

STATE OF

DELAWARE

INTRODUCTION AND GUIDANCE

FOR

STANDARD CONTRACT

FOR BID SOLICITATION/REQUEST FOR PROPOSAL:

**NATIONAL SCHOOL LUNCH,
SCHOOL BREAKFAST,
AND SPECIAL MILK PROGRAMS**

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**INTRODUCTION AND GUIDANCE
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Attached is the standard contract for bid solicitation/request for proposal which shall be used by a School Food Authority (SFA) initiating a contract with a food service management company (FSMC) to provide services for the National School Lunch Program, the School Breakfast Program, and the Special Milk Program. The bid solicitation/request for proposal clearly defines the costs and responsibilities of the FSMC and the SFA. The bid solicitation/request for proposal will assist the SFA in obtaining competitive bids and awarding the contract to the responsible bidder whose proposal is most advantageous (price and other factors considered). ***SFAs receiving federal reimbursement must follow the required federal and State of Delaware procurement procedures.***

The FSMC must submit bids based on the revenue and meal participation data provided by the SFA in Appendix C-2. The bids must be evaluated on the total cost of the contract based on the annual number of reimbursable meals and *a la carte* equivalents, listed in Appendix I-1, and meal fees. The weight of the criteria items used in the evaluation must be included in the bid documents (See sample 5 of these instructions and/or Appendix P of the Standard Contract for Bid Solicitation/Request for Proposal).

The SFA may not vary the Standard Contract for Bid Solicitation/Request for Proposal in a manner that will weaken the requirements. More stringent requirements may be added; however, to ensure compliance and continued funding, the bid document must be submitted to the Delaware Department of Education (DDOE) for approval prior to seeking bids. ***The same document must be used for both bid solicitations and requests for proposals.*** The provisions contained in the bid solicitation/request for proposal will not be approved if it contains provisions:

1. That allow for alternate bids which deviate from or modify the provisions of the bid solicitation.
2. That award the contract solely on the basis of contractor financial guarantee.
3. That do not clearly define the responsibilities of the SFA and FSMC.
4. That require a bid bond greater than 5% of the **total cost** of the contract (total cost is the total amount the FSMC is charging the SFA for the year), unless it is based on the SFAs performance bonding requirements.

5. That require a performance bond greater than 50% of the total cost of the contract (total cost is the total amount the FSMC is charging the SFA for the year).
6. That fail to meet federal and, where applicable, State procurement procedures.
7. That fail to meet the United States Department of Agriculture (USDA) regulations as stated in 7 CFR Parts 210 and 3015 and OMB Circular A-102.
8. That fail to define clearly the objective criteria to evaluate the bids in Appendix P.
9. That allow for the FSMC purchase or lease of equipment without detailed specifications of each piece of equipment and terms for the specified lease or purchase.
10. That do not clearly state the type of meal services, number of meals or participation levels, student and adult milk and meal charges, and number of serving days.
11. That do not allow for the current market value of USDA commodities to be credited to the nonprofit food service program when FSMC purchases all food.
12. That prevent the determination of the total cost of the contract.
13. That restrict competition or prevent companies from bidding on the services.
14. That permit all income and expenses to accrue to the FSMC.
15. That permit cost-plus-a-percentage-of-cost or cost-plus-a-percentage-of-income.
16. That allow for goods, services, or monies to be utilized other than in the nonprofit food service program.
17. That allow the FSMC to include management fee costs in billable expenses under cost-plus-fixed-fee contracts.
18. That allow for program equipment or other provisions (multi-year) that require full payment (i.e., an acceleration clause) if the contract is not re-negotiated.
19. That contain “guaranteed return” provisions unless the “return” remains in the nonprofit food service account. “Returns” may not be contingent upon multi-year contract duration.

If a contract is to be awarded on criteria in addition to bid price, the SFA must specify those criteria in **Part III of the Standard Contract for Bid Solicitation/Request for Proposal**. The contract must be awarded only on the criteria in the bid solicitation/request for proposal. It is expected that contracts will be awarded with a preponderance of consideration given to bid price. Prior to determining the best price bid, the SFA may wish to give reasonable consideration to such matters as contractor integrity, past performance, financial and technical resources, and accessibility to other necessary resources. The relative values assigned to the evaluation of each such criterion must be specified in the bid solicitation/request for proposal.

If you have any questions regarding the bid process for a FSMC, please contact the Financial Management Director at (302)-739-4662.

