



# **Vended School Meals Company Contract Bid Process Guide for School Sponsors**

Request for Proposal (RFP) – Over \$250,000  
Request for Quotation (RFQ) – Under \$250,000  
School Year 2024-2025

# Food Service Contracts Information

- **To obtain copies of the current school year contract prototypes or renewal documents, send an email to [MDE-FSMC-Vended@michigan.gov](mailto:MDE-FSMC-Vended@michigan.gov)**
- Link to Food Service Contracts website: [MDE, Food and Nutrition Programs, Food Service Contracts](#)
- For further reference, refer to the [Updated Guidance: Contracting with Food Service Management | Food and Nutrition Service \(usda.gov\)](#) posted on the Food Service Contracts website

# Acronyms

- ADP – Average Daily Participation
- CACFP – Child and Adult Care Food Program
- CPI – Consumer Price Index
- FFVP – Fresh Fruit and Vegetable Program
- MDE – Michigan Department of Education
- NSLP – National School Lunch Program
- RFP – Request for Proposal
- RFQ – Request for Quotation
- SBP – School Breakfast Program
- SFA – School Food Authority (sponsor)
- SFSP – Summer Food Service Program
- SNP – School Nutrition Programs
- USDA – United States Department of Agriculture
- VSMC – Vended School Meals Company (Vendor)

# Contract Duration

- All contracts run from July 1<sup>st</sup> of the current year to June 30<sup>th</sup> of the following year.
- Per Federal regulations, contracts run for one year with the option of four one-year term renewals.
- It is recommended that bid proposal documents be sent to MDE several months prior to July 1<sup>st</sup> to give enough time for review and approval.

# Request for Proposal vs. Request for Quotation Contracts

Determine which Vended School Meals Company (VSMC) contract is most appropriate for the sponsor:

- Request for Proposal (Formal Procurement) – used when the aggregate total of the vended meals contract exceeds the threshold of \$250,000 during the school year.
- Request for Quotation (Informal Procurement) – used when the aggregate total of the vended meals contract is less than the threshold of \$250,000 during the school year.

Both types of contracts are used to obtain bids for meals. **There is no manager included in either type of vended contract.**

# Bid Proposal Packet

Four documents and several attachments make up the initial packet to MDE:

- ✓ Legal Notice (required for RFP only) (in Word format)
- ✓ Letter to Vendors (required for RFP only) (in Word format)
- ✓ Request for Proposal (RFP) or Request for Quotation (RFQ) (in Word format)
- ✓ Information Section (in Excel format)
- ✓ Applicable policies, menus, and year-end PAL report (in PDF format)

Bid proposal packets must be submitted to MDE for review at least three weeks in advance of the bid packet release date.

# As a reminder:

- Do **not** advertise or distribute bid packet materials without MDE's prior review and written approval.
- Any revisions to approved bid documents must be approved by MDE again prior to distribution.

# Legal Notice and Letter to Vendors (RFP)

*This is not required for RFQs in the informal process; however, it is recommended as a best practice.*

After MDE approval:

- Publish the approved Legal Notice in a widely read newspaper seven to ten days in advance of the bid release date.
- Email the approved Letter to the vendors as a group email with the Letter attached.
  - Send the Letter to AT LEAST ALL vendors on MDE's courtesy list.
  - The sponsor may also send the Letter to any other entities not included on MDE's courtesy list.
  - Do not "blind copy" recipients; instead, include all email addresses in the "To" line of the email.
  - "CC" your contract analyst on all correspondence between the sponsor and the vendors.



# Pre-Bid Meeting (RFP only)

*This is not required for RFQs in the informal process.*

## **Pre-bid meetings are mandatory for RFPs.**

- The sponsor must provide a sign-in sheet for attendees of the pre-bid meeting and include in the final packet to MDE.
- The following may occur at the pre-bid meeting:
  - ✓ Review specifications
  - ✓ Answer questions as a group
  - ✓ Conduct a walk-through/tour of facilities
- Avoid all individual conversations with any vendor. All potential bidders must receive the same information at the same time and in the same manner.

