



United States
Department of
Agriculture

Food and
Nutrition
Service

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Alexandria, VA
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DATE: July 27, 2007

MEMO CODE: SFSP 09-2007

SUBJECT: Food Service Management Company Contracts

TO: Regional Directors
Special Nutrition Programs
All Regions

The purpose of this memorandum is to establish the authority of State agencies (SAs) to permit agreements between Summer Food Service Program (SFSP) sponsors and food service management companies (FSMC) in a manner consistent with the National School Lunch Program (NSLP).

Child Nutrition Division (CND) is committed to exploring opportunities to relieve unnecessary administrative burdens associated with the operation of the SFSP. Although SFSP regulations are silent on the subject of the duration of FSMC agreements, CND has limited the duration of these contracts to a single year, due to the nature and design of the Program. Upon further consideration, we believe streamlining the process for procuring FSMC contracts to be more consistent with that of the NSLP will provide significant administrative relief without compromising the integrity of the Program.

Provided that appropriate safeguards are in place to ensure the integrity of the procurement process, SAs may permit sponsors to execute agreements with FSMCs that include an option for renewals. Every precaution must be taken to ensure that procurements are conducted in accordance with Federal procurement standards.

Consistent with NSLP regulations, "(t)he contract between a school food authority and food service management company shall be of a duration of no longer than 1 year; and ... options for the yearly renewal of a contract may not exceed 4 additional years. All contracts shall include a termination clause whereby either party may cancel for cause with 60-day notification." It should be noted that the execution of a contract with an option for renewals does not compel either party to renew the agreement.

Regional offices having questions concerning this issue should direct them to CND Headquarters office; State agencies should contact their Regional office.

Original Signed

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Director
Child Nutrition Division