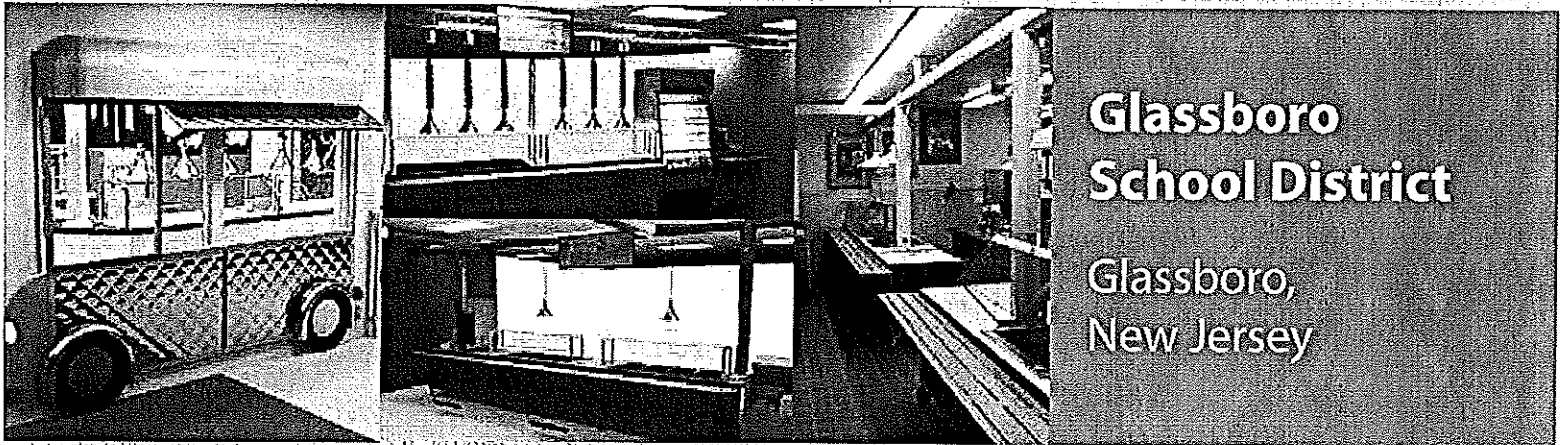
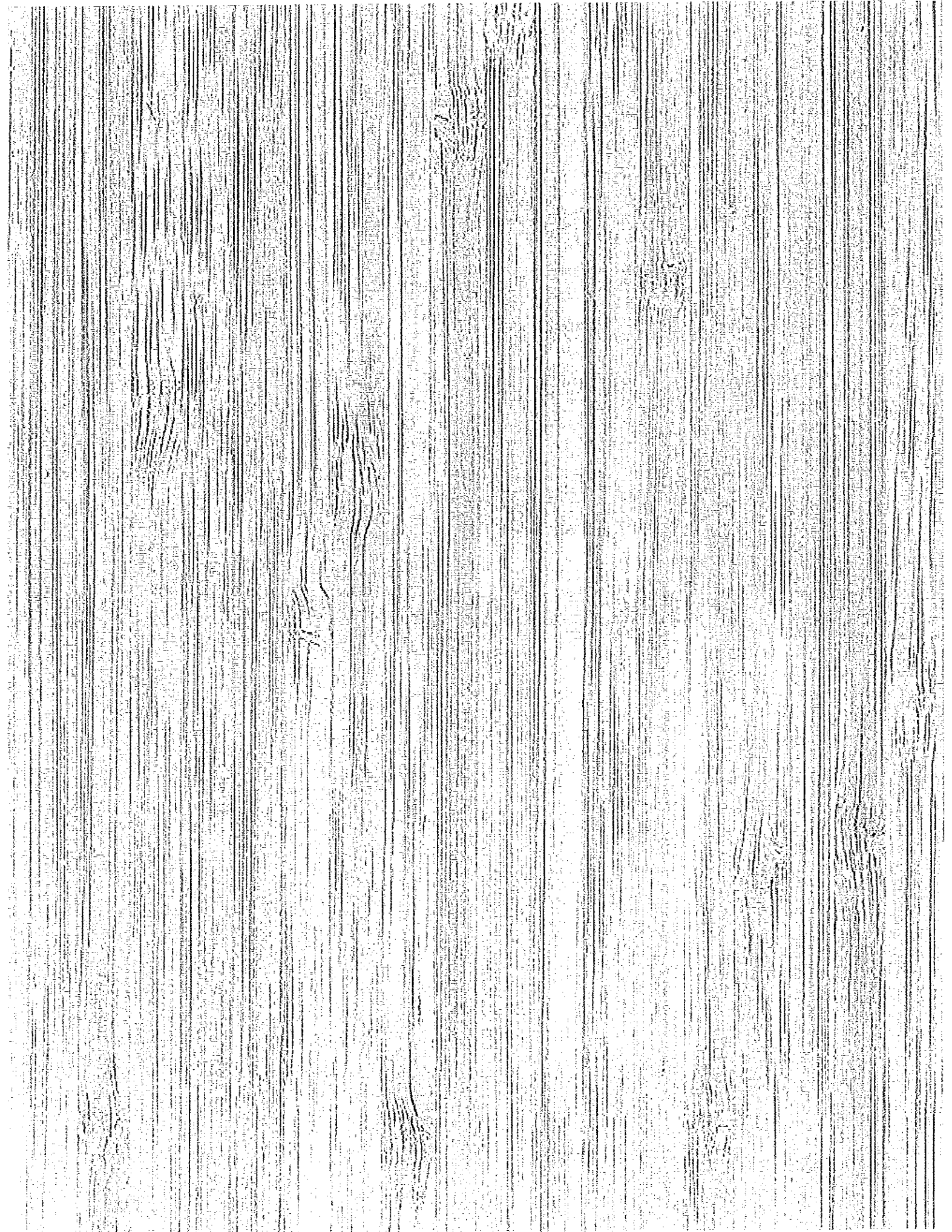


