



CHILD NUTRITION

NATIONAL SCHOOL LUNCH PROGRAM

**TEXAS DEPARTMENT OF
AGRICULTURE**

2025-26 UPDATES for FOOD SERVICE MANAGEMENT COMPANIES (FSMCs)



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

Fraud Hotline: 1-866-5-FRAUD-4 or 1-866-537-2834 | P.O. Box 12847 | Austin, TX 78711

Toll Free: (877) TEX-MEAL | For the hearing impaired: (800) 735-2989 (TTY)



Food and Nutrition Division
National School Lunch Program

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Updated 6/25/2025
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INTRODUCTION



Target Audience: *Food Service Management Company (FSMC) vendors*

Purpose: *Notification of annual application and clarify expectations for FSMCs operating in Texas*



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Food and Nutrition Division
Nutrition Assistance Program

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ALPHABET SOUP



-  **SFA** = School Food Authority
-  **CE** = Contracting Entity
-  **CPI** = Consumer Price Index
-  **FSMC** = Food Service Management Company
-  **CNP** = Child Nutrition Programs
-  **AR** = Administrative Review of CNP
-  **PR** = Procurement Review of CNP
-  **RFP** = Request for Proposal

OBJECTIVES



- ◆ Understand district responsibilities for FSMCs
- ◆ Understand the delineation of roles
- ◆ Understand expectations for vendor communication
- ◆ Understand vendor registration process
- ◆ Understand the contract and renewal processes
- ◆ Understand TDA expectations

FSMC Vendor New and Renewal Application Processes

All FSMCs must be approved by
TDA to operate in Texas.



FSMCS OPERATING IN TEXAS

Registration is Required

- ◆ Beginning July 1, all FSMCs interested in operating in Texas, must complete a new application. If approved last year, FSMC will complete a renewal application.
- ◆ Applications will be submitted via Smartsheet at www.squaremeals.org
- ◆ All applications must be submitted by July 31. **Late applications will not be accepted.**
- ◆ Once submitted and approved, TDA will send an approval email/letter to the authorized representative.

VENDOR REGISTRATION EXPECTATIONS



Registration as an FSMC vendor is not permanent – vendors can be removed due to systemic or continued non-compliance.



Registration must be renewed yearly from July 1 to July 31 for the following year. **Renewal will not be accepted if there is systemic or continued non-compliance by the vendor.**



Districts may not award FSMC contracts to entities that are not registered in Texas prior to solicitation issuance.

SQUAREMEALS.ORG

For FSMCs



TDA Updates for Vendors

June 25, 2025

Webinar

Presentation



TDA Registered Vendor List

Annually, FSMCs must be registered to do business in Texas. Registration as a Texas vendor is not permanent. FSMC vendors can be removed from the approved FSMC vendor list due to providing false information or by demonstrating systemic or continued non-compliance with Child Nutrition regulations.

2024-2025 FSMC Registered Vendor List



FSMC Registration

The Texas FSMC registration process for new and renewing vendors (2026-27) will open on July 1, 2025.

Certificate of Completion

FSMC Role and Responsibilities



District's Primary Role and Responsibility When Using an FSMC:

Contract Management and Oversight

FSMC ROLE AND RESPONSIBILITIES

- ◆ Adheres to all terms defined in the RFP and resulting contract following all procurement standard regulation {7 CFR 226.21 and 7 CFR 226.22}
- ◆ Return applicable discounts, rebates, and credits to the SFA
- ◆ Record retention {7 CFR 210.23 (c) and 210.16 (c)(1)}
- ◆ Health certifications {7 CFR 210.16 (c)(2)}
- ◆ Meal compliance/food specification and 21-day menu cycle {7 CFR 210.16(c)(3)} {7 CFR 210.16 (b)(1)}
- ◆ Procuring goods and services under the proposed contract, if applicable
- ◆ Accurate billing of invoices

WHAT CANNOT BE OUTSOURCED TO AN FSMC?

- ◆ On-site reviews of meal counting and claiming procedures
- ◆ Contract review form of operations
- ◆ Claims submissions
- ◆ District managed food service fund for revenue and/or expenses
- ◆ Financial reconciliation of billing
- ◆ Advisory boards or committees
- ◆ Application and verification process

SPECIAL NOTES

- ◆ Districts may **NOT** hire an FSMC vendor as a consultant and subsequently award a contract to them.
 - Limits fair and open competition
 - Conflict of interest
- ◆ Districts must disclose to TDA their use of any FSMC vendors as a consultant. FSMC must also disclose all consultant contracts.

