

Invitation for Bid

and Contract

Nonprofit School Food Service

Food Service Management Company

Monticello

Community Unit School District # 25

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at: <https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer>, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To

request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov

This institution is an equal opportunity provider.

SECTION 1 INSTRUCTIONS TO BIDDERS

1.1 Notice of bid

The Board of Education of Monticello CUSD #25 will receive bids for Food Service Management, lunch, breakfast, and special milk until 10:00 AM CST, March 2, 2018 at which time they will be opened and read aloud.

Bids are to be addressed to: Vic Zimmerman, Superintendent of Schools, and are to be enclosed in a sealed envelope clearly marked, "Sealed Bid-Food Service Management."

The Board of Education reserves the right to reject any and all bids in whole or in part for sound and documented reasons. Award of contract shall be based upon the bid criteria included in this document. A contract will be awarded only after a formal notice is given to a vendor as determined by the Board of Education. The Board of Education reserves the right to waive any and all formalities.

Schedule of Events:

<u>Event</u>	<u>Date and Time (CST)</u>
Bid Materials Available	January 19, 2018
Mandatory Pre-Bid Meeting	February 5, 2018 at 10:00 AM at District Office
Deadline to submit questions for clarification	February 15, 2018 at 10:00 AM
Deadline for submitting bids and bid opening	March 2, 2018 at 10:00 AM
Board Review of Bids	March 21, 2018
Board Award of Final Bid	April 18, 2018

PUBLIC NOTICE

NOTICE TO BIDDERS

The Board of Education of Monticello CUSD #25 is accepting sealed bids for:

FOOD SERVICE MANAGEMENT

Sealed bids will be received until 10:00 a.m., March 2, 2018 at the Monticello CUSD #25 Unit Office, 2 Sage Drive, Monticello, Illinois 61856 at which time they will be publicly opened and read.

Bid specifications will be available on **January 19, 2018**. To obtain bid specifications, please contact Vic Zimmerman, Superintendent of Schools, at (217) 762-8511 or via email at zimvi@sages.us.

Direct any questions in writing to Vic Zimmerman at the contact information above. Questions will be answered in writing and sent via email to all bidders. Questions will be taken until February 15, 2018.

BY: Wendy Norvell,
Monticello CUSD #25
Board of Education
Secretary

January 19, 2018

Dear Vendor:

The Monticello CUSD #25 Board of Education invites you to submit a sealed bid for:

FOOD SERVICE MANAGEMENT

The enclosed bid form(s) must be used in submitting the bid. The bid must be addressed as follows:

**Monticello CUSD #25
2 Sage Drive
Monticello, Illinois 61856
ATTN: Vic Zimmerman – Food Service Management Bid**

Sealed bids will be received until 10:00 a.m. CST March 2, 2018 at which time they will be publicly opened and read.

The required Contractor's Certification forms must be completed and returned with the bid.

It is the intention of the Board of Education to consider the bids as soon as is practical after the bid opening, which will likely be on March 20, 2018 at a Regular Board of Education meeting. The Board of Education may make such investigations as deemed necessary to determine the ability of the bidder to perform the work, and the bidder shall furnish to the District all such information for this purpose as the District may request. The District reserves the right to reject any or all bids for sound and documented reasons if the evidence submitted by, or investigation of, such bidder(s) fails to satisfy the District that such bidder(s) is properly qualified to carry out the obligations of the contract and to complete work contemplated therein. The District further reserves the right to waive any minor irregularities or minor defects in the bids, which do not affect the price nor constitute some type of substitution for a designated item, and to accept the bid, which is the lowest bid and meets the criteria established by the District. Conditional bids will not be accepted. Strikeouts or addition of conditions or provisions or insertion of substitutes shall be reason for rejecting a bid without any specification of reason for the rejection. All contractors submitting bids must have attended the pre-bid conference on **February 5, 2018** at 10:00 a.m. CST at the Monticello CUSD #25 Unit Office, Monticello, Illinois. Any request for information shall be made to Vic Zimmerman, Superintendent of Schools, but the response may not be used as a condition to any bid being submitted. Questions will be answered in writing and sent via email to all bidders.

Questions will be taken until February 15, 2018 at 10:00 a.m.

Sincerely,

Vic Zimmerman
Superintendent of Schools

- 1.2 All contractors submitting bids must have attended the pre-bid conference on **February 5, 2018** at 10:00 AM CST at the Monticello CUSD #25 Unit Office, Monticello, Illinois. Only bidders present at the conference will be permitted to submit a bid.
- 1.3 Sealed bids will be received until 10:00 AM CST, March 2, 2018 and are to be submitted to Vic Zimmerman, Superintendent of Schools, Monticello CUSD #25 Unit Office, 2 Sage Drive, Monticello, Illinois.
- 1.4 Questions should be sent in writing to Vic Zimmerman, Superintendent of Schools, Monticello CUSD #25 Unit Office, 2 Sage Drive, Monticello, Illinois 61856 or via email at zimvi@sages.us. Questions will be answered in writing and sent via email to all bidders who have provided email contact information. Questions will be accepted through February 15, 2018 10:00 AM.
- 1.5 Hereinafter, school food authority (SFA) shall refer to Monticello CUSD #25.
- 1.6 Hereinafter, food service management company (FSMC) shall refer to the contractor awarded this Contract.
- 1.7 If clarification of the specifications/instructions is required, the SFA will clarify the specifications/instructions in the form of an addendum issued to all prospective bidders. If the SFA issues any changes to this Invitation for Bid (IFB), acknowledgement of receipt of such changes must be made to the SFA in writing, signed by an individual authorized to legally bind the bidder, and included in the bidder's bid package. If changes to the IFB are not acknowledged, the SFA retains the right to reject the bid as non-responsive. No addenda will be issued within seven working days of the time and date set for the bid opening. Should the SFA determine that clarification of the specifications/instructions is necessary within seven working days of the time and date set for the bid opening, the time and date set for the bid opening will be delayed to allow issuing an addendum.
- 1.8 The subject matter of this IFB is subject to legislative changes either by the federal or state government. If any such changes occur prior to contract award, then all bidders will have the opportunity to modify their bids to reflect such changes. If any such changes occur after a contract award has been made, then the SFA (i) reserves the right to negotiate modifications to the Contract reflecting such legislative changes; and (ii) shall have no obligation to provide unsuccessful bidders with the opportunity to modify their bids to reflect such legislative changes.

SECTION 2 GENERAL CONDITIONS

- 2.1 Bids shall be submitted on the forms provided with these specifications. Bids shall be in a sealed envelope properly marked with the title of the bid, date and time of opening, and delivered to Monticello CUSD #25, 2 Sage Drive, Monticello, Illinois 61856 on or before 10:00 AM CST on March 2, 2018. All certifications contained herein must be signed and submitted with the bid.
- 2.2 Bids submitted after the date and time specified will not be considered and will be returned, unopened to the appropriate bidder. Post marks or dating of documents will be given no consideration in the case of late bids.
- 2.3 The Board of Education reserves the right to reject any and all bids, to accept bids, either in whole or in part, and to waive any irregularities or defects in any bid when there are sound documented reasons to do so. The contract will be awarded, if at all, to the lowest bidder meeting the specifications as determined by the Board of Education. In determining same, the actual dollar cost of the bid, as submitted by each bidder, will not be the sole criterion. The Board is equally concerned with the proven ability of the bidder to satisfactorily perform the contract so that the service will be provided in accordance with contract documents.
- 2.4 The special attention of bidders is directed to the policy that no claim for relief because of errors or omissions in the bidding will be considered, and bidders will be held strictly to the bids as submitted. Should a bidder find any discrepancies in or omissions from any of the documents, or be in doubt as to their meaning, he shall advise Vic Zimmerman, Superintendent of School at (217) 762-8511, who will issue the necessary clarifications to all prospective bidders by means of addenda.
- 2.5 All bids shall be submitted with each space properly completed. Bidders may make no deviations or exceptions from the specifications and conditions of the documents. All certifications contained herein must be signed and submitted with the bid.
- 2.6 The submission of a bid by a contractor will be construed as an indication that he is fully informed as to the extent and character of the service required and can offer the services satisfactorily in compliance with the specifications.
- 2.7 No bid received after the date and time specified will be considered. The bidder assumes the risk of any delay in the handling or delivery of mail. Bids submitted after the date and time specified will be returned, unopened to the appropriate bidder. Post marks or dating of documents will be given no consideration in the case of late bids. Bids may be withdrawn by letter or in person prior to the time and date established for the opening of bids.
- 2.8 In accordance with Illinois law, once the bids have been opened such bids may not be modified in any way without the written approval of Monticello CUSD #25. All bidders will be bound by any and all math calculations, misquotes or mistakes of any kind once the bids have been opened. Once a bid has been accepted, it may not be modified or rescinded without the approval of Monticello CUSD #25.

