

**METZ CULINARY MANAGEMENT, INC.  
SCHOOL YEAR 2012-2013**

THIS ADDENDUM, (the "Addendum") is made effective by and between Randolph Township School District located at 25 School House Road, Randolph, NJ 07869, (the "Local Education Agency") and Metz Culinary Management, Inc., ("Food Service Company") with offices located at Two Woodland Drive, Dallas, Pennsylvania 18612. The parties hereto agree as follows:

**Article I: Federal and State Required Contract Language**

**A. DURATION OF ADDENDUM**

This addendum begins on July 1, 2012 and ends on June 30, 2013.  
(date) (date)

**B. MANAGEMENT FEE(S) / GUARANTEES**

**1. Management/Administrative Fees**

**Management/Administrative Fees – Cents Per Meal**

1. Metz Culinary Management, Inc., will charge a management fee of \$00.045 per meal and meal equivalents served.

"Meals" shall be determined by actual count and are calculated by adding the number of National School Lunch Program meals, School Breakfast Program meals and After School Snack Program meals served to children. Cash receipts, other than from sales of National School Lunch Program meals, School Breakfast Program meals and After School Snack Program meals served to children, shall be divided by \$1.00 to arrive at meal equivalents.

2. Metz Culinary Management, Inc., will charge an administrative fee of \$00.0538 per meal and meal equivalents served.

"Meals" shall be determined by actual count and are calculated by adding the number of National School Lunch Program meals, School Breakfast Program meals and After School Snack Program meals served to children. Cash receipts, other than from sales of National School Lunch Program meals, School Breakfast Program meals and After School Snack Program meals served to children, shall be divided by \$1.00 to arrive at meal equivalents.

**2. Guarantee  
(Breakeven)**

Metz Culinary Management, Inc., guarantees that the bottom line on the operational financial report for 2012-2013 school year shall operate at "no cost". In the event the program costs exceed total revenues (from all sources), Metz Culinary Management, Inc., shall be responsible for any losses (shortfalls) incurred. This guarantee is contingent upon the following conditions:

### 3. Guarantee Conditions

- a. Reimbursement rates for all Child Nutrition Programs meals will not be less than the rates estimated in the proposal and/or renewal from prior year.
- b. The value of government-donated commodities will not be less than the value of government-donated commodities estimated in the proposal and/or renewal from prior year.
- c. The number of serving periods, locations, serving times and types of service will not change materially.
- d. Staffing levels, rates of pay and Medical and Dental benefit levels stay consistent with proposal and/or renewal from prior year.
- e. The Local Education Agency and the Food Service Management Company must mutually agree upon any changes in staffing, wages and benefits
- f. Service will not be interrupted as a result of fire, work stoppage, strike or school closing.
- g. The District and its representatives including but not limited to, school principals, teachers and District employees shall fully cooperate with Metz Culinary Management in the implementation of the Food Service Program. The District shall fully cooperate with Metz Culinary Management to limit the expansion of competitive food sales in order to maximize the gross receipts and other non-cash sales of the Food Service Program.
- h. The LEA shall have timely submitted all documentation for reimbursement claims, except where such failure is due to an act of omission of Metz Culinary Management.
- i. The number of students eligible for free and reduced priced meals will be no less than that estimated in the Metz Culinary Management proposal and/or renewal from prior year.
- j. All current satellite feeding programs will continue unchanged with respect to pricing, service days, number of meals per day and delivery arrangements from proposal and/or renewal from prior year.
- k. LEA is responsible for all kitchen equipment maintenance and repair, smallwares purchases.
- l. No restrictions on the regular menu or a la carte offerings except that they meet previously stated New Jersey State guidelines.
- m. Changes made to the USDA or NJ school food service guidelines/regulations made after proposal and/or renewal is submitted may result in a decrease in the District's financial return.
- n. No competitive sales during School Food Service operation hours from student groups, teachers, clubs, vending not from FSMC, etc.
- o. Catering will be billed to the District at mutually agreed pricing
- p. Depreciation levels remain consistent with proposal and/or renewal from prior year.
- q. If the LEA decides to implement/change the student access control system during or prior to the school year, all related costs of computer and training labor hours are not included or part of the guarantee

- r. A special dietary policy for an individual or group that results in an extraordinary expense will be recorded separately.

In the event the above conditions are not met during the school year, Metz Culinary Management's guarantee obligation shall be reduced by an amount equivalent to any increase cost or loss of revenue attributable to the changes in such conditions.

### C. USDA DONATED FOODS

- 1) All USDA donated foods received for use by the LEA for the school year and made available to the FSMC shall be used in the LEA's food service. [7CFR 250.50(a)].
- 1) The FSMC shall perform the following activities related to USDA donated foods, and shall perform such activities in accordance with the applicable requirements in 7CFR Part 250:
  - a. Preparing and serving meals;
  - b. Ordering or selection of donated foods in coordination with the LEA;
  - c. Storage and inventory management of donated foods;
  - d. Payment of processing fees or submittal of refund requests to a processor on behalf of the LEA, or remittance of refunds for the value of donated foods in processed end products to the LEA; and
  - e. Procurement of processed end products on behalf of the LEA. [7CFR 250.53(a)(4)].
- 2) The FSMC shall credit the LEA for the value of all USDA donated foods received for use in the LEA's meal service in the school year (including both entitlement and bonus foods), and including the value of donated foods contained in processed end products, if applicable. [7CFR 250.53(a)(1)].

The FSMC shall perform such crediting

- The FSMC shall credit monthly by disclosure the LEA for the value of all donated foods received in the school year.
- The FSMC shall monitor and report the commodity pass through value as used by each commodity processor receiving any portion of the LEA's entitlement dollars monthly. [7CFR 250.53(a)(2)].