GLASSBORO PUBLIC SCHOOLS

Additional Information



**Glassboro
School District**
Glassboro,
New Jersey





April 18, 2014

Mr. Walter Pudelko
Business Administrator
Glassboro School District
560 Bowe Boulevard
Glassboro, NJ 08028

Dear Mr. Pudelko,

Thank you for your continued interest in Chartwells School Dining Services. We look forward to further dialogue with you and Glassboro School District regarding your foodservice program.

Enclosed you will find the responses to your Final Proposal Revision dated March 27, 2014. Our responses were specially designed to satisfy your objectives and provide pertinent information about improving your foodservice program. It more importantly serves as a working document in our partnership and collaborative dialogue moving forward.

Please let us know if you have any questions or would like to further discuss any topic.

Sincerely,

A handwritten signature in cursive script that reads 'Rodney Salinas'.

Rodney Salinas

Director of Business Development
Flik Independent School Dining
(202) 263-9614
rodney.salinas@compass-usa.com

1. *For the purpose of this FPR, offerors are discouraged from including costs of "Breakfast After the Bell" programs. These are programs where students are able to get breakfast when they come into school, take it to their first period class and take 10 minutes to eat. However, these programs may be considered after award. This allows analyzing and comparing the proposals consistently.*
 - a. Response: All costs and considerations associated with "Breakfast After the Bell" programming have been removed from the Projected Operating Statement. An updated Form 23 has been included with this questionnaire.

2. *Clarify how the summer school program is recognized as part of the Project Operating Statement.*
 - a. Response: Per Page 8 of the RFP, the summer school program for the free and reduced eligible students was to be included in the proposal at no cost to the students. Therefore, in order to isolate the costs and expenses associated with this program, Chartwells developed a separate pro forma, which appears on Page 47 of our original proposal. These costs are separate from the Projected Operating Statement.

3. *401(k) is listed as part of the staff benefits plan. Is the plan offered to staff? If so, is there a match and how is it recognized on the Project Operating Statement.*
 - a. Response: Yes, Chartwells offers a matched 401(k) savings plan, which is reflected in the pro forma as a labor cost line item. It is available to associates after three (3) months of service. The full details are outlined on Page 140 of our original proposal. The plan is managed by Wells Fargo. The costs associated with the administration of this program are included in the Project Operating Statement under labor fringe benefits. Additional details:
 - i. Associates can contribute between 1% and 50% of their pay on a pre-tax basis.
 - ii. If associates contribute to the plan, Chartwells (Compass Group) adds money to the account in the form of a match. The match applies to the first 6% of the contribution and is \$0.35 on every \$1.00 contributed.
 - iii. Vesting (applies to company match): 0-1 year – 0% vested; 1-2 years – 50% vested; 3+ years – 100% vested
 - iv. Matching will occur each pay period for associates who are actively contributing to the plan.
 - v. If associates have a 401(k) account at another company, they are able to roll the balance over to the Chartwells (Compass Group) plan without a tax penalty.
 - vi. The account information is updated daily and can be accessed 24 hours a day, 365 days a year via a toll-free telephone number.
 - vii. The 401(k) savings plan is reflected in the payroll section of the P&L (identified as 401(K) costs).

