

# Welcome



NYSED Child Nutrition Program Administration

2024-2025 Food Service Management Company (FSMC)

Contract and Extension Training

\*\*There will be no sound until the presentation begins

## Today's Discussions

- Regulatory Requirements
- Process Overview
- Pre-bid Process
- Bidding Requirements
- Administering FSMC Contracts
- FSMC Extensions



*photo courtesy of Pinebush CSD*

# Food Service Management Company

## WHAT IS IT?

- A commercial enterprise, public or nonprofit organization, or an individual that enters into a contract with a school food authority to run any aspect of the food service operation, whole or in part.

## NYS OPERATIONS:

182 SFAs  
operate with  
a FSMC

17% of NYS  
total SFAs



# Regulatory Authority

## Federal Regulations

- 7 CFR 210.16 – Food Service Management Companies
- 2 CFR 200 - Uniform Guidance for Federal Awards

## New York State Regulations

- Commissioner Regulations Part 114.2
- General Municipal Law 103
- Education Law 305.14a
- Chapter 533, Section 924 of the Laws of New York



Photo courtesy of Kenmore Tonawanda UFSD

# Memo/Prototype

## Popular Topics > Food Service Management Company

- [www.cn.nysed.gov/fsmc](http://www.cn.nysed.gov/fsmc)

## Prototype Contracts – required

- Type II – For SFA's participating in our programs
- Type II- FSMC contract extension (years 2-5)

### Popular Topics

Accommodating Children with Disabilities ⓘ  
"And Justice For All" Posters  
Annual Checklist  
Anti-Shaming/Meal Charge Policy  
Child Nutrition Spotlight  
Community Eligibility Provision  
Direct Certification Matching Process  
Disclosure  
Eligibility  
Equipment Purchases Approval Process  
Food Based Menu Planning  
Food Service Management Company Forms  
Grants  
HACCP/Sanitation  
Income Verification  
Indirect Cost Guidance ⓘ  
Local School Wellness Policy  
Nonprofit School Food Service Account  
Preschool/Prekindergarten Meal Pattern  
Professional Standards  
Program Integrity Final Rule ⓘ  
Recalls  
Regulations ⓘ  
Reimbursement Rates  
Reports  
Resource Order Form  
Smart Snacks in School

# Invitation For Bid (IFB)

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State requirement



Awarded to lowest responsive and responsible bidder



Formal method of procurement resulting in a fixed price contract

# Fixed Price Contract



Price is fixed at the inception of the contract and guaranteed for a specific period of time

