

Louisiana Believes

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

Food Service Management Company Contracts

involving expenditures of \$150,000 or more

exceed the small purchase threshold

and must be competitively bid

Sponsor Responsibilities When Contracting With a FSMC

Administration Of The Program

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
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 including completing written documentation of the visit, developing corrective action plans as needed, and conducting follow-up reviews

Sponsor Responsibilities

Free and Reduced Price Policy Administration

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

Free and Reduced Price Policy Administration

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

Reimbursement Claims

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

Food Service Management Company 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

Food Service Management Company 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

Contracting with Food Service Management Companies: 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%20with%20Food%20Service%20Management%20Companies:Guidance%20for%20School%20Food%20Authorities.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%20RFP-Contract%202017-18)

- 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%20for%20RFP-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

FSMC Score Card - Form A

NAME OF VENDOR [REDACTED]

NAME OF SFA [REDACTED]

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).	[REDACTED]	[REDACTED]	[REDACTED]
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 6 years=6 points 1 year=1 point	[REDACTED]	[REDACTED]	[REDACTED]
Service Capability Plan	[REDACTED]	[REDACTED]	[REDACTED]
Financial Conditions/Stability, Business Practices	[REDACTED]	[REDACTED]	[REDACTED]
Accounting and Reporting Systems	[REDACTED]	[REDACTED]	[REDACTED]
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).	[REDACTED]	[REDACTED]	[REDACTED]
	100 Points	[REDACTED]	

*Complete the Maximum Points for each category from page 15 of the RFP. Price must be the primary factor.

**Score cards without justification are not allowed. Contracts without clear justification will not be approved by the state agency.

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 Scoring Summary - Form B

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

FORM B

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).
					Service Capability Plan
					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 6 years=6 points 1 year=1 point
					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

Signature of Committee Member

Employment 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

- If the FSMC is responsible for providing the SFA with non-program foods, the FSMC will provide written documentation of food costs and revenues to the SFA on a monthly basis. The information must include food cost for reimbursable meals, food cost for non-program foods, revenue from non-program foods, and total revenue. Non-program foods include: adult meals, a la carte, catering, vending, and student stores operated, or any other sales generated through the non-profit school food service account not already described. 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

Sponsor Responsibilities in Monitoring the FSMC For The Duration of 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!! Number of Meals X 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