

# Hallsville Independent School District

## For the Consideration of the Board of Trustees

**Date of Board Meeting:** May 18, 2026

**Agenda Item#:** \_\_\_\_\_

**Topic:** 2026-27 Chartwells FSMC Contract Renewal

**Background and Rationale:**

Chartwells, the District's food and nutrition services provider, has proposed Amendment Number 2 of 4 to the District's food service contract, which began on July 1, 2024. This amendment is for the contract term from July 1, 2026 to June 30, 2027.

**Relationship to Strategic Plan:**

**Personnel Affected:**

**Budget Implications:**

- Included in this year's budget
- Amendment of this year's budget required
- Increase in this year's budget required
- Expenditures required for next year's budget

**Recommendation:**

Review and consider approval of the 2026-27 Chartwells food service contract renewal, as presented in Amendment Number Two, as presented.

*Mary Brown*

\_\_\_\_\_  
Signature  
(Person Bringing Information to the Board)



\_\_\_\_\_  
Superintendent's Signature



TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

05/07/26

**VIA EMAIL** TO: [jmartin@hisd.com](mailto:jmartin@hisd.com), [mbrown@hisd.com](mailto:mbrown@hisd.com)

John Martin  
Hallsville

RE: Food Service Management Company (FSMC) Renewal Approval for 2026-2027.

Name of Approved Vendor: Compass Group USA, Inc.

Dear John Martin,

The Texas Department of Agriculture (TDA) has received and reviewed the FSMC contract renewal documents for the 2026-2027 school year. The contract renewal, as submitted, is approved for execution. Approval does not mean clearance from compliance requirements within the submitted documents. Those will continue to be reviewed and assessed in future administrative and procurement reviews.

Changes to the contract are not permitted unless written approval from TDA is obtained before the contract is executed. Contracts that are altered or amended in any way may result in unallowed costs that require reimbursement from non-federal funds or a rebid of the contract.

Submit a copy of the complete contract, signed by all parties to SFA's Smartsheet dynamic view no later than June 18, 2026.

Contracts and supporting documentation including all procurement documents must be retained and are subject to review by the United States Department of Agriculture and other federal and state agencies. It is the School Food Authority's responsibility to ensure the Food Service operation is in compliance with regulations.

If you have any questions, please contact [FSMC@texasagriculture.gov](mailto:FSMC@texasagriculture.gov) or your Education Service Center (ESC).

Sincerely,

*Stephanie Robinson*

Stephanie Robinson, MBA  
Administrator, Business Management  
Food and Nutrition Division  
Texas Department of Agriculture  
cc:TDA's FSMC mailbox



TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

**Renewal Contract Amendment NO. 2nd**

**School Nutrition Programs  
Food Service Management Company Contract  
School Year 2026-2027**

This amendment (“Amendment”) by and between the parties shown below shall be effective as of the date this Amendment is fully executed.

<b>FOOD SERVICE MANAGEMENT COMPANY CONTRACT</b>	
School Food Authority (SFA):	Hallsville Independent School District
Food Service Management Company (FSMC):	Compass Group USA, Inc., by and through its Chartwells Division
Contract No.:	2024-002
Original Contract Effective Date:	July 1, 2024
Renewal Contract Term:	July 1, 2026 through June 30, 2027
Renewal Contract Amendment No.:	2

Whereas, the Food Service Management Company Contract defined above (“Contract”) has an initial contract term commencing July 1, 2024, and ending June 30, 2025;

Whereas, SFA and FSMC wish to renew the Contract for an additional one-year term; and

Whereas, FSMC warrants it has complied with all requirements of the Contract during the Current Contract Term;

Now, therefore, in consideration of the foregoing, the undersigned parties agree as follows:

1. **Renewal of Contract.** The Contract is hereby renewed for a period of one year commencing July 1, 2026, and ending June 30, 2027, unless terminated in accordance with the terms of the Contract.
2. **Price Adjustments.** Meal rates for the renewed contract year may be adjusted (increased or decreased) in an amount not to exceed the annual percent change of the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, Food Away from Home series. SFA and FSMC have mutually agreed to the prices or fees for the renewed contract year as set forth in the Fixed Price Meal Rates attached to this Amendment (Attachment 1) and fully incorporated herein.
3. The projected budget for the renewed contract year is shown in the Food Service Budget sheet attached to this Amendment (Attachment 2) and fully incorporated herein.
4. **Meal Equivalents Rate or Meal Equivalency Factor.** The meal equivalents rate or meal equivalency

factor is determined based on the previous year's Federal free rate of reimbursement + State match reimbursement rate + the value of USDA Foods.

5. Additional Non-Material Scope and Contract Modifications. Modifications effective in the renewed contract year which do not create a material change are described in the Additional Contract Modifications form attached to this Amendment (Attachment 3) and fully incorporated herein.
6. Revised Program Requirements. FSMC agrees to meet all School Nutrition Program requirements including requirements that become effective during the renewed contract year.
7. Entire Agreement. Except as set forth in this Amendment, the provisions and conditions of the Contract and all amendments thereto are unaffected and shall continue in full force and effect. This Amendment and the Contract (including any previous written amendments thereto), collectively, are the complete agreement of the parties and supersede any prior agreements or representations, whether oral or written, with respect thereto. If there is conflict between this Amendment and the Contract or any earlier amendment, the terms of this Amendment shall prevail.
8. Signature Warranties. Each person signing below represents and warrants that he or she is authorized to execute and bind their respective party to this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their duly authorized representative.

