



Food Service Management Company (FSMC) Webinar

Step by Step Renewal Process &

NEW – 2023-24 Amendment

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TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

This product was funded by USDA.
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Food and Nutrition Division
National School Lunch Program



Updated 06/15/2021
www.SquareMeals.org

Per §210.16

The SFA is responsible for ensuring the FSMC operates the program according to the contract and in compliance with all regulations and guidance; contracting with an FSMC does not release the SFA from any responsibilities for the CN programs

Per §210.16(a)(10)

- All amendments must be documented, reviewed, and approved by the State agency prior to execution

Per §210.19(a)(5)

- Annually review each contract
- Ensure the SA approved prototype solicitation and contract documents used by SFAs meet the provisions
- When purchasing services are included in RFP, SA must monitor how the SFA is conducting contract performance for tracking discounts, rebates and credits and ensuring the value of USDA Foods is returned to FS account



You understand and acknowledge that you are responsible for knowing and understanding all handbooks, manuals, alerts, notices, and guidance as well as any other forms of communication that provide further guidance, clarification or instruction on operating the program.

This discussion is designed for CEs with an Food Service Management Company (FSMC) to ask guidance related questions and to share best practices when managing the FSMC contract. This intended for CEs and not FSMC representatives.



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***NEW - 2023-2024 Renewal
Amendment***



USDA Management Evaluation

2023-2024 Renewal Amendment

Finding: The SA's approved renewals/amendments included unallowable language that pertained to incentive fees. To resolve this finding TDA was to submit a list to FNS SWRO for all current FSMC contracts that had the unallowable incentive fee language within the renewal/amendment documents for review. In addition, any CE that paid an incentive fee to an FSMC to improve performance during the life of the contract was to reimburse the non-profit school food service account (NPSFSA).

- Unallowable language regarding incentive fee
- Requires current amendment renewals to be amended for all 2023-24 contracts
- 2024-2025 renewal amendment have been corrected

5. Section III, A. "Definitions," is amended by deleting the reference, if any, and definition for "Retroactive Incentive Fee" and replacing it with the following definition for "Incentive fee":

- "Incentive Fee" means an additional fee paid as an incentive to the FSMC to improve SFA's food service participation, the amount of which depends on FSMC's performance during the current school year and related to a benchmark number established by the SFA. Incentive Fees may only apply to meals served in the SFA's food service operation during the current school year;" and
- The option for and reference to a "Retroactive Incentive Fee" in Section III, B is hereby deleted.



Amendment

Food Service Management Services

Contract No. _____

Amendment No. _____

Section 1.

_____, School Food Authority (SFA), and _____, Food Service Management Company (FSMC), entered Contract No. _____ (Contract) for food service management services, effective _____.

Section 2.

The parties hereto agree to amend the Contract by deleting the following paragraph in Renewal Amendment No. _____ in its entirety:

5. Section III, A. "Definitions," is amended by deleting the reference, if any, and definition for "Retroactive Incentive Fee" and replacing it with the following definition for "Incentive fee":

- "Incentive Fee" means an additional fee paid as an incentive to the FSMC to improve SFA's food service participation, the amount of which depends on FSMC's performance during the current school year and related to a benchmark number established by the SFA. Incentive Fees may only apply to meals served in the SFA's food service operation during the current school year; and
- The option for and reference to a "Retroactive Incentive Fee" in Section III, B is hereby deleted.

Section 3.

The parties hereto agree that all of the terms of the Contract shall remain in effect and shall continue to govern except to the extent that they conflict with the terms of this amendment.

Section 4.

By signing this amendment, the parties hereto expressly understand and agree that this amendment shall become a part of the Contract.

Section 5.

This amendment is executed by the parties in their capacities, as stated below. All parties represent and warrant that the persons signing this Amendment are authorized to bind the respective parties.

SIGNED AND AGREED TO BY:

School Food Authority

Food Service Management Company

Signature of Authorized Representative

Signature of Authorized Representative

Name

Name

Title

Title

Date

Date

FSMC Contract No. _____
Amendment No. _____

2023-2024 Renewal Amendment

1. Complete Amendment with name and contract number and contract effective date.
2. Sign with the CE representative and FSMC representative. CE should sign and date last.
3. Label as District Name_Amendment 23-24.
4. Upload separately with current renewal document or New Contract document.
5. Amendment must be completed, signed and uploaded by February 1st, 2024.

<https://squaremeals.org/Programs/National-School-Lunch-Program/Food-Service-Management-Companies>



CHILD NUTRITION

NATIONAL SCHOOL LUNCH PROGRAM

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Step-by-Step Renewal Documents and Process



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Washington, D.C. 20250-9410;

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Updated 11/3/2020
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QUESTIONS?



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