



PUBLIC SCHOOLS OF NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION | Mark Johnson, *Superintendent of Public Instruction*

WWW.NCPUBLICSCHOOLS.ORG

July 24, 2017

MEMORANDUM

TO: Dr. Maria Pitre-Martin, Deputy Superintendent

FROM: Dr. Ben Matthews, Chief School Operations Officer

Dr. Lynn Harvey, Chief, School Nutrition Section

SUBJECT: **Intent to Amend the Contract with the Weldon City School District to (1) facilitate the process of managing a state-wide Procurement Alliance for the School Nutrition Program to ensure reasonable, competitive prices in the commercial marketplace (food, supplies, equipment, technology, services); (2) to provide staff support for the Nutrition Education and Training Program; and (3) to provide staff support for administering and monitoring the Summer Food Service Program (SFSP) that was recently transferred from the NCDHHS to the NCDPI**
Requisition #RQ18934429

This contract with the Weldon City School District consists of three parts: these include Part A, the NC School Nutrition Procurement Alliance; **Part B, Contractual Support for Technology Consultants/IT Project Managers, which will no longer be supported through this contract;** Part C, Nutrition Education and Training Program and Part D, Summer Food Service Program – (SFSP). Questions 1 – 2 and 8 – 13 apply to all four parts and are answered collectively. Questions 3 – 7 are specific for each part (Parts A, B and C) of the contract and are answered separately for each part of the contract.

1. Please complete the following information:

Contractor Name: Weldon City Schools, Dr. Anitra D. Wells, Superintendent, and Ms. Matilda Campbell, Finance Director

Amended Contract Amount: \$1,083,463.50 (\$366,114.00 + \$717,349.50)

A. State-wide Procurement Alliance - \$338,814.00 (\$122,997.00 + \$215,817.00)

B. Technology Consultants/IT Project Managers – NO ADDITIONAL FUNDING REQUIRED

C. Nutrition Education and Training Program - \$274,312.50 (\$94,605.00 + \$179,707.50)

D. Summer Food Service Program (SFSP) - \$323,337.00 (\$148,512.00 + \$174,825.00)

Amended Contract Dates: September 15, 2017 – September 25, 2018

SCHOOL NUTRITION SERVICES

SAFE AND HEALTHY SCHOOLS SUPPORT DIVISION

Lynn Harvey, *Ed.D., RDN, LDN, FAND, SNS Chief* | lynn.harvey@dpi.nc.gov

6324 Mail Service Center, Raleigh, North Carolina 27699-6324 | Phone (919) 807-3506 | Fax (919) 807-3516

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

DPI Contract Contact Person and Telephone Number: Lynn Harvey 807-3506

2. Is this a contract amendment? If so, please explain fully why you are amending it.

Yes, this is a contract amendment. A contractual relationship with a Local Education Agency will continue to provide professional consultation for School Food Authorities to support their success in various areas. This contract amendment will enable the State Agency to comply with the intent of the Healthy, Hunger-Free Kids Act by providing support and resources required by local SFAs to successfully comply with the regulations while simultaneously achieving the goals of local Boards of Education relative to the new meal pattern, the School Breakfast initiative, the Farm-to-School Program; the School and Community Garden initiative and other initiatives. It also allows the State Agency to effectively and efficiently administer the Summer Food Service Program (SFSP) throughout the state, administering and monitoring all aspects of the program. Lastly, this amendment will allow the NC School Nutrition Procurement Alliance to continue to be a leader in promoting nutritional, operational and financial integrity, while generating significant cost savings to participating districts.

