



Properly Spend Capital Dollars by Creating an Execution Plan

Mary Darnton, Jenison & Hudsonville Schools



Your Presenter – Mary Darnton

25 years in Child Nutrition

Currently Food Service Director for Jenison and Hudsonville Schools

13,000 enrollment

24 buildings

85 staff

I LOVE SPREADSHEETS.



Why

- A capital plan helps you keep track of equipment and repairs
- Be ready for opportunities – times of plenty, grants
- A running 4-5 year plan offers flexibility and helps you budget
- You are the Food Service Expert in your district!



What the State and Feds say....

- USDA program regulations for SFAs are found under 7 CFR Part 210 - National School Lunch Program (NSLP) and 7 CFR Part 220 - School Breakfast Program
- SFAs must demonstrate that all purchases from the NSFSA meet the federal cost principles: **necessary, reasonable, and allocable**
- SFA is required to obtain prior written approval from MDE before incurring the cost of equipment (unless on the preapproved list) and other capital expenditures from the NSFSA



What the State and Feds say....

All SFAs are required to follow proper procurement by obtaining quotes for purchases prior to obtaining MDE approval.

Once a minimum of three (3) quotes is obtained, the SFA chooses the item(s) that meets their needs for the best price.

The SFA should review their Procurement Policy and Procedures, and if applicable, obtain Board Approval prior to submitting each request to MDE for approval.



Deciding When to Replace

Safety of people and food

- People operating equipment
- Food being processed/stored
- If it is unsafe to operate, it should be replaced or removed

Performance

- Time is money
- If efficiency slows, and cannot be remedied by repair – replace
- Energy Hogs!

Constant Repairs

- A time will come when repairs are cost-prohibitive



Life Expectancy of Equipment

If taken care of.....

- Ovens: 15-20 years
- Steamers: 10-15 years, depending on water
- Bulk Cooking (Kettles, tilt skillets, etc): 10-15 years
- Reach-Ins: 15+ Years (watch at 10 year mark)
- Walk-Ins: 15+ Years
- Dish Machines : 15+ years
- Vehicles: 7 to 10 years



Evaluate Replacement Options

- Like for like?
- Look for new?
- Get a rep to help
- Ask for demonstrations
- Talk to colleagues



Where to start

- Inventory all equipment
 - Location (school and physical location)
 - Brand, Model Number, Serial Number, Year purchased
 - Don't forget “accessory” equipment (milk coolers, serving lines, hot and cold holding,



Create a tracking system

- Repairs
- Amount Spent
- Sale of used equipment

Capital Outlay 2020-21

Original Budget **\$50,000.00**

Building	Item	Estimate	Actual	Variance	Notes
JCK	Walk in Cooler Coil & Condensor	\$9,500.00	\$9,925.00	\$425.00	Added by Mary in December 2019
JCK	Outside Feeezer Door	\$3,523.00		-\$3,523.00	Replace door because of wear and tear
JIA	Single Reach-In Cooler	\$3,000.00	\$2,970.48	-\$29.52	Unit failed in September 2020

Food Service Office	ASFD laptop/monitors - B. Matzke	\$2,000.00	\$997.00	-\$1,003.00	
Food Service Office	ASFD laptop/monitors - T. Nelson	\$0.00	\$997.00	\$997.00	Added 2nd AFSD position in Nov 2020

Riley MS	Double-Stack Convection Oven	\$8,000.00	\$7,385.81	-\$614.19	Unit failed in September 2020
	DTE Energy Rebate		-\$1,000.00	-\$1,000.00	
Georgetown Elementary	Warmer	\$4,000.00	\$3,598.97	-\$401.03	Unit failed in September 2020
HCK	Warmer	\$4,000.00	\$3,598.97	-\$401.03	Unit failed in September 2020
	Freight		\$207.66	\$207.66	
BID AS PACKAGE		\$16,000.00	\$13,791.41	-\$2,208.59	

