

GLENBROOK HIGH SCHOOLS
District Business Office

TO: Dr. Mike Riggle
Hillarie Siena

FROM: Kimberly Ptak

DATE: May 16, 2011

RE: DISCUSSION/ACTION: QUEST RENEWAL CONTRACT

RECOMMENDATION

It is recommended that the Board of Education extend its contract with Quest Food Management Services for a new 5-year term, with the option to renew for an additional (5) 1-year terms. The current contract ends June 30, 2012 and has an option to renew for an additional (5) 1-year terms.

An early renewal is being requested as Quest has offered, in exchange for a contract extension, to fund the free/reduced breakfast program in an amount not to exceed \$15,000/year. Although not in our current contract, as a good faith effort, Quest is absorbing the cost of the current year breakfast program estimated at \$10,665.

BACKGROUND

At the September 27, 2010 board meeting, the board approved offering a free and reduced breakfast program to students meeting federal eligibility requirements. The estimated cost of the program was \$9K-\$30K/year depending on overall participation. Since the breakfast program was implemented, an average of 47 meals/day was given to free students and 2 meals/day were sold to reduced students. This extrapolates to an annual cost of \$10,665.

Current Breakfast Statistics (extrapolated into annual figures)

	GBN Average/Day	GBN Annual Cost	GBS Average/Day	GBS Annual Cost	Total Average/Day	Total Annual Cost
Free Breakfast	6	\$1,350	41	\$9,225	47	\$10,575
Reduced Breakfast	0	0	2	\$90	2	\$90
						\$10,665

NOTE: In addition, an average of 17 paying students purchase a breakfast value meal each day.

All other terms of the contract would remain the same including Quest's responsibility for funding 100% of the free and reduced lunch program which is estimated to cost Quest \$113,000 this year. In addition, there is a clause in the current contract giving either party an "out" for the next school year with written notice on or before March 1st of the current school year.

Current Lunch Statistics (extrapolated into annual figures)

	GBN Average/Day	GBN Annual Cost	GBS Average/Day	GBS Annual Cost	Total Average/Day	Total Annual Cost
Free Lunch	30	\$13,500	207	\$93,150	237	\$106,650
Reduced Lunch	6	\$1,620	18	\$4,860	24	\$6,480
						\$113,130

NOTE: In addition, an average of 225 paying students purchase a lunch value meal each day.

Food Services Financial Statistics

<u>In-house (through 1992)</u>	<u>Sodexo 1992 – 2006</u>	<u>Quest 2007 – traditional</u>	<u>Quest 2008 – rent based</u>	<u>Quest 2009 – rent based</u>	<u>Quest 2010 – rent based</u>	<u>Quest 2011 projection</u>
		Rent:	\$193,000	\$252,000	\$255,000	\$260,000
		Expense:	(\$50,000)	(\$50,000)	(\$60,000)	(\$30,000)
Average Loss (\$75K)	Average Profit \$35K	Profit \$85K	Net Rent: \$143,000	Net Rent: \$202,000	Net Rent: \$195,000	\$230,000