**SCHOOL FOOD AUTHORITY**

Hallsville Independent School District  
Name of SFA

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Signature of Authorized Representative

Date

John Martin

Printed/Typed Name of Authorized Representative

Superintendent

Title

**FOOD SERVICE MANAGEMENT COMPANY**

Compass Group USA, Inc., by and through its Chartwells Division  
Name of FSMC

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Signature of Authorized Representative

Date

Amy Shaffer

Printed/Typed Name of Authorized Representative

CEO, Chartwells K12

Title





TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

SFA: Hallsville Independent School District

SFA ID: 00536

**2026-2027 CONTRACT RENEWAL CHECKLIST**

Per 7 CFR 210.19(a)(5), State Agencies must annually review contracts (including all supporting documentation) between SFAs and FSMCs to ensure compliance with federal regulations before execution of the contract by either party. Ref: USDA FSMC Guidance for SFAs, May 2016, pages 14-15.

This checklist must be completed and submitted to TDA with the referenced items attached no later than February 13, 2026, for contract renewals for the 2026-27 School Year.

1. SFA intends to renew its FSMC contract for the 2026-2027 school year with (Company):  
Compass Group USA, Inc., by and through its Chartwells Division

2.  Contract Renewal  
Complete and submit your contract renewal amendment to coincide with the upcoming school calendar year and the correct renewal year. Review your original contract to determine the correct number of renewals.

3.  Fee Adjustments  
Check the appropriate box below, and complete and submit **Attachment 1**, Fixed Price Meal Rates, of the renewal documents.

No Fee Adjustments

Fee Increase

Fee Decrease

Methodology for fee increases/decreases including Allocated Charges must be linked to the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index (CPI) for All Urban Consumers, Food Away from Home. A methodology and calculation that the SFA received from the FSMC must be provided for any fee changes to reflect the percentage of adjustment in the CPI.

4.  Food Service Budget  
Complete and submit **Attachment 2**, Food Service Budget, of the renewal documents.

5.  Site modifications (additions and/or deletions)  
Complete and submit **Attachment 3**, Additional Contract Modifications, of the renewal documents. List any adjustments to the schools served by the FSMC, as indicated in the initial RFP solicitation. Adding or deleting sites not identified in the initial RFP as a future site constitute a material change and requires a new solicitation.

6.  Current FSMC Contract Review Form

Submit the most recent FSMC Contract Review completed by the SFA representative. *\*If applicable, The Review must include corrective action, and any follow-up review related to ensure compliance.*

Provide the dates of the last two (2) reviews completed by the SFA:

Date of most recent FSMC Contract Review completed: 12/18/2025

Date of the *prior* FSMC Contract Review completed: 4/23/2025

7.  2024-2025 USDA Foods Annual Reconciliation

The record must include the following information:

- Beginning entitlement dollars.
- The value of donated foods received Monthly for the school year.
- FSMC invoice crediting the value of donated food received Monthly.
- Entitlement remaining balance.

8.  Administrative Review/Procurement Review information.

When was your most recent Administrative Review by TDA? 10/28/2025

When was your most recent Procurement Review by TDA? 10/28/2025

Did your SFA have any findings in areas operated by the FSMC vendor?  Yes  No

If yes, please explain the finding(s) and how or if resolved?

Both Administrative and Procurement Reviews still show as "Open" in TX-UNPS, with no links available for final review documents. The auditors were in the district on site, for their field work in late October 2025.

Did any of the findings result in fiscal action?  Yes  No

If yes, please explain the finding (s) and how or if resolved.

Same as note above. The final review has not been issued to date, per the TX-UNPS system.

9.  SFA contact

Provide contact information for the individual responsible for answering questions and correspondence concerning its food service operation:

Name

Mary Brown

Job Title

Assistant Superintendent of Finance

Telephone Number  
Email Address

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903-668-5990

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mbrown@hisd.com

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TEXAS DEPARTMENT OF AGRICULTURE  
 COMMISSIONER SID MILLER

Hallsville Independent School District

00536

SFA

SFA ID#

Contract Renewal School Year 2026-2027  
 Attachment 1  
 Fixed Price Meal Rates

School Nutrition Program(s)	Current School Year Rate	Percentage Changed	Renewal School Year Rate*
<b>National School Lunch Program:</b>			
Breakfast (SBP)	\$ 2.7800	3.7%	\$ 2.8828
Lunch (NSLP)	\$ 4.1300	3.7%	\$ 4.2828
Afterschool Care Program (ASCP)			\$ -
<b>Child and Adult Care Food Program (CACFP):</b>			
At-Risk Breakfast			\$ -
At-Risk Lunch/Supper			\$ -
At-Risk Snack			\$ -
Traditional Breakfast			\$ -
Traditional Lunch			\$ -
Traditional Snack			\$ -
<b>Summer Programs:</b>			
Breakfast (SFSP/SSO)			\$ -
Lunch (SFSP/SSO)			\$ -
Snack (SFSP/SSO)			\$ -
<b>Non-Program Meal Equivalent</b>	\$ 4.1300	3.7%	\$ 4.2828
<b>Special Milk Program (SMP)</b>			\$ -

\*No more than four decimal points and final decimal point does not round up.