4. Clarify how the proposed serving/dining remodeling projects will be accomplished and whether the costs are included in the Projected Operation Statement.

- a. Response: There are no costs or cost benefits reflected in the Projected Operating Statement for the proposed serving/dining remodeling projects. Because the official RFP did not expressly solicit investment options to be included, Chartwells did not include these recommendations in the Projected Operating Statement. Under New Jersey state law, Chartwells is prohibited from offering an investment unless it is clearly requested to be included in the RFP. To further clarify, the Glassboro School District would need to use the Foodservice Account Fund Balance to finance any and all of the recommended serving/dining remodeling projects. Our numbers reflect a revitalized program based on the introduction of new menus, programs and operational best practices. Any further investment would only help achieve further growth in the dining services program.

5. The number of HS meal sales appears higher than expected. Provide rationale for proposed increase.

- a. Response: There is no significant increase or decrease in the number of high school meals in the Projected Operating Statement based on the edit checks data provided by the school district. The Chartwells financial projections are based on adopting a conservative approach to growth and utilizing similarly-sized school districts that have implemented Chartwells-approved dining service and marketing programs, e.g., Environments (the full details are outlined on Page 201 of our original proposal). Chartwells anticipates a 52% lunch participation for the high school.

6. Provide basis for special functions estimate provided. Give specific examples of proposed functions.

- a. Response: In the updated Projected Operating Statement, the spend amount for special functions is identical to the data provided in the audit information located on Page 65 of the RFP. Although no specific special event information was contained in the RFP, we assume that these events would include, but is not limited to, catered student events, School Board functions, food provided for administration meetings, outside groups, etc.

7. Clarify extent of vending service sales proposed, if any, and how sales/cost of sales is recognized.

- a. Response: There are no costs or cost benefits reflected in the Projected Operating Statement for vending services. Because the RFP did not expressly solicit vending service solutions to be included, Chartwells did not include these recommendations in the Projected Operating Statement.

However, Chartwells does have the ability to incorporate vending into the contract. Whereas typical vending companies offer 15-20% of vending commissions to the school district, Chartwells only charges the cost of product, which means that all profits for vending machines would go to the school district through the foodservice program. Typically, this results in an increase of the vending service profits to as much as 40%. This financial program can be considered in the Projected Operating Statement upon formal request from the Glassboro School District.

8. The anticipated student a la carte sales appear excessive. Justify levels proposed.

- a. Response: There is no significant increase or decrease in the student a la carte spend amount in the Projected Operating Statement. In fact, it was our observation that the a la carte sales were performing at lower than expected levels for a like school district. The Chartwells financial projections are based on similarly-sized school districts that have implemented Chartwells-approved dining service & marketing programs, e.g., Environments (the full details are outlined on Page 201 of our original proposal). Specifically, our Projected Operating Statement shows \$660 in sales per day, which is a realistic amount given the total number of schools in the Glassboro School District.

9. No sales estimates are provided for adult lunches, however, expenses for employee lunches are included on the Projected Operating Statement. Please clarify.

- a. Response: Form 23 has been updated and amended to accurately reflect the costs associated with employee lunches at \$1.45 per person (same as student cost).

10. Anticipated free severe breakfast meals appear excessive. Please clarify (see question #1).

- a. Response: All costs and considerations associated with "Breakfast After the Bell" programming have been removed from the Projected Operating Statement. An updated Form 23 has been included with this questionnaire.

11. Labor costs do not include retirement or unemployment projections (see question #3). Please clarify.

- a. Response: Chartwells contributes to the retirement security of its associates by offering a matched 401(k) savings plan (see Question #3). Additionally, all unemployment costs, have been included in the updated Projected Operating Statement.

