

**[PLEASE NOTE THAT CHANGES TO RFP AND CONTRACT TERMS ARE NOT ALLOWED. DISTRICTS THAT MAKE CHANGES TO CONTRACT TERMS THAT HAVE NOT BEEN APPROVED BY TDA MAY NOT USE CHILD NUTRITION FUNDS TO PAY FSMC. ADDITIONALLY, NOTE THAT THE FORM OF REQUEST FOR PROPOSALS (RFP) HAS NEW LANGUAGE THIS YEAR WHICH EMPHASIZES GUIDANCE RECEIVED FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE'S FOOD AND NUTRITION SERVICE (FNS) REGARDING PROCUREMENT. SECTION III.E.5 ON PAGES 18-19 OF THIS RFP REQUIRES A SCHOOL FOOD AUTHORITY (SFA) TO ENSURE THAT A FOOD SERVICE MANAGEMENT COMPANY (FSMC) COMPLIES WITH ALL APPLICABLE COMPETITIVE BIDDING AND OPEN COMPETITION REQUIREMENTS. SECTION III.J.4, *AWARD CRITERIA*, ON PAGE 31, RESTATES FNS' REQUIREMENT THAT CONTRACTS MUST BE AWARDED TO THE RESPONSIVE AND RESPONSIBLE BIDDER WHOSE PROPOSAL IS LOWEST OR MOST ADVANTAGEOUS TO THE PROGRAM WITH PRICE AND OTHER FACTORS CONSIDERED OF WHICH COST MUST BE THE PRIMARY CONSIDERATION.]**

**[DISTRICTS MAY NOT MAKE CHANGES TO RFP AFTER IT HAS BEEN POSTED]**

**SCHOOL NUTRITION PROGRAMS**

**FOOD SERVICE MANAGEMENT COMPANY**

**Galveston County-Juvenile Justice Center**

**REQUEST FOR PROPOSAL**

**AND**

**CONTRACT**

**NO. RFP #B162009**

**Texas Department of Agriculture  
Food and Nutrition  
P. O. Box 12847  
Austin, Texas 78711-2847  
Phone (877) TEX-MEAL  
Fax (888) 203-6593  
Website <http://www.squaremeals.org>**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the *USDA Program Discrimination Complaint Form*, (AD-3027) found online at: [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: [mailto: program.intake@usda.gov](mailto:program.intake@usda.gov).

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## I. INTRODUCTION

This document contains a Request for Proposals for providing food service management services for Jerry J. Esmond Juvenile Justice Center School District's participation in the United States Department of Agriculture's School Nutrition Programs and sets forth the terms and conditions applicable to the proposed procurement. Upon acceptance, this document shall constitute the contract (Contract) between the offeror and the school food authority.

The Texas Department of Agriculture is not and will not be a party to any contract between a Galveston County (SFA) and a food service management company. Galveston County has full responsibility for ensuring that the terms of the Contract are fulfilled. The Texas Department of Agriculture has no involvement with the enforcement of this Contract; however, payment can be denied for all meals received/purchased under an invalid Contract.

## II. REQUEST FOR PROPOSALS

### A. Legal Notice

Notice is hereby given that Jerry J. Esmond Juvenile Justice Center Independent School District, hereinafter referred to as the School Food Authority, intends to examine alternatives to its present food service program.

No intent should be construed from this legal notice that SFA intends to enter into a contract with any party for alternative food service unless, in the sole opinion of SFA, it is in SFA's best interest to do so.

All costs involved in submitting a response to this Request for Proposals (RFP) shall be borne in full by the party incurring said cost.

SFA reserves the right to accept any proposal which it determines most favorable to the interest of SFA and to reject any or all proposals or any portion of any proposal submitted which, in SFA's opinion, is not in the best interest of SFA.

The offeror to this RFP will be referred to as the FSMC, and any contract that may arise from this RFP will be between the FSMC and the SFA.

### B. Request for Proposals

**Sealed proposals will be received until 2:00 P.M. on Thursday, June 9, 2016 for supplying Jerry J Esmond Juvenile Justice Center with food service management services during the school year of 2016 - 2017, with options for renewal of the contract for four (4) additional terms of one (1) year each.**

Timeline:	Advertisement	Sunday, May 8, 2016
		Sunday, May 15, 2016
	Pre-Proposal Conference:	Monday, May 23, 2016 @ 2:00 P.M.
	Questions Deadline:	Friday, May 27, 2016
	RFP Opening	Thursday, June 9, 2016 @ 10:00 A.M.

SFA will consider:

Cost-reimbursable Proposals

X Fixed meal rate Proposals

**Competitive sealed proposals are** subject to all the conditions and specifications attached hereto and will be received in the office of **the Galveston County Purchasing Agent, 722 Moody (21<sup>st</sup> Street), Fifth (5<sup>th</sup>) Floor, Galveston, Texas 77550, (409) 770-5372**, and shall be marked on the envelope "*Food Service for Juvenile Justice Center, RFP #B162009*" and also marked on the envelope with the bidder's return address.

In accepting proposals, SFA reserves the right to reject any and all proposals and to waive any minor informalities in order to take the action which it deems to be in the best interest of SFA.

Additional information required to adequately respond to this **RFP** may be obtained from the Purchasing Agent's Office, telephone (409) 770-5371.

Offerors must submit a complete response to this RFP, including all certifications, in order to provide a responsive proposal.

Contracts entered into on a basis of submitted proposals are revocable if contrary to law.

In accordance with Federal law and U.S. Department of Agriculture policy, SFAs and FSMCS are prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability.

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider.

(See Standard Terms and Conditions herein below).

### **C. Procurement Method**

Procurement Method will be the Competitive Sealed Proposals method (commonly known as a Request for Proposals or RFP). The Competitive Sealed Proposals method differs from the traditional sealed bid method in the following ways:

- Competitive sealed proposals allow discussions with competing offerors and adjustments to the initial proposal.
- Comparative judgmental evaluations may be made when selecting among acceptable proposals for award of the Contract.

As provided herein, under state law and, or regulations and SFA's policy, discussions may be conducted with responsible offerors who submit proposals (Proposals) determined to be reasonably susceptible to be selected for award, for the purpose of clarification, to assure full understanding of all terms and conditions of the response to this RFP and Contract's requirements. In conducting these discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

All procurement transactions shall be conducted in a manner that provides maximum full and open competition consistent with 2 CFR § 200.

#### **D. Pre-Proposal Meeting**

A meeting with interested offerors to review the specifications, to clarify any questions, and for a walkthrough of the facilities with school officials will be on **Monday, May 23, 2016 at 2:00 P.M.** Location: Jerry J. Esmond Juvenile Center, 6101 Attwater Avenue, Texas City, Texas 77590. **Attendance is required.** [Note: If SFA makes attendance by offerors mandatory, then SFA may not waive requirement]. Vendor presentations will not be scheduled at this time.

#### **E. Proposal Submission and Award**

SFAs must use the prototype FSMC RFP and Contract to be approved. An SFA not completing the required procurement procedures cannot be approved for participation in the reimbursement programs.

One (1) original and five (5) copies of Competitive Sealed Proposals are to be submitted to:

Rufus G. Crowder  
Purchasing Agent  
County of Galveston  
722 Moody Avenue (21<sup>st</sup> Street)  
Fifth (5<sup>th</sup>) Floor  
Galveston, TX 77550

Public Opening will be at 2:00 P.M. (CST) on Thursday, June 9, 2016. Proposals will not be accepted after this time. All Proposals are to be submitted in a sealed envelope marked RFP #B162009 Food Service for Juvenile Justice.

SFA reserves the right to accept any Proposal which it deems most favorable to the interest of SFA and to reject any or all Proposals or any portion of any Proposal submitted which, in SFA's opinion, is not in the best interest of SFA.

To be considered, each offeror must submit a complete response to this solicitation using the forms provided, along with any other documents submitted as a part of the Proposal, and considered responsive to this RFP. No other documents submitted with the RFP and Contract will affect the Contract provisions, and there may be no modifications to the RFP and Contract language. In the event that offeror modifies, revises, or changes the RFP and/or Contract in any manner, SFA may reject the offer as non-responsive. Section O offers SFA the opportunity to include any additional services that SFA may need, such as a marketing program and salad bars.

Award will be made only to a qualified and responsible offeror whose Proposal is responsive to this solicitation. A responsible offeror is one who's financial, technical, and other resources indicate an ability to perform the services required. Offeror shall submit for consideration such records of work and further evidence as may be required by the SFA's Board of Trustees. Failure to furnish such records and evidence, or the inclusion of any false or misleading information therein, shall be sufficient cause for the rejection of the Proposal or termination of any subsequent Contract. The qualification data shall be submitted by each offeror along with the sealed Proposal, and shall include the information and format as follows:

- Offeror must be incorporated or licensed to do business in the State of Texas and must be registered with the Food and Nutrition Division (FND) of the Texas Department of Agriculture (TDA).

- A bid bond or certified check in the amount of \$7,037.00 to show good faith must be enclosed. As an alternative to large bid-bond guarantees and performance bonds, some SFAs may consider alternative methods of securing performance or execution of Contract documents, such as a bond equal to a percentage of management fees or costs, together with additional insurance to be provided by the FSMC or offeror. In such case, SFAs must make this determination and send the request in writing to TDA, together with details and amounts of additional security and insurance, submitted over signature of the Superintendent of the district.

### Bonding Requirements.

Offeror shall comply with the following minimum bonding requirements, as specified by 2 CFR 200.325. If the value of any contract resulting from this RFP is expected to exceed \$50,000, offeror must provide:

- (1) *A bid guarantee equivalent to five percent of the bid price.* The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
  - (2) *A performance bond for 100 percent of the contract price.* A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
  - (3) *A payment bond for 100 percent of the contract price.* A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.
- Annual reports or financial statements for the past fiscal year in the format of an “accountant’s review” including notes to the financial statements, and provided by a certified public accountant.
  - If offeror is doing business with like school systems and is familiar with the regulations pertaining to operations in such environments, offeror will receive points for that experience in the evaluation of the weight criteria.
  - If offeror is presently operating a comparable, successful National School Lunch Program (NSLP) and School Breakfast Program (SBP) in a school setting, offeror will receive points for that experience in the evaluation of the weight criteria.

Offerors or their authorized representatives are expected to fully inform themselves as to the conditions, requirements, and specifications before submitting proposals; failure to do so will be at the offeror’s own risk, and it cannot secure relief on plea of error. The SFA is not liable for any cost incurred by the offeror in submitting a proposal. **Paying the FSMC from School Nutrition Program funds is prohibited until the Contract is signed.**

If additional information is requested, please contact Rufus G. Crowder, Galveston County Purchasing Agent at (409) 770-5372. Any additional information provided to one offeror will be available to all.

### **F. Late Proposals**

Any proposal submitted after the time specified for receipt will not be considered and will be returned unopened.

### **G. Altering, Amending or Withdrawing Proposal**

No proposal may be altered, amended or withdrawn after the specified time for opening proposals.

### **H. Calculation of Time**

Periods of time, stated as a number of days, shall be calendar days.

### **I. Firm Offer**

By submitting a response to this RFP, and if such response is not withdrawn prior to the time for opening proposals arrives, offeror understands and agrees that they are making a firm offer to enter into a Contract, which may be accepted by SFA and which will result in a binding Contract. **Such proposal is irrevocable for period of ninety (90) days after the time for opening of proposal has passed.** \_\_\_\_\_  
**(FSMC must initial and date here to show agreement)**

### **J. Final Contract**

The complete Contract includes all documents included by the SFA in the RFP, and all documents submitted by the FSMC that have been mutually agreed upon by both parties (i.e. worksheets, attachments, and operating cost sheets) and identified in Section III, Paragraph 5 of the Standard Terms and Conditions

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### III. STANDARD TERMS AND CONDITIONS

#### A. Definitions

The following definitions shall apply within this document and its attachments:

1. "Accounting Periods" means 7. (e.g., each month)]
2. "Allowable Cost" means costs that are allowable under 2 CFR Part 225, "Cost Principles for States, Local Governments, and Indian Tribes", 2 CFR Part 220, "Cost Principles for Educational Institutions", and 2 CFR Part 230, "Cost Principles for Non-Profit Organizations", as applicable, and their Attachments, and 2 CFR Parts 200.420-475, as applicable.
3. "Applicable Credit" means the meaning established in 2 CFR Part 225, Appendix A, Section C(4), and 2 CFR Part 230, Appendix A, Section A(5), and 2 CFR 200.406, respectively.
4. "Charge" means any charge for an Allowable Cost that is: (i) incurred by FSMC in providing the goods and services that are identified in SFA's Food Service Budget; (ii) not provided for in the General and Administrative Expense Fee; and (iii) established and reasonably allocated to SFA in accordance with the Methodology for Allocated Costs, which is attached to this Contract as "Exhibit F", and fully incorporated herein by reference.
5. "Contract" means this RFP and Contract, the exhibits attached to this RFP and Contract, and FSMC's Proposal, as accepted by SFA in its sole discretion.
6. "Cost-reimbursable" contract means a contract that provides for payment of incurred costs to the extent prescribed in the contract, with or without a fixed fee.
7. "Direct Cost" means any Allowable Cost that is: (i) incurred by FSMC in providing the goods and services that are identified in SFA's Food Service Budget; and (ii) reasonably necessary in order for FSMC to perform the Services hereunder. The term "Direct Cost" does not include any cost allocated to SFA as Charges, the General and Administrative Expense Fee, or any Management Fees.
8. "Effective Date" means July 1, 2016.
9. "Fixed Fee" means an agreed upon amount that is fixed at the inception of the Contract. In a cost reimbursable contract, the fixed fee includes the contractor's direct and indirect administrative costs and profit allocable to the Contract.
10. "FSMC's Proposal" means Food Service Management Company's response to the RFP and Contract.
11. "General and Administrative Expense Fee" means FSMC's fee for those services provided at SFA's Food Service Locations, which shall include all of the following: Personnel and Labor Relations Services and Visitation, Legal Department Services, Purchasing and Quality Control, Technical Research, Cost Incurred in Hiring and Relocating FSMC Management Personnel, Dietetic Services (Administrative and

Nutritional), Test Kitchens, Accounting and Accounting Procedures, Tax Administration, Technical Supervision, Supervisory Personnel and Regular Inspections or Audit Personnel, Teaching and Training Programs, General Regional Support, General National Headquarters Support, Design Services, Menu Development, Information Technology and Support, Payroll Documentation and Administrative Cost, Sanitation, and Personnel Advice, but does not include any costs billed to SFA as Charges or Direct Costs. Expenses included in the General and Administrative Fees may not be charged in any other expense. Any travel related to these expenses must be covered by the General and Administrative Expense. Only actual, net, documented costs may be charged to SFA for any charges outside the General and Administrative Expense Fee.

12. "Meal Equivalent" can be derived in two ways to obtain the meal equivalency: 1) dividing the total cost of producing a la carte items sold by the unit cost of producing a reimbursable lunch; and 2) absent cost data, dividing the a la carte revenue by the per meal sum of the Federal and State Free reimbursement plus value of USDA entitlement and bonus donated foods. A la carte revenue should include all sales to adults and a la carte sales to students. (FSMC Guidance for SFA's, April 2009, pages 3-10 to 3-11).

13. "Non-profit School Food Service Account" means the restricted account in which all of the revenue from all food service operations conducted by the SFA principally for the benefit of school children is retained and used only for the operation or improvement of the nonprofit school food service.

14. "Program(s)" or "Child Nutrition Program(s)" means the USDA Child Nutrition Programs in which SFA participates.

15. "Program Funds" means all funds that are required to be deposited into the Non-profit School Food Service Account.

16. "Proposal" means Food Service Management Company's response to the RFP and Contract.

17. "Retroactive Incentive Fee" means an additional fee paid as an incentive to the FSMC to improve SFA's food service operation, the amount of which depends on FSMC's performance during the current school year, and related to a benchmark number mutually agreed upon by SFA and FSMC. Retroactive Incentive Fee may only apply to meals served in SFA's food service operation during the current school year. [Example: If FSMC serves 1 - 999,999 meals during the school year, then FSMC will be paid \$1.00 for every meal served. But, if FSMC serves 1,000,000 meals or more, then FSMC will be paid \$2.00 for every meal served during the school year.]

18. "RFP" means SFA's Request for Proposal and Contract, RFP #B162009, Contract #CM\*, and all of its attachments.

19. "Services" means the services and responsibilities of FSMC as described in this Contract, including any additional services described in Section O of this Contract.

20. "SFA" or "School Food Authority" means the school food authority as defined in 7 CFR § 210.2.

21. "SFA's Food Service Budget" means the Food Service Budget for the Current School Year, which is attached to this Contract as "Exhibit C" and fully incorporated herein.

22. "SFA's Food Service Facilities" means the areas, improvements, personal property and facilities made available by SFA to FSMC for the provision of the food services as more fully described herein.

23. "SFA's Food Service Program" means the preparation and service of food to SFA's students, staff, employees and authorized visitors, including the following programs: the Detention Program, the Transforming Life Cooperative Program (TLC), and the Juvenile Justice Alternative Education Program (JJAEP).

24. "SFA's Food Service Location(s)" means the schools or other locations where Program meals are served to SFA's schoolchildren.

25. "Summer Program" means either the Summer Food Service Program or the Seamless Summer Option identified herein below, and in which SFA participates.

26. "TDA" means the Texas Department of Agriculture.

27. "USDA" means United States Department of Agriculture, Food and Nutrition Service.

## **B. Scope and Purpose**

1. Duration of Contract. Unless it is terminated in accordance with Section III, paragraph L, this Contract will be in effect for a period of one year commencing on July 1, 2016, and terminating on June 30, 2017, and may be renewed for four (4) additional terms of one year each upon mutual agreement between SFA and FSMC.

