

# Cost-Reimbursable plus Administrative Fee Food Service Management Contract Cost-Reimbursable School Year: 2024/2025

*Instructions: A school food authority that participates in School Nutrition Programs (SNP) and has a food service management contract must use this cost-reimbursement contract template in order to meet SNP requirements. Except for the provisions that must be completed by SFA, this Contract template may not be changed without obtaining written approval from the Minnesota Department of Education (MDE)– Nutrition, Health and Youth Development prior to execution of the contract. SFA may include additional provisions in Section XXV of this template, or may attach additional provisions, provided the additional provision do not conflict with template provisions.*

Whereas Lakes International Language Academy advertised for proposals for food service management in accordance with the specifications attached and made a part of this contract, and;

Whereas SFE submitted a proposal and has been awarded a contract.

SFA and Vendor mutually agree as follows:

## I. Scope and Purpose

1. Vendor will operate the school food service as a benefit to SFA's students, faculty and staff, in conformance with SFA's agreement with MDE. Vendor will manage the school food service to promote maximum participation in the programs listed below in compliance with the program requirements of the U.S. Department of Agriculture (USDA) and MDE. Vendor shall provide its services in accordance with generally accepted standards of care and best practices in the industry.

### **Vendor will prepare food:**

- a.  On-site
  - b.  Off-site and transport food to SFA
2. Vendor will provide staff to manage the food service operations and supervise employees. Vendor will be an independent contractor and not an employee of SFA. The employees of Vendor are not employees of the SFA.
  3. Vendor will have the exclusive right to operate the program(s) indicated below for approximately the number of annual serving days as shown on each attached Site Data Page. SFA may add or remove sites and/or adjust meal periods or make other changes at a site at any time unless the change would be a material change to the contract.
  4. Programs to be operated by the Vendor

### **School Meal Programs**

National School Lunch Program (NSLP) and Food Distribution Program (FDP)

School Breakfast Program (SBP)

### **Milk Programs**

Special Milk Program (SMP)

Minnesota Kindergarten Milk Program (MKMP)

### **Afterschool Snack or Meal Programs**

At-Risk Afterschool Meals (area-eligible - Child and Adult Care Food Program (CACFP)

Afterschool Snacks – NSLP

### **Summer Meal Programs**

Summer Food Service Program (SFSP)

Seamless Summer Option (SSO) of NSLP

## Child Care Program

☐ Child Care Center – CACFP

7. Vendor will comply with the regulations and guidance of USDA and MDE that are applicable to the programs being administered, including but not limited to 7 Code of Federal Regulations (CFR) Parts 210, 215, 220, 225, 245, 250, and 2 CFR Parts 200 and 400, and additions or amendments thereto.
8. All income accruing as a result of payments by children and adults, federal and state reimbursements, and all other income from sources such as donations, special functions, grants, loans, will be deposited daily in the SFA's food service account. Income in excess of expenses will remain in the SFA food service account.
9. Vendor will comply with local or state sanitation requirements, including the requirements in Section 5.
10. SFA will retain responsibility, in accordance with its agreement with MDE, to:
  - a) Ensure that the food service operation conforms to the SFA's agreement with MDE for child nutrition programs.
  - b) Control the quality, extent and general nature of the food service program.
  - c) Control and maintain the school food service account and overall financial responsibility for SNP.
  - d) Sign and submit forms to MDE including the permanent agreement/policy statement, the annual application renewal, and monthly claims for reimbursement, reports, and all correspondence to MDE relating to the food service.
  - e) Distribute, approve or deny, and verify applications for meal benefits, conduct administrative hearings for denied meal benefits, use direct certification data, and maintain the free and reduced-price meals eligibility roster, except for any functions relating to approval for school meal benefits that have been expressly contracted to Vendor in Section 7.
  - f) Establish internal controls that ensure the accuracy of meal counts prior to the submission of each monthly claim, including reviews of meal count data by site, and edit checks of meal counts data compared to attendance.
  - g) Monitor the food service. Nothing in this paragraph relieves Vendor of its independent supervisory and monitoring responsibilities.
  - h) Approve menus and recipes, adjustments to menus, and other foods to be served or sold.
  - i) Establish the selling prices for reimbursable and non-reimbursable meals and milk, and a la carte foods.
  - j) Establish and maintain an advisory board composed of parents, teachers, and students to assist with menu planning.
  - k) Resolve program review and audit findings.
11. SFA and Vendor are jointly responsible to protect the privacy and anonymity of students qualified for free or reduced-price meals, provided that nothing in this paragraph relieves Vendor of its independent obligation to protect the privacy and anonymity of students qualified for meal benefits.
12. The SFA reserves the right to maintain, add or remove food and beverage vending machines.

## II. Payment of Administrative Fees and Reimbursement of Costs

1. Vendor shall submit invoice for fixed administrative fees and reimbursement of direct costs for each meal type as shown on the attached Price Proposal accepted by the SFA including the number of "equivalent" lunches to be billed for any a la carte food service. Invoice and monthly operating statement shall be submitted by **tenth** of each month in order for payments to be processed timely.
2. Vendor will invoice SFA for allowable costs net of all discounts, rebates and other applicable credits due to SFA. Vendor will maintain documentation of discounts, rebates, and other applicable credits and furnish documentation upon request to SFA, MDE, or USDA. Vendor will deposit any rebate received by check directly into SFA's food service account. Vendor will refund to SFA any discounts, rebates and other applicable credits received by vendor after termination of this agreement.
3. School will pay allowable costs from the school food service account net of all discounts, rebates and other applicable credits accruing to or received by vendor or any assignee under the contract, to the

extent those credits are allocable to the allowable portion of the costs billed to SFA. No expenditure may be made from the food service account that results in vendor receiving reimbursements in excess of vendor's actual, net allowable costs.

