ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM
PERMANENT SERVICE AGREEMENT
ADE Contract No. ED09-0001

Revised Summer 2019

_____

("SCHOOL FOOD AUTHORITY (SFA)")
(Legal Name of Applicant)

_____

Doing Business As (if applicable).

This Agreement is entered into between the Arizona State Board of Education ("BOARD"), acting through the Arizona Department of Education ("AGENCY"), a state agency of the State of Arizona, and the SFA pursuant to Arizona Revised Statutes ("A.R.S.") §§ 15-203(B)(1) and 15-1152 (and § 11-951 et seq. if the SFA is a public agency). If the SFA is a public agency, the SFA is authorized to enter into this Agreement pursuant to _____

(to be completed by the SFA)

The purpose of this Agreement is to effectuate the National School Lunch Act ("NSLA"), as amended (42 U.S.C. § 1751 et seq.) and the Child Nutrition Act ("CNA") of 1966, as amended (42 U.S.C. § 1771 et seq.).

The SFA enters into this Agreement with the BOARD for participation in one or more of the following programs:

1. National School Lunch Program (CFDA No. 10.555)
2. School Breakfast Program (CFDA No. 10.553)
3. Special Milk Program (CFDA No. 10.556)
4. Summer Food Service Program (CFDA No. 10.559)
5. At-Risk Afterschool Meals Component of the CACFP (CFDA No. 10.558)

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A. PROGRAM REIMBURSEMENT

The BOARD agrees, to the extent of funds available subject to Section L of this Agreement, to reimburse the SFA for the above designated programs operated by the SFA in accordance with the following regulations, and any amendments, which are applicable to such programs: National School Lunch Program ("NSLP") Regulations (7 CFR parts 210, 245), Special Milk Program Regulations (7 CFR part 215), School Breakfast Program Regulations (7 CFR part 220), Summer Food Service Program Regulations (7 CFR part 225), and At-Risk Afterschool Meals Program Regulations (7 CFR part 226). Reimbursement payments to be made by the BOARD shall be subject to the provisions of A.R.S. Title 35 relating to time and manner of submission of claims if not in conflict with federal law. The BOARD also agrees to donate foods in accordance with Donation of Foods for use in the United States, its Territories and Possessions and Areas under its Jurisdiction (7 CFR part 250), and any amendments thereto.

B. PROVISIONS FOR ACCEPTING FUNDS

The SFA agrees to accept federal funds and/or USDA Foods in accordance with applicable regulations as set forth in 7 CFR parts 210-250 and any amendments thereto, Office of Management and Budget ("OMB") Circular A-133 and A-122, as applicable, and to comply with all provisions of said rules and OMB circulars, AGENCY Child Nutrition Program ("CNP") Office Requirements, and with any instructions or procedures issued in connection therewith. The SFA further agrees to administer these programs funded under this Agreement in accordance with provisions of the uniform Federal assistance regulations (7 CFR part 3015) and provisions of the uniform administrative requirements (7 CFR parts 3016, 3019).

C. PROGRAM REQUIREMENTS OF THE SFA

The SFA agrees that, for each site listed on the site portion of the application, it will conduct the above designated program(s) in accordance with the U.S. Department of Agriculture ("DEPARTMENT") regulations and will conform to the following requirements in the conduct of each program (unless the requirement is restricted to a particular program):

1. *FOR NATIONAL SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM ONLY*

a. Maintain a nonprofit food service and observe the limitations on the use of nonprofit food service revenues set forth in 7 CFR parts 210.14(a) and 220.7(e)(1). Comply with State Revenue Matching set forth in 7 CFR 210.17.

b. Establish such policies and procedures as are necessary to control the sale of foods in competition with meals served under the program. The sale of all non-program food, as defined in 7 CFR part 210.14(f), may, at the discretion of the AGENCY and the SFA, be allowed in the food service area only if all income from the sale of such foods accrues to the benefit of the nonprofit school food service; and must comply with the nutrition standards of the Smart Snacks regulations of Public Law 111-296 the Healthy, Hunger-Free Kids Act of 2010 .

c. Promote activities to involve students and parents in the National School Lunch and School Breakfast Programs.

d. Plan menus in order to meet the requirements of Public Law 111-296, the Healthy, Hunger-Free Kids Act of 2010 as set forth in 7 CFR parts 210.10 and 220.8.

e. Maintain production and menu records for meals produced. These records must include all information necessary to support the claiming of reimbursable meals, and how meals contribute to meal pattern requirements, as set forth in 7 CFR parts 210.10 and 220.8. Production records shall include sufficient information to evaluate the menu's contribution to the nutrition standards and the appropriate calorie and nutrient levels for the age/grades of the children in the school, as identified in 7 CFR parts 210.10 and 220.8.

