

Price/Cost Analysis: Pre-procurement

§200.323 Contract cost and price.

(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

~ Page 12 FSMC Guidance ~ and Pages 78 - 81

Analyze: food costs, labor costs, fees, supplies, equipment, indirect costs, employee benefits, use of USDA foods, non-fiscal aspects (i.e. local wellness policy, nutrition goals, school gardens, farm to school), etc.

Analysis of current food service operations:

RSD #18 (DRG C) for years has operated at a deficit; however, over the past 3 years has been profitable. This began prior to COVID but due to SSO, participation has been record setting. It is expected this 'boom' to drop some but still remain as, at minimum, a break even operation. Due to the abnormality of the last few years, the stats below are based upon 17-18 numbers.

As of 1/11/19: Enrollment 1255. Combined ESs: 504, MS: 279, HS: 472.

Free Reduced: 19%

NSLP and NSBP (prev. only 1 ES and the HS participated in NSBP, currently, all do).

2.5% participation rate for breakfast (Prior to COVID and all school participating)

32% participation rate for lunch (Prior to COVID)

Pricing:

ES Breakfast: \$2.50

HS Breakfast: \$3.00

ES Lunch: \$3.00

MS/HS Lunch: \$3.50

Rev from meals: \$364,661

Expenses: \$422,392

Subsidies: \$34,521

Fed/State Reimbursements: \$72,238

Commodity Entitlement: \$20,016

15 staff members, employed by current FSMC (none by district), all part-time except FSD.

Analysis of food service operations in a district (similar size make-up) with a FSMC:

Portland Public Schools (DRG E) - Based on completed and audited data for 2019-2020 and labor and food costs from current year July 1, 2021 - January 2022

Data for 10/1/2019

Sites: 1 Secondary school (7-12) 568 enrollment, 1 school (Prek-1) 255 enrollment, 1 school (2-4) 304 enrollment, 1

Intermediate school (5-6) enrollment 195 = Total enrollment 1,322

Free/Reduced % : 27.43% District

Breakfast all schools \$1.50

Lunch:

Grades Prek-4 : \$2.85

Grades 5-6: \$3.00

Grades 7-12: \$3.10

*The last 5 years of our contract
have been operating at a deficit

Total Revenue: \$242,958

Total Reimbursement State & Federal: \$308,136

Total Expenses: \$530,694

Total USDA Commodity: \$34,199.74

Current year expenses 7/1/21-1/31/22

Total Product: \$116,551.57

Total Labor: 190,701.05
Total Controllables: \$27,386.58
Total expenses: \$334,639.20

12 staff members which are FSMC staff 20+ hours a week with benefits

Analysis of food service operations in a district (similar size make-up) as a self-op:

Salem-DRG C, is a self op district that operates at a profit.
K-8 District with 386 students (HS students attend East Lyme)
Participate in both NSLP and NSBP Currently participating in SSO, meals free for all students

Free/Reduced%: 20%

18-19

Total Rev: \$55,589
Total Exp: \$95,628
Commodities: \$6,298
Fed/State Reimburse: \$40,565

3 Staff:

Director: Shared with East Lyme, hours vary per week.
Lead: 40 hours per week
Asst: 32.5 hours per week

Based on the analysis above, we expect the procurement to be valued at:

I would expect the district to do around \$450,000 in sales in year one of the contract. This is a drop of current levels, which are elevated do to SSO/free meals for all students-which is the best marketing for the program for which we could ask and also resulted in introducing breakfast at all the schools. It is not expected that participation will drop to pre-pandemic levels which is why the bump in sales from what's reported in the self-analysis in box one. Since the management fee and administrative fee are set amounts, the amount of sales/procurement is irrelevant to the incoming FSMC.