12. Fully describe health insurance benefits offered to proposed staff.

- a. Response: Chartwells associates who average more than 30 hours per week are eligible for health insurance benefits. The full details are outlined on Pages 133-148 of our original proposal. In the Chartwells proposal, three (3) associates qualify for health insurance benefits and the associated costs are included in the Projected Operating Statement under health & wellness.

13. Provide justification for proposed sick/personal days as it relates to overall wages proposed.

- a. Response: Unlike other foodservice management companies, all Chartwells associates receive six (6) paid holidays and five (5) sick days every year. Per Chartwells company policy, newly hired associates must complete their 90-day probation period before these benefits are conferred. All of the costs associated with sick and personal days off have been accounted for in the attached Projected Operating Statement.

14. Management taxes and benefits appear excessive at 49.8%. Justify rate proposed.

- a. Response: For an operation like Glassboro School District, Chartwells factored in a salaried manager with a base salary of \$54,000. Unlike other foodservice management companies, Chartwells offers salaried associates full family medical benefits coverage at an annual cost of \$15,400 (current maximum) to support our mission of being a preferred employer. With taxes estimated to be approximately \$11,400, total salaried labor amounts to approximately \$80,000, which is reflected in the updated Projected Operating Statement. Should the salaried manager not require full family medical benefits coverage, any extra savings falls to bottom line to the benefit of the Glassboro School District.

15. Clarify whether all staff will be required to maintain ServSafe Certification.

- a. Response: Per Chartwells standard operating procedures, all hourly foodservice personnel involved with food production are required to be ServSafe certified. Chartwells provides formal training to associates covering all costs associated with course work and testing. Additionally, personnel are fully compensated throughout their training and testing time. Because Chartwells is committed to the health and safety of all our guests and associates, all salaried personnel are required to be ServSafe certified (the State of New Jersey requires only one person in the kitchen to be certified).

16. Provide clarifications on profit/loss projections relative to the management fee potential.

- a. Response: Chartwells has carefully crafted a financial plan for Glassboro Schools that is based around our experiences and our recommendations for your district. Our first-year budget is spelled out in detail on Form 23, which shows a profit for the school district of \$51,848.54. In the event that the profit to the district does not reach \$51,848.54, Chartwells will reimburse part or all of their management fee to reach that guaranteed amount.

Form 23

Form #23
Revised 11/13
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RESPONSE AND PROJECTED OPERATING STATEMENT

ATTACH AS FIRST PAGES OF RESPONSE TO REQUEST FOR PROPOSAL(RFP)

Response and Projected Operating Statement for	
Local Education Agency (LEA)	
LEA:	Glassboro Public Schools
School Year	2014 --- 2015

We the undersigned, agree to operate the food service program as described in the RFP specifications.

FSMC NAME:	Chartwells School Dining Services		
FSMC ADDRESS:	804 Broadway		
	West Long Branch, NJ 07784		
FSMC REPRESENTATIVE'S NAME:	Rodney Salinas		
SIGNATURE:		DATE:	4/15/14
TELEPHONE #:	202-263-9614	FAX #:	N/A
E-MAIL ADDRESS:	rodney.salinas@compass-usa.com		

This proposal is subject to all the attached terms, conditions and specifications. If accepted we hereby agree to enter into a FOOD SERVICE MANAGEMENT COMPANY (FSMC) CONTRACT as described in the RFP.
All FSMC Management Fees (i.e- General Support Services, Administrative, General) must be listed below.

List **ALL** FSMC MANAGEMENT FEE(S):

Flat Fee	Cents/Meal	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	
\$58,000	\$.	\$.

PROJECTED BOTTOM-LINE: (K)

LEA:	<input checked="" type="checkbox"/>	PROFIT							
	<input type="checkbox"/>	LOSS							
	<input type="checkbox"/>	BREAKEVEN							
									51,848.54
									\$
									\$0.00

Is the profit/loss/breakeven a **GUARANTEE** to the LEA?
Is the guarantee the same as the **projected bottom line**?
If no, indicate the **actual** guaranteed profit/loss/breakeven:
Is the guarantee capped? Yes No
If yes, capped up to 100% of the Management fee.

