

**MILAN AREA SCHOOLS
BOARD OF EDUCATION
REGULAR MEETING
WEDNESDAY, JUNE 26, 2024
AGENDA**

I. Call to Order

II. Pledge of Allegiance

III. Communications / Community Engagement

This meeting is a meeting of the Board of Education in public for the purpose of conducting the School District's business and is not to be considered a public meeting. There are two times for public participation during the meeting as indicated in the agenda. When addressing the Board, you will be asked to state your name. The Board determines the amount of time granted to individuals or groups to speak. Each person shall be allowed to speak for up to 3 minutes. Board members may question speakers, but are not obligated to answer questions or make statements or commitments in response to issues raised by the public. In general, such items will be referred to the superintendent for advisement, investigation, study, and/or recommendation or designated as future agenda items for Board consideration.

A. Public Comments

IV. Routine Matters for Approval

- A. Minutes of the Budget Hearing of June 5, 2024
- B. Minutes of the Regular Meeting of June 5, 2024
- C. Minutes of the Regular Meeting Closed Session of June 5, 2024

V. Board Organization

- A. 2024-2025 Board Meeting Dates - Attachment A
- B. 2024-2025 Big Red Chat Dates Discussion

VI. Milan Area Schools Strategic Plan Business

- A. Finance / Operations
 - 1. 2024 State Aid Note – Attachment B
 - 2. 2024-2025 Food Service Management Company Contract - Attachment C
 - 3. Site Sinking Fund Discussion
- B. Personnel / Leadership
 - 1. Teacher Appointments
- C. Communications / Community Engagement
 - 1. Public Comments
 - 2. Assistant Superintendent Comments
 - 3. Superintendent Comments
 - 4. Board Member Comments

VII. Other Old/New Business

- A. Closed Session - Negotiation Strategies

VIII. Adjournment

**MILAN AREA SCHOOLS
BOARD OF EDUCATION
REGULAR MEETING
WEDNESDAY, JUNE 26, 2024
RESOLUTIONS**

I. Call to Order

The regular meeting of the Milan Area Schools Board of Education was called to order in the District Office Boardroom located at 100 Big Red Drive, Milan MI, 48160, by President Cislo at _____ p.m. on June 26, 2024.

Board Members Present:

Board Members Absent:

Staff Present:

Guests Present:

II. Pledge of Allegiance

III. Communications

This meeting is a meeting of the Board of Education in public for the purpose of conducting the School District's business and is not to be considered a public meeting. There are two times for public participation during the meeting as indicated in the agenda. When addressing the Board, you will be asked to state your name. The Board determines the amount of time granted to individuals or groups to speak. Each person shall be allowed to speak for up to 3 minutes. Board members may question speakers, but are not obligated to answer questions or make statements or commitments in response to issues raised by the public. In general, such items will be referred to the superintendent for advisement, investigation, study, and/or recommendation or designated as future agenda items for Board consideration.

A. Public Comments

IV. Routine Matters for Approval

A. Minutes of the Budget Hearing of June 5, 2024

Motion by _____ supported by _____ to approve the minutes of the budget hearing of June 5, 2024.

Gutierrez ____ Heikka ____ Meray ____ Prior ____ Rosen-Leacher ____ Cislo ____ Faro ____
Carried _____.

B. Minutes of the Regular Meeting of June 5, 2024

Motion by _____ supported by _____ to approve the minutes of the regular meeting of June 5, 2024.

Heikka ____ Meray ____ Prior ____ Rosen-Leacher ____ Cislo ____ Faro ____ Gutierrez ____
Carried _____.

C. Minutes of the Regular Meeting Closed Session of June 5, 2024

Motion by _____ supported by _____ to approve the minutes of the regular meeting closed session of June 5, 2024.

Meray ____ Prior ____ Rosen-Leacher ____ Cislo ____ Faro ____ Gutierrez ____ Heikka ____
Carried _____.

V. Board Organization

A. 2024-2025 Board Meeting Dates - Attachment A

Motion by _____ supported by _____ to approve the 2024-2025 Board Meeting Dates as detailed in Attachment A.

Prior ____ Rosen-Leacher ____ Cislo ____ Faro ____ Gutierrez ____ Heikka ____ Meray ____
Carried _____.

B. 2024-2025 Big Red Chat Dates Discussion

VI. Milan Area Schools Strategic Plan Business

A. Finance / Operations

1. 2024 State Aid Note – Attachment B

Motion by _____ supported by _____ to authorize borrowing up to \$1,000,000 against anticipated state aid for the 2024-2025 fiscal year as specified in the borrowing resolution included as Attachment B.

Rosen-Leacher ____ Cislo ____ Faro ____ Gutierrez ____ Heikka ____ Meray ____ Prior ____
Carried _____.

2. 2024-2025 Food Service Management Company Contract - Attachment C

Motion by _____ supported by _____ to approve the Food Service Management Company Contract (as included in Attachment C) for the 2024-2025 school year for the Compass Group USA – Chartwells Division. Further, to authorize the superintendent or designee to sign all the necessary documents.

Cislo ____ Faro ____ Gutierrez ____ Heikka ____ Meray ____ Prior ____ Rosen-Leacher ____
Carried _____.

3. Site Sinking Fund Discussion

B. Personnel / Leadership

1. Teacher Appointments

Motion by _____ supported by _____ to approve Laura Henderson as an elementary teacher and Alexandra Bourdeau as a special education teacher consultant effective for the 2024-2025 school year.

Faro ____ Gutierrez ____ Heikka ____ Meray ____ Prior ____ Rosen-Leacher ____ Cislo ____
Carried _____.

C. Communications / Community Engagement

1. Public Comments

2. Assistant Superintendent Comments

3. Superintendent Comments

4. Board Member Comments

VII. Other Old/New Business

A. Closed Session - Negotiation Strategies

Motion by _____ supported by _____ to enter into closed session pursuant to Section 8(1)(c) of the Michigan Open Meetings Act for Negotiation Strategies.

Gutierrez _____ Heikka _____ Meray _____ Prior _____ Rosen-Leacher _____ Cislo _____ Faro _____
Carried _____.

Time entered closed session _____.

Time returned to open session _____.

VIII. Adjournment - Time of Adjournment _____.

DRAFT

**MILAN AREA SCHOOLS
BOARD OF EDUCATION
BUDGET HEARING MEETING
Wednesday, June 5, 2024**

The Budget Hearing of the Milan Area Schools Board of Education was called to order in the Milan Area Schools District Boardroom located at 100 Big Red Drive, Milan MI, 48160, by President Cislo at 6:45 p.m. on June 5, 2024.

Board Members Present: Cislo, Prior, Meray, Faro, Gutierrez, Rosen-Leacher

Board Members Absent: Heikka

Signed in Staff: Bryan Girbach, Ryan McMahon, Krista Hendrix

Signed in Guests: None

Pledge of Allegiance

The 2024-2025 Budget and General Appropriations Act were presented and public comments were accepted. (no public comments were made)

Time of Adjournment: 6:47 p.m.

DRAFT

**MILAN AREA SCHOOLS
BOARD OF EDUCATION
REGULAR MEETING
Wednesday, June 5, 2024**

The regular meeting of the Milan Area Schools Board of Education was called to order in the Milan Area Schools District Boardroom located at 100 Big Red Drive, Milan MI, 48160, by President Cislo at 7:00 p.m. on June 5, 2024.

Board Members Present: Cislo, Prior, Meray, Faro, Gutierrez, Rosen-Leacher, Hiekka (7:20 p.m.)

Board Members Absent: None

Signed in Staff: Bryan Girbach, Ryan McMahon, Krista Hendrix, Margaret Durkee, John Evans

Signed in Guests: Mrs. Evans, Andrea Bennink

Pledge of Allegiance

Motion by Gutierrez supported by Prior to thank John Evans, Patrice Stover, LuAnn Kanitz, Sandra Harmison, Debra Sontag, and Sheryl Baker for their service to Milan Area Schools.
All Ayes. Carried 6-0

Public Comments: None

Motion by Faro supported by Rosen-Leacher to approve the minutes of the regular meeting of May 21, 2024. All Ayes. Carried 6-0

Motion by Rosen-Leacher supported by Meray to approve the minutes of the regular meeting closed session of May 21, 2024. All Ayes. Carried 6-0

Motion by Faro supported by Gutierrez to approve the bills/reimbursement of expenses.
All Ayes. Carried 6-0

Motion by Meray supported by Gutierrez to approve the 2024-2025 MHSAA Membership Resolution as included in Attachment A. All Ayes. Carried 6-0

The Board heard a First Reading of the 2024-2025 Board Meeting Dates as included in Attachment B

Motion by Faro supported by Prior to approve the 2023-2024 General Fund Budget Amendment as presented in Attachment C. All Ayes. Carried 6-0

Motion by Faro supported by Meray to approve the 2023-2024 Debt Funds Budget Amendment as presented in Attachment D. All Ayes. Carried 6-0

Motion by Faro supported by Gutierrez to approve the 2023-2024 Food Service Budget Amendment as presented in Attachment E. All Ayes. Carried 6-0

Motion by Faro supported by Rosen-Leacher to approve the 2023-2024 Student/School Activities Budget Amendment as presented in Attachment F. All Ayes. Carried 6-0

Motion by Faro supported by Prior to approve the 2024-2025 General Fund Preliminary Budget as presented in Attachment G. All Ayes. Carried 7-0

Motion by Faro supported by Gutierrez to approve the 2024-2025 Debt Funds Preliminary Budget as presented in Attachment H. All Ayes. Carried 7-0

Motion by Faro supported by Meray to approve the 2024-2025 Food Service Preliminary Budget as presented in Attachment I. All Ayes. Carried 7-0

Motion by Faro supported by Prior to approve the 2024-2025 Student/School Activity Funds Preliminary Budget as presented in Attachment J. All Ayes. Carried 7-0

Motion by Faro supported by Rosen-Leacher to approve the 2024-2025 General Appropriations Act as presented in Attachment K. All Ayes. Carried 7-0

The Board discussed a potential Site Sinking Fund ballot proposal

The Board heard a WISD PAC Update presented by Andrea Bennink

Motion by Prior supported by Meray to approve Elizabeth Zehnder as a Speech and Language Pathologist effective for the 2024-2025 school year. All. Ayes. Carried 7-0

Public Comments:

- Andrea Bennink sought clarification on the Site Sinking Fund, including the impact that Board member turnover might have on the proposed mileage and how the District would respond to a failure of the mileage.

Assistant Superintendent Comments were heard on the following topics:

- Congratulated the Staff on a Successful Year
- Thanked the High School Staff for a Wonderful Graduation Ceremony

Superintendent Comments were heard on the following topics:

- Provided Details Regarding the Platt Road Closure on 6-6-24
- Thanked the High School Staff for a Wonderful Graduation Ceremony
- Congratulated Ava Pustalka, Erik Severtson, and William Publiski for winning Third Prize in the StudentCam 2024 Documentary with "To AI or Not to AI: The Workplace Dilemma"
- Recognized a Successful Senior Honors Night Event
- Congratulated the Choir Students and Mrs. Powell for an Outstanding Choir Concert
- Thanked the Adult Education Staff for Hosting a Wonderful Graduation Ceremony

- Highlighted the Senior Walk at Paddock
- Thanked the Staff for Wonderful Great Start Readiness Program and Preschool Graduations
- Thanked the Staff for Organizing the MHS Grill and Chill
- Announced the Olympic Watch Party for a 2022 MHS Graduate (Andy Dobrzanski)
- Congratulated the Girls Track and Field Team
- Congratulated the the Boys Track and Field Team
- Recognized the Girls Softball Team as District Champions
- Congratulated the Girls Soccer Team
- Discussed the Upcoming Building Moves for 2nd Grade, 5th Grade, and Infant/Toddler
- Thanked the Board for Hosting a Big Red Board Chat on 5-29-24
- Discussed Presenting the “History of Milan Area Schools” at the Senior Center
- Discussed the 5-30-24 meeting of the Professional Development Advisory Committee

Board Member Comments:

- Cislo expressed deep gratitude to everyone in the District and expressed appreciation for all the work performed by all. He provided information on the upcoming Board election.
- Rosen-Leacher thanked Connie Cox for her work on the Adult Education graduation ceremony. She discussed awarding scholarships to our recent graduates. She praised the High School graduation ceremony and how the students demonstrated care for one another. She congratulated the retirees and wished everyone a restful and safe summer.
- Faro wished students and staff a great summer. He also echoed comments on the High School graduation ceremony and praised the impactful speeches. As the father of a recent graduate, he praised the staff and administration for the first-class education offered. He thanked Member Prior for attending the Senior Walkthrough at Paddock.
- Meray expressed gratitude for the beautiful graduation ceremony. She wished everyone a fun and safe summer. She expressed a desire to expand paraprofessional training as the WISD Boot Camp is only open to new paraprofessionals. She wished everyone a happy Pride Month and discussed the District’s belief statements and their connection to the celebration. She also discussed the need for reading instruction. She announced that she would not be at the meeting on June 26.
- Prior thanked everyone for a great graduation ceremony. She also thanked everyone who participated in the latest Big Red Board Chat. She also thanked Nancy Gill for all of her work on extra programming. Lastly, she wished everyone a good summer.
- Gutierrez expressed that the graduation ceremony was lovely, she especially enjoyed the musical choices. She thanked Connie Cox for a lovely adult education graduation. She congratulated all of the graduates including the fifth and eighth grade graduates. She discussed the Big Red Board Chat and the discussion of after care for fifth graders at the Middle School. She was impressed with the Amazing Shake program at the Middle School and the current and former staff and students who helped with the program. She also thanked the staff for all of the end-of-year student activities. She congratulated the retirees and wished everyone a restful summer.
- Heikka thanked the staff and students that participated in the High School Exam Cram. She thanked the retiring teachers. She congratulated the Softball Team on their District Championship. She discussed the need for the Sinking Fund and how it relates to maintaining the District’s competitiveness in the County. She congratulated the Adult Education graduates. She also thanked everyone that participated in the High School graduation ceremony.

Motion by Heikka supported by Meray to enter into closed session pursuant to Section 8(1)(c) of the Michigan Open Meetings Act for Negotiation Strategies and pursuant to Section 8(1)(h) of the Michigan Open Meetings Act for the purpose of attorney client privileged communication. All. Ayes. Carried 7-0

Time entered closed session: 9:14 p.m.

Time returned to open session: 11:34 p.m.

Time of Adjournment: 11:34 p.m.

**NOTICE OF SCHEDULE OF REGULAR MEETINGS
OF THE MILAN AREA SCHOOLS BOARD OF EDUCATION
TO BE HELD DURING**

THE YEAR COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025

To all persons interested in the meetings of the Board of Education of Milan Area Schools of Washtenaw and Monroe counties:

Please take notice that the Board of Education of Milan Area Schools will hold regular meetings on the second and fourth Wednesdays of each month (except as noted below). All meetings are held in the District Office Boardroom, located in Milan District Office, 100 Big Red Drive, Milan, Michigan, 48160. 734-439-5050

At times, meetings may be held in the Milan High School Theater, located in Milan High School, 200 Big Red Drive, Milan, Michigan, 48160 Please visit <https://www.milanareaschools.org/Page/78> for specific details about any meeting.

