

ADDENDUM TO AGREEMENT made by and between Readington Township Board of Education whose office is located at 48 Readington Road, Whitehouse Station, New Jersey (hereinafter referred to as the "Local Education Agency") and Maschio's Food Services, Inc., a New Jersey Corporation having its principal place of business at 525 E. Main Street, Chester, New Jersey 07930.

WHEREAS, the Local Education Agency and Maschio's entered into a contract for a food service program;

WHEREAS, the Local Education Agency has found that Maschio's is performing the services under the contract in an effective and efficient manner;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the Local Education Agency and Maschio's agree as follows:

Article I: Federal and State Required Contract Language

A. DURATION OF ADDENDUM

This addendum begins on **July 1, 2013** and ends on **June 30, 2014**.

B. MANAGEMENT FEE(S) / GUARANTEES

1) MANAGEMENT FEE

The Local Education Agency shall pay Maschio's an annual management fee in the amount of \$10,903.00. The management fee shall be payable in monthly installments of \$1,090.30 per month commencing on September 1, 2013 and ending on June 30, 2014.

2) GUARANTEE RETURN

Maschio's guarantees a return to the Local Education Agency in the amount of \$45,000.00. In the event the actual bottom line of the operational report (total revenue from all sources less program costs, including the management fee) is below this amount, Maschio's shall be responsible for any shortfall with the following conditions:

3) GUARANTEE CONDITIONS

- a) There shall be no change in the LEA's policies, practices and service requirements including changes in bell schedules and or meal service periods.
- b) The proposed pricing schedule is approved.
- c) The proposed staffing schedule is approved with no alterations.
- d) The state or federal minimum wage rate and taxes in effect as of July 1, 2009, shall remain consistent throughout the year.

e) The projected number of service days for lunch will be the following:

181 Elementary School

181 Middle School

_____ High School

- f) There shall be no reduction in service days due to inclement weather schedule changes i.e. early dismissal, delayed opening.
- g) The government reimbursement rates shall be no less than the rates for the previous school year.
- h) Vendor prices shall remain constant throughout the year.
- i) Average daily attendance shall remain at the same level as the previous school year.
- j) The number of free and reduced price participants shall remain at the same level as the previous school year.
- k) USDA donated foods including both entitlement and bonus foods, and including the value of donated foods contained in processed end products will be no less than the previous school year.
- l) Usable USDA donated foods, of adequate quality and variety required for FSMC's proposed menu will be valued at no less than the previous school year's value per reimbursable meal.
- m) There shall be no restrictions in a la carte sales. Sales will be permitted at all locations for the term of this addendum.
- n) Service hours, service requirements type or number of facilities selling food and/or beverages on Local Education Agency's premises shall remain consistent throughout the year.
- o) There shall be no competitive sales during all service hours.
- p) Any changes in legislation, regulations, reimbursement rates, meal components and quantities required by the Child Nutrition Programs or changes in the State's School Nutrition Policies will affect the guarantee.
- q) Due to the volatile nature of raw material costs, Maschio's and the Local Education Agency shall review quarterly, costs associated with paper and plastic supplies and fuel surcharges on other deliveries. Any changes in Maschio's costs shall result in an appropriate change in the guarantee.
- r) There will be no cessation of labor within the LEA that would adversely affect sales.
- s) The Local Education Agency shall make payment to Maschio's for the entire amount of fees, costs and expenses which Maschio's shall have incurred as the result of union organizational activities and participation in administrative proceedings involving the unionization of personnel, which were unknown to the officers of Maschio's at the time of execution of this addendum.

- t) The number of eligible free and reduced students will be at least equal to the number of free and reduced eligible students in the previous school year.
- u) The LEA agrees to reimburse the food service account for the amount of unpaid charged meals either monthly or annually.
- v) The FSMC will not be responsible for sales decrease due to allowances given by the LEA for students to purchase lunches off campus if that allowance was not stated in the RFP.
- w) Any mandated expenses by either the federal or state governments regarding employee health care costs will reduce the guarantee in the amount of the actual cost of those expenses.

In the event the foregoing conditions are not met during the school year, Maschio's guarantee obligation shall be reduced by an amount equivalent to any increased cost or loss of revenue attributable to the changes in such conditions.

C. REVISED PARAGRAPH 10 UNDER EQUAL EMPLOYMENT / AFFIRMATIVE ACTION
 [N.J.S.A. 18A:18A-4.4d; N.J.A.C. 17:27-3.5; 3.7]

The FSMC shall furnish such reports or other documents to the New Jersey Department of Treasury, Division of Purchase & Property, Contract Compliance Audit Unit, EEO Monitoring Program, as may be requested by the office from time to time in order to carry out the purposes of the regulations, and the LEA shall furnish such information as may be requested by the Division of Purchase & Property, Contract Compliance Audit Unit, EEO Monitoring Program for conducting a compliance investigation pursuant to subchapter 10 of the Administrative Code at N.J.A.C. 17:27.

D. CONSTRUCTION AND EFFECT

The LEA and the FSMC agree that Article I of this addendum is intended to comply with applicable federal and State procurement and USDA program requirements. In the event that any provision contained in Article I should conflict with any other provision contained in this addendum or any attachment to this addendum, the provisions of Article I shall control.

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Article II: Additional Addendum Language

A. MISCELLANEOUS PROVISIONS

Currently the NJ State Department of the Treasury has determined that some supplies purchased by the Food Service Management Company on behalf of the LEA are subject to sales and use tax. It is clear that the ownership of said goods is never an asset of the Food Service Management Company. The Local Education Agency has ownership of said goods at all times and that the inventory asset of goods not yet used is accounted for in the Local Education Agency monthly financial report. The Local Education Agency has indicated to the Food Service Management Company that they would like to absorb the cost of this tax as a part of the supply cost so that the Food Service Management Company can continue to pay the distributor.

IN WITNESS WHEREOF, Maschio's and the Local Education Agency have caused the within Addendum to the contract to be executed on the day and year written above.

MASCHIO'S FOOD SERVICES, INC.

By:  _____

Name: Kenneth N. Torchia

Dated: 5/3/13

Title: Chief Executive Officer

LOCAL EDUCATION AGENCY

By: _____

Name: _____

Dated: _____

Title: _____