



5695 West River Drive NE
Belmont, MI 49306
Tel: 616-285-7960

April 10, 2015

Dan Cwayna, Superintendent
West Branch-Rose City Schools
960 South M-33
West Branch, MI 48661

Hello Dan,

Chartwells has agreed to honor our an alternate bid from last year's RFP process in order for your Board of Education to consider privatization of Food Service hourly employees.

I am pleased to present a revised budget for West Branch-Rose City Schools for the 2015 School Year. This budget is based on revenue estimates from last year's RFP, updated with 2014-15 Federal Reimbursement Rates for School Meals.

And, as we discussed, it also alters the manager split from its current 50-50 split with Essexville-Hampton Public Schools to a 60-40 split (60% West Branch, 40% Essexville.)

We have also negotiated our Annual Renewal terms, (2% increase in our management and administration fees) as permitted by the Michigan Department of Education. Those terms and paperwork are attached to this letter as well.

If the Board of Education decides not to accept a bid to privatize employees, then our contract would revert back to the terms set forth in last year's bid. Your manager split partnership with Essexville would remain at 50-50. The annual renewal documents that have been sent to you would remain the same.

I look forward to our continued partnership with West Branch-Rose City Schools.

Sincerely,

Mary Darnton, District Manager
Chartwells K-12

Financial Budget Projections

West Branch-Rose City Schools

School Year 2015-16

Plan B1 With Advanced Payment

Chartwells School Dining Services

INCOME:

Student Sales Brkft & Lunch	\$	165,215.00
Ala Carte & Adult Sales	\$	101,000.00
Catering & Other Income	\$	<u>9,000.00</u>
Cash	\$	275,215.00
Reimbursements	\$	<u>839,000.00</u>
TOTAL	\$	1,114,215.00

EXPENSES

Food	\$	419,508.00
Less: Rebates/ Manufacturers Incentives	\$	(34,819.16)
Chartwells Direct Labor & Fringe	\$	310,018.45
Chartwells Mgr & Fringe	\$	43,895.00
District Expenses*	\$	51,850.00
Other Non-Food Costs	\$	55,187.58
Chartwells Mgmt and Admin Fees	\$	<u>81,561.00</u>
TOTAL**	\$	927,200.87

PROFIT/LOSS \$ **187,014.13**

*District Expenses includes Indirect Costs of \$34,000 and Other Costs of \$17,850, as defined in the RFP

**This budget does NOT include lunch aides charged as a Program Cost. RFP projection was \$64,238.18

YTD Budget Worksheet 2014-16

District Name West Branch-Rose City
 Period 8
 DA Mary Derridon

PROJECTION

Annual Sales	Actual YTD	Budget YTD	Prior YTD	Actual YTD	Budget YTD	Prior YTD	Actual Daily	Budgeted Daily	Prior YTD	Budget Revenue	Prior YTD	Budget Revenue	Prior YTD
	Days	Days	Days	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
Student Type A	130	132	125	103,983	128,039	102,924	800	970	823	823	(170)	84979	139177
Breakfast Sales	130	132	125	63,490	22,579	77,955	488	171	624	624	317	84979	139177
Student Ala Carte													
Milk													
Adult Type A				7,116	8,267	6,408	55	63	51	51	(8)	9524	9524
Other Sales				4,908	8,519	8,750	38	49	70	70	(12)	6589	6589
Federal Reimb				656,723	656,762	602,443	6052	4988	4820	4820	84	878988	878988
Special Income													
Sales Tax-enter as negative #				(406)	(87)	(363)	(3)	(1)	(3)	(3)	(2)	(543)	(543)
Client Vending													
Total Sales				835,814	821,069	798,417	6429	6220	6386	6386	209	1118879	1118879
Total Lunch Counts				172,945	176,712	159,856	1330	1338	1277	1277	(8)	231480	231480
Total Breakfast Counts				161,637	159,952	150,166	1245	1212	1201	1201	33	216813	216813
Total Snack Counts				11,937	12,924	11,833	92	98	95	95	(6)	15877	15877
Total Dinner Counts				633			5				5	847	847
Total Ala Carte Counts				21605	-7200	27044	166	(55)	216	216	221	28917	28917
Total Meal Court				371085	346,990	350649	2855	2828	2806	2806	228	493835	493835

