April 16, 2024

[SPONSORING ORGANIZATION NAME]

To Whom It May Concern:

Our records indicate your contract may expire this year, and you have the option to renew your existing contract at least one more year. All contracts must be renewed prior to their expiration. If you are conducting a new procurement instead of renewing your contract, you may disregard this correspondence.

If your existing contract and renewals have expired; and/or your existing contractor has not fulfilled the contract to your satisfaction, you should not renew your contract. Such circumstances warrant conducting a new procurement. In addition, examples of material or substantive changes which could require you to conduct a new procurement are listed below. If one of the following circumstances exists, contact our office immediately to determine if conducting a new procurement is necessary.

* Substantial changes to the scope of the contract
* Revision to the fixed-price contract pricing structure and/or terms for price increases becomes necessary.

If you have chosen or are required to conduct a new procurement and have not contacted our office, please contact Jessie Crum at 800/545-7892 as soon as possible to set a tentative bid opening date.

If you are renewing your contract, you must use the required Contract Renewal Agreement Form that is attached in this correspondence.

Review the contract renewal terms stated in your original contract prior to beginning the negotiation process and **insure the contractor provides you with a written financial analysis justifying all fixed rate increases.** In addition, percentage increases may only be applied to the individual fixed rates making up the contract and not the total estimated cost of the contract.

**The negotiated price increase for each of the fixed rates and applicable fees must not exceed the measurable index or flat percentage established in your original contract.** The most common measurable index used, the Consumer Price Index―All Urban Consumers (CPI-U), annualized rates for December are as follows:

* CPI-U, All 3.4%
* CPI-U, Food Away From Home 5.2%
* CPI-U, Food 2.7%

**The December 2023 CPI numbers were released and the rate for the *“Food away from home is 5.2%*”.** <https://www.bls.gov/news.release/cpi.t01.htm> You must include the following contract certification forms with all renewal agreements based on the estimated cost of your contract.

* If your contract is **$25,000 or more**, include the *Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions* form.
* If your contract is **over $100,000**, you must include the form above, as well as the *Certification Regarding Lobbying―Contracts, Grants, Loans, and Cooperative Agreements* form and, if applicable, the *Disclosure of Lobbying Activities* form.

These forms are located at <https://www.isbe.net/Pages/SFSP-CACFP-Vended-Meals-Contracts.aspx>. The forms are also attached to this correspondence as well. Upon renewal of the contract, the contractor signs the form(s) and copies of the signed form(s) must be submitted to the Illinois State Board of Education (ISBE) along with all other required renewal documents. The certification forms must be signed annually by your contractor.

**Please remember, all contracts which contain renewal options must be renewed prior to their expiration, unless circumstances require conducting a new procurement. You must submit a copy of the following to our office prior to the approval of your Sponsor Application:**

* **Executed Contract Renewal Agreement Form, signed by both parties**
* **Contract Amendment, signed by both parties; *if applicable***
* **All applicable contract certification forms signed by the contractor**

**Therefore, you are encouraged to begin the contract renewal negotiation process if you have not already done so and submit all signed documents to our office as soon as possible so there will not be a delay in approving your application.**

You may fax copies of all forms to 217/524-6124 (Attention: Jessie Crum), send the forms via electronic mail to [CACFP\_SFSPcontracts@isbe.net](mailto:CACFP_SFSPcontracts@isbe.net) or attach them to your WINS sponsor application. Originals are not required.

If you have any questions concerning the renewal of your contract, please contact [CACFP\_SFSPcontracts@isbe.net](mailto:CACFP_SFSPcontracts@isbe.net) or call at 800/545-7892.

Sincerely,

 Mark Haller

Division Administrator

Nutrition Department