REGULAR MEETING DATES @ 7:00 PM

JULY 10, 2024	NO SECOND MONTHLY MEETING
AUGUST 14, 2024	AUGUST 28, 2024
SEPTEMBER 11, 2024	SEPTEMBER 25, 2024
OCTOBER 9, 2024	OCTOBER 30, 2024 (Fifth Wednesday)
NOVEMBER 13, 2024	NO SECOND MONTHLY MEETING
DECEMBER 11, 2024	DECEMBER 18, 2024 (Third Wednesday)
JANUARY 14, 2025 (Second Tuesday)	JANUARY 29, 2025 (Fifth Wednesday)
FEBRUARY 12, 2025	FEBRUARY 26, 2025
MARCH 12, 2025	NO SECOND MONTHLY MEETING
APRIL 9, 2025	APRIL 23, 2025
MAY 7, 2025 (First Wednesday)	MAY 20, 2025 (Third Tuesday)
JUNE 4, 2025 BUDGET HEARING (6:45 PM)	JUNE 25, 2025
JUNE 4, 2025 (First Wednesday)	

WORKSHOP MEETING DATES

AUGUST 10, 2024 (9:00 AM) - MASB Superintendent Evaluation Tool Training

Upon request to the Superintendent, the District shall make reasonable accommodations for a person with disabilities to be able to participate in these meetings.

**RESOLUTION AUTHORIZING ISSUANCE OF NOTES
IN ANTICIPATION OF STATE SCHOOL AID
(AUGUST 2024 BORROWING THROUGH THE
MICHIGAN FINANCE AUTHORITY)**

Milan Area Schools, Washtenaw and Monroe Counties, Michigan (the “Issuer” or “School District”)

A regular meeting of the board of education of the Issuer (the “Board”) was held in the Milan Area Schools Board Room, 100 Big Red Drive, Milan MI, within the boundaries of the Issuer, on the 26th day of June, 2024 at 7:00 o’clock in the p.m. (the “Meeting”).

The Meeting was called to order by Andrew Cislo, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, under the terms of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended (the “Act”), the School District is authorized to borrow money for school operations and issue its notes therefor, in one or more series, pledging for the payment thereof moneys to be received by it pursuant to the State School Aid Act of 1979, Act 94, Public Acts of Michigan, 1979, as amended (the “State Aid Act”), which notes shall be the full faith and credit obligation of the School District; and

WHEREAS, the estimated amount of the state school aid appropriations allocated or to be allocated to the School District for the fiscal year ending June 30, 2025 and expected to be received by the School District from October 2024 through August 2025, inclusive (the “2024/2025 State Aid” or the “Pledged State Aid”), is shown in paragraph 1 of Exhibit A; and

WHEREAS, the School District has the need to borrow the sum of not to exceed the amount shown in paragraph 2 of Exhibit A to pay operating expenses for the fiscal year ending June 30, 2025, which amount is estimated to be not more than 70% of the difference between the total state school aid funds apportioned or to be apportioned to the School District for the 2024/2025 State Aid and that portion of the 2024/2025 State Aid already received or pledged; and

WHEREAS, the School District plans to issue or has issued notes, bonds or other obligations subject to Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), relating to arbitrage and the rebate thereof, including but not limited to federally tax-exempt and/or tax-advantaged bonds and other obligations, not including this borrowing, during calendar year 2024 in the aggregate principal amount shown in paragraph 3 of Exhibit A; and

WHEREAS, the School District determines that it is in its best interest to borrow the sum of not to exceed the amount shown in paragraph 2 of Exhibit A and issue and sell general

obligation notes in one or more series (the "Note" or "Notes") of the School District to the Michigan Finance Authority (the "Authority").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School District, pursuant to Section 1225 of the Act, shall issue its Notes in one or more series in order to borrow for the above purpose a sum not to exceed the amount shown in paragraph 2 of Exhibit A, the final amount and series designation to be determined by an officer designated in paragraph 4 of Exhibit A, or a designee who shall be a member of the administrative staff or board of education of the School District (each an "Authorized Officer"), prior to the sale of the Notes, or such portion thereof as the Michigan Department of Treasury (the "Treasury") may approve, if prior approval is necessary, and issue the Notes of the School District therefor in anticipation of the distribution of the Pledged State Aid.

2. The Notes shall be issued in one or more series, bear interest at the rate or rates determined on the sale thereof, which shall not exceed the maximum rate permitted by law at the time of sale, be dated as set forth in paragraph 5 of Exhibit A, or as of the date of delivery, and be due and payable on the date or dates shown in paragraph 5 of Exhibit A. The Notes shall be payable in lawful money of the United States of America at a bank or trust company qualified to act as paying agent in the State of Michigan, as shall be designated by the Authority. The Notes shall be in denominations to be determined by an Authorized Officer prior to the sale of the Notes. The Notes shall be subject to redemption prior to maturity as specified in the purchase contract between the Authority and the School District (the "Purchase Contract").

3. The School District hereby appropriates a sufficient amount of the Pledged State Aid to repay the principal of and interest on the Notes. In addition, the full faith and credit of the School District is hereby irrevocably pledged for payment of the principal of and interest on the Notes and, in case of the insufficiency of the Pledged State Aid, the School District shall pay the Notes from any funds legally available therefor, and, if necessary, levy sufficient taxes on all taxable property in the School District for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

4. In the event any Authorized Officer determines that it is in the best interest of the School District to choose to pay all or a portion of the principal of and interest on the Notes with set-aside installments:

- A. The School District shall set aside moneys in a separate fund with the depository designated in the Purchase Contract described below (the "Depository") to pay the principal of and interest on the Notes when due in three (3), five (5) or seven (7) consecutive monthly set-aside installments (an "Installment" or the "Installments"), ending on July 21, 2025, and earlier on the 20th day of each month (or, in the case of January and April, the 21st day of the month), or such other state school aid payment date as may be provided for under state law (each a "Payment Date"). If a Payment Date falls on a Saturday, Sunday or legal holiday, the Payment Date shall be the next business day. The payment to the Depository shall be made first from the Pledged State Aid received during the month of the Installment. If, for any reason, the Pledged State Aid received during the month of the Installment is insufficient to pay the Installment, then the School District pledges to use any and all other available funds to meet the Installment obligation. If the School District fails to set aside all or any portion of an Installment (the "Installment Shortfall") on the Payment Date, the Authority is

authorized, pursuant to Section 17a(3) of the State Aid Act, to intercept 100% of the Pledged State Aid to be distributed to the School District beginning with the month following the School District's failure to meet the Installment obligation and all months thereafter, in accordance with the terms and conditions of the Purchase Contract. Beginning with the month following the Installment Shortfall, the Authority shall intercept 100% of the Pledged State Aid to be distributed to the School District and apply the intercepted amount on the following priority basis: (i) the Installment Shortfall; (ii) the current month's Installment; and (iii) any amounts remaining to be immediately distributed to the School District. The intercept process set forth above shall continue each month following the Installment Shortfall until sufficient funds are deposited with the Depository to pay the total principal of and interest on the Notes. Unless expressly authorized by the Authority, the maximum amount of each Installment will not exceed 50% of the amount of Pledged State Aid due to the School District in any Installment month.

- B. If the School District has failed to deposit all or a portion of an Installment by the last business day of the month of the Installment, the Depository is authorized and directed to give written notice to the Authority, the State Treasurer and the School District on the first business day following the last business day of the month of the failure to deposit all or a portion of the Installment. Upon receipt of such written notice from the Depository, the Authority shall promptly notify the School District that it will immediately commence to intercept 100% of the Pledged State Aid.
 - C. If on the date of the final Installment as specified in Schedule I to the Purchase Contract, the funds with the Depository are insufficient to pay the principal of and interest on the Notes when due, the School District, pursuant to Section 17a(3) of the State Aid Act to the extent necessary to meet the payment obligation, assigns to the Authority and authorizes and directs the State Treasurer to advance all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the payment has been made.
 - D. Any Authorized Officer is further authorized to agree, if required by the Authority, to assign to the Authority and authorize and direct the State Treasurer to intercept all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the state school aid payment has been made pursuant to Section 17(a)(3) of the State Aid Act.
 - E. Any Authorized Officer is further authorized to determine that each Installment is a partial mandatory redemption of a particular series of the Notes and that the last Installment is the maturity date of that series of the Notes, and such determination shall be conclusively evidenced by the Purchase Contract.
 - F. The School District authorizes and consents to the Authority entering into an investment agreement with a financial institution for the investment of funds deposited with the Depository on behalf of the Authority and the School District, in the event the Authority determines to enter into such an agreement.
5. Any Authorized Officer is authorized to sell all or a portion of the Notes to the Authority without an Installment payment schedule (the "No Set-Aside Notes") pursuant to the provisions of this resolution. In that event: (A) any Authorized Officer is further authorized to

agree, if required by the Authority, to assign to the Authority and authorize and direct the State Treasurer to intercept or advance all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the state school aid payment has been made pursuant to Section 17a(3) of the State Aid Act; (B) the School District acknowledges that payment of the principal of and interest on certain of the No Set-Aside Notes may be secured by a direct-pay letter of credit issued for the account of the Authority and the School District by one or more providers selected by the Authority (each a "Letter of Credit"; and each issuer a "Letter of Credit Bank"); (C) it shall not be deemed a default by the School District under the provisions of the Purchase Contract or the No Set-Aside Notes if the principal of and interest on the No Set-Aside Notes shall have been paid in full when due to the Authority from proceeds of a drawing on the Letter of Credit and the drawing on the Letter of Credit is reimbursed by the School District on the designated date set forth in the reimbursement agreement relating to the Letter of Credit; and (D) the School District appoints the Authority as its agent to enter into the reimbursement agreement for and on behalf of the School District, if required by the Authority, as well as on the Authority's own behalf, and the School District agrees to be referred to as an account party in the Letter of Credit obtained by the Authority to secure payment of the No Set-Aside Notes and any series of the Authority's State Aid Revenue Notes issued to finance the Authority's purchase of the No Set-Aside Notes.

6. The President and Secretary of the Board of Education shall execute the Notes on behalf of the School District, and the executed Notes shall be delivered to the Authority upon the receipt of the purchase price therefor. The Vice President, Treasurer, Superintendent, Assistant/Associate Superintendent, or individual acting in the capacity of the school business official may execute the Notes instead of either the President or Secretary. The foregoing officials are hereby authorized to execute and deliver a temporary Note or Notes and exchange, when available, final printed Notes therefor at the request of the Authority. If permitted by the Authority, Notes may be executed using electronic or facsimile signatures, with such electronic or facsimile signatures having the same legal effect and enforceability as a manual signature.

7. Unless the Notes are issued as federally taxable, the School District hereby covenants for the benefit of all holders of the Notes to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be or continue to be excluded from gross income for federal income taxation purposes, including, but not limited to, requirements relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Note proceeds and moneys deemed to be Note proceeds.

8. If necessary, any Authorized Officer is hereby authorized to make application to Treasury for and on behalf of the School District for an order approving the issuance of the Notes and to pay any applicable fee therefor, or a post-issuance filing fee, as applicable.

9. Any Authorized Officer is hereby authorized to execute any documents or certificates necessary to complete the transaction including, but not limited to, any certificates relating to federal or state securities laws, rules or regulations. If permitted by the Authority, such documents or certificates may be executed using electronic or facsimile signatures, with such electronic or facsimile signatures having the same legal effect and enforceability as a manual signature.

10. The Notes shall be sold to the Authority and the following provisions shall apply:

- A. Any Authorized Officer is hereby authorized to execute and deliver one or more Purchase Contracts with the Authority (which shall be determined by whether one or more series of Notes are issued hereunder) in substantially the form attached hereto as Exhibit B reflecting the terms and conditions of the borrowing with such additions, deletions or substitutions (including without limitation additions, deletions or substitutions required by any Letter of Credit Bank(s) or any purchaser(s) of any series of the Authority's State Aid Revenue Notes issued by the Authority to finance its purchase of the Notes), as the Authority and any Authorized Officer shall deem necessary and appropriate, including the number of Installments, if any, and their dates and amounts, and not inconsistent with the provisions of this resolution. The choice of whether to make Installments for the Notes and/or the number, dates and amounts of Installments shall be conclusively evidenced by the Purchase Contract. The Purchase Contract shall include the School District's agreement with respect to any Installment not received by the Depository from the School District on the respective Payment Date, to pay the Authority an amount as invoiced by the Authority to recover its administrative costs and lost investment earnings attributable to that late payment. If permitted by the Authority, a Purchase Contract may be executed by an Authorized Officer using an electronic or facsimile signature, with such electronic or facsimile signature having the same legal effect and enforceability as a manual signature.
- B. Any Authorized Officer is further authorized to approve (i) the specific interest rate(s) to be borne by the Notes, not exceeding the maximum rate permitted by law, (ii) the purchase price of the Notes, not less than the price specified in paragraph 6 of Exhibit A, (iii) a guaranteed investment agreement or other permitted investment in accordance with state law for funds paid to the Depository, if applicable, (iv) direct payments of Pledged State Aid to and if required by the Authority, (v) if applicable, a default rate with respect to a private placement of the Notes, and (vi) other terms and conditions relating to the Notes and the sale thereof.
- C. The form of the No Set-Aside Notes shall contain the following language in substantially the form set forth below as applicable, with such additions, deletions or substitutions (not inconsistent with the Purchase Contract) as the Authority and any Authorized Officer shall deem necessary and appropriate:

To the extent permitted by law, the principal of and interest on this Note which remains unpaid after this Note has matured and all other outstanding and unpaid amounts owing by the School District under the Purchase Contract shall bear interest until paid at an interest rate per annum based upon a 360-day year for the actual number of days elapsed equal to the "Bank Reimbursement Rate" as described in Schedule I to the Purchase Contract.

11. By opting to sell its Notes to the Authority, the School District hereby determines that it is in the best interest of the School District to sell its Notes to the Authority rather than sell the Notes at a competitive sale based upon the historical performance of the Authority's note pool program whereby competitive interest rates and reduced costs of issuance are obtained by pooling several participating school districts in one or more series of notes. Any School District policy or bylaw that requires a bidding process to sell the Notes is suspended by this resolution with respect to the School District's sale and issuance of the Notes.

12. Within fifteen (15) business days after issuance of the Notes, the Board hereby authorizes and directs the Superintendent to cause to be filed with Treasury any and all documentation required subsequent to the issuance of the Notes, along with any statutorily required fee.

13. Each series of Notes issued hereunder are of equal standing as to the Pledged State Aid. The School District reserves the right to issue additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid with the prior written consent of an authorized officer of the Authority. The School District further resolves that the amount payable as to principal of and interest on the Notes plus the amount payable as to principal of and interest on or prior to the maturity date of the Notes on any additional notes or other obligations of equal standing with the Notes as to payment from Pledged State Aid will not exceed 70% of the amount of Pledged State Aid.

14. The Authority has appointed Thrun Law Firm, P.C. to act as counsel to the underwriter and the structuring agent for the August 2024 state aid note program. The Board consents to Thrun Law Firm, P.C. representing this School District and acting as counsel to the underwriter and the structuring agent for the Authority's August 2024 state aid note program.

15. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Milan Area Schools, Washtenaw and Monroe Counties, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at the Meeting, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the Meeting was given to the public pursuant to the provisions of the Open Meetings Act (Act 267, Public Acts of Michigan, 1976, as amended).

