

Executive Summary:

Summary: Dr Norbert Kennerknecht & J Petter Turnquist CPA attended a mandatory training session presented by PDE Division of Food and Nutrition on December 4, 2008 in Pittsburgh, Pennsylvania which laid out the following new requirements for Contracted Food Service Operations.

Title: State Mandate: Food Service Management Company (FSMC)
Request for Proposals (RFP) and Contract

Effective Date: For 2009-2010 School Year

Impact: Any School Food Authority (SFA) electing to use a FSMC for 2009-2010 must prepare an RFP using Documents provided by PDE which meet Child Nutrition Program Federal and State requirements mandated as on November 6, 2008.

The Warren County School District must put out to bid the food service contract for 2009-2010 conforming to new guidelines as mandated by the USDA CN & PDE DFN under a stringent time-line.

Two Approved Procurement types:

- Fixed Price Contract
 - Components:
 - Direct Cost of Operation
 - Administrative Fee
 - Management Fee
 - Requires proper pass through value of:
 - Donated commodities (credits or reductions)
- Cost-Reimbursable Contract
 - Components:
 - Direct Cost Incurred plus a Fixed Fee
 - Value of commodities received must be itemized in regular monthly billing to SFA to document savings
 - FMSC must ensure that SFA is not charged for donated food

Standard Documents/ Requirements for SFA to Employ provided by PDE:

- Request for Proposal Checklist
- Standard Agreement
- Pre- Bid Meeting/ Walk-through, attendance by bidders required
- Bid submission & Award
- Public Opening Time & Date
 - All Bids must be Sealed
 - Bids not accepted after deadline
 - DFN approval must be stamped on each page of contract prior to execution by the parties.

Bidding Time-Line

- Dec 2008 - Submission of RFP to Division of Food & Nutrition (DFN) for approval
- Jan 2009 - SFA advertises in major Publications 1 day per week for 3 consecutive weeks, & submits 5 letters of solicitation to possible vendors
- Feb 2009 - FSMC's required Walk-through of facility
- Mar 2009 - FSMC's submit proposals to SFA
- April 2009 - Evaluation Committee awards points to FSMC's and provides written evaluation and recommendations to SFA administration & Board of School Directors
- April 2009 - Draft of winning proposal and original RFP submitted to PDE DFN for approval deadline May 1, 2009 each page is stamped by DFN
- May 2009 - SFA submits FSMC fact sheet to for approval to PDE DFN
- June 2009 - FSMC and SFA execute contract & return to PDE DFN absolute deadline June 30, 2009
- If deadlines are missed the SFA must Re-Bid

Award Criteria:

For each category enter amount of possible points (total possible = 100). The relative value of each component category must be specified with the highest weight given to Bid Price. An evaluation committee of at least 3 individuals is to be formed. Evaluations are to be conducted in an independent manner.

➤ Award Criteria Components:

- Cost & Performance Bond
- Service Capability
- Financial Conditions/ Stability, Business Practices
- Accounting & Reporting Systems
- Personnel Management
- Experience & References
- Promotion of School Food Service Program
- Involvement of Students, Staff & Patrons

Other Mandate Components

- Bid Protests Guidelines
- Bonding Requirements
- Contract Terms - 1 Year July 1 to June 30 with up to 4 one year renewals
- Gifts from FSMC:
 - SFA officers or employees may not solicit or accept any gratuities from of any value from contractors or potential contractors
- Limitations of Deficit Operations – program must be self sustaining
- Books & Records:
 - **FSMC must maintain records on a monthly basis and provide reports in a manner approved by the SFA**
 - **Submit monthly reconciliations to SFA comparing invoice & revenue to projected revenue & expenses.**
 - Must comply with all government regulations, taxes, certifications, disclosures, etc.

- Renewal Assumptions
 - Renew for one year at a time up to four renewals
 - Contract Increase by no more than CPI for All Urban Consumers for preceding year as published annually by PDE
 - Must be executed & submitted to PDE DFN prior to July 1 or contract will have lapsed requiring SFA to Re-Bid
 - If terms are not materially consistent SFA must Re-Bid
 - SFA to complete renewal year checklist

Conclusion:

Dr. Kennerknecht & Mr. Turnquist have begun the process of preparing and submitting the RFP to the DFN. Dr Kennerknecht will prepare the RFP documents and items relating to operational items in concert with Mr. Turnquist who will concentrate on the financial aspects, in order to complete the mandates within the stringent time-line.

Definitions:

DNF	- Division of Food & Nutrition, PDE
SFA	- School Food Authority
FSMC	- Food Service Management Company
RFP	- Request for Proposal
CPI	- Consumer Price Index as published annually by PDE
PDE	- Pennsylvania Department of Education