

Lyon County School District Board Memo

Date: May 26, 2026
To: Board of School Trustees
From: Harman Bains, Executive Director of Operations
Re: Nutrition Services FSCM Chartwells Annual Renewal

Recommendation:

That the Board of Trustees approve the annual renewal of the 5-year contract with Chartwells as Lyon County School District (LCSD) food service management company (FSMC).

Background Information:

On May 27, 2025, the Board of Trustees approved a 5-year contract with Chartwells to become LCSD food service management company. This contract included an annual renewal or termination to be made by the Board of Trustees.

The most significant change is to the Schedule of Terms governing the FSMC Guarantee. The original contract structured the guarantee to limit district loss to no greater than \$250,000 annually. Over the past year, Chartwells leadership has worked closely with LCSD to strengthen both service quality and contract performance, implementing operational changes that improved commodity utilization, waste management, menu variety, and student participation.

These improvements have materially strengthened program performance and positioned the district to renegotiate the Guarantee Terms on substantially more favorable footing. The revised terms deliver a net \$400,000 positive impact to LCSD, reflecting both the operational gains achieved this year and a recalibrated risk-share structure that better aligns vendor accountability with district financial interests.

Budget Considerations

May 2025 approved contract verbiage:

“Guarantee Subsidy. The FSMC guarantees that the bottom line of the operational financial report (exclusive of the cost of equipment repairs, maintenance, replacements, and smallware’s) for the 2025-2026 school year will reflect a loss no greater than \$250,000. If the actual bottom line (exclusive of the cost of equipment repairs, maintenance, replacements, and smallware’s) reflects a loss greater than this amount, the FSMC will pay to the SFA the difference between the actual and the guaranteed amount, but in no event shall the reimbursement obligation exceed \$250,000. The Guaranteed Subsidy and the FSMC’s reimbursement obligation are based on the following conditions and assumptions.”

May 2026 revised contract verbiage:

Mission Statement Lyon County School District fosters learning for life, empowers connected learners, promotes student ownership, and encourages discovery learning for success in a rapidly evolving world.

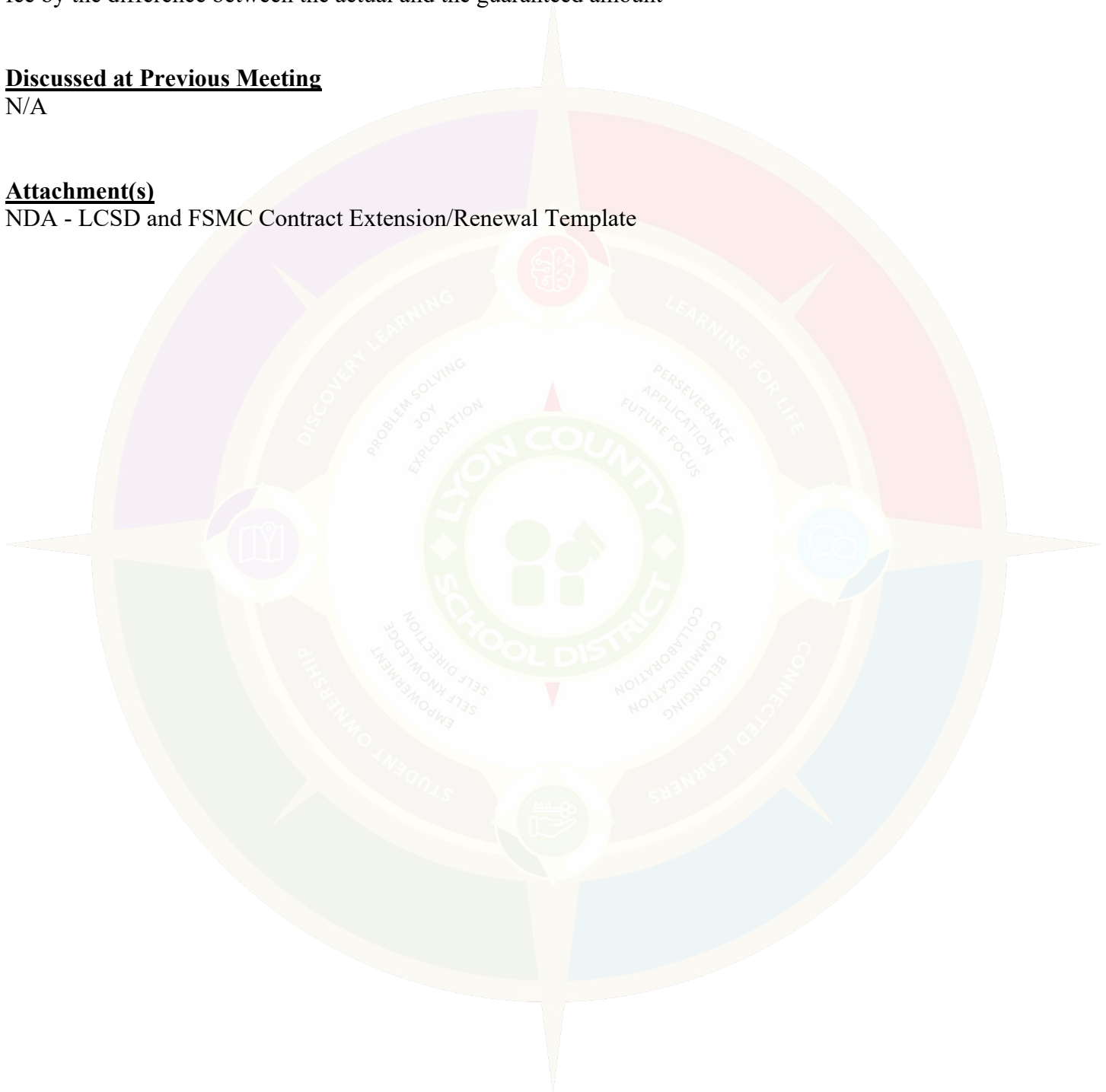
“Guarantee Subsidy. The FSMC guarantees that the bottom line of the operational financial report (exclusive of the cost of equipment repairs, maintenance, replacements, and smallware’s) for the 2026-2027 school year will reflect a guaranteed return of \$150,000. If the actual bottom line (exclusive of the cost of equipment repairs, maintenance, replacements, and smallware’s) reflects a loss greater than this amount, the FSMC will adjust its fee by the difference between the actual and the guaranteed amount”

Discussed at Previous Meeting

N/A

Attachment(s)

NDA - LCSD and FSMC Contract Extension/Renewal Template



***Mission Statement** Lyon County School District fosters learning for life, empowers connected learners, promotes student ownership, and encourages discovery learning for success in a rapidly evolving world.*