The following responses apply to Part A -- State-wide Procurement Alliance

3. Why are you initiating a contract? What services will you require?

Since the inception of the North Carolina School Nutrition Procurement Alliance in 2008, 94 of the state's 115 traditional public school districts have voluntarily joined the Alliance. The Alliance has enabled all participating districts to obtain the highest quality food, products and services for the most competitive prices. Cooperative purchasing of this magnitude has lowered the state's average cost per meal (lunch only) from \$3.20 per meal to \$2.89 as a result of more competitive food and supply prices. The Alliance has, in a very short time, become extremely competitive in the school nutrition marketplace and is now recognized as the fifth largest bid in the school nutrition marketplace.

Member districts of the Alliance report substantial cost savings as a result of their participation. A recent evaluation by the NC General Assembly's Program Evaluation Division indicated that every dollar generated in support of the NC School Nutrition Procurement Alliance, generates \$6.00 in cost savings to the individual school districts that participate in the Alliance. Another recent evaluation indicates the Alliance has generated a cost savings of over \$8 million state-wide annually for the member districts.

The provisions of the Healthy, Hunger-Free Kids Act of 2010 required significant changes to the meal pattern and dietary standards requirements in the Federally-funded School Nutrition Programs. These changes have continued to require additional specification development, contract modification, nutrient analysis and other procedures by the NC Procurement Alliance as a means of enabling member districts to purchase food and supplies necessary to meet the new Federal requirements.

In the coming year, the Alliance will not only competitively procure general foods and supplies, the Alliance will develop an Invitation for Bid for commodity processing. Under this IFB, commodities received in bulk which are typically labor intensive (poultry, pork, cheese, etc.) will be diverted to a national processor where they will be further processed into products that are extensively used in the school meals programs. In addition, the Alliance will engage in more “direct to manufacturer” purchases. Buying directly from the manufacturer is another means of generating cost savings to the member districts.

4. How does the contract with the Weldon City Schools add value to the Agency?

A contractual relationship with a Local Education Agency will continue to provide professional consultation for the NC School Nutrition Procurement Alliance. The consultant will serve as the School Nutrition Procurement Consultant. The Weldon City School District is known for its outstanding School Nutrition Program. The district continues to be a leader in promoting the nutritional, operational and financial integrity of the School Nutrition Program. The Weldon City School District also has a track record for successfully administering contracts on behalf of NC DPI that benefit LEAs within their educational region and throughout the state. The NC School Nutrition Procurement Alliance continues to generate significant cost savings to the member school districts. School Nutrition Administrators in the district clearly appreciate and understand the complexities of the procurement process and have successfully conducted cooperative purchases in a manner that reflects Federal, State and local procurement requirements. The School Nutrition Program in the Weldon City School District enjoys an exemplary level of support from school administrators and the local Board of Education which enables the program to implement innovative programs with a high degree of accountability. This level of support in the School Nutrition Program will continue to extend to the district’s support for a successful outcome in maintaining the infrastructure for the state-wide purchasing cooperative. The district’s experience in cooperative purchasing and their reputation for promoting and preserving the nutritional, operational and financial integrity of the School Nutrition Program have helped to establish credibility for the Alliance, making it an inviting opportunity for school districts throughout the state.

As part of the contractual relationship, the Weldon City School District will continue to sub-contract with Mary Sitton, a former School Nutrition Director, who has served as the School Nutrition Procurement Consultant for the section. Mrs. Sitton will coordinate and oversee the work of other sub-contractors who will perform various duties to support the development of the Alliance IFB/Contract. Like Mrs. Sitton, these individuals will serve as extensions of the School Nutrition Services section. The capacity of the Alliance has expanded to deliver on member requests for a state-wide data base and a system of nutrient analyses and a product specification catalog; as a result, additional professionals will be employed to support the work in these key areas. Specific duties to be performed by the district are shown in Attachment A.

5. Is the service unique and not repetitive with agency activity or other contracts? Please state why this service cannot be performed within the resources of the agency.

State and Regional Consultants with the School Nutrition Section provide guidance to school district personnel in the development of their individual procurement plans. These consultants also provide training for School Nutrition Administrators in various aspects of the procurement process including the development of procurement documents, the creation of specifications, conducting procurement activities, and allowable and unallowable procurement practices.

