

# **COST AND PERFORMANCE BOND**

## **Guarantee**

The Nutrition Group is the only food service management company with the confidence to offer the following:

1. **OPERATIONAL GUARANTEE**

The Nutrition Group guarantees that the Operational Recommendations suggested will be achieved. That is, we guarantee that our recommendations will be implemented as stated, and we guarantee that our operational quality will meet or exceed your current program.

2. **FINANCIAL GUARANTEE**

To assure the Warren County School District of our confidence in our projected food service program operating budget. The Nutrition Group is prepared to guarantee the projected financial budget as shown on the Fixed Cost Contract.

Neither The Nutrition Group and/or the Warren County School District “shall be responsible for any losses resulting in the fulfillment of the terms of the contract shall be delayed or prevented by wars, acts of public enemies, strikes, fires, floods, acts of God, or for any acts not within control of The Nutrition Group or the Warren County School District, respectively, and which by the exercise of due diligence they were unable to prevent.”

# **FINANCIAL**

## **Budget, Guarantee, Accounting and Contract Criteria & Financial Considerations**

### **Budget and Guarantee Criteria and Stipulations**

Nutrition, Inc.'s budget and guarantee were developed using the following criteria provided by the Warren County School District:

- Meal service days: 177 days
- RFP specified enrollment, subject to a permissible five percent (5%) variation
- FRP specified breakfast and lunch prices
- RFP specified traditional menu planning option (including menus) and Offer-vs-Serve at all grade levels
- RFP specified employee wages of SFA
- RFP specified staffing, labor hours, and benefits of SFA
- All other information as specified on RFP worksheets and documents

Inaccuracies in the RFP or in supplementary information provided by the Warren county School District that result in a budget variance will necessitate an adjustment in Nutrition, Inc.'s financial guarantee. Such adjustments might include district labor and benefit adjustments, and/or agreements or contracts entered in prior to contracting with Nutrition, Inc.

Nutrition, Inc.'s guarantee is subject to adjustment if the District School Board of Directors enacts policies that negatively affect Nutrition, Inc.'s budget projections or based on the following:

- Federal and state reimbursement rate changes
- Change in USDA commodities usage rate of \$0.2275
- Change in FSMC wages/fringe/benefit costs
- Nutrition, Inc.'s recommended Ala Carte pricing
- USDA commodity purchasing agreements. Notwithstanding the foregoing, Nutrition and the Warren County School District agree that Nutrition Inc.'s guarantee shall not be subject to adjustment based on any shortfall or delay in commodity processing or usage if said shortfall or delay is due to the actions or inactions of Nutrition.
- Nutrition, Inc. retains exclusive selling rights within cafeteria boundaries, and this agreement supersedes any new vending contracts with other vendors that negatively impact sales included in projected revenue.