PRODUCTIVITY	MPLH	28.7	28.7	28.7	YTD Act. %	YTD Bud. %	Prior YTD %	YTD Act. \$	YTD Bud. \$	Prior YTD \$	Actual Daily	Budgeted Daily	Prior YTD Daily	Budget Variance	Prior YTD Variance
Food Cost		42.77%	40.61%	40.86%	357477	333,396	326,123	2750	2578	2609	224	478469	478469	141	51329
VA/Procurement-as std/food neg #		4.68%	3.26%	3.85%	38349	26,921	30,742	295	204	246	91	49	427141	427141	82
Total Food Cost		38.16%	37.33%	37.01%	319128	306,475	296,381	2455	2322	2363	133	47774	47774	(24)	(422)
Food Cost w/o 31d & Breakfast & VA		2.48%	2.76%	2.88%	20751	22,874	22,948	160	172	184	10	49803	49803	13	(47)
Paper Cost		44.52%	45.37%	51.43%	312071	372,532	410,466	2862	2822	283	40	80796	80796	37	(60)
Hourly Labor & Fringe		3.86%	3.57%	4.43%	30607	29,315	36,360	235	222	283	524	58089	58089	7	(3)
Charter/Bus Mgr Salary & Fringe		7.42%	6.87%	8.21%	50365	56,407	65,648	484	427	334	101	78976	78976	12	5
Total Other Semi Variable		6.19%	5.28%	5.27%	43400	43,207	42,046	334	327	306	6	115166	115166	12	(261)
Admin Fee		1.88%	1.65%	1.58%	14110	13,573	12,834	109	103	437	51	32776	32776	12	(261)
Management Fee		6.88%	6.92%	6.85%	67610	66,780	64,680	442	430	10367	651	78976	78976	12	(261)
Total FBO				860432	844,183	844,373	10108	9555	10367	10367	651	32776	32776	12	(261)
Total Expenses				860432	844,183	844,373	10108	9555	10367	10367	651	32776	32776	12	(261)

Net Profit cos	124,618	(23,114)	(86,266)
Snow Days	P1	P2	P3
2 HR Delays		1	3
Total Days			4

Summer Insurance for Staff - cost of 15,171.65
 Lunch Room Aides \$19,162.16 + benefits (Charged to Food Service and not in budget)
 Maintenance & Repair cost for this year is \$11,432.00, budget was 4,500.00. (We have replaced compressors on two refrigerators this year.)

West Branch-Rose City
School District Name

65045
District Number

July 1, 2014
Date of Original Contract:

Year of Renewal (circle) 2 3 4

Contract Renewal Agreement - Cost Reimbursable Contract

This document contains the rates and fees for the furnishing of food service management for nonprofit food service programs for the period beginning July 1, 2015, and ending June 30, 2016. The terms and conditions of the original contact are applicable to the contract renewal.

The bidder shall not plead misunderstanding or deception because of such estimates of quantities, or of the character, location, or other conditions pertaining to the proposal.

	2014/15 Rate	2015/16 Rate	Percentage Change/Increase***
1. Reimbursable Breakfasts	1. _____	1. _____	1. _____
2. Reimbursable Lunches*	2. _____	2. _____	2. _____
3. A la Carte Meal Equivalents*	3. _____	3. _____	3. _____
4. Management Fee Per Meal (Breakfasts and Lunches) and Meal Equivalent (A la Carte)	4. 5.0 cents	4. 5.1 cents	4. 2.00%
5. Administrative Fee Per Meal or Month	5. \$6,200.00	5. \$6,324.00	5. 2.00%
6. Equivalent Meal Factor	6. \$3.1625	6. \$3.2275	6. 2.00%
7. At Risk Suppers*	7. _____	7. _____	7. _____
8. After School Snacks	8. _____	8. _____	8. _____
9. Advance Payment, if any (flat amount)		9. \$77,000.00	9. _____

*Rates must be the same

**Rates must not be rounded up. Do not exceed two decimal places.

***Percentage increase must not exceed the allowable increase established in the original contract.

By submission of this proposal, the FSMC certifies that, in the event it receives a renewal award under this solicitation, the FSMC shall operate in accordance with applicable program laws and regulations. This agreement shall not exceed one year.

Signed: _____
Food Management Company Representative

Title

Date

Acceptance of Contract Renewal Agreement

Signed: _____
School Food Authority Representative

Title

Date