

North Hunterdon-Voorhees Regional High School District
Annandale, NJ
June 19, 2018

Food Service 2018-2019

Management Fee and Guarantee Language

The Food Service Management Company (FSMC) shall receive, in addition to the costs of operation, a fee of \$.0424 per meal equivalent to compensate the Food Service Management Company for administrative and management costs. This fee shall be billed monthly as a cost of operation. The Local Education Agency (LEA) guarantees the payment of such costs and fee to the Food Service Management Company.

Cash receipts shall be divided by \$1.00 to arrive at an equivalent meal count.

The per meal management fee of \$.0424 will be multiplied by total meal equivalents.

The FSMC guarantees the LEA a no cost of operation for the LEA for school year 2018-2019.

**FOOD SERVICE MANAGEMENT COMPANY
ADDENDUM
SCHOOL YEAR 2018-2019**

To Contract dated June 13, 2014 between The Pomptonian, Inc., 3 Edison Place, Fairfield, NJ 07004-3511 (hereinafter referred to as the "FSMC"), and the Board of Education of North Hunterdon-Voorhees Regional High School District (hereinafter referred to as the "LEA"). The parties hereby agree that this is the fourth renewal of the contract and previous addendum, and agree to renew the contract as previously amended and renewed. The terms and conditions of which will remain the same except as set forth below.

A. DURATION OF ADDENDUM

This addendum begins on July 1, 2018 and ends on June 30, 2019.

B. MANAGEMENT FEE(S) / GUARANTEES

- 1) The Food Service Management Company shall receive, in addition to the costs of operation, a fee of \$.0424 per meal equivalent to compensate the Food Service Management Company for administrative and management costs. This fee shall be billed monthly as a cost of operation. The Local Education Agency guarantees the payment of such costs and fee to the Food Service Management Company.

Cash receipts shall be divided by \$1.00 to arrive at an equivalent meal count.

The per meal management fee of \$.0424 will be multiplied by total meal equivalents.

- 2) The FSMC guarantees the LEA a no cost of operation for the LEA for school year 2018-2019

- 3) This guarantee is contingent upon the guarantee requirements as stated below.

- Minimum of 182 serving days
- Adoption of recommended Student Lunch Price List and Faculty Lunch Price List
- Enrollment remains constant
- The LEA is responsible for kitchen equipment maintenance and repair, smallwares purchases, and cleaning of floors in dining room and kitchen area
- No change in school policy that significantly affects operating revenue or expense
- A special dietary policy for an individual or group that results in an extraordinary expense will be recorded separately
- A change in Federal or State regulation that was not in effect at the conclusion of the previous school year that impacts cafeteria operating revenue or expense will be separate. The FSMC will calculate the effect of any change to the LEA's operating performance and adjust the guarantee by the actual amount of the change
- Any change in cost that results from the implementation of the Affordable Healthcare Act will be separate from the guarantee
- The Offer versus Serve policy is maintained
- No competitive sales during cafeteria operating hours
- Based on the Labor Schedule submitted
- Increased costs caused by the unionization of the staff would be separate from this guarantee

C. EQUAL EMPLOYMENT / AFFIRMATIVE ACTION

During the performance of this contract, the FSMC agrees as follows [N.J.S.A. 18A:18A-4.4d; N.J.A.C. 17:27-3.5; 3.7]:

- 1) It will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the FSMC will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that all employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The FSMC agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the LEA Compliance Officer setting forth provisions of this nondiscrimination clause.
- 2) It will in all solicitations or advertisements for employees placed by or on behalf of the FSMC, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.
- 3) It will send to each labor union with which it has a collective bargaining agreement, a notice to be provided by the LEA contracting officer, advising the labor union of the FSMC's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4) The FSMC agrees to comply with any regulations promulgated by the State Treasurer pursuant to N.J.S.A. 10:5-31 *et seq.*, as amended and supplemented from time to time, and the Americans with Disabilities Act.
- 5) The FSMC agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.
- 6) The FSMC agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.
- 7) The FSMC agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable federal law and applicable federal court decisions.
- 8) In conforming with the targeted employment goals, the FSMC agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or

expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey and applicable federal law and applicable federal court decisions.