# Bid Evaluation Committee

Before going out to bid, a bid evaluation committee must be assigned to participate throughout the entire bid process.

- There is no minimum or set number of committee members required, but the same committee members must attend and participate in the entire bid process, such as during the pre-bid meeting, bidder presentations, and when evaluating the bids. **Avoid committees of only one person.**
- It is at the sponsor's discretion who will be involved on the committee or which roles committee members play during the process.
- Committee members must not have a personal financial interest in the bid award or have any other legal or financial conflict of interest.

# Request for Proposal/Quotation (RFP/RFQ)

It is required that sponsors use the RFP or RFQ prototype Word document provided by MDE.

- Additions or changes to the prototype documents are allowed but must be in **bolded red font** so they are clear for MDE review.
- **Fully review and read all sections of the entire RFP/RFQ.**
- Consulting with legal counsel to ensure the sponsor's interests are covered is recommended.

# Contract Terms

The Contract Terms section of the RFP/RFQ discusses the renegotiation of meal rates in subsequent years of the contract.

- Renegotiated meal rates must not exceed the current CPI rate or a flat percentage rate as determined by the sponsor and noted in this section.
- At the renewal stage, the lesser of the two rates will be the percentage the price per meal may increase that year.
  - ✓ Note: Inserting 0% for the flat percentage rate is allowed, but this is not necessarily best practice and may affect a potential bidder's response to the solicitation. Vendors rely on this minimal increase to account for increases in operational and administrative costs, such as gas and food. The sponsor should consider how much it can afford as an increase each year of the contract.

# Employees (Servers)

- If servers (non-management staff) are requested, insert the number of servers, the number of hours per day, and the number of days of food service needed for the year.
- Cost of servers will be included in the price per meal.
- Record if the number of hours or number of servers differs by meal or program.

# Professional Standards

Questions regarding the implementation of the Professional Standards Final Rule should be directed to the School Nutrition Programs office (517-241-5374) or click this link: [Professional Standards Overview](#).

# USDA Foods

Signing up for USDA Foods and selecting a consortium is done one year in advance. Therefore, new participants to the National School Lunch Program will not be eligible for USDA Foods in the first year.

# Invoice Reconciliations

- MDE conducts random audits to verify that invoice reconciliations are completed and accurate.
- Prior to yearly renewal approval by MDE, the sponsor must sign an Acknowledgement for Contract Renewals document acknowledging that invoice reconciliations are being conducted internally.



# Information Section

The Information Section is an Excel document with pre-filled formulas in many areas and the totals transfer to other areas throughout the document.

The following slides outline specific tabs within the Information Section.

# Policies

The sponsor must attach the following in PDF format:

➤ **Procurement Policy** to include:

- ✓ Written Code of Conduct and Conflict of Interest
- ✓ Sponsor's small purchase threshold
- ✓ Bid protest procedures

# Policies and Ethical Standards

Ethical standards must be addressed in a sponsor's Written Code of Conduct and Conflict of Interest policies.

- No real or apparent outside influence or conflict of interest can be present during the procurement of goods and services.
  - This expectation starts **before** any potential bidders are contacted and **continues throughout** the procurement process.
  - Examples include assisting with creating procurement documents, visiting schools for tours or individual appointments, presenting to school boards or other committees, etc.

# Ethical Practices & Reminders

**All procurements must be fair and openly competitive.**

- ✓ Sponsors must decline “overresponsive” offers that may include unallowable cost items such as scholarships, incentives, gifts, travel packages, football signs, vacations, kitchen equipment, special events, etc.
- ✓ Note: Benefits such as discounts, rebates, or credit back to the nonprofit school food service account is allowed but must be properly documented.

# Bid Protest Policy or Procedure

Per Federal procurement procedures, the sponsor is responsible for the settlement of all contractual and administrative issues arising out of its procurement. Issues may include, but are not limited to, source evaluation, disputes, protests, and claims. The scope of a protest includes the bid process, **not** the evaluations or scoring used in determining the bid award.

Due to local control in Michigan, sponsors are free to utilize their own policies.

- Bid protest policies are usually included in a sponsor's Procurement Policy.
- They address review practices/processes to be followed and have an established timeline.