Secretary, Board of Education

JJS/klg

EXHIBIT A

1. Estimated 2024/2025 State Aid allocated or to be allocated for fiscal year ending June 30, 2025: \$20,352,574 (total amount estimated to be received from October 1, 2024 through August 31, 2025)
2. Amount of borrowing not to exceed: \$1,000,000
3. Principal amount of notes, bonds or other obligations, including but not limited to federally tax-exempt and/or tax-advantaged bonds, not including this borrowing, that have been issued or are expected to be issued during the 2024 calendar year: \$0.00 (include plans for voted or non-voted bonds, refunding bonds, additional state aid notes, tax anticipation notes, installment purchase agreements, lines of credit, and lease-purchase agreements)
4. Authorized Officer: President, Vice President, Secretary or Treasurer of the Board of Education, Superintendent, Assistant/Associate Superintendent, or individual acting in the capacity of the school business official, or a designee thereof
5. The Notes shall be dated August 20, 2024 and shall mature on July 21, 2025, August 20, 2025, or such other date as determined by any Authorized Officer
6. Purchase price: Not less than 97% of the principal amount of the Notes
7. Five percent (5%) of estimated fiscal year 2023/2024 operating expenses: \$1,668,607.65

EXHIBIT B

FORM OF PURCHASE CONTRACT

[Insert Name of School District Here]

The Michigan Finance Authority (the "Authority"), a public body corporate and politic, separate and distinct from the State of Michigan, hereby offers to enter into this Purchase Contract with the Issuer named below (the "Issuer") which, upon the acceptance of this offer by the Issuer, will be binding upon the Authority and the Issuer. This offer is made subject to acceptance on or before the date set forth below. The Issuer accepts the electronic or digital signature of the Authority's Executive Director (or other authorized officer of the Authority) if set forth below and acknowledges that it has the same legal effect and enforceability as a manual signature.

Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, including those set forth in Schedule I hereto, the Authority hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Authority, notes (the "Notes") in the principal amount and with the interest rate as shown in Schedule I. The purchase price for the Notes shall be as set forth in Schedule I.

IF THREE, FIVE OR SEVEN SET-ASIDES ARE APPLICABLE, THE FOLLOWING LANGUAGE SHALL BE INCLUDED IN THE PURCHASE CONTRACT:

[The Issuer acknowledges that the Authority will purchase the Notes with proceeds from certain State Aid Revenue Notes to be issued by the Authority (the "Authority's Notes"). The Issuer represents and warrants to, and agrees with, the Authority that (A) the Issuer has, and on the Closing Date (specified below) will have, full legal right, power and authority (1) to enter into this Purchase Contract, and (2) to sell and deliver the Notes to the Authority and pledge and assign to the Authority the moneys to be received by the Issuer pursuant to the State School Aid Act of 1979, as amended (the "State School Aid") as provided herein and in the resolution authorizing the Notes and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in this Purchase Contract including those set forth in Schedule I; and (B) the Issuer shall promptly pay its pro rata share of the Costs of Issuance upon notification by the Authority. The term "Costs of Issuance" shall mean and include underwriters' discount, printing charges, rating agency charges, trustee fees, note counsel fees, and other counsel fees and issuance fees of the Authority and the underwriter(s) related to the Authority's Notes; provided, however, that the Issuer's pro rata share of such Costs of Issuance shall not exceed the amount shown in Schedule I.

The Issuer pledges to pay the principal of and interest on the Notes from its State School Aid appropriations allocated or to be allocated to it for the fiscal year ending June 30, 2025 and to be paid from October 2024 through August 2025, inclusive (the "Pledged State Aid"). Moneys to pay the principal of and interest on the Notes when due shall be set aside in a separate fund with the Depository (as defined in Schedule I) as hereinafter described, due in three (3), five (5), or seven (7) consecutive monthly set-aside installments (each an "Installment" or, together, the "Installments") as specified in Schedule I, or such other State School Aid payment date as may be provided for under state law (the "Payment Date"). If a Payment Date falls on a Saturday, Sunday or legal holiday, the Installment shall be due on the next business day. The payment to the Depository shall be made first from the Pledged State Aid received during the month of the Installment. Notwithstanding the foregoing, the Issuer

hereby irrevocably directs the Treasurer of the State of Michigan to directly transfer to the Depository payment of the Issuer's current month's Installment from the Pledged State Aid received during the month of the Installment on the Payment Date. If, for any reason, the Pledged State Aid received during the month of an Installment is insufficient to pay the Installment (an "Installment Shortfall") the Issuer pledges to use any and all other legally available funds to pay the Installment Shortfall. If the Issuer has failed to deposit with the Depository all of the Installment Shortfall by the last business day of the month of the Installment, the Depository is authorized and directed to give written notice to the Authority, the State Treasurer, and the Issuer on the first business day following the last business day of the month of the failure to deposit all of the Installment Shortfall. Upon receipt of written notice from the Depository, the Authority shall promptly notify the Issuer that it will immediately commence to intercept Pledged State Aid as described herein.

Pursuant to Section 17a(3) of the State School Aid Act of 1979, as amended (the "Act"), the Authority is authorized to intercept 100% of the Pledged State Aid to be distributed to the Issuer. Beginning with the month following the Installment Shortfall, for Pledged State Aid to be distributed to the Issuer pursuant to the Act on or before July 21, 2025, the Authority shall intercept 100% of that Pledged State Aid and apply the intercepted amount on the following priority basis: (A) to the Installment Shortfall; (B) to the current month's Installment; and (C) any amounts remaining to be immediately distributed to the Issuer. Except as otherwise provided below, the intercept process set forth above shall continue each month following the Installment Shortfall until sufficient funds are deposited with the Depository to pay the principal of and interest on the Notes.

If on the date of the final Installment as specified in Schedule I, the funds on deposit with the Depository are insufficient to pay the principal of and interest on the Notes when due, and any and all other amounts owed by the Issuer as set forth in Schedule I (the "Payment Obligations"), and the Issuer also has an outstanding no set-aside state aid note issued as a separate series on August 20, 2024 (a "No Set-Aside Note") and purchased by the Authority with proceeds from the Authority's State Aid Revenue Notes, Series 2024A-2, then the Issuer, pursuant to Section 17a(3) of the Act, to the extent necessary to meet the Payment Obligations, assigns to the Authority and authorizes to intercept, and directs the State Treasurer to advance, the Issuer's Pledged State Aid to be applied pursuant to the terms of any applicable State Aid Agreement, dated as of August 20, 2024, by and among the Authority, the Treasurer of the State of Michigan and _____.

If at any time and from time to time prior to the maturity date of the Notes the Authority has reason to believe that the Issuer will be unable to pay in full the principal of and interest on the Notes when due, the Authority, in its sole discretion, may by phone or email:

(i) request from the Issuer a written confirmation of both its ability to pay the Notes when due and a description of the source(s) of funds for the repayment of the Notes. If the Issuer fails within ten (10) days to provide such confirmation to the satisfaction of the Authority, the Issuer hereby authorizes the intercept of any Pledged State Aid to be distributed to the Issuer before August 2025 in such amount as determined by the Authority to be appropriate and further authorizes the Authority to give notice to the State Treasurer to intercept that amount of any Pledged State Aid which has not already been transferred to the Issuer. Any Pledged State Aid which is thus intercepted shall be transferred to the Depository and, after the Authority's Notes are paid, any amounts remaining shall be immediately distributed to the Issuer; and/or

(ii) give notice to the Issuer requiring the Issuer to enter into one or more Tax Intercept Agreements (each a "TIA") to provide additional security for the payment of the

Notes. Each TIA shall be in a form prescribed by the Authority, with such additions, deletions or substitutions reasonably required by any local taxing unit that collects operating tax revenues for the Issuer, and the delinquencies thereon, on behalf of the Issuer, as the Authority and any Authorized Officer shall deem necessary and appropriate.

The Issuer consents to the Authority's pledge and assignment of and grant of a security interest in the Authority's rights and interest (subject to certain rights of indemnification) in the Notes and this Purchase Contract as security for the Authority's Notes and a Trust Indenture dated as of August 1, 2024 (the "Trust Indenture"), issued by the Authority pursuant to its Note Authorizing Resolution adopted May __, 2024, and for the Authority's obligations under a Note Purchase Agreement between it and any underwriter(s) or purchaser(s) of the Authority's Notes.]

IF NO SET-ASIDE INSTALLMENTS ARE APPLICABLE, THE FOLLOWING LANGUAGE SHALL BE INCLUDED IN THE PURCHASE CONTRACT RELATING TO THE AUTHORITY'S STATE AID REVENUE NOTES SECURED BY A LETTER OF CREDIT (IF ANY):

[The Issuer represents and warrants to, and agrees with, the Authority that (A) the Issuer has, and on the Closing Date (specified below) will have, full legal right, power and authority (1) to enter into this Purchase Contract, and (2) to sell and deliver the Notes to the Authority and pledge and assign to the Authority the moneys to be received by the Issuer pursuant to the State School Aid Act of 1979, as amended (the "State School Aid") as provided herein and in the resolution authorizing the Notes and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in this Purchase Contract including those set forth in Schedule I; and (B) the Issuer shall promptly pay its pro rata share of the Costs of Issuance upon notification by the Authority. The term "Costs of Issuance" shall mean and include underwriter's discount, printing charges, letter of credit fees and related charges of a letter of credit (including, without limitation, all other amounts owing by the Authority under the reimbursement agreement relating to the letter of credit), rating agency charges, trustee fees, note counsel fees, and other counsel fees and issuance fees of the Authority related to the Authority's Notes (as defined below); provided, however, that the Issuer's pro rata share of such Costs of Issuance shall not exceed the amount shown on Schedule I hereto.

The Issuer acknowledges that (A) the Authority will purchase the Notes with proceeds from the State Aid Revenue Notes, Series 2024A-2 to be issued by the Authority (the "Authority's Notes"); and (B) the payment of the principal of and interest on the Authority's Notes will be secured by a direct-pay letter of credit (the "Letter of Credit") to be issued by _____ (the "Bank"), pursuant to a reimbursement agreement among the Authority, _____ (as Trustee and Depository), and the Bank, dated as of August __, 2024 (the "Reimbursement Agreement").

The Issuer agrees that it will deposit with the Depository (as defined in Schedule I) payment of the principal of and interest on the Notes in immediately available funds, the full amount of such principal of and interest on the Notes to be received by the Depository by 11:00 a.m. on the maturity date of the Notes. The Issuer pledges to pay the principal of and interest on its Notes from the 2024/2025 State School Aid to be allocated to it and to be paid from October 2024 through August 2025, inclusive (the "Pledged State Aid").

Not later than August __, 2025, the Issuer shall determine whether there will be sufficient funds on deposit with the Depository on August 20, 2025 (the maturity date of the Notes) to pay the principal of and interest on the Notes when due on that maturity date. If the Issuer determines that there will be insufficient funds on deposit with the Depository on August 20, 2025 to pay the principal of and interest on the Notes on the maturity date of the Notes, the Issuer will so notify the Authority by telephone and email not later than August __, 2025 (email to: TreasMFA-StateAidNote@michigan.gov; and telephone the Executive Director, 517-335-0994).

If on the maturity date of the Notes there are insufficient funds on deposit with the Depository to pay the principal of and interest on the Notes when due, the Issuer, pursuant to Section 17a(3) of the State School Aid Act of 1979, as amended (the "Act"), to the extent necessary to meet the payment obligation, assigns to the Authority and authorizes and directs the State Treasurer to advance the Issuer's Pledged State Aid to be applied pursuant to the terms of any applicable State Aid Agreement, dated as of August 20, 2024, by and among the Authority, the State Treasurer of the State of Michigan, and _____. The Issuer acknowledges that such a State Aid Agreement will be executed among the Authority, the State Treasurer, the Depository, and the Trustee for the Authority whereby the State Treasurer agrees to intercept and/or advance all or part of any State School Aid as described under this Purchase Contract. Notwithstanding the foregoing:

(A) The Issuer hereby irrevocably directs the State of Michigan to pay to the Depository 100% of the Pledged State Aid to be distributed to the Issuer in August 2025, and the Depository shall apply the August 2025 State School Aid payment on the following priority basis: (1) first, to pay the Bank the amount necessary to reimburse it for the drawing on the Letter of Credit to pay principal of and interest on the Authority's Notes on August 20, 2025; (2) second, all other amounts due and owing to the Bank under the Reimbursement Agreement; (3) third, to pay any outstanding obligations relating to any other notes issued and delivered by the Issuer to the Authority concurrently with the Notes ("Other Notes"), if any; and (4) any amount remaining to be immediately distributed to the Issuer.

(B) If (i) the Issuer's August 2025 State School Aid payment will be less than the aggregate amount of principal of and interest on the Notes and on any Other Notes, and (ii) the Issuer will pay any of the remaining amount due from any source other than proceeds from its borrowing in the Authority's August 2025 state aid note pool, the Issuer shall give written notice by August __, 2025 to the Authority and the Depository specifying each such source and amount (e.g., \$ ____ will be wired to the Depository from [bank name]).

(C) If at any time and from time to time prior to the maturity date of the Notes the Authority has reason to believe that the Issuer will be unable to pay in full the principal of and interest on the Notes when due, the Authority, in its sole discretion, may by phone or email:

(i) request from the Issuer a written confirmation of both its ability to pay the Notes when due and a description of the source(s) of funds for the repayment of the Notes. If the Issuer fails within ten (10) days to provide such confirmation to the satisfaction of the Authority, the Issuer hereby authorizes the intercept of any Pledged State Aid to be distributed to the Issuer before August 2025 in such amount as determined by the Authority to be appropriate and further authorizes the Authority to give notice to the State Treasurer to intercept that amount of any Pledged State Aid which has not already been transferred to the Issuer. Any Pledged State Aid which is thus intercepted shall be transferred to the Depository and shall be applied after the Authority's Notes are paid in the same manner as provided in paragraph (A) above; and/or

(ii) give notice to the Issuer requiring the Issuer to enter into one or more Tax Intercept Agreements (each a "TIA") to provide additional security for the payment of the Notes and the Issuer shall take the actions necessary to promptly enter into the TIA(s). Each TIA shall be in a form prescribed by the Authority, with such additions, deletions or substitutions reasonably required by any local taxing unit that collects operating tax revenues for the Issuer, and the delinquencies thereon, on behalf of the Issuer, as the Authority and any Authorized Officer shall deem necessary and appropriate.

The Issuer consents to the Authority's pledge and assignment of and grant of a security interest in the Authority's rights and interest (subject to certain rights of indemnification) in the Notes and this Purchase Contract as security for the Authority's Notes and a Trust Indenture dated as of August 1, 2024 (the "Trust Indenture"), issued by the Authority pursuant to its Note Authorizing Resolution adopted May __, 2024 and the Authority's obligations under the Reimbursement Agreement.]

The Issuer acknowledges that Section 15 of the Authority's enabling statute, the Shared Credit Rating Act, as amended, provides for a statutory lien on the Authority's pledge of the Pledged State Aid which is paramount and superior to all other liens for the sole purpose of paying the principal of, and interest on, (i) the Authority's Notes and (ii) if proceeds of any State Aid Revenue Notes of any other series issued and delivered by the Authority concurrently with the Authority's Notes are used to purchase any other notes of the Issuer, those other State Aid Revenue Notes.

The Issuer further acknowledges that Section 17a(3) of the Act does not require the State to make an appropriation to any school district or intermediate school district and shall not be construed as creating an indebtedness of the State.