4. Vendor will exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification. SFA reserves the right to require Vendor to separately identify for each cost submitted for payment the amount of the cost that is allowable (can be paid from the school food service account) and the amount that is unallowable.
5. Vendor's determination of its allowable costs must be made in compliance with applicable USDA regulations and guidance, and Office of Management and Budget circulars.
6. Vendor will ensure that its system of inventory management will not result in SFA being charged the value of USDA Foods as a cost.

**Fixed Administrative Fee:**

SFA will pay vendor the following per-meal administrative fee for each meal service, as proposed by vendor on attached Cost Proposal:

- \$ 0.34 per lunch
- \$ 0.34 per breakfast
- \$ per afterschool snack
- \$ per milk

**Cost Reimbursements (Direct Costs):**

SFA will reimburse Vendor for the direct costs of providing meals and ala carte meal equivalents up to the following maximum amounts as stated below and proposed on Vendor's attached Price Proposal, or actual costs, whichever is less. These maximum per meal rates do not take into consideration the value of USDA Foods received by the vendor on behalf of the SFA.

**Maximum direct cost reimbursements:**

- \$3.52 per lunch
- \$1.83 per breakfast
- \$ per afterschool snack
- \$ per milk

**III. Meals**

Vendor will serve reimbursable meals, snacks, or milk that meet program requirements for the meal services and sites as indicated on the attached Site Data page(s) which have been approved by MDE in the Cyber-Linked Interactive Child Nutrition System (CLiCS).

The meal price is for one full reimbursable meal and cannot separate out any one component of the reimbursable meal (i.e. price of milk *must* be included in total fixed meal price).

1. Vendor will serve meals on the days and at the times requested by SFA.
  2. Vendor will comply with the twenty-one (21)-day menu developed by SFA for NSLP, and/or SBP, that SFA provided in the request for proposals. Any changes made by Vendor after the first twenty-one (21)-day menu may be made only with approval of SFA. SFA will approve menus no later than two (2) weeks prior to service.
  3. Vendor will promote maximum participation in the reimbursable meal programs.
  4. Vendor will sell on the premises only those foods and beverages authorized by the SFA and only at the times and places designated by the SFA.

5. No payment will be made to vendor for meals that are spoiled or unwholesome at the time of delivery, do not meet detailed specifications as developed by the SFA for each food component in the meal pattern, or do not otherwise meet the requirements of the contract.
6. SFA will retain control of the quality, extent and general nature of the food service.
7. Vendor will offer free, reduced-price, and paid reimbursable meals to all eligible children at participating sites.

#### **IV. USDA Foods**

##### **Crediting of USDA Foods**

The USDA allows for two different methods to identify value of USDA foods credited to the SFA. This is detailed in memo FD-080. The Vendor must identify which method of crediting will be provided on the invoice.

- Crediting by Disclosure: detailed invoices will include total value of foods drawn from inventory for billing period, showing a charge for all foods except the value of USDA Foods
- Year-End Credit: a credit is provided one time per year at the end of the year. Credit is provided for value of all USDA Foods received in the school year.

**Credits are required to be provided from Company to SFA irrespective of whether the Company uses the USDA Foods. Company will provide credits to SFA on applicable monthly bills unless MDE accepts the need for a different crediting schedule upon review of the draft contract to be awarded. The Total USDA Foods Value amount at the bottom of the [USDA Foods Received Report for the Auditor](#) is the correct and final amount that is owed to the school from the company for the year once all trucks have been received and the final report for the SY is posted on the MDE website.**

Annual Reconciliation of USDA Foods: Vendor must submit inventory records with the final invoice of the contract year to the SFA, accounting for USDA Foods received for the contract year. SFA will reconcile inventory records submitted by the vendor to the total value of USDA Foods received for the Auditor Report provided by the State Agency. Renewal of this contract for any additional year will be subject to the reconciliation for the prior contract year showing that vendor has fully accounted for all USDA Foods received.

##### **Use of USDA Foods**

Vendor will perform activities relating to USDA Foods in accordance with applicable requirements in 7 CFR 250. Allowable activities are preparing meals using USDA Foods or using equal quantities of domestically produced commercial foods supplied by Vendor that are of the same generic identity and of equal or better quality; selection and ordering of USDA Foods in coordination with SFA; storage and inventory management; payment of processing fees or submittal of refund requests to a processor on behalf of the recipient agency, or remittance of refunds for the value of USDA Foods in processed end products to the recipient agency.