- 2.9 No employee of Monticello CUSD #25 is to be extended any form of gratuity in connection with this bid.
- 2.10 The school district will make such investigations as is necessary to determine the ability of the bidder to fulfill bid requirements. Representatives from Monticello CUSD #25 reserve the right to inspect the company's facilities and other food service operations under its management prior to any award of this contract at the expense of the interested company.
- 2.11 All bids shall remain valid and subject to acceptance for a period of ninety (90) days after the bid opening date. Award of the Contract shall be made to the lowest responsive, responsible bidder as determined by the SFA, based on the criteria and specifications outlined in the IFB and further set forth in the Contract.
- 2.12 The meal rates and fees bid must be calculated based on the menu(s) in Exhibit B and on the projected annual units provided on the *Bid Summary* form, both attached herein. Rates must be provided per unit with the exception of the *A la Carte Management Fee* which, if bid, must be a lump sum. All other estimated line item totals shall be computed by multiplying the projected annual units by the rate bid per unit. Estimated totals must be carried out to the second decimal place and must not be rounded. In any case of errors in the extension of the estimated total(s), the actual unit rates shall govern.
- 2.13 Bid Bond: A bid deposit in the form of a surety bond issued by a bonding company authorized to do business in Illinois, and on the US Department of Treasury list of approved sureties, shall be made payable to Monticello CUSD #25 in the amount of 5% of the total estimated cost of the annual contract. All bids without a surety bond will be disqualified and will be considered as non-responsive.
- 2.14 An unsuccessful bidder may protest the bid award by submitting in writing said protest within five business days of the bid award to Vic Zimmerman, Superintendent of Schools, 2 Sage Drive, Monticello, Illinois 61856. The protest must state the nature and grounds of the protest. The Board of Education will review the protest and communicate the findings of the Board to the protesting bidder and to the Illinois State Board of Education Nutrition Programs Division within 45 business days. All administrative remedies with the Monticello CUSD #25 must be exhausted before the FSMC may pursue a protest at the state or federal level.
- 2.15 No bid will be accepted from, or contract awarded to, any person, firm, or corporation that is in arrears or is in default to the SFA upon any debt or contract, or is a defaulter, as surety or otherwise, upon any obligation to said SFA, or has failed to perform faithfully any previous contract with the SFA.
- 2.16 All completed bids and supporting documentation submitted shall be the property of the SFA.
- 2.17 Until such time as a Contract is awarded, no bidder, prospective or otherwise, shall be provided access to any supporting bid documents received by the SFA. All supporting bid documents shall be held strictly confidential and shall be reviewed and evaluated solely by SFA employees. Such documents shall not be released for distribution under the Freedom of Information Act until such time as the Contract has been awarded. Violation of this clause by any bidder, prospective or otherwise, shall result in automatic disqualification of the bidder from being awarded the

Contract. Violation of this clause by an SFA may result in (1) temporary withholding of cash payments pending correction of the deficiency by the SFA or other more severe enforcement action; (2) disallowing of both, use of funds and matching credit for all or part of the cost of the activity or action not in compliance; (3) whole or partial suspension or termination of the SFA's program; (4) withholding of further awards for the program; or (5) other remedies that may be legally available. Actions that result in the violation of law will be referred to the appropriate local, State, or Federal authority having jurisdiction.

SECTION 3 SCOPE

- 3.1 The food service provided shall be operated and maintained as a benefit to the SFA's students, faculty, and staff.
- 3.2 The food service shall be managed to promote maximum participation in the Child Nutrition Programs.
- 3.3 The food service management company (FSMC) shall have the exclusive right to manage the Child Nutrition Programs at the sites specified on Exhibit A.
- 3.4 The FSMC shall provide the type of food service at sites as specified on Exhibit A for approximately 175 annual serving days during each Term of the Contract.
- 3.5 The SFA may at any time during the Term of the Contract add or remove sites and/or meal periods for programs covered by this contract unless the addition or removal of sites and/or meal periods creates a material or substantive Contract change.
- 3.6 The SFA reserves the right to maintain, add, and/or remove present food and beverage vending machines in its facilities.
- 3.7 The FSMC shall be an independent contractor and not an employee of the SFA. The employees of the FSMC shall be considered solely employees of the FSMC and shall not be considered employees or agents of the SFA in any fashion.
- 3.8 The FSMC shall conduct the food service to ensure compliance with the rules and regulations of the Illinois State Board of Education and the United States Department of Agriculture (USDA) regarding Child Nutrition Programs.
- 3.9 The SFA shall be legally and financially responsible for the conduct of the food service and shall supervise the food service to ensure compliance with the rules and regulations of the Illinois State Board of Education and the United States Department of Agriculture regarding Child Nutrition Programs.

SECTION 4
SCHOOL FOOD AUTHORITY RESPONSIBILITIES

- 4.1 The SFA shall ensure the food service is in conformance with its *Permanent Agreement* and the *Policy Statement for Free Meals, Free Milk, and Reduced-Price Meals*.
- 4.2 The SFA shall retain control of the quality, extent, and general nature of its food service and the prices to be charged for meals, milk, a la carte items, adult meals, and vending machine items, as applicable.
- 4.3 The SFA shall monitor the food service through periodic on-site reviews to include the inspection of meals, food preparation, storage and service areas, sanitation practices, and procedures for accurately counting and claiming meals provided that nothing in this paragraph shall be construed as to relieve the FSMC of its independent obligation to provide proper oversight and supervision of its operations or to otherwise comply with State and Federal rules and/or regulations.
- 4.4 The SFA shall approve the menus and recipes for meals and other food to be served or sold to students to ensure compliance with the rules and regulations of the Illinois State Board of Education and the United States Department of Agriculture.
- 4.5 The SFA shall inform the FSMC of any adjustments to menus and monitor implementation of adjustments.
- 4.6 The SFA shall approve all a la carte items and the prices charged for those items in advance of sale by the FSMC.
- 4.7 The SFA shall retain signatory authority on the Illinois State Board of Education *Annual School Application for Participation in Child Nutrition, Illinois Free Breakfast and Lunch, and Food Distribution Programs*; the *Policy Statement for Free Meals, Free Milk, and Reduced-Price Meals*; the *Permanent Agreement*; and the *Child Nutrition Program Monthly Claim for Reimbursement*.
- 4.8 The SFA shall establish internal controls which ensure the accuracy of meal counts prior to the submission of each *Monthly Claim for Reimbursement* including:
- On-site reviews of the meal counting and claiming system,
 - Reviews of meal count data for each site, and
 - Edit checks of meal count data against the product of the eligibility data times an attendance factor.
- 4.9 The SFA shall ensure USDA Foods received for use by the SFA and made available to the FSMC are utilized within the specified Term of this Contract in the SFA's food service operation for the preparation and service of meals and for other allowable uses in accordance with the Code of Federal Regulations, 7 C.F.R. Part 250.
- 4.10 The SFA shall maintain and post, in a publicly visible location, all reports on the most recent food safety inspection, and provide a copy of the food safety inspection reports to a member of the public upon request.