Neither the School Nutrition nor the Purchase and Contract Sections of NCDPI have the personnel resources to support a full-time School Nutrition Procurement Consultant. Continuous training, technical assistance and consultation is required to effectively support the 87-member districts of the Alliance. Such consultation is very time-intensive and requires personnel to devote at least the equivalent of a $\frac{3}{4}$ time position devoted solely to consultation, training and technical assistance. The School Nutrition Procurement Alliance will continue to operate under the leadership and direction of the School Nutrition Services section. LEAs have been extremely pleased with the cost savings, efficiency and utility of the NC School Nutrition Procurement Alliance. There is a strong expectation for the Alliance to continue while expanding the capacity to use data for various purposes (menu costing, nutrient analysis, allergy management, etc.). The continuation of the School Nutrition Purchasing Alliance in partnership with Weldon City School District will enable NCDPI and the School Nutrition Services section to continuously expand upon its service to its customers. A minimal investment in contract personnel will result in significant cost savings (food cost and labor cost) to the LEAs.

6. What is the impact, if you do not contract for these services?

The School Nutrition Services section is not adequately staffed to provide continuous consultation, training and technical assistance to the Procurement Alliance. Without a contract the NC Procurement Alliance, which has a demonstrated track record for cost savings and efficiency, would cease to exist. As a result, the capacity for cost savings as a result of pooling the purchasing power of the 94 school districts would no longer exist and the average cost to produce a school meal would ultimately increase; such increases could eventually require the use of local education funds.

7. How did you calculate the cost (e.g., what is the cost per hour and number of hours?)

The cost of the contract is based on the hourly rate of the Sub-Contractors, the projected cost of data processing, nutrient analysis, basic materials, supplies and resources needed to perform the duties required with the alliance. The indirect cost included in the contract will be used to provide administrative support. Travel and per diem will be paid for the contracted personnel directly by the School Nutrition Services Section upon submission of accurate travel forms/reports and receipts.

The Proposed Contract is based on the following costs:

Purpose	Budget
School Nutrition Procurement Consultants (\$45.00 per hour x 25 hours per week x 48 weeks = \$54,000)	\$ 54,000
School Nutrition Professional to prepare bid specifications (\$40.00 per hour x 15 hours per week x 48 weeks = \$28,800)	\$ 28,800
Registered Dietitian/Licensed Nutritionist/Dietitian) to use provided Nutrition Facts Labels, product formulations, SN labels to conduct nutrient analyses that may be used to certify school meals for reimbursement (\$50.00 per hour x 3.5 hours per week x 48 weeks = \$8,400)	\$ 8,400
School Nutrition professional to review, update and manage Alliance nutrition product labels (\$45.00 per hour x 5 hours per week x 48 weeks = \$10,800.00)	\$ 10,800
Materials, supplies (folders, pens, paper, printer ink, and meeting supplies and routine office supplies \$2,040)	\$ 2,040
Room Rental for Alliance Meetings \$6,000	\$ 6,000
Equipment (laptop computers, printers, other) \$2,500	\$ 2,500
Leased storage space (\$200 per month x 12 months = \$2,400)	\$ 2,400
Legal advertisements (newspaper ads \$2,200)	\$ 2,200
Subtotal	\$117,140
Indirect Cost (5%) to the district to contribute to basic professional support used by the various sub-contractors (\$117,140 x 5% = \$5,857)	\$ 5,857
Total Cost of this Portion of the Contract	\$122,997

Note: Please be aware this is a proposed budget and funds may be transferred from one line item to another not to exceed the total contract amount and with prior approval from the State agency.