f. Maintain and comply with a financial management system as prescribed by the AGENCY, 2 CFR part 200, and 7 CFR parts 210.14(c), 215.7(d), 220.7(e)(1) and 3016.

g. Limit the net cash resources for its nonprofit school food service to an amount that does not exceed three months average expenditures, or such other amount as may be approved by the AGENCY in accordance with 7 CFR parts 210.14(b) and 220.7(e)(1).

h. Serve lunches and/or breakfasts and/or after school care snacks during the designated periods, in accordance with 7 CFR parts 210.10 and 220.8, for the number of days specified on the application.

i. Claim no more than one (1) lunch/breakfast/after school care snack per child per day per meal service.

j. Price the meal as a unit. Make lunches/breakfasts/after school care snacks available without cost or at a maximum reduced price of forty (40) cents for lunch, fifteen (15) cents for snacks and thirty (30) cents for breakfast to all children who are determined by the SFA to be eligible for such meals under 7 CFR part 245.

k. Claim reimbursement at the assigned rates only for reimbursable free, reduced-price and paid lunches and/or after school care snacks and/or breakfasts served to eligible children in accordance with 7 CFR parts 210 and 220.

l. Conduct verification in accordance with 7 CFR part 245.6a. Report verification results to the AGENCY no later than February 1, each year. Maintain copies of the verification report and all supporting documentation for the period indicated in Section M of this Agreement.

m. Ensure that the SFA's designated official submitting the claim or his/her assigned representative shall be responsible for reviewing and analyzing meal counts to ensure accuracy as specified in 7 CFR part 210.8 and 220.11 governing claims for reimbursement. At a minimum the responsibilities should include:

1. No less than one (1) on-site review of the meal counting and claiming system for the meal service for each school under its jurisdiction for a SFA with more than one site. The on-site review shall take place prior to February 1 of each school year. If the review discloses problems with a school's meal counting or claiming procedures, the SFA shall be required to develop and implement a corrective action plan and a follow-up on-site review must be conducted within forty-five (45) calendar days of the review to determine that the corrective action resolved the problems.

2. No less than two on-site reviews of the meal counting and claiming system for the after school care snack program, if implemented. The first review shall be made during the first four weeks of the school year that the school is in operation. Year-round schools or Residential Child Care Institutions shall review the snack program during the first four weeks of its initial year of operation, once more during its first year of operation, and twice each school year thereafter. If the review discloses problems with a school's meal counting or claiming procedures, the SFA shall be required to develop and implement a corrective action plan and a follow-up on-site review must be conducted within forty-five (45) calendar days of the review to determine that the corrective action resolved the problems.

3. Perform edit checks that compare each school's daily counts of free, reduced-price, and paid lunch/breakfast against the product of the number of children in that school currently eligible for free, reduced-price and paid meals, respectively, multiplied by an attendance factor. This attendance factor will be developed by the AGENCY.

4. Submit claims for reimbursement in accordance with procedures established by the AGENCY. Claims for reimbursement not filed within sixty (60) days following the last day of the claiming month will be disallowed. Any exception to this requirement will be made at the discretion of the AGENCY and/or DEPARTMENT.

5. SFA shall maintain on file, each month's claim for reimbursement and all data used in the claims review process, by school, for the period indicated in Section M of this Agreement. All Food Service Management Company ("FSMC") contracts, and records which support such contracts, shall be maintained for the period indicated in Section M of this Agreement. The records which are to be kept for each program include:

   (I) daily number of meals served to children, by category and type of meal;

   (II) revenue from children's payments, federal reimbursement, food sales to adults, loans to the program, all a la carte sales and any other sources to demonstrate that the food service is being operated on a nonprofit basis. The revenue report shall show net cash resources or the information necessary for the AGENCY to compute net cash resources through a review or audit and annual financial report; and

   (III) food service expenditures (supported by invoices, receipts or other evidence of expenditures).

n. Failure to submit accurate claims will result in the recovery of an over claim and may result in the withholding of payments, suspension or termination of the program as specified in 7 CFR parts 210.24, 210.25, 220.14, 220.18 and 220.19.

o. The penalties specified in 7 CFR part 210.26 shall apply to any SFA who is found to engage in embezzlement, willful misapplication of funds, theft or fraudulent activity in regard to claims submitted.

