



PALISADES

CHARTER HIGH SCHOOL

CHIEF BUSINESS OFFICER

COVER SHEET FOR AGENDA ITEMS

March 21, 2023

TOPIC/ AGENDA ITEM:

V. FINANCE

B. 2023-2024 Food Service Management Company Contract Extension

PERSONNEL INVOLVED:

Board of Trustees, Executive Director/Principal, Chief Business Officer, Finance, Cafeteria

ISSUES INVOLVED/FISCAL IMPLICATIONS (IF ANY):

The purpose of this action is to approve our food service (cafeteria) contract extension for 2023-2024. Chartwells, who is our food service vendor, has provided excellent service since July 1, 2017. Last year, PCHS went through the formal RFP process (RFP #FY23-001) and Chartwells K-12 was selected as the winning bid. The CDE does not require us to bid until year #4. However, the CDE does require us to approve a contract extension each year.

The contract extension outlines a 5.4% increase in our Cost Per Meal. That cost is based on the initial contract language, which states Chartwells will use the CPI for food away from home (Los Angeles area) to determine the year-over-year increase. In total, the contract amount is expected to increase by \$26,837.32 compared to 2022-23. However, we are expecting the nutrition reimbursement rate to also increase which will offset much of the cost. In addition, the vendor is still providing a “2 for 1” pricing on breakfast meals, which will ensure profitability for the cafeteria.

The CDE Department of Nutrition has reviewed and approved the contract. Per CDE guidelines, they are required to approve before either party signs.

IMPACT ON SCHOOL MISSION, VISION OR GOALS, (IF ANY):

The action will support the goal of ensuring PCHS meets the CDE nutrition program requirements.

OPTIONS OR SOLUTIONS:

The expectation is that the board approve the 2023-2024 contract renewal with Chartwells.

CHIEF BUSINESS OFFICER’S RECOMMENDATION:

The CBO recommends that the Board approve the 2023-2024 cafeteria contract extension.

RECOMMENDED MOTION:

“To approve the 2023-2024 food service management contract extension between Chartwells and PCHS - Agreement Number 2023001.”

Juan Pablo Herrera, Chief Business Officer

CONTRACT EXTENSION (#1)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

Pages

Renewal (Extension Number)

1

Agreement Number (Base year)

2023001

1. This Extension Agreement is entered into between the School Food Authority and Contractor named below:

SCHOOL FOOD AUTHORITY'S NAME

Palisades Charter High School

FOOD SERVICE MANAGEMENT COMPANY'S NAME

Compass Group USA, Inc., by and through its Chartwells Division

2. Base year contract term: Effective date: **July 1, 2022** Expiration date: **June 30, 2023**
Extension year: Effective date: **July 1, 2023** Expiration date: **June 30, 2024**
3. The maximum dollar amount of this contract is equal to the fixed cost per meal multiplied by the number of meals:
\$ 523,824.82 (maximum dollar amount)
4. The parties mutually agree to this extension as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein: **(Note: This section is used to indicate the current cost per meal. Please include your cost per meal table.)**

A. Page 4, Section II(A), Contract Cost Adjustment, is amended to add the following:

"Notwithstanding the foregoing, the fixed cost per meal rate is based on existing conditions as of the date the parties execute this contract extension. In the event of any Federal, State, or Local minimum wage increase during the term of this contract, or during any renewal thereof, the fixed cost per meal rate shall be adjusted to reflect additional labor costs incurred by the FSMC."



B. The parties have agreed to the following updated costs per meal:

Cost Per Meal

Note: Prices must **not** include values of USDA Foods, and must include all meal programs.
All costs are based on the average daily participation of 900 students in the district and 175 days.

