

**CONTRACTING
WITH A FOOD
SERVICE
MANAGEMENT
COMPANY**

Contracting With A Food Service Management Company (FSMC)

In the State of Louisiana, Charter Schools are allowed to contract with a private "for profit" Food Service Management Company for student meals

(RS 17:1990(A)(2)(a))

Contracting With A Food Service Management Company (FSMC)

Food Service Management Company

Contracts must be competitively bid using the prototype provided by the Division of Nutrition Support and approved by USDA

Vended Contract

SFAs can use the FSMC Contract as a vended contract but it is not required



Sponsor Responsibilities

1. Complete the FSMC procurement process for the initial contract and annual renewals
2. Oversee the implementation of the contract to assure that contract terms are met including the Buy American Provision
3. Monitor the performance of the FSMC at least twice each school year
4. For multi-site sponsors, conduct on-site reviews of meal counting and claiming procedures at all sites by February 1st of each year and developing corrective action plans as needed

Sponsor Responsibilities

1. Retain signature authority on the program agreement with the Louisiana Department of Education (LDOE), free and reduced price policy statement and the claims for reimbursement
2. Implement a food service advisory committee composed of parents, teachers, FSMC, and students to assist with menu planning
3. Appoint and train determining official(s) and the hearing official
4. Distribute Application for CNP Benefits and related information to parents and guardians
5. Collect applications submitted for CNP benefits

Sponsor Responsibilities

6. Process applications, including approval/denial and follow-up to obtain complete information
7. Enter data into computer, if a computer system automatically determines eligibility
8. Administer the Direct Certification process
9. Notify parent/guardian of application status
10. Administer all aspects of the meal eligibility verification process

Sponsor Responsibilities

1. Complete and submit the monthly claim
2. Maintain a separate Food Service Fund to which reimbursement and other food service revenues are posted and expenses are paid

Sponsor Responsibilities

Advisory Committee

Establishing an advisory committee composed of parents, teachers, students, and FSMC representative (if required by the contract) to assist in menu planning

FSMC Procurement

The prototype Request For Proposal (RFP/Contract provided by LDOE must be utilized with no alterations, additions, or deletions)

The RFP and contract approval process should begin several months before the effective date of the contract. The effective date of all contracts is recommended to be July 1 or the beginning of the school year

Contracts are written for up to 1 year with the option to renew the contract for an additional 4 years (7 CFR 210.16)

All contracts end on June 30th each year

FSMC Procurement

Sponsors must comply with:

- 2 CFR Part 200
- USDA Program regulations (7 CFR Part 210, Part 215, Part 220, Part 225, Part 250 and other Federally fund programs), guidance, and instructions
- State and local laws, regulations, and policies that are not in conflict with Federal requirements

FSMC Guidance for School Food Authorities

The sponsor's officials completing the procurement process should thoroughly review and understand the USDA publication

*Contracting with Food Service Management Companies:
Guidance for School Food Authorities*

This document can be found at the following link:

[http://cnp.doe.louisiana.gov/DNAMemos/SFS/Forms/
Contracting with Food Service Management Companies:Guidance for School Food Authorities.pdf](http://cnp.doe.louisiana.gov/DNAMemos/SFS/Forms/Contracting with Food Service Management Companies:Guidance for School Food Authorities.pdf)

Process for Procuring and Contracting FSMC Services

Download the RFP prototype from the Child Nutrition Program website

[http://cnp.doe.louisiana.gov/DNAMemos/SFS/Forms/FSMC-RFP-Contract 2017-18](http://cnp.doe.louisiana.gov/DNAMemos/SFS/Forms/FSMC-RFP-Contract-2017-18)

Prepare the RFP and exhibits. The LDOE prototype RFP and exhibits **MUST** be used for all FSMC contract procurements

Instructions for completing the RFP can be found on the Child Nutrition Program website

