

SUBMISSION OF COST REIMBURSABLE FSMC CONTRACT RENEWALS

SCHOOL YEAR 2021-2022



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/FSMC Contract Documents
- This webinar covers renewal of a Cost Reimbursable (CR) FSMC contract only. A separate webinar is available regarding procurement of base year contracts

OBJECTIVES

School Food Authorities (SFAs) should be able to:

- Understand federal and state requirements for renewing FSMC contracts**
- Correctly complete the FSMC 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:

- 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

ALLOWABLE MANAGEMENT/ADMINISTRATIVE FEE INCREASES

If FSMC increases the fee from base year:

- ❑ Price increase **CANNOT EXCEED** the quarterly index rate in effect at the time the contract is renewed
- ❑ **The quarterly index rate is not the Consumer Price Index (CPI).**
The quarterly index rate is posted by the NJ Department of Community Affairs and must be used for FSMC fee increases
- ❑ 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 contract renewal is signed by the SFA

QUARTERLY INDEX RATE INFORMATION

- ❑ The Quarterly Index Rate is published four times a year (January, April, July and October) by the NJ Department of Community Affairs
- ❑ 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

Note:



- Always round down when calculating allowable increases
- Renewals with fees that exceed the quarterly index rate, by any amount, **WILL NOT BE APPROVED**

NEW!

RENEWAL PROCEDURES FOR SCHOOL YEAR 2021-2022

NEW!

CR Renewal Year 2, 3 and 4

Renewal Year	Base Year Contract Year Was
Renewal Year 2 in SY 2021-22	SY 2020-2021
Renewal Year 3 in SY 2021-22	SY 2019-2020
Renewal Year 4 in SY 2021-22	SY 2018-2019

- Cost reimbursable** renewals for Years 2, 3 and 4 will be submitted electronically in Electronic Contract Approval System (ECAS)
- Required support documents will be uploaded in ECAS
- A recorded webinar (ECAS Renewal Year Contract Submission Training) is available in SNEARS that will provide step by step instructions on completing each screen

Note: Fixed Price renewals are already submitted electronically in ECAS



NEW RENEWAL PROCEDURES FOR SCHOOL YEAR 2021-2022

Year 5 CR Renewals

Renewal Year	Base Year Contract Year Was
Renewal Year 5 in SY 2021-22	SY 2017-2018

- ❑ Year 5 cost reimbursable renewals will remain hard copy using State Agency (SA) Form #18CR
- ❑ Completed renewal must be submitted to the SA by email to:
DFNContracts@ag.nj.gov
- ❑ Form #18CR has been emailed directly to applicable SFAs. The form will not be posted in SNEARS



NEW RENEWAL PROCEDURES FOR SCHOOL YEAR 2021-2022

Year 6 and 7 CR Covid Renewals*

Renewal Year	Base Year Contract Was:
Year 6 Covid Renewal SY21-22	SY 2016-2017
Year 7 Covid Renewal SY21-22	SY 2015-2016

- Year 6 and Year 7 CR Covid-19 renewals, will be a hard copy using SA Emergency Covid-19 renewal forms:
 - Form #18CR-Covid 6th Year Renewal
 - or
 - Form #18CR-Covid 7th Year Renewal
- Applicable CR Covid renewal forms have been emailed directly to SFAs. Forms are individually marked with SFA name and agreement number. These forms will not be posted in SNEARS
- Year 6 and 7 CR Covid renewals must be submitted to the SA by email to DFNContracts@ag.nj.gov



***Allowable under USDA Nationwide Waiver of FSMC contract duration-
Covid 19: Child Nutrition Response #19**

FOR ALL RENEWALS

- ❑ Start date is July 1, 2021
- ❑ End date is June 30, 2022
- ❑ Renewals must be submitted by **May 31, 2021**
- ❑ **Reimbursement will be withheld beginning June 1 if deadline is not met**
- ❑ Guarantee conditions must be the same as the base year contract. Renewal will state that all conditions are the same
- ❑ Meal equivalent conversion factor remains the same as the base year. For more information refer to State Agency Meal Equivalent Conversion Factor (Form #348) available in SNEARS
- ❑ The Response & Projected Operating Statement (Form #23) must be submitted with all renewals:
 - ❑ Years 2, 3 and 4 will upload #23 in ECAS
 - ❑ Years 5, 6 and 7 will submit #23 by email to DFNContracts@ag.nj.gov

YEAR 5 RENEWALS

Form 18CR
Revised February 2021

FOOD SERVICE MANAGEMENT COMPANY COST REIMBURSABLE CONTRACT RENEWAL SCHOOL YEAR 2021-2022

*(This renewal is for SFAs whose Contract Base Year is 2017-2018 **ONLY**)*

School Food Authority (SFA)	
Agreement Number	
Certifier's Email	
Alternate Certifier's Email	
Food Service Management Co. (FSMC)	

Base Year Contract Start Date: _____ End Date: _____

Check the box if the SFA is participating in the following programs during school year 2021-2022:

Breakfast Lunch Snack SFSP CACFP

The purpose of this renewal is to renew the existing Food Service Management Company Contract, as previously amended and renewed (if applicable). The terms and conditions will remain the same except as set forth below.

A. DURATION OF CONTRACT RENEWAL

This renewal begins on **July 1, 2021** and ends on **June 30, 2022**.

B. MANAGEMENT AND/OR ADMINISTRATIVE FEE

The SFA shall pay the FSMC the following: *Check the fee structure that applies from Base Year Contract*

Management/Administrative Fee (all one fee) \$ _____ per meal SY 2021-2022

Management Fee \$ _____ per meal

Administrative Fee \$ _____ per meal

Management/Administrative Total Flat Fee (all one fee) \$ _____ SY 2021-2022

Management Total Flat Fee \$ _____ SY 2021-2022

Administrative Total Flat Fee \$ _____ SY 2021-2022

The Meal Equivalent Conversion Factor in the Base Year Contract used to determine the Meal Equivalents served by the FSMC remains the same for each renewal.

This Conversion Factor is: \$ _____.

The Meal Equivalent Conversion Factor **does not** apply to **Flat Fee** contracts.

SFA INFORMATION

BASE YEAR START/END DATE

CURRENT PROGRAMS FOR
2021-22

MANAGEMENT FEE(S)

MEAL EQUIVALENT
CONVERSION FACTOR

Year 5, PAGE 2

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Form 18CR
Revised February 2021

C. FINANCIAL GUARANTEES

Response and Projected Operating Statement (Form #23CR) **must be** completed for SY 2021-2022 and returned with this contract renewal.

FSMC Guarantee to the SFA for SY 2021-2022: FSMC Guarantee to SFA from SY 2020-2021:

- | | |
|---|---|
| <input type="checkbox"/> No Guarantee | <input type="checkbox"/> No Guarantee |
| <input type="checkbox"/> Breakeven (0 Cost) | <input type="checkbox"/> Breakeven (0 Cost) |
| <input type="checkbox"/> Loss (Amount of Loss) \$ _____ | <input type="checkbox"/> Loss (Amount of Loss) \$ _____ |
| <input type="checkbox"/> Return (Amount of Return) \$ _____ | <input type="checkbox"/> Return (Amount of Return) \$ _____ |

Choose one:

- FSMC loss or return to the SFA is Unlimited
- FSMC loss or return to the SFA is Limited to (Indicate Amount) \$ _____
- FSMC loss or return to the SFA is Limited to the FSMC's Management Fee

Guarantee Reimbursement Conditions and Assumptions remain the same as previously agreed upon in the Base Year Contract.

D. SUMMER FOOD SERVICE PROGRAM (SFSP):

By renewing this contract, SFAs participating in SFSP certify that the Summer Food Service Program (SFSP) was procured in the 2017-2018 Base Year RFP/Contract or was procured separately through the SFSP Unit.

More information about the SFSP can be found at:

https://www.nj.gov/agriculture/divisions/fm/childadult/summer_food.html

E. CHILD AND ADULT CARE FOOD PROGRAM (CACFP):

By renewing this contract, SFAs participating in the CACFP for SY 2021-2022 must procure meals for the CACFP separately following CACFP requirements.

More information about the CACFP can be found at:

<https://www.nj.gov/agriculture/divisions/fm/childadult/food.html>

YEAR 5, PAGE 3

Index Rate Chart

Board Meeting
Certification and Date

CERTIFICATIONS:

I certify that the increase in the Management/Administrative Fee (combined as one fee) in this renewal **DOES NOT** exceed the Index Rate as calculated below:

Allowable Renewal Fee Increase (Based on Index Rate)		
	Fee 1	Fee 2
Base Year Fee(s) (2017-2018)		
First Renewal Fee(s) (2018-2019)		
Second Renewal Fee(s) (2019-2020)		
Third Renewal Fee(s) (2020-2021)		
Fourth Renewal Fee(s) (2021-2022)		

The Index Rate Percentage is posted on: NJ Department of Community Affairs website:
http://www.state.nj.us/dca/divisions/dlqs/programs/lpci_docs/cur_index_rate.pdf

Public and Charter Schools must complete the following

I certify that this Contract Renewal was approved by the Board of Education and that the fee, total cost of the contract renewal (from Form #23CR), and guarantee information are included in the official Board Minutes.