##### **Ordering of USDA Foods:**

- SFA will shop for USDA Foods using CLiCS2 through MDE
- In Collaboration with SFA, Vendor will shop for USDA Foods using CLiCS2 through MDE

##### **Additional Requirements for USDA Foods**

1. Vendor will use all USDA donated ground beef and ground pork products, and all processed end products, in SFA's food service. Vendor will use all other USDA Foods, or will use commercially purchased foods of the same generic identity, of U.S. origin, and of equal or better quality than the USDA Foods, in SFA's food service. Vendor will comply with the storage and inventory requirements for USDA donated foods in 7 CFR 250.52. Upon termination of the contract, Vendor will return all unused USDA donated ground beef, ground pork, end products and, at SFA's discretion, other unused USDA Foods.
2. Vendor assures SFA that the procurement of processed end products on behalf of SFA, as applicable, will comply with 7 CFR 250 and with provisions of MDE or SFA processing agreements. Vendor will disclose to SFA the value of USDA Foods contained in such end products at the processing agreement value. Refunds

received from processors must be retained in the food service account. Vendor will not itself enter into a processing agreement with a processor.

3. Vendor and SFA will maintain records relating to the use of USDA Foods in accordance with 7 CFR 250.54. Vendor will have records available to substantiate that the SFA has received the benefit of the full value of received USDA Foods.
4. SFA will ensure that vendor is in compliance with the requirements of 7 CFR 250 through SFA's monitoring of the food service operation as required in 7 CFR 210 and, if applicable, 225.
5. SFA, MDE, USDA, the Comptroller General, or their authorized representatives, may perform onsite reviews of vendor's food service operation, including the review of records, to ensure compliance with requirements for the management and use of USDA Foods.
6. Vendor accepts liability for any negligence on its part that results in any loss of, improper use of, or damage to USDA Foods.
7. Vendor will promptly credit SFA's food service account for all discounts, rebates, and allowances received by the vendor associated with the purchase of processed commodity products on behalf of SFA as well as the full value of USDA Foods.

*Notification to MDE of Change of Distributor: If award of this contract requires SFA to change its distributor, SFA must notify MDE of the change immediately.*

#### **V. Food Safety**

1. SFA will comply with food safety inspection requirements set by USDA for its facilities.
2. SFA will ensure that state and local regulations are being met by vendor preparing or serving meals at any SFA facility.
3. SFA will post and maintain, in a publicly visible location, all reports on the most recent food safety inspection and provide a copy of the reports to a member of the public upon request.
4. Vendor will maintain state and/or local health certifications for any facility outside the SFA in which it prepares meals and will maintain the health certification for the duration of the contract as required under 7 CFR 210.16(c).
5. Vendor will comply with food safety inspection requirements set by USDA and shall ensure that state and local regulations are met in its facilities.

#### **VI. Substitutions and Modifications for Medical or Special Dietary Needs**

Vendor will substitute or modify food or beverage items for qualifying students as required by federal law, state law, or SFA policies, as specified in this section.

##### **Substitutions for Students with a Disability**

Vendor must provide substitutions to, or modifications of, meals on a case by case basis as required by federal law for students who are documented by a licensed physician, physician assistant, or advanced practice registered nurse such as a certified nurse practitioner to be unable to consume the regular program meals due to a disability. The special diet statement, which is required to claim program reimbursement for meals that do not meet the meal pattern requirements, must identify the student's major life activity affected by the disability, the food(s) to be omitted from the student's diet, and the food(s) that must be substituted. The statement must be signed, dated, and maintained on file.

No additional charge will be billed to the student. Vendor and SFA will negotiate payments for any excess costs of providing substitutions.

##### **Lactose-Reduced Milk for Students with Lactose Intolerance**

Vendor must make available at least one of the following types of lactose-reduced milk that are specified in Minnesota Statutes section 124D.114, upon the written request of the parent of a lactose-intolerant student: lactose-reduced milk; milk fortified with lactase in liquid, tablet, granular, or other form; or milk to which

lactobacillus acidophilus has been added. A portion of a lactose-reduced milk product may be poured or served from a large container. The parent's request must be maintained on file.

### **Non-Dairy Fluid Milk Substitutes**

The following section applies if the box is checked

In accordance with SFA policy and program requirements, Vendor will offer one or more non-dairy fluid milk substitutes that are nutritionally equivalent to cow's milk to all students. Vendor will maintain product information on file to document that the non-dairy fluid milk product(s) meet program standards for reimbursement.

### **Other Substitutions**

The following section applies if the box is checked

The SFA policy to provide substitutions that meet the meal pattern for preferences of students without a disability, upon written request of a parent or legal guardian.

## **VII. Free and Reduced-Price Meals Policy**

Check box below to identify which party is responsible for determining the eligibility of students for free and reduced-price school meals.

**SFA is responsible for determining eligibility for free and reduced-price meals.**

SFA is responsible for the determination of eligibility for free and reduced-price meals, including the development, distribution, approval and verification of meal applications, direct certification data, and conducting any appeal hearings related to eligibility determinations.

SFA will provide vendor with a list of students and their category of meal eligibility. The list will be updated when changes occur in a student's eligibility status. SFA will not disclose confidential information to vendor from meal applications and direct certification data that is not needed for meal counts.

Vendor will use the private data on the eligibility status of students for school meal benefits only to provide correct, approved meal benefits to students and to determine accurate meal counts by eligibility category. The meal counting system must eliminate the potential for overt identification of students eligible for free and reduced-price meal benefits.

**Vendor is responsible for determining eligibility for free and reduced-price meals.**

Vendor will determine eligibility for free and reduced-price meals, including the development, distribution, approval and verification of meal applications, and direct certification data except as described below.

