

Agenda Item:	III B: Action Item
Date:	July 13, 2023
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board of Directors (the “Board”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	Suat Acar, Chief Operations Officer
RE:	Renewal of Contract between Magnolia Public Schools and School in Action as the School Food Authority as MPS' Child Nutrition Program Sponsor under the Child Nutrition Programs

Action Proposed:

I move that the Board approve the renewal contract between Magnolia Public Schools and School in Action as the School Food Authority (SFA) as MPS' Child Nutrition Program Sponsor under the Child Nutrition Programs

Purpose:

This contract between Magnolia Public Schools and School in Action as the School Food Authority (SFA) as MPS' Child Nutrition Program Sponsor under the following Child Nutrition Programs:

- National School Lunch Program (NSLP)
- School Breakfast Program
- Meal Supplements in the National School Lunch Program (After School Snacks) Supper Program
- Seamless Summer Program

Background:

Our school must provide certain meals throughout the school day and in summer schools on sites which run the summer school. For this purpose, we either have to be our own SFA or work with a third-party company approved by the state to run these programs in order to

- make sure all the required state and federal regulations are met for finding an appropriate vendor through appropriate procurement procedures,
- making sure meals programs are run properly and making sure all reports due for counties, state and federal agencies are submitted on a timely manner.
- also to make meals served and the servers must be completely in compliance throughout the year.

The MPS decided to collaborate with the SIA to makes sure we are 100% complaint with the best options of meals for our students and parents.

Analysis:

Schools in Action's SFA is charged with running a program that is compliant with applicable state and federal guidelines over school sites. The SFA will work with Magnolia sites to run the meals programs.

The SIA will conduct all federally required procurement processes and approve vendor(s) to provide meals to the MPS Sites to comply with the nutrition standards established by the United States Department of Agriculture for the Nutrient Standard menu planning option.

The SFA will run the program on all MPS Campuses except MSA 8, as MSA 8 runs its meal programs under LAUSD’s food services.

Impact:

This will help school minimize the cost of running the above-mentioned nutrition programs on the site.

Budget Implications:

The information below details the costs for School Food Authority expenses by school site. The expenses for each site will be offset by revenues from both State and Federal sources including the National School Lunch and School Breakfast Program, Meal Supplements, After School Snacks Supper Program and the Seamless Summer Program. Any additional costs as it relates to food servers and food waste remain minimal and have been incorporated into the 2023/24 Adopted Budget that was approved by the board on June 22, 2023.

School Food Authority Expenses (Chart 1)

<u>School Site</u>	<u>SIA EXPENSES</u> <u>Includes costs for food, servers, supplies and all State and County administrative fees</u>
MSA1 & MSA5*	\$431,467
MSA2	\$428,733
MSA3	\$247,560
MSA4	\$68,223
MSA6	\$138,117
MSA7	\$206,434
MSA Santa Ana	\$483,722
MSA San Diego	\$218,323

**MSA 1 & MSA 5 have joint operations because they are on the same facilities.*

The home office works diligently to minimize the meal waste. The following (Chart 2) is the list of the meal wastes per site for 2022-23:

22-23- MEAL WASTAGE CHARGES (Chart 2)

MSA1	0
MSA2	\$379.26
MSA3	\$3,205.17
MSA4	0
MSA5	\$3,095.37
MSA6	0
MSA7	0
MSA SANTA ANA	\$3,329.48
MSA SAN DIEGO	\$7,222.45
TOTAL	\$17,231.73

The SFA will also make sure the companies the SIA works with to provide meals for our sites will have the employees under their payroll to serve the meals to our students as well at no cost to the school within the contracted number of students to serve.

The following sites hired new staff for meal serving needs during the 2022-23 school year:

<u>CHART 3</u>	# SERVERS PAID BY VENDOR	# SERVERS HIRED BY SCHOOL & REIMBURSED BY SIA	# SERVERS HIRED/PAID BY SCHOOL
MSA 1	1	0	0
MSA 2	2	0	0
MSA 3	2	0	0
MSA 4	0*	0	0
MSA 5	1	0	0
MSA 6	1	0	0
MSA 7	1	0	0
MSA SA	0*	0*	1



MSA SD	0	1	0
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*Please note that all the school sites had at least 1 server paid by or reimbursed by the SIA except MSA 4 and MSA Santa Ana. MSA 4 did not have enough student count to cover an additional server paid the vendor or reimbursed by the SIA. MSA Santa Ana wanted to go with a vendor providing top quality food with increased prices per meal. Therefore, school did not have funds to cover servers paid by vendor or hired by school and reimbursed by the SIA, but had to hire a server using school's own operational funds.