- 9) Prior to executing this addendum, the FSMC submitted to the LEA a Certificate of Employee Information Report
- 10) The FSMC shall furnish any mandated such reports or other documents to the New Jersey Department of Treasury, Division of Purchase & Property, Contract Compliance Audit Unit, EEO Monitoring Program, as may be requested by the office from time to time in order to carry out the purposes of the regulations, and the LEA shall furnish such information as may be requested by the Division of Purchase & Property, Contract Compliance Audit Unit, EEO Monitoring Program for conducting a compliance investigation pursuant to subchapter 10 of the Administrative Code at N.J.A.C. 17:27.

D. LOCAL EDUCATION AGENCY RESPONSIBILITIES

- 1) The LEA shall assure that there are no competitive sales during the cafeteria's hours of operation. Competitive sales include sale of any food or beverage item. Operating hours are defined as the time the cafeteria begins sales to students, including breakfast, until the end of the last lunch period.
- 2) The LEA or any employee of the LEA shall not sign exclusive contracts with food service vendors without the FSMC's written consent. Exclusive vendor contracts requiring that the FSMC purchase from specific vendors could have a negative impact on the financial performance of the food service operation.

E. PAYMENT TERMS

- 1) The FSMC shall bill the LEA for actual expenses associated with the LEA's cafeteria operation. The LEA shall reimburse the FSMC for expenses paid on the LEA's behalf. Due to the unique nature of the service provided by the FSMC, the FSMC asks that the LEA reimburse the FSMC in a timely manner. The billing follows the expenditures, most of which are already disbursed for labor and to tax collecting authorities. The FSMC prefers that payments are made in fifteen (15) days but anticipates payment shall be no later than thirty (30) days of the billing date to ensure that timely distribution of the expense payments can be maintained.

F. INVENTORY

- 1) The Inventory is the property of the LEA. The FSMC will purchase food and supplies for the LEA's cafeteria program. The FSMC shall bill the LEA for the cost of the inventory based on the vendor invoices.
- 2) The FSMC is determined to be an agent in this relationship with the LEA and, for limited purposes, utilizes the sales and use tax exemption of the school board in procurement of goods and supplies purchased in the performance of its school food service contract. The FSMC makes this relationship known to the sellers at the time of purchase. The invoice shows that the goods are delivered directly to one of the schools under the jurisdiction of the LEA and the title of the goods is transferred to the LEA upon receipt. Based on this relationship the Department of Treasury Division of Taxation from New Jersey has established that those purchases are exempt from sales and use tax.

- 3) Any loss of inventory due to power failure or flood will be separate from the cafeteria operating budget. The FSMC will generate an accounting that may be utilized by the LEA for an insurance claim as applicable. This will be a credit on the Income Statement to exclude an extraordinary event from the financial results.

G. PERSONNEL

- 1) The LEA, shall not, without FSMC's written consent, hire, make an agreement with, or permit the employment in any operation providing food service to LEA, at LEA's direction or on LEA's behalf, any of the FSMC's management personnel within one year after the employee's separation from or termination date with FSMC. The LEA agrees that the FSMC incurs expenses in training, recruiting, and employing these persons. It is agreed that should the LEA hire, make an agreement with, or allow or permit a successive FSMC to hire any such employee during the prescribed period without written consent from the FSMC, the LEA shall pay to the FSMC two and one-half times the manager's annual salary as due consideration for damages. It is acknowledged by the parties that a breach of the terms of this agreement would potentially cause the FSMC substantial economic damages and losses of types and in amounts which are difficult or impossible to compute and ascertain with certainty. Accordingly, in lieu of actual damages, the parties agree that that the damages set forth above may be assessed and recovered by FSMC without FSMC being required to present any evidence of the amount or character of actual damages sustained. Such damages are intended to represent estimated actual damages and are not intended as a penalty, and this sum has been determined to be reasonable by both parties after due consideration of all relevant circumstances. This provision shall survive termination of this agreement.
- 2) The FSMC shall remove or dismiss any employee at the written direction of the LEA.

NORTH HUNTERDON-VOORHEES
REGIONAL HIGH SCHOOL DISTRICT
BOARD OF EDUCATION,
HUNTERDON COUNTY, NEW JERSEY

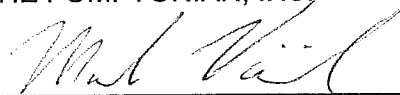
Business Administrator/Board Secretary

President

Date

Date

THE POMPTONIAN, INC.



Mark Vidovich, President

February 21, 2018

Date