

FOOD SERVICE MANAGEMENT COMPANY (FSMC) CONTRACT RENEWAL AGREEMENT
Beaufort County School District
Contract Period: July 1, 2018 through June 30, 2019

Beaufort County School District, hereafter called "SFA" and Sodexo Management, Inc., hereinafter called "FSMC", hereby agree that the FSMC will operate the child nutrition program for the SFA during the period of July 1, 2018 through June 30, 2019.

This renewal agreement is constituted by the SFA's acceptance of the FSMC's response to the SFA's original Request for Proposal and Subsequent Contract effective July 1, 2015. The FSMC agrees to comply with all parts of the SFA's Request for Proposal and Subsequent Contract.

As a result of the ongoing implementation of new USDA procurement requirements related to the competitive processing of USDA-donated foods, the original provision under Section 5 (Terms and Conditions), Subsection D (USDA Foods), Paragraph 5 of the original Invitation for Bid and Subsequent Contract, as well as the subsequent amendment referenced in the 2017-2018 Contract Renewal Agreement are both stricken and replaced with the following:

"In consultation with the FSMC, the SFA shall reserve the right to divert USDA-donated foods for processing to only those processors that have approved USDA and SCDE processing agreements for authorized end products that are included on a current Summary End Product Data Schedule (SEPDS). If an end product is normally available for purchase by the FSMC under the FSMC's regular competitive procurement process, no further procurement action is required. If an end product is not available for purchase by the FSMC under the FSMC's regular competitive procurement process, the end product shall be acquired by the FSMC through the use of a competitive procurement process. The SFA shall ultimately be responsible for compliance with all state and federal requirements.

The FSMC is not required to credit the SFA for the value of donated foods contained in approved processed end products if the SFA has procured approved processed end products on its own and has received the value of donated foods from the approved further processor. The SFA may provide these processed end products to the FSMC for use in the child nutrition program. Regardless of the method used, the processor must credit the SFA for the donated food value in end products, in accordance with processing requirements in Subpart C of Part 250. The SFA must ensure that the FSMC uses such end products in the child nutrition program in accordance with 250.51 (d). In consultation with the SFA, the FSMC shall exercise appropriate due diligence to ensure that any costs associated with the processing of USDA-donated foods are reasonable with regard to the FSMC's ability to maintain the fixed per-meal price charged to the SFA."

The base Firm Price meal rate fee for the 2018-2019 school year will be \$3.20, which includes the FSMC's management fee and the value of United States Department of Agriculture (USDA) Donated Foods as supplied by the SFA and used by the FSMC for the applicable USDA Child Nutrition Programs. The FSMC agrees to pay the SFA the sum of \$119,980 for costs identified during this period as "indirect cost" in the Contract. The guaranteed return to the SFA during this renewal period will be \$150,000.

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In addition, the FSMC may receive an additional \$.06 per reimbursable student lunch conditional upon the FSMC providing reimbursable lunch and breakfast meals that meet the current Food-Based meal pattern and nutrition standards required by USDA for all schools identified by the SFA in the Contract that have been certified and validated by the South Carolina Department of Education (SCDE). However, if the lunch and breakfast meals do not meet these standards as determined by USDA, SCDE, or any other government entity with monitoring authority, the FSMC shall reimburse the SFA in the amount equal to the sum of all meal rate fee(s) paid to the FSMC from the date of implementation of the meal rate fee through the date of such determination.

The following supporting documents must be included with and become part of this renewal agreement:

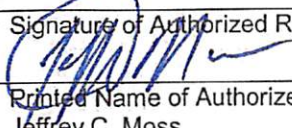
1. A copy of any amendments, subcontracts, letter agreements, or other relevant documentation pertaining to the Contract which has not previously been furnished to SCDE;
2. An amended list of schools, if the SFA has added/deleted schools to/from the Contract;
3. Documentation through cost or price analysis supporting a request for an increase in the meal rate fee charged by the FSMC. The average percentage increase in the "food away from home" series of the Consumer Price Index (CPI) from April 2017 to April 2018 is **2.5%**. This is the **maximum** percentage of increase that will be approved.
4. A copy of FSMC's current certificate of liability insurance coverage naming the SFA as the certificate holder and/or additional insured; and
5. A copy of the performance bond or performance bond continuation certificate for the period of July 1, 2018 through June 30, 2019 in the amount of 10% of the annual Contract value.

No modifications or changes shall be made to this Contract without full consent of all signatories. Any additions or changes to the Contract that change or negate the mandatory portions of the Contract as written shall automatically invalidate the Contract.

ATTEST:

**SCHOOL FOOD AUTHORITY
(SFA)**

Witness

Name of SFA Beaufort County School District
Signature of Authorized Representative 
Printed Name of Authorized Representative Jeffrey C. Moss
Title Superintendent
Date 6-20-18


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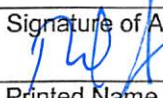
**FOOD SERVICE MANAGEMENT COMPANY
(FSMC)**

Witness

Name of FSMC	Sodexo Management, Inc.
Signature of Authorized Representative	
Printed Name of Authorized Representative	Deborah W. McLaughlin
Title	Vice President
Date	6/30/18

APPROVAL:

**SOUTH CAROLINA DEPARTMENT OF
EDUCATION
(SCDE)**

Signature of Authorized Representative	
Printed Name of Authorized Representative	Ron Jones
Title	Director
Date	8/16/18