

Duplication of Food Service Management Company (FSMC) Contract Expenses

Please be advised that the items listed in the chart below cannot be charged separately and must be included in the Administrative/Management fee. Form 23s including duplicative costs will not be approved by the State Agency for Base Year Contracts. Additionally, if any duplicative costs are identified at the time of a Procurement Review, corrective action may be required.

When SFAs procure a new Base Year or renew an existing FSMC Contract, “Form 23 – Response and Projected Operating Statement” must be completed by the FSMC. Business Administrators must review the completed Form 23 to ensure that no additional expenses are charged to the SFA which are already included as part of the Administrative/Management Fee.

The costs that must be included in the Administrative/Management Fee are detailed in the State Agency RFP/Contract (Form 17) and are listed below:

Personnel and Labor Relations Services (including labor contract negotiations)
Legal Department Services
Purchasing and/or Procurement Services (including software systems for ordering and/or billing)
Corporate Software Systems and IT Support
Cost Incurred in Hiring and Relocating FSMC Personnel
Dietetic Services (Administrative and Nutritional)
Travel and Labor Costs for Corporate Chef
Accounting/Bookkeeping/Auditing (including SOC 1 Report)
Regular Inspections and Procedure Audits/Reviews
Supervisory Personnel (including Regional and Operations Managers)
Staff Teaching and Training Programs
General Corporate Support
Design Services and Facilities Layout (Specific to operation)
Menu Development (Specific to operation)
Payroll and Administrative Costs (Sick Time Monitoring and Reporting; Preparation and Processing of payroll and W-2 Forms for FSMC employees)
Marketing (including FSMC Proprietary Materials for School Nutrition Promotions)
Travel Costs for Visitation and Coverage on Behalf of the FSMC (Corporate Staff)
Cost of Developing, Printing, and Distributing FSMC Manuals (including, but not limited to, Training, Procedures, Sanitation, Recipes, etc.)
Development of Nutrition Education Programs
FSMC Management Meetings, and/or FSMC Management Development

Contact DFNContracts@ag.nj.gov with questions.