p. Count the number of free, reduced-price and paid reimbursable meals served to eligible children at the point of service. School sites approved for Special Assistance, Provision 2 Provision 3 or the Community Eligibility Provision (CEP) are exempt, except they shall do a total count of all children at the point of service.

q. Upon request, make all accounts and records pertaining to its school food service available to the AGENCY and to the DEPARTMENT for audit or review, at a reasonable time and place.

r. Maintain in the storage, preparation and service of food, proper sanitation and health standards in conformance with all applicable state and local laws, regulations and ordinances.

s. Maintain necessary facilities for storing, preparing and serving food and milk in accordance with local health department requirements.

t. Procurement practices shall be in accordance with the Arizona Procurement Code and Regulations (Charter schools are exempt as set forth in A.R.S. § 15-189.02), 2 CFR part 200 and 7 CFR parts 3015, 3016, 3019, 210.21, 215.14a and 220.16. All claims and controversies shall be subject to the Arizona Procurement Code, A.R.S. § 41-2501 et seq., and Arizona Administrative Code R7-2-1001 et seq. Procurement standards must be submitted to the AGENCY and will be considered a permanent document, unless changes are made by either party. Failure to follow established procedures in the procurement of FSMC services may result in non-renewal of SFA application to participate in the programs, or in withholding of reimbursement funds.

u. Purchase, to the maximum extent practicable, only food products that are produced in the United States or products that are processed in the United States substantially using agricultural commodities that are produced in the United States for those programs as specified in 7 CFR parts 210.21(d) and 220.16(d) and in accordance with the Buy American Provision.

v. Any contracting for the furnishing of meals or management of the entire food service under any program must be conducted in accordance with proper procurement procedures and must be done on a competitive basis in accordance with 7 CFR part 210.16. A FSMC entering into a contract with a SFA shall not subcontract for the total meal, with or without milk, or for the assembly of the meal. SFAs contracting with a FSMC shall comply with 7 CFR part 210.16.

w. Submit proposed Invitation for Bid ("IFB")/Request for Proposal ("RFP") to the AGENCY for review and approval. Written approval of the IFB/RFP must be received from the AGENCY prior

to advertising for bids/proposals. Submit copies of all contracts with FSMCs, along with a certification of independent price determination to the AGENCY prior to the beginning of program operations. Written approval must be received from the AGENCY prior to both parties entering into contract.

x. Individuals with access to AGENCY technology systems associated with the administration of the program shall abide by the AGENCY Acceptable Use Policy, which covers the use of electronic communication networks and computer-based administrative applications of the AGENCY. This policy applies to all personnel using these intranet, extranet, internet and administrative resources, including, but not limited to, officials and employees of schools, school districts, charter schools and AGENCY. Access to AGENCY technology systems shall not be provided to consultants, consulting firms or FSMCs contracting with SFA. Individuals who fail to comply will be subject to further action.

y. Each local educational agency participating in a program authorized by the NSLA and CNA shall establish a local school wellness policy that meets regulation set forth in 7 CFR 210.31. The policy must include, at a minimum, goals for nutrition promotion and education, physical activity, and other school-based activities that promote student wellness, as well as nutrition guidelines for all foods available on campus to promote student health and reduce childhood obesity, and provide assurance that school meals and other food and beverages sold and otherwise made available on the school campus during the school day are consistent with applicable minimum Federal standards as specified in Public Law 111-296, Section 204. SFAs must permit parents, students, and members of the general public to participate in the development, implementation and periodic review of the wellness policy. SFAs shall also tri-annually measure (and make available to the public) an assessment regarding the implementation of the wellness policy, including the extent to which schools under the jurisdiction of the local educational agency are in compliance with the policy, the extent to which the policy compares to model local school wellness policies, and a description of the progress made in attaining the goals of the policy.

z. As defined in the NSLA, the SFA shall implement a school food safety program, to be applied to any facility or part of a facility in which food is stored, prepared or served for the purposes of the program, that complies with any hazard analysis and critical control point system established by the Secretary of Agriculture.

aa. In accordance with 7 CFR parts 210.13(b) and 220.7(a)(2), schools shall obtain a minimum of two (2) food safety inspections during each school year conducted by a state or local governmental agency responsible for food safety inspections. They shall post in a publicly visible location a report of the most recent inspection conducted and provide a copy of the inspection report upon request. Sites participating in more than one (1) child nutrition program shall only be required to obtain two (2) food safety inspections per year if the nutrition programs offered use the same facilities for the production and service of meals.

ab. SFAs that operate the National School Lunch Program, or the School Breakfast Program, must establish and implement professional standards hiring standards for school nutrition program

directors; and professional standards training standards for directors, managers, and staff, as defined in 7 CFR 210.30.

