



Food and  
Nutrition  
Service

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DATE: June 2, 2016

MEMO CODE: SP 40-2016, CACFP 12-2016, SFSP 14-2016

SUBJECT: Updated Guidance: Contracting with Food Service Management Companies

TO: Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

Attached is the updated guidance for State agencies and school food authorities (SFA) contracting with food service management companies (FSMC). The updated guidance for State agencies includes information on appropriate procurement methods, considerations when using prototype solicitations, the process of evaluating and scoring criteria for contract award, and monitoring responsibilities. The guidance also includes contract amendments to be avoided, unacceptable contract provisions, and how to address conflicting contract terms.

The updated guidance for SFAs includes responsibilities and considerations when using an FSMC and addresses program oversight and monitoring. Additionally, this guidance discusses factors to consider when choosing procurement methods, how to develop solicitation documents, and characteristics of comprehensive agreements to include meal service and financial provisions.

New appendices include worksheets, sample instructions, and checklists designed to assist State agencies and SFAs when contracting with FSMCs. Changes and additions to the guidance have been highlighted in yellow.

State agencies are reminded to distribute this memorandum to Program operators. Program operators should direct any questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate Food and Nutrition Service Regional office.

Sincerely,

**Original Signed**

Sarah E. Smith-Holmes  
Director  
Program Monitoring and Operational Support Division  
Child Nutrition Programs