The following responses apply to Part B – School Nutrition Technology Consultant and IT Project Manager

***Note: Technology and IT Project Management WILL NO LONGER be supported by this contract. NO ADDITIONAL FUNDS ARE BEING ADDED TO PART B OF THIS CONTRACT AMENDMENT.**

The following responses apply to Part C – Staffing support for the Nutrition Education and Training Program

3. Why are you initiating a contract? What services will you require?

The enactment of the Healthy, Hunger-Free Kids Act of 2010 creates new challenges and opportunities for School Food Authorities (SFAs) that operate the National School Lunch and Breakfast Programs. To equip SFAs in meeting the statutory requirements associated with the new regulations, additional staff support and program-specific resources will be required. The specific services to be provided in conjunction with this contract are shown in

Attachment C. Deliverables, and the timeline for achieving them, are also outlined in Attachment C.

4. How does the contract with the Weldon City Schools add value to the Agency?

The contract with Weldon City Schools would enable the State Agency to comply with the intent of the Healthy, Hunger-Free Kids Act by providing staff support and resources required by local SFAs to successfully comply with the regulations while simultaneously achieving the goals of local Boards of Education relative to the new meal pattern, the School Breakfast initiative, the Farm-to-School Program; the School and Community Garden initiative and other initiatives described in Attachment C. As part of the contractual relationship, the Weldon City School District would sub-contract with an individual who has extensive experience in providing leadership and direction to the Nutrition Education and Training Program who has a minimum of three consecutive years of experience in administering a successful Nutrition Education and Training Program; the candidate would also have experience in developing resources to support successful program administration and compliance with the Federal regulations. Such experience would indicate an understanding of the Federal and State regulatory environment and an understanding of the application of the various regulations, statutes in policies in administering the School Nutrition Programs in a school district, and a strong track-record of resource development.

5. Is the service unique and not repetitive with agency activity or other contracts? Please state why this service cannot be performed within the resources of the agency.

Leadership of the Nutrition Education and Training Program is a very time-intensive responsibility. Currently, all FTEs within the School Nutrition Services Section are devoted in time and effort to program operations-related training and technical assistance, consultation, and monitoring and compliance. None of the current staff within the section (or within the agency) have the time, experience or expertise required to effectively and efficiently perform the duties required under this contract. While the Section Chief has been involved in School Breakfast Expansion, the Farm-to-School initiative and the School/Community Garden initiative within the state, the magnitude of responsibilities in these three key areas has expanded significantly in the past two years, making it impossible for the section to devote the staff time and resources required to engage with key stakeholder groups around these (and other) nutrition and/or school-health related initiatives. Further, the section's social media outreach requirements have increased, thus requiring the time/effort of a skilled nutrition professional. Efforts have been made in the past to reassign duties to attempt to address these initiatives within the section and all have failed because of the increased demand for program accountability through increased training, technical assistance, monitoring and compliance. It is simply not possible to ask staff that is already over-worked to take on additional duties that take them from their homes and families at nights and on weekends.

6. What is the impact, if you do not contract for these services?

The School Nutrition Services section is not adequately staffed to facilitate the Nutrition Education and Training Program using existing resources. Failure of the State Agency to administer the Nutrition Education and Training Program limits the scope, breadth and depth of service, training, technical assistance and other support the department can provide for SFAs in the administration and operation of the school breakfast and lunch programs. Failure to provide the NET Program further limits SFA access to timely and accurate information and resources required to address the critical support services and projects identified in Attachment C.

7. How did you calculate the cost (e.g., what is the cost per hour and number of hours?)

The cost of the contract is based on acquiring a professional (Registered Dietitian/Licensed Dietitian/Nutritionist, with a Masters Degree) with experience in the Federally-funded School Nutrition Program and experience in developing educational resources (including curricula) for School Nutrition Personnel.