Board Meeting Date: _____ Resolution/Agenda Number _____

Except as specifically set forth in this Renewal, all other terms and conditions of the Contract shall remain the same and continue to be in full force and effect. In the event of a conflict between the provisions of the Contract and this Renewal, the provisions of this Renewal shall be controlling as to the matters set forth herein. The Parties agree that upon the effective date of this Renewal, it shall become a binding and integral part of the Contract.

YEAR 5, PAGE 4

Form 18CR
Revised February 2021

IN WITNESS WHEREOF, the parties hereto have caused this Contract Renewal to be signed by their duly authorized representatives.

SCHOOL BOARD PRESIDENT

SCHOOL FOOD AUTHORITY BUSINESS
ADMINISTRATOR/ADMINISTRATOR

Printed Name: _____

Printed Name: _____

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

FOOD SERVICE MANAGEMENT COMPANY REPRESENTATIVE


Printed Name: _____

Signature: _____

Title: _____

Date: _____

**FSMC
signature must
be one of the
authorized
persons
indicated on
the Application
for Registration
submitted as
part of the
FSMC
registration
process**



COVID RENEWAL

Covid Year 6 and Year 7 renewals are exactly the same as Year 5 renewals except for the 3 sections circled in green on Page 1

Date: XX, 2021
Anytown Bd of Ed - 01204507

Form #18CF-COVID
Renewal 6th Year
January 2021

FOOD SERVICE MANAGEMENT COMPANY COST REIMBURSABLE
COVID CONTRACT RENEWAL (6th Year)
SCHOOL YEAR 2021-2022

(This renewal is for SFAs whose Contract Base Year is 2016-2017 ONLY)

School Food Authority (SFA)	
Agreement Number	
Certifier's Email	
Alternate Certifier's Email	
Food Service Management Co. (FSMC)	

Base Year Contract Start Date: _____ End Date: _____

Check the box if the SFA is participating in the following programs during school year 2021-2022:

Breakfast Lunch Snack SPSP CACFP

The purpose of this renewal is to renew the existing Food Service Management Company Contract, allowing (1) additional year beyond the 5th contract year per the USDA Nationwide Waiver of Food Service Management Company Contract Duration in the National School Lunch Program and Summer Food Service Program (COVID-19: Child Nutrition Response #71), as previously amended and renewed (if applicable). The terms and conditions will remain the same except as set forth below.

A. DURATION OF CONTRACT RENEWAL

This renewal begins on July 1, 2021 and ends on June 30, 2022.

B. MANAGEMENT AND/OR ADMINISTRATIVE FEE

The SFA shall pay the FSMC the following: *Check the fee structure that applies from Base Year Contract*

- Management/Administrative Fee (all one fee) \$ _____ per meal SY 2021-2022
- Management Fee \$ _____ per meal
- Administrative Fee \$ _____ per meal
- Management/Administrative Total Flat Fee (all one fee) \$ _____ SY 2021-2022
- Management Total Flat Fee \$ _____ SY 2021-2022
- Administrative Total Flat Fee \$ _____ SY 2021-2022

The Meal Equivalent Conversion Factor in the Base Year Contract used to determine the Meal Equivalents served by the FSMC remains the same for each renewal.
This Conversion Factor is: \$ _____

The Meal Equivalent Conversion Factor **does not** apply to Flat Fee contracts.

Form #272: FSMC FEE/INDEX RATE FORM

Out with the old:

Submitting a separate FSMC Fee/Index Rate Worksheet (Form #272) indicating FSMC fees for the base year and each renewal year

In with the new:

- For years 2, 3 and 4:

ECAS will calculate maximum allowable fee increase. SFA will enter FSMC fee for 2021-22 on Charges screen in ECAS. ECAS will determine if FSMC fee increase is allowable

- For years 5, 6 and 7:

FSMC fee(s) for 2021-22 will be entered directly on renewal form. State Agency will determine if fee is within index rate maximum and allowable

- Renewals with management/administration fee(s) that exceed the quarterly index rate by any amount **WILL NOT BE APPROVED**
- To assist SFAs, an excel spreadsheet that can be used to determine if FSMC fee increase is allowable based on the current index rate, is available in SNEARS. The title is:

Index Rate Calculation Form (#272)