- 4.11 The SFA shall assure all state and local regulations are met by the FSMC preparing or serving meals at SFA facilities.
- 4.12 The SFA shall establish and maintain an advisory board composed of parents, teachers, and students to assist in menu planning as needed.
- 4.13 The SFA shall be responsible for receiving medical statements regarding students' disabilities/special dietary needs and shall ensure the FSMC complies with all special dietary accommodation requirements. Substitutions are made on a case-by-case basis and must be supported by a statement of the need for substitutes that includes the recommended alternate foods, unless otherwise exempted by the Food and Nutrition Service, USDA. In the case of a student with disabilities, the statement must be signed by a medical doctor. For students without disabilities, the statement must be signed by a recognized medical authority.
- 4.14 The SFA shall determine eligibility of students for meal benefits and as needed distribute and collect the letter and household applications for free and reduced-price meals or milk.
- 4.15 The SFA shall verify applications for free and reduced-price meals and conduct any appeals or hearings for eligibility determinations.
- 4.16 The SFA shall be responsible for resolution of program reviews and audit findings with assistance of the FSMC.
- 4.17 The SFA director must ensure that the FSMC employees providing services for the school meal programs have the required Professional Standard Regulations annual training. Therefore, the SFA must require the FSMC to provide documentation showing the training hours and topics completed by the employees.

SECTION 5
FOOD SERVICE MANAGEMENT COMPANY RESPONSIBILITIES

- 5.1 The FSMC shall provide its services hereunder at all times in accordance with generally accepted standards of care and best practices in the industry.
- 5.2 The FSMC shall serve, on such days and at such times as requested by the SFA:
 - 5.2.1 Breakfasts, priced as a unit, which meet USDA requirements
 - 5.2.2 Lunches, priced as a unit, which meet USDA requirements
 - 5.2.3 Milk, served to all children pursuant to the Special Milk Program
 - 5.2.4 Other foods as agreed upon by the FSMC and SFA, pursuant to applicable regulatory requirements
- 5.3 The FSMC shall serve free, reduced-price, and paid meals and/or free milk to those children designated by the SFA.
- 5.4 The FSMC shall implement the collection procedures as specified by the SFA and approved by the Illinois State Board of Education.
- 5.5 The FSMC shall implement the *Offer versus Serve* provision at the food service sites specified by the SFA on Exhibit A.
- 5.6 The FSMC shall adhere to the 21-day cycle menu(s) and portion sizes specified by the SFA on Exhibit B for the first 21 days of meal service. Thereafter, changes in the menu(s) may be made with prior approval of the SFA who shall ensure all foods and beverages are of equivalent or better quality and variety as the foods and beverages required for the first 21 days of meal service. The meals must meet the Food-Based Meal Pattern as designated herein by the SFA for each Term of the Contract, if applicable. Meals must adhere to all calorie ranges and meet the nutrition standards for National School Lunch, School Breakfast, and/or summer meals programs for the age/grade groups of school children as listed in Exhibit C.
- 5.7 The serving sizes provided by the SFA on the 21-day cycle menu(s) in Exhibit B are, in most cases based on the required minimum serving sizes stated in Exhibit C. If the serving sizes for the food items indicated on the menu(s) do not meet the required average daily calorie ranges per five-day week and the nutrient standards as stated in Exhibit C, the FSMC must adjust the serving sizes and/or provide additional food items as necessary to meet the required calorie ranges and nutrient standards while meeting all Food-Based Meal Pattern requirements and without significantly altering the 21-day cycle menu(s).
- 5.8 The FSMC shall be responsible for providing meals and menus appropriate for the age of the students served and acceptable to students evidenced by a minimum of plate waste and participation levels in the National School Lunch, School Breakfast, and/or summer meals programs, as applicable.
- 5.9 The FSMC shall participate in the parent, teacher, and student advisory board as needed.

- 5.10 The FSMC shall adhere to and assist in the implementation, enforcement, and evaluation of all nutrition-related requirements in the SFA's Local Wellness Policy. The FSMC shall remain informed of increasing industry standards and assist the SFA in modifying its Local Wellness Policy to reflect the highest current nutrition-related standards. Refer to Exhibit H.
- 5.11 The FSMC shall cooperate with the SFA in promoting nutrition education and coordinating the SFA's food service with classroom instruction.
- 5.12 The FSMC shall use SFA facilities for preparation of food to be served as specified on Exhibit A.
- 5.13 The FSMC is required to substitute food components of the meal pattern for students with disabilities in accordance with 7 C.F.R. § 15b when the disability restricts their diet and is permitted to make substitutions for students without disabilities when they are unable to eat regular meals because of a medical or special dietary need. Refer to the requirements outlined in Section 4.
- 5.14 The FSMC shall deposit daily all monies in the SFA's nonprofit food service account.
- 5.15 The FSMC shall comply with all local and state sanitation requirements.
- 5.16 It will be the joint responsibility of the SFA and the FSMC to protect the anonymity of all children receiving free or reduced-price meals, and methods for ensuring anonymity shall be jointly agreed upon; provided that nothing in this paragraph shall be construed to relieve the FSMC of its independent obligation to protect the anonymity of all children receiving free or reduced-price meals and to provide the required quality and extent of goods and services hereunder.
- 5.17 At the SFA's discretion, the SFA may conduct performance reviews of the FSMC's performance under the Contract. Any services performed under this Contract shall be subject to a performance review. The FSMC shall cooperate with the SFA in these reviews, which may require the FSMC to provide records of its performance. Performance reviews may be used by the SFA to determine whether to enter into future contractual relationships with the FSMC, including subsequent Contract renewal Terms, as applicable. Performance reviews may include, but are not limited to:
- Completion and performance of contractual services rendered;
 - Adherence to the meal pattern and food specification requirements, including quality and variety;
 - Performance on SFA On-Site Reviews and status of required corrective action, if any;
 - Performance on State and/or Federal reviews and status of required corrective action, if any;
 - Participation trends, including program participation compared to a la carte sales;
 - Responsiveness of local staff and management to the SFA's needs, including the Advisory Board and Local Wellness Committee, as applicable; and
 - Responsiveness of regional management to the SFA and local staff/management.

SECTION 6 USDA FOODS

- 6.1 Any USDA Foods received for use by the SFA and made available to the FSMC shall be utilized within the specified Term of this Contract in the SFA's food service operation for the preparation and service of meals and for other allowable uses in accordance with the Code of Federal Regulations, 7 C.F.R. Part 250.
- 6.2 The FSMC shall accept and use USDA Foods in as large a quantity as may be efficiently utilized in the nonprofit food service subject to approval of the SFA. The SFA and FSMC must order USDA Foods on the Illinois Commodity System (ICS) in quantities sufficient to receive and credit the SFA for USDA Foods totaling at least 85% of the SFA's annual USDA Foods entitlement amount. The SFA's USDA Foods entitlement amount for the current school year is stated in Exhibit D.
- 6.3 The FSMC shall manage all USDA Foods to ensure the USDA Foods are utilized in the SFA's food service.
- 6.4 The FSMC shall utilize all USDA ground beef, ground pork, and processed end products received in the SFA's food service. Commercially-purchased foods shall not be substituted for these foods.
- 6.5 The FSMC shall utilize all other USDA Foods, or substitute commercially-purchased foods of the same generic identity, of U.S. origin, and of equal or better quality than the USDA Foods as determined by the SFA, in the SFA's food service.
- 6.6 The FSMC shall credit the SFA's monthly bill/invoice the current market value of all USDA Foods received during each Contract Term as the USDA Foods are used in the SFA's food service. The FSMC must credit the SFA for all USDA Foods received for use in the SFA's food service each Contract Term whether the USDA Foods have been used or not. Such credit shall be issued in full prior to the expiration of each Contract Term.
- 6.7 Credit issued by the FSMC to the SFA for USDA Foods received during each Contract Term and used in the SFA's food service shall be recorded on the monthly bill/invoice as a separate line item entry and shall be clearly identified and labeled. Attached to the invoice shall be a detailed list identifying each received USDA Foods item used in the SFA's food service and each USDA Foods item credit issued for unused USDA Foods, along with the current market value as issued by the Illinois State Board of Education.
- 6.8 The current market value of USDA Foods is based on the prices issued by the Illinois State Board of Education in compliance with 7 C.F.R. § 250.58(e).
- 6.9 The SFA shall ensure the method and timing of crediting does not cause its cash resources to exceed limits established in 7 C.F.R. § 210.9(b)(2).
- 6.10 At the end of each Contract Term and upon expiration or termination of the Contract, a reconciliation shall be conducted by the SFA to ensure and verify correct and proper credit has been received for the full value of all USDA Foods received by the FSMC during each Contract Term for use in the SFA's food service.