The cost of the contract will include the following:

- (1) The hourly rate of the professional (hereinafter referred to as the Sub-Contractor) employed by the district to implement the Nutrition Education and Training Program (\$53.00 per hour at 1,700 hours = \$90,100);
- (2) Indirect cost to the district $\$90,100 \times .05\% = \$4,505$
- (3) Total Cost of this portion of the Contract = **\$94,605**

The NCDPI School Nutrition Services Section will provide the following:

- (1) Any travel, lodging, registration and per diem for the Sub-contractor in the performance of any duties associated with the furtherance of the School Nutrition Programs in general and the Nutrition Education and Training Program specifically, including, but not limited to those described in Attachment C will be provided directly by the School Nutrition Services section based on the submission of required documents and receipts; all out-of-state travel must receive prior approval from the NCDPI.
- (2) Routine consultation with the Sub-contractor to ensure consistency with current USDA regulations, State general statutes and policies of the State Board of Education.

The following responses apply to Part D –Summer Food Service Program – (SFSP)

3. Why are you initiating a contract? What services will you require?

The NC General Assembly recently statutorily transferred the Summer Food Service Program (SFSP) from the NC Department of Health and Human Services to the NC

Department of Public Instruction. The program was moved from the DHHS to the DPI as a means of promoting more summer meal service to students through the public school system. The move would effectively remove much of the administrative burden associated with providing summer meals to students through public schools. While non-public entities may still participate in the SFSP, it is projected that with the increase in public school participation, many non-public, non-profit entities will sub-contract with LEAs to provide meals to students at various sites throughout the cities/counties in which the LEAs are located. The specific services to be provided in conjunction with this contract are shown in Attachment D. Deliverables, and the timeline for achieving them, are also outlined in Attachment D.

4. How does the contract with the Weldon City Schools add value to the Agency?

The contract with Weldon City Schools would enable the State Agency to effectively and efficiently administer the SFSP throughout the state. The department is reluctant to add permanent FTEs until there is experience in administering and monitoring the SFSP that guides the creation of permanent FTEs. For this reason, the department will contract with the LEA to provide part-time Contractual personnel who will work with the department for the duration of the contract in order to administer the program in accordance with Federal and State regulations.

5. Is the service unique and not repetitive with agency activity or other contracts? Please state why this service cannot be performed within the resources of the agency.

Currently, all FTEs within the School Nutrition Services Section are devoted in time and effort to program operations-related training and technical assistance, consultation, and monitoring and compliance. None of the current staff within the section (or within the agency) have the time, experience or expertise required to effectively and efficiently perform the duties required under this contract. The agency does not have adequate staff to assume this responsibility at this time.

While the agency has successfully administered the Seamless Summer Options (SSO) over the past twenty years, the requirements for administering and monitoring the SFSP are different. The SSO is an extension of the National School Lunch Program (NSLP) and the NSLP rules and regulations apply; however the SFSP has its own set of rules and regulations as codified in 7 CFR 225. It is simply not possible to ask staff that is already over-worked to take on additional duties that take them from their homes and families at nights and on weekends.

6. What is the impact, if you do not contract for these services?

The School Nutrition Services section is not adequately staffed to facilitate the Summer Food Service Program (SFSP) using existing resources. Failure of the State Agency to administer the SFSP limits the scope, breadth and depth of service, training, technical assistance and other support the department can provide for SFAs in the administration and operation of the school breakfast and lunch programs.

7. How did you calculate the cost (e.g., what is the cost per hour and number of hours?)

The cost of the contract is based on acquiring one professional with experience in the SFSP; having worked directly with the SFSP while it was housed at the DHHS.

