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# Child Nutrition Update Cost Increases and Bids 2022- 2023

Franklin County Schools Board Meeting  
June 30, 2022  
6:30 pm

Dr. Larry Webb-Chief of Auxiliary Services  
Ms. Meg Strong-Director of Child Nutrition

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# Milk Bid Comparison

## Pricing 2021-2022

Per container - \$ 0.235

Approximate Usage Milk 2021-2022 800,000

Total Cost = \$188,000

## Pricing 2022-2023

Per Container - .315

Forecast Usage Milk 2022-2023 700,000

Forecast Total Cost = \$220,500

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# Paper Supplies

## 2021 Bid Pricing w/o Force Majeure Pricing

<https://docs.google.com/spreadsheets/d/1HTA6gP60Wk661jLizjtGovlx3HD4CbQv/edit#gid=1180948690>

**Force majeure** is a clause in contracts which essentially frees both parties from liability or obligation when an extraordinary event or circumstance beyond the control of the parties, such as a war, strike, riot, crime, epidemic or sudden legal changes prevents one or both parties from fulfilling their obligations under the contract. Explicitly excluded is any event described as an *act of God*, which covers a separate domain and legally differs, yet it is still related to contract law. In practice, most *force majeure* clauses do not excuse a party's non-performance entirely but only suspend it for the duration of the *force majeure*.

## Example of Force Majeure

[https://docs.google.com/document/d/1o4M9tTlobfHiv8GP89eB\\_v8rIbz7hm430Yc-375Gy2Q/edit?usp=sharing](https://docs.google.com/document/d/1o4M9tTlobfHiv8GP89eB_v8rIbz7hm430Yc-375Gy2Q/edit?usp=sharing)

## 2022 Bid Pricing

[https://docs.google.com/spreadsheets/d/1sK\\_pG6rccRAWBE6sfpD\\_p5ZiJmW00OKL/edit#gid=1310457970](https://docs.google.com/spreadsheets/d/1sK_pG6rccRAWBE6sfpD_p5ZiJmW00OKL/edit#gid=1310457970)

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## Deliver Fees 2022

Sysco -	\$2.16 per case regular delivery and paper products \$4.00 per case NCDA
Produce -	\$2.95 per case (Rolled Bid)
Milk -	No delivery fee
Buckeye - later in year	No delivery fee (Rolled Bid) may need to increase

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# Payroll

Payroll Comparison 2021-22 vs Projected 2022-2023

## Current Salaries 2021 - 2022

\$2,571,757 - Salary only not including benefits

## Salaries 2022-2023

\$2,692,242 - Salary only does not include benefit or FICA increases

## Total Forecasted Increase

\$120,485

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# Paid Lunch Equity Information from 2010 No Kids Hunger Act

<https://www.fns.usda.gov/nsip/paid-lunch-equity-guidance-school-year-2019-20>

Paid lunch Equity in the 2010 No Kids Hungry Act requires LEA's to increase meal prices a certain amount throughout the years to eventually match reimbursement received for free meals.

The Paid Lunch Equity Tool guides LEA's as to what their increases should be each year. Franklin County Schools has not increased meal prices in several years and via the tool it will be necessary to raise meal prices this coming school year.

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# Recommended Breakfast and Lunch Increase

We recommend that we do not increase the cost of paid breakfast.

We recommend that we increase the cost of paid lunch from \$2.70 to \$2.80 which is an increase of \$.10. This is the state required minimum increase.

Reduced prices will be Free for breakfast and \$.40 for lunch.

This change will generate an additional \$26,394.00 in revenues to help defer cost increases. These funds will help offset higher delivery fees and increases in milk, supplies and labor. We recognize that inflationary costs will have a significant impact this upcoming year and we will have a better sense of future increases once we have a better handle on completed free/reduced applications, participation with the ending of universal free meal service, etc. We will use this data to more accurately project into the 2023-24 school year.

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# Bids for Approval

We are requesting approval for our grocery and supply bid through Sysco Foods Raleigh

SYSCO Grocery Bid - Approximately \$1,216,392 sy 22-23

SYSCO Supply Bid - Approximately \$167,876 sy 22-23

Gordon's Food Service and US FOOD Fort Mill/Zebulon declined to bid on our grocery and supply bid

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# Bids for Approval

- Pet Dairy Bid on our Milk for SY 22-23
  - Maola and SYSCO declined to bid for milk
  - Forecast Milk Bid sy 22-23 \$225,000
  - Produce Bid is an extension of 2021-2022
  - Produce Bid is a weekly pricing contract with set \$2.95 delivery fee;
  - FCS utilizes approximately \$80,000 worth of fresh produce yearly
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# Requested Motions

#1-Requesting approval of recommendation to increase the cost of paid lunch by the minimum state- required increase of \$0.10.

#2-Requesting approval of milk bid, grocery bid and the supply bid as presented.

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Questions?

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