D. ASSURANCE OF CIVIL RIGHTS COMPLIANCE

1. The SFA hereby agrees that it will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.); Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794); the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.); all provisions required by the implementing regulations of the DEPARTMENT (7 CFR parts 15, 15a and 15b); U.S. Department of Justice Enforcement Guidelines (28 CFR parts 50.3 and 42); and AGENCY directives and guidelines to the effect that no person shall, on the grounds of race, color, national origin, sex, age or disability, be excluded from participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity for which the SFA receives federal financial assistance from the AGENCY; and hereby gives assurance that it will immediately take any measures necessary to effectuate provisions of this Agreement.

2. This assurance is given in consideration of and for the purpose of obtaining any and all federal financial assistance and the permission to use federal property or interest in such property, or the furnishing of services without consideration, at a nominal consideration or at a consideration which is reduced for the purpose of assisting the SFA, or in recognition of the public interest to be served by the furnishing of services to the SFA, or any improvements made with federal financial assistance extended to the program SFA by the AGENCY.

3. By accepting this assurance, the SFA agrees to compile data, maintain records and submit reports as required to permit effective enforcement of nondiscrimination laws and permit authorized AGENCY personnel during hours of program operation to review such records, books and accounts as needed to ascertain compliance with the nondiscrimination laws. If there are any violations of this assurance, the AGENCY shall have the right to seek judicial enforcement of this assurance.

4. This assurance is binding on the SFA, its successors, transferees and assignees as long as such person or entity receives assistance or retains possession of any assistance from the AGENCY. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the program applicant.

5. AGENCY and SFA shall maintain information on civil rights complaints, if any, submitted and/or received by the SFA, AGENCY, and their resolutions.

E. EQUAL OPPORTUNITY/NON-DISCRIMINATION

The Parties of this Agreement shall comply with Executive Order 75-5 as modified by Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political

affiliation, shall have equal access to employment opportunities and all other applicable state and federal employment laws, rules and regulations, including the American with Disabilities Act. The Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

F. RIGHT OF JUDICIAL ENFORCEMENT; CHOICE OF LAW

The SFA recognizes and agrees that federal financial assistance will be extended in reliance on the representations stated herein and in the Exhibits hereto and that the United States and the State of Arizona, individually or jointly, shall have the right to seek judicial enforcement of the Agreement. This Agreement is made in the State of Arizona and shall be interpreted by the laws of the State of Arizona including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona, the Arizona Procurement Code, A.R.S. Title 41, Chapter 23, A.A.C. R2-7-101 et seq. and A.A.C. R7-2-1001 et seq. Any litigation arising out of this Agreement shall be brought in Arizona.

G. MUTUAL OBLIGATIONS, RESPONSIBILITIES AND WARRANTIES

The AGENCY and the SFA mutually agree that:

1. With the approval of the AGENCY, sites may be added or deleted from the site portion of the application as the need arises, and the references herein to the site portion of the application shall be deemed to include the most recently approved sites.

2. The AGENCY shall promptly notify the SFA of any change in the minimum meal requirements or the assigned rates of reimbursement.

3. No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend this Agreement if made with a corporation for its general benefit.

4. This Agreement, and the duties arising hereunder, shall become effective on July 1, 2019 or upon signature by the Superintendent of Public Instruction, or his designee, whichever occurs last. This Agreement shall automatically renew on July 1 of each year, beginning July 1, 2020, unless either party notifies the other at least thirty (30) days before the renewal date of their intent not to renew. Before any amendment or extension may become effective, appropriate action must be taken by ordinance, resolution or otherwise pursuant to the laws applicable to public agencies entering into this Agreement.

5. The SFA's participation in the program(s) under this Agreement is conditioned upon the AGENCY's approval of the SFA's on-line application to the AGENCY, a fully executed written Agreement with the AGENCY, and, in the event the SFA contracts with a FSMC to manage its food service operation under this Agreement, the AGENCY's review and approval of the SFA's contract(s) with a FSMC

prior to the execution of the contract(s) as required in 7 CFR parts 210.9, 210.16 and 210.19. For this Agreement period, reimbursement shall not be made for any meals served before these conditions have been fully met by the SFA.

6. No right or interest in this Agreement shall be assigned or delegated without the written permission of the other party.