Bid protests go directly to the sponsor for resolution and are overseen by the sponsor.

- Determinations are to be provided in writing and results shared with all bidders.
- If the bid protest is found to be valid, bidders are notified, and action is taken to address the finding.

# Menus

Include sample menus for each meal type served (breakfast, lunch, snack, supper) for each site where meals are served.

- ✓ Menu samples must show **21 days** of meals and **include specific milk choices**.
  - It is okay to use rotating weekly schedules (but indicate that on the menu).
  - Must specify at least **two** milk choices.
- ✓ **Remove all food service logos and names of staff/directors.**
- ✓ Include the a la carte menu and pricing sheet for each site where a la carte is available.

Sample complete menus with associated meal component tools can be found at:  
<http://education.ohio.gov/Topics/Other-Resources/Food-and-Nutrition/Resources-and-Tools-for-Food-and-Nutrition/Menus-that-Move>

# Food Specifications and Meal Patterns

Enter specific requirements for the sponsor regarding meals, food items, times, etc.

# Bid Point Calculator (RFP only)

*This is not required for RFQs in the informal process.*

The Bid Point Calculator is the tool used by the sponsor to evaluate the bids submitted by vendors.

**The vendor with the highest points, after price and non-price criteria are evaluated, should be awarded the contract.**

- Tab 4 gives suggested non-price criteria and sub-criteria for sponsors to enter on the Bid Point Calculator.
  - Sponsors are not required to use these suggestions. They are only provided as examples.
- Tab 5 is a sample Bid Point Calculator as it should look upon submission as part of the bid packet.
  - This sample is provided as guidance for formatting the Bid Point Calculator.



# Please note (RFP only):

- If the sponsor intends to use **taste tests** or menu sampling as a part of its decision, this **must** be included as a part of the non-price criteria on the Bid Point Calculator.
  - Ask MDE for further taste testing guidelines.

# Equipment Inventory List

List food service equipment in column A and mark whether the item is considered expendable or non-expendable, and whether it belongs to the sponsor or is provided by the vendor.

- Expendable refers to items that can only be used one time.
- Non-expendable refers to items that can be reused.

# Building Demographics

Enter the name and address for each school building that serves meals, as well as grade levels, enrollment, and beginning/ending service times.

# Services by Location

Enter the name of each school building that serves meals and check all applicable services provided at each site.

- A site cannot be both Full Serve and Offer vs. Serve for a specific meal type.
- Lunch for grades 9-12 must be Offer vs. Serve.

# USDA Foods

- 1) Attach the most recent year-end PAL report (SY 22-23) obtained from your consortia's website:
  - GLC: [www.hpsusdafoods.org](http://www.hpsusdafoods.org)
  - SPARC: [www.michigansparc.com](http://www.michigansparc.com)
  - MOR: <http://veorders.vaneerden.com/>
- 2) Identify next school year's (SY 24-25) consortia election made on the current Child Nutrition Programs coordinated application (SY 23-24).

# Projected Costs (RFP only)

This tab should reflect all costs associated with the food service program, whether they are paid directly by the sponsor or by the vendor.

- At the top of the page, fill in how many days of service these costs are based on.
- Describe expenses included for Contracted Services, Utilities, Indirect Costs, and any amount included on the “Other” line. Notes can be added to the bottom of the page if needed.
- For any cost paid directly by the sponsor, include it on this page and note that it is not a bid item.

# Projected Revenue Information (RFP only)

**Sponsor will complete only the yellow highlighted sections.**

MDE will complete all other areas on this tab using claim reporting data for October 2023 for NSLP/CACFP (or another month as determined for better accuracy) and June/July/August 2023 for SFSP.

# Bid Sheet

**The cells for meals/units will be completed by MDE; do not enter numbers.**

- The bidder completes all other applicable cells, including the proposed rates.



# After the Bid Due Date

After bid proposals are received, the bid evaluation committee will:

- ✓ Document that the proposals were received on time.
- ✓ Note that each proposal includes a bid bond, if applicable.
- ✓ Evaluate the responsiveness of each bid proposal.
- ✓ Evaluate the responsibility of the bidders.