DO NOT SEND THIS FORM TO THE STATE AGENCY



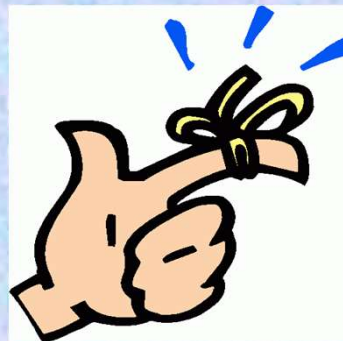
REMEMBER



- ❑ Submit RENEWAL documents by **May 31, 2021**
 - ❑ **SFAs in Years 2, 3 and 4 for SY 2021-22 submit in ECAS**
 - ❑ **SFAs in Years 5, 6 and 7 email completed renewal form to DFNContracts@ag.nj.gov**
- ❑ Form #23 must be submitted with all renewals. Form #23 is completed by FSMC and given to SFA
- ❑ Renewal cannot be effective prior to the date of final approval by SA
- ❑ Child Nutrition funds cannot be used to pay FSMC prior to SA approval
- ❑ June reimbursement will be withheld for late submission
- ❑ Missing, incomplete or incorrectly completed documents will delay approval

LAST REMINDERS

- ❑ SFA should verify that the certifier and alternate certifier email addresses are correct in SNEARS to ensure emails from DFNContracts@ag.nj.gov or sent through ECAS are received
- ❑ Verify that emails from DFNContracts@ag.nj.gov or ECAS 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
- ❑ For renewal years 2,3 and 4, refer to the Instructions for Submitting FSMC Renewals (Form 16CR), available in SNEARS
- ❑ For renewal years 5, 6 and 7, refer to the SFA/FSMC Cost Reimbursable Contract Renewal Checklist (Form 16CR-HC), available in SNEARS



ACCESSING FORMS AND WEBINARS



FOR AUTHORIZED USERS IN SNEARS:

FSMC forms and guidance, go to:

[SNEARS/Resources/FSMC Contract Documents](#)

Recorded webinars, go to:

[SNEARS/Training](#)

Webinar power point presentations, go to:

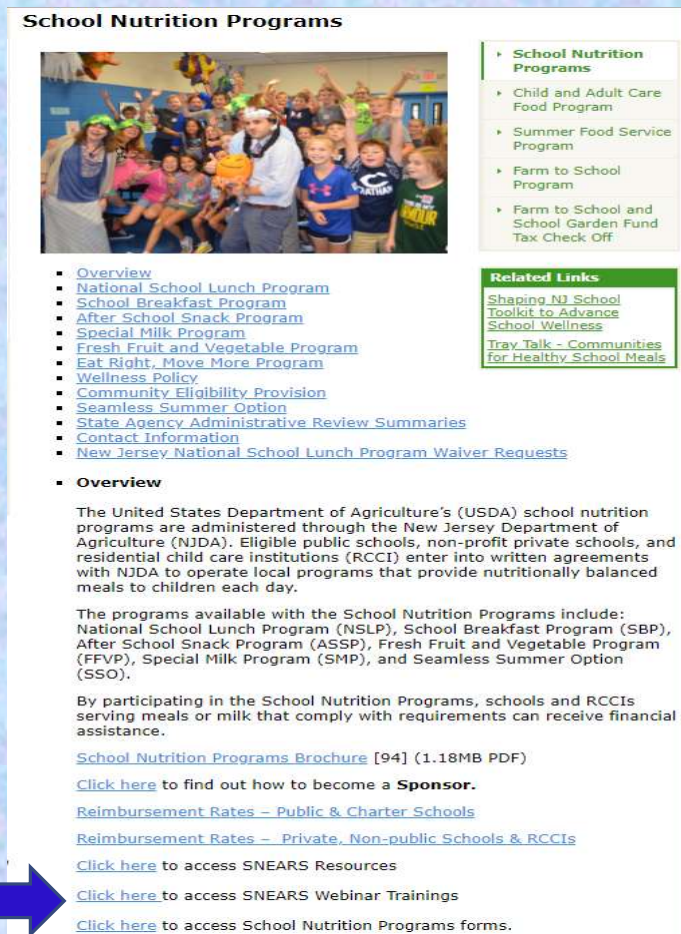
[SNEARS/Resources/Training Presentations](#)

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

FSMC Contracts/Renewals

Email: 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

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

Child and Adult Care Food Program (CACFP)

Email: stephanie.sutton-page@ag.nj.gov

SUBMISSION OF COST REIMBURSABLE CONTRACT RENEWAL DOCUMENTS

This webinar can count toward 1.0 hours of professional standards training:

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

**Department of Agriculture
School Nutrition Programs
609-984-0692**

www.nj.gov/agriculture



USDA is an equal opportunity provider and employer



THANK YOU FOR PARTICIPATING

***Disclaimer:* This presentation was provided as technical assistance to provide a general framework of the process of renewing with a FSMC. 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**