Exhibits:

- Contract between the MPS and the SIA



California Department of Education
School Nutrition Programs
Nutrition Service Division

23-24

Food Service Agreement

Administering Sponsor :	
Schools in Action	
Agreement Number: 23-24-04	Vendor Number: 521800

Receiving Charter School:
Magnolia SciencAcademy 1,2,3,4,5,6,7, San Diego and Santa Ana

This Food Service Agreement (“Agreement”), is entered on **07/01/2023** between **SCHOOLS IN ACTION**, hereinafter referred to as the **School Food Authority** or **SFA**, and **Magnolia Educational & Research Foundation dba Magnolia Public Schools**, to represent the **Charter School** as its Child Nutrition Program “ Sponsor” under the following Child Nutrition Program(s), hereinafter referred to as the Program, (check all that apply):

- National School Lunch Program
- School Breakfast Program
- Meal Supplements in the National School Lunch Program (After School Snacks)
- Supper Program
- Seamless Summer Program

ASSURANCES

Schools in Action's **SFA** is charged with running a program that is compliant with applicable state and federal guidelines over many school sites. The SFA cannot properly oversee a large meal program without the partnership and cooperation of the Charter School. Therefore, certain documents, information, and training will be required of the Charter School on a yearly basis. Charter School's failure to comply with these requirements constitutes cause to terminate the parties' Food Service Agreement.

Note: As of SY 22-23 the State of California has required that public school districts serving students in grades K-12 provide two meals free of charge (breakfast and lunch) during each school day to students requesting a meal, regardless of the free-reduced or paid meal eligibility.

Overview of the Program

- 1) The **SFA** will include all participating sites from the **Charter School** in its application/agreement with the California Department of Education ("CDE") and will submit this Agreement to the CDE for approval.
- 2) The **SFA** will represent the **Charter School** as the Child Nutrition Program " Sponsor" and will claim reimbursement for the CDE for all meals served to participating children enrolled in the **Charter School**. Reimbursement will be claimed at the rate of one breakfast/lunch/snack/supper per child per day, only for complete meals/snacks counted at the point of service, and according to each child's eligibility category or as permitted by law, including without limitation Education Code section 49501.5.
- 3) The **SFA** will receive and retain all Program reimbursement funds, including without limitation, any funds reimbursed pursuant to Education Code section 49501.5(a)(4).
- 4) The **SFA** will pay for the costs associated with the meal program through the Program reimbursement funds.
- 5) The **SFA** will ensure that all reimbursement funds and other Program revenues are utilized consistent with applicable state and federal limitations on the use of cafeteria funds. The **SFA** will maintain an accounting system that clearly documents the receipt and use of reimbursement funds and program revenues.
- 6) Both parties will comply with all applicable federal, state, and local statutes and regulations with regard to the preparation and service of Program meals/snacks, including, but not limited to, all applicable regulations relating to the overt identification of needy pupils, the nutritional content of meals, and nondiscrimination. All records maintained by both parties shall be open and

available to inspection by Federal, State, and Local authorities in accordance with applicable statutes and regulations.

- 7) The **Charter School** will designate a Fair Hearing Officer responsible for collecting and forwarding to the **SFA** any concerns from parents and guardians regarding Program eligibility and to ensure communication with the **SFA** is site-based. All parent or guardian or staff concerns regarding the meal program must be shared with the SFA.

Beginning of the Year Parent Meal Program Communication and Student Meal Program Application Process

- 8) **Charter School** will actively promote the meal program with parents and staff, and will encourage all school households to complete a meal application within 30 days of the start of the school year.
- 9) The **SFA** will perform the yearly meal application verification process, and will perform any necessary eligibility verifications for cause, and will notify the **Charter School** of its findings.
- 10) **Non-Provisions Sites:** The **Charter School** will share a link for an electronic Free and Reduced Price Meal application to all school households to be completed.
 - a) The **Charter School** will make available to parents information on steps how to complete online meal applications.
 - b) The **SFA** will be responsible for processing all meal applications within 10 business days of receipt.
 - c) The **SFA** will also be responsible for sending out eligibility notifications, providing the **Charter School** with eligibility reports and submitting quarterly Direct Certification (DC) files. All applications will be processed electronically.
- 11) **Provision Sites:** Charter Schools under Community Eligibility Provision or Provision 2, are not required to collect meal applications, those sites will need to collect Alternative The Household Income forms. The **Charter School** is responsible for distributing and collecting these forms.
- 12) Any student record, including applications, obtained by the **SFA** pursuant to this Agreement shall be kept confidential and will not be open to examination for any purpose not directly connected with the administration of the Program, except as expressly required by law. All such records will be stored in a locked, secure location. Information collected regarding individual pupils certified to participate in the Program will be destroyed when it is no longer needed for its intended purpose.