With respect to any payment not received from the Issuer by the Depository by the time and date due under this Purchase Contract, the Issuer agrees to pay the Authority an amount as invoiced by the Authority to recover its administrative costs attributable to the late payment. The Issuer further agrees to reimburse the Authority (A) for any and all amounts which the Authority may have to rebate to the federal government due to investment income which the Issuer may earn in connection with the issuance or repayment of its Notes and (B) for the Issuer's pro rata share of the Costs of Issuance that were paid by the Authority in the event that the Authority is required to rebate investment earnings to the federal government regardless, in either case, whether the Issuer is subject to such rebate or not. In the event the Issuer does not meet any arbitrage rebate exception pursuant to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, relative to the Notes, the Issuer will make any required rebate payment to the federal government when due.

The Issuer shall make the Notes and its other documents, certificates and closing opinions as the Authority shall require (the "Closing Documents") available for inspection by the Authority on August __, 2024, at the offices of the Thrun Law Firm, P.C., East Lansing, Michigan. At 9:00 a.m., prevailing Eastern Time, on August 20, 2024 ("Closing Date"), or at another date and time determined by the Authority, the Issuer shall deliver the Notes to the Authority at the offices of _____, Lansing, Michigan, together with the Closing Documents, and the Authority shall accept delivery of the Notes and the Closing Documents and pay the purchase price for the Notes.

The Authority shall have the right in its sole discretion to terminate the Authority's obligations under this Purchase Contract to purchase, accept delivery of and pay for the Notes if the Authority is unable for any reason to sell and deliver the Authority's Notes on or prior to the Closing Date.

Michigan Finance Authority

By _____
Its Authorized Officer

Accepted and Agreed to this
_____ day of _____, 2024
_____ ("Issuer")
By _____
Title: _____

(Signature page to Purchase Contract)

Schedule I

[INSTALLMENT PAYMENT SCHEDULE]

All capitalized terms used and not expressly defined in this Schedule I shall have the meanings given to them in the Purchase Contract to which this Schedule I is attached (the "Purchase Contract").

1. The Issuer hereby covenants that it will deposit all Installment payments as set forth in paragraph 9 below with _____, or its successor (the "Depository") at its designated corporate trust office located in _____, Michigan. [The Issuer directs the Depository to use the proceeds of the Installment payments to acquire U.S. Treasury Obligations state and local government series ("SLGS") and/or such other U.S. Treasury notes, bonds, bills and securities as authorized and directed by the Authority and as permitted by law, or, if authorized and directed by the Authority, to enter into an investment contract with a financial institution on behalf of the Issuer for the investment of the Installment payments.] In the event the Depository resigns, or is removed, the Issuer hereby accepts and appoints a successor depository appointed by the Authority as depository for the Notes.

2. The number of Installments shall be as set forth in paragraph 9 below. The Issuer hereby agrees to deposit funds with the Depository in accordance with the Purchase Contract and its resolution authorizing the Notes.

3. The Issuer covenants that it will deliver from time to time such additional information regarding the financial condition of the Issuer as the Authority may reasonably request.

4. The Issuer covenants that the principal amount of the Notes and the interest thereon, together with the amounts payable as to principal and interest on any additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid, will not exceed 70% of the amount of State School Aid to be received by the Issuer during the period from October 1, 2024, through August 31, 2025.

5. The principal amount and the initial interest rate on the Notes shall not exceed \$ _____ and _____% per annum, respectively.

6. The Issuer's pro rata share of the Costs of Issuance shall not exceed: (A) \$ _____, plus (B) the Issuer's pro rata share of related charges pursuant to the Note Purchase Agreement between the Authority and the underwriter(s).

7. The Notes shall be dated August 20, 2024 and shall mature on [July 21][August 20], 2025.

8. The purchase price of the Notes shall be \$ _____ (par of \$ _____ [less net discount of \$ _____] [plus net premium of \$ _____]).

9. The amounts of the Installments/Mandatory Redemptions on the Payment Dates are:

Payment Date

Installment/Mandatory Redemption

10. As long as the Notes are outstanding, the Issuer shall neither pledge nor make any request for an advancement pursuant to Section 17b of the State School Aid Act of 1979, as amended, of any portion of its Pledged State Aid, October 2025 State School Aid, or State School Aid payable thereafter without the prior written consent of the Authority, by its Executive Director, which consent shall not be unreasonably withheld. The Issuer shall not, at any time prior to the maturity of the Notes, issue any other obligations pledging the Pledged State Aid ("Other Obligations") unless: (i) the Issuer shall have given prior written notice to the Authority of the Issuer's intent to issue any Other Obligations promptly after forming such intent; (ii) any Other Obligations shall mature after August 20, 2025; and (iii) any pledge of the Pledged State Aid as security for the payment of any Other Obligations shall be: (A) expressly subject to the prior

right of interception set forth in this Purchase Contract; and (B) expressly subordinate, under written subordination terms satisfactory to the Authority and its counsel, to the Issuer's prior pledge of Pledged State Aid as security for the Notes. "Other Obligations" as defined in this paragraph shall not include state aid notes, if any, issued by the Issuer as a separate series on August 20, 2024 and purchased by the Authority with proceeds from its State Aid Revenue Notes, Series 2024A-2, to be issued by the Authority pursuant to the Trust Indenture dated as of August 1, 2024. Any one or more of the foregoing restrictions set forth in this paragraph may be waived in writing by the Authority, by its Authorized Officer, in his or her sole and absolute discretion.

11. The Notes and related funds on hand with the Depository are Security (as that term is defined in the Trust Indenture) for the Authority and the Trustee. The Issuer is directing the Authority, and the Authority is directing the Depository, to enter into an investment agreement with a financial institution for investment of such funds on behalf of the Authority and the Issuer. Subject to all ownership and security interests of the Authority, the Trustee and the Depository in and to such funds, accounts and investment, and to the extent required by law, an undivided interest in and to such investment, in the Issuer's designated allocable amount, is granted to the Issuer.

[Note: If a Purchaser of the Authority's State Aid Revenue Notes, Series 2024A-__, requires particular provisions for determining the interest rate on the Notes or a default interest rate, such provisions will be added to this Schedule I, as appropriate]

Schedule I

[NO INSTALLMENTS]

All capitalized terms used and not expressly defined in this Schedule I shall have the meanings given to them in the Purchase Contract to which this Schedule I is attached (the "Purchase Contract").

1. The Issuer hereby agrees to deposit or cause to be deposited funds to pay principal of and interest on the Notes with _____, or its successor (the "Depository") at its designated corporate trust office located in _____, Michigan, in accordance with the Purchase Contract and resolution authorizing the Notes. In the event the Depository resigns, or is removed, the Issuer hereby accepts and appoints a successor depository appointed by the Authority as depository for the Notes.
2. The Issuer covenants that it will deliver from time to time such additional information regarding the financial condition of the Issuer as the Authority may reasonably request.
3. The Issuer covenants that the principal amount of the Notes and the interest thereon, together with the amounts payable as to principal and interest on any additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid, will not exceed 70% of the amount of State School Aid to be received by the Issuer during the period from October 1, 2024, through August 31, 2025.
4. The principal amount and the initial interest rate on the Notes shall not exceed \$ _____ and _____ % per annum, respectively.
5. The Issuer's pro rata share of the Costs of Issuance shall not exceed: (A) \$ _____, plus (B) the Issuer's pro rata share of related charges pursuant to the Reimbursement Agreement among the Authority, the Bank and the Depository (including, without limitation, all other amounts owing by the Authority under the Reimbursement Agreement and the initial fee of the Bank).
6. The Notes shall be dated August 20, 2024 and shall mature on August 20, 2025.
7. The purchase price of the Notes shall be \$ _____ (par of \$ _____ [less net discount of \$ _____] [plus net premium of \$ _____]).
8. Drawings on the Letter of Credit shall be reimbursed to the Bank on the same day in immediately available funds and reasonable charges and expenses which the Bank may pay or incur relative to the Letter of Credit shall be reimbursed to the Bank on demand as provided in the Reimbursement Agreement. Interest shall be payable to the Bank at a daily fluctuating interest rate per annum (the "Bank Reimbursement Rate") equal to (i) in the case of any amount drawn under the Letter of Credit and not so reimbursed, the Base Rate plus ____ percent (____ %); and (ii) in the case of any aforesaid reasonable charges and expenses which the Bank may pay or incur relative to the Letter of Credit, the Base Rate plus ____ percent (____ %). For purposes of this paragraph:

"Base Rate" means, for any day, the highest of (i) the Prime Rate; and (ii) 7.50%.

"Prime Rate" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Bank) or any similar release by the Federal Reserve Board (as determined by the Bank). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

9. As long as the Notes are outstanding or any amounts are due and owing to the Authority under this Purchase Contract, the Issuer shall neither pledge nor make any request for an advancement pursuant to Section 17b of the State School Aid Act of 1979, as amended, of any portion of its Pledged State Aid, October 2025 State School Aid, or State School Aid payable thereafter without the prior written consent of the Authority, by its Executive Director, which consent shall not be unreasonably withheld. The Issuer shall not, at any time prior to the maturity of the Notes, issue any other obligations pledging the Pledged State Aid ("Other Obligations") unless: (i) the Issuer shall have given prior written notice to the Authority of the Issuer's intent to issue any Other Obligations promptly after forming such intent; (ii) any Other Obligations shall mature after August 20, 2025, and (iii) any pledge of the Pledged State Aid as security for the payment of any Other Obligations shall be: (A) expressly subject to the prior right of interception set forth in this Purchase Contract; and (B) expressly subordinate, under written subordination terms satisfactory to the Authority and its counsel, to the Issuer's prior pledge of Pledged State Aid as security for the payment of the Notes. "Other Obligations" as defined in this paragraph shall not include state aid notes, if any, issued by the Issuer as a separate series on August 20, 2024 and purchased by the Authority with proceeds from the State Aid Revenue Notes, Series 2024A-1, to be issued by the Authority pursuant to the Trust Indenture dated as of August 1, 2024. Any one or more of the foregoing restrictions set forth in this paragraph may be waived in writing by the Authority, by its Authorized Officer, in his or her sole and absolute discretion.

[Note: If a Purchaser of the Authority's State Aid Revenue Notes, Series 2024A-__, requires particular provisions for determining the interest rate on the Notes or a default interest rate, such provisions will be modified, or added to, this Schedule I, as appropriate]

FSMC COST REIMBURSABLE RFP Attestation Sheet

By submission of this bid, the Food Service Management Company (FSMC) acknowledges that it has carefully examined all terms and conditions set forth in the FSMC Cost Reimbursable Request for Proposal/Contract Solicitation issued by the **Milan Area Schools** (School Food Authority) on **May 17, 2024**. The FSMC acknowledges that it has made examinations and verifications and is fully conversant with all conditions under which services are to be performed for the School Food Authority. No claims for additional compensation will be considered and no contractual amendments will be executed due to the successful bidder's failure to be so informed.

The FSMC acknowledges that the School Food Authority reserves the right to reject any bid(s) when it is in the recipient's interest to do so. Awards will be made to the bidder whose bid or offer is responsive to the solicitation and is most advantageous to the recipient.

Negligence in the preparation or presentation of, errors in, or omissions from bids shall not relieve the FSMC from fulfillment of the obligations and requirements of the proposed contract. Once a contract is executed, the FSMC shall not claim any modification thereof resulting from any representation or promise made at any time by an officer, agent, or employee of the School Food Authority, or any other person.

By submitting a bid, the FSMC agrees to execute a contract with the School Food Authority and to perform services in accordance with the finalized contract documents.



Signature of FSMC Representative

Compass Group USA, Inc.,
by and through its Chartwells Division
Name of FSMC

Amy Shaffer, CEO, Chartwells K12

Printed Name of FSMC Representative

5/22/2024

Date

GENERAL PROCEDURAL TERMS AND CONDITIONS

A. INTENT

This solicitation is for the purpose of entering into a contract for the operation of a food service program for **Milan Area Schools** herein after referred to as the SFA. The bidder or Food Service Management Company (FSMC) will be referred to as the FSMC and the contract will be between the FSMC and the SFA.

B. PROCUREMENT METHOD

The contract awarded will be a cost reimbursable contract.

The bid must be submitted in two parts: a bid price per meal/meal equivalent and a written and/or oral presentation. The bid price per meal/meal equivalent may be weighted more than 50% of the evaluation criteria while the written and/or presentation must be weighted less than 50%. This breakdown will be identified on the Bid Point Calculator and Evaluation Criteria Matrix. Bidders are required to provide a breakdown of food and non-food costs, management and administrative fees, and advance payments as shown on the Bid Sheet. Bids that do not provide this information will be deemed non-responsive and rejected.

The SFA may award the contract to the bidder which it believes, in its sole discretion, to best meet the SFA's needs. Alternatively, the SFA may reject all bids. An award may be made to other than the bidder with the lowest bid price per meal/meal equivalent.

C. BID PACKET RELEASE AND PRE-BID MEETING INFORMATION

1. A copy of the RFP will be available via email at **girbachb@milanareaschools.org** by **May 17, 2024**.
2. The **mandatory** pre-bid meeting will be held at **9:00 AM** on **May 22, 2024**, at **100 Big Red Drive, Milan, MI 48160**.
3. **Final questions** from bidders shall be submitted to the SFA at **girbachb@milanareaschools.org** by **May 24, 2024**, and will be addressed by the SFA by **May 29, 2024**.

D. BID SUBMISSION AND AWARD

1. Bids/proposals are to be submitted **electronically via email** to **girbachb@milanareaschools.org** by **12:00 PM** on **June 7, 2024**.
2. One (1) hard copy proposal and one (1) copy on a USB flash drive shall also be sent to **Bryan Girbach, Superintendent, 100 Big Red Drive, Milan, MI 48160**. The hard copy proposal is to be submitted in a sealed envelope marked "Food Service Management Proposal." The bid sheet is to be submitted in a separate and sealed envelope marked "Bid Sheet – Cost Reimbursable Contract."

SFAs are required to submit the electronic version of the full proposal from its selected bidder to MDE during the contract approval process. USB flash drives and proposals from other responsive bidders shall be made available to MDE upon request.

Any bid received after the exact time specified for receipt will not be considered or opened publicly.

3. The SFA reserves the right to exercise its discretion to reject any or all bids.
4. To be considered, each bidder must submit a complete response to this solicitation using the forms provided.
5. Awards, if any, shall be made to a qualified and responsible bidder whose bid is responsive to this solicitation. A responsible bidder is one whose financial, technical, and other resources indicate an ability to perform the services required by this solicitation.
6. Bidders or their authorized representatives are expected to fully inform themselves as to the conditions, requirements, and specifications before submitting bids; failure to do so will be at the bidder's own risk and he/she cannot secure relief of the plea of error.
7. If additional information is required, please contact **Bryan Girbach** at **734-439-5050**.

E. INCURRED COSTS

The SFA is not liable for any cost incurred by the bidder prior to the signing of a contract by all parties.

F. BONDING REQUIREMENT

The SFA has elected to require a bid guarantee.