FOOD SERVICE MANAGEMENT COMPANY CONTRACTING

A. Required Activities and Procedures

1. School Food Authority (SFA) receives bid packet from Delaware Department of Education (DDOE). The SFA reviews and provides specifications as necessary on its bid solicitation/contract and all appendices to be completed by SFA. A sample of the announcement that will be published in the local paper must also be sent in for approval (see Sample 1 of this packet).
2. Prepare a sample advertisement (see Sample 1) and letter of solicitation for invitation to bid (ITB) or request for proposal (RFP). These requirements need to be conducted in such a manner as to provide for open and free competition. SFA should determine if there are any local procurement announcement procedures that must be followed. At a minimum, an advertisement and letter of solicitation must include: the name, address and phone number of the SFA, how to obtain the bid/proposal documents, a brief and general description of the contracting requirement, the deadline for receipt of bids, and the date, time and place of the public bid opening.
3. SFA sends the specifications and criteria for evaluation, along with sample advertisement and letter of solicitation to DDOE, for approval.
4. SFA receives DDOE approval of specifications, award evaluation criteria and advertisement(s).
5. SFA sends out letter of solicitation for ITB or RFP via certified mail to all companies on DDOE list and any others who indicate interest. SFA must publish advertisement in major newspapers/trade journals normally used by SFA to publicize procurements. A minimum of 14 days notice is required before bids are due.
6. SFA sends out bid specifications and criteria to vendors who request them.
7. SFA receives bid proposals and/or sealed bids within a minimum of ten days after bid specifications are sent out.
8. SFA publicly opens and evaluates bids of qualified and responsible bidders on specified day and awards contract subject to DDOE approval to the responsible bidder whose proposal is most advantageous (price and other factors considered), or rejects all bids if in the best interest of the SFA.

9. SFA submits all information from bid process to DDOE for approval, including:
 - a. Copies of letters to companies;
 - b. Minutes from information meetings and list of attendees (see B.1. below);
 - c. Copies of letters of disinterest from companies;
 - d. Copies of all bid proposals;
 - e. Copies of evaluation sheets; and
 - f. A letter recommending a FSMC with justification for the recommendation. This letter should also include an explanation of how and why any FSMC was determined to be non-responsive or not qualified.
10. SFA receives approval of award from DDOE.
11. The SFA (or the LEA school board, if applicable) approves contract (proposal becomes the contract upon SFA approval).
12. A copy of an executed contract is filed with DDOE.

B. Optional Procedures and Activities

1. SFA may hold an information meeting for interested bidders. Time and place must be part of ITB. Information must be provided to any bidders who are unable to attend unless attendance is required at the pre-bid meeting as part of the SFAs bidder qualification criteria. Minutes must be written of the meeting including all questions and responses. The minutes will be distributed to all prospective bidders, as documentation of the resolved issues.
2. SFAs may require potential bidders to submit resumés of manager candidates as part of the pre-bid qualifications. This process must be identified clearly in the ITB, and included in the evaluation criteria if it will be used to weigh the qualifications of a potential bidder.

C. Instructions for Preparation of an ITB/RFP

This procedure requires a summary of information in a form which will communicate to prospective bidders the needs of the SFA. The ITB and RFP shall include the following information:

Part I – General Information

This part is used to inform bidders of the general conditions under which the ITB or RFP is issued. Included are services contracted for, time constraints, rights reserved to the SFA, response date, pre-proposal conferences, contractual information, and any pre-qualification criteria used.

Part II – Contract Scope

This part describes the services to be contracted for, including the objectives.

Part III – Required Bidder Qualifications

This part provides bidders with guidance on the preparation of their response. Evaluation criteria and any bidder qualifications that are used are identified in this section. Also included are the solicitation for bid/contract and actual bid documents (Attachments G-1 and G-2) which must be submitted in a separate sealed envelope marked “FOOD SERVICES MANAGEMENT BID.”

D. Preparing FSMC Specifications

It is extremely important to write the specifications in a clear and precise manner. Some samples to assist in the development of the SFAs specifications will be found on the following pages. Generally, there are three specifications writing options:

1. The SFA personnel can write the specifications based on their knowledge of what needs to be done for the food service program. In management service, the specifications could read like a manager’s job description.
2. Trade journals or government publications may have specifications for similar products or services. While these may not fit the SFA’s needs exactly, at least they will provide a starting point.
3. The SFA can hire an expert to write the specifications. This method would probably ensure that they receive good specifications but they will still have to tell the expert what they want. Sometimes that is the most difficult part of the job.

E. Attached Samples

The attached samples should serve as a guide during the IFP/RFP process. Samples 2-5 would be incorporated into your individual IFP/RFP.

Contract. No. _____

**NOTICE OF INVITATION TO BID
ON SCHOOL FOOD SERVICE MANAGEMENT**

For _____ (Add brief description of service to be purchased)

Notice is hereby given that sealed bids will be received by _____
(name of SFA)

at _____
(address)

on _____ until _____ (am/pm),
(date) (time)

for the period of July 1, _____ through July 1, _____ inclusive. Sealed bids from those bidders meeting qualifications criteria will be publicly opened on:

_____ at _____ (am/pm) with award to be made no later than
(date) (time)

_____ at _____ (am/pm).
(date) (time)

All awards are made pending Delaware Department of Education approval.

SERVICES DESIRED

An important part of contracting for a FSMC is deciding which services the SFA wants the FSMC to provide. The following is a brief description of the options that are available. Once the desired service has been determined, check the appropriate block.

Management

FSMC will provide manager(s) to oversee the total operation of SFA's food service. Responsibilities will include planning menus to comply with desired SFA program, scheduling SFA employees, ordering food, and training employees. The cost of these services will be a major part of the bid price. Manager shall follow proper purchasing practices.