**Note**: If the sponsor rejects a bid for any reason (for example, if a bid is late or not responsive), the sponsor **must have documentation** to support the rejection.

# Unallowable Provisions and Overly Responsive Items

No bid proposal may be overly responsive and include unallowable cost items such as scholarships, incentives, gifts, travel packages, football signs, vacations, kitchen equipment, special events, or other overly responsive items.

- ✓ These types of items are outside of the scope of the solicitation and create a conflict of interest.
- ✓ They must **not** be included in the evaluation and scoring to determine contract award.
- ✓ If included, these types of overly responsive items **may disqualify** and render a vendor's bid proposal ineligible for contract award.

# After the Bid Due Date – Bid Point Calculator and Award for RFPs

The bid evaluation committee will use the Bid Point Calculator to evaluate price and non-price criteria for all bidders.

- The bidder with the maximum number of points should be awarded the contract.
- Depending upon the outcome of the point totals, it is possible that the award may not be made to the lowest priced bidder.

# After the Bid Due Date – Informal Procurement Log for RFQs

The bid evaluation committee will use the Informal Procurement Log to evaluate price quotes for all bidders.

**All sections must be filled out completely.**

- ✓ Sponsor must contact **at least three** vendors to obtain competitive bid quotes.
- ✓ Bid quotes must be obtained in writing.
- ✓ Document all communication and prices discussed with each vendor.
- ✓ The most **responsive** and **responsible** bidder with the **lowest total bid price** will be awarded the contract.
  - If the sponsor chooses a bid other than the lowest in price, the sponsor must submit written justification as to the reason for the decision to MDE for review and approval before executing the contract.

# RFP Final Bid Packet – Checklist Letter to MDE

Before awarding the contract to the successful bidder, complete and sign the checklist letter for submission to MDE.

- ✓ Make sure the name of the newspaper and publish date is included on the copy of the legal ad.
- ✓ Upload the electronic PDF version of the entire bid proposal submitted by the bidder and forward via email to MDE.
- ✓ Send all versions of the addendum (if applicable) and be sure to also **submit written confirmation** that the **sponsor has reviewed and approved the final version of the addendum.**
- ✓ Final approval must be given by MDE prior to executing the contract with the successful bidder.

# RFQ Final Bid Packet – Checklist Letter to MDE

Before awarding the contract to the successful bidder, complete and sign the checklist letter for submission to MDE.

- ✓ Include a copy of the completed Informal Procurement Log.
- ✓ Upload the electronic PDF version of the entire bid proposal submitted by the bidder and forward via email to MDE.
- ✓ Send all versions of the addendum (if applicable) and be sure to also **submit written confirmation** that the **sponsor has reviewed and approved the final version of the addendum.**
- ✓ Final approval must be given by MDE prior to executing the contract with the successful bidder.

# Know it, Monitor it, Communicate it!

## ➤ **Know the contract**

- Read and understand what is included in the contract.

## ➤ **Monitor the service**

- Check that meals served match menus, are reimbursable, and meet food quality standards.
- Check invoices to ensure accuracy and that costs are allowable.

## ➤ **Communicate with the VSMC**

- Question discrepancies.
- Ensure terms are met.
- Resolve issues and complaints.
- Enforce the contract.

# Monitor the Service

**Monitoring the contract is essential to ensure:**

- ✓ The service procured is the service received.
- ✓ Compliance with Federal law.

**The sponsor's diligence in monitoring the contract helps:**

- ✓ Demonstrate program integrity.
- ✓ Demonstrate fiscal responsibility.
- ✓ Protect the sponsor's interests.



# Pay Invoices on Time

Timely payment to the vendor for reimbursable meals and compliant service is critical to the success of the program just as much as it is to the vendor's successful operation.

- Consistent failure to pay the vendor on time may negatively impact its ability to provide successful service to the sponsor or even elsewhere.

# Communication is Key!

The sponsor **and** the vendor owe it to one another to **regularly and clearly communicate** about service. Both parties should notify each other of service issues, work on resolutions, and discuss what is working well and what isn't. This will help everyone achieve success and ensure an effective contract.