7. The SFA shall repay to the federal government or the AGENCY all monies determined by any financial-compliance audit or review to be owed to the federal government or the AGENCY in connection with any program for which the SFA has received funds. If the SFA fails to make such repayment within thirty (30) days after demand by the AGENCY, SFA shall also pay all reasonable attorneys' fees based on reasonable hourly charges of like experienced attorneys in Phoenix, Arizona for the Assistant Attorney General representing the AGENCY or the BOARD or the attorney representing the DEPARTMENT in seeking to enforce this paragraph.

8. The Parties to this Agreement agree to resolve all disputes arising out of or relating to the Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes if not in conflict with federal law.

9. The covenants and agreements herein contained shall inure to the benefit of and be binding upon the parties hereto and their respective successors, transferees and assignees.

H. FREE AND REDUCED-PRICE POLICY STATEMENT

The SFA must supply copies of its program application, Free and Reduced-Price Policy Statement and Addendums to the AGENCY. The Free and Reduced-Price Policy Statement will be a permanent document shall be updated when district policy or procedures pertaining to the Free and Reduced-Price process are modified.

I. CONFLICT OF INTEREST; CANCELLATION

1. No employee, officer or agent of the SFA who has, or whose relative has, a substantial interest in any contract, sale, purchase or service to the SFA, shall participate in selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved pursuant to A.R.S. § 38-503 and 7 CFR part 3016.36(b)(3).

2. Pursuant to A.R.S. § 38-511, the State of Arizona, its political subdivisions or any department or agency of either may, within three (3) years after its execution, cancel any agreement, without penalty or further obligation, made by the State of Arizona, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the State of Arizona, its political

subdivisions or any of the departments or agencies of either is, at any time while the agreement or any extension of the agreement is in effect, an employee or agent of any other Party to the agreement in any capacity or a consultant to any other Party of the agreement with respect to the subject matter of the agreement. A cancellation made pursuant to this provision shall be effective when the SFA receives written notice of the cancellation unless the notice specifies a later time.

J. AGREEMENT INTERPRETATION AND AMENDMENT

1. No Parole Evidence. This Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any term used in this document.

2. No Waiver. Either party's failure to insist on strict performance of any term or condition of this Agreement shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Written Agreement Amendments. This Agreement may be modified only in a writing signed by all of the parties or their duly authorized agents. Notice required pursuant to this Agreement shall be served personally or by mail upon each party at the addresses specified on the signature page of this Agreement.

K. THIRD PARTY ANTITRUST VIOLATIONS

The SFA assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the SFA toward fulfillment of this Agreement.

L. NON-AVAILABILITY OF FUNDS

Every payment obligation of the State of Arizona under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of the Agreement, this Agreement may be terminated by the State of Arizona at the end of the period for which funds are available. No liability shall accrue to the State of Arizona in the event this provision is exercised, and the State of Arizona shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section.

M. RECORDS

Pursuant to A.R.S. §§ 35-214 and 35-215, the SFA shall retain and shall contractually require each

subcontractor to retain all data, books and other records ("records") relating to this Agreement for a period of five (5) years after completion of this Agreement or until resolution of an unsolved audit which exceeds the designated time period. All records shall be subject to inspection and audit by the State of Arizona for five (5) years after the termination of this Agreement. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the SFA shall produce the original of any or all such records.

N. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401; E-VERIFY REQUIREMENT

1. The SFA warrants compliance with all federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. § 23-214(A). (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)

2. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and the SFA may be subject to penalties up to and including termination of this Agreement.

3. Failure to comply with a state audit process to randomly verify the employment records of the SFA shall be deemed a material breach of this Agreement and the SFA may be subject to penalties up to and including termination of this Agreement.

4. The AGENCY retains the legal right to inspect the papers of any employee who works on this Agreement to ensure that the SFA is complying with the warranty under paragraph 1 of this Section.

O. TERMINATION/SUSPENSION

This Agreement may be terminated upon thirty (30) days notice in writing by either party. Notwithstanding the foregoing, the AGENCY may terminate this Agreement immediately upon receipt of evidence that the terms hereof have not been complied with by the SFA. Pursuant to 7 CFR part 210.25, whenever it is determined that the SFA has materially failed to comply with the provisions of this Agreement, or with AGENCY/DEPARTMENT guidelines and instructions, the AGENCY may suspend or terminate the Agreement in whole, or in part. The SFA may also terminate this Agreement by mutual agreement with the AGENCY. The AGENCY and the SFA shall comply with the provisions of 7 CFR part 3015 subpart N, concerning suspension, termination and closeout procedures.

P. CERTIFICATION

The SFA certifies that all information submitted related to the Program is true and correct and understands that deliberate misrepresentation may result in prosecution.