Compliance, Trainings, and Collaboration:

Compliance

- 13) **Charter School** will follow all policies and procedures provided by the **SFA**, and will ensure ongoing compliance with those policies and procedures through periodic monitoring.
- 14) **Charter School** will provide the **SFA** with a board approved Local School Wellness Policy and evidence of goal setting, monitoring and solicitation of stakeholder participation before October 30th of each year.
- 15) **Charter School** will work with the **SFA** in procuring and maintaining the Health Inspection's Report for the site. The **SFA** will reimburse or pay for the costs of the Health Inspection, however it is the responsibility of the **Charter School** to report any health inspection visits, corrective actions, or communication, and follow through with corrective actions.
- 16) The **SFA** will conduct a minimum of two site monitoring visits with participation from the **Charter School** to ensure compliance with applicable regulations and procedures. In the case of non-compliance, the **SFA** will provide the corrective actions during the site monitoring visit and will also follow-up with an official corrective action notice to the **Charter School**. Per USDA guidelines, the Charter School will have 45 days to complete corrective actions.

Trainings

- 17) The **Charter School** will comply with all mandatory training and certification requirements including, but not limited to annual health certification of each site, completion of CDE food handler training, if applicable, and **SFA** training.
- 18) **Charter School employee(s)** charged with any aspect of the meal program, as well as the site administrator, will attend the **SFA** Meal Program Policies and Procedures training each year.
- 19) **Charter School** employee(s) charged with distributing snacks and/or meals to students must attend the Meal Program Overview trainings provided by the **SFA**.

Communication and Collaboration

- 20) The **Charter School** must provide the **SFA** with the names, position and contact information of anyone who will be communicating with the **SFA** in regards to the meal program. This information must be updated if changes are made.
 - a) The **Charter School** will provide one lead contact/meal program coordinator who is responsible for ensuring on-site requirements are met
- 21) In the case of **Charter School** staff changes, such as new staff, exiting staff, or changes in responsibilities for staff members, the **Charter School** must notify

the **SFA** as soon as possible to ensure there are no disruptions in compliance and meal program services.

- a) The **SFA** will schedule a meeting to determine immediate action items and a transition plan. All new **Charter School** staff responsible for the meal program must receive training as soon as practicable.
 - b) The **Charter School** is responsible for ensuring completion of required action items for staff transitions.
- 22) The **Charter School** shall ensure that a representative of the school who is responsible for communicating meal program updates and needs to the **Charter School** leadership and the **SFA** attends the required **SFA/School** once a month (at minimum) check-in meetings. This person must be responsible for sharing updates and communicating between the **Charter School** leadership and staff and the **SFA**.
- 23) The **Charter School** will read and review the SFA's newsletters/bulletins/reports for upcoming events, deadlines, and requirements.
- 24) The **Charter School** and the **SFA** will be responsive via phone and email as needed.

Parent and Staff Meetings and Presentations

- 25) If the **Charter School** requests that the **SFA** hold a meeting or presentation beyond the required trainings for **Charter School** staff, leadership, or parents the following applies:
- a) The **SFA** will determine whether it is feasible or warranted to attend the meeting. The **Charter School** will understand it is not a requirement for the **SFA** to attend additional requested meetings with additional **Charter School** staff, families or community members.
 - b) The **Charter School** will be responsible for sharing questions/or concerns to the **SFA** that have been expressed by the **Charter School** community. An agenda should be prepared and reviewed by both the **SFA** and the **Charter School** prior to the meeting or presentation.
 - c) The **Charter School** will be responsible for ensuring participants from the **Charter School** community are aware of the function of the **SFA** and follow the **Charter School's** Civility Policy.
 - d) The **Charter School** will ensure that school leadership is present at the meetings and can speak on concerns beyond the scope of the **SFA**.

Meal Counts and Meal Wastage

- 26) The **Charter School** will perform the point of service meal counts utilizing POS system. The **SFA** will provide training as necessary to **Charter School** staff and/or to the Vendor Server regarding point-of-service meal counts and

completion of all required documents.