FSMC New Contract or Renewal Process



FSMC NEW CONTRACT: REQUIRED FSMC CONTRACT TEMPLATE

Login

Food Service Management Companies (FSMC), including affiliated companies or contractors, are prohibited from accessing this system or preparing any part of the information requested in this system. Any FSMC participation in any part of the procurement process would prohibit the FSMC from being selected for the award, consistent with 2 CFR §200.319(b). By accessing this system, you affirm you are a district employee with authorization from your district to submit information and contribute to the Request for Proposal (RFP) for the upcoming FSMC contract procurement. You understand you are responsible for complying with federal regulations regarding procurement and management of the FSMC contract.

NOTE: Please use your current TX-UNPS User Name and Password. If you have to reset your TX-UNPS Password today, then Texas FSMC will only accept your prior TX-UNPS Password for today's log in. After 5 attempts, you will be locked out until tomorrow. If you continue to experience log in issues, please call for assistance.
(887)TEX-MEAL

Username

The Username field is required.

Password

Login

Texas Dept of Agriculture
FSMC Application 1.6.3



Required for New FSMC Contract



Focuses on key areas for SFA to provide information



Based on national standards for FSMC operation



No alterations are allowed

FSMC NEW CONTRACT: REQUIREMENTS FOR CONTRACTING AN FSMC

- ◆ When procuring services, districts must ensure free and open competition
- ◆ Procurement procedures and specification requirements do not unduly restrict or eliminate competition
- ◆ If an FSMC is going to submit a proposal, they cannot have ANY part in the solicitation development
- ◆ It is never okay for the district to discuss the FSMC solicitation process with the current FSMC or a potential FSMC
- ◆ SFA must provide the RFP to all TDA registered FSMCs

FSMC RENEWALS

- ◆ Renewal Contract term is July 1 to June 30
- ◆ Renewal Amendment must be reviewed and approved by TDA
- ◆ Renewal Checklist and Supporting Documentation:
 - USDA foods reconciliation showing all rebates, credits and discounts
 - Review methodology of fee increases, budgets, list of schools served, certifications and compliance assessment
 - Contract review form
 - Consumer Price Index (CPI) increase or decrease
- ◆ Without TDA approval, the SFA cannot continue the contract

REVIEW OF FSMC CONTRACT/DOCUMENTATION

- ◆ TDA may require the SFA to rebid the contract in the event of any non-compliance with state and federal requirements via mandatory contract monitoring or an administrative review

Contract is Voided and Re-Solicitation is Required

What Happens with
Non-compliance?