LINE ITEM	UNIT*	RATE	TOTAL
Breakfast	69,000	\$4.5849 (2:1)	\$158,179.05
Lunch	78,000	\$4.5849	\$357,622.20
Ala Carte	1,750	\$4.5849	\$8,023.57
Total			\$523,824.82

*Units provided by SFA

FOOD SERVICE MANAGEMENT COMPANY	
CONTRACTOR'S NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i> Compass Group USA, Inc., by and through its Chartwells Division	
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i>
PRINTED NAME AND TITLE OF PERSON SIGNING Amy Shaffer, Chief Executive Officer	
ADDRESS 2400 Yorkmont Road, Charlotte, NC 28217	
SCHOOL FOOD AUTHORITY	
SCHOOL FOOD AUTHORITY NAME Palisades Charter High School	
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i>
PRINTED NAME AND TITLE OF PERSON SIGNING Juan Pablo Herrera, Chief Business Officer	
ADDRESS 15777 Bowdoin St., Pacific Palisades, CA 90272	

INSTRUCTIONS FOR USE:

1. Enter renewal number (also known as extension number). The contract can only be extended four times. Indicate the extension by entering 1 for year 1 of the extension from the base year or 2, 3 or 4.
2. Enter agreement number. Every agreement (contract) should have a number assigned to identify that contract. If there is not an agreement number, identify the contract by the year of the contract also known as base year.
3. Item 1: Enter the contractor's and the school food authority's name.
4. Item 2: Enter the base year terms and the current extension terms. The term is the effective and expiration dates
5. Item 3: Enter the maximum dollar amount.
6. Item 4: Indicate **the current cost per meal**. Include the cost per meal table.
7. The contractor's and school food authority's authorized signer should be identified, and signatures provided.



PALISADES

CHARTER HIGH SCHOOL

2022-2023 Contract
(Only for comparison)

The Respondent must complete the Fee Proposal (Attachment H) and return it with the proposal package.

Attachment H: Fee Proposal

All costs are based on an average daily participation of **850** number of meals served on **175** number of school days.

COST BREAKDOWN			
Respondent Instructions			
⇒ Provide a breakdown of all costs included in the fixed price, including personnel costs.			
⇒ Provide the cost per meal; base all food costs on the attached 21–day cycle menu.			
⇒ Clearly identify all costs			
Item #	Description (Include All Goods and Services included in the Fixed Price)		Annual Cost
1.	Food/Supplies		\$ 215,211.50
2.	Management Labor to include payroll taxes and benefits		\$ 224,820.75
3.	Direct expenses		\$ 56,955.25
	Sub Total		\$ 496,987.50
	Personnel Costs		Annual Cost
5.	Management Fee Per Meal	\$	\$ -
6.	Consultant Fee Per Meal	\$	\$ -
	Sub Total	\$	\$ -
	GRAND TOTAL	\$	\$ 496,987.50

COST PER MEAL			
Respondent Instructions:			
⇒ Provide the cost per meal; base all food costs on the attached 21–day cycle menu.			
⇒ Prices must not include values for donated foods and must include all meal programs applicable.			
1. LINE ITEM	2. UNITS	3. RATE	4. TOTAL
Breakfast 1:1	69,000	2.175	\$ 150,075.00
Lunch 1:1	78,000	4.35	\$ 339,300.00
Non-reimbursable Meals (a la carte)	1,750	4.35	\$ 7,612.50
TOTAL	148,750	\$	\$ 496,987.50

EXHIBIT B
Schedule of Fees

The costs included in the Cost per Meal table comprise the fixed price per meal. The fees are agreed upon by both parties and represent allowable food service costs in accordance with 2 *CFR* , Part 200.

All costs are based on an average daily participation of **805** students in the district and **175** school days.

Cost per Meal

Note: Prices must **not** include values for donated foods, and must include all meal programs.

LINE ITEM	EST. UNITS*	RATE	TOTAL
Breakfast	69,000	2.175	\$ 150,075.00
Lunch	78,000	4.35	\$ 339,300.00
Snacks	0	\$	\$ -
Nonreimbursable Meals (a la Carte)	1,750	4.35	\$ 7,612.50
TOTAL	148,750	\$	\$ 496,987.50

*Estimated Units provided by SFA