- 27) The **Charter School** must cover the cost for adult meals as these meals are not reimbursable. Under the USDA regulations the price of an adult meal must fully cover all costs incurred in the production of the meal, including USDA Food Fair market value.
- 28) **Charter School** will work diligently with vendor and **SFA** staff to minimize the amount of food waste and/or over-ordering.
- 29) The **Charter School** will pay to the **SFA** their cost of any meals not eligible for reimbursement (meals wasted) within 30 days of receiving the end of year invoice from the SFA.
 - a) The **SFA** will be responsible for the meal wastage cost for 5% of total meals ordered prior to charging the **Charter School** for the remainder of meal wastage cost. Wasted meals above this amount will be invoiced to the **Charter School** on a monthly basis. The SFA will work with the schools to ensure that meal wastage reduction initiatives are being implemented.
 - i) Example 1:
 - (1) 1000 meals ordered
 - (2) 200 meals wasted (20% of total meals ordered)
 - (3) SFA will cover 5% of total meals ordered = 50 meals (5% of 1000)
 - (4) The charter school will be responsible for the payment of 150 wasted meals
 - ii) Example 2:
 - (1) 1000 meals ordered
 - (2) 50 meals wasted (5% of total meals ordered)
 - (3) SFA will cover 5% of total meals ordered = 50 meals (5% of 1000)
 - (4) The charter school will not be responsible for the cost of any wasted meals because 5% or fewer of total meals ordered were wasted.
- 30) The **SFA** will check daily and monthly meal counts including reviewing for anomalies or discrepancies in meal counts and meal ordering.
- 31) The **SFA** will ultimately be responsible for meal counts and claiming accountability and will assume financial responsibility for any over-claims or other Program exceptions identified during a review or audit, and will reimburse the CDE accordingly.

Meal Service and Delivery

- 32) The **Charter School** will collaborate with the vendor to order meals/snacks needed no later than the time indicated on the vendor/charter school

agreement each day.

- 33) The **Charter School** may not accept meals that are spoiled or unwholesome at time of delivery and will ensure that those meals are reported to both the **SFA** and the vendor.
 - a) In the case of spoiled or unwholesome meals, the SFA and vendor will work with the Charter School to coordinate meal substitutions. If the **Charter School** must substitute a meal for the non-accepted meal, then the **SFA** shall reimburse the **Charter School** for any substitute meal costs. Documentation and fiscal back-ups are needed for all substitute meal costs.
- 34) The **Charter School** should count the meals upon meal arrival in order to ensure there are no meal count discrepancies (# of meals ordered versus delivered). The **Charter School** should immediately notify the vendor and the **SFA** of any meal count discrepancies.
 - a) If the **Charter School** must substitute a meal due to insufficient meals delivered, then the **SFA** shall reimburse the **Charter School** for any substitute meal costs. Documentation and fiscal back-ups are needed for all substitute meal costs.
- 35) The **Charter School** will be responsible for maintaining the proper temperature of the meals/snacks post-delivery and maintaining the temperature log.
- 36) Appropriate kitchen equipment will be provided by the **SFA** in collaboration with the Vendor in order for **Charter School** to maintain the proper temperature of the meals/snacks post-delivery.
 - a) The **SFA** and vendor will work with the **Charter School** on reasonable maintenance costs of equipment, however the **Charter School** is responsible for maintaining equipment through ensuring that equipment is only used for the meal program services
 - b) **Charter school** will be responsible for reporting broken equipment or issues with facilities that impact meal service
- 37) Costs or reimbursements for servers will be provided to the **Charter School** if applicable based on the ratio of one server for every 300 meals served (up to 5 hours total). Server hours or number of servers will be reduced or removed if the criteria is not met. *The ratio of meals to server still applies during grab n' go meal services.*
 - a) Server hours will be reimbursed on a frequency to be determined by the **Charter School** and **SFA**. For example, server hours could be reimbursed on an every other month basis or annual basis.
 - b) If the **SFA** provides reimbursement for servers for the **Charter School**, the **Charter School** is responsible for meal program services at the school site:
 - i) In the event that a server is out sick or is not at work
 - ii) In the event that a server cannot be found/hired for a position

- iii) In the event that there is a transition between one server and a replacement server
- iv) For staff that work for the meal program and also for another department, **Charter School** will need to maintain personal activity reports (PARs) up to date on a monthly basis and submit to the SFA for approval each month.
- v) The **Charter School** must submit Invoices for personnel costs, and any other approved allowable cost, as applicable.
- vi) The **SFA** will retain PAR and invoice records for a period of not less than 3 years, including the current year, in accordance with its agreement with the CDE.