- 6.11 The SFA shall verify receipt of USDA Foods shipments through its electronic records or by contacting the Illinois State Board of Education or processor as applicable.
- 6.12 The SFA reserves the right to conduct USDA Foods credit audits throughout each Contract Term to ensure compliance with federal regulations 7 C.F.R. Part 210 and Part 250.
- 6.13 The FSMC may store and inventory USDA Foods together with commercial foods purchased for use in the SFA's food service. The FSMC must meet all storage and inventory management requirements outlined in 7 C.F.R. Part 250. USDA ground beef, ground pork, and processed end products shall be stored in a manner that ensures usage in the SFA's food service.
- 6.14 The FSMC must accept liability for any negligence on their part that results in any loss, damage, out of condition, or improper use of USDA Foods not yet credited to the SFA, and shall credit the SFA either monthly or through a fiscal year-end reconciliation.
- 6.15 The SFA and FSMC shall consult and agree on end products to be produced from USDA Foods during each Contract Term. If the SFA and FSMC cannot agree on end products, the FSMC shall utilize the USDA Foods in the form furnished by the USDA.
- 6.16 The SFA shall have processing contracts in place when a commercial facility processes or repackages USDA Foods. The FSMC shall pay all related processing fees and costs. The SFA shall not be responsible for any costs associated with processing USDA Foods. The Illinois Recipient Agency Processing Contract, Illinois State Master Processing Contract, or National Processing Contract must be used as the basis for the processing agreement as determined by the Illinois State Board of Education. The terms and conditions of the processing contract must comply with 7 C.F.R. Part 250. In accordance with 7 CFR 250.51(a), the FSMC must credit the SFA for the full value of all USDA Foods received for use in the SFA's meal service in a school year or fiscal year (including both entitlement and bonus foods). This includes crediting for the value of USDA Foods contained in processed end products (per 6.19 below).
- 6.17 The FSMC shall not enter into subcontracts for further processing of USDA Foods.
- 6.18 The FSMC shall be responsible for all delivery, freight/handling, storage, and warehousing costs associated with USDA Foods. Approximate annual delivery, freight/handling costs are \$691.22.
- 6.19 If the FSMC acts as an intermediary between a processor and the SFA, the FSMC shall credit the SFA for the value of USDA Foods contained in the processed end products at the USDA Foods processing agreement value unless the processor is providing such credit directly to the SFA. Such credit shall be issued to the SFA on the monthly bill/invoice as a separate line item entry and shall be clearly identified and labeled.
- 6.20 The FSMC shall have records maintained and available to substantiate the receipt, use, storage, and inventory of USDA Foods. The FSMC must submit to the SFA monthly inventory reports showing all transactions for processed and/or non-processed USDA Foods.

- 6.21 The SFA, Illinois State Board of Education, Comptroller General, and U.S. Department of Agriculture, or their duly authorized representatives, may perform on-site reviews of the FSMC's food service operation, including the review of records, to ensure compliance with the requirements of this Contract and federal regulations 7 C.F.R. Part 210 and Part 250.
- 6.22 The FSMC must return all unused USDA ground beef products, ground pork products, and processed end products to the SFA upon termination, expiration, or non-renewal of the Contract.
- 6.23 At the discretion of the SFA, the FSMC may be required to return other unused USDA Foods to the SFA upon termination, expiration, or non-renewal of the Contract.
- 6.24 The SFA shall retain title to all USDA Foods provided to the FSMC for use in the SFA's food service.
- 6.25 The bid rate per meal must be calculated as if no USDA Foods were available.

SECTION 7
PURCHASES/BUY AMERICAN

- 7.1 The FSMC shall retain title of all purchased food and nonfood items.
- 7.2 The FSMC shall purchase, to the maximum extent practicable, domestic commodities or products which are either an agricultural commodity produced in the United States or a food product processed in the United States substantially using agricultural commodities produced in the United States (U.S.).
- 7.3 The FSMC shall not substitute commercially-purchased foods for USDA ground beef, ground pork, and processed end products received.
- 7.4 The FSMC may substitute commercially-purchased foods for all other USDA Foods received. All commercially-purchased food substitutes must be of the same generic identity as the USDA Foods received, of U.S. origin, and of equal or better quality than the USDA Foods as determined by the SFA.
- 7.5 The SFA shall ensure commercially-purchased foods used in place of USDA Foods received are of the same generic identity as the USDA Foods received, of U.S. origin, and of equal or better quality than the USDA Foods as determined by the SFA.
- 7.6 The FSMC shall certify the percentage of U.S. content in the products supplied to the SFA.
- 7.7 The SFA reserves the right to review FSMC purchase records to ensure compliance with the *Buy American* provision in 7 C.F.R. Part 250.
- 7.8 The FSMC shall provide Nutrition Facts labels and any other documentation requested by the SFA to ensure compliance with U.S. content requirements.
- 7.9 For the duration of the Contract and all subsequent renewal Terms, as applicable, the FSMC shall purchase foods and beverages that are equivalent or better in quality and variety as those items required in the 21-day cycle menu, per the requirements outlined above, Exhibit B, and the food specifications contained herein.

SECTION 8
USE OF FACILITIES AND EQUIPMENT

- 8.1 The SFA shall make available without any cost or charge to the FSMC, the areas and premises agreeable to both parties in which the FSMC shall render its services.
- 8.2 The SFA shall furnish and install any equipment and make any structural changes needed to comply with federal, state, and local laws, ordinances, rules, and regulations.
- 8.3 The SFA owns all equipment to be used in the food service operations.
- 8.4 The FSMC shall not use the SFA's facilities to produce food, meals, or services for other organizations or otherwise use the facilities of the SFA for any reason other than those specifically provided for in this Contract without the express written consent of the SFA.
- 8.5 The FSMC and SFA shall inventory the equipment and supplies owned by the SFA at the beginning of the school year and the end of the school year, including but not limited to flatware, trays, chinaware, glassware, and kitchen utensils. The FSMC will be responsible for correcting any discrepancies and any equipment repairs that are not the result of normal wear and tear within 30 days of the end-of-the-school-year inventory.
- 8.6 The SFA shall repair and service equipment except when damages result from the use of less-than-reasonable care by the FSMC employees or agents as determined by the SFA. When damage results from less-than-reasonable care on the part of any FSMC employees or agents, it will be the FSMCs responsibility to repair and service the damaged equipment, incurring all applicable fees and costs, within a reasonable timeframe to ensure no disruption in service.
- 8.7 The SFA reserves the right, at its sole discretion, to use its facilities to sell or dispense any food or beverage before or after regularly scheduled lunch or breakfast periods provided such use does not interfere with the operation of the Child Nutrition Programs.
- 8.8 The SFA shall return facilities and equipment to the FSMC in the same condition as received when the SFA uses the facilities for extra-curricular activities.
- 8.9 The FSMC shall maintain the inventory of expendable equipment necessary for the food service and at the inventory level as specified by the SFA.
- 8.10 The SFA shall be legally responsible for any losses of USDA Foods which may arise due to equipment malfunction or loss of electrical power not within the control of the FSMC.
- 8.11 The FSMC and/or its employees or agents shall not remove equipment or property of the SFA from the SFA's premises including, but not limited to, food preparation and/or serving equipment.
- 8.12 The FSMC shall provide written notification to the SFA of any equipment belonging to the FSMC within ten days of its placement on SFA premises.

- 8.13 The SFA shall not be legally responsible for loss or damage to equipment and/or vehicles owned by the FSMC and located on SFA premises.
- 8.14 The SFA shall provide sanitary toilet facilities for the FSMC employees.
- 8.15 The SFA shall have access, with or without notice to the FSMC, to all SFA facilities used by the FSMC for inspection and audit purposes.
- 8.16 The FSMC shall surrender all equipment and furnishings in good repair and condition to the SFA upon termination of the Contract, reasonable wear and tear excepted.
- 8.17 The SFA must give prior approval and have final authority for the purchase of equipment used for the storage, preparation, serving, and/or delivery of school meals.
- 8.18 The SFA retains title to all property and equipment when placed in service. If the property and/or equipment is amortized through the FSMC and the Contract expires or is terminated, the SFA can return the property to the FSMC for full release of the unpaid balance or continue to make payments in accordance with amortization schedules.