Vendor will use the private information provided on meal application forms, and the eligibility status of students for school meal benefits, only to provide correct, approved meal benefits to students and to determine accurate meal counts by category. Vendor ensures that the meal counting system eliminates the potential for overt identification of students eligible for free and reduced-price meal benefits.

SFA will conduct any appeals and hearings.

## **VIII. Books and Records**

1. Vendor will maintain such records (supported by invoices, receipts, or other evidence) as SFA will need to meet monthly and annual reporting responsibilities.
2. Vendor will annually provide SFA with information on food costs and revenues for reimbursable meals and for non-program foods to determine compliance with program requirements for revenue from non-program foods.

3. Vendor will submit meal count records in a timely manner to facilitate claims submission by SFA no later than the **fifth** day after the last day of the month in which services were rendered. SFA will perform edit checks on the meal count records provided by vendor prior to the preparation and submission of the claim for reimbursement.
4. Vendor shall provide SFA with a year-end statement.
5. Vendor will make available the books and records pertaining to the contract, upon demand, in an easily accessible manner for a period of three (3) years from the end of the contract term (including renewals) to which they pertain, for audit, examination, excerpts, and transcriptions by SFA and state or federal representatives and auditors. If audit findings regarding vendor's records have not been resolved within the three (3) year record retention period, the records must be retained beyond the three (3) year period, for as long as required for the resolution of the issues raised by the audit.
6. Upon termination of the contract, vendor will surrender to SFA all records pertaining to the operation of the food service, including food and non-food inventory records, menus, production records, product invoices, claim documentation and financial reports. Vendor will not remove state or federal required records from SFA premises upon contract termination.

## **IX. Employees**

Current SFA employees, including site and area managers, will be retained by SFA and/or vendor as described here:

- a. SFA will have final approval authority regarding the hiring of vendor's site manager.
  1. Vendor will provide SFA with a schedule of employees, positions, assigned locations, salaries and hours to be worked. Locations and assignments will be provided to SFA two full calendar weeks prior to start date of operations. Staffing patterns, with the exception of the site manager, will be mutually agreed upon.
  2. Vendor and SFA shall maintain the same minimum level of employee positions, hours, wages and benefits as listed on the attachments.
  3. Vendor will comply with applicable federal and state wage and hours of employment requirements.
  4. Vendor will be responsible for supervising and training personnel, including SFA-employed staff. Supervision activities include employee and labor relations, personnel development, and hiring and termination of Vendor management and non-management staff, except the site manager. Vendor will provide SFA with a list of its personnel policies and employee handbook.
  5. Vendor will provide workers' compensation coverage for its employees. Vendor will maintain its own personnel and fringe benefits policies for its employees, subject to review by SFA.
  6. Vendor will instruct its employees to abide by the policies, rules and regulations, with respect to use of the SFA's premises as established by the SFA and which are furnished in writing to the Vendor.
  7. SFA will provide sanitary toilet and hand-washing facilities for Vendor employees.
  8. SFA may request vendor in writing to remove any vendor employee who violates health requirements or conducts in a manner which is detrimental to the well-being of the students. In the event of the removal or suspension of any such employee, vendor will immediately restructure the food service staff without disruption of service.
  9. SFA and/or vendor personnel assigned to each school will be instructed in the use of all emergency valves, switches, and fire and safety devices in the kitchen and cafeteria areas.
  10. Vendor shall conduct periodic training on food service topics for all food service employees, including required annual civil rights training.

## **X. Monitoring**

SFA will monitor the food service operation of Vendor through periodic on-site visits to ensure that the food service is in conformance with USDA program regulations and on-site reviews of the counting and claiming system at each site no later than February 1 each year in accordance with its agreement with MDE if SFA has more than one site.

If SFA participates in SFSP, SFA is responsible for conducting the required SFSP site visits including preapproval visits.

Vendor will maintain the necessary records for SFA to complete required monitoring activities.

#### **XI. Advisory Groups / Menus / Wellness Policy**

Vendor will:

1. Participate in the formation and establishment and periodic meetings of the SFA advisory board, comprised of students, teachers, and parents, to assist in menu planning in accordance with 7 CFR 210.16(a).
2. Coordinate with SFA as needed to assist in implementation of SFA's wellness policy.
3. Meet SNP "Smart Snacks" nutrition requirements for foods sold a la carte and any other foods served to students during the school day.