[http://cnp.doe.louisiana.gov/DNAMemos/SFS/Forms/FSMC-Instructions for RFP-2017-18](http://cnp.doe.louisiana.gov/DNAMemos/SFS/Forms/FSMC-Instructions-for-RFP-2017-18)

Process for Procuring and Contracting FSMC Services

Develop the 21-day cycle menu for all meals and/or snacks that are

included in the RFP – this could include:

- National School Lunch Program (NSLP)
- School Breakfast Program (SBP)
- After-school Snack Program (ASP)
- Summer Food Service Program (SFSP)
- Child and Adult Food Care Program (CACFP) At-Risk Supper/Snack

***Remember the 21-day menu in the proposal **MUST BE** used for the first 21 days of operation.

Process for Procuring and Contracting FSMC Services

Complete the Step 1 document found in the “FSMC – Instructions for completing RFP-2017-18” and submit the original, signed document to LDOE

Include the bid opening time, date, and address

Process for Procuring and Contracting FSMC Services

- After receipt of the completed, signed Step 1 document, the sponsor will be given written approval by LDOE to begin the contract process
- Solicit proposals from an adequate number of known, qualified suppliers (at least 3-5 qualified suppliers)
- The proposed procurement must be publicly advertised in at least one regional news source at least 21 days before the opening.
- All proposals must be sealed and should be opened publicly at the time and place stated in the RFP

Process for Procuring and Contracting FSMC Services

- An evaluation team should be appointed to evaluate and score each proposal utilizing the criteria and percentages established in the RFP. Evaluation team must consist of at least 2 members.
- The contract is awarded to the responsible bidder whose bid, conforming to all material terms and conditions of the RFP, is lowest in price
- Sponsors must maintain records for the duration of the contract

A red starburst graphic with a white outline, containing the word "NEW!" in white, bold, uppercase letters.

NEW!

Any vendor who has demonstrated poor performance during a current or previous Agreement with the SFA may be considered a non-responsible bidder and their bid may be rejected. The SFA reserves the right to exercise this option as is deemed proper and necessary.

Program Integrity

- ✓ There must be transparency in the Food Service Management Company award process
- ✓ The process must be able to withstand public scrutiny
- ✓ If anyone else were to review the FSMC proposals they should be able to come to the same conclusion

FSMC Score Card

Justification for Scoring:

- The score for cost and years of experience utilizes a formula
- The scoring for the subjective criteria must be based on how the FSMC addressed each category in the proposal
- Ex: Service Capability Plan-If one FSMC offers a greater level of service, the committee member documents the specific service offered that is not offered by other bidders. If each FSMC offers the same level of service, they must receive the same score.

FSMC Score Card

Justification for Scoring:

- **The score for Financial Conditions/Stability**-The committee member should review each FSMC's most recent independent audit to determine the score for Financial Conditions/Stability. Documentation must be provided as to the scoring of each FSMC.
- **The score for Accounting and Reporting Systems**-The committee member should review each proposal's Accounting and Reporting Systems. If one FSMC offers a system that is superior to the other FSMC's, and given a better score, the specific accounting and/or reporting system offered should be noted in the justification. If they are similar, they should receive the same score.
- **The score for Promotion of the Child Nutrition Program**-The SFA will rate the FSMC based on the specific plan proposed. Provide justification.

FSMC Score Card – Form A

NAME OF SFA **ABC School System**

NAME OF VENDOR **HEALTHY MEALS FSMC**

FSMC PROPOSAL SCORE CARD (COMPLETE ONE FOR EACH VENDOR)

