

METZ CULINARY MANAGEMENT, INC. SCHOOL YEAR 2012-2013

THIS ADDENDUM, (the "Addendum") is made effective by and between ___Randolph Township School District___ located at _25 School House Road, Randolph, NJ 07869_____, (the "Local Education Agency") and Metz Culinary Management, Inc., ("Food Service Company") with offices located at Two Woodland Drive, Dallas, Pennsylvania 18612. The parties hereto agree as follows:

Article I: Federal and State Required Contract Language

A. DURATION OF ADDENDUM

This addendum begins on July 1, 2012 and ends on June 30, 2013.
(date) (date)

B. MANAGEMENT FEE(S) / GUARANTEES

1. Management/Administrative Fees

Management/Administrative Fees – Cents Per Meal

1. Metz & Associates. Ltd. will charge a management fee of \$0.045 per meal and meal equivalents served.

a. "Meals" shall be determined by actual count and are calculated by adding the number of National School Lunch Program meals, School Breakfast Program meals and After School Snack Program meals served to children. Cash receipts, other than from sales of National School Lunch Program meals, School Breakfast Program meals and After School Snack Program meals served to children, shall be divided by \$1.00 to arrive at meal equivalents.

2. Metz & Associates. Ltd. will charge an administrative fee of \$0.0538 per meal and meal equivalents served.

a. "Meals" shall be determined by actual count and are calculated by adding the number of National School Lunch Program meals, School Breakfast Program meals and After School Snack Program meals served to children. Cash receipts, other than from sales of National School Lunch Program meals, School Breakfast Program meals and After School Snack Program meals served to children, shall be divided by \$1.00 to arrive at meal equivalents.

2. Guarantee(Breakeven)

Metz & Associates Ltd. guarantees that the bottom line on the operational financial report for 2012-2013 school year shall be breakeven. If the actual profit is below this amount, Metz & Associates Ltd. will subsidize the bottom line for any amount less than the guarantee. This guarantee is contingent upon the following conditions:

3. Guarantee Conditions

- a. Proposed pricing schedule as per the proposed budget.
- b. Commodity levels stay consistent with current year.

- c. State & Federal reimbursement levels are at least equal to 2010-2011 levels.
- d. USDA donated commodities offered are at least equal to 2010-2011 levels.
- e. Proposed staffing schedule shall be per the proposed budget.
- f. Medical and Dental insurance remains consistent with proposed budget.
- g. LEA's enrollment and ADA will be at the levels as stated in the proposed budget.
- h. Equipment and repairs will be paid by the LEA.
- i. There will be no limitations on the sale of menu items and a la carte items, except that they meet State and District Nutrition Policies.
- j. LEA will have the number of feeding days as stated in the proposed budget.
- k. Enrollment and average daily attendance will be at least equal to the 2010-2011 levels.
- l. Metz & Associates, Ltd. will be held harmless in the event of a work stoppage within the LEA.
- m. The Local Education Agency and the Food Service Management Company must mutually agree upon any changes in staffing, wages and benefits.
- n. Should the LEA Board of Education or the LEA Administration require a cafeteria staffing plan other than that proposed or as determined by FSMC as appropriate, the guarantee will be adjusted accordingly for the resultant costs of extra labor.
- o. Should any school policy or other regulation alter any condition in the budget projections and supplementary statistics, including but not limited to the expected enrollment, the school lunch requirements, the a la carte program, the space of kitchen, vending and cafeteria areas, then the guarantee will be adjusted accordingly.
- p. In the event of unscheduled events such as strikes, layoffs, reduced or cancelled school days, bomb threats or emergency closings, the guarantee will be adjusted on a pro-rata basis, based upon the actual school days as compared to the projected number of school days.
- q. Costs for additional labor coverage related to any sick, retirement, or other benefit days or allocations earned or accumulated prior to the start of the contract or acquired during the contract are not included in the guarantee and the guarantee will be adjusted accordingly for such costs.
- r. No change to school policy that significantly affects operating expenses.
- s. No restrictions on menu and ala carte offerings except that they meet previously stated in NJ State guidelines.
- t. No change in the Federal or State regulations that would impact the cafeteria operating revenue and expenses.

In the event the forgoing conditions are not met during the school year, Metz & Associates guarantee obligation shall be reduced by an amount equivalent to any increase cost or loss of revenue attributable to the changes in such conditions.