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USDA Foods AGREEMENT

(Applicable to SFAs receiving USDA Foods)

Policies/Procedures

1. The AGENCY solicits vendors (Warehouse/Distributor) to distribute donated food to eligible SFAs. SFAs shall receive donated food as required by 7 CFR part 250. The cost of shipping will be paid by the SFA. The SFA is responsible for establishing a credit application and purchase order with the delivering vendor. The AGENCY will announce annually the delivery charge (service, handling and administrative fees) and delivery vendor prior to the beginning of the fiscal year. Payments are due to the delivering vendor within the terms to be determined after completion of credit application. Shipments will be withheld if the SFA becomes 30 days late from the agreed credit terms. Failure to pay will result in the account being temporarily suspended until the account is brought current and/or termination of participation and non-renewal of USDA Foods Program.

2. The SFA agrees to pay excess storage and administrative fees for USDA Foods that are not ordered and have not been refused within the designated dwell times.

3. The SFA agrees to accept and order USDA Foods only in quantities that can be used in a six (6) month period in a non-profit School Food service. Any SFA ordering USDA Foods in excess quantities may be held financially responsible for spoilage or contamination which results in the foods being unfit for human consumption. SFA is to notify the AGENCY within 24-48 hours when any loss of, or damage to, USDA Foods occurs.

4. The SFA shall receive and use USDA Foods only for the benefit of those persons eligible for congregate meals provided by the SFA. Foods will not be transferred or used otherwise without prior written approval of the AGENCY. USDA Foods shall not be sold or traded, but may be transferred with the approval of the AGENCY when determined to be in the best interest of the program.

5. The SFA shall maintain evidence that necessary protective measures are maintained when storing donated food. Evidence to support would include, but are not limited to, storage temperature charts verifying proper storage temperatures, pest control schedule and security system used. Documentation must be available to verify that all storage facilities obtained all necessary federal, state and/or local health inspections or if no such inspections are made, a self-evaluation form for storage facilities be completed annually.

6. The SFA shall maintain all records pertaining to transactions relating to receipt, disposal and inventory of USDA Foods. All records required in this agreement shall be retained for the period indicated in Section M of this Agreement.

7. The SFA shall complete, return and maintain a copy of inventory forms provided by the AGENCY. Failure to comply may result in termination of participation in the USDA Foods. The SFA shall comply with instructions from the AGENCY to: (a) distribute remaining inventory of USDA Foods, or (b) return inventories with applicable reports to the AGENCY if a program is terminated.

8. Funds received by the SFA from sales of salvable containers or salvage of USDA Foods shall be deposited in SFA's Non-Profit Food Service Account.

9. SFAs may elect to participate in the USDA Foods processing programs. Cost of the processing and distribution of the end product will be incurred by the SFA. Participants shall:

a. Follow federal and state procurement rules and regulations in purchasing end products not bid by the AGENCY;

b. Release USDA Foods only to the AGENCY approved processor;

c. Maintain records to support purchase of processed commodity end products; and

d. Be held responsible to fulfill commitments to the AGENCY and processor.

10. The SFA shall permit inspection by the AGENCY or DEPARTMENT personnel of the storage facilities and any other areas used in handling USDA Foods. The SFA shall also allow inspection of all records including financial records pertaining to the USDA Foods.

11. FSMCs are encouraged to utilize USDA Foods in the preparation of meals for eligible SFAs pursuant to a written contract, which meets the requirements of 7 CFR part 250.12(c). If a FSMC is used, the SFA will submit a copy of the contract to the AGENCY annually. Contracts will ensure that:

a. Any donated food will be used only to benefit the SFA's feeding operation;

b. Proper inventory controls will be maintained;

c. All books and records of the FSMC pertaining to the feeding operation of the SFA will be available for the period indicated in Section M of this Agreement; and

d. The responsibility will be clearly defined for who (the SFA or the FSMC) will be accountable for the payments to be made to the distributor and commodity processors within sixty (60) days of billing.

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SPECIAL MILK PROGRAM AGREEMENT

(Applicable to those SFAs participating in Special Milk Program)

1. The SFA agrees to operate a nonprofit milk service.

2. The SFA agrees to submit claims for reimbursement and maintain a financial management system in accordance with procedures established by the DEPARTMENT and the AGENCY.

3. The SFA agrees to make no physical segregation or other discrimination against or overt identification of any child because of his/her inability to pay the full price of the milk.

4. The SFA agrees to make free milk available (if applicable) to all eligible children whenever it is provided under the Special Milk Program.

