

Welcome

NYSED Child Nutrition Program Administration
2024-2025 Food Service Management Company (FSMC)
Contract and Extension Training



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.nysesd.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)



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

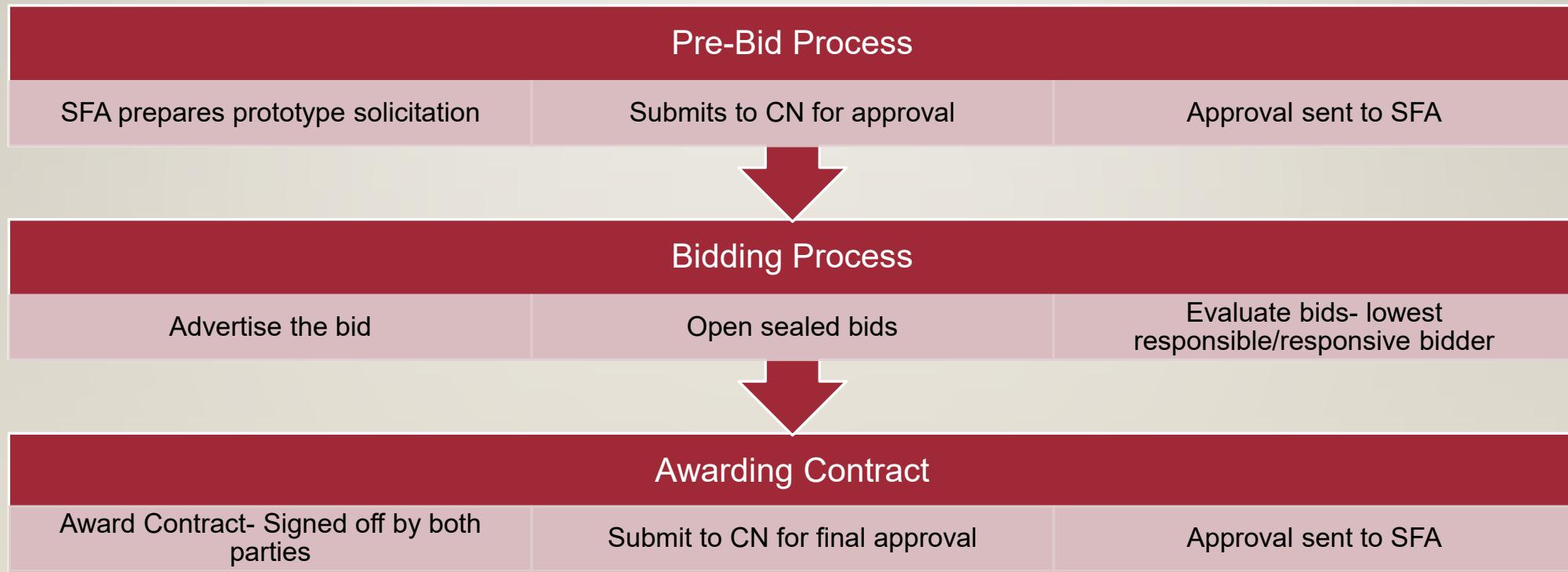


One-year contract with the *option of 4 yearly extensions*



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

Schedule A	Menus and related materials
Schedule B	Food, Beverage and Smallware Product Specifications
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	Staffing Schedules and Related Information
Schedule H	Direct Diversion Receipt and/or WBSCM Requisition status report
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.nysesd.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
 - 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	
Program	Total Per Meal	x	SFA Estimate of Meals and Equivalent Meals	=	Total SFA Cost
Breakfast		x		+	
Lunch		x		=	
Snack		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
 - 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

1st Written Notification- *\$500 per day per school*
2nd Written Notification- *\$750 per day per school*
3rd 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 30th, 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

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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.

Print Name: _____ Title: _____
Signature: _____ Telephone Number: _____

MUST BE SIGNED IN BLUE INK ONLY

SED APPROVED BY:	
Date	NYSED Official

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

Questions?

**NYSED Child Nutrition
Program
Administration**

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www.cn.nysesd.gov



New York State
EDUCATION DEPARTMENT
CHILD NUTRITION KNOWLEDGE CENTER