

CITY AND BOROUGH OF JUNEAU SCHOOL DISTRICT

BOARD AGENDA ITEM

 INFORMATION

DEPARTMENT: Superintendent 6.2

 X ACTION

TITLE: APPROVAL OF FOOD SERVICE CONTRACT EXTENSION WITH NANA MANAGEMENT SERVICES (NMS) FOR THE 2024-2025 SCHOOL YEAR AND MEAL PRICE INCREASE – First Reading

STRATEGIC INITIATIVE: N/A, operational

BACKGROUND:

The District contracted with NANA Management Services (NMS) for school meal, snack, and fresh fruit and vegetable program (eligible schools) service during the 2019-2020 school year, following a *Request For Proposals (RFP)* process that took place during the fall of 2018. This contract has been extended each school year since (SY21, SY22, SY23, SY24). NMS and JSD collaborate to plan breakfast and lunch menus for all schools and a Fresh Fruit & Vegetable Program (FFVP) menu for Sayéik: Gastineau, Sít' Eetí Shaanáx - Glacier Valley, Harborview, Mendenhall River, and Kaxdigoowu Héen Elementary Schools. Breakfast and lunch meals are prepared and served by NMS staff. NMS staff prepares produce for the FFVP at eligible schools with service by JSD staff.

NMS made a formal offer, including proposed prices required for a contract extension, to the District in a letter dated May 8, 2024. The following table summarizes proposed NMS rates for FY25, as well as proposed paid cost for reduced- and full-price student and adult meals. Proposed paid meal costs are below state-approved meal costs. The District has not adjusted paid meal costs since 2020.

School Year 2024 - 2025 Meal Type	NANA Price per Meal	FY24 USDA Rate Reimbursement*	Proposed PAID Meal Cost	Revenue per Meal	District Obligation per Meal
Lunch - Free	\$ 7.34	\$ 6.90	\$ -	\$ 6.90	\$ 0.44
Lunch Reduced	\$ 7.34	\$ 6.50	\$ 0.40	\$ 6.90	\$ 0.44
Lunch - Paid	\$ 7.34	\$ 0.66	\$ 5.50	\$ 6.16	\$ 1.18
Lunch - Second	\$ 7.34	\$ -	\$ 5.50	\$ 5.50	\$ 1.84
Lunch - Adult	\$ 7.34	\$ -	\$ 7.50	\$ 7.50	\$ (0.16)
Breakfast - Free	\$ 4.31	\$ 3.66	\$ -	\$ 3.66	\$ 0.65
Breakfast - Reduced	\$ 4.31	\$ 3.36		\$ 3.36	\$ 0.95
Breakfast - Paid	\$ 4.31	\$ 0.58	\$ 4.00	\$ 4.58	\$ (0.27)

* FY25 USDA reimbursement rates have not been released at this time.

The contract between the District and NMS may be extended by one-year extensions through FY27. This would be the fifth allowable one-year contract extension.

As stated in *Request for Proposals FS 2020-01*, either the District or NMS may terminate this contract. In the event either party wishes to terminate, such termination would take effect sixty (60) days after receiving written notice of intent to terminate.

CURRENT ISSUE BEFORE THE BOARD:

The District needs to enter into a food service management contract for the 2024-2025 school year

and set paid costs for meals.

RECOMMENDATION:

It is recommended that the Board of Education authorize the Superintendent to sign the 2024-2025 food service management contract renewal addendum between the District and NANA Management Services. It is further recommended that the Board of Education set paid costs for meals in FY25 as follows:

- **Student Paid Lunch \$5.50**
- **Student Reduced Lunch \$0.40**
- **Adult Lunch \$7.50**
- **Paid Breakfast \$4.00.**

PROS/CONS:

Pros: NMS serves a variety of Alaska locations and has served JSD for many years, which provides stability to the food-service program. Additionally, NMS offers local support and resources. NMS's proposal aligns with the District's needs and overall mission.

Cons: The food service program fund has been operating at a deficit. The proposed meal cost in the FY25 contract remains higher than the full-paid meal price per student. However, the proposed increase in the contract is typical due to annual consumer price index changes.

EQUITY CONSIDERATIONS:

The food service program makes meals available to all students, per USDA regulation.

BUDGET IMPLICATIONS:

Even with the proposed paid price per meal increase, the proposed meal rate submitted by NMS will result in an 8% food expenditure increase for breakfast and lunch meals. There may also be an increase (amount yet to be determined) in the USDA federal reimbursement rate, which would help offset this cost.

NEXT STEPS:

This is the first reading of the contract extension with NMS for the 2024-2025 school year and proposed paid meal prices. Upon final reading and approval of the contract, the contract will be sent to the Department of Education and Early Development for authorization prior to signing and execution.

MOTION: I move that the Board of Education authorize the Superintendent to sign the Food Service Contract renewal addendum between the District and NANA Management Services for the 2024-2025 school year and set the paid costs for meals in FY25 as follows:

- *Student Paid Lunch \$5.50*
- *Student Reduced Lunch \$0.40*
- *Adult Lunch \$7.50*
- *Paid Breakfast \$4.00*

Attached:

2024-2025 JSD-NMS Food Service Management Contract Renewal - Addendum 3