Contract Renewal - Attachment 1  
 (Rev. 8/7/25)

Provided by FSMC to SFA  
*May Brown*

**Methodology for Calculation of Increase in  
 Fixed Cost per Meal Rate**

The FSMC has utilized the following methodology in calculating the increase for its Fixed Cost per Meal rate as it pertains to the Compass Group/Chartwells contract for the 2026-2027 school year.

The FSMC has compared the non-seasonally adjusted value of the Consumer Price Index as published by the U.S. Department of Labor, Bureau of Labor Statistics (1982 – 84 = 100% based period), Food Eaten Away from Home (“CPI”), for November 2024 to the seasonally unadjusted value of the CPI for November 2025 and calculated the increase, on a percentage basis, in the CPI during such period. Compass Group/Chartwells Fixed Price per Meal rates were then increased by a percentage equivalent to the percentage increase in the CPI over the measured period.

CPI Index Amount November 2024	373.530
CPI Index Amount November 2025	387.202
Increase	13.67
Percentage Increase	3.7%

	<u>2025-2026 Current Year</u>		<u>CPI Difference</u>		<u>2025-2026 Next Year</u>	<u>Increase</u>
Breakfast Meal Rate	2.7800	X	1.037	=	2.8818	0.1018
Lunch Meal Rate	4.1300	X	1.037	=	4.2812	0.1512
Ala Carte Rate	4.1300	X	1.037	=	4.2812	0.1512

### Consumer Price Index for All Urban Consumers (CPI-U) Original Data Value

Series Id: CUUR0000SEFV  
Not Seasonally Adjusted  
Series Title: Food away from home in U.S. city average, all urban consumers, not seasonally adjusted  
Area: U.S. city  
Item: Food away from home

Year	Nov
2024	373.530
2025	387.202

*Provided by FSMC to SFA  
Mary Bevan*



TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

Hallsville Independent School District

00536

SFA Name

SFA ID#

**Contract Renewal School Year 2026-2027**  
**Attachment 2**  
**Food Service Budget**

Projected Revenue: Based on 170 of meal service in School Year 2026- 2027, using 2025-2026 reimbursement rates, the SFA shall multiply the rates by the actual meals served from School Year 2024-2025. If the SFA participation in the current year is decreasing or increasing the SFA budget must reflect the projection in accordance with an estimation of current year's data.

**Revenue:**

Local

Student Breakfast Sales Revenue	\$ 40,000.00
Student Lunch Sales Revenue	\$ 375,000.00
Adult & À La Carte Sales Revenue	\$ 275,000.00
Catering & Other Non-Program Revenue	\$ 20,000.00
<b><u>Total Sales:</u></b>	<b>\$ 710,000.00</b>

Reimbursement

School Breakfast Program	\$ 375,000.00
National School Lunch Program	\$ 1,200,000.00
After-school Snack Program	
Child and Adult Care Food Program	
Summer Meal Program (SSO/SFSP)	
State Matching Reimbursement	\$ 10,000.00
Other Federal/State Reimbursement	\$ 15,000.00
<b><u>Total Reimbursement:</u></b>	<b>\$ 1,600,000.00</b>

**Total Revenue: (Total Sales + Total Reimbursement)** \$ 2,310,000.00

**Expenses:**

**Projected Total Expenses:** \$ 2,200,000.00

**Estimated Budget Projection:**

**Total Revenue (Sales + Reimbursement) – Expenses =** \$ 110,000.00

**USDA Foods Entitlement Allocation Estimate:** \$ 180,000.00

Is there a guarantee required in the initial year's contract? Yes  No  If yes, amount \$ \$ 100,000.00



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Hallsville Independent School District

00536

SFA

SFA ID#

**Contract Renewal School Year 2026-2027  
Attachment 3  
Additional Contract Modifications**

Scope and other contract modifications in current or optional renewal years are not permitted unless provided for in the published Request for Proposal (RFP) and incorporated into the resulting contract.

The following modifications to the SFA’s School Nutrition Program (“SNP”) operations, which were stipulated in the original RFP and incorporated into the Contract, will be implemented or effective in the renewed contract year.

No changes

Modifications to Site Information (Exhibit A of the RFP):

- Add Site – The RFP identified the site as an anticipated new campus, and the SFA is now adding the site to the SNP to be managed by the FSMC under the Contract.
- Delete Site – The SFA is removing an existing site affected by a school closure or decreased enrollment.
- Modify Site – The SFA is changing an existing site to Special Provision 2 or the Community Eligibility Provision, or the SFA is changing the programs to be operated at an existing site.

Type of modification	Name of site	Description of change(s) to programs to be operated at the site, if applicable
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		

Additional non-material contract modifications described here: