
Resolution Awarding Food Service Contract
To Compass Group USA, Inc.**

Approve and award a contract for School Food Service Management for the 2020-2021 school year, to Compass Group USA, Inc., by and through its Chartwells Division ("Chartwells"), located at 3 International Drive Rye Brook, NY 10573. It is the recommendation of the Business Administrator that the Glassboro Public Schools Board of Education award the contract to Chartwells is subject to the following contractual provisions:

The Food Service Management Company shall receive, in addition to the costs of operation, a Management Fee of Fifteen and eighty-one hundredths cents (\$.1581) per breakfast meal, lunch meal served and meal equivalents. This fee shall be billed monthly as a cost of operation. The District guarantees the payment of such costs and fee to the Food Service Management Company.

The number of National School Lunch Program, and if applicable, Breakfast Program, At-Risk Afterschool Meals Program, SFSP and After School Snacks Programs, meals served to children shall be determined by actual count. A "Meal Equivalent" provided by Chartwells is determined by dividing the total of cash receipts, other than from sales of National School Lunch Program, and if applicable, Breakfast Program, At-Risk Afterschool Meals Program and After School Snacks Programs, meals, or Cash Equivalents, by the Equivalency Factor. The Equivalency Factor used to determine the number of Meal Equivalents served by Chartwells shall be the amount of \$3.66

The per meal management fee of \$.1581 will be multiplied by total meals.

Chartwells guarantees that the return to the District from the Food Service Program for the school year will be \$52,000. If the annual operating statement shows a return less than \$52,000, Chartwells will pay the difference between the actual and the guaranteed amount. The Guaranteed Return is based on the following conditions and assumptions remaining in effect for the school year.

- Cash and/or reimbursement levels from State and Federal sponsors do not fall below the levels estimated in Chartwells' proposal.
- The value of USDA donated foods will not be less than the value of USDA donated foods estimated in Chartwells' proposal.
- The number of days meals are served during the school year will not be less than:

School Category	Lunch	Breakfast
Elementary Schools	175 days	180 days
Middle Schools	175 days	180 days
High Schools	175 days	180 days

- Changes in district policies, practices and serving requirements including but not limited to changes in bell schedules, meal service periods or proposed staffing may result in an adjustment.
- The student enrollment for the current year will not be less than 1,950 students.
- The SFA and its representatives including but not limited to, school principals, teachers and SFA employees shall fully cooperate with Chartwells in the implementation of the Food Service Program. The SFA shall fully cooperate with Chartwells to limit the expansion of competitive food sales in order to maximize the gross receipts and other non-cash sales of the Food Service Program.
- The SFA shall have timely submitted all documentation for reimbursement claims, except where such failure is due to an act or omission of Chartwells.
- Changes in legislation (including but not limited to the Healthy Hunger Free Kids Act and the Affordable Care Act), regulation, reimbursement rates, meal components or quantities required by the National School Lunch Program or the Smart Snacks in Schools Program will affect the guarantee in proportion to the impact of such change.
- The actual costs charged to the Food Service Enterprise Account by the SFA shall not exceed the projected operating expenses as follows:
 - Ongoing contract monitoring in the amount of \$12,240

- Annual Point-Of-Sale System service and system maintenance fees of \$3,500

In the event the foregoing conditions are not met during the school year, Chartwells' guarantee obligation shall be reduced by an amount equivalent to any increased cost or loss of revenue attributable to the changes in such conditions.