FORM A

Criteria	Possible Points	Points Received by Vendor	Justification for Scoring
Cost (FSMC with the lowest price receives the maximum points. The other vendors receive points equal to the lowest price divided by their meal price x maximum points. Do not round).	30	30	This FSMC was lowest in price. Approved formula used.
Years of Experience in working with Child Nutrition Programs 10+ years=10 points 5 years=5 points 9 years=9 points 4 years=4 points 8 years=8 points 3 years=3 points 7 years=7 points 2 years=2 points 6years=6 points 1 year=1 point	10	8	This FSMC has 8 years of experience working with Child Nutrition Programs
Service Capability Plan	20	18	This company has demonstrated a thorough knowledge of the Child Nutrition Program as evidenced by the fact that there were no findings on Administrative Reviews conducted during the 2018-19 school year related to the FSMC. The FSMC is willing and able to use all commodities received by the SFA. Menus will be tailored to our student preferences. Food Surveys will be conducted on a monthly basis and the FSMC will incorporate the student preferences into the menu in a timely fashion. A review of the health inspections for other schools using this company revealed that the company is operating clean, sanitary kitchens in compliance with DHH regulations. Each manager is Serve Safe certified and all employees receive weekly training in Food Handling and HACCP. A food tasting event was held with students. The FSMC's score was the second highest score.
Financial Conditions/Stability, Business Practices	10	10	The company's financial report indicates that for the fiscal year 2017-18, the company's profit was \$10,543,776 and 6% higher than the profit for the fiscal year 2016-17.
Accounting and Reporting Systems	10	10	The FSMC utilizes the Nutritionist Plus software. This software The FSMC reports are completed weekly and provided to the SFA on a weekly basis. The FSMC will provide the SFA with documentation of food costs for reimbursable meals and non-program foods, as well as revenue from non-program foods on a weekly basis.
Promotion of the Child Nutrition Program (FSMCs should be very specific as to their plans for promoting the Child Nutrition Programs. The SFA will rate the FSMC based on the specific plan proposed).	20	20	The FSMC will assist the SFA in coordinating the Advisory Committee meetings and will participate in the quarterly Advisory Committee. The FSMC has agreed to provide the SFA with a report within 7 days of the Advisory Committee meeting that addresses student concerns. The FSMC will implement themed events at each school on a monthly basis. The FSMC will provide nutrition education to students utilizing TV monitors in the cafeteria and promotional posters and signage in each cafeteria.
	100 Points	96	

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Years of Experience in working with Child Nutrition Programs 10+ years=10 points 5 years=5 points 9 years=9 points 4 years=4 points 8 years=8 points 3 years=3 points 7 years=7 points 2 years=2 points 6years=6 points 1 year=1 point	10	10	Over 10 years of experience
Service Capability Plan	25	25	Engages students Focuses on each age group
Financial Conditions/Stability, Business Practices	10	10	Compliance with state audit requirements Shows growth
Accounting and Reporting Systems	15	14	Good operations
Promotion of the Child Nutrition Program (FSMCs should be very specific as to their plans for promoting the Child Nutrition Programs. The SFA will rate the FSMC based on the specific plan proposed).	10	9	Responsibility regards to environment/sources Surveys through the internet
	100 Points	98	

How do they engage students?
How does it relate to Service Capability?
How do they focus on each age group and how does it show they are capable



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How do you know they comply with state audit requirements?

Shows growth in what?



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How do you know that they have good operations???



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 HUH!

If anyone else were to review the
FSMC Proposal
and score card, would they
come to the same conclusion??????

FSMC Scoring Summary-Form B

FSMC Scoring Summary

FORM B

(This form is to be completed by each committee member)

Each committee member must transfer the scores from each bidder to this summary form.