#### **XII. Use of Facilities, Inventory, Equipment, and Storage**

1. SFA will make available, without any cost or charge to vendor, area(s) of the premises agreeable to both parties in which vendor will render its services.
2. SFA may request additional food service programs from vendor. SFA reserves the right, at its sole discretion, to sell or dispense food or beverages provided such use does not interfere with the operation of the Child Nutrition Programs. SFA may expand food service operations outside the confines of the school/school district, such as expansion to non-affiliated charter schools, non-public, or neighboring public schools, which were not part of the original bid.
3. Prior to the start of operations, vendor and SFA will inventory food, including USDA Foods, and supplies on the premises. Vendor will utilize the inventory at a value determined by invoice. On termination of the contract, vendor and SFA will take a closing inventory and add or subtract the difference to vendor's cost of business.
4. SFA will replace expendable equipment and replace, repair, and maintain non-expendable equipment, except when damages result from the use of less than reasonable care by vendor employees.
5. SFA will provide Vendor with local telephone service.
6. SFA will furnish and install any equipment and make any structural changes needed to comply with federal, state or local laws, ordinances, rules and regulations.
7. SFA will be responsible for any losses, including USDA Foods, which arise due to equipment malfunction or loss of electrical power not within the control of vendor.
8. SFA, on the termination or expiration of the contract, will conduct a physical inventory of equipment and furnishings owned by SFA. Vendor will surrender all SFA equipment and furnishings to SFA in good repair and condition. Vendor will be responsible for correcting any discrepancies and any equipment repairs that are not the result of normal wear and tear within 30 days of the inventory.
9. SFA will have access, with or without notice, to all of the SFA's facilities used by vendor, for purposes of inspection and audit.
10. All food preparation and serving equipment owned by SFA must remain on SFA premises.
11. Vendor will notify SFA of any equipment belonging to vendor on SFA premises within ten (10) days of its placement on SFA premises. SFA will not be responsible for depreciation, loss or damage to equipment owned by Vendor and located on SFA premises.
12. Vendor will provide SFA with one set of keys for food service areas secured with locks.
13. Vendor will maintain adequate storage practices, inventory and control of USDA Foods in conformance with USDA program regulations.
14. Vendor will maintain the inventory of silverware, chinaware, kitchen utensils and other operating items necessary for the food service operation and at the inventory level as specified by SFA.
15. Vendor will not use SFA's facilities to produce food, meals or services for other organizations without the approval of SFA. If such usage is mutually agreeable, SFA and vendor must have a signed agreement that stipulates the fees to be paid by vendor for facility usage.
16. Vendor will comply with all SFA building rules and regulations.



17. SFA may request Vendor to provide additional food services such as special functions and catering. SFA will be billed for the cost of food, supplies, labor, and administrative overhead negotiated outside of this contract in an amount that ensures that the payments for additional food services are not subsidized by the nonprofit school food service.

### **XIII. Purchases and Buy American**

Vendor will meet applicable federal and state requirements when purchasing food and supplies for meals provided under this contract.

Buy American Requirement: Vendor will purchase domestic agricultural commodities and products for use in the NSLP and SBP as provided in 7 CFR 210.21(d).

### **XIV. Sanitation**

1. Vendor will comply with local and state sanitation requirements in the preparation of food.
2. Vendor will place garbage and trash in containers in designated areas as specified by SFA. SFA will remove the garbage and trash from the designated areas.
3. Vendor will clean the kitchen as indicated on the attached Cost Responsibility page. SFA will clean ducts and hoods above the filter line.
4. SFA will clean the dining areas as indicated on the Cost Responsibility Detail Sheet.
5. Vendor will operate and care for equipment and food service areas in a clean, safe and healthy condition in accordance with the standards acceptable to SFA and comply with all applicable laws, ordinances, regulations, and rules of federal, state, and local authorities, including laws related to recycling.
6. SFA will provide extermination services as needed.

### **XV. Licenses, Fees and Taxes**

Vendor is responsible for paying all applicable taxes and fees, including but not limited to excise tax, state and local income tax, and payroll and withholding taxes for Vendor employees. Vendor will hold SFA harmless for all claims arising from payment of such taxes and fees. The extent of responsibility is designated in the Cost Responsibility attachment.

X Vendor  SFA shall obtain and maintain required licenses or permits, as indicated on the Cost Responsibility attachment.

### **XVI. Nondiscrimination**

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 (including gender identity and sexual orientation), 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, audiotope, 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/ad-3027.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;
- (2) **fax:** (833) 256-1665 or (202) 690-7442; or  
(3) **email:** [program.intake@usda.gov](mailto:program.intake@usda.gov)

This institution is an equal opportunity provider.

#### **XVII. Emergency Closings**

1. SFA will notify Vendor of any interruption in utility service of which it has knowledge.
2. SFA will notify Vendor of any delay in the beginning of the school day or the closing of school(s) due to snow or other emergency situations.

#### **XVIII. Nonperformance by Vendor**

In the event of the Vendor's non-performance under this contract and/or the violation or breach of the contract terms, SFA has the right to pursue all administrative, contractual and legal remedies against Vendor and to seek all sanctions and penalties as may be appropriate. SFA is the responsible authority without recourse to USDA or MDE for the settlement and satisfaction of all contractual and administrative issues. This authority includes, but is not limited to, source evaluation, protests, disputes, claims or other matters of contractual nature.

If either party commits a material breach, the non-breaching party may terminate this agreement for cause by giving 60 days written notice. If the breach is remedied prior to the proposed termination date, the non-breaching party may elect to continue this agreement.

Vendor will pay SFA the amount of any meal over-claims that are attributable to Vendor's negligence and that occurred during the effective dates of the contract, including over-claims based on audit or program review findings.

#### **IXX. Summer Food Service Program**

SFA may, during the term of the contract, apply for and be approved for additional child nutrition programs, such as SFSP or the CACFP At-Risk Afterschool Care Program, which may be added to this contract if the additional responsibilities and payments are not a material change to the contract. The SFA must document the additional program(s) and fixed meal prices in an addendum to this contract. If adding a program to this contract would be a material change, the program may not be added to this contract and the SFA must conduct a competitive procurement for a new contract for the program.