2. During the term of this Contract, FSMC shall operate SFA's Food Service Program in conformance with SFA's agreement with the Texas Department of Agriculture's (TDA) Food and Nutrition Division (FND).

3. FSMC shall have the exclusive right to operate the programs checked below at the sites specified by SFA in the Schedule of Food Service Locations and Services Provided, which is attached to this Contract as "Exhibit A" and fully incorporated herein. [Check only the programs SFA operates. If SFA anticipates operating any other programs in the foreseeable future, SFA should check the box marked other and identify the programs and year in which SFA reasonably foresees it may operate the program.] [The program(s) listed here should agree with those listed in Exhibit A. If a program is added later (i.e., a breakfast program) which is beyond the scope or original intent of this RFP/Contract, or if a material change is made to the RFP/Contract, the appropriate procurement procedures must be followed. A key factor in determining whether a change is material is whether other bidders knowing of the change would have bid differently. (Reference 97SP-30, FNS Policy Memo, July 2005 Procurement Questions; and 2009 FSMC Manual; SP 28-

2009; SP 02-2010; and SP 17-2012.)] [SFA must always check the FFVP box if that program is within the scope of this RFP.]

- National School Lunch Program (NSLP)
- School Breakfast Program (SBP)
  - Breakfast in the Classroom
  - Universal Breakfast
- After-School Care Program (ASCP—NSLP)
- Summer Food Service Program (SFSP)
- Seamless Summer Option (SSO-NSLP)
- Special Milk Program (SMP)
- Child and Adult Care Food Program (CACFP)
- Fresh Fruit and Vegetable Program (FFVP)
  - À la Carte
  - Adult Meals
  - Catering
  - Contract Meals
  - Vending (applies only to FSMC supplied vending machines)
  - Concessions (applies only to concessions operated by FSMC)
  - Disaster Feeding [Includes H1N1 and Hurricane Feeding]
  - Other:  

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4. The FSMC shall be an independent contractor and not an employee of the SFA. The employees of the FSMC are not employees of the SFA.

5. FSMC's operation of SFA's Food Service Program shall include performance by FSMC of all the Services, which are described in this Contract, for the benefit of SFA's students, faculty and staff.

6. The SFA shall retain signature authority for the application/contract, free and reduced price policy statement, and Programs indicated in Section B, Paragraph 2, herein, and the monthly claim for reimbursement. (Reference 7 CFR §210.9[a] and [b] and 7 CFR §210.16[a] [5])

7. SFA shall be responsible for the establishment and maintenance of the free and reduced-price meals' eligibility roster. (7 CFR § 210.7(c), 7 CFR § 210.9(b)(18) and 7 CFR § 245.6(e))

8. FSMC shall implement an accurate point of service count using the counting system provided by SFA in its application to participate in the School Nutrition Programs and approved by TDA for the programs listed in Section B, Paragraph 3, herein, as required under USDA regulations. Such a counting system must eliminate the potential for the overt identification of free and reduced-price eligible students under USDA Regulation 7 CFR §245.8.

9. SFA shall be responsible for the development and distribution of the parent letter and Application for Free and Reduced-Price Meals and/or Free Milk and participating in Direct Certification. SFA shall be responsible for the determination of eligibility for free or reduced-price meals and free milk, if applicable. SFA shall be responsible for conducting any hearings related to determinations regarding eligibility for free or reduced-price meals and free milk, if applicable.

10. The SFA shall be responsible for verifying Applications for Free and Reduced-Price Meals as required by USDA regulations.

11. SFA and FSMC agree that this Contract is neither a *cost-plus-a-percentage-of-income* nor a *cost-plus-a-percentage-of-cost* contract as required under United States Department of Agriculture (USDA) Regulations 7 CFR §210.16(c) and 2 CFR 200.323(d).

12. SFA shall be legally responsible for the conduct of SFA's Food Program and shall supervise the food service operations in such manner as will ensure compliance with all applicable statutes, regulations, rules and policies including regulations, rules, and policies of TDA and USDA regarding the School Nutrition Programs.

13. SFA shall retain control of the Non-profit School Food Service Account and overall financial responsibility for SFA's Food Service Program.

14. SFA shall establish all selling prices, including price adjustments, for all reimbursable and non-reimbursable meals/milk and à la carte (including vending, adult meals, contract meals, and catering) prices. (Exception: Non-pricing programs need not establish a selling price for reimbursable meals/milk.)

15. SFA shall be responsible for ensuring the resolution of Program reviews and audit findings. FSMC shall fully cooperate with SFA in resolving review and audit issues, and FSMC shall indemnify SFA for any fiscal action, claims, losses or damages, fault, fraud, required repayment or restoration of funds, including reasonable attorney's fees incurred in defending or resolving such issues, that results from FSMC's intentional or negligent acts.

16. SFA shall monitor the food service operation of FSMC through periodic on-site visits to ensure that the food service is in conformance with USDA program regulations. (7 CFR § 210.16(a) (3))

17. If there is more than one SFA Food Service Location, SFA or FSMC, on behalf of SFA, shall conduct an on-site review of the counting and claiming system at each SFA Food Service Location no later than February 1 of each year. If FSMC conducts the on-site review, FSMC will promptly report any findings to SFA. SFA shall at all times retain responsibility for the counting and claiming system. (7 CFR § 210.8(a) (1))

18. FSMC shall maintain all records necessary, in accordance with applicable regulations, for SFA, TDA and USDA to complete required monitoring activities and must make said records available to SFA, TDA, and USDA upon request for the purpose of auditing, examination and review. (7 CFR § 210.16(c) (1))

19. FSMC shall provide additional food service such as banquets, parties, and refreshments for meetings as requested by SFA. SFA or requesting organization will be billed for the actual cost of food, supplies, labor, and FSMC's overhead and administrative expenses if applicable to providing such service. USDA commodities shall not be used for these special functions unless SFA's students will be primary beneficiaries. (Reference All State Directors' Memo 99-SNP-14.)

20. Payments on any claim shall not preclude SFA from making a claim for adjustment on any item found not to have been in accordance with the provisions of this RFP and Contract and bid specifications.

21. SFA may request of FSMC additional food service programs; however, the SFA reserves the right, at its sole discretion, to sell or dispense food or beverages, provided such use does not interfere with the operation of the Child Nutrition Programs. Any change to the scope of services to be provided by FSMC that is beyond the scope or original intent of this RFP and Contract, or that would constitute a material change to the RFP/Contract must be rebid. A key factor in determining materiality is whether other bidders knowing of the change would have bid differently. (Reference, FNS policy memo: July 2005 Procurement Questions)

22. FSMC shall cooperate with SFA in promoting nutrition education, health and wellness policies and coordinating SFA's Food Service Program with classroom instruction.

23. FSMC shall comply with applicable federal, state and local laws, rules and regulations, policies, and instructions of TDA and USDA and any additions or amendments thereto, including USDA Regulation 7 CFR Parts 210, 220, 245, 250; 2 CFR Part 200; and 2 CFR Part 180, as adopted and modified by USDA Regulation 2 CFR Part 417; 7 CFR Part 215 (SMP), if applicable; and 7 CFR Part 225 (SFSP), if applicable; 7 CFR Part 226 (CACFP); and 2 CFR Parts 200.38, 74, & 101(b)(1), and the other laws described in the "Schedule of Applicable Laws," which is attached to this Contract as "Exhibit G" and fully incorporated herein by reference.

24. Any changes to the terms or conditions of this Contract, which are required by Federal or State law or rule, or changes to Federal or State laws or rules, are automatically incorporated herein, effective as of the date specified in such law or rule.

25. FSMC shall comply with all SFA building rules and regulations.

26. Gifts from FSMC: The SFA's officers, employees, or agents shall neither solicit nor accept gratuities, favors, nor anything of monetary value from contractors nor potential contractors in accordance with all laws, regulations and policies. To the extent permissible under federal, state, or local laws, rules, or regulations, such standards shall provide for appropriate penalties, sanctions, or other disciplinary actions to be applied for violations of such standards. (See SP 09-2015; and 2 CFR Parts 200.112 & 318).

27. Any additional payments to the SFA or any foundations or organizations associated with the SFA that are unrelated to food service, such as money or rebates for school improvements and student scholarship are not allowable.

28. SFA shall obtain and post all licenses and permits that it is required to hold under federal, state or local law.

29. In the event that the RFP requires FSMC to provide management services for SFA's School Nutrition Program, the parties agree to operate the Program according to federal, state, and local regulations.

30. In the event that FSMC provides management services for the Fresh Fruit and Vegetable Program (FFVP) at any of SFA's Food Service Locations, SFA and FSMC agree to operate the FFVP in accordance with the requirements of Section 19 of the National School Lunch Act, all applicable regulations and policies, and the FFVP Handbook for Schools, as well as USDA guidance issued via memorandum and the Administrative Review Manual (ARM). SFA and FSMC further agree that not more than 10% of the total funds awarded to the school and/or schools for operation of the FFVP may be used for administrative expenses.

### **C. Food Service**

1. FSMC shall serve meals on such days and at such times as requested by the SFA.
2. SFA shall retain control of the quality, extent, and general nature of the food service.
3. FSMC shall offer free, reduced-price, and full-price reimbursable meals to all eligible children participating in SFA's Food Service Programs indicated in Section B, Paragraph 3 herein.
4. In order for FSMC to offer à la carte food service, the FSMC must offer free, reduced-price, and paid reimbursable meals to all eligible children.
5. FSMC shall provide meals that meet the meal pattern set by USDA.
6. FSMC shall promote maximum participation in the Programs.
7. FSMC shall provide the specified types of service in the schools/sites listed in Exhibit A.
8. FSMC shall sell on the premises only those foods and beverages authorized by the SFA and only at the times and places designated by the SFA, and that meet School Nutrition Program requirements.

9. FSMC must make substitutions in the food components of the meal pattern for students with disabilities when their disability restricts their diet as stated in the students' Individual Educational Plans (IEPs) or 504 Plans and when the need for the substitution is certified by an appropriately licensed medical practitioner. Substitutions for disability reasons must be made on a case by case basis only when supported by a written statement of the need for substitutions that includes recommended alternate foods, unless otherwise exempted by FNS. Such statement must be signed by an appropriately licensed medical practitioner (reference: 7 CFR §210.10(g)(1); and SP 30-2015). The FSMC may make substitution for those nondisabled students who are unable to consume regular breakfast or lunch because of medical or other special dietary needs. Substitutions for students without disabilities who cannot consume the regular lunch or afterschool snacks because of non-disabling medical or other special dietary needs must be made on a case-by-case basis only when supported by a statement from a licensed medical authority except in the case of fluid milk substitutions (reference: 7 CFR §210.10(g)(2)). There will be no additional charge to the student for such substitutions. (USDA, *"Accommodating Children with Special Dietary Needs in the School Nutrition Programs Guidance for School Food Service Staff."*)

10. FSMC shall make substitutions for fluid milk for non-disabled students who cannot consume fluid milk due to medical or special dietary needs. Substitutions shall be made when a medical authority or student's parent or legal guardian submits a written request for a fluid milk substitute identifying the medical or other special dietary need that restricts the student's diet. Approval for fluid milk substitutions shall remain in effect until the medical authority or the student's parent or legal guardian revokes such request in writing, or SFA changes its substitution policy for non-disabled students. Fluid milk substitutes shall provide nutrients as required by federal and state regulations. There will be no additional charge to the student for such substitutions. (Reference 7 CFR § 210.10[g] and 7 CFR § 220.8)

#### **D. Use of Advisory Group/Menus**

1. SFA shall establish and the FSMC shall participate in the formation, establishment, and periodic meetings of SFA advisory board composed of students, teachers, and parents to assist in menu planning. (Reference 7 CFR § 210.16[a] [8])

2. FSMC shall serve meals that follow the 21-day menu cycles that meet the food specifications contained in Food Specifications, which is attached to this Contract as "Exhibit E" and fully incorporated herein, and that meet School Nutrition Program requirements. Additionally, SFA and FSMC shall agree to detailed Meal Specifications for each meal included in the 21-day cycle menus in Program Cycle Menus, which are attached to this Contract as "Exhibit B" and fully incorporated herein. At a minimum, such Meal Specifications shall include: (i) a recipe for each menu item that includes the total yield, portion size,

ingredients and all USDA-required nutrient information; (ii) the identity of all branded items that may be used in the meal; and (iii) whenever possible, the grade, style and condition of each food item and other information that indicates the acceptable level of quality for each food item. FSMC shall provide a detailed recipe for each Meal Specification identified for the 9<sup>th</sup> day in the NSLP menu cycle. A hard copy of these recipes shall be kept on file at SFA.

3. FSMC must follow: (i) the 21-day menu cycle and Meal Specifications developed by SFA for the NSLP; (ii) the 21-day menu cycle and Meal Specifications developed by SFA for the SBP; (iii) the 21-day menu cycle and Meal Specifications developed by SFA for the After School Snack Program; and (iv) the 21-day menu cycle and Meal Specifications developed by SFA for the Summer Program.

4. FSMC shall serve a la carte items that follow a 21-day menu cycle contained in Exhibit B and that meet all state and federal School Nutrition Program requirements. Additionally, SFA and FSMC shall agree to detailed a la carte specifications for each a la carte item included in the 21-day cycle menu; at a minimum, such specifications shall include: (i) a recipe for each menu item that includes the total yield, portion size, ingredients and all USDA required nutrient information; (ii) the identity of all branded items that may be used in the meal; and (iii) whenever possible, the grade, style and condition of each food item and other information that indicates the acceptable level of quality for each food item. FSMC shall provide a detailed recipe for each Meal Specification identified for the 9<sup>th</sup> day in the a la Carte menu cycle. A hard copy of these recipes shall be kept on file at SFA.

5. FSMC may not change or vary the menus after the first menu cycle for the NSLP, SBP, ASCP, Summer Program or the a la carte items without written approval of SFA. SFA shall approve the menus no later than two weeks prior to service. (Reference 7 CFR §210.16 and 7 CFR §210.10) Any changes or variances requested by FSMC for substitutions to SFA menu of lower quality food items shall be justified and documented in writing by FSMC. FSMC must maintain documentation for substitutions and justification of lower quality food items for the records retention period that is applicable to food production records and shall make such documentation available to SFA, TDA and USDA for review upon request. (7 CFR 210.16(c) (1) and 7 CFR §210.23)

6. FSMC must submit a FFVP (Fresh Fruits and Vegetable Program) cycle menu based on the information contained in the 2004 Resource, *Fruits and Vegetables Galore: Helping Kids Eat More*, available from the FNS website, and as described in current guidance from USDA and TDA.

7. FSMC must comply with SFA's local wellness policy. In addition, the FSMC must comply with all state and local laws that affect school meal preparation and/or service.

## **E. Purchases**

1. If FSMC is procuring goods or services that are being charged to SFA under a cost- reimbursable contract or under Section O of this Contract:

a. FSMC may not serve as a vendor.

b. SFA shall ensure that FSMC fully discloses all discounts, rebates, Applicable Credits, allowances, and incentives received by the FSMC. Allowable costs will be paid from the nonprofit school food service account to the FSMC net of all discounts, rebates and other applicable credits accruing to or received by the FSMC or any assignee under the Contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority.

c. If FSMC receives a discount, rebate, applicable credit, allowance, or incentive, FSMC must disclose and return to the SFA nonprofit school food service account the full amount of the discount, rebate, or Applicable Credit that is received based on the purchases made on behalf of SFA, and appropriate records which allow the SFA to ensure compliance as described in Exhibit M of this document must be maintained by the FSMC. 7 CFR Part 210.21(f)(1)(i).

d. FSMC's determination of its allowable costs must be made in compliance with the applicable Department and Programs regulations (Reference 2 CFR Part 200).

e. FSMC must (1) separately identify, for each cost submitted for payment to the school food authority, the amount of an Allowable Cost and the amount that is unallowable, or (2) FSMC must exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and that records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for Contract cost determination and verification.

f. FSMC shall identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to SFA for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit.

g. The method by which FSMC shall report discounts, rebates and other Applicable Credits allocable to the Contract that are not reported before the conclusion of the Contract is Monthly.

h. All discounts, rebates, allowances, and incentives must be returned to SFA by agreed upon monthly as mutually agreed upon [insert timeframe that is beneficial to SFA, however, time frame may be no less than on the program year, which runs from July 1 through June 30].

i. Under a cost-reimbursable contract, FSMC shall maintain documentation of costs and discounts, rebates and other Applicable Credits consistent with federal, state and local regulations, and shall furnish such documentation upon request to the SFA, or state or federal representatives or auditors.

2. Whether SFA conducts its own procurement or whether FSMC procures products on behalf of SFA, FSMC may not require any additional liability coverage, regardless of dollar value, beyond that which SFA would require under procurements not involving FSMC.

3. FSMC shall document and track all FFVP expenses separately and make this documentation easily accessible for SFA or TDA review. Cost should be broken into two categories, operational cost and administrative cost.

a. Operational cost should cover the primary cost to run the FFVP to include purchase of fruits and vegetables, including the cost of pre-cut produce and delivery of charges; non-food items or supplies that are used in serving and cleaning; and salaries and fringe benefits for employees engaged in preparing and distributing fresh fruits and vegetables, and in maintaining a sanitary environment.

b. Administrative costs are used principally to support planning and managing the program. Administrative costs cannot exceed ten (10%) percent of the SFA's FFVP costs. The SFA is required to strictly scrutinize all requests for reimbursement of FFVP costs, to ensure that those costs are: (i) allowable; (ii) actual costs; (iii) fully documented; (iv) utilized to purchase fresh fruits and vegetables in accordance with applicable law and regulations; and (v) do not request reimbursement for more than 10% for administrative costs. TDA will monitor the SFA and FSMC to ensure strict compliance with this provision.

