

# COMMERCIAL VENDOR CONTRACT RENEWALS

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**Presented by:**  
Division of Food & Nutrition  
Contracts & Procurement Unit

# TODAY'S WEBINAR



- **The power point slides for this webinar are available in SNEARS “Resources” under the Training Presentations Tab**
- **Forms referenced in this webinar are available in SNEARS/Resources/Other Contract Type Documents/Commercial Vendor**
- **This webinar covers renewal of a commercial vendor contract only. A separate webinar is available regarding procurement of base year contracts**

# OBJECTIVES

Participants should be able to:

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- Understand federal and state requirements for renewing commercial vendor contracts
- Correctly complete the commercial vendor renewal process
- Receive approval from the State Agency (SA)



# RENEWING THE VENDOR CONTRACT

After the initial contract term, SFA can renew if the following requirements are being met:

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- Services are being performed in an effective and efficient manner
- Contract terms and conditions remain the same (no material change has or will take place)
- Any price increase does not exceed quarterly index rate in effect at time of renewal
- Total length of original contract term and any renewals does not exceed 5 consecutive years

**NOTE:**

- Renewals cannot be automatic
- SFA has the option each year to decline renewing a contract and procure a new base year contract instead

# RENEWAL TERMS

Allowable contract renewal term is determined by the term of the base year contract (1, 2 or 3 years)

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- If base year contract was one-year term:  
Can renew for 4 additional one-year terms (maximum of 5 years total)
- If base year contract was two-year term:  
Can renew for 3 additional one-year terms or 1 two-year term and 1 one-year term (maximum of 5 years total)
- If base year contract was three year term:  
Can renew for 2 one-year terms or 1 two-year term (maximum of 5 years total)

**NOTE:**

- Meal prices charged by the vendor must remain exactly the same for a two-year or three-year term
- Regardless of term, renewal must start July 1 and end June 30

## ALLOWABLE MEAL PRICE INCREASES

If Vendor increases the meal price(s) from base year:

- Price increase **CANNOT EXCEED** the quarterly index rate in effect at the time the contract is renewed
- SFA is responsible to check web site for most current index rate when renewing contract
- “The time the contract is renewed” means:
  - For public/charter schools: The date of the board of education meeting approving the renewal of the contract
  - For non-public schools: The date the renewal signature page is signed by the SFA

## QUARTERLY INDEX RATE INFORMATION

➤ The Quarterly Index Rate is published four times a year (January, April, July and October)

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➤ The index rate is posted on the NJ Department of Community Affairs web site at:

[http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl\\_docs/cur\\_index\\_rate.pdf](http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl_docs/cur_index_rate.pdf)

### Note:



- Always round down when calculating allowable increases
- ECAS will determine if the meal price increase, based on the current index rate, is allowable
- Renewals with meal prices that exceed the quarterly index rate by any amount **WILL NOT BE APPROVED**

# ALLOWABLE MEAL PRICE INCREASE **EXAMPLE**

## Example for lunch:

- Base year lunch price charged by vendor: \$3.25
- Quarterly index rate in effect at time of first renewal: 2%

## Calculation

$$\$3.25 \times 2\% = \$0.0650$$

$$\$3.25 + \$0.0650 = \$3.315$$

Lunch price can be increased up to **\$3.31 (NOT \$3.32)**

## **Notes:**

- If meal price entered in ECAS exceeds index rate by any amount, vendor will be required to lower prices. **Always round down**
- Each year of renewal, the allowable increase is calculated on base year price and added to prior year's price
- Meal prices **CANNOT** be raised in the second or third year of a multi-year contract



# SUBMITTING THE RENEWAL IN ECAS



ECAS  
Electronic Contract Approval  
System

- Complete renewal template in ECAS following directions on each screen
- Only the certifier or alternate certifier can certify and submit the contract in ECAS
- SA approval, non approval and other notification emails will come through ECAS



**Vendor must provide SFA with a current Health and Sanitation Certificate for each facility where meals are prepared. Current means within the last 12 months**



**SFAs must upload the Health and Sanitation Certificate in ECAS with the Renewal Signature Page**


**FINAL APPROVAL OF RENEWALS WILL NOT BE GRANTED WITHOUT THIS DOCUMENT**

## REQUIRED DEADLINES

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- Renewals must be submitted ECAS for State Agency Pre-Approval by **May 31, 2021**
- Renewals can only be submitted after Board of Education official approval (public/charter schools)
- **June reimbursement will be withheld if renewals are not submitted for pre-approval by May 31**
- After pre-approval, signed renewal and vendor's Health/Sanitation Certificate must be uploaded into ECAS within **10 business days**

**Refer to the Commercial Vendor Renewal Instructions for ECAS Submission Form (#239) for instructions on completing the renewal in ECAS**



## DEADLINE FOR MULTI-YEAR CONTRACTS

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**For SFAs who previously entered into multi-year contracts and are now in the second or third year:**

**Second (and if applicable) third year:**

- **SFA must certify in ECAS that meal/snack prices have not changed for the second (and if applicable) third year of the contract**
- **Certification must be completed by **May 31, 2021**. June reimbursement will be withheld if the deadline is not met**

# SIGNING THE RENEWAL



- After receiving email that SA has pre-approved renewal:

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  - Download the Renewal Signature Page
  - Both the SFA and the Vendor must sign
  - Upload the signed Renewal Signature Page and Vendor's Health and Sanitation Certificate in ECAS
- After SA reviews the signed document, a final approval email will be sent to SFA
- Print final document (renewal & signature page)
- Give a copy to vendor and keep a copy on file