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

This operating statement is based on:

per RFP	days of meals service (breakfast)
per RFP	days of meals service (lunch)
0	days of meals service (after school snack)
173	# of work days (hourly employees only)

Does the anticipated reimbursement include the performance based funds (6 cents)? Yes No

OPERATING STATEMENT			
PROJECTED REVENUE (Sales and Anticipated Reimbursement)			
SALES			
	# of Meals/Milk	Selling Price	Projected Revenue
Cafeteria Sales: (Lunch)			
Students Paid Meals:	37541	Elementary School @ \$2.20	= \$82,590.20
	10676	Middle School @ \$2.30	= \$24,554.80
	18875	High School @ \$2.55	= \$48,131.25
Students Reduced Meals:	17693	District-wide @ \$0.40	= \$7,077.20
Students A la carte:			\$93,307.00
Adult Lunches:	0	Elementary School @ \$0.00	= \$0.00
	0	Middle School @ \$0.00	= \$0.00
	0	High School @ \$0.00	= \$0.00
Adult A la carte:			\$0.00
Special Functions:			\$40,026.00
Vending Income:			\$0.00
Other Income:			\$0.00
	(Identify Source)		
Cafeteria Sales: (Breakfast)			
Students Paid Meals:	5709	Elementary School @ \$1.25	= \$7,136.25
	157	Middle School @ \$1.25	= \$196.25
	2114	High School @ \$1.25	= \$2,642.50
Students Reduced Meals:	3680	District-wide @ \$0.30	= \$1,104.00
Students A la carte:			\$0.00
Adult Breakfasts:	0	Elementary School @ \$0.00	= \$0.00
	0	Middle School @ \$0.00	= \$0.00
	0	High School @ \$0.00	= \$0.00
Adult A la carte:			\$0.00

OPERATING STATEMENT			
	<u># of Meats/Milk</u>	<u>Selling Price</u>	<u>Projected Revenue</u>
Cafeteria Sales: Special Milk Program (SMP)			
Students Paid Milk	0 District-wide	@ \$0.00	= \$0.00
Cafeteria Sales: Split-Session Kindergarten Milk Program (SSMP)			
Students Paid Milk	0 District-wide	@ \$0.00	= \$0.00
Cafeteria Sales: After School Snack Program (ASSP)			
Students Paid Snacks	0 District-wide	@ \$0.00	= \$0.00
Students Reduced Snacks	0 District-wide	@ \$0.00	= \$0.00
Subtotal Sales:			\$306,765.00 (A)
ANTICIPATED REIMBURSEMENT:			
	<u># of Student Meals/ Milk/Snacks</u>	<u>Reimbursement Rate</u>	<u>Anticipated Reimbursement</u>
LUNCH	67092 Paid Meals	@ \$0.38	= \$25,494.96
	17693 Reduced Price Meals	@ \$2.70	= \$47,682.64
	120711 Free Meals	@ \$3.10	= \$373,600.55
BREAKFAST (Severe Needs)	7980 Paid Meals	@ \$0.29	= \$2,314.20
	3680 Reduced Price Meals	@ \$1.62	= \$5,961.60
	55100 Free Meals	@ \$1.92	= \$105,792.00
SSMP/SMP	0 Free Milk	@ \$0.00	= \$0.00
	0 Paid Milk	@ \$0.00	= \$0.00
ASSP	0 Paid Snacks	@ \$0.00	= \$0.00
	0 Reduced Price Snacks	@ \$0.00	= \$0.00
	0 Free Snacks	@ \$0.00	= \$0.00
Subtotal Anticipated Reimbursement:			\$560,845.94 (B)
TOTAL REVENUE			
(A+B=C)			\$867,610.94 (C)