4. SFA must check one of the purchasing options stated herein below **[Note: SFA may not change the purchasing option once it has issued its RFP. Any change would be considered material and require SFA to either begin its procurement process again so that all bidders have the same opportunity or require SFA to pay FSMC using funds other than School Nutrition funds.]**

- a.  SFA will do all purchasing for School Nutrition Program.
- b.  Except for Section O, Paragraph 2, SFA will do all purchasing for CNP.
- c.  For Cost-Reimbursable Contracts: FSMC bills SFA for foods when purchased. At the option of SFA, FSMC will purchase back unused supplies from SFA at the termination of the Contract in order to prevent overbuying (if FSMC bills SFA for supplies as purchased, rather than as used).
- d.  For Fixed-Price Per Meal Contracts: FSMC will buy the beginning inventory, exclusive of commodities, from SFA (not applicable in a cost-reimbursable contract since FSMC should only be charging for new purchases).

5. If FSMC is acting as a purchasing agent on behalf of SFA and purchasing foods or other goods or services for SFA under this Agreement, SFA shall ensure that FSMC shall comply with all applicable competitive bidding and open competition requirements for such purchases, as set forth in 2 CFR Part 200, including but not limited to 2 CFR Sections 200.317-326. In addition, SFA shall ensure that FSMC shall

comply with all applicable federal, state and local laws, rules and regulations, policies, and instructions of TDA and USDA and any additions or amendments thereto, including USDA Regulation 7 CFR Parts 210, 220, 245, 250; 2 CFR Part 200; and 2 CFR Part 180, as adopted and modified by USDA Regulation 2 CFR Part 417; 7 CFR Part 215 (SMP), if applicable; and 7 CFR Part 225 (SFSP), if applicable; 7 CFR Part 226 (CACFP); and 2 CFR Parts 200.38, 74, & 101(b)(1).

6. SFA and FSMC acknowledge that, to the extent required by 7 CFR § 250.23 and 2 CFR Part 200, SFA must, whenever possible, purchase only food products that are produced in the United States.

7. SFA and FSMC acknowledge that to the extent required by Texas Education Code § 44.042(a), unless preempted by federal law or regulations, SFA or FSMC, if box “c” or “d” has been checked in paragraph 3 herein above, will use best efforts to purchase agricultural products produced, processed or grown in Texas if the cost and quality are equal. The availability of Texas products is expected by SFA. The farm to school relationship should be enhanced, encouraged and supported by any vendor supplying goods to SFA. Therefore, SFA will always give preference to items that can be delivered within 24 hours of harvest or production. It is encouraged that the FSMC submit a list of locally grown, processed, and manufactured items available through them for consideration on a regular basis. The products must be labeled and a good faith effort put forward by FSMC to purchase local first when available. In keeping with our mission of establishing relationships, we advocate for a fair price be paid to farmers to help make this important segment of our business sustainable.

#### **F. USDA-Donated Foods**

1. SFA shall retain title to all USDA-donated foods.
2. FSMC will conduct all activities relating to donated foods for which it is responsible in accordance with 7 CFR Parts 250, 210, 220, 225 and 226, as applicable.
3. SFA shall assure that the maximum amount of USDA-donated foods are received and utilized by FSMC. (7 CFR § 210.9(b)(15))
4. SFA shall ensure that FSMC has credited it for the value of all USDA-donated foods received for use in SFA’s meal service in the school year. (7 CFR § 250.51(a))
5. SFA shall maintain responsibility for procuring processing agreements, private storage facilities, or any other aspect of financial management relating to commodities. (7 CFR § 250.15)
6. FSMC shall accept and use all donated ground beef and ground pork products, and all processed end products, without substitution, in SFA’s Food Service Program. Upon termination of this Contract, or if this Contract is not extended or renewed, FSMC must return all unused donated ground beef, pork and processed end products to SFA. 7 CFR § 250.52(c)

7. FSMC further agrees to accept and use all other donated foods in SFA's food service. FSMC [insert may or may not] use (substitute) commercially purchased foods of the same generic identity, of U.S. origin, and of equal or better quality than the USDA-donated foods, in SFA's Food Service Program.

SFA shall consult with the FSMC in the selection of commodities; however, the final determination as to the acceptance of commodities must be made by the SFA.

Upon termination of this Contract, FSMC must, at SFA's discretion, return other unused USDA-donated foods to SFA. The value of other unused USDA-donated foods shall be based on the market value of all USDA-donated foods received for use in SFA's food service. Market value shall be the allocated value provided to the SFA in the Texas Unified Nutrition Program System (TX-UNPS). (7 CFR § 250.51(a))

8. FSMC is prohibited from entering into any processing contracts utilizing USDA-donated foods on behalf of the SFA. FSMC agrees that any procurement of end products by FSMC on behalf of SFA will be in compliance with the requirements in subpart C of 7 CFR Part 250 and with the provisions of SFA's processing agreements. FSMC shall credit SFA for the value of USDA-donated foods contained in the end products at the processing agreement value. All refunds received from processors must be credited to SFA's Nonprofit School Food Service Account. (7 CFR § 250.51(a))

9. FSMC shall accept liability for any negligence on its part that results in any loss of, improper use of, or damage to USDA-donated foods.

10. FSMC shall credit SFA for the value of all USDA-donated foods received for the use in SFA's meal service in the school year, including both entitlement and bonus foods, and including the value of USDA-donated foods contained in processed end products. The manner in which FSMC shall account for the value of USDA-donated foods is [SFA must check box for type of contract it is seeking] (7 CFR § 250.51):

Fixed-meal rate: FSMC must subtract from SFA's monthly bill/invoice the market value of all USDA-donated foods received for use in SFA's food service. The market value is based on the allocated value provided to the SFA in TX-UNPS.

Cost-reimbursable: FSMC must itemize, in a separate line item in the regular monthly billing to SFA, the savings resulting from use of USDA-donated foods based on the market value of all USDA-donated foods received for use in SFA's food service. The market value is based on the allocated value provided to the SFA in TX-UNPS.

FSMC is prohibited from cashing out USDA-donated foods and providing a credit to SFA for USDA-donated foods. (7 CFR § 250.13)

11. FSMC will comply with 7 CFR 250.14(b) and 250.52 concerning storage and inventory management of USDA-donated foods in accordance with 7 CFR 250.52. FSMC will maintain accurate and complete records with respect to the receipt; use/disposition, storage, and inventory of USDA-donated foods [include if SFA seeking a cost-reimbursable contract... and ensure that its system of inventory management will

not result in SFA being charged for USDA- donated foods.] Failure by FSMC to maintain the required records under this Contract shall be considered prima facie evidence of improper distribution or loss of USDA-donated foods.

12. FSMC will comply, as applicable, with 7 CFR 250.51 and 250.52 concerning payment of processing fees or submittal of refund requests to a processor on behalf of the SFA, or remittance of refunds for the value of donated foods in processed in products to the SFA, in accordance with requirements in 7 CFR, part 250 subpart C.

12. FSMC shall allow SFA and/or any state or federal representative or auditor, including the Comptroller General and USDA, or their duly authorized representatives, to perform onsite reviews of FSMC's food service operation, including the review of records, to ensure compliance with requirements for the management and use of USDA-donated foods. (7 CFR § 250.53(a) (10))

13. FSMC shall maintain records to document its compliance with requirements relating to USDA-donated foods in accordance with 7 CFR § 250.54(b). (7 CFR § 250.53(a) (11))

14. In a Fixed-meal rate contract, the bid rate per meal must be calculated as if no USDA-donated commodities were available.

15. FSMC acknowledges that renewal of this Contract is contingent upon the fulfillment of all contract provisions herein relating to USDA-donated foods. (7 CFR § 250.53(a) (12))

16. FSMC shall ensure that all federally donated foods received by the SFA and made available to the FSMC accrue only to the benefit of the school food authority's nonprofit school food service and are fully utilized therein; [7 CFR § 210.16(a)(6)]

### **G. Employees**

1. FSMC shall provide and pay a staff of qualified management (and operational) employees assigned to duty on SFA's premises for efficient operation of the Programs.

2. SFA must designate if current SFA employees, including site and area managers as well as any other staff, will be retained by SFA or be subject to employment by the FSMC. This must agree with the information reported in the List of Charts and Other Attachments, Chart 4, which is attached to this Contract as "Exhibit D" and fully incorporated herein and the Schedule of FSMC Employees, which is attached to this Contract as "Exhibit H" and fully incorporated herein.

Employees retained by:                  SFA (See Exhibit D, Chart 4.)  
         FSMC (See Exhibit H.)

Both SFA and FSMC (See Exhibit D, Chart 4 and Exhibit H)

[If SFA is transitioning employees to FSMC payroll, each position to be transitioned and date of anticipated transition shall be identified in *Section O, Optional Requirements to Be Included* herein] For any employees retained by FSMC, SFA shall provide in Exhibit H a list of each FSMC food service position and the minimum qualifications acceptable to SFA for each position.

3. Any food service position not identified in the above-stated Exhibits shall be an employee of SFA. Such employees shall be supervised on SFA's behalf by FSMC management employees; provided, however, that SFA shall retain the exclusive right to control the terms and conditions of the employment of such supervisory and non-supervisory employees, including, but not limited to, control over their hiring, firing, promotion, discipline, levels of compensation and work duties.

4. If SFA is sharing FSMC employees with other SFAs, SFA shall identify in Chart 9 of the "List of Charts and Other Attachments," which is attached to this Contract as "Exhibit D" and fully incorporated herein, each SFA with whom the FSMC employee is to be shared and state the percentage of time each employee will spend with each SFA. SFA's budget shall reflect percentage of time each employee will work at SFA and for which SFA will be charged.

5. SFA shall have final approval regarding the hiring of Food Service Manager (the "Food Service Director").

6. FSMC shall comply with all wage and hours of employment requirements of federal and state laws. FSMC shall be responsible for supervising and training personnel, including SFA-employed staff. Supervision activities include employee and labor relations, personnel development, and hiring and termination of FSMC management staff, except for the Food Service Director. FSMC shall also be responsible for the hiring and termination of non-management staff who are employees of FSMC.

7. If provided for in the Proposal, SFA and FSMC may transition SFA's food service employees to FSMC's payroll. If transition occurs, FSMC shall give first consideration to current employees of SFA or incumbent contractor when hiring employees to provide services pursuant to this Contract, but FSMC shall not be obligated to hire such employees. SFA shall not pay cost of transferring SFA employees to FSMC payroll. Under a cost-reimbursable contract, after transition occurs, FSMC may charge the cost of transitioned employees to SFA as Direct Costs.

8. FSMC shall provide Workers' Compensation coverage for its employees, as required by law.

9. FSMC shall instruct its employees to abide by the policies, rules, and regulations with respect to use of SFA's premises as established by SFA and which are furnished in writing to FSMC.

10. FSMC shall maintain its own personnel and fringe benefits policies for its employees, subject to review by SFA. Under a cost-reimbursable contract, fringe benefits, as well as the basis for any salary increases, must be specified in the Proposal and approved by SFA in order for these to be Allowable Costs.

Salary increases, if any, shall be awarded, in part, on the basis of criteria mutually established by SFA and FSMC. Such criteria, at a minimum, shall reflect measurable and substantive improvements in operating efficiencies, such as unit costs for food, labor and direct items or specific and identifiable increase in such areas as the total numbers of students and staff participating in food service programs, and the total number of identified students for free and reduced meal reimbursements.

11. FSMC shall assign to duty on SFA's premises only employees acceptable to SFA.

12. Staffing patterns, except for the Food Service Director, shall be mutually agreed upon.

13. FSMC will remove any employee who violates health requirements or conducts himself or herself in a manner that is detrimental to the well-being of the students, provided such request is not in violation of any federal, state or local employment laws. In the event of the removal or suspension of any such employee, FSMC shall immediately restructure the food service staff to avoid disruption of service.

14. FSMC shall cause all of its employees assigned to duty on SFA's premises to submit to health examinations as required by law and shall submit satisfactory evidence of compliance with all health regulations to SFA upon request.

15. All SFA and FSMC personnel assigned to the food service operation in each school shall be instructed in the use of all emergency valves, switches, and fire and safety devices in the kitchen and cafeteria areas.

16. To the extent and in the manner required by state law, FSMC shall perform a security (background) check on any FSMC employee that will be working at SFA.

17. FSMC shall not blacklist or require a letter of relinquishment or publish or cause to be published or blacklisted any employee of FSMC or SFA discharged from or voluntarily leaving the service of FSMC or SFA with intent of and for the purpose of preventing such employee from engaging in or securing similar or other employment from any other corporation, company, or individual.

18. **[Optional Clause – Inclusion determined by SFA. Before SFA includes this clause in its RFP and Contract, SFA should determine whether it may return to a self-operated food service. Inclusion of this clause may preclude SFA from hiring food service directors or other employees if it returns to a self-operated program.]** Neither SFA nor FSMC shall during the Term of this Contract or for one (1) year thereafter solicit to hire, hire or contract with the other's employees who manage any of the Programs or any other employees or who are highly compensated employees. In the event of such breach of this clause, the breaching party shall pay and the injured party shall accept as liquidated damages, an amount equal to twice the annual salary of the subject employee. Such liquidated damages may not be paid from the Program funds. This provision shall survive the termination of this Contract.

19. Both SFA and FSMC shall ensure that their employees adhere to the professional standards and continuing education training requirements as required by federal regulations, codified at 7 CFR Part 210.30,

throughout the initial term and all renewals of this Contract. School food authorities that operate the National School Lunch Program, or the School Breakfast Program (7 CFR Part 220), must establish and implement professional standards for school nutrition program directors, managers, and staff, as defined in 7 CFR Part 210.2. Both SFA and FSMC shall establish and implement the foregoing standards and requirements under this Contract.

#### **H. Use of Facilities, Inventory, Equipment, and Storage**

1. SFA will make available, without any cost or charge to FSMC, area(s) of the premises in which FSMC shall render its services. SFA shall have full access to the food service facilities at all times and for any reason, including inspection and audit.

2. At the commencement, termination or expiration of this Contract, FSMC and SFA shall take a physical inventory of all non-expendable supplies and capital equipment owned by SFA, including, but not limited to, silverware, trays, chinaware, glassware and kitchen utensils and all furniture, fixtures, and dining room equipment utilized in SFA's Food Service Program. FSMC and SFA shall mutually agree on the usability of such supplies and equipment and, at the expiration or termination of this Contract, FSMC shall surrender to SFA all non-expendable supplies and capital equipment in the condition in which it was received except for ordinary wear and tear, damage by the elements and except to the extent that said premises or equipment may have been lost or damaged by vandalism, fire, flood or other acts of God, or theft by persons other than employees of FSMC except through the negligence of FSMC or its employees, or for any other reason beyond the control of FSMC. FSMC and SFA will sign a summary of the beginning inventory at the commencement and at the expiration or termination of this Contract and keep a copy of each on file with this Contract.

3. At the commencement and at the expiration or termination of this Contract, FSMC and SFA shall jointly undertake a beginning and closing inventory of all food and supplies. Commodities shall also be inventoried by a separate inventory. FSMC and SFA shall determine whether any portion of the beginning inventory is not suitable for SFA's continued use. Such inventory, when completed, shall become a part of this Contract by incorporation. FSMC shall be responsible for accounting for any difference between the beginning inventory and the ending inventory and shall compensate SFA for any shortfall in inventory not arising from: (1) normal wear and tear; or (2) theft, fire or other casualty loss beyond the control of FSMC and not arising from the negligence of FSMC or its agents. The value of the inventories, except for commodities inventories, shall be determined by invoice cost. The value of commodities inventories shall be the market value, which is the value in USDA's Electronic Commodity Ordering System (ECOS) at the time the USDA-donated foods are received by SFA.

4. During the course of this Contract, title to all SFA food and supplies shall remain with the SFA.
5. FSMC shall maintain the inventory of silverware, chinaware, kitchen utensils and other operating items necessary for the food service operation and at the inventory level as specified by SFA.
6. SFA will replace expendable equipment and replace, repair and maintain nonexpendable equipment except when damages result from the use of less than reasonable care by the employees of FSMC.
7. FSMC shall maintain adequate storage procedures, inventory and control of USDA-donated foods in conformance with SFA's agreement with TDA.
8. FSMC shall provide SFA with keys for all food service areas secured with locks.
9. SFA shall provide FSMC with local telephone service.
10. SFA shall provide water, gas and electric service for the food service program. If SFA is providing water, gas and electric service for the food service program, charges to the food service account shall be determined in the following manner: \_\_\_\_\_ . District may use this formula:

District will:

- 1) Calculate the square footage of the kitchen by developing a percentage of utilities based on the square footage of the food service facilities in relation to the total school square footage.
- 2) Determine the percentage of time the kitchen is in use compared to the total campus use. (The kitchen may operate 7 hours but the school day with activities may be 9 hours.)
- 3) Apply percentages to the average cost of the total utilities.

District will only charge utilities for kitchens during months of operation (if the kitchen was not operating in the summer, District will not charge the food service operation for utilities during the summer months.) District will not include cafeteria usage when the cafeteria is used for purposes other than feeding students (pep rallies, study hall, evening functions).

11. SFA shall furnish and install any equipment and/or make any structural changes to the facilities needed to comply with federal, state, or local laws, ordinances, rules and regulations.
12. SFA shall be responsible for any losses, including USDA-donated foods, which may arise due to equipment malfunction or loss of electrical power not within the control of FSMC.
13. FSMC shall not remove any food preparation and serving equipment owned by SFA from SFA's premises.
14. SFA shall not be responsible for loss or damage to equipment owned by FSMC and located on SFA premises.
15. FSMC shall notify SFA of any equipment belonging to FSMC on SFA premises within ten days of its placement on SFA premises.
16. FSMC shall comply with all SFA building rules and regulations.