Management and Labor

FSMC will provide manager(s) as above and will also provide necessary food service employees. The cost of manager(s) and food service employees will be the major part of the bid price.

Management and Food

FSMC will provide manager(s) and all food supplies as per SFA specifications. The cost of the manager and food will be a major part of the bid price.

Management, Labor, and Food

FSMC will provide manager(s), food service employees above, and all food supplies as per SFA specifications. The cost of manager(s), food service employees, and food supplies will be the major part of the bid price. SFA must provide food specifications if food is not purchased through SFA vendors. Periodic price comparison should be made between FSMC food prices and local market.

MINIMUM FOOD SPECIFICATIONS

Meats/Seafoods: All meats, meat products, poultry, poultry products, and fish shall be government inspected.

- Beef, lamb, and veal shall be USDA Grade Choice or better.
- Pork shall be US No. 1 or US No. 2.
- Poultry shall be US Government Grade A.
- Seafood shall be top grade; frozen fish must be a nationally distributed brand, packed under continuous inspection of the USDA.

Dairy Products: All dairy products shall be government inspected.

- Fresh eggs shall be USDA Grade A or equivalent, 100% certified and purchased in accordance with COMAR 10.15.03.03 (g).
- Frozen eggs shall be USDA inspected and in compliance with COMAR regulations.
- Butter shall be USDA 92 score or better.
- Milk shall be pasteurized Grade A and in accordance with COMAR 10.15.06.

Fruits and Vegetables:

- Fresh fruits and vegetables shall be selected according to written specifications for freshness, quality, and color – US Grade A Fancy.
- Canned fruits and vegetables shall be selected to requirements US Grade A Choice or Fancy (fruit to be packed in light syrup or natural juices).
- Frozen fruits and vegetables shall be US Grade A Choice or better.

Baked Products:

- Bread, rolls, cookies, pies, cakes, and pudding shall be either prepared or baked on premises or purchased on a quality level commensurate with meeting USDA breakfast and lunch requirements as applicable.

Staple Groceries:

- Staple groceries shall be a quality level commensurate with previously listed standards. Sample groceries are listed below.

DUTIES TO BE PERFORMED BY FSMC MANAGER

SFA PROGRAM GOALS

Manager to be employed for _____ week(s).

POSITION DESCRIPTION

Plans, directs, and coordinates the operating functions of the school food service including the kitchen, production, receiving schools; performs all related work as required. Reports to _____.

(SFA Person)

DUTIES

1. Requires adherence to SFA personnel policies of all employees.
2. Encourages an optimistic attitude through leadership skills and uses the resources of the food service to cheerfully, courteously, and profitably give the best service possible to students and staff. Develops short- and long-range plans for the betterment of all.
3. Conducts regularly scheduled meetings with the Advisory Council to include representation from students, teachers, administrators, and parents.
4. Pre- and post-costs all activities within the department, maintaining sufficient records for proper evaluation of the past, present, and future plans.
5. Obtains maximum student satisfaction involving service, food quality, and nutritional standards.
6. Establishes and maintains standards of production to gain maximum value from food resources, by developing and maintaining a thorough menu production and recipe system that gains maximum student satisfactions within budget allowances.
7. Schedules and coordinates a competent work force to attain maximum effective utilization of labor. Uses an effective orientation and in-service training program.
8. Communicates well with all other departments within the organization and within the food service department to achieve teamwork between all.
9. Plans special events, monotony breakers, etc., on a scheduled basis with use of decorations and advance advertisements.
10. Operates the food service program in compliance with USDA and State laws and regulations.
11. Establishes and implements budgeting and financial management systems consistent with local, State, and federal requirements.
12. Establishes a comprehensive program for personnel management in cooperation with managers, administrators, and other appropriate personnel.
13. Implements sanitation standards and devises a system of control of microbiological infection.
14. Implements standards and controls for safety in food service facility.
15. Is responsible to carry out all other tasks as directed.

Experience and Qualifications

Education: (Specify)

ACCEPTABLE AWARD CRITERIA

The award criteria must be included as part of the bid solicitation/contract whenever the school district awards a contract based on criteria in addition to the bid price. Any bid solicitation/contract awarded solely on bid price is not required to include award criteria. The following is an example of acceptable criteria.

<u>Criteria</u>	<u>Weight</u>	
Bid Price	<u>51</u>	points possible
Past Performance	<u>20</u>	points possible
Staffing Provisions	<u>10</u>	points possible
Marketing Plan	<u>10</u>	points possible
Years in Business	<u>9</u>	points possible
Total:	<u>100</u>	points possible

Other criteria could include company support and back-up to increase student participation.

The value assigned to the evaluation of each such criteria must be specified. However, the highest consideration (assigned points) must be given to bid price.

A form is provided in the Standard Contract for Bid Solicitation/Request for Proposal (Appendix O) which may be used to list the various award criteria for your school system’s bid solicitation/request for proposal and the weight factor assigned to each.