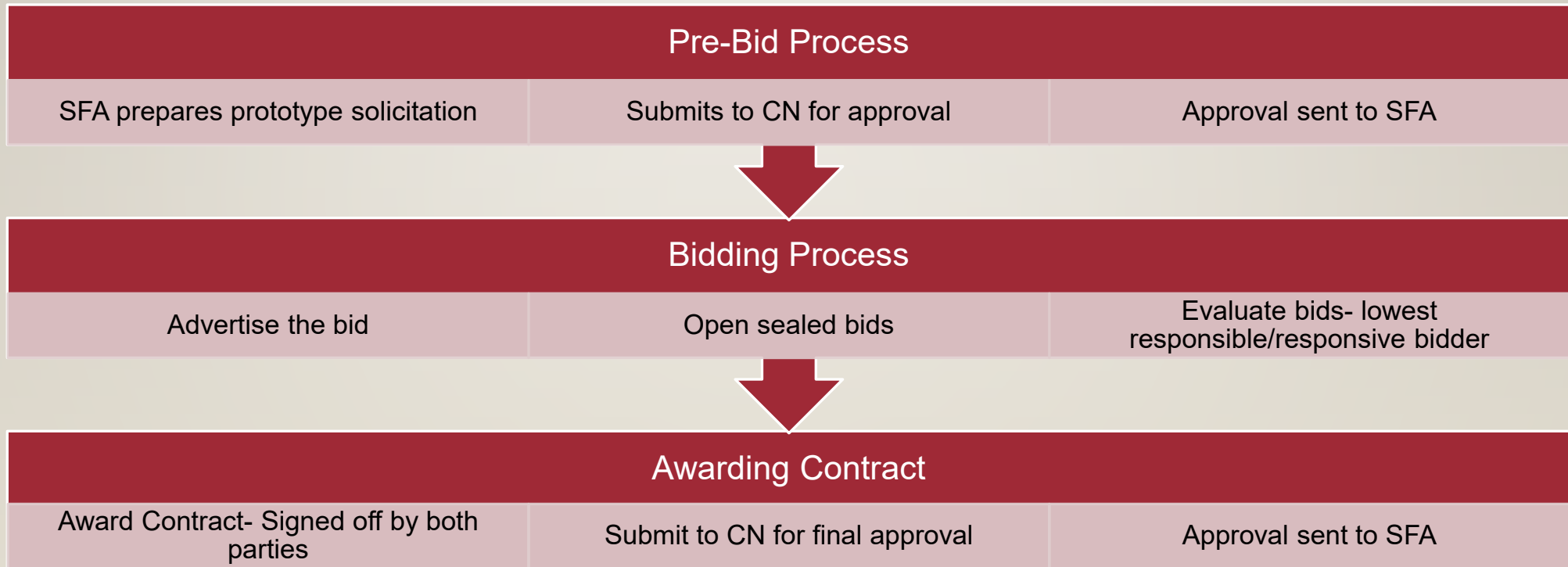


**One-year contract** with the *option of 4 yearly extensions*



Annual contract price has potential to increase based on the CPI-U

# Process Overview





# Pre-Bid Development

- Provide bidders with enough information to submit an accurate and reasonable bid
- Protect the financial and nutritional integrity of the SFA
- Create a fair and equitable bidding process



# Pre-Bid Process

## PRIOR TO BIDDING, SFAS NEED TO DECIDE ON:

- Option 1 or 2
  - Bid option 1 – 1 bid price for breakfast and lunch
  - Bid option 2 – separate bid price for breakfast, lunch and snack
- Options A, B or C
  - Option A – Guaranteed return to the SFA
  - Option B – Break Even
  - Option C – General Fund Subsidy

**Will factor in how a FSMC determines their bid price**

# Schedules

<b>Schedule A</b>	<b>Menus and related materials</b>
<b>Schedule B</b>	<b>Food, Beverage and Smallware Product Specifications</b>
Schedule C	Local Wellness Policy
Schedule D	Cost Responsibility Detail Sheet
Schedule E	Itemized Inventory List
Schedule F	HACCP/Food Safety Plan- Responsibility
Schedule G	<b>Staffing Schedules and Related Information</b>
<b>Schedule H</b>	<b>Direct Diversion Receipt and/or WBSCM Requisition status report</b>
Schedule I	Additional Schedules (calendar, map, forms)

# Schedules Continued

## SCHEDULE A

- Menu and Related Materials
  - Develop a 21 Day Menu
    - Information on meal pattern requirements can be found on Child Nutrition Knowledge Center
      - [www.cn.nysed.gov](http://www.cn.nysed.gov)
    - NYSED staff can offer technical assistance in menu development
  - Production Records
  - Standardized Recipes
- Regulations allow for the SFA to request the FSMC to submit 21-day menu with their bid
  - Evaluation Plan
    - Components and Quantity
    - Dietary Specification
    - Affordability
    - Nutrition Requirements
    - Student appeal





# Schedules

## SCHEDULE G

- Staffing requirements
  - Staffing levels by building
  - Experience
  - Education
  - Retain current staff



# Schedules Continued

## SCHEDULE B

- Food, Beverage and Smallware Product Specification
  - Name of Product
  - Description
  - Quality
  - Brand Name “or equal to”
  - Portion Size

## SCHEDULE H

- Direct Diversion Receipt and/or WBSCM Requisition status report
  - FSMC pre-credit the SFA for the value of USDA foods
  - FSMC must provide additional credit for any donated foods not accounted for in the fixed price per meal

# Pre-Bid Process

- Email completed pre-bid document to [CN@nysed.gov](mailto:CN@nysed.gov)
  - Include – updated prototype, all schedules, all amendments and all addendum
  - Send in **30** days prior to letting bids
- SFA will be notified via email once the pre-bid has been approved or if additional information or changes are needed

**Questions?**





# Bidding Process

- Advertise Bid
  - Must include **time and place where bids will be received** and ***publicly opened and read***
  - At least **5** days shall elapse between first publication of advertisement and the date for opening and read
- Bidder's Conference
  - Private walk-throughs are **not** allowed
- Sealed Bid
  - All bids submitted to the SFA must be ***sealed*** and cannot be opened until the ***specified time***
  - FSMC cannot request an extension to the due date

# Bidding Process Continued

- Awarded to the lowest responsive and responsible bidder
  - Board minutes must be submitted if the lowest bidder was not awarded
  - SFA must be able to demonstrate why they were not responsive or responsible

## HOW TO DETERMINE LOWEST BIDDER: BID OPTION 2

To Be Completed by the FSMC		To Be Completed by the SFA			To Be Completed by the FSMC	
<b>Program</b>	Total Per Meal	x	SFA Estimate of Meals and Equivalent Meals	=	Total SFA Cost	
<b>Breakfast</b>		x		+		
<b>Lunch</b>		x		=		
<b>Snack</b>		x				

**GRAND TOTAL** = \_\_\_\_\_ \*

\*Transfer this amount to either Option A, B or C selected by the SFA

# Bid Approval

- Once SFA awards the bid and receives board approval, the bid must be submitted to NYSED for final approval
  - Submit one completed bid package to NYSED
    - [cn@nysed.gov](mailto:cn@nysed.gov)
  - Electronic signatures are allowed for the 2024-25 SY
  - SFA will be contacted if information is missing