17. FSMC shall not use SFA's facilities to produce food, meals or services for third parties without the approval of SFA. If such usage is mutually acceptable, there shall be a signed agreement that stipulates the fees to be paid by FSMC to SFA for such facility usage. Such usage may not result in a cost to the Non-profit Food Service Account.

18. SFA, on the termination or expiration of this Contract, shall conduct a physical inventory of all equipment, food and supplies owned by SFA.

19. Upon termination of this Contract, FSMC shall surrender to SFA all of SFA's equipment and furnishings used in SFA's Food Service Program in good repair and condition, reasonable wear and tear excepted.

### **I. Health Certifications/Food Safety/Sanitation**

1. FSMC shall maintain, in the storage preparation and service of food, proper sanitation and health standards in conformance with all applicable State and local laws and regulations, and comply with the food safety inspection requirement of § 210.13(b). (7 CFR § 210.9(b) (14))

2. FSMC shall maintain all State of Texas and local health certification for any facility outside the school in which it proposes to prepare meals and shall maintain this health certification for the duration of this Contract. (7 CFR § 210.16(c) (2))

3. FSMC shall obtain and post all licenses and permits as required by federal, state, and/or local law.

4. FSMC shall comply with all State of Texas and local and sanitation requirements applicable to the preparation of food. (7 CFR 210.16(a) (7))

5. SFA shall maintain applicable health certification and ensure that FSMC complies with all applicable state and local regulations pertaining to sanitation, preparing or serving meals at a SFA facility. (7 CFR § 210.16(a) (7))

6. SFA shall provide sanitary toilet and hand washing facilities for the employees of FSMC.

7. FSMC] shall be responsible for cleaning food service equipment, kitchen floors, hoods and grease filters.

8. SFA shall be responsible for the maintenance and expense of insect and pest control in all food service production and storage areas. FSMC will notify SFA of any problems in this area.

9. FSMC shall be responsible for removal of trash and garbage resulting from the food service program in compliance with SFA's schedule for waste disposal.

10. SFA shall be responsible for all regular food service related building maintenance, with the exception of normal clean up.

11. FSMC shall clean the kitchen and dining room areas. (See Exhibit D, Chart 2, Designation of Program Expenses)

12. FSMC shall provide regular cleaning service for cafeteria walls, windows, floors, light fixtures, draperies and blinds, and periodic waxing and buffing of floors.

13. FSMC shall place garbage and trash in containers in designated areas as specified by SFA.

14. FSMC shall operate and care for all equipment and food service areas in a clean, safe and healthy condition in accordance with the standards acceptable to SFA and comply with all applicable laws, ordinances, regulations, and rules of federal, state, and local authorities, including laws related to recycling.

15. SFA shall routinely clean grease traps, ductwork, plenum chambers and roof fans.

16. SFA shall provide extermination services as needed.

17. Any cleaning or sanitation that is not specifically assigned herein shall be the responsibility of SFA.

18. FSMC shall adhere to the food safety program implemented by the SFA for all preparation and service of school meals, using a Hazard Analysis and Critical Control Point (HACCP) system as required by 42 U.S.C. § 1758(h)(5)(A).

19. FSMC agrees to allow at least two health inspections to be conducted by the Health Department at every site involved in school meal preparation and/or service as required by 42 U.S.C. § 1758(h)(1).

### J. Financial Terms

1. All income accruing as a result of payments by children and adults, federal and state reimbursements, and all other income from sources such as donations, special functions, catering, à la carte, vending, concessions, contract meals, grants and loans shall be credited to the Non-profit School Food Service Fund on a daily basis. Any profit or guaranteed return shall remain in the SFA's Non-profit School Food Service Fund.

2. All facilities, equipment and services to be provided by SFA shall be provided at SFA's expense.

3. Computation of Meal Equivalency Rate

Meal Equivalency Rate means the sum of the total reimbursement received for each lunch meal served and claimed. The equivalency factor shall remain fixed for the term of the Contract and all renewals.

<b>MEAL EQUIVLENCY RATE</b>	
Lunch Rate	
Current Year Federal Free Rate of Reimbursement:	\$ _____
Current Year State Match Reimbursement Rate:	\$ <u>0.0261</u>
Current Year State Program Reimbursement Rate (If Applicable):	\$ _____

Current Year Value of USDA Entitlement Donated Foods	\$ <u>0.2475</u>
Current Year Value of USDA Bonus Donated Foods (If Applicable):	\$ _____
Total Meal Equivalent Rate:	\$ _____

4. Payment Terms/Method

SFA must select one of the following two options (**Check method selected**):

- a. (Competitive Sealed Proposals) Fixed-meal Rate Bid—the FSMC must bid and will be paid at a fixed rate per meal/Meal Equivalent. The offer amount should be based on assumption that no donated commodities will be available for use. The method by which FSMC will use and account for USDA-donated foods shall be in accordance with section F of the Standard Terms and Conditions herein above.

<b>To be completed by the FSMC:</b>	
Fixed Price Per Meal/Meal Equivalent:	
Breakfast	\$ _____
Lunch	\$ _____
Snack	\$ _____
A la Carte	\$ _____
SP Fixed Price Per Meal/Meal Equivalent:	
Breakfast	\$ _____
Lunch	\$ _____
Snack	\$ _____

**Award Criteria**

Proposals will be evaluated by a SFA committee based on the offer per meal/meal equivalent and the criteria, categories and assigned weights as stated herein below (to the extent applicable). **Contracts must be awarded to the responsive and responsible bidder whose proposal is lowest or most advantageous to the program with price and other factors considered of which cost must be the primary consideration. See United States Department of Agriculture’s Food and Nutrition Service Memo dated November 13, 2015, SP 12-2016.** Committee members must consist of SFA employees familiar with the regulations and requirements of the school nutrition programs. If a committee member is an agent for, employee of or in any other manner associated with a FSMC, that FSMC will be precluded from participating in the RFP and subsequent Contract. Each area of the award criteria must be addressed in detail in the Proposal.

**Weighted Evaluation Criteria**

[SFA must determine in advance what percentage (total of 100 points which equals 100%) each category below will be given when comparing proposals. SFA may insert additional categories if needed. (See Cost & Financial Proposal criterion below and NOTE: this criterion or consideration must receive more points for the evaluation than the other criteria. For example, if the other nine (9) criteria receive 9.5 points each for a total of 85.5 points, then the Cost & Financial Proposal criterion needs to receive 14.5 points as compared to the other criteria). However, SFA may not include as a category prior experience with SFA as it would violate USDA's free and open competition regulation for procurement.]

- ( 20 ) points Cost & Financial Proposal
- ( 15 ) points Service Capability Plan (Identifies proposed food service team such as Food Service Director and demonstrates FSMC's ability to provide services as stated in the RFP/Contract)
- ( 15 ) points Experience, References
- ( 10 ) points Doing business with like school systems and familiarity with regulations pertaining to such operations/References
- ( 15 ) points Financial Condition/Stability, Business Practices
- ( 5 ) points Accounting and Reporting Systems
- ( 5 ) points Personnel Management
- ( 5 ) points Innovation
- ( 5 ) points Promotion of the School Food Service Program
- ( 5 ) points Involvement of Students, Staff, and Patrons

100 points TOTAL

The fixed price per meal/meal equivalent may be increased on an annual basis by the Yearly Percentage Change in the Consumer Price Index for All Urban Consumers, as published by the U.S. Department of Labor, Bureau of Labor Statistics, Food Eaten Away from Home, South-Size Class B/C (Mid-sized and small population metropolitan area with fewer than 1.5 million), (CPI). Such increases shall be effective on a prospective basis on each anniversary date of this Contract and will be allowed only if approved in advance by SFA. CPI Fee increases for the upcoming Contract renewal year must be submitted to SFA by April 1 of each year. No other fee increases will be allowed.

- b. (Competitive Sealed Proposals) Cost-Reimbursable contract—the FSMC will be paid on the basis of the Direct Cost incurred plus any fixed fees. The value of commodities used must be itemized in the regular monthly billing to the SFA to document savings resulting from commodity usage. The values are to be determined in accordance with section F of the Standard Terms and Conditions herein above.

(1) All program expenses not otherwise defined in the Contract will be assumed to be covered by the FSMC under the General and Administrative Expense Fee. All indirect and overhead costs must be included in the General and Administrative Expense Fee.

(2) The following must be included in the General and Administrative Expense Fee and may not be charged in any other expenses. Also, any travel relating to the following must be covered by the General and Administrative Expense Fee.

- Personnel and Labor Relations Services and Visitation
- Legal Department Services
- Purchasing and Quality Control
- Technical Research
- Cost Incurred in Hiring and Relocating FSMC Management Personnel
- Dietetic Services (Administrative and Nutritional)
- Test Kitchens
- Accounting and Accounting Procedures
- Tax Administration
- Technical Supervision
- Supervisory Personnel and Regular Inspections or Audit Personnel
- Teaching and Training Programs
- General Regional Support
- General National Headquarters Support
- Design Services
- Menu Development
- Information Technology and Support
- Payroll Documentation and Administrative Cost
- Sanitation
- Personnel Advice

(3) SFA must determine whether a Retroactive Incentive Fee will be considered by SFA for the General and Administrative Expense Fee. Please check one:

- SFA will entertain a proposal that includes a Retroactive Incentive Fee per meal served for entire school year for FSMC's General and Administrative Expense Fee. FSMC shall include Retroactive Incentive Fee scale in box herein below.

- SFA will not entertain a proposal that includes a Retroactive Incentive Fee per meal served for entire school year for FSMC's General and Administrative Expense Fee.

If neither box is checked, it is assumed that SFA will not entertain a proposal with a Retroactive Incentive Fee per meal served for FSMC's General and Administrative Expense Fee.

<b>To be completed by the FSMC (Complete One):</b>	
Flat Fee:	\$ _____
or	
General and Administrative Expense Fee Per Meal/Meal Equivalent:	\$ _____

(4) The Management Fee represents a profit to the FSMC. SFA must determine whether a Retroactive Incentive Fee will be considered by SFA. Please check one:

- SFA will entertain a proposal that includes a Retroactive Incentive Fee per meal served for entire school year for FSMC's Management Fee. FSMC shall include Retroactive Incentive Fee scale in box herein below.
- SFA will not entertain a proposal that includes a Retroactive Incentive Fee per meal served for entire school year for FSMC's Management Fee.

If neither box is checked, it is assumed that SFA will not entertain a proposal with a Retroactive Incentive Fee per meal served for FSMC's Management Fee.

<b>To be completed by the FSMC (Complete One):</b>	
Flat Fee:	\$ _____
or	
General and Administrative Expense Fee Per Meal/Meal Equivalent:	\$ _____

(5) Management and General and Administrative Expense Fees shall be paid by the SFA.

***Award Criteria***

Proposals will be evaluated by a SFA committee based on the offers as set out above and the criteria, categories and assigned weights as stated herein below (to the extent applicable). Committee members must consist of SFA employees familiar with the regulations and requirements of the child nutrition programs. If a committee member is an agent for, employee of or in any other manner associated with a FSMC, that FSMC will be precluded from participating in the RFP and subsequent contract. Each area of the award criteria must be addressed in detail in the Proposal.

***Weighted Evaluation Criteria***

**SFA must determine in advance what percentage (total of 100 points which equals 100%) each category below will be given when comparing proposals. [SFA may insert additional categories if needed. (See Cost & Financial Proposal criterion below and NOTE: this criterion or consideration must receive more points for the evaluation than the other criteria. For example, if the other nine (9) criteria receive 9.5 points each for a total of 85.5 points, then the Cost & Financial Proposal criterion needs to receive 14.5 points as compared to the other criteria). However, SFA may not include as a category prior experience with SFA as it would violate USDA’s free and open competition regulation for procurement.]**

- ( \_\_ 0 \_\_ ) points Cost & Financial Proposal
  - ( \_\_ 0 \_\_ ) points Service Capability Plan (Identifies proposed food service team such as Food Service Director and demonstrates FSMC’s ability to provide services as stated in the RFP/Contract)
  - ( \_\_ 0 \_\_ ) points Experience, References
  - ( \_\_ 0 \_\_ ) points Doing business with like school systems and familiarity with regulations pertaining to such operations/References
  - ( \_\_ 0 \_\_ ) points Financial Condition/Stability, Business Practices
  - ( \_\_ 0 \_\_ ) points Accounting and Reporting Systems
  - ( \_\_ 0 \_\_ ) points Personnel Management
  - ( \_\_ 0 \_\_ ) points Innovation
  - ( \_\_ 0 \_\_ ) points Promotion of the School Food Service Program
  - ( \_\_ 0 \_\_ ) points Involvement of Students, Staff, and Patrons
- 100 points TOTAL

The General and Administrative Expense and Management Fees may be increased on an annual basis by the Yearly Percentage Change in the Consumer Price Index for All Urban Consumers, as published by the U.S. Department of Labor, Bureau of Labor Statistics, Food Eaten Away from Home [insert one CPI regional index:

South-Size Class A (population of metropolitan area over 1.5 million), South-Size Class B/C (Mid-sized and small population metropolitan area with fewer than 1.5 million), or South-Size D (all nonmetropolitan areas)] (CPI). Such increases shall be effective on a prospective basis on each anniversary date of this Contract and will be allowed only if approved in advance by SFA. CPI Fee increases for the upcoming Contract renewal year must be submitted to SFA by April 1 of each year. No other fee increases will be allowed.

5. For the purpose of computing the foregoing meal counts, the number of National School Lunch Program, School Breakfast Program, After School Care Program and Summer Program meals served to children shall be determined by actual count; provided, however, that no payment will be made to FSMC for meals that: (i) are spoiled or unwholesome at the time of delivery; (ii) do not meet detailed specifications as developed by SFA for each food component in the meal pattern; or (iii) do not otherwise meet the requirements of this Contract.

6. Payment Terms/Method: FSMC shall invoice SFA within 7 days after the end of each Accounting Period for the total amount of SFA's financial obligation for that Accounting Period.

7. SFA shall make payment in accordance with the Texas Prompt Payment Act Tex. Gov't Code Chapter 2251; however, no interest or finance charges that may accrue under this Contract may be paid from SFA's Nonprofit School Food Service Account.

8. If this is a cost-reimbursable contract, FSMC must submit detailed cost documentation for each Accounting Period to support what the SFA is charged for each cost, Charge, or expense. Costs, Charges, and expenses must be mutually agreeable to the SFA and the FSMC and be allowed by TDA. Upon termination of the Contract, all outstanding amounts shall immediately become due and payable. Each invoice submitted by FSMC will include reconciliation for any overpayment or underpayment from prior Accounting Periods and shall identify and account for donated food as stated herein above.

9. FSMC shall be responsible for paying all applicable taxes and fees, including, but not limited to, excise tax, state and local income tax, payroll and withholding taxes, for FSMC employees. FSMC shall indemnify and hold SFA harmless for all claims arising from payment of such taxes and fees.

FSMC may charge SFA for all applicable taxes and fees, including, but not limited to, excise tax, state and local income tax, payroll and withholding taxes, FSMC actually paid for FSMC employees. FSMC may not charge late fees, penalties, or interest.

10. If this is a cost-reimbursable contract, FSMC shall not pay any bonuses under this Contract that are not specifically provided for in the Budget and within the scope or original intent of this RFP/Contract and

FSMC's Proposal. Bonuses, if any, shall be awarded, in part, on the basis of criteria mutually established by SFA and FSMC. Such criteria, at a minimum, shall reflect measurable and substantive improvements in operating efficiencies, such as unit costs for food, labor and direct items or specific and identifiable increase in such areas as the total numbers of students and staff participating in food service programs and the total number of identified students for free and reduced meal reimbursements.

11. If this is a cost-reimbursable contract, shall not reimburse for reasonable cellular telephone expense incurred by the Director for communications related to the Contract. Reasonable cellular telephone expenses shall be charged as an expense by FSMC. Reasonable expenses shall not include additional services such as paging, e-mail or voice mail.

12. If this is a cost-reimbursable contract, SFA shall not reimburse for travel expenses.

[If SFA is reimbursing for travel expenses] Reimbursement shall be for on-site FSMC staff only, that are Direct Costs related to the Contract and which are provided for in the budget. Reasonable expenses shall include mileage reimbursement, lodging (at the lowest available room rate) and reasonable meal expenses. Mileage, lodging and meal expenses will be reimbursed at the same rate as received by SFA employees.

13. [Insert if guaranty included in RFP.] SFA and FSMC shall cooperate to ensure that SFA's Food Service Program is operated in accordance with SFA's Food Service Budget. In the event that FSMC's operation of SFA's Food Service Program results in a deficit greater than the projected deficit stated in SFA's Food Service Budget or a return that is less than the projected return stated in the Food Service Budget, FSMC shall within 30 days pay SFA a guaranty payment as provided for by the "Schedule of Terms for FSMC Guaranty," which is attached to this Contract as "Exhibit I" and fully incorporated herein. In the event that FSMC pays a guaranty, FSMC may not recover the guaranty from SFA in subsequent Contract years.

14. SFA shall not be responsible for any expenditure incurred by FSMC before execution of this Contract and approval by TDA.

#### **K. Books and Records**

1. FSMC shall maintain such records (supported by invoices, receipts, or other evidence) as SFA will need to meet monthly reporting responsibilities and shall submit monthly operating statements in a format approved by the SFA no later than the 20th day following the month in which services were rendered. Participation records, including claim information by eligibility category, shall be submitted no later than the 20th day following the month in which services were rendered. SFA shall perform edit checks on the

participation records provided by the FSMC prior to the preparation and submission of the claim for reimbursement.

2. FSMC shall maintain records at SFA's premises to support all allowable expenses appearing on the monthly operating statement. These records shall be kept in an orderly fashion according to expense categories.

3. FSMC shall provide SFA with a year-end statement.

4. If this is a cost-reimbursable contract, SFA may conduct an internal audit of food, labor and other expense items as needed.

