




State of New Jersey

DEPARTMENT OF AGRICULTURE
DIVISION OF FOOD AND NUTRITION
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To: Fixed Price Food Service Management Company (FSMC) Contract Parties

From: Rose Tricario, Division Director 

Date: September 14, 2020

Subject: Fixed Price Food Service Management Company (FSMC) COVID-19 Contract Costs

State Agency approved Fixed Price Base Year Contracts and Renewals became effective on July 1, 2020. School Food Authorities (SFAs) currently participating in the Seamless Summer Option (SSO) or Summer Food Service Program (SFSP) may continue to participate through December 31, 2020, per the United States Department of Agriculture (USDA) waiver extensions.

Price adjustment language from the Fixed Price FSMC Contract states: "The FSMC and SFA may agree to economic price adjustments which will lead to upward or downward adjustments to the Fixed Price per meal when the adjustments are necessary to comply with changes in applicable Federal and/or State regulations." However, there may be additional costs incurred during the ongoing emergency circumstances surrounding the Novel Coronavirus (COVID-19) outbreak. To provide flexibility and accommodate the needs of the SFA, an invoice has been developed and can be found in SNEARS resources. **This invoice is for the 2020-2021 School Year only.**

The invoice must be used in all Fixed Price FSMC Contracts to document additional costs of the Fixed Price per meal. Documentation of costs associated with the emergency circumstances may include, but are not limited to, employee payroll costs, food and supply purchases, and delivery expenses. Supporting documentation such as certified payroll records and vendor invoices must be provided by the FSMC along with the invoice and reviewed by the SFA.

The invoice will include:

- A summary of total actual costs incurred;
- Management Fee based on Form 23FP provided with the RFP/Contract Renewal;
and
- Total additional COVID costs incurred, which are calculated as follows: Total actual costs incurred less the total contracted meal costs

Please continue to keep accurate expense documentation. All costs and invoices will be required during a Procurement Review.

Questions may be directed to DFNContracts@ag.nj.gov.