Bidder shall submit with his/her bid a bid guarantee in the amount of five percent (5%) of the total bid price, which shall be in the form of a firm commitment such as a bid bond, postal money order, certified check, cashier's check, or irrevocable letter of credit. Bid guarantees other than bid bonds will be returned (a) to unsuccessful bidders as soon as practicable after the opening of bids, and (b) to the successful bidder upon execution of such further contractual documents (i.e., insurance coverage) and bonds as may be required by the bid. [2 CFR 200.326]

G. CONTRACT TERMS

1. This contract shall be for an initial term of one year effective on July 1, **2024**, or upon written approval of the contract by the MDE, whichever occurs last, and ending June 30, **2025**, with up to four (4) one-year renewals, with mutual agreement between the SFA and the FSMC. [7 CFR 210.16 (d)]

In no event shall the contract be effective without the prior approval by MDE. Per 7 CFR 250.36 (a)(12), contract extensions or renewals are contingent upon the fulfillment of all contract provisions relating to USDA Foods.

2. Before any fee increases can be implemented as part of a contract renewal agreement, the FSMC shall document to the SFA, through a written financial analysis, the need for such increases. Renegotiation of management and administrative fees in subsequent years of the contract must not exceed the *Consumer Price Index for Urban Consumers – Food Away from Home*

annualized rate for December of the current school year, or a flat percentage rate of **3%**, whichever is less.

3. This solicitation/contract, the RFP proposal of the successful bidder, attachments, and mutually negotiated and MDE-approved amendments, modifications, and addenda constitute the entire agreement between the SFA and FSMC. Aside from the adjustments and amendments referenced in Section G (2), *supra*, additional documents and/or agreements, including non-negotiated provisions developed by the contractor, cannot become part of the executed contract. Any additional documents resulting in a substantial change to the contract awarded by the SFA will not be executed by the SFA without prior MDE approval. No other food service management contracts will be signed by the SFA.
4. All state agency-mandated changes to the terms of this contract or any amendment will be incorporated therein before the SFA executes any agreement between it and the FSMC.

H. GIFTS FROM FSMC

The SFA's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors. To the extent permissible under state or federal law, rules, or regulations, such standards shall provide for appropriate penalties, sanctions, or other disciplinary actions to be applied for violations of such standards. [2 CFR 200.318 (c)(1)]

I. SELECTION OF MANAGER

The district requests bids be submitted on the following managerial option(s): a full-time manager (not to be shared with another district).

The SFA reserves the right to interview and approve the on-site food service manager. The FSMC will provide a Certified Food Manager per regulations established by the Michigan Department of Agriculture (MDA) effective June 30, 2009.

J. EMPLOYEES

The current food service employees will continue to be employed by the SFA.

The SFA and/or FSMC will provide a Certified Food Manager by building site per regulations established by the MDA effective June 30, 2009.

K. MEAL AND MEAL EQUIVALENTS

For making the meal count computation, the number of lunches, breakfasts, snacks, and suppers will be based on a projection. The number of lunches served will be determined by 1 lunch = 1 meal equivalent. The number of suppers served will be determined by 1 supper = 1 meal equivalent. The number of breakfasts will be determined by 2 breakfasts = 1 meal equivalent. The number of snacks will be determined by 3 snacks = 1 meal equivalent. The FSMC and SFA shall determine a la carte meal equivalents by dividing a projected net a la carte and catering revenue by the sum of the federal free lunch reimbursement plus the value of USDA entitlement and bonus-donated

foods. This equivalent factor will be adjusted annually by taking the sum of the federal free lunch reimbursement plus the value of USDA entitlement and bonus-donated foods. The revenue shall include catering sales, adult meals, and a la carte sales to students and adults **less sales tax**. If applicable, revenue from vending machine sales will be included as part of the a la carte revenue.

L. FEES AND ALLOWABLE DIRECT COSTS (Cost Reimbursable Contract Only)

The following definition is provided to clarify costs included in the administrative fee: centralized company administrative cost, data processing, generalized marketing, training of management in company-specific areas, and legal fees.

The following definitions are provided to clarify allowable direct costs:

"Food" is defined as and limited to those items purchased for use in the preparation and service of student, adult, catered, and a la carte meals as specified under Terms and Conditions of this Agreement. This includes the cost of commodity handling and warehousing charges.

"Labor" is defined as and limited to on-site employees responsible for the management, preparation, service, and clean-up of meals.

"Contracted Services" are costs incurred to pay for a service provided by another company. Typical costs would be laundry services, pest control, and periodic maintenance services. Those costs normally recognized as part of the FSMC administrative fee cannot be separately contracted for and charged to the SFA's Non-profit Food Service Account.

"Transportation Cost" is cost incurred in operating a food service delivery vehicle. This would include gas, oil, tune-ups, and minor repairs. Cost of a purchased vehicle would be a capital expense.

"Non-food Expenses" are defined as paper supplies (including decorations), equipment rental, cleaning materials, travel as required for effective program management, uniforms, printing, taxes and licenses, insurance, and expenses as contractually obligated herein. Products embossed with the FSMC logo are not considered allowable direct cost items.

"Cost of Capital Equipment" is the cost of purchasing and installing equipment exceeding \$5,000.00, which has had prior approval of the SFA.

M. CAPTIONS

Captions in all sections of this document are provided only as a convenience, and shall not affect the interpretation of this instrument, its attachments, and addenda.

N. GUARANTEED RETURN

The SFA is not requesting a guaranteed return for the school food service.

Note: No bidder shall propose a guaranteed return that is greater than the amount requested by the SFA. Proposals with a guaranteed return greater than

this stated amount will be rendered non-responsive and will not be considered for award.

O. FRESH FRUIT AND VEGETABLE PROGRAM (FFVP)

The SFA does not participate in the Fresh Fruit and Vegetable Program.

P. 10 Cents a Meal for Michigan's Kids and Farms (10 Cents a Meal)

The SFA requests the FSMC be responsible for the following aspects of the 10 Cents a Meal program:

- Purchase of minimally processed **Michigan** fruits, vegetables, and legumes, including the cost of pre-cut produce, excluding canned items, such as canned beans and applesauce
- Purchase of non-food items and supplies that are used in serving and cleaning of the Michigan fruits, vegetables, and legumes
- To the maximum extent practical, the FSMC will expend \$47,446 in the purchase of Michigan fruits, vegetables, and legumes to maximize the 10 Cents a Meal grant. This dollar amount will be double the amount of the estimated award to the SFA (for example, if the estimated award is \$1,000, the Michigan purchases must equal \$2,000).

The SFA will provide assurance that the FSMC is completely apprised of all 10 Cents a Meal policies and rules to guarantee the program is operated in compliance with Section 31j of the Michigan State School Aid Act.

The SFA will regularly monitor FSMC operations to ensure compliance with relevant 10 Cents a Meal program requirements and provisions of the contract.

The FSMC must document and track the 10 Cents a Meal program purchases **separately** and provide as part of an operating statement along with the regular monthly invoice. This documentation must fully identify allowable purchases by month to include the following: 1) product name, 2) farm name, 3) farm location, and 4) dollar amount spent on each product. The SFA shall use this information as the basis for its reimbursement claim under the 10 Cents a Meal grant.

Q. PROFESSIONAL STANDARDS

The final rule, "Professional Standards for State and Local School Nutrition Programs Personnel as required by the Healthy, Hunger-Free Kids Act of 2010," became effective July 1, 2015. Professional Standards resources can be located on the USDA website at [USDA, School Meals, Professional Standards](#).

The SFA and FSMC must adhere to the hiring, training, and oversight standards set forth in the final rule, as well as any subsequent USDA or MDE guidance, policies, or procedures in relation to the final rule. (See USDA memo SP 05-2020: [Questions & Answers Regarding Professional Standards for State and Local School Nutrition Program Personnel | USDA-FNS](#))

The SFA may delegate to the FSMC the responsibility to coordinate, provide, and conduct trainings in accordance with the final rule. Training responsibility will be identified on the *Cost Responsibility Detail* page of the *Information Section*. The FSMC must annually provide documentation to the SFA showing compliance with the required training hours and topics completed by food service personnel.

STANDARD TERMS AND CONDITIONS

I. SCOPE AND PURPOSE

- A. The FSMC, as an independent contractor, shall have the exclusive right to operate the Child Nutrition Programs in which the SFA participates. Child Nutrition Programs include the National School Lunch Program (NSLP), and/or School Breakfast Program (SBP), and/or Afterschool Snack Program, and/or Special Milk Program (SMP), and/or Summer Food Service Program (SFSP), and/or Seamless Summer Option (SSO), and/or Child and Adult Care Food Program (CACFP), and/or Fresh Fruit and Vegetable Program (FFVP).
- B. The FSMC shall operate in conformance with the SFA's Permanent Agreement with MDE (and attachments) for the NSLP, USDA Foods Commodity Distribution, SBP, Afterschool Snack Program, SMP, SFSP, SSO, CACFP, and FFVP.
- C. The FSMC shall be an independent contractor and, except as otherwise expressly stated herein, not an SFA agent or representative. The employees of the FSMC are not employees of the SFA. All FSMC employees shall remain directly accountable to the FSMC for the duration of this contract. Except as otherwise expressly stated in this agreement, the FSMC has the sole responsibility and authority to hire, assign, supervise, evaluate, and discipline any personnel assigned by it in the performance of this contract.
- D. The food service provided shall be operated and maintained as a benefit to the SFA's students, faculty, and staff.
- E. All income accruing as a result of payments by children and adults, federal reimbursements, state aid (i.e., 31d, 31f, 31a At-Risk), and all other income from sources such as donations, special functions, grants, loans, etc., shall be deposited in the SFA's Non-profit Food Service Account. Any profit or guaranteed return shall remain in the SFA's Non-profit Food Service Account. The SFA and FSMC agree that this contract is neither a "cost-plus-a-percentage-of-income" nor a "cost-plus-a-percentage-of-cost" contract, as required under 7 CFR 210.16 (c).
- F. The SFA shall be legally responsible for the conduct of the food service program and shall supervise the food service operations in such manner as will ensure compliance with the rules and regulations of the USDA and MDE regarding each of the Child Nutrition Programs covered by this contract. [7 CFR 210.16 (a)(2)]
- G. The SFA shall retain control of the Non-profit Food Service Account and overall financial responsibility for the Child Nutrition Programs.

- H. The SFA shall establish all selling prices for reimbursable and non-reimbursable meals, milk, and a la carte prices. [7 CFR 210.16 (a)(4)]
- I. The FSMC shall provide additional food service, such as banquets, parties, refreshments for meetings, etc., as requested by the SFA. The SFA will be billed for the actual cost of food, supplies, and labor, plus a mutually agreed upon **markup (as documented on the FSMC signed and dated bid sheet)** and the FSMC's overhead and administrative expenses, if applicable, for providing such service. If FSMC overhead and administrative expenses apply, the FSMC must provide the SFA with a detailed breakdown of the charges. USDA Foods shall not be used for these special functions.
- J. The FSMC shall cooperate with the SFA in promoting nutrition education and coordinating the SFA's food service with classroom instruction in accordance with the school district's Wellness Plan.
- K. The FSMC shall conduct program operations in accordance with 7 CFR Parts 210, 215, 220, 225, 226, 235, and 245; 2 CFR 200 Appendix II, 2 CFR 400, 416, 417, and 418; and FNS instructions, final rules and policies, as applicable.
- L. The FSMC shall make substitutions in the food components of the meal pattern for students with disabilities when their disability restricts their diet, and those non-disabled students who are unable to consume their regular lunch because of medical or other special dietary needs. Substitutions shall be made on a case-by-case basis when supported by a statement of the need for substitutes that includes recommended alternative foods, unless otherwise exempted by the Food and Nutrition Service, USDA. Such statement shall, in the case of a student with a disability, be signed by a medical doctor or, in the case of a non-disabled student, be signed by a recognized medical authority. There will be no additional charge to the student for such substitutions. [7 CFR 210.10 (m)]
- M. The FSMC shall monthly invoice the SFA a sum not to exceed the amount necessary to cover FSMC's expenditures for the Food Service Program. FSMC shall provide a reconciled monthly statement with costs listed in the following categories: 1) management fee, 2) administrative fee, and 3) operating expenses. Payment shall be due within thirty (30) days of the monthly invoice. A late charge per month **equal to 1.5%** will be added to all unpaid balances more than thirty (30) days. Finance charges cannot be paid from the Non-profit Food Service Account.

II. SIGNATURE AUTHORITY

- A. The SFA shall retain signature authority for the application/agreement to participate in the NSLP, and/or SBP, and/or Afterschool Snack Program, and/or SFSP, and/or SSO, and/or SMP, and/or CACFP, and/or FFVP, including, but not limited to, the Application Renewal, the Verification of Application Form, and letters to MDE to amend the application. [7 CFR 210.16 (a)(5)]
- B. The SFA shall retain signature authority for the Monthly Claim for Reimbursement. [7 CFR 210.16 (a)(5)]

- C. The SFA shall not delegate signature authority to the FSMC in any of the areas identified in paragraphs A and B above.

III. FREE AND REDUCED-PRICE MEALS POLICY

- A. The SFA shall be responsible for or may delegate to the FSMC the establishment and maintenance of the free and reduced-price meals eligibility roster.
- B. The FSMC shall implement an accurate point of service meal/milk count using the meal counting system submitted by the SFA in its application to participate in the Child Nutrition Programs and approved by MDE, as required under 7 CFR Part 210.8. Such meal/milk counting system must eliminate the potential for the overt identification of free and reduced-price eligible students under 7 CFR Part 245.8. The SFA shall evaluate the monthly meal claim information submitted by the FSMC and verify that the information is accurate before submitting a claim for reimbursement.
- C. The SFA shall be responsible for or may delegate to the FSMC the development, distribution, and collection of the parent letter and application for free and reduced-price meals and/or free milk.
- D. The SFA shall be responsible for or may delegate to the FSMC the responsibility for accessing the direct certification report available from the Center for Educational Performance and Information (CEPI) after each refresh. Students on this report will not require an application from the parent/guardian.
- E. The SFA shall be responsible for or may delegate to the FSMC the responsibility for the determination of eligibility for free and reduced-price meals and free milk. Neither the SFA nor the FSMC will disclose confidential information that is not needed for meal counts from free and reduced-price meal applications and/or the direct certification list. The SFA will provide the FSMC with a list of children and their category of eligibility. This list must be updated when changes occur in a student's eligibility status.
- F. The SFA shall be responsible for conducting any hearings related to determinations regarding eligibility for free and reduced-price meals and free milk.
- G. The SFA shall be responsible for or may delegate to the FSMC the responsibility for verifying applications for free and reduced-price meals, as required by federal regulations.
- H. The SFA shall be responsible for performing the annual on-site review.
- I. The SFA shall retain responsibility for completing the tasks described in paragraphs B, F, and H and may delegate those tasks in paragraphs A, C, D, E, and G to the FSMC to complete on its behalf.

IV. USDA FOODS

- A. Any USDA Foods received by the SFA and made available to the FSMC or received by the FSMC on behalf of the SFA must accrue solely to the benefit of the SFA's non-profit school food service program and shall be fully utilized

therein. The FSMC must credit the SFA for the value of all USDA Foods received for use in the SFA's food service program, including the value of USDA Foods contained in processed end-products or commercially purchased foods that are used in place of such donated foods only. [7 CFR 250.51 (d)]

- B. The SFA shall retain title to all USDA Foods. [7 CFR 250.14 (c)]
- C. The FSMC must meet the requirements for the safe storage and control of donated foods. [7 CFR 250.14 (a)]
- D. The FSMC is prohibited from entering any processing contracts utilizing USDA Foods on behalf of the SFA. [7 CFR 250.50 (d)]
- E. The FSMC shall select, accept, and use the USDA Foods in as large quantities as may be efficiently utilized in the SFA's non-profit food service program, subject to approval of the SFA.

The FSMC must utilize no less than 95% of the SFA's overall entitlement. If less than 95% is spent, the FSMC must submit justification of the underutilization of this federal program to the SFA as part of their mandatory annual reconciliation of USDA Foods.

Furthermore, the FSMC will use all donated ground beef and ground pork products, and all processed end products in the SFA's food service, and all other USDA Foods or commercially purchased foods of the same generic identity, of U.S. origin, and of equal or better quality than the USDA Foods, in the SFA's non-profit food service program. [7 CFR 250.51 (d)]

- F. The FSMC shall collaborate with the SFA on the selection of USDA Foods, and they will accept and use USDA Foods in as large quantities as may be efficiently utilized in the SFA's non-profit food service program monthly to ensure they will not accumulate excess inventory.

If the current selection of USDA Foods cannot be utilized in the food service program, either the SFA or FSMC must work directly with the SFA's chosen consortium to trade or obtain a different selection of food items prior to delivery to the FSMC or SFA. USDA Foods entitlement can be spent on value-added (brown box), processed USDA Foods, or Department of Defense (DoD) fresh produce.

- G. The FSMC may store and inventory donated foods together with foods it has purchased commercially for the SFA's use (unless specifically prohibited in the contract). It may store and inventory such foods together with other commercially purchased foods only to the extent that such a system ensures compliance with the requirements for the use of donated foods in 7 CFR 250.51 (d).
- H. The FSMC shall maintain records to substantiate that the full value of all USDA Foods is used solely for the benefit of the SFA. The FSMC must provide all documents as necessary for the independent auditor, MDE reviewers, or USDA agents who may perform onsite reviews of the FSMC's food service operation to ensure compliance with the requirements for the management and use of USDA Foods.

- I. The SFA must provide the FSMC with a copy of the quarterly Recipient Entitlement Balance Report from the Consortia.
- J. The values of all USDA Foods are to be based on the values at the time the SFA receives the USDA Foods from the distributing agency and are to be based on the USDA Commodity Value Listing pertinent to the time period. This listing is available at: MDE - USDA Foods Available/Average Price Files.
- K. A year-end reconciliation shall be conducted by the SFA to ensure and verify correct and proper credit has been received for the full value of all USDA Foods received for use by the FSMC during the school year.

The SFA reserves the right to conduct commodity credit audits throughout the year to ensure compliance with federal regulations.
- L. **Credit issued by the FSMC to the SFA for USDA Foods received shall be recorded on each monthly invoice as a separate line item and shall be clearly identified and labeled.**
- M. The FSMC shall be liable for any negligence on its part that results in any loss of, improper use of, or damage to USDA Foods and shall credit the SFA either monthly or through a year-end reconciliation.
- N. The SFA and FSMC shall consult and agree on end products to be produced from USDA Foods during the time of this agreement. If an agreement cannot be reached, the FSMC shall utilize the USDA Foods in the form furnished by the USDA.
- O. Upon termination of the contract, the FSMC must return all unused donated ground beef, ground pork, processed end products, and at the SFA's discretion, return other unused donated foods. The SFA must ensure that the FSMC has credited it for the value of all donated foods received for use in the SFA's meal service in a school year. [7 CFR 250.52 (c)]

V. HEALTH CERTIFICATIONS

- A. The SFA shall maintain all applicable health certifications on its facilities and shall ensure that all state and local regulations are being met by the FSMC preparing or serving meals at any SFA facility. [7 CFR 210.16 (a)(7)]
- B. The FSMC shall maintain, for the duration of the contract, state and/or local health certifications for any facility outside the SFA in which it proposes to prepare meals and shall maintain this health certification for the duration of the contract as required under 7 CFR 210.16 (c)(2).

VI. MEALS

- A. The FSMC shall serve meals on such days and at such times as requested by the SFA.
- B. The SFA shall retain control of the quality, extent, and general nature of the food service. [7 CFR 210.16 (a)(4)]
- C. The FSMC shall offer free, reduced-price, and paid reimbursable meals to all eligible children participating in the SBP, and/or NSLP, and/or SFSP, and/or CACFP Centers.

- D. To offer a la carte food service, the FSMC must offer free, reduced-price, and paid reimbursable meals to all eligible children. [7 CFR 210.16 (a)]
- E. The FSMC shall serve reimbursable **breakfasts, lunches, and snacks**, pursuant to the **NSLP**, and/or **SBP**, and/or **SFSP**, and/or **CACFP**, where indicated in the attached *Information Section*.
- F. The FSMC shall promote maximum participation in the Child Nutrition Programs.
- G. The FSMC shall provide the specified types of service in the schools/sites listed in the attached *Information Section*, which is hereby in all respects made a part of this contract.
- H. The FSMC shall sell on the premises only those foods and beverages authorized by the SFA and only at the times and places designated by the SFA.
- I. No payment will be made to the FSMC for meals that are spoiled or unwholesome at the time of delivery, do not meet detailed specifications as developed by the SFA for each food component in the meal pattern in accordance with 7 CFR 210.10, or that do not otherwise meet the requirements of the contract. [7 CFR 210.16 (c)(3)]

VII. BOOKS AND RECORDS

- A. The FSMC shall maintain such records (supported by invoices, receipts, or other evidence) as the SFA will need to meet monthly reporting responsibilities and shall submit monthly bills/invoices in a format approved by the SFA no later than **20** calendar days of the succeeding month in which services were rendered. Participation records shall be submitted in a timely manner to facilitate claims submission no later than the tenth (10th) day of the succeeding month in which services were rendered. The SFA shall perform edit checks on the participation records provided by the FSMC prior to the preparation and submission of the claim for reimbursement.
- B. The FSMC shall maintain records at the SFA to support all allowable expenses appearing on the monthly bill/invoice.
- C. The SFA and the FSMC must provide all documents as necessary for the independent auditor, MDE reviewers, or USDA agents to conduct the SFA's single audit. (7 CFR 210.22)
- D. Books and records of the FSMC pertaining to the Child Nutrition Program operations shall be made available upon demand in an easily accessible manner for a period of three (3) years from the end of the contract term (including renewals) to which they pertain for audit, examination, excerpts, and transcriptions by the SFA and/or any state or federal representatives and auditors, or longer should any audit for that time still be open. [7 CFR 210.23 (c)]
- E. If audit findings regarding the FSMC's records have not been resolved within the three (3) year period, the records must be retained beyond the three (3) year period, for as long as required for the resolution of the issues raised by the audit. [7 CFR 210.23 (c) and 250.16 (b)]

- F. The FSMC shall not remove state or federal required records from SFA premises upon contract termination.
- G. The SFA shall conduct a quarterly internal review of all records and documentation associated with the procurement of food and non-food items to ensure that the FSMC is complying with all applicable competitive procurement procedures according to 2 CFR 200.
- H. Upon termination of the contract, the FSMC shall surrender to the SFA all records pertaining to the operation of the food service, to include all food and non-food inventory records, menus, production records, product invoices, claim documentation, financial reports, and procurement documentation.
- I. The FSMC shall purchase all food and other supplies required under this contract on the SFA's behalf. Title thereto shall always remain with the SFA. Such food and supplies shall be kept separate and apart from the other SFA property unless the SFA has chosen not to maintain a separate inventory. The FSMC and SFA shall jointly inventory all purchased food and supplies at both the beginning and the end of this contract's term. The SFA shall have access to the records of the food and supplies purchased to review and audit as it deems necessary.
- J. FSMC shall purchase all food and supplies for the SFA at the lowest prices possible consistent with maintenance of quality standards prescribed by the SFA, including taking advantage of all local trade discounts. All such transactions shall meet USDA procurement standards.

VIII. EMPLOYEES

- A. The SFA shall have final approval authority regarding the FSMC's hiring of a site manager.
- B. The FSMC shall comply with all wage and hours of employment requirements of federal and state laws. The FSMC shall be responsible for supervising and training personnel, including SFA employed staff. Supervision activities include employee and labor relations, personnel development, and hiring and termination of FSMC management staff. The FSMC shall also be responsible for the hiring and termination of non-management staff who are employees of the FSMC. The FSMC shall maintain its own personnel and fringe benefits policies for its employees. All such policies shall be subject to SFA review upon demand.
- C. The FSMC shall provide Workers' Compensation coverage for its employees.
- D. The FSMC shall instruct its employees to abide by the policies, rules, and regulations with respect to use of the SFA's premises as established by the SFA and which are furnished in writing to the FSMC.
- E. The FSMC shall maintain its own personnel and fringe benefits policies for its employees, subject to review by the SFA.
- F. Staffing patterns shall be mutually agreed upon by the SFA and FSMC.
- G. The use of student workers or students enrolled in vocational classes in the food service shall be mutually agreed upon.

- H. The FSMC shall not hire more than the number of employees required for efficient operation.
- I. The FSMC shall provide the SFA with a schedule of employees, positions, assigned locations, salaries, and hours to be worked two (2) full calendar weeks prior to the commencement of operation.
- J. The SFA shall provide sanitary toilet and hand washing facilities for the employees of the FSMC.
- K. Pursuant to the requirements of Section 1230 and 1230a of the Michigan Revised School Code, the SFA shall request a criminal history check through the Michigan State Police, as well as a criminal records check through the Federal Bureau of Investigation, with regard to all persons assigned by FSMC to regularly and continuously work in any of the SFA facilities. FSMC agrees that it shall not assign any of its employees, agents, or other individuals to perform any services under this Agreement where such individuals would regularly and continuously work in the SFA facilities if such person has been convicted of any of the following offenses:
 - 1. Any "listed offense" as defined under Section 2 of the Michigan Sex Offenders Registration Act, MCL 28.722.
 - 2. Any offense enumerated in Sections MCL 380.1535a or 380.1539b or the Revised School Code, MCL 380.1535a; 380.1539b, for positions requiring State Board of Education approval.
 - 3. Any offense of a substantially similar enactment of the United States or another State.
 - 4. Any felony, provided that with prior written approval of the SFA's Superintendent and its Board of Education an individual regularly and continuously providing services under this Agreement at the SFA may be permitted to perform such services when, in the judgment of the Superintendent and Board of Education of the SFA, such individual's presence will not pose a danger to the safety and security of the SFA students or employees.
 - 5. Any offense that would, in the judgment of the SFA, create a potential risk to the safety and security of the students served by the SFA or employees of the SFA.

The SFA reserves the right to refuse FSMC's assignment of any individual, agent, or employee of FSMC to render services under this Agreement where the criminal record history of the individual (including any pending criminal charges) indicate, in the SFA's judgment, unfitness to perform services under this Agreement.

The FSMC agrees that it shall pay the costs associated with criminal history and criminal record checks required under this contract and which are accomplished to comply with Section 1230 and 1230a of the Revised School Code with respect to the FSMC's employees and agents.

- L. Notwithstanding the provisions of Section VIII and its subparts, the SFA may request in writing the removal of any employee of the FSMC who violates

health requirements or conducts himself/herself in a manner that is detrimental to the physical, mental, or moral well-being of the students.

- M. In the event of the removal or suspension of any such employee, the FSMC shall immediately restructure the food service staff without disruption of service.
- N. All SFA and/or FSMC personnel assigned to each school shall be instructed in the use of all emergency valves, switches, fire, and safety devices in the kitchen and cafeteria areas.
- O. Neither party shall during the term of the contract or one year thereafter solicit to hire, hire, or contract with the other party's supervisory employees. If this provision is breached, the breaching party shall pay, and the injured party shall accept as liquidated damages, an amount equal to six (6) months of the annual wages of the relevant employee.

IX. DESIGNATION OF PROGRAM EXPENSE

- A. The FSMC guarantees to the SFA that the bid price per meal and meal equivalent shall include the expenses as designated under the FSMC column for the *Cost Responsibility Detail Sheet*. The FSMC shall be responsible for negotiating/paying all employees' fringe benefits, employee expenses, and accrued vacation and sick pay for staff on their payroll.
- B. The SFA shall pay those expenses as designated under the SFA column of the *Cost Responsibility Detail Sheet*.

X. PAYMENTS AND FEES

- A. All bids shall be calculated based on the information provided by the SFA in the *Information Section* of this solicitation. All bids shall be submitted using the *Bid Sheet*.
- B. Allowable costs will be paid to the FSMC from the SFA's Non-profit Food Service Account. Such payment will be net of all discounts, rebates, and other applicable credits accruing to or received by the FSMC and any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the SFA. All payment discounts, rebates and allowances obtained from vendors must go to the SFA's food service account. [7 CFR 210.21 (f)(1)(i)]
- C. The FSMC must designate its costs to the SFAs as follows: The FSMC must exclude all unallowable costs from its billing documents and certify that: (1) only allowable costs are submitted for payments; and (2) records have been established that maintain the visibility of unallowable costs, including directly associated costs, in a manner suitable for contract cost determination and verification. [7 CFR 210.21 (f)(1)(ii)(B)]
- D. The FSMC's determination of its allowable costs must be made in compliance with applicable USDA and program regulations, and United States Office of Management and Budget cost circulars. [7 CFR 210.21 (f)(1)(iii)]
- E. The FSMC must identify the amount of each discount, rebate, and other applicable credit on **each** bill or invoice presented to the SFA for payment

and individually identify the amount as a discount, rebate or, in the case of other applicable credits, the nature of the credit. [7 CFR 210.21 (f)(1)(iv)]

- F. The FSMC shall identify the method by which it will report discounts, rebates, and other applicable credits allocable to the contract, which are not reported before the contract's termination. [7 CFR 210.21 (f)(1)(v)]
- G. The FSMC shall maintain documentation of costs and discounts, rebates, and other applicable credits, which shall be furnished upon request to the SFA, MDE, and/or the USDA. [7 CFR 210.21 (f)(1)(vi)]
- H. The FSMC must credit the SFA monthly for the value of all donated foods received for use in the school year (including both entitlement and bonus foods), including the value of donated foods contained in processed end products. Credit issued by the FSMC to the SFA for USDA donated commodity foods received shall be recorded on the monthly bill/invoice as a separate line item and shall be clearly identified and labeled. [7 CFR 250.51]
- I. The FSMC shall submit separate billing for special functions.
- J. The FSMC shall assume responsibility for payment of all vendor bills and accounts and invoice the SFA for these costs.

XI. MONITORING

- A. The SFA shall monitor the food service operation of the FSMC through periodic onsite visits to ensure that the food service is in conformance with all USDA program regulations.
- B. The records necessary for the SFA to complete the required monitoring activities must be maintained by the FSMC under this contract and must be made available to the Auditor General, USDA, MDE, and the SFA upon request for the purpose of auditing, examination, and review.
- C. On a monthly and at least quarterly basis, the SFA shall conduct an internal reconciliation of invoices and supporting documentation to verify the accuracy of fees, allowable/unallowable costs, rebates, discounts, purchase credits, and USDA Foods usage credits.

XII. USE OF ADVISORY GROUP/MENUS

- A. The FSMC shall participate in the formation and establishment and periodic meetings of the SFA advisory board, comprised of students, teachers, and parents to assist in menu planning.
- B. The FSMC must comply with the twenty-one (21) day menu developed by the SFA for NSLP, and/or SBP, and/or SFSP, and/or CACFP included in the request for bid/proposal. Any changes made by the FSMC after the first twenty-one (21) day menu(s) may be made only with the approval of the SFA. The SFA shall approve the menus no later than two (2) weeks prior to service.