5. SFA and FSMC must provide all documents as necessary for the independent auditor to conduct SFA's single audit.

6. If this is a fixed-meal rate contract, SFA shall ensure that all revenues from the sale of non-program foods accrues to the non-profit school food service account and that revenues available to support the production of reimbursable school meals does not subsidize the sale of non-program foods. For fixed-meal rate contracts, FSMC shall annually provide to SFA information on food costs and revenues and such information must include food costs for reimbursable meals, food costs for non-program foods, revenues from non-program foods, and total revenues. Non-program foods may include but are not necessarily limited to: a la carte; catered foods; vending machine foods; and student stores operated and any other sales generated through the nonprofit school food service account not already described herein. The foregoing information shall be utilized to determine compliance with revenue from non-program foods found at 7 CFR Part 210.14(f). FSMC shall also provide to SFA, upon request, historical information on the type and value of non-program foods and meals to be offered, such as catered foods. FSMC shall be responsible for providing SFA with, and calculating, non-program food costs and program revenues for determining compliance with 7 CFR Part 210.14(f), as provided in SP 20-2016, *Nonprofit School Food Service Account Non-program Food Revenue Requirements* (Dec. 23, 2015).

7. FSMC shall make its books and records pertaining to the Contract available, upon demand, in an easily accessible manner for a period of three years after the final claim for reimbursement for the fiscal year to which they pertain. The books and records shall be made available for audit, examination, excerpts, and transcriptions by SFA and/or any state or federal representatives and auditors. If audit findings regarding FSMC's records have not been resolved within the three-year record retention period, the records must be retained beyond the three-year period for as long as required for the resolution of the issues raised by the audit. (Reference 7 CFR §210.9[b][17] and 2 CFR §200.333).

8. Authorized representatives of SFA, TDA, USDA and USDA's Office of the Inspector General (OIG) shall have the right to conduct on-site administrative reviews of the food service operation.

9. FSMC shall not remove federally required records from SFA premises upon the expiration or termination of this Contract.

#### **L. Term and Termination**

1. If, at any time, SFA shall make a reasonable decision that adequate funding from federal, state or local sources shall not be available to enable SFA to carry out its financial obligation to FSMC, then SFA shall have the option to terminate this Contract by giving 10 days written notice to FSMC.

2. In the event either party commits material breach of this Contract, the non-breaching party shall give the breaching party written notice specifying the default, and the breaching party shall have 30 days within which to cure the default. If the default is not cured within that time, the non-breaching party shall have the right to then terminate this Contract for cause by giving 30 days written notice to the breaching party. If the breach is remedied prior to the proposed termination date, the non-breaching party may elect to continue this Contract. Notwithstanding the foregoing termination clause, in the event that the breach concerns sanitation problems, the failure to maintain insurance coverage as required by this Contract, failure to provide required periodic information or statements or failure to maintain quality of service at a level satisfactory to SFA, SFA may terminate this Contract immediately.

3. In the event that either party is prevented from performing its obligations under this Contract by war, acts of public enemies, fire, flood or acts of God (individually each known as a "Force Majeure Event"), that party shall be excused from performance for the period of such Force Majeure Event exists.

4. In the event of FSMC's nonperformance under this Contract or the violation or breach of the terms of this Contract, SFA shall have the right to pursue any and all available administrative, contractual and legal remedies against FSMC.

5. FSMC shall promptly pay SFA the full amount of any meal over claims, disallowed costs or other fiscal actions which are attributable to FSMC's actions hereunder, including those over claims based on review or audit findings that occurred during the Effective Dates of original and renewal Contracts.

6. SFA is the responsible authority without recourse to USDA or TDA for the settlement and satisfaction of all contractual and administrative issues arising in any way from this Contract. Such authority includes, but is not limited to, source evaluation, protests, disputes, claims or other matters of a contractual nature.

7. Upon service ending by either Contract expiration or termination, it shall be incumbent upon the FSMC to cooperate fully with the replacement FSMC or SFA if SFA is returning to a self-operated food service and with TDA to ensure a smooth and timely transition to the replacement FSMC or SFA.

#### **M. Insurance**

**[SFA MUST evaluate and determine acceptable insurance limits for this section.]**

1. FSMC shall maintain the insurance coverage set forth below for each accident provided by insurance companies authorized to do business in the state of Texas. A Certificate of Insurance of FSMC's insurance coverage indicating these amounts must be submitted at the time of award.

2. The information below must be completed by SFA:

a. Comprehensive General Liability—includes coverage for:

- 1) Premises—Operations
- 2) Products—Completed Operations
- 3) Contractual Insurance
- 4) Broad Form Property Damage
- 5) Independent Contractors
- 6) Personal Injury

\$ 300,000 Combined Single Limit.

b. Automobile Liability coverage with a \$ 300,000 Combined Single Limit.

c. Workers' Compensation—Statutory; Employer's Liability with a combined single limit of \$ per statutory limits.

d. Excess Umbrella Liability with a combined single limit of \$ 300,000.

3. SFA shall be included as additional insured on General Liability, Automobile, and Excess Umbrella policies.

4. The contract of insurance shall provide for notice to SFA of cancellation of insurance policies 30 days before such cancellation is to take effect.

5. Notwithstanding any other provision of this Contract, SFA shall not be liable to FSMC for any indemnity.

#### **N. Trade Secrets and Proprietary Information**

1. During the term of this Contract, FSMC may grant to SFA a nonexclusive right to access certain proprietary materials of FSMC, including menus, recipes, signage, food service surveys and studies,

management guidelines and procedures, operating manuals, software (both owned by and licensed by FSMC) and similar compilations regularly used in FSMC business operations (“Trade Secrets”). SFA shall not disclose any of FSMC's Trade Secrets or other confidential information, directly or indirectly, during or after the term of this Contract. SFA shall not photocopy or otherwise duplicate any such material without the prior written consent of FSMC. All trade secrets and other confidential information shall remain the exclusive property of FSMC and shall be returned to FSMC immediately upon termination of this Contract. SFA shall not use any confusingly similar names, marks, systems, insignia, symbols, procedures and methods. Without limiting the foregoing and except for software provided by SFA, SFA specifically agrees that all software associated with the operation of the food service, including without limitation, menu systems, food production systems, accounting systems and other software, are owned by or licensed to FSMC and not SFA. Furthermore, SFA's access or use of such software shall not create any right, title, interest or copyright in such software and SFA shall not retain such software beyond the termination of this Contract. In the event of any breach of this provision, FSMC shall be entitled to equitable relief, including an injunction or specific performance, in addition to all other remedies otherwise available. All of SFA's obligations under this section are subject to SFA's obligations under the Texas Public Information Act and any other law that may require SFA to use, reproduce or disclose FSMC confidential information. This provision shall survive termination of this Contract.

2. Any discovery, invention, software or program, the development of which is paid for by SFA, shall be the property of SFA to which TDA and USDA shall have unrestricted rights.

3. During the term of this Contract, FSMC may have access to SFA confidential information (“SFA Confidential Information”), including student identifiable confidential information that is protected from disclosure by federal law (42 U.S.C. §1758(b)(6)). FSMC agrees to hold any SFA Confidential Information in confidence during the term of this Contract and thereafter. FSMC further agrees that FSMC has no independent rights to this information and will not make any SFA Confidential Information available in any form to any third party or use Confidential Information for any purpose other than the performance of FSMC's obligations under this Contract. FSMC will use reasonable security measures to protect SFA's Confidential Information from unauthorized access, use or disclosure and ensure that SFA's Confidential Information is not disclosed or distributed in violation of the terms of this Contract. Immediately upon the termination or expiration of this Contract, FSMC shall return to SFA any copies of SFA's Confidential Information provided to FSMC by SFA, and FSMC will destroy all other copies of SFA's Confidential Information in all forms, partial and complete, in all types of media and computer memory, and whether or not modified or merged into other materials.

**O. Optional Requirements to Be Included**

[To be completed by SFA]

[Note: if SFA is seeking improvements to its food service equipment, SFA must state an amount in #1. SFA and FSMC will not be able to incorporate into their agreement by any method, including an additional exhibit or guaranty terms that FSMC will provide items without SFA stating what they are seeking in the RFP. Also, please note that inserting \$4,999.00 to avoid the \$5,000.00 limit will not allow SFA to later increase that amount.]

The scope of this Contract shall include these additional services. **Check options that apply.**

1. Financing of Certain Equipment.

(a) FSMC may finance equipment for SFA's Food Service Program in an amount not to exceed \$\_\_\_\_\_. SFA will follow its usual procurement procedures for any transaction that is financed by FSMC; FSMC cannot be the vendor for any procurement that it finances for SFA. SFA shall repay any financing provided by FSMC at the rate specified when the equipment was purchased, which sum shall be charged to SFA as a Direct Cost to the food service program. Ownership of the equipment shall at all times remain with SFA. Any equipment costing \$5,000 or more must be approved in advance by TDA.

(b) If the Contract expires or is terminated prior to the complete repayment of the investment, SFA shall, on the expiration date, or within five days after receipt by either party of any notice of termination under this Contract, either **(SFA must check appropriate box):**

1) Deliver the equipment or other items funded by the investment to the FSMC in full release of the unpaid balance.

OR

2) Retain the property and continue to make payments in accordance with the amortization schedule. (Reference. "Contracting with Food Service Management Companies: Guidance for School Food Authorities", April 2009, pages 3-12 – 3-13.)

2. Information Technology Systems

(a) Cost Reimbursable Contracts Only. FSMC shall provide, install, deploy into production, operate and maintain and support an information technology system (the "IT System") (which may include, but not be limited to, hardware, owned and licensed software and systems support) necessary for the operation of SFA's Food Service Programs. SFA shall receive a Charge for the use of the IT System. The cost methodology utilized in determining such Charge shall be kept on file by SFA on SFA's

premises. SFA shall provide, at its expense, a suitable environment, including such heat, air conditioning, phone and utility service as may be reasonably required for the installation, implementation, operation and maintenance of the IT System. FSMC's IT System shall provide the following services: \_\_\_\_\_. [SFA must insert functions SFA desires the IT System to perform for SFA and FSMC should insert functions their IT System will perform.]

or

(b) All Fees Must Be Part of The Fixed-Meal Rate. FSMC shall provide, install, deploy into production, operate and maintain and support an information technology system (the "IT System") (which may include, but not be limited to, hardware, owned and licensed software and systems support) necessary for the operation of SFA's Food Service Programs. SFA shall provide, at its expense, a suitable environment, including such heat, air conditioning, phone and utility service as may be reasonably required for the installation, implementation, operation and maintenance of the IT System. FSMC's IT System shall provide the following services: \_\_\_\_\_. [SFA must insert functions SFA desires the IT System to perform for SFA and FSMC should insert functions their IT System will perform.]

3. SFA Transition Employee Positions and Dates of Transition. [SFA shall identify each employee position to be transitioned to FSMC's payroll, anticipated date of transition, and manner in which transition shall occur.].

4. Other. [To be identified by SFA before issuing RFP.]

#### **P. Certifications**

FSMC shall execute and comply with the following Certifications: (i) Debarment certification shall be provided by: a) the SFA providing the page from *The System for Award Management* and maintaining such record with other supporting documentation to demonstrate that the SFA had referenced *The System for Award Management*; or b) that by signing this Agreement that the FSMC certifies that neither it nor any principal is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Contract by any federal department or agency or by the State of Texas; or c) submitting the TDA Certification Regarding Debarment, Suspension, Ineligibility and Voluntary

Exclusion for Covered Contracts form; and (ii) Anti-collusion Affidavit, which is attached to this Contract as Exhibit J and fully incorporated herein; (iii) Certification Regarding Lobbying, which is attached to this Contract as Exhibit K and fully incorporated herein; and (iv) Standard Form-LLL, Disclosure Form to Report Lobbying, when applicable, which is attached to this Contract as Exhibit L and fully incorporated herein; Discount and Rebate Certification, which is attached to this Contract as Exhibit M and fully incorporated here.

## **Q. Miscellaneous**

### 1. Emergency Notifications.

- a. SFA shall notify FSMC of any interruption in utility service of which it has knowledge.

Notification will be provided to:

Name: David Terrell

Title: Deputy Director of Detention

Telephone number: 409-770-5929

Alternate telephone number: 409-392-3000

- b. SFA shall notify FSMC of any delay in the beginning of the school day or the closing of school(s) due to snow or other emergency situations. Notification will be provided to:

Name: David Terrell

Title: Deputy Director of Detention

Telephone number: 409-770-5929

Alternate telephone number: 409-392-3000

2. Governing Law. This Contract is governed by and shall be construed in accordance with Texas and federal law.

3. Headings. All headings contained in this Contract are for convenience of reference only, do not form a part of this Contract, and shall not affect in any way the meaning or interpretation of this Contract.

4. Incorporation/Amendments. This Request for Proposal and Contract, which includes the attached Exhibits A – M and FSMC’s proposal documents (collectively the “Contract Documents”), contain the entire agreement between the parties with relation to the transaction contemplated hereby, and there have been and are no covenants, agreements, representations, warranties or restrictions between the parties with regard thereto other than those specifically set forth in this Contract. In the event of a conflict between or among any of the terms of the Contract Documents, such conflicts shall be resolved by referring to the Contract Documents in the following order of priority: (i) SFA’s Request for Proposal and Contract and (ii) FSMC

proposal documents. No modification or amendment to this Contract shall become valid unless it is made in writing, signed by the parties, and approved by TDA.

5. **INDEMNITY. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS CONTRACT, FSMC SHALL DEFEND, INDEMNIFY, AND HOLD SFA HARMLESS FROM AND AGAINST ALL CLAIMS, LIABILITY, LOSS AND EXPENSES, INCLUDING REASONABLE COLLECTION EXPENSES, ATTORNEYS' FEES AND COURT COSTS THAT MAY ARISE BECAUSE OF THE ACTIONS OF FSMC, ITS AGENTS OR EMPLOYEES IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS CONTRACT, EXCEPT TO THE EXTENT ANY SUCH CLAIMS OR ACTIONS RESULT FROM THE NEGLIGENCE OF SFA, ITS EMPLOYEES OR AGENTS. THIS CLAUSE SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS CONTRACT.**

6. Nondiscrimination. Both SFA and FSMC agree that no child who participates in the NSLP, SBP, SMP, ASCP, CACFP, SSO, or SFSP will be discriminated against on the basis of race, color, national origin, sex, age, or disability.

7. Notices. All notices, consents, waivers or other communications which are required or permitted hereunder, except those required under Emergency Notification herein above, shall be sufficient if given in writing and delivered personally, or by sending a copy thereof by first class or express mail, postage prepaid, courier service, charges prepaid or by facsimile transmission (followed by the original) to the address (or to the facsimile or telephone number), as follows (or to such other addressee or address as shall be set forth in a notice given in the same manner):

To SFA:

To FSMC:

Copy to:

If such notice is sent by mail or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or courier service for delivery to that person or, in the case of facsimile transmission, when received.

8. Severability. If one or more provisions of this Contract, or the application of any provision to either party or circumstance is held invalid, unenforceable or illegal in any respect, the remainder of this Contract and the application of the provision to other parties or circumstances shall remain valid and in full force and effect.

9. Silence, absence or omission. Any silence, absence, or omission from the Contract specifications concerning any point shall be regarded as meaning that only the best commercial practices are to prevail and that only materials (e.g., food, supplies, etc.) and workmanship of a quality that would normally be specified by SFA are to be used.

10. Subcontract/Assignment. No provision of this Contract shall be assigned or subcontracted without prior written consent of SFA, except that FSMC may, after notice to SFA, assign this Contract in its entirety to an affiliated company or wholly owned subsidiary without prior written consent and without being released from any of its responsibilities hereunder.

11. Waiver. The failure of FSMC or SFA to exercise any right or remedy available under this Contract upon the other party's breach of the terms, covenants or conditions of this Contract or the failure to demand prompt performance of any obligation under this Contract shall not be deemed a waiver of such right or remedy; of the requirement of punctual performance; or of any subsequent breach or default on the part of the other party.

12. TDA review. This Contract is not effective until it is approved, in writing, by TDA.

*remainder of page intentionally left blank*

**AGREEMENT**

Offeror certifies that the FSMC shall operate in accordance with all applicable state and federal regulations.

Offeror certifies that all terms and conditions within the Proposal shall be considered a part of this Contract as if incorporated therein.

This Contract shall be in effect for one year and may be renewed by mutual agreement for four additional one-year periods.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed by their duly authorized representatives.