SECTION 9 SANITATION

- 9.1 The SFA shall place garbage and trash in containers as specified by the SFA and place them in designated areas.
- 9.2 The SFA shall remove all garbage and trash from the designated areas.
- 9.3 The SFA shall clean the kitchen area including, but not limited to, sinks, counters, tables, chairs, flatware, and utensils.
- 9.4 The SFA shall operate and care for all equipment and food service areas in a clean, safe, and healthy condition in accordance with standards acceptable to the SFA and comply with all applicable laws, ordinances, regulations, and rules of federal, state, and local authorities.
- 9.5 The SFA shall clean grease traps, walls, floors, light fixtures, window coverings, and ducts and hoods above the filter line.
- 9.6 The SFA shall provide extermination services as needed.
- 9.7 The SFA shall clean the dining/cafeteria area, including tables, chairs, and floors after the meal service.

SECTION 10 EMPLOYEES

- 10.1 The FSMC shall comply with all wage and hours of employment regulations of federal and state law.
- 10.2 The FSMC shall pay all FSMC employees in accordance with the Fair Labor Standards Act and any other applicable statutes.
- 10.3 The FSMC and SFA recognize that one of the most important elements of a successful food service program is the staff employed to administer the food service program. The SFA shall be responsible for the employment of all staff necessary for the safe, timely, and efficient distribution of meals to students and members of the SFA staff.
- 10.4 The FSMC shall instruct its employees to abide by the policies, rules, and regulations, with respect to use of SFA premises, as established by the SFA and furnished in writing to the FSMC.
- 10.5 The FSMC shall provide the SFA with a list of its personnel policies and employee handbook.
- 10.6 The FSMC shall ensure, at its own expense, required fingerprint-based criminal history records checks are conducted on all FSMC employees assigned to the SFA and results are provided to the SFA per *The School Code of Illinois*, 105 ILCS 5/10-21.9. Furthermore, the FSMC is not permitted to employ on the premises of the SFA any employee who has been convicted of an offense as described in 105 ILCS 5/21–23a.
- 10.7 For each FSMC employee, the FSMC shall perform periodic checks of the Statewide Sex Offender Database, as authorized by the Sex Offender Community Notification Law (730 ILCS § 152/101 *et seq.*), and the Statewide Child Murderer and Violent Offender Against Youth Database, as authorized by the Child Murderer and Violent Offender Against Youth Community Notification Law (730 ILCS § 154/75–105). All results must be provided to the SFA.
- 10.8 The SFA shall submit to the FSMC a current schedule of employees, positions, assigned locations, hours of work, wages, and benefits. See exhibit G, but all food service employees are to stay as employees of SFA, except Food Service Manager. Estimated FSMC cost for employees is \$0. Estimated cost for Food Service Manager is \$40,000.
- 10.9 The FSMC shall maintain sole discretion on employees, positions, assigned locations, and hours of work for all employees.
- 10.10 In the event a reduction in employee positions, hours, wages, and/or benefits occurs and such reduction is authorized by the SFA, the SFA shall notify the FSMC.
- 10.11 The SFA must ensure that the employees' hours listed on Exhibit G are not used for catering or special functions.
- 10.12 The FSMC shall ensure that all individuals performing services on the FSMC's behalf in or for schools shall be free from communicable diseases, including tuberculosis, and administered a tuberculosis screening test if they have a documented positive tuberculosis screening test result

or otherwise meet the requirements for tuberculosis screening as set forth in the Illinois Department of Public Health's rules (77 Ill. Adm. Code 696.140), prior to performing any such services in or for schools , and shall ensure that all such individuals comply with all requirements established by the Illinois Department of Public Health.

- 10.13 Upon written request of the SFA, the FSMC will remove any FSMC employee who violates health requirements or conducts himself/herself in a manner which is detrimental to the physical, mental, or moral well-being of students or staff, or otherwise violates SFA policies, procedures, and practices.
- 10.14 In the event of the removal or suspension of any employee, the FSMC shall immediately restructure its staff without disruption in service.
- 10.15 All food service personnel assigned to each school shall be instructed on the use of all emergency valves, switches, and fire and safety devices in the kitchen and cafeteria areas.
- 10.16 The use of student workers or students enrolled in vocational classes in the food service shall be mutually agreed upon.
- 10.17 The FSMC shall provide daily, on-site supervisory personnel dedicated solely to the SFA, for the overall food service. The SFA retains final approval authority for the FSMC's local management position(s).
- 10.18 The FSMC shall conduct civil rights training for all food service employees, including front-line staff, on an annual basis. Civil rights training must include:
 - Collection and use of data,
 - Effective public notification systems,
 - Complaint procedures,
 - Compliance review techniques,
 - Resolution of noncompliance,
 - Requirements for reasonable accommodation of persons with disabilities,
 - Requirements for language assistance,
 - Conflict resolution, and
 - Customer service.
- 10.19 FSMC employees providing services for the school meal programs must have the required Professional Standards Regulations annual training. Therefore, the FSMC is required to provide documentation showing the training hours and topics completed by the employees.

SECTION 11
DESIGNATION OF PROGRAM EXPENSE

11.1 The FSMC guarantees to the SFA that the bid meal rates and fees for each reimbursable school meal and a la carte equivalent shall include the expenses designated under Column I. The FSMC shall be responsible for negotiating/paying all employees' fringe benefits, employee expenses, and accrued vacation and sick pay for staff on their payroll.

11.2 The SFA shall pay those expenses designated under Column II.

	<u>Column I</u>	<u>Column II</u>
LABOR		
Payroll, Managers, and/or Supervisors	<u>X</u>	<u>X</u>
Payroll, Full-, and Part-Time Workers	<u> </u>	<u>X</u>
Payroll,		
Ticket Sellers	<u> </u>	<u>X</u>
Cashiers	<u> </u>	<u>X</u>
Drivers	<u> </u>	<u>X</u>

EMPLOYEE BENEFITS/COSTS—TO BE PAID BY PARTY DESIGNATED AS EMPLOYER. MAY INCLUDE, BUT NOT LIMITED TO:

- Life Insurance, Medical/Dental Insurance
- Retirement Plans, Social Security
- Vacation, Sick Leave, Holiday Pay
- Uniforms, Tuition Reimbursement
- Labor Relations
- Unemployment Compensation, Workers Compensation
- Processing and Payment of Payroll

FOOD		
Food Products	<u>X</u>	<u> </u>
USDA Foods Delivery	<u>X</u>	<u> </u>
USDA Foods Freight/Handling Costs	<u>X</u>	<u> </u>
Food Storage/Warehouse	<u> </u>	<u>X</u>

OTHER EXPENSES		
Accounting		
Bank Charges	<u> </u>	<u>X</u>
Data Processing	<u> </u>	<u>X</u>
Record Keeping	<u>X</u>	<u> </u>
Processing and Payment of Invoices	<u>X</u>	<u> </u>
Equipment—Major		
Original Purchase	<u> </u>	<u>X</u>
Routine Maintenance	<u> </u>	<u>X</u>
Major Repairs	<u> </u>	<u>X</u>
Replacement	<u> </u>	<u>X</u>
Equipment—Expendable (Trays, tableware, glassware, utensils)		
Original Purchase	<u> </u>	<u>X</u>
Replacement	<u> </u>	<u>X</u>

Cleaning/Janitorial Supplies	_____	X_____
Insurance		
Liability Insurance	X_____	X_____
Insurance on Supplies/Inventory	X_____	X_____
Laundry and Linen	_____	X_____
Office Materials	_____	X_____
Paper/Disposable Supplies	_____	X_____
Pest Control	_____	X_____
Postage	_____	X_____
Printing	_____	X_____
Product Testing	X_____	_____
Promotional Materials	X_____	_____
Taxes and License	X_____	_____
Telephone		
Local	_____	X_____
Long Distance	_____	X_____
Tickets/Tokens	_____	X_____
Training	X_____	_____
Transportation	X_____	_____
Trash Removal		
From Kitchen	_____	X_____
From School Premises	_____	X_____
Travel		
Required	X_____	_____
Requested	X_____	_____
Vehicles	_____	X_____