C. USDA DONATED FOODS

- 1) All USDA donated foods received for use by the LEA for the school year and made available to the FSMC shall be used in the LEA's food service. [7CFR 250.50(a)].
- 1) The FSMC shall perform the following activities related to USDA donated foods, and shall perform such activities in accordance with the applicable requirements in 7CFR Part 250:
 - a. Preparing and serving meals;
 - b. Ordering or selection of donated foods in coordination with the LEA;
 - c. Storage and inventory management of donated foods;

- d. Payment of processing fees or submittal of refund requests to a processor on behalf of the LEA, or remittance of refunds for the value of donated foods in processed end products to the LEA; and
 - e. Procurement of processed end products on behalf of the LEA. [7CFR 250.53(a)(4)].
- 2) The FSMC shall credit the LEA for the value of all USDA donated foods received for use in the LEA's meal service in the school year (including both entitlement and bonus foods), and including the value of donated foods contained in processed end products, if applicable. [7CFR 250.53(a)(1)].

The FSMC shall perform such crediting

- The FSMC shall credit monthly by disclosure the LEA for the value of all donated foods received in the school year.
- The FSMC shall monitor and report the commodity pass through value as used by each commodity processor receiving any portion of the LEA's entitlement dollars monthly. [7CFR 250.53(a)(2)].

If for the school year immediately preceding the beginning of this contract the LEA's food service was self-operating, the FSMC shall also credit the LEA for the value of all USDA donated foods in the LEA's inventory carried over from the preceding school year.

- 3) In crediting the LEA for the value of USDA donated foods, the FSMC shall use the market value of donated foods as identified on the monthly allocation notice from the New Jersey Department of Agriculture Food Distribution Program (the "Distributing Agency") at the time the LEA receives the donated foods. In crediting for the value of donated foods contained in processed end products, the FSMC shall use the annual processing agreement value established in the Distributing Agency's State Processing Agreement. [7CFR 250.53(a)(3)].
- 4) The FSMC will use all donated ground beef and ground pork products, and all processed end products, in the LEA's food service. [7CFR 250.53(a)(5)]. The FSMC will use all other donated foods, or will use commercially purchased foods of the same generic identity, of U.S. origin, and of equal or better quality than the donated foods, in the LEA's food service. [7CFR 250.53(a)(6)].
- 5) In the procurement of processed end products on behalf of the LEA, the FSMC will comply with the requirements of Subpart C of 7CFR Part 250 and with the provisions of the Distributing Agency or LEA processing agreements, and will credit the LEA for the value of donated foods contained in such end products at the processing agreement value. The FSMC will not itself enter into the processing agreement with the processor. [7CFR 250.53(a)(7),(8)].
- 6) The FSMC will comply with the storage and inventory requirements for USDA donated foods set forth in 7CFR 250.14(b) and 250.52. [7CFR 250.53(a)(9)]. The FSMC shall ensure that its system of inventory management does not result in the LEA being charged for USDA donated foods. [7CFR 250.53(b)].
- 7) The FSMC shall maintain accurate and complete records with respect to the receipt, use/disposition, storage and inventory of all USDA donated foods. The FSMC will maintain records to document its compliance with the requirements relating to donated foods, in accordance with 7CFR 250.54(b). [7CFR 250.53(a)(11)].
- 8) The LEA, the Distributing Agency, the USDA, the Comptroller General, or their duly authorized representatives, may perform onsite reviews of the FSMC's food service operation, including the review of records, to ensure compliance with requirements for the management and use of donated foods. [7CFR 250.53(a)(10)].

- 9) Upon termination of this contract, the FSMC shall return all unused donated ground beef, donated ground pork and processed end products, including those that may be stored off the LEA's premises, and shall also return all other unused donated foods that may be stored on or off the LEA's premises. [7CFR 250.52(c)].
- 10) The LEA shall conduct a reconciliation at least annually, and upon termination of this contract, to ensure that the FSMC has credited it for the value of all donated foods received for use in the LEA's food service in the school year, including the value of donated foods contained in processed end products. [7CFR 250.54(c)].

D. ADDITIONAL EQUAL EMPLOYMENT / AFFIRMATIVE ACTION [N.J.S.A. 18A:18A-4.4d; N.J.A.C. 17:27-3.5; 3.7]

The FSMC shall furnish such reports or other documents to the New Jersey Department of Treasury, Division of Public Contracts Equal Employment Opportunity Compliance, as may be requested by the office from time to time in order to carry out the purposes of the regulations, and the LEA shall furnish such information as may be requested by the Division of Public Contracts Equal Employment Opportunity Compliance for conducting a compliance investigation pursuant to subchapter 10 of the Administrative Code at N.J.A.C. 17:27.