ATTEST:

SCHOOL FOOD AUTHORITY:

\_\_\_\_\_

Name of SFA

\_\_\_\_\_

Signature of Authorized Representative

\_\_\_\_\_

Typed Name of Authorized Representative

\_\_\_\_\_

Title

\_\_\_\_\_

Date Signed

ATTEST:

FOOD SERVICE MANAGEMENT COMPANY:

\_\_\_\_\_

\_\_\_\_\_

Name of FSMC

\_\_\_\_\_

Signature of Authorized Representative

\_\_\_\_\_

Typed Name of Authorized Representative

\_\_\_\_\_

Title

\_\_\_\_\_

Date Signed



SATURDAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
40Z ORANGE JUICE 1EA BANANA 1EA P BUTTER & JELLY ON WHOLE W 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA APPLE 1C OATMEAL 2.50Z SCRAMBLED EGG 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA BANANA 20Z TURKEY HAM 1C OATMEAL 1EA ABL SL BISCUIT WG 2.25 OZ 1 EA 1C CHOICE SKIM OR 1 1/2 MILK	40Z ORANGE JUICE 1EA BANANA 10Z WHOLE GRAIN DRY CEREAL 2SL WHOLE WHEAT BREAD 2EA HARD BOILED EGG 1C CHOICE SKIM OR 1 1/2 MILK	40Z ORANGE JUICE 1EA APPLE 10Z WHOLE GRAIN DRY CEREAL 2.50Z SCRAMBLED EGG 1EA ABL SL TORTILLA WHOLE W 1EA SALSA PC 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA ORANGE 1EA P BUTTER & JELLY ON WHOLE W 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA BANANA 1C OATMEAL 2.50Z SCRAMBLED EGG 1C CHOICE SKIM OR 1 1/2 MILK
30Z SLOPPY JOE 1EA WHOLE WHEAT BURGER BUN 1C LYONNAISE POTATOES 1/2C RANCH BEANS 2EA APPLE 1C CHOICE SKIM OR 1 1/2 MILK	80Z TURKEY & NOODLES (WG) 1/2C CARROTS 1C TOSSED SALAD/DRSG 1/2C GREEN BEANS 2EA BANANA 1C CHOICE SKIM OR 1 1/2 MILK	4.650Z PIZZA CHEESE CN 1C TOSSED SALAD/DRSG 1/2C GREEN BEANS 2EA BANANA 1C CHOICE SKIM OR 1 1/2 MILK	3.50Z BURRITO FILLING 1EA ABL SL TORTILLA WHOLE W 2SL SLICED TOMATOES 1C TOSSED SALAD/DRSG 1C PINTO BEANS 2EA APPLE 1C CHOICE SKIM OR 1 1/2 MILK	3.10Z CHICKEN PATTY WG CN 1/2C TURNIP GREENS 1C MASHED POTATOES 30Z GRAVY 2SL WHOLE WHEAT BREAD 2EA ORANGE 1C CHOICE SKIM OR 1 1/2 MILK	2.50Z BEEF PATTY CN 2SL WHOLE WHEAT BREAD 1/2C GREEN BEANS 1C LYONNAISE POT 1C TOSSED SALAD/DRSG 2EA BANANA 1C CHOICE SKIM OR 1 1/2 MILK	80Z MEAT & MAC CASS (WG) 2SL WHOLE WHEAT BREAD 1/2C CARROTS 1C TOSSED SALAD/DRSG 2EA APPLE 1C CHOICE SKIM OR 1 1/2 MILK
2EA TURKEY FRANKS 10/1 1C COTTAGE FRIES 1/2C MIXED VEG 1EA MUSTARD/CATSUP 2EA HOT DOG BUN 1/40 CAKE/GLAZE 1C SWEET TEA	30Z MEATLOAF 30Z GRAVY 1C RICE 1/2C COLESLAW 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 1/40 CAKE/GLAZE 1C SWEET TEA	30Z BEEF PATTY 1/20Z SLICED CHEESE 1/20Z MUSTARD PC 1EA HAMBURGER BUN 1C OVEN STRIPED POTATOES 1C BAKED BEANS 1/20Z CATSUP PC 1/40 CAKE/GLAZE 1C SWEET TEA	30Z MEATBALLS 1C COTTAGE FRIES 30Z ONION GRAVY 1/2C SEAS CABBAGE 1EA CORNBREAD 1/27 2EA MARGARINE, WHIP 1/40 CAKE/GLAZE 1C SWEET TEA	30Z SLOPPY JOE 2 OZ MEAT 1EA HAMBURGER BUN 1C POTATO SALAD 1C BAKED BEANS 1/54 BROWNIE 1C SWEET TEA	30Z SALSIBURY STEAK 1C SEASONED RICE 30Z CREAM GRAVY 1/2C COLESLAW 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 1/40 CAKE/GLAZE 1C SWEET TEA	30Z CHUCKWAGON PATTY 1/2C GREEN PEAS 1C MACARONI & CHEESE 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 1/54 BROWNIE 1C SWEET TEA
1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK

ALL ENTREES AND CASSEROLE ARE COOKED WT MEASUREMENT APPROVAL DATE \_\_\_\_\_

ALL OTHERS ARE VOLUME MEASUREMENTS UNLESS OTHERWISE STATED  
FSD ABL MANAGEMENT APPROVAL DATE \_\_\_\_\_

SATURDAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
40Z ORANGE JUICE 1EA BANANA 2SL WHOLE WHEAT BREAD 2EA HARD BOILED EGG 1C CHOICE SKIM OR 1 1/2 MILK	40Z ORANGE JUICE 1EA APPLE 2.50Z SCRAMBLED EGG 2SL WHOLE WHEAT BREAD 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA ORANGE 2.50Z SCRAMBLED EGG 1C OATMEAL 1C CHOICE SKIM OR 1 1/2 MILK	40Z ORANGE JUICE 1EA BANANA 1EA P BUTTER & JELLY ON WHOLE W 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA APPLE 10Z WHOLE GRAIN DRY CEREAL 2.50Z SCRAMBLED EGG 1EA ABL SL TORTILLA WHOLE W 1EA SALSA PC 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA ORANGE 1EA P BUTTER & JELLY ON WHOLE W 1C CHOICE SKIM OR 1 1/2 MILK	40Z ORANGE JUICE 1EA BANANA 10Z WHOLE GRAIN DRY CEREAL 2EA HARD BOILED EGG 2SL WHOLE WHEAT BREAD 1C CHOICE SKIM OR 1 1/2 MILK
80Z CHILI WITH BEANS 1/2C SEASONED BROWN RICE 1/2C CARROTS 2SL W WHEAT BREAD 2EA APPLE 1C CHOICE SKIM OR 1 1/2 MILK	3.10Z CHICKEN PATTY WG/CN 1/2C LOW CAL MACARONI SALAD 1/2C BAKED BEANS 1/2C TURNIP GREENS 2SL WHOLE WHEAT BREAD 2EA ORANGE 1C CHOICE SKIM OR 1 1/2 MILK	3.390Z TURKEY HAM 1C MASHED POTATOES 20Z GRAVY 1/2C CORN 2SL WHOLE WHEAT BREAD 2EA BANANA 1C CHOICE SKIM OR 1 1/2 MILK	2.50Z BEEF PATTY CN 1SL CHEESE 1EA WHOLE WHEAT BURGER BUN 1EA MUSTARD 1C TOSSED SALAD/DRSG 1C BAKED FRIES 1EA CATSUP 2EA APPLE 1C CHOICE SKIM OR 1 1/2 MILK	2EA TURKEY FRANKS 1/2C COLESRAW 1/2C CARROTS 2EA WHOLE WHEAT BUN 1EA MUSTARD 2EA ORANGES 1C CHOICE SKIM OR 1 1/2 MILK	30Z TACO SEASONED MEAT 1SL CHEESE 1EA ABL SL TORTILLA WHOLE W 1C PINTO BEANS 1C SHRED LETTUCE 2SL SLICED TOMATOES 2EA BANANA 1C CHOICE SKIM OR 1 1/2 MILK	4.320Z BAKED CHICKEN 10Z MILD BBQ SAUCE 1C BAKED FRIES 1/2C GREEN BEANS 2SL WHOLE WHEAT BREAD 2EA APPLE 1C CHOICE SKIM OR 1 1/2 MILK
30Z TURKEY 30Z GRAVY 1C WASHED POTATOES 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 1/40 CAKE/GLAZE 1C SWEET TEA	20Z SHOKED SAUSAGE 1C RICE 1/2C SEAS CABBAGE 1/27 CORNBREAD 2EA MARGARINE, WHIP 3/4C GELATIN 1C SWEET TEA	1C SPAGH NOODLES 40Z SPAGHETTI SAUCE 2 OZ MEAT 1/2C MIXED GREEN SALAD 1/2C GREEN BEANS 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 3/4C GELATIN 1C SWEET TEA	30Z COUNTRY FRIED STK 30Z GRAVY 1/27 CORNBREAD 1C BAKED BEANS 1C MASHED POTATOES 1/40 CAKE/GLAZE 2EA MARGARINE, WHIP 1C SWEET TEA	30Z MEATBALLS 1C RICE PILAF 30Z GRAVY 1/2C MIXED VEG 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 1/40 CAKE/GLAZE 1C SWEET TEA	30Z SLOPPY JOE 2 OZ MEAT 1C OVEN STRIP POT PC 1EA HAMBURGER BUN 1/20Z CATSUP PC 1/2C SEASONED CORN 1/40 CAKE/GLAZE 1C SWEET TEA	30Z BREADED FISH 10Z TARTAR SAUCE PC 1C MACARONI & CHEESE 1/2C COLESRAW 1EA HAMBURGER BUN 2EA MARGARINE, WHIP 1/2C FRUIT CRISP 1C SWEET TEA
1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK

ALL ENTREES AND CASSEROLE ARE COOKED WT MEASUREMENT

ALL OTHERS ARE VOLUME MEASUREMENTS UNLESS OTHERWISE STATED

SATURDAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
1/2C APPLE JUICE 1EA ORANGE 1OZ WHOLE GRAIN DRY CEREAL 2-.5OZ SCRAMBLED EGG 1EA ABL SL TORTILLA WHOLE W 1EA SALSA PC 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA BANANA 2EA HARD BOILED EGG 2EA WHOLE WHEAT BREAD 1C OATMEAL 1C CHOICE SKIM OR 1 1/2 MILK	4OZ ORANGE JUICE 1EA ORANGE 1EA P BUTTER & JELLY ON WHOLE W 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA BANANA 1OZ WHOLE GRAIN DRY CEREAL 2-.5OZ SCRAMBLED EGG 1EA ABL SL TORTILLA WHOLE W 1EA SALSA PC 1C CHOICE SKIM OR 1 1/2 MILK	4OZ ORANGE JUICE 1EA ORANGE 2OZ TURKEY HAM 1EA ABL SL BISCUIT WG 2.25 OZ 1 EA 1C OATMEAL 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA APPLE 1EA P BUTTER & JELLY ON WHOLE W 1C CHOICE SKIM OR 1 1/2 MILK	1/2C APPLE JUICE 1EA ORANGE 2-.5OZ SCRAMBLED EGG 1C OATMEAL 1C CHOICE SKIM OR 1 1/2 MILK
8OZ MEAT & MAC CASS (WG) 1C TOSSED SALAD/DRSG 1/2C CARROTS 2SL WHOLE WHEAT BREAD 2EA APPLES 1C CHOICE SKIM OR 1 1/2 MILK	2-.5OZ BEEF PATTY CN 1SL CHEESE 1EA WHOLE WHEAT BUN 1EA MUST/CATSUP 1/2C BAKED BEANS 1C BAKED FRIES 2EA ORANGES 1C CHOICE SKIM OR 1 1/2 MILK	4-.65OZ PIZZA CHEESE WG/CN 1C TOSSED SALAD/DRSG 1/2C GREEN BEANS 2EA BANANAS 1C CHOICE SKIM OR 1 1/2 MILK	3OZ TACO SEASONED MEAT 1SL CHEESE 2SL SLICED TOMATOES 1/2C CORN 1EA ABL SL TORTILLA WHOLE W 1C SHRED LETTUCE 2EA APPLE 1C CHOICE SKIM OR 1 1/2 MILK	1C WG SPAGH NOODLES 4OZ SPAGHETTI SAUCE 1C TOSSED SALAD/DRSG 1/2C CARROTS 2EA BANANAS 1C CHOICE SKIM OR 1 1/2 MILK	3OZ SLOPPY JOE 1EA WHOLE WHEAT BURGER BUN 1C LYONNAISE POTATOES 1/2C RANCH BEANS 2EA BANANA 1C CHOICE SKIM OR 1 1/2 MILK	3.1OZ CHICKEN PATTY WG/CN 1/2C TURNIP GREENS 1C MASHED POTATOES 2OZ GRAVY 2SL WHOLE WHEAT BREAD 2EA APPLE 1C CHOICE SKIM OR 1 1/2 MILK
3OZ MEATLOAF 3OZ GRAVY 1C SEASONED NOODLES 1/2C SEASON GREEN BEANS 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 1/54 BROWNIE 1C SWEET TEA	3OZ COUNTRY FRIED STK 1C MASHED POTATOES 3OZ GRAVY 1C BLACKKEYED PEAS 2EA MARGARINE, WHIP 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 1/4O CAKE/GLAZE 1C SWEET TEA	8OZ MEAT & MAC CASS 2 OZ MEAT 1/2C MIXED VEG 3/4C GELATIN 1/27 CORNBREAD 1/4O CAKE/GLAZE 2EA MARGARINE, WHIP 1C SWEET TEA	3OZ MEATBALLS 1C MASHED POTATOES 1/2C COLESLAW 3SL ENRICHED BREAD 2EA MARGARINE, WHIP 1/4O CAKE/GLAZE 1C SWEET TEA	3OZ BRD CHICKEN PATTY 1OZ MILD BBQ SAUCE 3SL ENRICHED BREAD 1C COTTAGE FRIES 1/2C PEAS 1/4O CAKE/GLAZE 1C SWEET TEA	8OZ MEAT & SPANISH RIC 2 OZ MEAT 1/2C GREEN PEAS 1/2C MIXED GREEN SALAD 1/27 CORNBREAD 2EA MARGARINE, WHIP 3/4C GELATIN 1C SWEET TEA	3OZ TURKEY HAM 3SL ENRICHED BREAD 1C MACARONI & CHEESE 1/2C COLESLAW 1/4O CAKE/GLAZE 2EA MARGARINE, WHIP 1C SWEET TEA
1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK	1EA SAND COOKIE 1C FRUIT DRINK

ALL ENTREES AND CASSEROLE ARE COOKED WT MEASUREMENT

ALL OTHERS ARE VOLUME MEASUREMENTS UNLESS OTHERWISE STATED

**Exhibit A**

**SCHEDULE OF FOOD SERVICE LOCATIONS AND SERVICES PROVIDED**

**Jerry J. Esmond Juvenile Justice Center  
6101 Attwater Avenue  
Texas City, Texas 77590**

**Scheduled Times of Food Service**

	<b>Beginning</b>	<b>Ending</b>
<b>Breakfast</b>	<b>0615</b>	<b>0800</b>
<b>Lunch</b>	<b>1100</b>	<b>1300</b>

**Exhibit B**

**PROGRAM MENU CYCLES**

**MENU CYCLE FOR  
NATIONAL SCHOOL LUNCH PROGRAM**

Attach a sample 21-day cycle lunch menu prepared by the SFA.  
This menu must be used for the first 21-day cycle of the new school year.

2016 - 2017 School Year

Campus Level: \_\_\_\_\_ [Insert one: High School, Junior High/Middle School or Elementary School]

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20
21				

**Exhibit B Continued**

**MENU CYCLE FOR  
A LA CARTE PROGRAM**

Attach a sample 21-day cycle a la Carte menu prepared by the SFA.  
This menu must be used for the first 21-day cycle of the new school year.

2016 - 2017 School Year

Campus Level: \_\_\_\_\_ [Insert one: High School, Junior High/Middle School or Elementary School]

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20
21				

**Exhibit B Continued**

**MENU CYCLE FOR  
SCHOOL BREAKFAST PROGRAM**

Attach a sample 21-day cycle breakfast menu prepared by the SFA.  
This menu must be used for the first 21-day cycle of the new school year.

2016 - 2017 School Year

Campus Level: \_\_\_\_\_ [Insert one: High School, Junior High/Middle School or Elementary School]

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20
21				

**Exhibit B Continued**

**MENU CYCLE FOR  
AFTER SCHOOL CARE PROGRAM**

Attach a sample 21-day cycle after school care menu prepared by the SFA.  
This menu must be used for the first 21-day cycle of the new school year.

2016 - 2017 School Year

Campus Level: \_\_\_\_\_ [Insert one: High School, Junior High/Middle School or Elementary School]

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20
21				

**Exhibit B Continued**

**MENU CYCLE FOR  
SEAMLESS SUMMER OPTION OR  
SUMMER FOOD SERVICE PROGRAM**

Attach a sample 21-day cycle SSO or SFSP menu prepared by the SFA.  
This menu must be used for the first 21-day cycle of the new school year.

2016 - 2017 School Year

Campus Level: \_\_\_\_\_ [Insert one: High School, Junior High/Middle School or Elementary School]

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20
21				

**Exhibit C**

**[SFA must choose either cost-reimbursable or fixed meal rate budget form,  
depending on which RFP SFA is issuing]**

**FOOD SERVICE BUDGET – COST-REIMBURSABLE**  
**[To be completed by SFA]**

**[If SFA does not have a school board approved Budget, please submit a draft]**

**SFA**

**School Year**                      2016 - 2017

**Revenues:**

Cash Sales:

Student Breakfast Sales	_____	
Student Lunch Sales	_____	
Student Snack Sales	_____	
Student a la carte Sales	_____	
Adult Sales	_____	
Catering Sales	_____	
Interest Income	_____	
Concession Sales	_____	
Vended Meal Sales	_____	
Total Cash		_____

State and Federal Reimbursement/Funding

NSLP	_____	
SBP	_____	
ASCP	_____	
SSO	_____	
SFSP	_____	
State Matching Fund	_____	
Commodities Received	_____	
Other Funding	_____	
Total Reimbursements		_____

**Total Revenues:** = All Cash Sales + All Reimbursements \_\_\_\_\_

**Exhibit C, Food Service Budget Continued**

**Expenses:**

Gross Food Costs	_____
Food Delivery Costs	_____
Commodities Used (Call TDA Commodity Division for annual Usage amount for the SFA)	_____
Commodity Delivery	_____
Commodity Processing	_____

**Total Food Costs** \_\_\_\_\_

Labor Costs (#FTE / PTE)  
**FSMC Salaried Employees:** FTE \_\_\_\_\_ PTE \_\_\_\_\_  
 (Completed by the FSMC)

Summarize Here (Attach an individual categorical breakdown for each FSMC salaried employee. For each shared FSMC employee, SFA and FSMC must identify other SFAs with whom the employee is shared and the salary and benefit allocations for FSMC employee.)