PROJECTED EXPENSES			
FOOD			
		Per Meal Cost	
Student Lunches	205496	Meals @	\$1.45 = \$297,969.20
Adult Lunches	0	Meals @	\$0.00 = \$0.00
Employee Lunches	3688	Meals @	\$1.45 = \$5,347.00
Student Breakfasts	66760	Meals @	\$1.17 = \$78,109.20
Adult Breakfasts	0	Meals @	\$0.00 = \$0.00
Employee Breakfasts	0	Meals @	\$0.00 = \$0.00
SSMP/SMP/Milk	0	Meals @	\$0.00 = \$0.00
After School Snack Program	0	Snacks @	\$0.00 = \$0.00
District-wide A la carte	0		\$44,847.00
Special Functions	0		\$16,837.00
Vending	0		\$0.00
Other	0		\$0.00
USDA Processing Charges	0		-(58,669.00)
Rebates/Discounts	0		-(39,805.00)
USDA Donated Food Value*			
NET FOOD COST			\$344,635.40 (D)
LABOR			
Hourly Wages (Employee Schedules, Workhours and Rates of Pay must be attached.)			
Bookkeeper/Secretarial			\$0.00
Food Service Workers (Includes 6 holidays and 5 sick days)			\$209,343.00
Driver			\$0.00
Other			\$0.00
	<i>(Identify Position)</i>		
Hourly Benefits and Taxes			
FICA			\$16,014.74
Retirement / 401K Contribution			\$2,741.40
Unemployment Compensation			\$15,658.86
Workers' Compensation			\$16,950.00
Health Insurance			\$13,500.00
Life Insurance and Disability			\$0.00
Holidays			\$0.00
Sick Days			\$0.00
Other - Personal Days			\$0.00
Other			\$0.00
	<i>(Identify)</i>		
Total Hourly Payroll Taxes and Benefits			\$64,865.00

*Value of USDA donated foods cannot be predicted and should not be considered in the projected operating statements.

Management Salaries		Food Service Director	\$54,000.00
	Other (Title):		\$0.00
			\$0.00
			\$0.00
Salaried Payroll Taxes and Benefits (\$15,400 health & welfare insurance included)			\$26,861.00
		TOTAL LABOR	\$355,070.00 (E)
PAPER AND CLEANING			\$16,336.00 (F)
EQUIPMENT AND REPAIR			\$0.00 (G)
OTHER	Computer Services (specify):		
	Computer for DDS		3,800.00
			0.00
			0.00
			0.00
	Liability Insurance		11,421.00
	Unit Audit Fees		750.00
	USDA Donated Foods Administration/Delivery		0.00
	Stationery/Postage		0.00
	Printing (Menus/Tickets)		4,500.00
	Licenses/Permits		0.00
	Promotions		7,575.00
	Mileage		2,100.00
	Uniforms/Laundry		2,875.00
	Physicals		0.00
	Telephone/Fax		0.00
	Miscellaneous (Specify)	Office Supplies, Miscellaneous	2,700.00
		Smallware Replacement	5,000.00
		Training & Development	1,000.00
		TOTAL OTHER	41,721.00 (H)
Comments/Clarification on Expenses:			
Full family medical insurance for FSD			

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FSMC FEE(S)	<input checked="" type="checkbox"/> Flat Fee	<input type="checkbox"/> Cents Per Meal <i>(Complete Section Below)</i>	58,000.00
	<input type="checkbox"/> Flat Fee	<input type="checkbox"/> Cents Per Meal <i>(Complete Section Below)</i>	\$
	<input type="checkbox"/> Flat Fee	<input type="checkbox"/> Cents Per Meal <i>(Complete Section Below)</i>	\$
		TOTAL FSMC FEE	58,000.00 (I)
		EXPENSE TOTAL (D+E+F+G+H+I=J)	815,762.40 (J)
		PROFIT/LOSS (C-J=K)	\$51,848.54 (K)