During any period that SFA participates in SFSP:

Vendor will perform the same food service management tasks for SFSP as are provided to SFA during the school year and will pay vendor for SFSP meals using the same meal payment structure used during the school year, unless SFA requested different tasks and/or payment structure that are attached to this contract.

School will maintain responsibility for administrative functions that are prohibited from being contracted out by SFSP regulations at 7 CFR 225.15(a)(3).

Vendor may provide non-unitized / bulk quantities for SFSP, with instructions on the planned portion size for each food component. MDE's approval of SFA's SFSP application constitutes MDE's approval of a waiver from the SFSP requirement to provide only unitized meals.

#### **XX. Deficit**

The requirements of Minnesota Statutes Section 124D.111, Subdivision 3, will be met if a deficit exists in the food service fund at the end of the fiscal year for this contract or for any contract renewals.

**XXI. Insurance**

Vendor will meet insurance requirements:

Attached to this contract.

Specified here:

Vendor will maintain the insurance coverage set forth below for each accident provided by insurance companies authorized to do business in the state of Minnesota. A Certificate of Insurance of Vendor's insurance coverage indicating these amounts must be submitted at the time of contract award.

Comprehensive General Liability – includes coverage for:

Premises – Operations.

Products – Completed Operations.

Contractual Insurance.

Broad Form Property Damage.

Independent Contractors.

Personal Injury.

\$ 1,500,000 Each Occurrence/\$3,000,000 Aggregate

Automobile Liability: \$1,000,000 Combined Single Limit.

Workers' Compensation-Statutory; Employer's Liability (Each Accident/Disease-Policy Limit; Disease-Each Employee: \$ 500,000 / \$500,000 / \$500,000.

Excess Umbrella Liability: \$1,000,000 Combined Single Limit.

Vendor must name SFA as additional insured on General Liability, Automobile, and Excess Umbrella. Vendor must provide a waiver of subrogation in favor of SFA for General Liability, Automobile, Workers' Compensation, and Excess Umbrella.

The contract of insurance shall provide for notice to SFA of cancellation of insurance policies 30 days before cancellation takes effect.

**XXII. Miscellaneous**

This contract will be construed under the laws of the State of Minnesota. Any action or proceeding arising out of this contract will be heard in the appropriate courts of the state of Minnesota.

Vendor will comply with the provisions of the proposal specifications, which in all respects will be made a part of the contract.

No provision of the contract will be assigned or subcontracted without prior written consent of SFA.

No course of dealing or failure of a party to strictly enforce any term, right, or condition of this contract shall be construed as a waiver of the term, right or condition.

The parties acknowledge that each party has had the opportunity to seek the advice of independent legal counsel and has read and understood all of the terms and provisions of this contract.

Any silence, absence, or omission from the contract specifications concerning any point will be regarded as meaning that only the best commercial practices are to prevail and that only materials (e.g., food, supplies) and workmanship of a quality that would normally be specified by the SFA are to be used.

Payments on any claim will not preclude the SFA from making a claim for adjustment on any item found not to have been in accordance with the provisions of this contract and proposal specifications.

SFA is responsible for ensuring the resolution of program review and audit findings.

This contract and SFA's information about its procurement process are subject to review by MDE for the purpose of determining whether federal and state requirements for SFA's participation in USDA Child Nutrition Programs have been met.

MDE and USDA are not parties to this contract and are not responsible for any action or inaction by the SFA or vendor.

### **XXIII. Term, Renewal Options, Termination**

The contract is effective July 1, 2024 and ends June 30, 2025.

The contract may be renewed upon mutual agreement of SFA and Vendor for up to four (4) years after the original contract year, using the contract renewal document annually provided by MDE. Meal prices for a renewal contract may be adjusted up to the maximum percentage stated by MDE on the contract renewal document, which is based on the Consumer Price Index (CPI) – Food Away from Home, Midwest Region (U.S. Bureau of Labor Statistics).

SFA or Vendor may terminate the contract for cause as allowed in Section 18 by giving sixty (60) days written notice.

SFA and Vendor may not terminate the contract without cause or for convenience, unless both parties mutually agree to terminate the contract for convenience.

Neither SFA nor Vendor is responsible for any losses resulting from fulfillment of the terms of the contract being delayed or prevented by wars, acts of public enemies, strikes, fires, floods, acts of God, or for any acts not within the control of SFA or Vendor, respectively, and which by the exercise of due diligence it was unable to prevent.

### **XXIV. Certifications**

1. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). If the contract exceeds \$100,000, Vendor certifies that it will comply with 40 U.S.C 3702 and 3704, as supplemented by the Department of Labor regulations, 29 CFR Part 5. Under 40 U.S.C 3702 of the Act, Vendor is required to compute the wages of every laborer on the basis of a standard work week of forty (40) hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.
2. Clean Air Act (42 U.S.C. 7401-1671q) and Federal Water Pollution Control Act (33 U.S.C. 1251-1387) as amended. If the contract exceeds \$150,000, Vendor certifies that it will comply will applicable standards, orders, and regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act. Violations must be reported to USDA and the Regional Office of the Environmental Protection Agency.
3. Vendor will comply with civil rights laws, as amended: Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; 7 CFR Parts 15, 15a, and 15b; the Americans with Disabilities Act; and USDA-FNS Instruction 113-1, Civil Rights Compliance and Enforcement in School Nutrition Programs.
4. Vendor will comply with the Buy American provision for the purchase of food products with federal fund. Vendor will purchase, to the maximum extent possible, domestic commodities or products that are either (1) an agricultural commodity produced in the United States (U.S.) or (2) a food product processed in the U.S. substantially using agricultural commodities produced in the U.S.
5. Vendor will comply with all other pertinent state and federal laws.
6. Vendor has signed the following attached certifications, which are incorporated here by reference and made a part of this contract.