**URGENT REMINDER**



**Pre-approval is not final approval**


**Final approval is granted only after Renewal Signature Page is uploaded in ECAS**



- **Only certifier or alternate certifier can enter information in ECAS. Submitters do not have authority to enter contract in ECAS**
- **Pre-approval is not approved.** The renewal is not valid until signed Renewal Signature Page is uploaded in ECAS and the SA gives final approval
- Signed signature page must be submitted within 10 business days after SFA receives pre-approval email
- SFA must have final approval from State Agency before meal service begins
- Final approval will not be granted without vendor Health & Sanitation Certificate
- School Nutrition funds cannot be used to pay vendor prior to final State Agency approval

# LAST REMINDERS

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- **SFA should verify that the certifier and alternate certifier email addresses are correct in SNEARS to ensure emails sent through ECAS are received**
  - **Verify that emails from ECAS and [DFNContracts@ag.nj.gov](mailto:DFNContracts@ag.nj.gov) are accepted and do not go to SPAM or Quarantine**
  - **Copies of all procurement documents from base year, as well as renewal documents, must be kept on file at the SFA. Documents may be requested during procurement reviews or audits**
  - **Specific SFA related questions or requests must be made by the certifier, alternate certifier or submitter only**
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# ACCESSING FORMS AND WEBINARS

## FOR AUTHORIZED USERS IN SNEARS:

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### Commercial Vendor Forms

**SNEARS/Resources/Other Contract Type Documents/  
Commercial Vendor**

### Recorded webinars

**SNEARS/Training**

### Webinar power point presentations

**SNEARS/Resources/Training Presentations**


# TRAINING/RESOURCES ACCESS FOR EVERYONE ELSE

- ❖ The general public can access links for Resources and Trainings from the NJDA's School Nutrition Programs webpage at:

<https://www.state.nj.us/agriculture/divisions/fn/childadult/school.html>

- ❖ Each link is listed under the Overview section (see arrow below):

### School Nutrition Programs



- ▶ **School Nutrition Programs**
  - ▶ Child and Adult Care Food Program
  - ▶ Summer Food Service Program
  - ▶ Farm to School Program
  - ▶ Farm to School and School Garden Fund Tax Check Off
- ▶ **Related Links**
  - ▶ [Shaping NJ School Toolkit to Advance School Wellness](#)
  - ▶ [Tray Talk - Communities for Healthy School Meals](#)

- [Overview](#)
- [National School Lunch Program](#)
- [School Breakfast Program](#)
- [After School Snack Program](#)
- [Special Milk Program](#)
- [Fresh Fruit and Vegetable Program](#)
- [Eat Right, Move More Program](#)
- [Wellness Policy](#)
- [Community Eligibility Provision](#)
- [Seamless Summer Option](#)
- [State Agency Administrative Review Summaries](#)
- [Contact Information](#)
- [New Jersey National School Lunch Program Waiver Requests](#)

• **Overview**

The United States Department of Agriculture's (USDA) school nutrition programs are administered through the New Jersey Department of Agriculture (NJDA). Eligible public schools, non-profit private schools, and residential child care institutions (RCCI) enter into written agreements with NJDA to operate local programs that provide nutritionally balanced meals to children each day.

The programs available with the School Nutrition Programs include: National School Lunch Program (NSLP), School Breakfast Program (SBP), After School Snack Program (ASSP), Fresh Fruit and Vegetable Program (FFVP), Special Milk Program (SMP), and Seamless Summer Option (SSO).

By participating in the School Nutrition Programs, schools and RCCIs serving meals or milk that comply with requirements can receive financial assistance.

[School Nutrition Programs Brochure](#) [94] (1.18MB PDF)

[Click here](#) to find out how to become a **Sponsor**.

[Reimbursement Rates – Public & Charter Schools](#)

[Reimbursement Rates – Private, Non-public Schools & RCCIs](#)

[Click here](#) to access SNEARS Resources

[Click here](#) to access SNEARS Webinar Trainings

[Click here](#) to access School Nutrition Programs forms.







## **Contact Information for Questions**

### **Commercial Vendor Contracts/Renewals**

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**Email: [DFNContracts@ag.nj.gov](mailto:DFNContracts@ag.nj.gov)**

**Reminder: Questions regarding specific SFAs must be submitted directly by the SFA certifier/alternate certifier**

### **Procurement/Procurement Reviews**

**Email: [Procurementreviews@ag.nj.gov](mailto:Procurementreviews@ag.nj.gov)**

### **General School Nutrition Program (SNP) questions (i.e. SSO, meal pattern, etc.)**

**Phone: [609-984-0693](tel:609-984-0693)**

### **Summer Food Service Program (SFSP):**

**Email: [tracii.butler-powell@ag.nj.gov](mailto:tracii.butler-powell@ag.nj.gov)**

### **Child and Adult Care Food Program (CACFP)**

**Email: [stephanie.sutton-page@ag.nj.gov](mailto:stephanie.sutton-page@ag.nj.gov)**



## **COMMERCIAL VENDOR RENEWAL WEBINAR**

**This webinar can count toward 1 hour of professional standards training:**

**Key Area- Operations**  
**Learning Topic- Purchasing/Procurement**  
**Topic Code - 2400**

**NJ Department of Agriculture**

**School Nutrition Programs**

**609-984-0693**

**[www.nj.gov/agriculture](http://www.nj.gov/agriculture)**

**This institution is an equal opportunity provider**



# THANK YOU FOR PARTICIPATING

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***Disclaimer:*** This presentation was provided as technical assistance to provide a general framework of the process of renewing with a commercial vendor. SFAs are advised to review all reference materials and applicable federal, state and local law to ensure compliance. In addition, seeking legal counsel or advice is recommended when procuring a contract of any kind