The cost of the contract will include the following:

- (1) The hourly rate of the employee with 30 years of experience who will be employed by the district to serve in an administrative capacity (\$40.00 per hour at 1,100 hours = \$44,000);
- (2) The hourly rate of a Summer Nutrition Program Outreach Coordinator (\$18.00 per hour for 30 – 40 hours for 52 weeks = \$37,440;
- (3) The hourly range of \$15.00 - \$25.00 per hour for staff support for the SFSP (on-site technical assistance, training, compliance reviews as needed from April through September) Average of \$20/hour for 30 hours per week for 5 staff for 20 weeks=\$60,000
- (4) Indirect cost to the district \$141,440 x .05% = \$7,072
- (5) **Total Cost of this portion of the Contract = \$148,512.00**

The NCDPI School Nutrition Services Section will provide the following:

- (1) Any travel, lodging, registration and per diem for the Sub-contractor in the performance of any duties associated with the furtherance of the School Nutrition Programs in general and the Summer Food Service Program (SFSP) specifically, including, but not limited to those described in Attachment D will be provided directly by the School Nutrition Services section based on the submission of required documents and receipts; all out-of-state travel must receive prior approval from the NCDPI.
- (2) Routine consultation with the Sub-contractor to ensure consistency with current USDA regulations, State general statutes and policies of the State Board of Education.

The remaining responses apply to all three Parts (Parts A, C, and D) of the contract amendment.

8. If this contract is being paid with grant money, does the grant require the contracted services? Please describe the grant references to these contracted services, and give a synopsis of the grant.

Funds to be used for this contract are State Administrative Expense (SAE) Funds that are authorized under 7 CFR 235 and State Administrative Funds (SAF) authorized under 7 CFR 225. SAE Funds are provided annually to NCDPI by the US Department of Agriculture specifically for the purpose of administering the School Nutrition Programs (school breakfast, lunch, seamless summer option, special milk, after school snack, fruit and vegetable programs). SAF funds are provided annually to NCDPI for the purpose of providing administrative support to the Summer Food Service Program (SFSP). Federal regulations require these funds to be used to carry out the work of the State Agency in administering the School Nutrition Programs state-wide which includes the development of resources for training and technical assistance purposes. Funds are also authorized to provide

staff support for the State agency. The Food and Nutrition Service of USDA's Southeast Regional Office has approved the use of the funds for these purposes.

9. **Will you use competitive bidding (e.g., RFP?) If yes, skip the remaining questions # 9 through # 12.**

No, competitive bidding will not be used since this will be a contract with a local education agency.

10. **Are you using an IT Supplemental Staffing Convenience Contract or other type of convenience contract? If yes, please skip question # 10 and complete questions # 11 and # 12.**

No, this is not an IT or other Convenience Contract.

11. **Do you plan to request sole sourcing for this contract? If yes, please complete and attach the required sole source justification memorandum. Sole sourcing is warranted whenever only one acceptable source can be found; sole sourcing should never be the first consideration. (Important: The approval of the DPI Section Chief for Purchasing and Contracts, and approval by the Division of Purchasing and Contracts or ITS Procurement Services is required for sole sourced contracts.)**

No, a sole source justification is not required for this contract.

12. **Have you contracted with this vendor previously for related services? If yes, please list all contracts with this vendor during the last twelve months.**

Yes, the section contracted with Weldon City Schools for a variety of purposes including the NC School Nutrition Procurement Alliance, for the services of the School Nutrition Technology Consultant/Project Manager, the Nutrition Education and Training Consultant and staff support for the Summer Food Service Program and National School Lunch Program. Weldon City Schools has demonstrated itself to be a very reliable, dependable partner with the State agency. The current contract number is NC10240009.

13. **Is this contract for information technology services? No.**

14. **If this is a personal service contract request, is the vendor/contractor a retiree?**

_____ Yes X No

If answer is yes, is individual a member of:

_____ TSERS (Teachers & State Employees Retirement System)

_____ Other (Please Explain) _____

Requisition No. RQ 18934429

Budget Code: 0801-532150-133033050721

Signed: Ron B Page
Budget Representative

Date: 8/3/17

Requisition No. RQ 18934429

Approved: Yes No

Signed: Mitchell-Martin
Supt./Deputy Supt./Appropriate CFO/CAO/CIO

Date: 7-31-17

For Technology Contracts Only:

Approved: Yes No

Signed: _____
Chief Information Officer

Date: _____