

MEMORANDUM

TO: KCS Board of Education/Board of Mayor and Alderman

FROM: Jennifer Walker, Supervisor of School Nutrition

DATE: 12/15/2022

RE: School Nutrition Grocery and Beverage Contract

Recommendation: To amend the renewal agreement for Gordon Food Service contract

Kingsport City entered into an agreement with Gordon Food Service beginning July 1, 2020 thru June 30 2021 to maintain a continuous supply of grocery and beverage items to KCS school nutrition. The agreement included an option to renew the contract for up to three additional years in one year increments, providing pricing and quality of service is acceptable to the City of Kingsport. This year's agreement included an addendum addressing the current market uncertainty and inflation permitting Gordon's to increase pricing four times. As a result, \$712,800 has already been spent at our half way point. To prevent exceeding the contract spend threshold, we recommend doubling the current spent amount and adding an additional 15 percent.

The contract not to exceed spend amount is currently \$1,350,000.00. KCS School Nutrition recommends to amend this agreement and increase the spend amount to \$1,650,000 through June 30, 2023.

All expenditures from this contract are fully funded by the School Nutrition Services budget. School Nutrition Services is a self-supporting department within Kingsport City Schools. We receive funding from federal reimbursements, state funding and revenue generated by meal fees, a la carte items and catering.