38) The **Charter School** will make vendor equipment/property ready for pickup on a basis indicated in the vendor/charter school agreement.

Procurement of Meal Program Vendors

39) The **SFA** will conduct all federally required procurement processes and approve vendor(s) to provide meals to the **Charter School** that comply with the nutrition standards established by the United States Department of Agriculture for the Nutrient Standard menu planning option. The **SFA's** decision will take into consideration feedback received throughout the school year from the school (i.e. during the regularly scheduled check-ins), however the **SFA's** final decision will be based on the outcome of the state approved procurement process and rubric.

State of Emergency

40) During emergency situations, such as the recent COVID-19 pandemic and remote learning teaching model, meals will be provided under the guidelines provided by the USDA and state. In the event that the USDA or state allows for different meal service models, program requirements, or accounting, the **SFA** will serve meals under the allowed meal service models, program requirements and accounting systems put forth by the USDA and state. All applicable portions of this agreement will still be in effect.

Insurance and Liability

41) **Charter School** will provide the Certificate of Insurance to the **SFA** no later than September 1st **of each year**.

42) The **Charter School** will indemnify and hold the **SFA** and its officers, employees, and agents harmless from any claims or liabilities relating to a breach of the **Charter School's** obligations under this Agreement. The **SFA** will indemnify and

hold the **Charter School** and its officers, employees, and agents harmless from any claims or liabilities relating to breach of the **SFA's** obligations under this Agreement. The **SFA** shall have no liability for the alleged misconduct of any food vendor; provided however, the **SFA** shall provide in its contract with any vendor servicing the **Charter School** that the **Charter School** shall be named as a third party beneficiary under the agreement between the **SFA** and the vendor including naming the **Charter School** as an additional insured under any insurance policy required under the contract between the **SFA** and the vendor.

- 43) The **Charter School** and **SFA** will maintain at their own expense for the duration of this Agreement all appropriate and legally required insurance, including but not limited to the following:
- a) **Charter School** will maintain commercial general liability insurance, including extended coverage for product liability, with limits not less than \$1 million per occurrence and will provide the **SFA** with a certificate evidencing insurance in the amount, naming the **SFA** as an additional insured. **Charter School** will provide **SFA** with 120 days prior written notice in the event of cancellation.
 - b) The **SFA** will maintain Errors and Omissions Coverage for its role as the Sponsor with limits not less than \$1 million per occurrence.

Agreement Terms

- 44) All requests for information relating to this Agreement and the services that are the subject of this Agreement, including kitchen visitations, will be directed to the **SFA**.
- 45) Subject to approval by the California Department of Education, this agreement is effective from July 1, 2023 through June 30, 2024. Unless the **SFA** receives written notice of nonrenewal from the **Charter School** on or before June 1st, this agreement will renew each year for an additional one year term.
- 46) Either party may terminate this agreement for cause (defined as breach of the Agreement or Assurances) upon 120 days' notice or other mutually agreeable time frame.
- a) Following notice, the party allegedly in breach shall be provided 45 days to cure. Termination for cause shall only be effective in the event the party fails to remedy its breach within the cure period. Notice of termination must be provided in writing to both parties and to the California Department of Education, Nutrition Service Division.
- 47) In the case of the termination of the agreement between the **Charter School** and **SFA**, the **Charter School** is responsible for finding a substitute for **SFA**. During such time until termination, **SFA** shall be entitled to all monies due hereunder.
- 48) This agreement must be shared by the **Charter School** with all **Charter School**

staff members who are responsible for fulfilling the expectations listed in this program and all school principals or school leaders.

I have read and understand the requirements and I assure that the **Charter School** will fulfill the requirements of the agreement. I understand that if the **Charter School** does not comply in a timely manner, the **Charter School** may be terminated as a school site for the **SFA** or other corrective actions might take place.

Name and Title of SFA Official Kalin Balcomb, Executive Director	Telephone Number (323) 597-4341
Signature of SFA Official	Date
Name and Title of Receiving Charter School Official Alfredo Rubalcava, CEO and Superintendent	Telephone Number (213) 628-3634
Signature of Receiving Charter School Official	Date

Notice Section:

Notices: All notices permitted or required under this agreement shall be given to the respective parties at the following address, or at such other addresses as the respective parties may provide in writing for this purpose:

Charter School: **Magnolia Educational & Research Foundation dba Magnolia Public Schools**

SFA: **Schools in Action**