**Who Does TDA Communicate with
during the Procurement Review?**

**District Personnel or FSMC
Personnel?**

WHAT'S NEW FOR 25-26



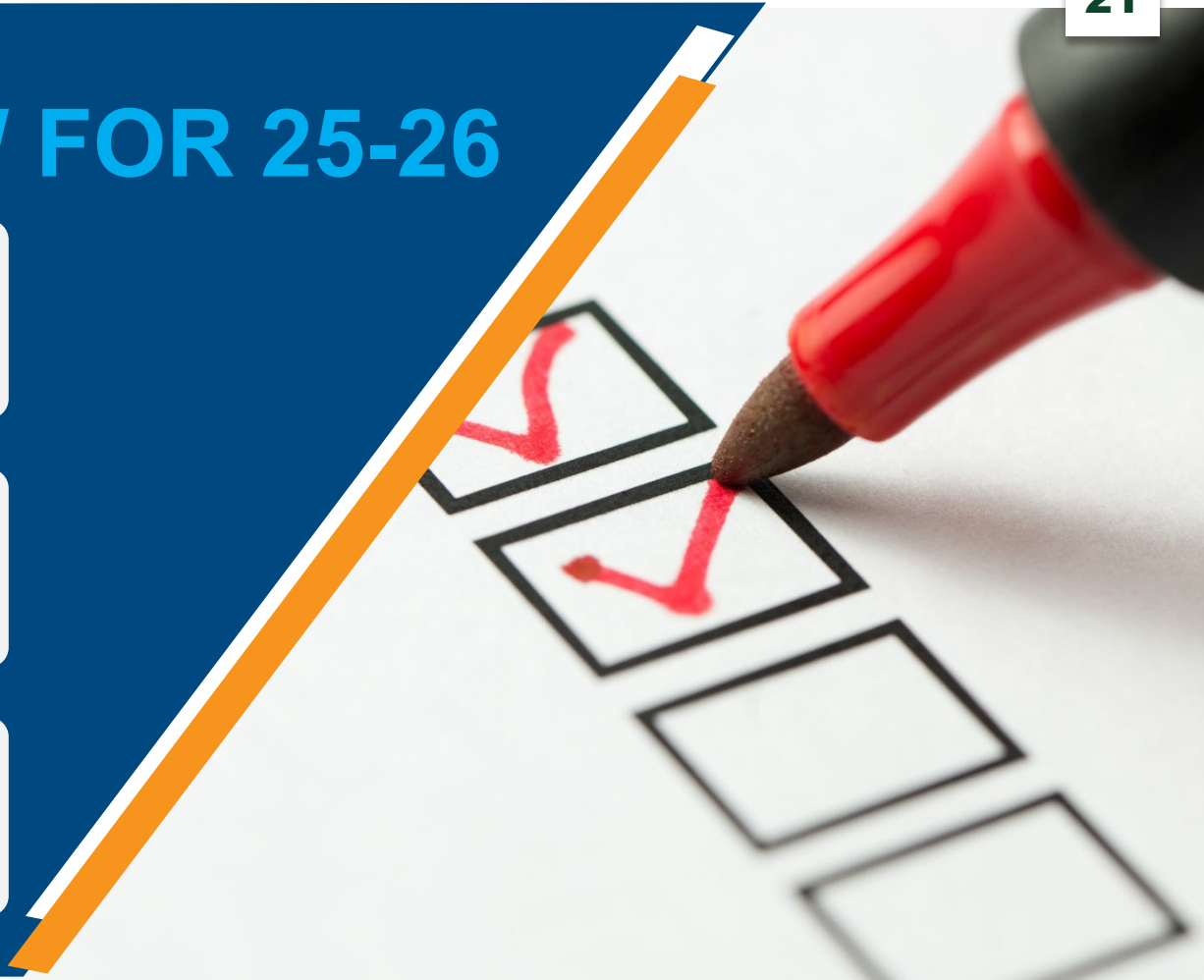
Buy American
and Added
Sugars



Continued focus
on the 21-day
menu cycle



MEF



BUY AMERICAN

- Mandates that, to the maximum extent practicable, domestic commodities or products should be purchased by SFAs
- Requires availability of product labels or price comparisons for allowable exceptions
- CAP implemented for limiting commercial purchases from non-domestic sources to 10% of total commercial food costs
- Must have a way to track non-domestic food expenditures and provide documentation to SFA

MEAL PATTERN UPDATES

- Align with Dietary Guidelines for Americans to include limits on added sugars
- Key changes in 2025
 - Breakfast cereals
 - Yogurt
 - Flavored Milk
- On July 1, 2027, less than 10% of weekly calories in meal programs (NSLP, SBP) can come from added sugars

21 DAY MENU CYCLE

- FSMC cannot develop the menu for use in the SFA's solicitation if that FSMC plans to respond [2 CFR 200.319(a)]
- FSMC must strictly adhere to the cycle menu for the first 21 days as presented in RFP and awarded in contract
- Changes thereafter may be made with the approval of the SFA [7 CFR 210.16(b) (1)]
- Failure to follow through on the 21-day menu cycle may result in unallowable costs for the days not followed
- SFA cannot accept letters of substitution from FSMC

MEAL EQUIVALENCY FACTOR (MEF)

- The Meal Equivalency rate must be updated annually to reflect annual updates of free reimbursement rate and the USDA Foods entitlement value
- TDA will provide MEF for FSMC contracts. The rate will be based on a formula that considers the previous year federal free reimbursement rate + meal certification + State match + USDA Foods assistance rate
- For 2025-26, TDA will post the rate on squaremeals.org

Questions?

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted 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; or

2. fax:

(833) 256-1665 or (202) 690-7442; or

3. email:

program.intake@usda.gov

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