SECTION 12 FEES

- 12.1 All bids must be calculated based on the menu(s) in Exhibit B and on the projected annual units provided on the *Bid Summary* form, both attached herein. All bids shall be submitted using the *Bid Summary* form. All rates must be written in ink or typed in the blank space(s) provided and the estimated totals must be carried out to the second decimal place and must not be rounded.
- 12.2 The bid rate(s) must be calculated net of applicable discounts, rebates, and credits received by the FSMC and must not include the use of USDA Foods or any alternate pricing structure.
- 12.3 The FSMC shall receive a fixed meal rate for each reimbursable school breakfast served.
- 12.4 The FSMC shall receive a fixed meal rate for each reimbursable school lunch and a la carte equivalent served.
- 12.5 The FSMC shall receive a fixed per-unit rate for each one-half pint of milk served in the Special Milk Program.
- 12.6 The SFA shall pay the FSMC the fixed meal rate(s) and fixed management fee(s) within 30 days of submission of an invoice and for each monthly period of program operation.
- 12.7 The FSMC shall receive no payment for meals that are spoiled or unwholesome at the time of serving, that do not meet the detailed specifications for each food component or menu item in accordance with 7 C.F.R. Part 210, or that do not otherwise meet the requirements of the Contract.
- 12.8 For the purposes of this Contract, a la carte shall be inclusive of all foods and beverages sold to students that do not constitute a component of a reimbursable meal plus all foods and beverages sold to adults during any and all meal services provided within the scope of this Contract. The FSMC and SFA shall determine a la carte meal equivalents by dividing all a la carte revenue 1) by a factor ten percent (10%) greater than the reimbursable lunch per meal rate, or 2) by the a la carte equivalency factor which is determined by taking the sum of the Federal and State free lunch reimbursement rates plus the value of USDA entitlement and bonus donated foods, Planned Assistance Level (PAL), established in July 2017, whichever factor is higher. For 2), the a la carte equivalency factor to be utilized for the initial 2018-19 Contract Term is \$3.6675. If 2) is the calculation method, the a la carte equivalency factor will remain constant for the first two Contract renewal Terms. Upon the third Contract renewal Term, for the 2021-22 school year, the a la carte equivalency factor will increase to the sum of the reimbursement rates and PAL established in July 2021 and will remain constant at that rate for the fourth, final Contract renewal Term.
- 12.9 The FSMC shall credit the SFA's monthly bill/invoice the current market value of all USDA Foods as designated herein. Credit issued by the FSMC to the SFA for USDA Foods received during each Contract Term and used in the SFA's food service shall be recorded on the monthly bill/invoice as a separate line item entry and shall be clearly identified and labeled. Attached to the invoice shall be a detailed list identifying each received USDA Foods item used in the SFA's

food service and each USDA Foods item credit issued for unused USDA Foods, along with the current market value as issued by the Illinois State Board of Education. Prior to the expiration of each Contract Term, the SFA shall be credited in full for all USDA Foods received.

- 12.10 The SFA shall ensure the method and timing of crediting does not cause its cash resources to exceed the limits established in 7 C.F.R. § 210.9(b)(2).
- 12.11 The FSMC must submit all invoices pertaining to the SFA nonprofit food service within 30 days of the last day of each month or the final day of the program.
- 12.12 The FSMC shall submit separate billing for special functions conducted outside of the nonprofit school food service account.
- 12.13 The fixed meal rate for meals must be calculated as if no USDA Foods were available.
- 12.14 The FSMC shall credit the SFA's first monthly invoice, the current market value of all existing food inventory on hand as of the commencement of this contract. All food inventory owned by the SFA prior to the contract execution date must be credited to the SFA in full prior to the expiration of the 2018-19 contract year.

SECTION 13
REVENUE

- 13.1 The SFA shall receive all revenue from the food service.
- 13.2 The food service revenue shall be used only for the SFA's nonprofit food service.
- 13.3 The food service revenue shall flow through the SFA's chart of accounts.
- 13.4 All goods, services, or monies received as the result of any equipment or USDA Foods rebate shall be credited to the SFA's nonprofit food service account.
- 13.5 If reimbursement is denied as a direct result of the failure of the FSMC to comply with the provisions of this Contract, the FSMC shall assume responsibility for the amount denied.

SECTION 14
LICENSES, CERTIFICATIONS, AND TAXES

- 14.1 Throughout the Term of the Contract and each renewal Term, the FSMC shall obtain and maintain all applicable licenses, permits, and health certifications required by federal, state, and local law. The approximate prior annual cost for licenses/permits was \$0.00. Piatt County does not charge school districts or school district vendors.
- 14.2 The FSMC shall have state or local health certification for any facility outside the SFA in which it proposes to prepare meals, if applicable, and must maintain this health certification for each Contract Term.
- 14.3 The FSMC and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property in the State of Illinois in accordance with Section 10-20.21(b) of the School Code (105 ILCS 5/10-20.21 [b]) and the Illinois Use Tax Act (35 ILCS 105/1 *et seq.*). The FSMC certifies that it is not barred from bidding or entering into this Contract under Section 10-20.21(b) of the School Code and that the SFA may declare this Contract void if this certification is false.

SECTION 15 RECORD KEEPING

- 15.1 The FSMC shall maintain such records as the SFA will need to meet monthly reporting responsibilities and will report claim information, including daily meal counts, to the SFA promptly at the end of each month.
- 15.2 The FSMC shall have records maintained and available to demonstrate compliance with the requirements relating to USDA Foods. Such records shall include the following:
- 15.2.1 The receipt, use, storage, and inventory of USDA Foods;
 - 15.2.2 Monthly inventory reports showing all transactions for processed and non-processed USDA Foods; and
 - 15.2.3 Documentation of credits issued to the SFA for USDA Foods received.
- 15.3 All records relating to the Contract, including subsequent renewal Terms, if applicable, are property of the SFA and shall be maintained in original form on SFA premises for the duration of the Contract. At any time during the Contract, the SFA reserves the right to require the FSMC to surrender all records relating to the Contract to the SFA within 30 days of such request. Such records shall include, but are not limited to:
- All data, materials, and products created by the FSMC on behalf of the SFA and in furtherance of the Services;
 - Production records, including quantities and amounts of food used in preparation of each meal and food component of menus;
 - Standardized recipes and yield from recipes as deemed necessary per the requirements of paragraph 15.6;
 - Processed product nutritional analysis;
 - Nutritional content of individual food items and meals;
 - Bills charged to the SFA for meals prepared under this Contract including the credit of USDA Foods where applicable;
 - Inventory records;
 - Food and bid specifications; and
 - All documents and records as noted in this *Invitation for Bid and Contract*.
- 15.4 Upon expiration or termination of the Contract, the FSMC shall surrender all records as noted above, relating to the initial Contract and all subsequent renewal Terms, if applicable, to the SFA within 30 days of the Contract expiration or termination.
- 15.5 The SFA shall retain all records relating to the initial Contract and all subsequent Contract renewal Terms for a period of three years either from the date the final Contract renewal Term has expired, receipt of final payment under the Contract is recorded, or after the SFA submits the final *Monthly Claim for Reimbursement* for the final fiscal year of the Contract, whichever occurs last.
- 15.6 All records must be available for the period of time specified above for the purpose of making audits, examinations, excerpts, and transcriptions by representatives of the SFA, the Illinois State Board of Education, the United States Department of Agriculture, and the Auditor General, and other governmental entities with monitoring authority at any reasonable time and place. If audit findings have not been resolved, the records shall be retained beyond the specified period as long as required for the resolution of the issues raised by the audit.