# Administering the Contract

- SFA must provide oversight of the FSMC operations
  - Invoices
  - Meals + Meal Equivalents
  - USDA Foods
  - Procurement standards
  - Staffing requirements
  - 21-day cycle menu
    - Any changes must be approved by SFA
  - Contract terms



Photo courtesy of Kenmore Tonawanda UFSD



# SFA Responsibilities



ESTABLISH AN ADVISORY BOARD CONSISTING OF PARENTS, STUDENTS AND STAFF TO ASSIST IN MENU PLANNING



SFA RETAINS CONTROL OF THE NONPROFIT SCHOOL FOOD SERVICE ACCOUNT



CONDUCT APPLICATION, CERTIFICATION AND VERIFICATION PROCEDURES



MONTHLY CLAIM FOR REIMBURSEMENT

# SFA Responsibilities Continued



Conduct on-site visits  
(contract terms)

Document when FSMC is not following contract terms



Establish internal controls



Updated FSMC penalties

1<sup>st</sup> Written Notification- *\$500 per day per school*  
2<sup>nd</sup> Written Notification- *\$750 per day per school*  
3<sup>rd</sup> Written Notification- *\$1000 per day per school*

# FSMC Responsibilities

1

Menus and meals served must meet program and bid specifications and requirements

2

Maintain accurate categorical point of service accountability counts/records

3

Train cashiers and staff

4

Submit monthly operating statement

5

Bill the SFA for number of meals plus equivalent meals multiplied by bid price

# Federal Regulation 7 CFR Part 210.16

- Make no payment for meals that:
  - Are spoiled or unwholesome at time of delivery
  - Do not meet meal pattern requirements
  - Do not otherwise meet the requirements of the contract





# Conversion Factor

## A la Carte Conversion

- The manner in which the value a la carte food items sold is converted into meal equivalents
- The meal equivalents are then billed to the SFA at current bid price

## 2024-2025 A la Carte Conversion Rate

- **\$4.77**

Changes annually

# FSMC Contract Extensions

Each contract can be extended annually for up to 4 years

Price may be increased up to the CPI-U percentage

- Use the previous month before the ending month (Contract ends June 30<sup>th</sup>, use May CPI-U)

The SFA is responsible for completing the extension

- FSMC should not be completing the extension for the SFA


The SFA must ensure the extension is complete and accurate before submitting to NYSED

- Must submit the FSMC Extension Checklist

*NYSED is required to review and approve extensions*

# Extension Submission

- Prototype Extension Form includes:
  - Checklist
  - Section 1 and 2
    - PDF automatically calculates the increase based on CPI-U
  - Debarment option A or B
  - Certificate of Lobbying

 THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

Office for Prekindergarten through Grade 12 Education  
Child Nutrition Program Administration  
89 Washington Avenue, Room 375 EBA, Albany, NY 12234  
(518) 473-8781 Fax (518) 473-0018  
[www.cn.nysed.gov](http://www.cn.nysed.gov)

**School Food Authority (SFA) Required Checklist**  
2024-2025 Extension of Food Service Contract

Extension Year:  2  3  4  5

SFA:  LEA Code:

SFA Business Official:  Telephone Number:

**NOTE:** Use this required checklist to ensure that all documents you submit are complete (no blanks). If an incomplete document is received and/or completed in pencil, it will be returned to the SFA and the SFA may be placed on reimbursement hold. *This Checklist and Extension must be completed and signed by an authorized SFA Representative*

**SECTION 1 (ORIGINAL CONTRACT INFORMATION)**

- Original agreement date; SFA name; county; FSMC name
- Commencing and ending dates (month/day/year; must agree with original contract)
- Original Per Meal Bid Price
- Guaranteed Return

**SECTION 2 (2024-2025 EXTENSION INFORMATION)**

- Commencing and ending dates (month/day; must agree with original contract)
- Appropriate month's Consumer Price Index (CPI-U) applied to previous bid year's price
- Current Per Meal Bid Price
- Annual Per meal price
- Guaranteed Return
- Summer Food Service Program
- Date agreement signed
- Signature of BOE President/Executive Director and FSMC Authorized Signatory; Sign in Blue Ink
- Debarment Option Form  A or  B \*
- Completed Lobbying Certificate
- Completed Disclosure of Lobbying Activities Form (if required)

Email one original COMPLETE extension of contract to [CN@nysed.gov](mailto:CN@nysed.gov).

Print Name:  Title:

Signature:  Telephone Number:

**MUST BE SIGNED IN BLUE INK ONLY**

SED APPROVED BY:	
Date	NYSED Official

NYSED Docutrax

2024-2025 NYSED Contract Extension Prototype Page 1 of 9 Feb 2024

# Questions?

**NYSED Child Nutrition  
Program  
Administration**

(518) 473-8781

[www.cn.nysed.gov](http://www.cn.nysed.gov)

