Food Service Management Company (FSMC) Webinar

Step by Step Renewal Process &
NEW – 2023-24 Amendment

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Compliance Administrator
Reminders:

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.
NEW - 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 “Retrospective 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 “Retrospective Incentive Fee” in Section III, B is hereby deleted.
Food Service Management Services

Contract No. ____________

Amendment No. ____________

Section 1.
[Text]

Section 2.
The parties hereto agree to amend the Contract by deleting the following paragraph in Renewal Amendment No. ____________:

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:

<table>
<thead>
<tr>
<th>School Food Authority</th>
<th>Food Service Management Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Authorized Representative</td>
<td>Signature of Authorized Representative</td>
</tr>
<tr>
<td>Name</td>
<td>Name</td>
</tr>
<tr>
<td>Title</td>
<td>Title</td>
</tr>
<tr>
<td>Date</td>
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</tbody>
</table>

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 1\textsuperscript{st}, 2024.

https://squaremeals.org/Programs/National-School-Lunch-Program/Food-Service-Management-Companies
Step-by-Step Renewal Documents and Process
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.

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U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

fax: (202) 690-7442; or email: program.intake@usda.gov.
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QUESTIONS?