Base Gross Salary	_____
Educational Assistance	_____
Incentive Payments	_____
Bonus	_____
Merit Increase	_____
Retirement / IRA	_____
401K, 403(b)(7)	_____
Fringe Benefits	_____
Payroll Taxes	_____

**FSMC Hourly Staff** FTE \_\_\_\_\_ PTE \_\_\_\_\_

Gross Salaries	_____
Fringe Benefits	_____
Payroll Taxes	_____

**District Hourly Staff** FTE \_\_\_\_\_ PTE \_\_\_\_\_

Gross Salaries	_____
Fringe Benefits	_____
Payroll Taxes	_____

**Exhibit C, Food Service Budget Continued**

<b>Other Payroll Costs (FSMC)</b>	
Worker's Comp.	_____
Other	_____
<b>Other Payroll Costs (District)</b>	
Worker's Comp.	_____
Other	_____
<b>Total Labor Costs</b>	_____
<b>FSMC Fees</b>	
Administrative Fees Cost	_____
Management Fee Costs	_____
<b>Total Fees</b>	_____
<b>FSMC Direct Costs – Subcategory Examples:</b>	
Paper & Disposable Goods	_____
Replacements / Small wares	_____
Contracted Labor – Specify	_____
Auto Expenses	_____
Insurance Expense	_____
Telephone	_____
Office Supplies	_____
Postage	_____
Bank Deposit Services	_____
Uniforms & Laundry	_____
Other Delivery & Freight/Nonfood	_____
Advertising, Promotions & Menus	_____
Marketing/Franchise & Decor	_____
Equipment Repair	_____
Licenses	_____
Employee Travel	_____
Security background check	_____
Miscellaneous - Specify	_____
<b>Total FSMC Direct Costs</b>	_____
<b>SFA Direct Costs – Use same subcategory</b>	
Examples as in FSMC Direct Costs	_____
<b>Total SFA Direct Costs</b>	_____
<b>Total Direct Costs</b>	_____

**Exhibit C, Food Service Budget Continued**

**FSMC Indirect Costs** – Subcategory examples include:

FSMC Charges	
Technology Expense	_____
a. Technology Allocated Charge	_____
b. Other Technology Charge	_____
Insurance Allocated Charge (Worker's Comp. Excluded)	
Other Allocated Charges	_____
Franchise Charges	_____
Trademark Charges	_____
Other Indirect Cost Categories	_____

**Total FSMC Indirect Costs** \_\_\_\_\_

**Total Discounts, Rebates, Applicable  
Credits, allowances or incentives from FSMC  
Suppliers credited to SFA** \_\_\_\_\_

**Total Expenses** = All Food Costs + All Labor Costs  
+ All Fees + All Direct Costs + All Indirect Costs –  
Total Discounts, Rebates, Applicable  
Credits, allowances or incentives from FSMC  
Suppliers credited to SFA \_\_\_\_\_

**Surplus / Subsidy** = Total Revenues – Total Expenses \_\_\_\_\_

<b>FSMC Guaranteed Return</b>	_____
<b>FSMC Guaranteed Break Even</b>	_____
<b>FSMC Guaranteed Subsidy</b>	_____

**School District Employee Responsible for submission of this budget data:**

**Name:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**FSMC Employee responsible for submission for this budget data:**

**Name:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Exhibit C, Food Service Budget Continued**  
**FOOD SERVICE BUDGET-FIXED-MEAL RATE**

[To be completed by SFA]

[If SFA does not have a school board approved Budget, please submit a draft]

SFA

**School Year**                      **2016 - 2017**

**Revenues:**

Cash Sales:

Student Breakfast Sales	<u>NA</u>
Student Lunch Sales	<u>NA</u>
Student Snack Sales	<u>NA</u>
Student a la carte Sales	<u>NA</u>
Adult Sales	<u>NA</u>
Catering Sales	<u>NA</u>
Interest Income	<u>NA</u>
Concession Sales	<u>NA</u>
Vended Meal Sales	<u>NA</u>
Vending Machine Sales	<u>NA</u>

Total Cash                                      -0-

State and Federal Reimbursement/Funding

NSLP	<u><b>38001.26</b></u>
SBP	<u><b>23358.23</b></u>
ASCP	<u>0</u>
SSO	<u>0</u>
SFSP	<u>0</u>
State Matching Fund	<u>0</u>
Commodities Received	<u><b>4921.09</b></u>
Other Funding	<u>0</u>

Total Reimbursements                      **66280.58**

**Total Revenues:** = All Cash Sales + All Reimbursements                                      **66280.58**

**Exhibit C, Food Service Budget Continued**

**Expenses:**

Reimbursable Breakfast Meal Rate Fee	<u>37,126.5496</u>
Reimbursable Lunch Meal Rate Fee	<u>38,394.0036</u>
Expenses not funded through program:	
Adult Breakfast	<u>3,687.1464</u>
Adult Lunch	<u>6,574.2516</u>
All Dinners	<u>40,268.7464</u>
Snacks	<u>14,733.6288</u>

Total Expenses 140,734.3204

**Commodities**

Commodities Used (SFA may call TDA for amount	<u>4921.09</u>
Commodity Division for annual Usage amount for the SFA)	
Commodity Delivery	<u>4921.09</u>
Commodity Processing	<u>          </u>

**Surplus / Subsidy =**

Total Revenues – Total Expenses 74,453.74  
66280.58 – 140,734.32

FSMC Guaranteed Return	<u>NA</u>
FSMC Guaranteed Break Even	<u>NA</u>
FSMC Guaranteed Subsidy	<u>NA</u>

**SFA Employee responsible for submission of this budget data:**

**Name:** David Terrell  
**Telephone:** (409)770-5929

**FSMC Employee responsible for submission for this budget data:**

**Name:** \_\_\_\_\_  
**Telephone:** \_\_\_\_\_

**Exhibit D**

**LIST OF CHARTS AND OTHER ATTACHMENTS**

[SFA shall provide to all vendors with RFP/Contract.]

Chart 1: Enrollment Chart (By Campus)

Chart 2: Designation of Program Expenses

**DESIGNATION OF PROGRAM EXPENSES**

The SFA has deemed the following Program Expense schedule to be a necessary part of this bid specification as an indicator of who will bear ultimate responsibility for the cost. Costs that are not provided for under the standard contract terms and conditions, but are necessary for the effective on-site operation of the food service program and are directly incurred for the SFA's operation, must be assigned by the SFA and included in the RFP. The column selected by the SFA for each expense represents whether the SFA or FSMC is ULTIMATELY responsible for that cost.

<b>DESCRIPTION</b>	<b>FSMC</b>	<b>SFA</b>	<b>N/A*</b>
<b>FOOD:</b>	X		
Food Purchases	X		
Commodity Processing Charges	X		
Processing and Payment of Invoices	X		
<b>LABOR:</b>	X		
<b>FSMC EMPLOYEES:</b>	X		
Salaries/Wages	X		
Fringe Benefits and Insurance	X		
Retirement	X		
Payroll Taxes	X		
Workers' Compensation	X		
Unemployment Compensation	X		
<b>SFA EMPLOYEES:</b>	X		
Salaries/Wages	X		
Fringe Benefits and Insurance	X		
Retirement	X		
Payroll Taxes	X		
Workers' Compensation	X		
Unemployment Compensation	X		

\*Not Applicable

**Exhibit D Continued**

The items listed below with two asterisks (\*\*) are Direct Cost items that may or may not apply to the SFA. At local discretion, based upon actual practice and need, the SFA should assign cost responsibility for those items applicable to its operation or designate them as not applicable.

DESCRIPTION	FSMC	SFA	N/A*
<b>OTHER EXPENSES:</b>			
**Paper/Disposable Supplies/Styrofoam Food	X		
Cleaning/Janitorial Supplies	X		
**Tickets/Tokens			X
China/Silverware/Glassware:	X		
Initial Inventory	X		
Replacement during Operation		X	
Telephone:		X	
Local		X	
Long Distance		X	
Uniforms	X		
**Linens	X		
Laundry		X	
Trash Removal:	X		
From Kitchen	X		
From Dining Area	X		
From Premises		X	
Pest Control		X	
Equipment Replacement:		X	
Nonexpendable		X	
Expendable		X	
Equipment Repair		X	
**Car/Truck Rental (Include Explanation in RFP)			X
**Vehicle Maintenance			X
**Courier Service (i.e., Bank Deposits, School Deliveries)			X
**Storage Costs:			X
Food			X
Supplies			X
**Office Supplies	X		
**Printing	X		
**Promotional Materials			X
**Cellular Phones (See optional requirements to be included) (Applicable to cost reimbursable contract only - See J(11))			X

**Exhibit D Continued**

**Mileage (See optional requirements to be included) (Applicable to cost reimbursable contract only - See J(12))			X
**Lodging (See optional requirements to be included) (Applicable to cost reimbursable contract only - See J(12))			X

**Per Diem (See optional requirements to be included) (Applicable to cost reimbursable contract only - See J(12))			X
**Taxes			X
Sales			X
Other			X
**License Fees			X
Other (Add other expenses charged to food service. Overhead expenses incurred by FSMC cannot be included)			X

**Cleaning responsibilities are listed below:**

Food Preparation Areas (Include Equipment)	X		
Serving Areas	X		
Kitchen Areas	X		
Dining Room Floors	X		
Periodic Waxing and Buffing of Dining Room Floors	X		
Restrooms for Food Service Employees		X	
Grease Traps		X	
Daily Routine Cleaning of Dining Room Tables and Chairs	X		
Thorough Cleaning of Dining Room Tables and Chairs	X		
Cafeteria Walls	X		
Kitchen Walls	X		
Light Fixtures	X		
Windows	X		
Window Coverings	X		

**Exhibit D Continued**

Hoods	X	X	
Grease Filters		X	
Duct Work		X	
Exhaust Fans		X	
Other: (List Below)			

\*Not Applicable

Chart 3: Projected Enrollment Chart (By Campus) – Projected new campuses and dates of anticipated opening must be included

Chart 4: Staffing Chart (Identifying whether each position is SFA or FSMC personnel):

- A - Cafeteria Staffing (Elementary)
- B - Cafeteria Staffing (Secondary)

Chart 5: Participation Data for free, reduced-price and paid meals Chart

Chart 6: Chart stating Campus Serving Times

Chart 7: Chart stating Meal Prices and Costs per Meal

Chart 8: Chart/copies of Reimbursement Claims for Current and Prior School Years

Chart 9: Chart identifying: (1) each FSMC position that will be shared with other SFAs; (2) the SFAs with whom FSMC employee will be shared; and (3) the percentage of time FSMC employee will work at each SFA.

Chart 10: School Calendar for 2016 - 2017. If SFA does not have an approved school calendar, please submit projected school calendar with RFP.

## Exhibit E

### FOOD SPECIFICATIONS

All Food Specifications must meet requirements of the United States Department of Agriculture (“USDA”) *Food Buying Guide* (“FBG”), 7 CFR Part 210, USDA Guidance Memos, other applicable federal regulations, and TDA’s Administrative Reference Manual (“ARM”)

- All USDA-donated commodities offered to the SFA and made available to FSMC are acceptable and should be utilized in as large a quantity as may be efficiently utilized.

For all other food components, specifications shall be as follows:

- Breads, bread alternates, and grains must be made from whole-grain or whole-grain rice flour/meal. All breads and grains must be fresh (or frozen, if applicable) and must meet the minimum weight per serving as listed in the FBG. If applicable, product should be in moisture-proof wrapping and pack code date provided.
- All meat and poultry must have been inspected by USDA and must be free from off color or odor.
  - Beef must be at least 70:30 lean to fat, preferably 80:20 lean to fat.
  - Poultry should be U.S. Grade A when applicable and should meet the recommendations outlined in *Specifications for Poultry Products, A Guide for Food Service Operators* from USDA.
  - For breaded and battered items, all flours must be whole grain or enriched for breads/grains credit and breading/batter must not exceed 30% of the weight of the finished product.
  - For sausage patties, the maximum fat allowed is 50% by weight; industry standard of 38% to 42% fat preferred.
- All cured processed meats (bologna, frankfurters, luncheon meat, salami, others) shall be made from beef and/or poultry. No variety meats, fillers, extenders, non-fat milk solids, or cereal will be allowed. Meats must not show evidence of greening, streaking, or other discoloration.
- All cheese should be firm, compact and free from gas holes; free of mold; free of undesirable flavor and odors; pasteurized when applicable; and preferably reduced or low-fat. All cheese should also have a bright, uniform, and attractive appearance; and have a pleasing flavor; demonstrate satisfactory melt ability; and contain proper moisture and salt content.
- All fish must have been inspected by the United States Department of Commerce (USDC) and meet minimum flesh and batter/breading required for USDC Grade A product or product packed under federal inspection (PUFI) by the USDC.

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### Exhibit E Continued

- All fresh fruits must be ripe and in good condition when delivered and must be ready for consumption per the USDA FBG. Fruits must at a minimum meet the food distributors’ second quality level. Fruits should have characteristic color and good flavor and be well-shaped and free from scars and bruises. Size must produce a yield equal to or greater than the attached 21-day cycle menu requirements.

- All fresh vegetables must be ripe and in good condition when delivered and must be ready for consumption per the USDA FBG. Vegetables must at a minimum meet the food distributors' second quality level. Vegetables should have characteristic color and good flavor and be well-shaped and free from discoloration, blemishes, and decay. Size must produce a yield equal to or greater than the attached 21-day cycle menu requirements.
- All canned vegetables must meet the food distributors' first quality level (extra fancy and fancy) and canned fruits (standard) must meet the second quality level. Vegetables should have characteristic color and good fresh flavor and be free from discoloration, blemishes, and decay.
- Eggs must be inspected and passed by the state or federal Department of Agriculture and used within 30 days of date on carton. Eggs should be grade A, uniform in size, clean, sound-shelled, and free of foreign odors or flavors.
- Sauces, such as gravy, spaghetti sauce, pizza sauce, etc., must be smooth and uniform in color with no foreign substance, flavor, odor, or off color.
- If applicable, the food production facility, manufacturing plant, and products must meet all sanitary and other requirements of the Food, Drug, and Cosmetic Act and other regulations that support the wholesomeness of products.
- Meals and food items must be stored and prepared under properly controlled temperatures and in accordance with all applicable health and sanitation regulations.
- Fluid milk must be offered in a variety of at least two different fat contents. The selection of milk must be consistent with the types of milk consumed the prior year. The milk must contain vitamins A and D at levels specified by the Food and Drug Administration, and must be consistent with State and local standards.

## **Exhibit F**

### **METHODOLOGY FOR ALLOCATED COSTS**

[Provide Methodology for Allocated Costs—Applies To Cost Reimbursable Contracts Only]

[Note: Allocated costs may not be included in the general and administrative expense fee.]

## Exhibit G

### SCHEDULE OF APPLICABLE LAWS

- FSMC shall comply with the mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).
- FSMC shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (the "Act"), 40 U.S.C. § 327-330, as supplemented by Department of Labor regulations, 29 CFR Part 5. Under Section 103 of the Act, FSMC shall be required to compute the wages of every laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in any workweek. Section 107 of the Act provides that no laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous or dangerous to his health and safety as determined under construction, safety and health standards promulgated by the Secretary of Labor.
- FSMC shall comply with Executive Order 11246, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations, 41 CFR Part 60.
- FSMC shall comply with the following civil rights laws, as amended: Title VI of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Title 7 CFR Parts 15, 15a, and 15b; the Americans with Disabilities Act; and FNS Instruction 113-1, Civil Rights Compliance and Enforcement – Nutrition Programs and Activities.
- FSMC shall comply with the Buy American provision for contracts that involve the purchase of food, USDA Regulation 7 CFR Part 250.
- FSMC has signed the Anti-Collusion Affidavit, Exhibit I, which is attached herein and is incorporated by reference and made a part of this Contract.
- FSMC shall comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857[h]), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency (EPA) regulations (40 CFR Part 15).
- FSMC shall comply with the Lobbying Certification, Exhibit L, which is attached herein and is incorporated and made a part of this Contract. If applicable, FSMC has also completed and submitted Standard Form-LLL, Disclosure Form to Report Lobbying, Exhibit K herein, or will complete and submit as required in accordance with its instructions included in Exhibit K.

## **Exhibit H**

### **SCHEDULE OF FSMC EMPLOYEES**

**SFA must state in detail minimum qualifications for each FSMC position**  
[To be completed by SFA]

#### **Knowledge, Skill, and Abilities**

**Ability to communicate fluently, both written and oral, in English.**

**Overall knowledge of skills required to cook meals, prepare menu's, take inventory, etc.**

**Have the capacity and willingness to accept responsibility.**

**Interpersonal skill to work effectively with others and elicit work output.**

**Ability to work independently.**

#### **Minimum Qualifications**

**High School Graduate or the equivalent of a G.E.D. and at least two (2) years of experience in food preparation (i.e. , institutional setting, school district, hospital, etc.). Also, must be able to read and write, satisfactorily.**

## **Exhibit I**

### **SCHEDULE OF TERMS FOR FSMC GUARANTY**

**Exhibit J**

**ANTI-COLLUSION AFFIDAVIT**

STATE OF )

COUNTY OF )

\_\_\_\_\_, of lawful age, being first sworn on oath say, that he/she is the agent authorized by the bidder to submit the attached bid. Affiant further states that the bidder has not been a party to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding; or with any state official of employees to quantity, quality, or price in the prospective contract, or any other terms of said prospective official concerning exchange of money or other thing of value for special consideration in the letting of contract; that the bidder/contractor had not paid, given or donated, or agreed to pay, give or donate to any officer or employee either directly or indirectly in the procuring of the award of a contact pursuant to this bid.

\_\_\_\_\_  
Signed

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Notary Public (or Clerk or Judge) \_\_\_\_\_

My commission expires \_\_\_\_\_

## Exhibit K

### PROCUREMENT

#### Certification Regarding Lobbying

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Applicable to Grants, Sub-grants, Cooperative Agreements, and Contracts Exceeding \$100,000 in Federal funds.

