

MEMORANDUM

TO: School Food Authorities with Food Service Management Contracts
FROM: Conor Floyd, Grant Programs Manager for Child Nutrition Programs
SUBJECT: Food Service Management Company Contract Renewals, School Year 2022 – 2023
DATE: May 16, 2022

Purpose

This memo provides School Food Authorities (SFAs) with instructions on how to renew their existing contracts with Food Service Management Companies (FSMCs). All contracts between FSMCs and SFAs are one year in duration and expire on June 30th. By July 1st, SFAs must either have a renewed contract in place or be prepared to move to a self-operated School Nutrition Program. If an SFA does not intend to renew their FSMC contract, they should notify Agency of Education (AOE) Child Nutrition Programs staff as soon as possible.

Renewing Your FSMC Contract

SFAs planning to renew their FSMC contract should do the following:

1. Download the [FSMC Contract Renewal Form](#) and [FSMC Contract Evaluation Checklist](#). These forms were updated in April 2022, please make sure you have the most recent version.
2. **Contract Evaluation Checklist**
 - a. Using the Contract Evaluation Checklist, review your SY21-22 contract and the changes that will take effect for your SY22-23 contract.
 - b. For almost all contracts, meal price increases are tied to the Consumer Price Index (CPI). The CPI increase this year is 6.8%. If allowed by the contract, prices may be increased by up to 6.8%. It is not required to increase prices, and 6.8% is the maximum allowable increase. You should discuss this with your FSMC.

Per meal management fees cannot be increased and should be excluded from any CPI adjustments.



3. Contract Renewal Form

- a. Complete the Contract Renewal Form using the adjusted meal prices. An Estimated Total Contract value should also be included. Work with your FSMC to calculate the Estimated Total Contract value.
 - b. Check your original contract to identify how to calculate your Meal Equivalent Factor (MEF). Your MEF needs to be included in the Contract Renewal Form because it is used by the FSMC to bill for a la carte and catering services.
 - c. Review the completed Contract Renewal Form with your FSMC. Both the FSMC and SFA need to sign this form.
4. Gather the other required documents:
- a. Certificate of Lobbying, signed by the FSMC
 - b. Certificate of Debarment, signed by the FSMC
 - c. School Board meeting minutes approving the contract renewal
 - d. Documentation that USDA Foods were fully credited to the SFA
 - e. Disclosure of Lobbying Activities (if applicable) completed by the FSMC
5. Upload all required documents in Tab #2 of the Organization Profile in [Harvest](#) for School Year 2022-2023.
6. AOE Child Nutrition Programs staff will then review your documents and provide final approval via email.

Be advised that contracts must be fully executed (meaning signed by both the SFA and FSMC and approved by AOE Child Nutrition Programs staff) before work under that contract may begin. Therefore, it is important to submit all your forms in Harvest as soon as possible.

As a reminder, you are not required to renew your contract. If you do not renew your contract, you will need to have a plan in place to ensure the continued operation of your School Nutrition Programs.

Questions

Question regarding FSMC Contract Renewals should be sent to [Conor Floyd](#), Grant Programs Manager for Child Nutrition Programs.