E. ADDITIONAL RECORDS

The FSMC shall maintain all documentation related to products, transactions or services under this contract for a period of five years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request. [N.J.A.C. 17:44-2.2(b)].

F. SOC 1 REPORT

The FSMC shall have an annual service audit of the FSMC's internal controls performed by an independent audit firm engaged by the FSMC. The service audit shall be as prescribed in A.I.C.P.A. Statement on Standards for Attestation Engagements (SSAE) No. 16. The FSMC shall provide the LEA with a SOC 1 Type 2 Report in conformity with SSAE No. 16 to enable the LEA to meet its annual audit obligation under New Jersey Department of Treasury Circular No. 04-04-OMB. [7CFR 3016.26; 7CFR 3052.210(f); N.J.S.A. 18A:23-1].

G. TERMINATION

- 1) The LEA or the FSMC may cancel the contract for cause by giving 60 days' written notification. [7CFR 210.16(d)].
- 2) The LEA may terminate the contract at any time by giving **60** days' written notification to the FSMC setting forth the reason for and the effective date of termination. Upon such termination, the LEA and the FSMC shall make settlement of all amounts due hereunder as follows: ***shall give written notice to the other party setting forth the reason for and the effective date of termination. Neither party shall be liable for any loss or penalty upon such termination, except payment for services rendered prior to the termination date.*** [7CFR 3016.36(i)(2)].

H. CONSTRUCTION AND EFFECT

The LEA and the FSMC agree that Article I of this addendum is intended to comply with applicable federal and State procurement and USDA program requirements. In the event that any provision contained in Article I should conflict with any other provision contained in this addendum or any attachment to this addendum, the provisions of Article I shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered, in duplicate, by their duly authorized officers, effective as of the Effective Date.

WITNESS:

Azari Hugu - Bret

DATE: 11/16/12

WITNESS:

DATE: _____

METZ CULINARY MANAGEMENT, INC.

BY: *[Signature]*

AS IT'S *District Manager*

DATE: 11/16/12

LOCAL EDUCATION AGENCY

BY: _____

AS IT'S: _____

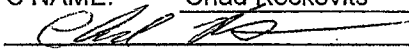
DATE: _____

RESPONSE AND PROJECTED OPERATING STATEMENT

ATTACH AS FIRST PAGES OF INVITATION FOR BID(IFB)/REQUEST FOR PROPOSAL(RFP)

Response and Projected Operating Statement for Local Education Agency (LEA) LEA: <u>Randolph Township School District</u> School Year 2012 -- 2013	
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We, the undersigned, agree to operate the food service program as described in the specifications.

FSMC NAME:	Metz Culinary Management		
FSMC ADDRESS:	2 Woodland Drive Dallas, PA 18612		
FSMC REPRESENTATIVE'S NAME:	Chad Rockovits		
SIGNATURE:		DATE:	8/30/2012
TELEPHONE #	570-675-8100	FAX #	570-675-0919
E-MAIL ADDRESS:	crokovits@metzcorp.com		

This proposal is subject to all the attached terms, conditions and specifications. If accepted we hereby agree to enter into a FOOD SERVICE COMPANY (FSMC) CONTRACT as described in the RFP.

MANAGEMENT FEE:		PROJECTED BOTTOM-LINE: (K)				
Flat Fee	Cents/Meal	LEA:	<input type="checkbox"/> PROFIT	<table border="1" style="width: 100%;"> <tr> <td style="text-align: right;">76,595.63</td> </tr> <tr> <td style="text-align: right;">0.00</td> </tr> </table>	76,595.63	0.00
76,595.63						
0.00						
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> \$0.0450 Management Fee	<input checked="" type="checkbox"/> LOSS			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> \$0.0538 Administration Fee	<input type="checkbox"/> BREAKEVEN			
Is the profit/loss/breakeven a GUARANTEE to the LEA?		YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>				
Is the guarantee the same as the projected bottom line ?		YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>				
If no, indicate the actual guaranteed profit/loss/breakeven:		Breakeven				
Is the guarantee capped?		YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>				
If yes, Capped up to _____ 100% of the _____ Management fee.						

This operating statement is based on:

180	days of meals service (breakfast)
180	days of meals service (lunch)
0	days of meals service (after school snack)
183	# of work days (hourly employees only)