5. The SFA agrees to make maximum use of the reimbursement payments to reduce the price of the milk served to paying children and maintain a nonprofit status (not applicable to non-pricing programs).

6. The SFA agrees to claim reimbursement only for fluid types of milk as defined in 7 CFR part 215.2 served to children at the assigned rate for the classification of paid (or free, if applicable) in accordance with 7 CFR parts 215.8 and 215.10.

7. The SFA agrees to maintain full and accurate records of each program operation including the number of half-pints of milk served to children, the number of half-pints of milk served to adults and the number of half-pints of milk served free to eligible children if free milk is provided.

8. The SFA agrees to furnish a written statement of the policy followed in making determinations as to eligibility of children receiving free milk. Such policy shall be consistent with the rules issued by the DEPARTMENT on this subject (7 CFR part 245) (required only for pricing programs providing free milk to children).

SUMMER FOOD SERVICE PROGRAM

(Applicable to those SFAs participating in Summer Food Service Program)

1. The SFA agrees to operate the Summer Food Service Program in compliance with Title 7, Part 225 of the Code of Federal Regulations.

2. The SFA agrees to operate the Summer Food Service Program in compliance with State or local health and safety standards.

3. The SFA agrees to provide meals through the Summer Food Service Program to children ages 18 and under or people 19 years of age and over who have a mental or physical disability and who participate in a public or private non-profit school program during the school year.

4. The SFA agrees to only claim reimbursement for approved meals served through the Summer Food Service Program. Meals served prior to State agency approval shall not be claimed. SFAs are financially responsible for any meals served prior to annual approval from the State agency.

5. The SFA agrees to claim reimbursement for meals served while school is not in session, with State agency approval.

6. The SFA agrees to only claim reimbursement for those meals that meet or exceed the minimum Federal standards established for meals, and to maintain documentation of the foods and portions served to meet these standards.

7. The SFA agrees to claim all meals at the free rate of reimbursement at area-eligible sites in the attendance boundary of a school where 50% or more of the children qualify for free or reduced-price meals or 50% or more of the children in the census block group are eligible for free and reduced-price school meals. The only exception is for children enrolled in a residential camp. Residential camps must collect income eligibility information for each enrolled child and can only claim meals at the free rate for children who qualify for free or reduced-price meals.

8. The SFA agrees to provide Summer Food Service Program meals at no charge. The only exception is for residential camps. Residential camps may charge for meals served to children who do not qualify for free or reduced-price meals.

9. The SFA agrees to maintain children on site while meals are consumed.

10. The SFA agrees to maintain documentation of the following for each serving site: program operating and administrative costs; funds accruing to the program; training of staff; monitoring of sites; the number of meals prepared/delivered, by type, each day; the number of complete first meals, complete second meals, excess meals or left-over meals, meals to program adults and meals to non-program adults served each day; daily meal production records; and daily menus.

11. The SFA may serve and claim up to two (2) meals or one (1) meal and one (1) snack within the approved meal time each day. The SFA cannot serve and claim lunch and supper on the same day, at the same site. Approved camp and migrant site sponsors may serve and claim up to three (3) meals each day or two (2) meals and one (1) snack. Approved camp and migrant site sponsors may claim lunch and supper on the same day at the same site.

12. The SFA agrees to monitor each site according to regulations.

13. The SFA agrees to meet the training requirement for its administrative and operational personnel as required under 225.15 (d)(1).

14. The SFA agrees to retain final financial and administrative responsibility for its program.

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AT-RISK AFTERSCHOOL MEALS COMPONENT of the CACFP:

(Applicable to those SFAs participating in At-Risk Afterschool Meals)

1. Provide proof that all non-school affiliated at-risk sites are in compliance with all state and local health and safety requirements for certifications.

2. Provide organized, regularly scheduled education or enrichment activities in a structured and supervised environment for children in a nonresidential setting.

3. Provide snack and/or meal at no charge to all children through the age of 18.

4. Receive reimbursement at the applicable free rate for all snacks or meals served. If meals or snacks are served during the school week, service time must be after the school day. Meals/snacks may be served on weekends or during school breaks (not including summer break) and vacations throughout the regular school year.

5. Operate in an attendance area of a school where at least 50% or more of the children are eligible ("area eligible") for free or reduced-price school meals.