SECTION 16 TERMS AND TERMINATION

- 16.1 This Contract is effective for a one-year period commencing July 1, 2018 or upon written acceptance of the Contract, whichever occurs last, through June 30, 2019 (the "Term"), with options to renew yearly not to exceed four additional years (each a renewal "Term").
- 16.2 Renewal of this Contract is contingent upon the fulfillment of all Contract provisions relating to USDA Foods.
- 16.3 Either the SFA or FSMC can terminate this Contract for cause or for convenience with a sixty- (60) day written notification. Following sixty- (60) day written notification, the SFA can terminate this Contract in whole or in part without the payment of any penalty or incurring any further obligation to the FSMC.
- 16.4 Following any termination for convenience, the FSMC shall be entitled to compensation for services completed upon submission of invoices and proof of claim for services provided under this Contract up to and including the date of termination. The SFA shall have the right to receive services from the Contractor through the effective date of the notice of termination, and may, at its election, procure such work from other contractors as may be necessary to complete the services.
- 16.5 Notwithstanding any provision to the contrary in this Contract, obligations of the SFA will cease immediately without penalty of further payment being required if sufficient funds for this Agreement are not appropriated by the Illinois General Assembly or a federal funding source, or such funds are otherwise not made available to the SFA for payments in accordance with this Contract.
- 16.6 Notwithstanding the notice period in paragraph 16.3, the SFA may immediately terminate the Contract, in whole or in part, upon notice to the FSMC if the SFA determines that the actions, or failure to act, of the FSMC, its agents, employees or subcontractors have caused, or reasonably could cause jeopardy to health, safety, or property; or if the SFA determines that the FSMC lacks the financial resources to perform under the Contract.
- 16.7 If the FSMC fails to perform to the SFA's satisfaction any material requirement of this Contract or is in violation of a material provision of this Contract, the SFA shall provide written notice to the FSMC requesting that the breach of noncompliance be remedied within sixty- (60) days. If the breach or noncompliance is not remedied by the specified period of time, the SFA may either: (a) immediately terminate the Contract without additional written notice or, (b) enforce the terms and conditions of the Contract, and in either event seek any available legal or equitable remedies and damages. The SFA may finish the services by whatever method the SFA may deem expedient. Any damages incurred by the SFA as a result of any Contractor default shall be borne by the Contractor at its sole cost and expense, shall not be payable as part of the Contract amount, and shall be reimbursed to the SFA by the Contractor upon demand.

- 16.8 Neither the FSMC nor SFA shall be responsible for any losses resulting if the fulfillment of the terms of the Contract is delayed or prevented by wars, acts of public enemies, strikes, fires, floods, acts of God, or any other acts which could not have been prevented by the exercise of due diligence ("Act of God"). The SFA may cancel the Contract without penalty if the FSMC's performance does not resume within 30 days of the FSMC's interruption of services due to an Act of God.
- 16.9 The only rates and fees that may be adjusted in subsequent Contract Terms are the fixed rates and fixed fees contained herein. Before any fixed rate or fee adjustments can be implemented as part of a Contract renewal agreement, the FSMC shall document to the SFA, through a written financial analysis, the need for such adjustments. Adjustment of all individual per meal fixed rates and applicable fees in subsequent Contract Terms must not exceed the *Consumer Price Index for Urban Consumers – Food Away from Home* annual rate for December of the current school year, not to exceed 3%. Percentage increases cannot be applied to any previous Contract Term's total estimated or actual Contract cost. The calculation method regarding the determination of a la carte meal equivalents is outlined in the *Fees* section of this Contract.

SECTION 17
GENERAL CONTRACT TERMS

- 17.1 No provision of this Contract shall be assigned or subcontracted without prior written consent of the SFA.
- 17.2 This solicitation/Contract, exhibits, and attachments constitute the entire agreement between the SFA and FSMC and may not be changed, extended orally, or altered by course of conduct. No other contracts will be signed by the SFA.
- 17.3 Each party to this Contract represents and warrants to the other that: (a) it has the right, power and authority to enter into and perform its obligations under this Contract and (b) it has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this Contract, and (c) this Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.
- 17.4 Any silence, absence, or omission from the Contract specifications concerning any point shall be regarded as meaning that only the best commercial practices are to prevail, and all materials, workmanship, and services rendered shall be of a quality that would normally be specified by the SFA.
- 17.5 No course of dealing or failure of the SFA to enforce strictly any term, right, or condition of this Contract shall be construed as a waiver of such term, right, or condition. No express waiver of any term, right, or condition of this Contract shall operate as a waiver of any other term, right, or condition.
- 17.6 Payments on any claim shall not prevent the SFA from making claim for adjustment on any item found not to have been in accordance with the provisions of this Contract.
- 17.7 It is further agreed between the SFA and FSMC that the exhibits, attachments, and clauses attached and designated are hereby in all respects made a part of this Contract.
- 17.8 The FSMC shall comply with Title VI of the Civil Rights Act of 1964, as amended; USDA regulations implementing Title IX of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; Age Discrimination Act of 1975; 7 C.F.R. Parts 15, 15a, and 15b; and FNS Instruction 113-1, *Civil Rights Compliance and Enforcement—Nutrition Programs and Activities*, and any additions or amendments.
- 17.9 If this Contract is in excess of \$100,000, the SFA and FSMC shall comply with all applicable standards, orders, or regulations, including but not limited to:
- The Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Clean Water Act (33 U.S.C. § 1311–1330, § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. § 1.1 *et seq.*);
 - *Certificate Regarding Lobbying* pursuant to 31 U.S.C. 1352 (Appendix A: 7 C.F.R. Part 3018); and
 - *Disclosure of Lobbying Activities* pursuant to 31 U.S.C. 1352 (Appendix A: 7 C.F.R. Part 3018).

- 17.10 The FSMC certifies compliance with:
- Energy Policy and Conservation Act (Pub. L. 94–163, 89 Stat. 871);
 - The Department of Labor regulations (29 C.F.R. Part 5); and
 - Executive Order 11246, entitled *Equal Employment Opportunity*, as amended by Executive Order 11375 and Department of Labor Regulation (41 C.F.R. Chapter 60).
- 17.11 The FSMC is subject to the provisions of the Stevens Amendment Section 2209d of Title 7 of the United States Code due to the use of federal funds for the food service program. All announcements and other materials publicizing this program must include statements as to the amount and proportion of federal funding involved.
- 17.12 The Illinois State Board of Education and the United States Department of Agriculture are not parties to this Contract and are not obligated, liable, or responsible for any action or inaction by the SFA or the FSMC. The SFA has full responsibility for ensuring the terms of the Contract are fulfilled.
- 17.13 To the fullest extent permitted by law, the FSMC agrees to indemnify, defend, and hold harmless the SFA and its respective agents, officers and employees from and against any and all claims, demands, suits, liabilities, injuries (personal or bodily), property damage, causes of action, losses, costs, expenses, damages, or penalties, including, without limitation, reasonable defense costs, and reasonable legal fees, arising or resulting from, or occasioned by or in connection with (i) any bodily injury or property damage resulting or arising from any act or omission to act (whether negligent, willful, wrongful, or otherwise) by the FSMC, its subcontractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable; (ii) failure by the FSMC or its subcontractors to comply with any Laws applicable to the performance of the Services; (iii) any breach of this Contract, including, without limitation, any representation or warranty provided by the FSMC herein; (iv) any employment actions of any nature or kind including but not limited to, workers compensation, or labor action brought by the FSMC's employees; or (v) any identity breach or infringement of any copyright, trademark, patent, or other intellectual property right.
- 17.14 In order for the SFA to respond timely and appropriately to the requirements of the Illinois Freedom of Information Act (FOIA) [5 ILCS 140], the FSMC must review all documents required to be provided under this Contract and the exemptions for release under FOIA and, if exemptions are allowed, provide the SFA a redacted copy for release under FOIA, along with the original. The redacted copy shall be marked as "REDACTED", and the FSMC shall reference the specific grounds under FOIA or other law or rule supporting the specific redaction request to exempt certain information. Notwithstanding the foregoing, the SFA may not necessarily be allowed to release *just* the redacted versions. Redactions based on personal privacy and preliminary drafts, by law, must be sent to the State of Illinois Public Access Counselor before a denial to a FOIA request can be made. The SFA will abide by the decisions of the Public Access Counselor.