XIII. USE OF FACILITIES, INVENTORY, EQUIPMENT, AND STORAGE

- A. Without any cost or charge, the SFA will make available areas of the premises agreeable to both parties in which the FSMC shall render its services.

- B. The SFA may request of the FSMC additional food service programs. If the addition is a Child Nutrition Program not identified in the original RFP, the SFA must notify MDE prior to implementation to discuss whether the addition constitutes a material change to the contract.

This does **not** include the expansion of food service operations outside the confines of the school/school district, such as expansion to non-affiliated charter schools, non-public, or neighboring public schools, which were not part of the original bid (see *Information Section* of the original bid packet). The SFA may refer these entities to MDE for proper procurement procedures.

- C. Per 7 CFR 210.11, competitive food refers to all food and beverages sold to students on the school campus during the school day other than reimbursable meals under the Child Nutrition Programs.

The SFA reserves the right, at its sole discretion, to sell or dispense food or beverages provided such use does not interfere with the operation of the Child Nutrition Programs.

The FSMC and the SFA shall adhere to USDA requirements of final rules relating to competitive foods, including the Smart Snacks rule that became effective July 1, 2014.

- D. The FSMC and SFA shall inventory the equipment and USDA Foods owned by the SFA including, but not limited to, small wares (i.e., silverware, chinaware, kitchen utensils, etc.), trays, and glassware. This will be performed at the beginning of the contract and at the beginning of each successive school year if the renewal option is utilized.
- E. The FSMC shall maintain the inventory of small wares and other operating items necessary for the food service operation and at the inventory level as specified by the SFA.
- F. The SFA will replace expendable equipment and replace, repair, and maintain non-expendable equipment, except when damages result from the use of less than reasonable care by the employees of the FSMC, unless otherwise identified on the *Cost Responsibility Detail Sheet*.
- G. The SFA will have final prior approval authority for the purchase of all equipment to be used in the storage, preparation, and delivery of school meals. Title to the property must be vested with the SFA when the equipment is placed in service by the FSMC. Upon written agreement of the parties, the purchase amount shall be amortized on a straight-line depreciation basis beginning on the date upon which the equipment is placed in service, for a length of time upon which the parties shall mutually agree. If the agreement is terminated or non-renewed for any reason prior to full amortization, the SFA may: 1) retain the property and continue to make payments in accordance with the amortization schedule, or 2) return the property to the FSMC in full release of the unpaid balance.
- H. Equipment purchases must be submitted to MDE's Fiscal and Administrative Services unit for review and approval in accordance with the stipulations set forth in MDE Food Service Administrative Memo No. 5 (Michigan Department of Education Memo #5).

- I. The FSMC shall maintain adequate storage, inventory, and control of USDA Foods in conformance with the SFA's agreement with MDE.
- J. The SFA shall provide the FSMC with local telephone service.
- K. The SFA shall furnish and install any equipment and/or make any structural changes needed to comply with federal, state, or local laws, ordinances, rules, and regulations.
- L. The SFA shall be responsible for any losses, including USDA Foods, which may arise due to equipment malfunction or loss of electrical power not within the control of the FSMC.
- M. All food preparation and serving equipment owned by the SFA shall remain on the premises of the SFA.
- N. The SFA shall not be responsible for loss or damage to equipment owned by the FSMC and located on the SFA premises.
- O. The FSMC shall notify the SFA of any equipment belonging to the FSMC on SFA premises within ten (10) days of its placement on SFA premises.
- P. The SFA shall have access, with or without notice, to all SFA facilities used by the FSMC for purposes of inspection and audit.
- Q. The FSMC shall not use SFA facilities to produce food, meals, or services for other organizations without the approval of the SFA. If such usage is mutually agreeable, there shall be a signed agreement that stipulates the fees to be paid by the FSMC to the SFA for such facility usage.
- R. Upon termination or expiration of the contract, the SFA shall conduct a physical inventory of all equipment and commodities owned by the SFA.
- S. The FSMC, upon termination or expiration of the contract, shall surrender all SFA equipment and furnishings to the SFA in good repair and condition.

XIV. PURCHASES

- A. The FSMC shall purchase all food and supplies at the lowest price possible consistent with maintaining quality standards and in full compliance with 7 CFR Parts 210, 215, 220, 225, 226, 245, and 250 and Office of Management and Budget (OMB) Super-Circular 2 CFR 200.
- B. This contract shall not prevent the SFA from participating in food consortia. If the SFA does purchasing, the FSMC may not limit SFA selection of vendors to only FSMC-approved vendors.

XV. SANITATION

- A. The FSMC shall place garbage and trash in containers in designated areas as specified by the SFA.
- B. The SFA shall remove all garbage and trash from the designated areas.
- C. The FSMC shall clean the kitchen and dining room areas as indicated on the *Cost Responsibility Detail Sheet*.
- D. The FSMC shall operate and care for all equipment and food service areas in a clean, safe, and healthy condition in accordance with the standards

acceptable to the SFA and comply with all applicable laws, ordinances, regulations, and rules of federal, state, and local authorities, including laws related to recycling.

- E. The SFA shall clean ducts and hoods above the filter line.
- F. The SFA shall provide extermination services as needed.
- G. The FSMC shall comply with all local and state sanitation requirements in the preparation of food.

XVI. LICENSES, FEES, AND TAXES

- A. The FSMC shall be responsible for paying all applicable taxes and fees including, but not limited to, excise tax, state and local income tax, and payroll and withholding taxes for FSMC employees. The FSMC shall hold the SFA harmless for all claims arising from payment of such taxes and fees. The extent of responsibility is designated in the cost responsibility attachment to this document.
- B. The FSMC shall obtain and post all licenses and permits as required by federal, state, and/or local law.
- C. The FSMC shall comply with all SFA building rules and regulations.

XVII. INSURANCE AND INDEMNIFICATION

- A. The FSMC shall obtain and keep in force during the term of this Agreement, for the protection of the SFA and FSMC, and naming the SFA as an additional insured, Comprehensive General Liability Insurance to include, but not limited to, Personal Injury Liability, Property Damage Liability, Contractual Liability, and Products Liability covering only the operations and activities of the FSMC under this agreement. Minimum coverage shall be \$1,000,000 per incident/person.
- B. A Certificate of Insurance of the FSMC's insurance coverage, indicating the specified amounts, must be submitted at the time of award. The FSMC shall provide the SFA copies of all applicable insurance policies at the time of award. All insurance required as a result of a response to this RFP shall provide that the insurer will provide notice of cancellation directly to the SFA thirty (30) days before such cancellation occurs.
- C. The SFA shall keep its buildings, including the premises and all property contained therein, insured against loss or damage by fire, explosion, and similar casualties.
- D. The FSMC shall provide worker's compensation and unemployment insurance for its employees as specified in the *Cost Responsibility Detail Sheet*.
- E. The FSMC shall indemnify and hold harmless the SFA, or any employee, director, or agent of the SFA, from and against all claims, damages, losses, and expenses (including attorney's fees and court costs incurred to defend litigation), decrees or judgments whatsoever arising from any and all injuries, including death or damages to or destruction of property, resulting from the FSMC's acts, or omissions, willful misconduct, or breach of the

FSMC's obligations under the Agreement by the FSMC and its agents, servants or employees, or other persons under its supervision or direction.

- F. The FSMC shall not be required to indemnify or hold harmless the SFA from any liability or damages arising from the SFA's sole acts or omissions.

XVIII. PROPRIETARY INFORMATION

- A. During the term of the contract, the FSMC may grant to the SFA a non-exclusive right to access certain proprietary materials of the FSMC including, but not limited to, signage, operating or other manuals, recipes, menus and meal plans, and computer programs relative to or utilized in the FSMC's business or the business of any affiliate of the FSMC.
- B. To the extent permitted by law, the SFA shall not disclose any of the FSMC's proprietary information or other confidential information, directly or indirectly, during or after the term of the Agreement. The SFA shall not photocopy or otherwise duplicate any such material without the prior written consent of the FSMC. All trade secrets and other confidential information shall remain the exclusive property of the FSMC and shall be returned to the FSMC immediately upon termination of the agreement.
- C. The SFA agrees that all proprietary computer software programs, marketing, and promotional literature and materials used by the FSMC and the SFA's premises in connection with the food services provided by the FSMC under this Agreement shall remain the property of the FSMC.
- D. Upon termination of the contract, all use of trademarks, service marks, and logos owned by the FSMC or licensed to the FSMC by third parties shall be discontinued by the SFA, and the SFA shall immediately return to the FSMC all proprietary materials.
- E. The FSMC acknowledges that, during this contract, the FSMC shall have access to business systems, techniques, and methods of operation developed at great expense by the SFA. The FSMC recognizes these to be unique assets of the SFA's business. The FSMC agrees to keep such information confidential and shall not disclose such information directly or indirectly during or after the term of this contract.

XIX. NON-DISCRIMINATION

The parties to this contract agree not to discriminate against any employee, applicant for employment, student, or other recipient of services under this contract due to race, color, religion, sex, national origin, age, height, weight, disability, marital status or veteran status, or other legally protected classification. Breach of this section shall be regarded as material breach of this contract.

XX. EMERGENCY CLOSING

- A. The SFA shall notify the FSMC of any interruption in utility service of which it has knowledge.
- B. The SFA shall notify the FSMC of any delay in the beginning of the school day or the closing of school(s) due to snow or other emergency situations.

XXI. TERM AND TERMINATION

- A. This contract shall become effective on July 1, **2024**, or upon written acceptance of the contract by the Michigan Department of Education, whichever occurs last, and terminate on June 30, **2025**, with up to four (4) one-year renewals with mutual agreement between the SFA and the FSMC. [7 CFR 210.16 (d)]
- Per 7 CFR 250.53 (a)(12), contract extensions or renewals are contingent upon the fulfillment of all contract provisions relating to USDA Foods.
- B. The SFA or the FSMC may terminate the contract with or without cause by giving sixty (60) days written notice.
- C. Neither the FSMC nor the SFA shall be responsible for any losses resulting if the fulfillment of the terms of the contract shall be delayed or prevented by wars, acts of public enemies, strikes, fires, floods, acts of God, or for any acts not within the control of the FSMC or the SFA, respectively, and which by the exercise of due diligence they were unable to prevent.

XXII. NON-PERFORMANCE BY FSMC

- A. In the event of the FSMC's non-performance under this contract and/or the violation or breach of the contract terms, the SFA shall have the right to pursue all administrative, contractual, and legal remedies against the FSMC and shall have the right to seek all sanctions and penalties as may be appropriate.
- B. The FSMC shall pay to the SFA the full amount of any meal overclaims and fees associated with those overclaims, which are attributable to the FSMC's negligence, including those overclaims and associated fees based on review or audit findings that occurred during the effective dates of the original and renewal years of the contract.

XXIII. CERTIFICATIONS

- A. Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- B. The FSMC shall comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy efficiency conservation plan issued in compliance with the Energy Policy and Conversation Act (Pub. L. 94-163).
- C. The FSMC shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulation 41 CFR 60.
- D. The FSMC shall comply with all applicable civil rights laws, as amended, which include, but are not limited to: Title VI and Title VII of the Civil Rights

Act of 1964; Title IX of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; 7 CFR 15, 15a, and 15b; the Americans with Disabilities Act; FNS Instruction 113-1, Civil Rights Compliance and Enforcement – Nutrition Programs and Activities; the Michigan Elliott-Larsen Civil Rights Act; and the Michigan Persons with Disabilities Civil Rights Act.

- E. The FSMC shall comply with the Buy American provision for contracts that involve the purchase of food products with federal funds. [7 CFR 210.21 (d)]
- F. Where applicable, the SFA or FSMC shall take affirmative steps to ensure small, women-owned, and minority businesses are solicited whenever they are potential sources and to use the services and assistance of the Small Business Administration and Minority Business Enterprise of the Department of Commerce as required [7 CFR 200.321, 225.17, 226.22].
- G. Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- H. The FSMC **has signed** the following certifications and attached to this RFP:
 - 1. Certificate of Independent Price Determination
 - 2. Suspension and Debarment Certification
 - 3. Clean Air and Water Certificate
 - 4. Disclosure of Lobbying Activities
 - 5. Certificate of Compliance with Public Act 517 (Iran Economic Sanctions Act)

XXIV. USDA NON-DISCRIMINATION STATEMENT

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language), should contact the responsible state or local agency that

administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form, which can be obtained online at: [USDA Discrimination Complaint Form](#), from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the Complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by one of the following ways:

Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410

Fax: (833) 256-1665 or (202) 690-7442

Email: program.intake@usda.gov

This institution is an equal opportunity provider.

XXV. MISCELLANEOUS

- A. Except as otherwise expressly stated, this contract shall be construed under the laws of the State of Michigan. Any action or proceeding arising out of this contract shall be heard in the appropriate courts within the State of Michigan.
- B. The FSMC shall comply with the provisions of the bid specifications, which are hereby **in all respects made a part of this contract.**
- C. No provision of this contract shall be assigned or subcontracted without prior written consent of the SFA and notification to MDE prior to implementation.
- D. No waiver of any default shall be construed to be or constitute a waiver of any subsequent claim.
- E. Any silence, absence, or omission from the contract specifications concerning any point shall be regarded as meaning that only the best commercial practices are to prevail and that only materials (e.g., food, supplies, etc.) and workmanship of a quality that would normally be specified by the SFA are to be used.
- F. Payments on any claim shall not preclude the SFA from making a claim for adjustment on any item found not to have been in accordance with the provisions of this contract and bid specifications.
- G. The SFA shall be responsible for ensuring the resolution of program review and audit findings.

H. This contract is subject to review and approval by the Michigan Department of Education.

Certificate of Independent Price Determination

CERTIFICATE OF INDEPENDENT PRICE DETERMINATION

Both the Sponsor (sponsor) and Food Service Management Company/Vendor (offeror) shall execute this Certificate of Independent Price Determination.

Name of Sponsor: Milan Area Schools

Compass Group USA, Inc.,

Name of Food Service Management Company/Vendor: by and through its Chartwells Division

A. By submission of this offer, the offeror certifies and in the case of a joint offer, each party thereto certifies as to its own organization, that in connection with this procurement:

1. The prices in this offer have been arrived at independently, without consultation, communication, or agreement, to restrict completion, as to any matter relating to such prices with any other offeror or with any competitor.
2. Unless otherwise required by law, the prices that have been quoted in this offer have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror before bidding opening in the case of an advertised procurement or before award in the case of a negotiated procurement, directly or indirectly to any other offeror or any competitor.
3. No attempt has been made or will be made by the offeror to induce any person or firm to submit or not to submit an offer to restrict competition.

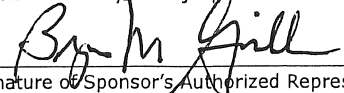
B. Each person signing this offer on behalf of the offeror certifies that:

1. He or she is the person in the offeror's organization responsible within the organization for the decision as to the prices being offered herein and has not participated, and will not participate, in any action contrary to A1 through A3 above; or
2. He or she is not the person in other offeror's organization responsible within the organization for the decision as to the prices being offered herein, but he or she has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate in any action contrary to A1 through A3 above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to A1 through A3 above.