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Submission of this certification is a prerequisite for making or entering into this transaction and is imposed by section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, an employee of a Member of Congress, or any Board Member, officer, or employee of **Jerry J. Esmond Juvenile Justice Center Independent School District** in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, an employee of a Member of Congress, or any Board Member, officer, or employee of **Jerry J. Esmond Juvenile Justice Center Independent School District** in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

**Exhibit K Continued**

The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding \$100,000 in Federal funds at all appropriate tiers and that all sub-recipients shall certify and disclose accordingly.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Name/Address of Organization

\_\_\_\_\_  
Name/Title of Submitting Official

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Exhibit L

### PROCUREMENT

#### Disclosure of Lobbying Activities

**Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352**

*(See next page for public burden disclosure.)*

*Approved by OMB*

*0348-0046*

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract</p> <p><input type="checkbox"/> b. grant</p> <p><input type="checkbox"/> c. cooperative agreement</p> <p><input type="checkbox"/> d. loan</p> <p><input type="checkbox"/> e. loan guarantee</p> <p><input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application</p> <p><input type="checkbox"/> b. initial award</p> <p><input type="checkbox"/> c. post-award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial offering</p> <p><input type="checkbox"/> b. material change</p> <p>For Material Change Only:</p> <p>Year _____ Quarter _____</p> <p>Date of last report _____</p>
<p>4. Name and Address of Reporting Entity:</p> <p>    <input type="checkbox"/> Prime <input type="checkbox"/> Sub-awardee</p> <p>Tier _____, <i>if known:</i></p> <p>Congressional District, <i>if known:</i></p>	<p>5. If Reporting Entity in No. 4 is Sub-awardee, Enter Name &amp; Address Of Prime:</p> <p>Congressional District, <i>if known:</i></p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number, <i>if applicable:</i> _____</p>	
<p>8. Federal Action Number, <i>if known:</i></p>	<p>9. Award Amount, <i>if known:</i></p> <p style="text-align: center;">\$ _____</p>	

**Exhibit L Continued**

<p>10. a. Name and Address of Lobbying Entity <i>(If individual, last name, first name, MI):</i></p> <p>(Attach continuation sheet(s) if necessary)</p>	<p>b. Individuals Performing Services <i>(Incl. Address if different from No. 10a) (last name, first name, MI):</i></p>
<p>11. Amount of Payment <i>(check all that apply):</i></p> <p>\$ _____</p> <p>_____ Actual _____ Planned</p>	<p>13. Type of Payment <i>(check all that apply):</i></p> <p>_____ a. retainer          _____ b. one-time fee          _____ c. commission          _____ d. contingent fee          _____ e. deferred          _____ f. other; specify: _____</p>
<p>12. Form of Payment <i>(check all that apply):</i></p> <p>_____ a. cash          _____ b. in-kind; specify:              nature _____              value _____</p>	<p>14. <b>Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted for Payment Indicated in Item 11:</b></p> <p align="center">(Attach continuation sheet(s) if necessary)</p>
<p>15. Continuation Sheet(s) attached: _____ Yes _____ No</p>	

**Exhibit L Continued**

<p>16. Information requested through this form is authorized by article 31 U.S.C. section 1352.</p> <p>This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Telephone No: _____</p> <p>Date: _____</p>
<p><i>Federal Use Only:</i> <i>Local Reproduction of:</i> - LLL</p>	<p><i>Authorized for</i>  <i>Standard Form</i></p>

## Exhibit L Continued

### PROCUREMENT

#### **Instructions for Completion of SF-LLL, Disclosure of Lobbying Activities**

This disclosure form shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal Action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal Action.
2. Identify the status of the covered Federal Action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal Action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the sub-awardee, e.g., the first sub-awardee of the prime is the 1st tier. Sub-awards include but are not limited to subcontracts, sub grants, and contract awards under grants.
5. If the organization filing the report in item 4 checks "sub-awardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal Agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal Action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal Action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation For Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

## Exhibit L Continued

9. For a covered Federal Action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
  - a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal Action.
  - b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter last name, first name, and middle initial (MI).
10. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
11. Check the appropriate box (es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
12. Check the appropriate box (es). Check all boxes that apply. If other, specify nature.
13. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
14. Check whether or not a SF-LLL-A continuation sheet(s) is attached.
15. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

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Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

## Exhibit M

### PURCHASE DISCOUNTS, REBATES AND VALUE OF USDA GOODS

**The undersigned certifies, to the best of his or her knowledge and belief that:**

(School District) (hereinafter SFA) has and will undertake all necessary oversight and monitoring measures to assure that the school district receive the full value of purchase discounts, rebates, credits and value of USDA foods. These measures shall include but are not limited to:

All *cost reimbursable* contracts must contain the following provisions, pursuant to 7 CFR Part 210.21 (f)(1)(i), (iv), (v), (vi):

- The mandatory return of all credits, discounts and rebates to the SFA's nonprofit food service account;
- The frequency and method Food Service Management Company's (hereinafter FSMC) will use for reporting credits, discounts and rebates on invoices and billing statements, (i.e. monthly, quarterly, annually);
- All credits, discounts and rebates must be clearly identified on billing statements and invoices submitted by FSMCs to the SFA;
- All records of credits, discounts and rebates must be maintained by FSMCs, and made available to SFAs and State agencies upon request; and
- The reporting of credits, discounts and rebates by FSMCs is required no less frequently than annually.

Upon execution of this contract, SFA must strictly monitor the agreement throughout the year to ensure that they receive the full value of credits, discounts and rebates and are in compliance with Federal Regulations. Monitoring activities shall include but are not limited to:

- Identify the person within the SFA that will be responsible for oversight;
- Designate the position that will monitor the credits, discounts and rebates;
- Examine the invoices and other documentation provided by the FSMC as agreed to in the contract;
- Determine the percentage of credits, discounts and rebates reported in relation to the value of food purchased early in the contract year as a benchmark for future comparison;
- Calculate the average credit-purchase proportion received, or as applicable discount or rebate; and
- Examine products to ensure that to the maximum extent practicable, domestic commodities are purchased. Visit storage facilities to observe the origin of purchased food printed on food labels and case units.

**Exhibit M (Continued)**

In the event of discrepancies during monitoring activities, follow up with FSMC to resolve the issues, and if necessary, request additional documentation from the FSMC to substantiate discrepancies. Potential discrepancies to consider may include:

- Frequency of reporting that does agree with contract provision;
- Labels identifying countries other than the U.S; and
- Credit-purchase proportions that fall below the average credit-purchase proportion established early in the year.

For both *fixed price* and *cost-reimbursable* contracts, SFA shall ensure that FSMC has credited it for the value of all USDA-donated foods received for use in SFA's meal service in the school year. (7 CFR § 250.51(a))

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## County of Galveston Purchasing Department Vendor Qualification Packet

(rev. 1.2, March 29, 2010)

All interested parties seeking consideration for qualified vendor status with the County of Galveston should complete and return only the following attached forms to:

Galveston County Purchasing Department  
722 Moody Avenue, (21st Street), 5<sup>th</sup> Floor  
Galveston, Texas 77550  
(409) 770-5371 office  
(409) 621-7987 fax

- Form PEID:** Person /Entity Information Data  
**Form W-9:** Request for Taxpayer Identification Number and Certification  
*(please note that the included form may not be the latest revised form issued by the Internal Revenue Service. Please check the IRS website at <http://www.irs.gov/pub/irs-pdf/fw9.pdf> for the latest revision of this form.)*  
**Form CIQ:** Conflict of Interest Questionnaire  
*(please note that the included form may not be the latest revised form issued by the State of Texas Ethics Commission. Please check the Texas Ethics Commission website at for the latest revision of this form. Please note that Galveston County Purchasing Agent is not responsible for the filing of this form with the Galveston County Clerk per instructions of the State of Texas Ethics Commission).*

**Certificate(s) of Insurance:** If the person or entity seeking qualified vendor status with the County will be performing work at or on any County owned facility and/or property, Certificate(s) of Insurance are required to be submitted prior to performing any work.

Insurance requirements are as follows:

### Public Liability and Property Damage Insurance:

Successful vendor agrees to keep in full force and effect, a policy of public liability and property damage insurance issued by a casualty company authorized to do business in the State of Texas, and in standard form approved by the Board of Insurance Commissioners of the State of Texas, with coverage provisions insuring the public from any loss or damage that may arise to any person or property by reason of services rendered by vendor. Vendor shall at its own expense be required to carry the following minimum insurance coverages:

- For damages arising out of bodily injury to or death of one person in any one occurrence – one hundred thousand and no/100 dollars (\$100,000.00);
- For damages arising out of bodily injury to or death of two or more persons in any one occurrence – three hundred thousand and no/100 dollars (\$300,000.00); and
- For injury to or destruction of property in any one occurrence – one hundred thousand and no/100 dollars (\$100,000.00).

This insurance shall be either on an occurrence basis or on a claims made basis. Provided however, that if the coverage is on a claims made basis, then the vendor shall be required to purchase, at the termination of this agreement, tail coverage for the County for the period of the County's relationship with the vendor under this agreement. Such coverage shall be in the amounts set forth in subparagraphs (1), (2), and (3) above.

**Worker's Compensation Insurance:**

Successful vendor shall also carry in full force Workers' Compensation Insurance policy(ies), if there is more than one employee, for all employees, including but not limited to full time, part time, and emergency employees employed by the vendor. Current insurance certificates certifying that such policies as specified above are in full force and effect shall be furnished by the vendor to the County.

**The County of Galveston shall be named as additional insured on policies listed in subparagraphs above and shall be notified of any changes to the policy(ies) during the contractual period.** Insurance is to be placed with insurers having a Best rating of no less than A. The vendor shall furnish the County with certificates of insurance and original endorsements affecting coverage required by these insurance clauses. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The vendor shall be required to submit annual renewals for the term of any contractual agreement, purchase order or term contract, with Galveston County prior to expiration of any policy.

In addition to the remedies stated herein, the County has the right to pursue other remedies permitted by law or in equity.

The County agrees to provide vendor with reasonable and timely notice of any claim, demand, or cause of action made or brought against the County arising out of or related to utilization of the property. Vendor shall have the right to defend any such claim, demand, or cause of action at its sole cost and expense and within its sole and exclusive discretion. The County agrees not to compromise or settle any claim or cause of action arising out of or related to the utilization of the property without the prior written consent of the vendor.

In no event shall the County be liable for any damage to or destruction of any property belonging to the vendor unless specified in writing and agreed upon by both parties.

**Procurement Policy - Special Note:**

Understand that it is, according to Texas Local Government Code, Section 262.011, Purchasing Agents, subsections (d), (e), and (f), the sole responsibility of the Purchasing Agent to supervise all procurement transactions.

Therefore, be advised that all procurement transactions require proper authorization in the form of a Galveston County purchase order from the Purchasing Agent's office prior to commitment to deliver supplies, materials, equipment, including contracts for repair, service, and maintenance agreements. Any commitments made without proper authorization from the Purchasing Agent's office, pending Commissioners' Court approval, may become the sole responsibility of the individual making the commitment including the obligation of payment.

**Code of Ethics - Statement of Purchasing Policy:**

Public employment is a public trust. It is the policy of Galveston County to promote and balance the objective of protecting the County's integrity and the objective of facilitating the recruitment and

retention of personnel needed by Galveston County. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public office.

Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the Galveston County procurement organization.

To achieve the purpose of these instructions, it is essential that those doing business with Galveston County also observe the ethical standards prescribed here.

**General Ethical Standards:** It shall be a breach of ethics to attempt to realize personal gain through public employment with Galveston County by any conduct inconsistent with the proper discharge of the employee's duties.

It shall be a breach of ethics to attempt to influence any public employee of Galveston County to breach the standards of ethical conduct set forth in this code.

It shall be a breach of ethics for any employee of Galveston County to participate directly or indirectly in procurement when the employee knows that:

- The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement.
- A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement.
- Any other person, business or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

**Gratuities:** It shall be a breach of ethics to offer, give or agree to give any employee of Galveston County, or for any employee or former employee of Galveston County to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before this government.

**Kickbacks:** It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for Galveston County, or any person associated therewith, as an inducement for the award of a subcontract or order.

**Contract Clause:** The prohibition against gratuities and kickbacks prescribed above shall be conspicuously set forth in every contract and solicitation by Galveston County.

**Confidential Information:** It shall be a breach of ethics for any employee or former employee of Galveston County to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

#### **Questions/Concerns:**

If you have any questions or concerns regarding the information or instructions contained within this packet, please contact any member of the Purchasing Department staff at (409) 770-5371.

## CONFLICT OF INTEREST DISCLOSURE REPORTING

Proposer may be required under Chapter 176 of the Texas Local Government Code to complete and file a conflict of interest questionnaire (CIQ Form). If so, the completed CIQ Form must be filed with the County Clerk of Galveston County, Texas.

If Proposer has an employment or other business relationship with an officer of Galveston County or with a family member of an officer of Galveston County that results in the officer or family member of the officer receiving taxable income that exceeds \$2,500.00 during the preceding 12-month period, then Proposer **MUST** complete a CIQ Form and file the original of the CIQ Form with the County Clerk of Galveston County.

If Proposer has given an officer of Galveston County or a family member of an officer of Galveston County one or more gifts with an aggregate value of more than \$250.00 during the preceding 12-months, then Proposer **MUST** complete a CIQ Form and file the original of the CIQ Form with the County Clerk of Galveston County.

The Galveston County Clerk has offices at the following locations:

Galveston County Clerk  
Galveston County Justice Center, Suite 2001  
600 59<sup>th</sup> Street  
Galveston, Texas 77551

Galveston County Clerk  
North County Annex, 1<sup>st</sup> Floor  
174 Calder Road  
League City, Texas 77573

Again, if Proposer is required to file a CIQ Form, the original completed form is filed with the Galveston County Clerk (not the Purchasing Agent).

For Proposer's convenience, a blank CIQ Form is enclosed with this proposal. Blank CIQ Forms may also be obtained by visiting the Galveston County Clerk's website and/or the Purchasing Agent's website – both of these web sites are linked to the Galveston County homepage, at <http://www.co.galveston.tx.us>.

As well, blank CIQ Forms may be obtained by visiting the Texas Ethics Commission website, specifically at [http://www.ethics.state.tx.us/whatsnew/conflict\\_forms.htm](http://www.ethics.state.tx.us/whatsnew/conflict_forms.htm).

Chapter 176 specifies deadlines for the filing of CIQ Forms (both initial filings and updated filings).

It is Proposer's sole responsibility to file a true and complete CIQ Form with the Galveston County Clerk if Proposer is required to file by the requirements of Chapter 176. Proposer is advised that it is an offense to fail to comply with the disclosure reporting requirements dictated under Chapter 176 of the Texas Local Government Code.

If you have questions about compliance with Chapter 176, please consult your own legal counsel. Compliance is the individual responsibility of each person, business, and agent who is subject to Chapter 176 of the Texas Local Government Code.



**COUNTY of GALVESTON  
Purchasing Department**

rev. 1.3, March 29, 2010

<b>FORM PEID:</b>	<b>Request for Person-Entity Identification Data</b>
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Instructions: Please type or print clearly when completing sections 1 thru 4 and return completed form to:

Galveston County Purchasing Agent  
722 Moody Avenue (21st. Street), 5th Floor  
Galveston, Texas 77550  
(409) 770-5371 office  
(409) 621-7987 fax

1.	<b>Business Name:</b>			
	<b>Attention Line:</b>			
2.	<b>Physical Address:</b>			
	<b>City:</b>		<b>State:</b>	<b>Zip+4:</b>
3.	<b>Billing / Remit Address:</b>			
	<b>City:</b>		<b>State:</b>	<b>Zip+4</b>
4.	<b>Main Contact Person:</b>			
	<b>Main Phone Number:</b>			
	<b>Fax Number:</b>			
	<b>E-mail Address:</b>			

Areas below are for County use only.

<b>Requested By:</b>	<b>Phone / Ext. #</b>
<b>Department:</b>	<b>Date:</b>

<b>Action Requested - Check One:</b>	<b>IFAS PEID Vendor Number:</b>	
<input type="checkbox"/> Add New	<input type="checkbox"/> Change Data	<input type="checkbox"/> Re-activate
<input type="checkbox"/> Inactivate	<input type="checkbox"/> Employee	<input type="checkbox"/> Attorney
<input type="checkbox"/> Landlord	<input type="checkbox"/> Foster Parent	<input type="checkbox"/> Refund
<input type="checkbox"/> One Time	<input type="checkbox"/> Foster Child	

## Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type  
See Specific Instructions on page 2.

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Other (see instructions) ▶	<input type="checkbox"/> Exempt payee
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
OR
Employer identification number

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification Instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here**

Signature of U.S. person ▶

Date ▶

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

**Limited liability company (LLC).** Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

### Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$800 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 7 <sup>2</sup>

<sup>1</sup>See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup>However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

### Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@ftc.gov](mailto:spam@ftc.gov) or contact them at [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft) or 1-877-IDTHEFT(438-4338).

Visit the IRS website at [www.irs.gov](http://www.irs.gov) to learn more about identity theft and how to reduce your risk.

### What Name and Number to Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>1</sup>
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

### Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

# CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

**FORM CIQ**

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.  
 This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).  
 By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.  
 A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY	
Date Received	

1 Name of vendor who has a business relationship with local governmental entity.

2  Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information in this section is being disclosed.

\_\_\_\_\_ Name of Officer

This section (item 3 including subparts A, B, C, & D) must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes       No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes       No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more?

Yes       No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 \_\_\_\_\_  
 Signature of vendor doing business with the governmental entity

\_\_\_\_\_ Date