6. Operate as a public program or have tax-exempt status under the Internal Revenue Code of 1986 (501c3).

7. Maintain menus for each snack and/or meal service.

8. Maintain daily production records of food prepared and served.

9. Serve meals/snacks in accordance with NSLP meal pattern requirements or CACFP meal pattern requirements.

10. Maintain daily records indicating the number of children in attendance, and all other records required by ADE. The SFA shall not claim more than one (1) meal and more than one (1) snack per child per day. The SFA will claim only snacks/meals served to children age eighteen (18) and under, including children who were eighteen (18) at the beginning of the program year. Schools claiming snack under NSLP, may claim a meal, but cannot claim snacks under At-Risk Meals.

11. Document training sessions for management and staff including dates, locations and topics.

12. All expenses must be allocated to the non-profit school food service account. SFAs may follow the NSLP procurement standards in 7 CFR 210.21 in lieu of CACFP procurement standards at 7 CFR 226.22.

13. Document revenue from participant payments, federal reimbursement, food sales to adults, and donations.

14. Provide adequate supervisory and operational personnel for management and monitoring.

15. Conduct site reviews two times per year: the first review should occur during the first four weeks of operation and the second review can occur at any time prior to the end of the school year.

16. Certify that responsible principals are not on USDA's National Disqualification List.

CLEAN AIR/CLEAN WATER ACT COMPLIANCE

(Applicable to SFAs receiving $100,000 or more in federal funds)

1. The SFA agrees that any facility to be utilized in the performance of this Agreement is not listed on the Environmental Protections Agency ("EPA") List of Violating Facilities (the "List") as of the date of submitting this Agreement.

2. The SFA further agrees that it shall not use any facility on the List in the performance of this Agreement for the duration of the time that any such facility remains on the List.

3. The SFA further agrees to notify the AGENCY if it intends to use in the performance of this Agreement any facilities on the List or learns or knows that the facility being used has been recommended to be placed on the List.

4. The SFA additionally agrees that it shall, in the performance of this Agreement, comply with all requirements of the Clean Air Act (42 U.S.C. § 7401 et seq.) and the Clean Water Act (33 U.S.C. § 1251 et seq.) including the requirements of section 114 of the Clean Air Act and Section 308 of the Clean Water Act and all applicable Clean Air standards and Clean Water standards.

5. The SFA further agrees that it shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. § 7606), Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738 and EPA regulations found in 40 CFR part 15 (which prohibit the use of facilities on the List). In addition to notifying the AGENCY of facilities to be used which are on the List, SFA also agrees to notify the EPA Assistant Administrator for Enforcement.

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CERTIFICATION PAGE

(Applicable to SFAs with governing boards only;
must be completed and signed before signature page.)

INSTRUCTIONS: The following information must be inserted into the Certification Section below.

(1) County in which the governing board is located.
(2) Name of governing board member authorized to sign this certification page.
(3) City in which governing board meeting regarding the Food Program Permanent Service Agreement was held.
(4) Date of governing board meeting.
(5) Legal name of the SFA.
(6) Name of designated official who will be signing the Food Program Permanent Service Agreement (same designated official as on line 1 of the signature page of this Agreement).
(7) Signature of governing board member (same name as on line (2) of this certification page).
Please note that a governing board member *cannot* designate himself or herself as the *Designated Official*.

CERTIFICATION

State of Arizona)

County of (1) _____)

I, (2) _____, the duly appointed or elected and qualified
Name of Governing Board Member

member of, and acting on behalf of the governing board, do hereby certify that during a regular meeting held in (3) _____ Arizona, on (4) _____, this governing board, by motion made, seconded and carried, approved and authorized execution of an agreement between the (5) _____ and the State Board of Education (BOARD) for the purpose of participating in the National School Lunch Program, School Breakfast Program, and/or Special Milk Program, for the period beginning July 1, 2019.

(6) _____ has been designated by the governing board to sign this Agreement.
Name of Designated Official
(Cannot be the same as (2) above)

I further certify that this meeting was duly noticed, called and convened and was attended by a majority of the members of the governing board and that approval has not since been altered or rescinded.

(7) _____
Signature of Governing Board Member
(Same as (2) above)

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SIGNATURE PAGE

AGREED TO AND SIGNED:

1. _____ _____
(Print or Type Name and Title) (Signature of Designated Official if applicable)
[Same as item (6) on Certification Page]

_____ _____
(SFA) (Date)

Address _____

OTHER AUTHORIZED SIGNERS

2. _____ _____
(Print or Type Name and Title) (Signature)

3. _____ _____
(Print or Type Name and Title) (Signature)

4. _____ _____
(Print or Type Name and Title) (Signature)

FOR OFFICIAL USE ONLY

STATE BOARD OF EDUCATION

_____
(Superintendent of Public Instruction or Designee) (Date)
1535 West Jefferson, Phoenix, Arizona 85007