To the best of my knowledge, this offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last three years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion concerning bidding on any public contract, except as follows:

 Amy Shaffer, CEO, Chartwells K12 5/22/2024
Signature of Food Service Management Company/Vendor's Title Date
Authorized Representative

In accepting this offer, the Sponsor certifies that no representative of the Sponsor has taken any action which may have jeopardized the independence of the offer referred to above.

 SUPERINTENDENT 6-13-24
Signature of Sponsor's Authorized Representative Title Date

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

INSTRUCTIONS:

1. By signing and submitting this form, the prospective lower tier participant provides the certification per these instructions.
2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous because of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check for Excluded Parties on the System for Award Management at <https://www.sam.gov/portal/public/SAM/>.
8. Nothing contained in the foregoing shall be construed to require establishing a system of records to render the certification required by this clause in good faith. The knowledge and information of a participant are not required to exceed that normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies as appropriate, including suspension and/or debarment.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY,
AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Executive Order 12689, and 31 U.S.C. 6101; Debarment and Suspension, 2 CFR Part 180.

The prospective primary participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

Compass Group USA, Inc., by and through its Chartwells Division

Name of Food Service Management Company/Vendor

Amy Shaffer, CEO, Chartwells K12

Name(s) and Title(s) of Authorized Representative(s)

A. Shaffer

Signature(s)

5/22/2024

Date

CLEAN AIR AND WATER CERTIFICATE

Applicable if the contract exceeds \$100,000 or the Contracting Officer has determined that the orders under an indefinite-quantity contract in any one year will exceed \$100,000 or a facility to be used has been the subject of a conviction under the Clean Air Act [41 U.S.C. 1857c-8(c)(1)] or the Federal Water Pollution Control Act 33 1319(d) and is listed by EPA or the contract is not otherwise exempt. The Sponsor (Sponsor) and Food Service Management Company/Vendor (offeror) shall execute this Certificate.

Name of Sponsor: Milan Area Schools

Name of Food Service Management Company/Vendor: Compass Group USA, Inc.,
by and through its Chartwells Division

THE OFFEROR AGREES AS FOLLOWS:

To comply with all the requirements of Section 114 of the Clean Air Act, as amended (41 U.S.C. 1857, et seq., as amended by Public Law 91-604) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251, et seq., as amended by Public Law 92-500), respectively, relating to inspection, monitoring, entry, reports, and information as well as other requirements specified in Section 114 and Section 308 of the Clean Air Act and the Water Act, and all regulations and guidelines issued thereunder before the award of this contract.

That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency (EPA) List of Violating Facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing.

To use his/her best efforts to comply with clean air standards and clean water standards at the facilities in which the contract is being performed.

To insert the substance of the provisions of this clause in any nonexempt subcontract, including this paragraph.

THE TERMS IN THIS CLAUSE HAVE THE FOLLOWING MEANINGS:

The term "Air Act" means the Clean Air Act, as amended (41 U.S.C. 1957 et seq., as amended by Public Law 91-604).


The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Public Law 92-500).

The term "Clean Air Standards" means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted under the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act [42 U.S.C. 1957c-5(d)], an approved implementation procedure or plan under Section 111(c) or Section 111(d), respectively, of the Air Act [42 U.S.C. 1857c- 6(c) or (d)], or approved implementation procedure under Section 112(d) of the Air Act [42 U.S.C. 1857c- 7(d)].

The term "Clean Air Standards" means any enforceable limitation, control, condition, prohibition, standard, or another requirement which is promulgated under the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by Section 402 of the Water Act (33 U.S.C. 1342) or by local government to ensure compliance with pretreatment regulations as required by Section 307 of the Water Act (33 U.S.C. 1317).

The term "Compliance" means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency, or an Air or Water Pollution Control Agency per the requirements of the Air Act or Water Act and regulations issued pursuant thereto.

The term "facility" means any building, plant, installation, structure, mine, vessel, or another floating era, location, or site of operations, owned, leased, or supervised by the Food Service Management Company/Vendor.

	Amy Shaffer, CEO, Chartwells K12	5/22/2024
Signature of Food Service Management Company/Vendor's Authorized Representative	Title	Date

5/17/2024

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NOTICE TO APPLICANTS - CERTIFICATION/DISCLOSURE REQUIREMENTS RELATED TO LOBBYING

Section 319 of Public Law 101-121 (31 U.S.C.), signed into law on October 23, 1989, imposes new prohibitions and requirements for disclosure and certification related to lobbying on recipients of Federal contracts, grants, cooperative agreements, and loans. Certain provisions of the law also apply to Federal commitments for loan guarantees and insurance; however, it provides exemptions for Indian tribes and tribal organizations.

Effective December 23, 1989, current and prospective recipients (and their sub-tier contractors and/or subgrantees) will be prohibited from using Federal funds, other than profits from a Federal contract, for lobbying Congress and any Federal agency in connection with the award of a particular contract, grant, cooperative agreement, or loan. In addition, for each award action over \$100,000 (or \$150,000 for loans) on or after December 23, 1989, the law requires recipients and their sub-tier contractors and/or subgrantees to (1) certify that they have neither used nor will use any appropriated funds for payment to lobbyists; (2) disclose the name, address, payment details, and purpose of any agreements with lobbyists whom recipients or their sub-tier contractors or subgrantees will pay with profits or non-appropriated funds on or after December 23, 1989; and (3) file quarterly updates about the use of lobbyists if material changes occur in their use. The law establishes civil penalties for noncompliance.

If you are a current recipient of funding or have an application, proposal, or bid pending as of December 23, 1989, the law will have the following immediate consequences for you:

- You are prohibited from using appropriated funds (other than profits from Federal contracts) on or after December 23, 1989, for lobbying Congress and any Federal agency in connection with a particular contract, grant, cooperative agreement, or loan.
- You are required to execute the attached certification at the time of submission of an application or before any action over \$100,000 is awarded.
- You will be required to complete the lobbying disclosure form if the disclosure requirements apply to you.

Regulations implementing Section 319 of Public Law 101-121 have been published as an Interim Final Rule by the Office of Management and Budget as Part III of February 26, 1990, Federal Register (pages 6736-6746).

The undersigned certifies, to the best of his or her knowledge and belief, that:

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of any Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," per its instructions.

The undersigned shall require that the language of this certification is included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

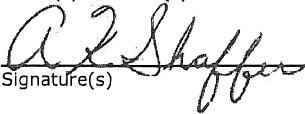
This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Compass Group USA, Inc., by and through its Chartwells Division

Name of Food Service Management Company/Vendor

Amy Shaffer, CEO, Chartwells K12

Name(s) and Title(s) of Authorized Representative(s)


Signature(s)

5/22/2024

Date

5/17/2024

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**CERTIFICATE OF COMPLIANCE
MICHIGAN PUBLIC ACT NO. 517 OF 2012
IRAN ECONOMIC SANCTIONS ACT**

Name of Sponsor: Milan Area Schools

Compass Group USA, Inc.,
by and through its Chartwells Division

Name of Food Service Management Company/Vendor:

The undersigned, the owner, or authorized officer of the below-named company (the "Company"), under the compliance certification requirement provided in the Sponsor's Request for Proposal (RFP) or Request for Bid Quotes (RFQ), hereby certifies, represents, and warrants that the Company (which includes its officers, directors, and employees) is not an "Iran Linked Business" within the meaning of the Iran Economic Sanctions Act, Michigan Public Act No. 517 of 2012 (the "Act"), and that in the event the Company is awarded a contract by the Sponsor as a result of the aforementioned RFP, the Company is not and will not become an "Iran Linked Business" at any time while performing any services under the contract.

The Company further acknowledges that any person who is found to have submitted a false certification is responsible for a civil penalty of not more than \$250,000.00 or two (2) times the amount of the contract or proposed contract for which the false certification was made, whichever is greater, the cost of the Sponsor's investigation, and reasonable attorney fees, in addition to the fine. Moreover, any person who submitted a false certification shall be ineligible to bid on a request for proposal for three (3) years from the date it is determined that the person has submitted the false certification.



Signature of Food Service Management Company/Vendor's Authorized Representative

Amy Shaffer, CEO, Chartwells K12

Title

5/22/2024

Date

BID SHEET
FSMC Cost Reimbursable Contract
WITH ADVANCE PAYMENT

This bid is being offered by:

**Compass Group USA, Inc.,
by and through its Chartwells Division**

Name of Food Service Management Company

This bid is being offered to:

MILAN AREA SCHOOLS

Name of School District/Sponsor

Projected Meals/Meal Equivalents Per Year:

240,810

(do not alter, cell will auto-fill upon
MDE review)

Advance Payment is:
(District/Sponsor completes)



Annual



One Time Only

District/Sponsor is contracting for the expenses "checked" as Bid Items below	Bid Items (Sponsor completes)	Projected Operating Cost WITH Advance Payment (Bidder completes)
Labor - On-Site FSMC Management Employees	X	\$70,040.00
Fringe Benefits - On-Site FSMC Management Employees	X	\$32,892.52
Labor - FSMC Hourly Employees		
Fringe Benefits - FSMC Hourly Employees		
Food Cost - Including Commodities Delivery Charge (Net of VDA/Rebates)	X	\$295,051.11
Food Cost - FFVP (as defined in RFP)		
Non-Food Cost (excluding FFVP) (Supplies and Other Materials)	X	\$41,694.80
Non-Food Cost for FFVP only (as defined in RFP) (Supplies and Other Materials)		
Contracted Services (not utilities or FSMC administrative costs)		
Transportation/Vehicle Cost		
Utilities (assigned to Food Service Fund)		
Other (as defined on Projected Costs tab)		
Flat Rate for FFVP (as defined in RFP)		
FSMC Administrative Cost	X	\$53,686.00
FSMC Management Fee	X	\$14,448.62
Subtotal (Bid Items Only)		\$507,813.06
Bid Price Per Meal (subtotal divided by projected meals/meal equivalents)		2.109
Additional Food Service Markup if applicable (refer to RFP)		\$0.00
TOTAL PROJECTED OPERATING COST		\$507,813.06

By submission of this bid, the bidder certifies that, in the event the bidder receives an award under this solicitation, the bidder shall operate in accordance with all applicable program laws and regulations. This contract shall be in effect for one year and may be renewed by mutual agreement for four additional one-year periods.

FSMC Representative
Signature:

A. Shaffer

Date: **5/22/2024**

NOTE: The Food Service Management Company must use this bid sheet when submitting its bid.

Addendum

RFP/Contract Addendum (With Advance Payment)

This Addendum to the RFP between Milan Area Schools (the “SFA” or “District”) and Compass Group USA, Inc., by and through its Chartwells Division (“FSMC” or “Chartwells”) is effective as of July 1, 2024, or the date both the SFA and FSMC fully execute the Food Service Agreement, whichever is later.

1. Section G (2), Contract Terms is hereby amended by adding the following to the end of the subsection:

Management Fee. For the 2024-2025 school year, Chartwells shall charge the SFA a Management Fee of \$0.06 per meal served. Total meals are calculated by adding reimbursable meal pattern meals (breakfast and lunch) served and meal equivalents. Cash receipts, other than from Sales of National School Lunch Program and School Breakfast Program meals served to children, shall be divided by \$4.6250 to arrive at an equivalent meal count. The Management Fee shall be adjusted on the first day of each renewal term at a rate equal to (a) the increase in the Consumer Price Index - Not seasonally adjusted for All Urban Consumers (CPI-U)-Food Away From Home annualized for December of the current school year or (b) 3%, whichever is less.

Administrative Fee. For the 2024-2025 school year, Chartwells shall charge the SFA an Annual Administrative Fee of \$53,686 in ten equal monthly installments, excluding the months of July and August. The Administrative Fee shall be adjusted on the first day of each renewal term at a rate equal to (a) the increase in the Consumer Price Index - Not seasonally adjusted for All Urban Consumers (CPI-U)-Food Away From Home annualized for December of the current school year or (b) 3%, whichever is less.

Advance Payment. SFA shall provide to Chartwells an advance payment of \$50,000 (the “Advance Payment”). This Advance Payment is an option from Chartwells in accordance with the bid sheet. The Advance Payment shall be paid to Chartwells annually on or before August 15 of each year. Chartwells shall return each year’s Advance Payment to the SFA on or before the third week of the following June, or the Parties may mutually agree to roll the Advance Payment over to the next renewal year, if applicable. The amount of the Advance Payment shall remain unchanged during each renewal term.

2. Section VIII(O) is hereby amended as follows:

Neither Party shall during the Term of this Agreement or for one year thereafter solicit to hire, hire, or contract with either Party’s employees who managed any Services or any other highly compensated employee, or any persons who were so employed, whether at the premises or another facility operated by the other (“Supervisory Employee”) during the year prior to the expiration or termination of this Agreement, nor will the SFA permit supervisory employees of FSMC to be employed on the SFA’s premises, for a period of one year subsequent to the termination or expiration of this Agreement (unless such employees were formerly employees of the SFA) whether as an individual or as owner, partner, majority stockholder, director, officer or employee of a food service provider (“One-year Non-solicitation”). In the event of any breach of such One-year Non-solicitation, the breaching Party shall pay, and the injured Party shall accept an amount equal to twice the annual salary of the relevant Employee as liquidated damages.

3. Section XVII, Insurance, and Indemnification is hereby amended as follows:

Subsection A: Delete “SFA and” in line two; delete the word “naming” and replace with “including” in line two; delete “Comprehensive” in line 3 and replace with “Commercial”; add the words “Bodily Injury Liability” after “Personal Injury Liability” in line four; delete the word “only” in line five; delete the words “incident/person” and add “occurrence and \$10,000,000 general aggregate” in line seven.

Subsection B: Delete “The FSMC shall provide the SFA copies of all applicable insurance policies at the time of award.”

4. Section XXI(B) is hereby amended by inserting the following to the end of the section:

FSMC has a right of termination for cause, subject to a cure period that is at least 30 days.

In the event of a conflict between the terms of the RFP/Contract and the terms of this Addendum, the terms of this Addendum shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be signed by their duly authorized officers as of the day and year first above written.

Milan Area Schools

**Compass Group USA, Inc.,
by and through its Chartwells Division**

By: _____

By: A. Shaffer

Name: _____

Name: Amy Shaffer

Title: _____

Title: CEO, Chartwells K-12

Date: _____

Date: 6/3/2024

AGREEMENT PAGE – New Contract
Original Contract SY 2024-2025

This bidder has certified that he/she shall operate in accordance with all applicable state and federal laws and regulations.

This solicitation/contract, attachments, and the proposal of the successful bidder, with addenda, if any, constitute the entire agreement between the SFA and FSMC. The parties shall not execute any additional contractual documents pertaining to this contract, except as permitted by applicable law.

This Agreement shall be in effect for one year and may be renewed by mutual agreement for up to four (4) additional one-year periods.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representative on this day and year.

Bid Sheet Selected by SFA for Award: with advance payment
 (Insert plan type and/or advance payment option upon final bid award approval)

Attest:

Milan Area Schools
School Food Authority

 Signature of Witness for SFA
(Witness REQUIRED)

 Signature of SFA Representative


 Print Name

 Title

 Date

Attest:

Compass Group USA, Inc.,
by and through its Chartwells Division
Food Service Management Company



 Signature of Witness for FSMC
(Witness REQUIRED)



 Signature of FSMC Representative

Amy Shaffer

 Print Name

CEO, Chartwells K12

 Title

5/22/2024

 Date

5/17/2024

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