

January 26, 2017

Dear Sponsor of the National School Lunch Program:

This letter is a reminder that your current Food Service Management Company (FSMC) contract expires June 30, 2017. If the school is satisfied with its current FSMC and the FSMC agrees to continue providing service, you will need to complete a Renewal Year Contract and Attachments. If the school is not satisfied with its current FSMC, you will need to rebid and that process should be started immediately. Please remember no contractual changes or addendums are permissible to the renewal contract.

The required Renewal Contract and Renewal Year Attachments may be downloaded from either PEARS > Applications > Download Forms > Contracting with a Food Service Management Company (FSMC) section or the Pennsylvania Department of Education (PDE), Division of Food and Nutrition (DFN) website at www.education.pa.gov/fsmc. For a cost reimbursable renewal year, forms PDE040g-CR, Cost Reimbursable Renewal Contract and PDE040ga-CR, Renewal Year Cost Reimbursable Attachments need to be completed. For a fixed price renewal year, forms PDE040g-FP, Fixed Price Renewal Contract and PDE040ga-FP, Renewal Year Fixed Price Attachments need to be completed. The standard renewal contracts and attachments may NOT be altered in any way, i.e. FSMC logo added, retyped, etc. If they are altered, they will be returned to you for re-submission.

Please note the Administrative Fee and the Management Fee cannot be higher than last year's cost plus the Consumer Price Index (CPI). With justification, the costs associated with items such as food, supplies and labor may increase at a rate higher than the CPI, however, the school must evaluate the justification and determine if it is acceptable. This justification needs to be provided with the renewal forms for DFN approval. No expense is permitted in the renewal Projected Operating Cost (POC) that was not included in the initial year contract. The most recent CPI is posted on PEARS > Applications > Download Form > Contracting with a Food Service Management section > PDE040m. The CPI is 2.1% for the 2017-18 contract year.

Once the renewal documents are completed without signatures, email the documents to RA-fiscal@pa.gov.

After DFN reviews the renewal contract and attachments, they will be approved by DFN and returned to the SFA for final signatures.

These renewal documents **MUST** be signed and fully executed by June 30, 2017 or you will be required to rebid the contract. A signed and fully executed contract is one that has been approved by DFN, signed copy received by DFN, and the PEARS Fact Sheet and Checklist Summary have been approved by DFN. We strongly encourage that renewal year contract documents be submitted to DFN by March 31, 2017, so that they can be reviewed, returned with adequate time to obtain signatures, and returned to DFN for final approval.

Thank you for your prompt attention to this matter. If you have any questions, please email them to RA-fiscal@pa.gov.

Sincerely,

A handwritten signature in blue ink that reads "Cecilia Beauduy". The signature is fluid and cursive, with the first name "Cecilia" and last name "Beauduy" clearly distinguishable.

Cecilia Beauduy, Manager
Procurement and Resource Management
Division of Food and Nutrition