

**GLENBROOK HIGH SCHOOLS  
District Business Office  
June 13, 2011**

**TO: Dr. Mike Riggle  
Hillary Siena**

**FROM: Kimberly Ptak**

**DATE: June 13, 2011**

**RE: CONSENT: 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 (July 1, 2011 – June 30, 2016), 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 1<sup>st</sup> 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