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Memo To: Board of Education Members
Dr. Mary Pfeiffer, District Administrator

From: Paul Hauffe, Director of Business Services *PH*
Vicky Holt, Asst. District Administrator – Human Resources/Central Services *jh*

Date: May 30, 2012

RE: 2012-13 Food Service Program Management Company Selection

History

In March, 2012, the Board of Education authorized the Administration to solicit bids from Food Service Management Companies (FSMC) to operate and manage the District's food service program effective with the 2012-13 fiscal year. The Business Office, with guidance from the Department of Public Instruction, developed a Request for Proposal (RFP) and communicated this information to 13 vendors with operations within the state. Of these 13 vendors, six indicated an interest in developing a proposal for the District.

At a pre-bid meeting held on April 11, 2012, the six potential bidders were provided with the following important pieces of information:

1. The District requested these bids one year earlier than required, not because of dissatisfaction with the current vendor, but because of a significant change being made to the program. The change was the complete outsourcing of all labor associated with the program.
2. The District did not give any guidance or direction as to the wage and/or benefit package that the FSMC should consider for current District food service employees.

Ultimately, five FSMC submitted completed proposals to operate the Neenah Joint School District food service program.

A food service review committee was created that was comprised of the following individuals:

- John Lehman, Board of Education member
- Betsy Ellenberger, Board of Education member
- Jean-Maurice Boyer, Parent
- Kim Benson, Elementary School Principal

- Jon Joch, Director of Revenue Enhancement/Business Services Support
- Paul Hauffe, Director of Business Services

In addition, two students from Neenah High School were requested to provide input to the committee; however, they were unable to participate.

Those individuals who did participate on the food service review committee devoted significant personal and professional time. The committee's evaluation process was thorough.

Objectives

The objectives of the food service bid process included the following:

- Allow a FSMC to effectively manage the District's food service program using their own staff (not a "blended" workforce).
- Achieve financial stability in the District's food service program for both the short and long-term
- Review opportunities to increase student participation
- Continue to follow and implement food wellness guidelines at the Federal, State and local levels
- Identify a FSMC that has a vision to take the program to a new level through innovation and new ideas
- Establish a process to seek, gather, and interpret input from students and staff so as to improve the overall operation of the Food Service program

Evaluation Process

As mentioned earlier, proposals were due (May 1, 2012) and received from five food service management companies:

- ARAMARK Education
- A'viands
- Chartwells
- Sodexo
- Taher

Committee members were told that they were to evaluate each vendor based on specific criteria as listed below:

- Cost
- Experience of the vendor / references
- Innovation
- Involvement of students and staff
- Menu and portion sizes

- On-site manager
- Promotion of the food service program

The evaluation process was designed to identify significant aspects of the food service program, as stated above, and to evaluate and grade them against the competition. It was collectively determined that three vendors, in particular, had a higher likelihood of meeting the District's needs for a successful and comprehensive food service program. After reading and reviewing the proposals, members of the committee made the following food service site visits:

Neenah High School	ARAMARK	May 8, 2012
Kimberly High School	Chartwells	May 9, 2012
Kewaskum High School	A'viands	May 10, 2012
Appleton North H.S., Johnson Elementary	ARAMARK	May 11, 2012
Clovis Grove Elementary, Nicolet Elementary, Maplewood Middle (Menasha)	Chartwells	May 21, 2012

At each site visit, committee members met with the providers, interviewed staff, tasted and reviewed the food that each had to provide, and toured kitchen and serving facilities.

In addition to the site visits, the committee members met on three separate occasions to discuss, question, and review what they had read in the proposals and viewed at the site visits. At their final meeting on May 24, 2012, the food service review committee members evaluated each proposal based on the criteria as listed in the RFP.

In fairness, some of the evaluated criteria was subjective and open to interpretation. However, scores and rankings were not awarded without a great deal of thought and reflection. Each vendor had certain strengths and challenges. The results of the evaluation process, ranked in order of most points earned, were as follows:

1. Chartwells
2. ARAMARK
3. A'viands
4. Sodexo

Recommendation

Based on the evaluation process, the food service review committee recommends that the Board of Education select Chartwells as the food service vendor effective with the 2012-13 fiscal year. The contract with Chartwells will be for the period July 1, 2012 – June 30, 2013 with up to four 1-year renewals.

The Food Service Review Committee made this recommendation after a thorough study of the alternatives available to the District and in keeping with our objectives. In addition, the Food Service review committee believes that some additional factors influenced the selection of Chartwells:

- Quality of food
- Food choices
- Professional on-site management and operation
- Overall value
- Miscellaneous factors
 1. Compatibility of financial accounting with current point of sale
 2. Proven record of increasing student participation in neighboring districts
 3. Long-term vision and history

Further, Chartwells has also made the following commitments to the District:

- Food Service fund balance of not less than \$200,000 on June 30, 2013
- Increased clerical support
- Regional chef as needed, utilized for training and education
- Utilize same technology – point of sale reporting
- Additional funds dedicated to capital improvements – no less than \$15,000

The committee is very confident that Chartwells will help the District achieve a desired outcome for the food service program.

In conjunction with the recommendation of a food service management company for 2012-13, the Administration is recommending to fully outsource the District's food service program and to no longer employ District staff in that program after June 30, 2012.

Final Steps

Once the selection of a Food Service Management Company has been made, there are additional steps that will need to be taken throughout the summer months.

1. Work with Chartwells to determine appropriate level of service for the district.
2. Identify transition team and develop plan
3. Local attorney and DPI review of contract
4. Determine operating budget, including staffing levels, for 2012-13
5. In accordance with Federal requirements, determine student breakfast and lunch prices for 2012-13
6. The Board of Education will take final action on this recommendation at their June 19, 2012 meeting.

Mrs. Holt and Mr. Hauffe will be available at the June 5, 2012 Board of Education meeting to answer any questions from Board members.

Financial Summary

The Food Service Management Company (FSMC) was asked to submit a proposal that followed Federal and DPI guidelines. It is all based on a cost per meal basis. In simple terms, the FSMC estimates how much it will cost to serve one meal. Factored into it's estimated are any and all costs associated with the production of the meal - food (primarily) and labor costs (secondarily), non-food supplies, and miscellaneous costs. The District will continue to allocate certain costs to the food service program such as transportation costs (food delivery), certain equipment and repair costs, and a small amount of clerical labor costs.

	2012-13 Chartwells
FSMC cost per meal (weighted)	2.86
District cost per meal	0.18
Est cost to produce one meal	3.04
Estimated revenue per meal	3.05
Profit (loss) per meal \$	0.01
Est # of meals	646,893
\$ Est Profit (loss)	6,469

Food Service Fund Balance Guarantee @ June 30, 2013	\$200,000
Operating budget and Staffing levels for 2012-13	TBD