- 17.15 Each Party, including its agents and subcontractors, to this Contract may have or gain access to confidential and proprietary data or information of the other Party including, without limitation, other technical information (including functional and technical specifications, designs, drawings, analysis, research, processes, computer programs, methods, ideas, "know how," and the like), business information (sales and marketing research, materials, plans, accounting and financial information, personnel records, and the like), all student data and information, and other information designated as confidential expressly or by the circumstances in which it is provided ("Confidential Information"). No Confidential Information collected, maintained, or used in the course of performance of the Contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the Term of the Contract or thereafter. The recipient must return any and all Confidential Information used in the course of the performance of the Contract, in whatever form it is maintained, promptly upon termination of the Contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction, if destruction is permitted by the disclosing Party. Confidential Information does not include data or information lawfully in the recipient's possession prior to its acquisition from the disclosing Party; received by the recipient from a third party who was free to disclose it; publicly known through no breach of confidentiality obligation by the recipient; or independently developed by the recipient without the use or benefit of the disclosing Party's Confidential Information.
- 17.16 Student Records. The Contractor will comply with the relevant requirements of the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. 1232g) and the Illinois School Student Records Act (ISSRA) (105 ILCS 10/1 et seq.) regarding the confidentiality of student "education records" as defined in FERPA and "school student records" as defined in ISSRA. Any use of information contained in student education records to be released must be approved by the SFA. To protect the confidentiality of student education records, the Contractor will limit access to student education records to those employees who reasonably need access to them in order to perform their responsibilities under this Contract. Any student records in the Contractor's possession shall be returned to the SFA when no longer needed for the purposes for which they were provided, or at the SFA's written request, they shall be permanently destroyed and the Contractor shall provide written confirmation to the SFA upon the destruction of student records.

SECTION 18 FOOD SPECIFICATIONS

- 18.1 All USDA Foods offered to the SFA and made available to the FSMC are acceptable and should be utilized in as large a quantity as may be efficiently utilized.

For all other food components, specifications shall be as follows:

- 18.2 All breads, bread alternates, and grains must be whole grain-rich. All breads and grains must be fresh (or frozen, if applicable) and must meet the minimum weight per serving as listed on Exhibit C. If applicable, product should be in moisture-proof wrapping and pack-code date provided.
- 18.3 All meat and poultry must have been inspected by the United States Department of Agriculture (USDA) and must be free from off color or odor.
- 18.3.1 Beef must be at least 70:30 lean to fat, preferably 80:20 lean to fat.
- 18.3.2 Poultry should be U.S. Grade A when applicable and should meet the recommendations outlined in *Specifications for Poultry Products, A Guide for Food Service Operators* from the USDA.
- 18.3.3 For breaded and battered items, all flours must meet the requirements for breads/grains credit and breading/batter must not exceed 30 percent of the weight of the finished product.
- 18.3.4 For sausage patties, the maximum fat allowed is 50 percent by weight; industry standard of 38 to 42 percent fat preferred.
- 18.4 All cured processed meats (bologna, frankfurters, luncheon meat, salami, others) shall be made from beef and/or poultry. No variety meats, fillers, extenders, non-fat milk solids, or cereal will be allowed. Meats must not show evidence of greening, streaking, or other discoloration.
- 18.5 All cheese should be firm, compact, and free from gas holes; free of mold; free of undesirable flavor and odors; pasteurized when applicable; and preferably reduced- or low-fat. All cheese should also have a bright, uniform, and attractive appearance; have a pleasing flavor; demonstrate satisfactory meltability; and contain proper moisture and salt content.
- 18.6 All fish must have been inspected by the United States Department of Commerce (USDC) and meet minimum flesh and batter/breading requirements for a USDC Grade A product or a product packed under federal inspection (PUFI) by the USDC.
- 18.7 All fresh fruits must be ripe and in good condition when delivered and must be ready for consumption per the USDA *Food Buying Guide*. At a minimum, fruits must meet the food distributors' second-quality level. Fruits should have characteristic color and good flavor and be well-shaped and free from scars and bruises. Size must produce a yield equal to or greater than the attached 21-day cycle menu requirements.

- 18.8 All fresh vegetables must be ripe and in good condition when delivered and must be ready for consumption per the USDA *Food Buying Guide*. At a minimum, vegetables must meet the food distributors' second-quality level. Vegetables should have characteristic color and good flavor, be well shaped, and be free from discoloration, blemishes, and decay. Size must produce a yield equal to or greater than the attached 21-day cycle menu requirements.
- 18.9 All canned vegetables must meet the food distributors' first quality level (extra fancy and fancy) and canned fruits (standard) must meet the second quality level. Vegetables should have characteristic color and good fresh flavor and be free from discoloration, blemishes, and decay.
- 18.10 Eggs must be inspected and passed by the state or federal Department of Agriculture and used within 30 days of date on carton. Eggs should be grade A, uniform in size, clean, sound-shelled, and free of foreign odors or flavors.
- 18.11 Sauces, such as gravy, spaghetti sauce, pizza sauce, etc., must be smooth and uniform in color with no foreign substance, flavor, odor, or off color.
- 18.12 If applicable, the food production facility, manufacturing plant, and products must meet all sanitary and other requirements of the Food, Drug, and Cosmetic Act and other regulations that support the wholesomeness of products.
- 18.13 Meals and food items must be stored and prepared under properly controlled temperatures and in accordance with all applicable health and sanitation regulations.
- 18.14 All fruit juices must be 100 percent fruit juice.
- 18.15 When the specification calls for "Brand Name or Equivalent", the brand name product is acceptable. Other products may be considered with proof that such products meet stated specifications and are deemed equivalent to the brand products in terms of quality, performance, and desired characteristics, as determined by the SFA.
- 18.16 All food items must adhere to the sodium target levels in subsequent Contract Terms, if applicable, as required by the USDA *Nutrition Standards in the National School Lunch and School Breakfast Programs, Implementation Timeline for Final Rule* and/or other subsequent guidance issued by the USDA.
- 18.17 Nutrition labels or manufacturer specifications must indicate zero grams of trans fat per serving for all foods.
- 18.18 Fluid milk must be low-fat (1 percent milk fat or less, unflavored only) or fat-free (unflavored or flavored). Two choices must be offered daily as required by the SFA.

Invitation for Bid and Contract
Non-Profit School Food Services

B I D S U M M A R Y

This document contains a bid solicitation and Contract for the furnishing of management services for the operation of the non-profit food service program(s) for the period beginning July 1, 2018 and ending upon June 30, 2019 and sets forth the terms and conditions applicable to the procurement. Upon acceptance, this document shall constitute the Contract between the bidder and the school food authority. The bidder shall not plead misunderstanding or deception because of such estimate of quantities or the character, location, or other conditions pertaining to the bid solicitation/Contract.

**PER MEAL RATES AND FEES MUST BE QUOTED AS IF
NO USDA FOODS WILL BE RECEIVED**

	Projected Annual Units	Rate Per Unit	Estimated Total**
1. Reimbursable Breakfasts	1. <u>27,330</u>	1. _____	1. _____
2. Reimbursable Lunches*	2. <u>155,542</u>	2. _____	2. _____
3. Management Fee Per School Meal (breakfast & lunches)	3. _____	3. _____	3. _____
4. A la Carte Equivalents Fee*	4. <u>71,458</u>	4. _____	4. _____
5. A la Carte Management Fee	5. XXXXXXXXXXXXX	5. _____	5. _____
6. Reimbursable After-School Snacks	6. <u>N/A</u>	6. _____	6. _____
7. Special Milk	7. <u>24,871</u>	7. _____	7. _____
8. Summer Breakfast	8. <u>N/A</u>	8. _____	8. _____
9. Summer Lunch	9. <u>N/A</u>	9. _____	9. _____

Total Estimated Amount of Bid \$ _____**

**Bid rates must be the same.*

*** All totals must be carried out to the second decimal place and must not be rounded.*

Name of Bidder

Street Address

City State ZIP Code

By submission of this bid, the bidder certifies that in the event the bidder receives an award under this solicitation, the bidder shall operate in accordance with all applicable current program regulations. This agreement shall be in effect for the period specified, not to exceed one year, and may be renewed by mutual agreement for four additional one-year Contract Terms.

Date Signature of Bidder Title

ACCEPTANCE OF CONTRACT

Agreement Number School Food Authority (SFA)

Date Signature of Authorized SFA Representative Title