*Certification of Independent Price Determination.*

*Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion.*

*Certification Regarding Lobbying and, if applicable, Disclosure Form to Report Lobbying.*

*Assurance of Civil Rights Compliance*

### **XXV. Additional Provisions**

- If this box is checked, SFA and Vendor have agreed to additional provisions attached to this contract, which have been preapproved by MDE to be in compliance with program requirements. Each additional

provision attached to this contract specifically identifies the section(s) of this contract that have been added to or modified.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

School Food Authority: Lakes International Language Academy	Vendor: Southwest Foodservice Excellence, LLC
<i>Jill M Rosenthal</i> Signature- Authorized Representative	<i>Monty Staggs</i> <small>103EC93051EC194C25E57AB80DD54312 contractworks</small> Signature- Authorized Representative
Date 6/7/2024	Date 06/25/2024
Director of Health Services Name and Title of Authorized Representative	Monty Staggs, Chief Executive Officer Name and Title of Authorized Representative
Lakes International Language Academy 246 11th Ave. SE, Forest Lake, MN 55025 Name, Address, City, State, Zip	Southwest Foodservice Excellence, LLC 9366 E Raintree Drive Scottsdale, AZ Name, Address, City, State, Zip
Jill Rosenthal 651-252-6740 Contact Name and Number	Monty Staggs, 480-551-6550 Contact Name and Number

### Independent Price Determination Certificate

Both the school food authority (SFA) and the Food Service Management Company (Vendor) shall execute this Independent Price Determination Certificate.

<u>Southwest Foodservice Excellence</u>	<u>Lakes International Language Academy</u>
Name of Food Service Management Company	Name of School Food Authority

By submission of this offer, the Vendor certifies, and in the case of a joint offer, each party thereto certifies as to its own organization, that in connection with this procurement:

1. The prices in this offer have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other Vendor or with any competitor.
2. Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed to the Vendor and will not knowingly be disclosed by the Vendor prior to opening in the case of an advertised procurement or prior to award in the case of a negotiated procurement, directly or indirectly to any other Vendor for the purpose of restricting competition.
3. No attempt has been made or will be made by the Vendor to induce any person or firm to submit or not submit an offer for the purpose of restricting competition.

Each person signing this offer on behalf of the Vendor certifies that:

1. He or she is the person in Vendor’s organization responsible within the organization for the decision as to the prices being offered herein and has not participated, and will not participate, in any action contrary to A.1 through A.3 above; or
2. He or she is not the person in Vendor’s organization responsible within the organization for the decision as to the prices being offered herein, but that he or she has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate in any action contrary to A.1 through A.3 above, and as their agent does hereby certify; and he or she has not participated, and will not participate, in any action contrary to A.1 through A.3 above.

**To the best of my knowledge, this Vendor, its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any government agency and have not in the last three years been convicted of or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as follows:**

<i>Monty Staggs</i>	<u>Chief Executive Officer</u>	<u>06/25/2024</u>
<small>103EC93051EC194C25F57AB80DD54312 contractworks</small>	<u>Title</u>	<u>Date</u>
Signature of Food Service Management Company’s Authorized Representative		

**In accepting this offer, the SFA certifies that no representative of the SFA has taken any action that may have jeopardized the independence of the offer referred above.**

<i>Jill M Rosenthal</i>	<u>Director of Health Services</u>	<u>6/7/2024</u>
Signature of School Food Authority’s Authorized Representative	<u>Title</u>	<u>Date</u>

**Note: SFA’s acceptance of an offer does not constitute award of the contract.**

### Instructions for Certification Regarding Debarment Form

- By signing and submitting this form, the prospective lower-tier participant is providing the certification set out on the reverse side in accordance with these instructions.
- The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower-tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- The prospective lower-tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower-tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- The terms "covered transaction," "debarred," "suspended," "ineligible," "lower-tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
- The prospective lower-tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower-tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
- The prospective lower-tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower-Tier Covered Transactions," without modification, in all lower-tier covered transactions and in all solicitations for lower-tier covered transactions.
- A participant in a covered transaction may rely upon a certification of a prospective participant in a lower-tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Excluded Parties List System (EPLS) on the U.S. System for Award Management website.
- Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower-tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies as appropriate, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion  
Lower-Tier Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Executive Order 12689, and 31 U.S.C. 6101; Debarment and Suspension, 2 CFR Part 417, Subpart C, Responsibilities of Participants Regarding Transactions Doing Business with Other Persons.

(Please read instructions on previous page before completing Certification.)