Forest Grove	Double-Stack Convection Oven	\$8,000.00	\$7,425.00	-\$575.00	Originally Scheduled for 2021-22; failure in January 2021
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Jension Central Kitchen	Double-Stack Convection Oven	\$8,000.00	\$6,678.62	-\$1,321.38	Originally Scheduled for 2021-22; failure in February 2021
	DTE Energy Rebate		-\$1,000.00	-\$1,000.00	
Jenison Jr	Warmer - additional, replacing spare	\$4,000.00	\$3,474.89	-\$525.11	Added by Mary in March 2021
Alward	Warmer - additional, replacing spare	\$4,000.00	\$3,474.89	-\$525.11	Originally Scheduled for 2022-23
Hud Christian	Warmer - additional	\$4,000.00	\$3,474.89	-\$525.11	Originally Scheduled for 2022-23
	Freight		\$300.00	\$300.00	
BID AS TWO PACKAGES (Oven & Warmers)		\$20,000.00	\$16,403.29	-\$3,596.71	

Estimate Total	Actual Total	Variance
\$62,023.00	\$52,509.18	-\$9,513.82

Amount Left to Work with/Overage from BUDGET **-\$2,509.18**



Formal vs. Informal Procurement

Informal

- Small purchases using Request for Quote (RFQ).
- Solicits bids from 3 sources

Formal: more than \$250,000

- Invitation for Bid (IFB) - describes in detail the service or product required and awards contract to lowest responsive, responsible bidder
- Request for Proposal (RFP) - Describes in a general way what is needed and requests that vendors submit a proposal. Can be awarded based on merits using a evaluation process specified in the bid document
- LOCAL RULES VARY – FOLLOW STRICTEST THRESHOLDS



Formal vs. Informal Bidding

Communicate Requirements

Clear written information provided to prospective vendors is critical

Bid Document Sections

- Instructions to the Bidder : due date, eligibility criteria, district contact info, date and place of bid opening
- Terms and Conditions
- Product Descriptions/Specifications: should be specific enough to ensure the quality of the program, but not so specific that competition is required.
- Evaluation Criteria: know whether the value of the bid will be determined based on each line item, category, or bottom line

Multiple criteria: use point system



Purchase Thresholds

- Federal: \$250,000 (Services)
- Michigan: \$100,000 (Food)
- Michigan: \$26,046 (Non-Food/Supplies)
- Local: Rules Vary
- Sponsors must adhere to the most restrictive threshold set in all situations



Tracking & Awarding Bids

- Keep a list of:
 - Bidders for Cooking Equipment
 - Bidders for Refrigeration
 - Bidders for HVAC, Plumbing, Electrical
 - Others
- Create Bid Tally Sheets
- Create Form Letters for Winners and Losers



Bid Tally Sheet

Amount	Company	Rep Name	Email	Address	City	Sta	Zip	Phone
\$ 10,724.67	Stafford-Smith	Bob Napolillo	bnapolillo@staffordsmith.com	220 Lyon St SW Suite 440	Grand Rapids	MI	49503	616-942-2100 ex 32
\$ 11,814.99	Great Lakes West	Shaun McGee	shaun@greatlakeswest.com	24475 Red Arrow Hwy	Mattawan	MI	49071	269-993-0985
\$ 12,155.52	Gold Star Products	Luke Rygh	luker@goldstarmail.com	21680 Coolidge Hwy.	Oak Park	MI	48237-3109	248-548-9840


Warmers:

Alward : Handle right, hinges left

Jen Jr: Handle left, hinges right

Hud Christian: Handle left, hinges right

Friday, November 12, 2021



Bob Napolillo
Stafford Smith
220 Lyon St SW Suite 440
Grand Rapids, MI 49503

Dear Bob,

Thank you for your bid on the Summer 2021 Cooking Equipment Bid for Jenison/Hudsonville School Food Service.

Stafford Smith has been awarded this bid. The bid total is: \$29,989.37

Please move ahead with ordering this equipment for delivery as soon as possible.

All Equipment should be shipped to:
Midwest Food Equipment Service
3055 Dixie
Grandville, MI 49418

All Billing should be sent to:
Jenison/Hudsonville Food Service
2140 Bauer Road
Jenison, MI 49428

The PO for this order is 12020102.