Name of FSMC 1	Name of FSMC 2	Name of FSMC 3	Name of FSMC 4	Name of FSMC 5	Criteria
					Cost (FSMC with the lowest price receives the maximum points. The other vendors receive points equal to the lowest price divided by their meal price x maximum points. Do not round).
					Years of Experience in working with Child Nutrition Programs 10+ years=10 points 5 years=5 points 9 years=9 points 4 years=4 points 8 years=8 points 3 years=3 points 7 years=7 points 2 years=2 points 6years=6 points 1 year=1 point
					Service Capability Plan
					Financial Conditions/Stability, Business Practices
					Accounting and Reporting Systems
					Promotion of the Child Nutrition Program (FSMCs should be very specific as to their plans for promoting the Child Nutrition Programs. The SFA will rate the FSMC based on the specific plan proposed).
					Total Points

Print Name of Committee Member

Signature of Committee Member

Employee Title

Date

FSMC Scoring Summary-Form B

- Complete the FSMC Scoring Summary Form for each proposer by averaging the scores from all committee members
- The contract is awarded to the FSMC with the highest score

Standards of Conduct and Certification Statement

- All employees participating in the procurement/FSMC contract process must sign the Standards of Conduct and Certification Statement
- The SFA must maintain the forms on file for the duration of the contract

Awarding The Contract

- Assure the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion (USDA) has been signed before awarding the contract
- Assure the SFA has received the signed Certification Regarding Lobbying and Disclosure of Lobbying Activities
- Assure the FSMC has provided the Disclosure of Lobbying Activities Form
- Execute the Independent Price Determination Certificate

Step 2 Certification

Before awarding the bid, the Step 2 document must be completed and the original, signed document forwarded to LDOE.

Documents to be submitted with the Step 2 Document

- Completed score cards by each member of the review committee
- Completed Contract Summary Form by each member of the review committee
- Completed Consolidated Proposal Summary Sheet
- Proposal Summary and Agreement Page for all bidders
-
- Copies of all correspondence with FSMCs concerning the RFP
- Signed copy of the contract, before execution (Signed Proposal Summary and Agreement).

State Agency Approval

The School Food Authority may not award the bid until written approval is received by the state agency

21-Day Cycle Menu

The 21-day cycle menu (included in the IFB) must be adhered to for the first 21 days of meal service. After that, changes may be made only with written approval of the sponsor

FSMC and Non-Program Foods

The FSMC must provide the SFA with documentation of food costs and revenues on a monthly basis and must include:

- Food cost for reimbursable meals
- Food cost for non-program foods
- Revenue from non-program foods
- Total revenue

7 CFR Part 210.14(f) and Memo SP 20-2016.

Managing the Contract

The sponsor is responsible for monitoring the FSMC during the duration of the contract to assure:

- The FSMC has followed the 21-day cycle menu, as described in the contract, for the first 21 days of the contract
- All changes in menus following the first 21 days of the contract have been approved by the sponsor in writing
- Menu requirements are met and food production records are completed each day for all reimbursable meals
- Completed food production records provide all information that is contained in the LDOE prototype food production record

Managing the Contract

- Regulations are followed concerning Smart Snacks, the Louisiana Sanitary Code, and the local wellness policy
- Meals are monitored to ensure that only reimbursable meals are claimed
- Food quality specification standards meet those described in the contract
- The daily meal count records accurately reflect the counts of student and adult meals by meal type and eligibility category

Managing the Contract

- All bills are monitored prior to payment to assure that the FSMC has not double-billed or included costs that are not allowed by the contract
- Invoices reflect ONLY!! The Number of Meals X the Contract Rate
- The advisory committee of parents, students and teachers has met periodically to assist in menu planning and meetings are documented
- All corrections have been made if problems were noted during a sponsor review, the LDOE Administrative Review, or program audit

Managing the Contract

The SFA is legally responsible for the conduct of the food service program and must supervise the food service operations in such a manner as will ensure compliance with the rules and regulations of the state agency and USDA regarding each of the Child Nutrition Programs covered by this contract.

Managing the Contract

- The sponsor will monitor the food service program through periodic on-site visits including at least one on-site review of the lunch counting and claiming system at each school administered by the SFA
- The on-site review must take place prior to February 1st of each school year. If the review discloses problems with the school's meal counting and claiming procedures, the SFA must ensure that the school implements corrective action, and within 45 days of the review, conduct a follow-up on-site review to determine that the corrective action resolved the problem