1. The prospective lower-tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
8. Where the prospective lower-tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Vendor Name: SFE LLC

Project: **National School Lunch Program**

Southwest Foodservice Excellence Name of Management Company	<i>Monty Staggs</i> Authorized Signature <small>102FC93051FC194625E57AB80DD54312 contractworks.</small>
9366 E. Raintree Drive Address	Chief Executive Officer Title
Scottsdale, AZ 85260 City, State, Zip Code	Date <b>06/25/2024</b>



### Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a federal contract, the making of any federal grant, the making of a federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment or modification of a federal contract, grant, loan or cooperative agreement;
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Vendor Name: SFE LLC

Project: **National School Lunch Program**

Southwest Foodservice Excellence	<i>Monty Staggs</i>
Name of Management Company	<small>103EC93051EC194C25F57AB80DD54312</small> contractworks. <b>Authorized Signature</b>
9366 E. Raintree Drive	Chief Executive Officer
Address	Title
Scottsdale, AZ 85260	
City, State, Zip Code	Date <b>06/25/2024</b>

**Disclosure of Lobbying Activities**  
**Standard Form–LLL Approved by OMB**  
**Complete This Form to Disclose Lobbying Activities Pursuant**  
**to 31 U.S.C. 1352**  
**(See Next Page for Public Disclosure)**

<b>1. Type of Federal Action</b> <input type="checkbox"/> A. Contract <input type="checkbox"/> B. Grant <input type="checkbox"/> C. Cooperative Agreement <input type="checkbox"/> D. Loan <input type="checkbox"/> E. Loan Guarantee <input type="checkbox"/> F. Loan Insurance	<b>2. Status of Federal Action</b> <input type="checkbox"/> A. Bid/Offer/Application <input type="checkbox"/> B. Initial Award <input type="checkbox"/> C. Post award	<b>3. Report Type</b> <input type="checkbox"/> A. Initial Filing <input type="checkbox"/> B. Material Change <b>For Material Change Only:</b> Year:           Quarter: Date of Last Report:
<b>4. Name and Address of Reporting Entity:</b> <input type="checkbox"/> Prime <input type="checkbox"/> Sub-awardee Tier, if known: Congressional District, if known:	<b>5. If Reporting Entity in Number 4 is Sub-awardee, Enter Name and Address of Prime:</b>  Congressional District, if known:	
<b>6. Federal Department/Agency:</b>	<b>7. Federal Program Name/ Description:</b> CFDA Number, if applicable:	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b>	
<b>10 a. Name and Address of Lobbying Entity: (if individual, last name, first name, MI)</b>	<b>10 b. Individual Performing Services: (including address if different from Number. 10 a) (Last name, first name, MI)</b>	
<b>11. Amount of Payment: (check all that apply)</b>  <input type="checkbox"/> Actual <input type="checkbox"/> Planned	<b>13. Type of Payment: (check all that apply)</b> <input type="checkbox"/> A. Retainer <input type="checkbox"/> B. One-Time Fee <input type="checkbox"/> C. Commission <input type="checkbox"/> D. Contingency Fee <input type="checkbox"/> E. Deferred <input type="checkbox"/> F. Other: <i>(specify)</i>	
<b>12. Form of payment: (check all that apply)</b> <input type="checkbox"/> A. Cash Nature: <input type="checkbox"/> B. In-kind (specify) Value:		
<b>14. Brief Description</b> of services performed or to be performed and date(s) of service, including officer(s), employees, or members) contracted for payment indicated in Number 11.		

(Attach Continuation Sheets if necessary)

**15. Continuation Sheets Attached:**  Yes  No

**16.** Information requested through this form is authorized by Title 31 U.S.C. Section 1352. The disclosure of lobbying activities is a material representation of fact upon which evidence was placed by the above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. The information will be reported to the Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosures shall be subject to a civil penalty of no less than \$10,000 and no more than \$100,000 for each such failure.

Signature: *Monty Staggs*  
 Print Name: <sup>103EC93051EC194C25F57AB80DD54312</sup> *Monty Staggs* contractworks.  
 Title: Chief Executive Officer  
 Telephone Number: 480-551-6550  
 Date: **06/25/2024**

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**Instructions for Completion of Disclosure of Lobbying Activities Form**

This disclosure form shall be completed by the reporting entity, whether sub-awardee or prime federal recipient, at the initiation or receipt of a covered federal action or a material change in a previous filing, pursuant to Title 31 U.S.C. Section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered federal action. Use a Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget (OMB) for additional information.

1. Identify the type of covered federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered federal action.
2. Identify the status of the covered federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered action.
4. Enter the full name, address, city, state, and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the sub-awardee, e.g., the first sub-awardee of the prime is the first tier. Sub-awards include, but are not limited to, subcontracts, sub-grants, and contract awards under grants.

5. If the organization filing the report in Item 4 checks Sub-awardee, then enter the full name, address, city, state, and zip code of the prime federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if know. For example: Department of Transportation, United States Coast Guard.
7. Enter the federal program name or description for the covered federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate federal identifying number available for the federal action identified in Item 1; e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the federal agency. Include prefixes; e.g., RFP-DE-90-001.
9. For a covered federal action where there has been an award or loan commitment by the federal agency, enter the federal amount of the award/loan commitment for the prime entity identified in Item 4 or Item 5.
10. a. Enter the full name, address, city, state, and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered federal action.
10. b. Enter the full name of the individual performing services, and include full address if different from 10a. Enter last name, first name, and middle initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate item. Check all items that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box. Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the dates of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with federal officials. Identify the federal officials or employees contacted or the officers, employees, or Members of Congress that were contacted.
15. Check whether Continuation Sheets are enclosed.
16. The certifying official shall sign and date the form; print his/her name, title, and telephone number.