**CALCULATION OF
CENTS PER MEAL MANAGEMENT FEE***

All meal equivalents to be calculated on a factor of: \$

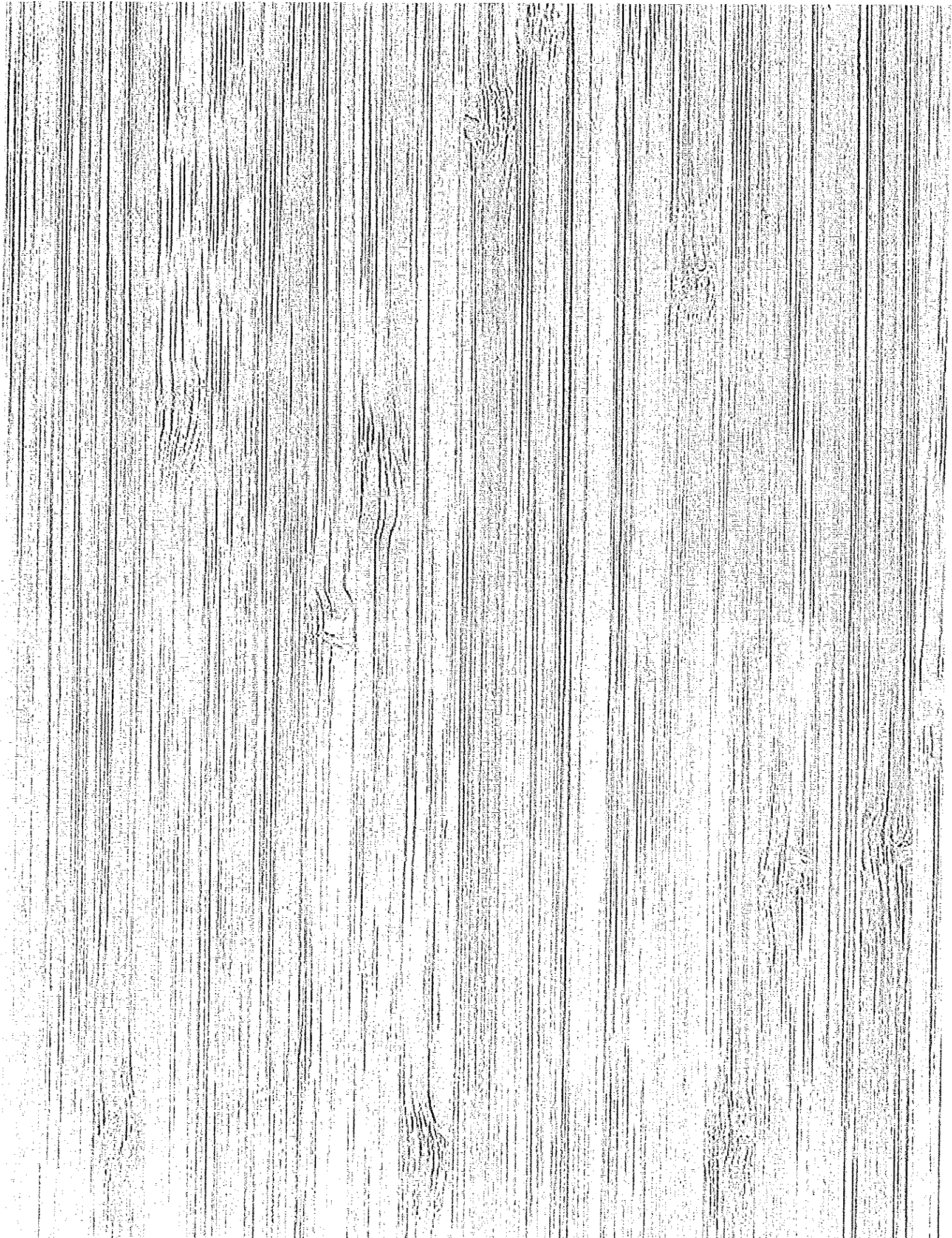
Projected Annualized Student Reimbursable Meals (B & L)		@	\$	=	\$
Projected Annualized Student Reimbursable Snacks		@	\$	=	\$
Projected Annualized A la Carte Meal Equivalents		@	\$	=	\$
Other (Specify):		@	\$	=	\$
		@	\$	=	\$
TOTAL FSMC FEE					\$

*This is a projected calculation. Actual fee may be greater than or less than projected amount. Management fee is directly related to student participation and district revenue.

COMPONENTS OF ADMINISTRATIVE/MANAGEMENT FEE

The following **MUST** be included in the Administrative/Service/Management Fee and **MAY NOT** be charged in any other expense:

1. Menu development specific to the operation.
2. Management meetings, and/or management development program specific to the operation.
3. Nutrition education material and program expense.
4. Facilities layout and design services specific to the operation.
5. Cost of developing the following:
 - Training Manuals
 - Procedures Manuals
 - Food Service Control Forms and Supplies
 - Material for School Lunch Promotions
6. All purchasing services.
7. Education programs via schoolroom programs, parent/teacher meetings and school food advisory committee meetings.
8. All accounting and bookkeeping.
9. All payroll reporting, recording and documentation including the issuance of weekly payroll checks for FSMC employees.
10. Supply of all administrative, dietetic, nutritional, sanitation and personnel advice.
11. Visitation/coverage by corporate chef during school lunch promotions.
12. Visitation/coverage by a principal of the FSMC.





Chartwells

School Dining Services

Eat · Learn · Live