Minnesota Department of Education

Summer Food Service Program
Requirements for Contracts for Vended Meals

A Summer Food Service Program (SFSP) organization that purchases its SFSP meals from another organization (vendor) must meet program standards for the procurement and the contents of the contract.

Questions about contract and procurement requirements for SFSP vended meals may be directed to Minnesota Department of Education, Food and Nutrition Service (FNS) at 651-582-8526, 800-366-8922 (MN Toll-free) or mde.fns@state.mn.us.

1. What is the definition of "food service management company" and "vendor?"

SFSP regulations allow a sponsoring organization to purchase meals from a "food service management company," which is defined as any organization – commercial (catering or food service management or restaurant) or a school or a private non-profit organization – that provides unitized meals to a program sponsor. In the *SFSP Contract for Vended Meals* template, the term "Vendor" is used for the food service management company.

2. What contract format must be used?

FNS provides a standard *SFSP Contract for Vended Meals* template, which includes all contract provisions that are required for SFSP.

A sponsoring organization may use its own usual form of contract to purchase meals for SFSP, provided the contract includes requirements for SFSP, if (1) the sponsoring organization has a year-round contract for food service management, or (2) the sponsoring organization is a public entity, or (3) expenditures under the contract will not exceed $150,000. If a sponsoring organization's usual form of contract does not have provisions for SFSP, the *SFSP Contract for Vended Meals* template may be used as an addendum to the main contract to add the SFSP provisions.

3. What if SFSP meals will be obtained from a school?

If a sponsoring organization will obtain SFSP meals from a school food authority that participates in the National School Lunch Program, competitive procurement procedures as described below are not required. The sponsoring organization and school food authority may directly negotiate the terms of the contract. The standard *SFSP Contract for Vended Meals* template should be used.

4. Are formal procurement procedures required?

If the contract will exceed $150,000, the sponsoring organization must use formal "sealed bid" procurement procedures, including advertisement. Contact FNS for more information if the contract will exceed $150,000.

If the contract will not exceed $150,000, the sponsoring organization may follow informal procurement procedures, usually referred to as “small purchase procedures” or obtaining “quotations.” Maintain a procurement log to document the quotes that are obtained and the basis for awarding the contract.

5. What information do potential vendors need?

The sponsoring organization needs to specify its requirements so that interested vendors can respond with quotes. At a minimum, information for vendors will include:

- A copy of the *SFSP Contract for Vended Meals* template.
- Which meal services are requested.
- Number of meals to be provided daily for each meal service.
- Ordering and delivery requirements.
- Menus for each meal service.

6. Does the contract have to be awarded to the vendor with the lowest bid?

An SFSP sponsoring organization must follow applicable procurement procedures that ensure free and open competition and the economical expenditure of program funds. Generally, a sponsor must accept the lowest bid from a responsible bidder that can provide the SFSP meals as specified.

A sponsor must contact FNS before awarding the contract if (1) there may be justification to accept a bid other than the lowest bid, (2) only one bid was received, or (3) the successful bid exceeds $150,000.

7. What contract and procurement documentation must be sent to FNS?

Each year the sponsoring organization must send a copy of its signed contract for vended meals or renewal of contract to FNS. When obtaining a new contract for vended meals, sponsoring organization may send the draft contract for FNS review prior to signature to ensure that the contract meets program requirements. Allow three weeks for FNS response.

In addition, the sponsoring organization must send procurement information by completing the *SFSP Procurement Description* form. Procurement information for a contract for vended meals must be sent when the sponsoring organization initially applies for SFSP, and then each time that a new contract for vended meals is procured.

8. May a Contract for Vended Meals be renewed for additional years, without going out again for bids?

The standard *SFSP Contract for Vended Meals* allows the sponsoring organization and vendor to mutually agree to renew the contract for additional years, with prices adjusted as specified in the original contract. The *SFSP Renewal of Contract for Vended Meals* template must be used for renewals.

A public school or district may renew a contract for up to two years as allowed by state law. Other sponsoring organizations may renew a contract for up to four years as allowed by federal regulations.

9. What if a college-sponsored SFSP program will obtain SFSP meals from the college's food service management company?

Colleges that have a contract with a food service management company are considered "vended." These food service management contracts often are "exclusive" contracts that prohibit other companies from providing food services on campus. When a food service management contract is originally procured, include the requirements for SFSP meals in the solicitation documents. If the original solicitation did not include requirements for SFSP, then the college must submit information as directed by FNS to document whether including SFSP meals under the existing contract would be a material change to the contract. If including SFSP meals is determined not to be a material change, then provisions for SFSP may be added to the existing contract and SFSP requirements must be included in the solicitation documents when a new contract is procured. If it is determined that adding SFSP would be a material change to the existing contract, then the college has these options: (1) conduct a procurement for a new food service management contract for the college that includes SFSP requirements, or (2) conduct a procurement for a new contract for SFSP meals only, if agreed to by the college and company, or (3) pay for SFSP meals under the existing contract with other nonfederal funds from outside the food service, or (4) have SFSP meals self-prepared by college staff.