If for the school year immediately preceding the beginning of this contract the LEA's food service was self-operating, the FSMC shall also credit the LEA for the value of all USDA donated foods in the LEA's inventory carried over from the preceding school year.

- 3) In crediting the LEA for the value of USDA donated foods, the FSMC shall use the market value of donated foods as identified on the monthly allocation notice from the New Jersey Department of Agriculture Food Distribution Program (the "Distributing Agency") at the time the LEA receives the donated foods. In crediting for the value of donated foods contained in processed end products, the

FSMC shall use the annual processing agreement value established in the Distributing Agency's State Processing Agreement. [7CFR 250.53(a)(3)].

- 4) The FSMC will use all donated ground beef and ground pork products, and all processed end products, in the LEA's food service. [7CFR 250.53(a)(5)]. The FSMC will use all other donated foods, or will use commercially purchased foods of the same generic identity, of U.S. origin, and of equal or better quality than the donated foods, in the LEA's food service. [7CFR 250.53(a)(6)].
  - 5) In the procurement of processed end products on behalf of the LEA, the FSMC will comply with the requirements of Subpart C of 7CFR Part 250 and with the provisions of the Distributing Agency or LEA processing agreements, and will credit the LEA for the value of donated foods contained in such end products at the processing agreement value. The FSMC will not itself enter into the processing agreement with the processor. [7CFR 250.53(a)(7),(8)].
  - 6) The FSMC will comply with the storage and inventory requirements for USDA donated foods set forth in 7CFR 250.14(b) and 250.52. [7CFR 250.53(a)(9)]. The FSMC shall ensure that its system of inventory management does not result in the LEA being charged for USDA donated foods. [7CFR 250.53(b)].
  - 7) The FSMC shall maintain accurate and complete records with respect to the receipt, use/disposition, storage and inventory of all USDA donated foods. The FSMC will maintain records to document its compliance with the requirements relating to donated foods, in accordance with 7CFR 250.54(b). [7CFR 250.53(a)(11)].
  - 8) The LEA, the Distributing Agency, the USDA, the Comptroller General, or their duly authorized representatives, may perform onsite reviews of the FSMC's food service operation, including the review of records, to ensure compliance with requirements for the management and use of donated foods. [7CFR 250.53(a)(10)].
  - 9) Upon termination of this contract, the FSMC shall return all unused donated ground beef, donated ground pork and processed end products, including those that may be stored off the LEA's premises, and shall also return all other unused donated foods that may be stored on or off the LEA's premises. [7CFR 250.52(c)].
  - 10) The LEA shall conduct a reconciliation at least annually, and upon termination of this contract, to ensure that the FSMC has credited it for the value of all donated foods received for use in the LEA's food service in the school year, including the value of donated foods contained in processed end products. [7CFR 250.54(c)].
- D. ADDITIONAL EQUAL EMPLOYMENT / AFFIRMATIVE ACTION [N.J.S.A. 18A:18A-4.4d; N.J.A.C. 17:27-3.5; 3.7]

The FSMC shall furnish such reports or other documents to the New Jersey Department of Treasury, Division of Public Contracts Equal Employment Opportunity Compliance, 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 Public Contracts Equal Employment Opportunity Compliance for conducting a compliance investigation pursuant to subchapter 10 of the Administrative Code at N.J.A.C. 17:27.

#### E. ADDITIONAL RECORDS

The FSMC shall maintain all documentation related to products, transactions or services under this contract for a period of five years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request. [N.J.A.C. 17:44-2.2(b)].

#### F. SOC 1 REPORT

The FSMC shall have an annual service audit of the FSMC's internal controls performed by an independent audit firm engaged by the FSMC. The service audit shall be as prescribed in A.I.C.P.A. Statement on Standards for Attestation Engagements (SSAE) No. 16. The FSMC shall provide the LEA with a SOC 1 Type 2 Report in conformity with SSAE No. 16 to enable the LEA to meet its annual audit obligation under New Jersey Department of Treasury Circular No. 04-04-OMB. [7CFR 3016.26; 7CFR 3052.210(f); N.J.S.A. 18A:23-1].

#### G. TERMINATION

- 1) The LEA or the FSMC may cancel the contract for cause by giving 60 days' written notification. [7CFR 210.16(d)].
- 2) The LEA may terminate the contract at any time by giving 60 days' written notification to the FSMC setting forth the reason for and the effective date of termination. Upon such termination, the LEA and the FSMC shall make settlement of all amounts due hereunder as follows: settlement of all amounts due hereunder shall be made within 30 days following the date of termination [7CFR 3016.36(i)(2)].

#### H. CONSTRUCTION AND EFFECT

The LEA and the FSMC agree that Article I of this addendum is intended to comply with applicable federal and State procurement and USDA program requirements. In the event that any provision contained in Article I should conflict with any other provision contained in this addendum or any attachment to this addendum, the provisions of Article I shall control.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed and delivered, in duplicate, by their duly authorized officers, effective as of the Effective Date.

**WITNESS:** METZ CULINARY MANAGEMENT,  
**INC.**

\_\_\_\_\_  
**BY:** \_\_\_\_\_

**AS** **IT'S**

\_\_\_\_\_

**DATE:** \_\_\_\_\_  
**DATE:** \_\_\_\_\_

**WITNESS:** LOCAL EDUCATION AGENCY

\_\_\_\_\_  
**BY:** \_\_\_\_\_

**AS** **IT'S:**

\_\_\_\_\_

**DATE:** \_\_\_\_\_  
**DATE:** \_\_\_\_\_