

## **Dr. Tony Sanders,** State Superintendent of Education **Dr. Steven Isoye,** Chair of the Board

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isbe.net

August 11, 2025

## **Sent Via Electronic Mail**

Dr. Michael Lubelfeld, District Superintendent North Shore School District 112 445 Sheridan Road Highwood, IL 60040 mlubelfeld@nssd112.org

RE: FSMC Bid Protest for North Shore School District 112

Dear Dr. Lubelfeld:

The Illinois State Board of Education, as the State agency administering the National School Lunch Program, hereby rescinds its prior approval of North Shore School District 112's proposed Food Service Management Company (FSMC) contract with Quest, effective immediately.<sup>1</sup>

This action is taken based on several previously undisclosed irregularities in the district's procurement process, including substantial ex parte communications with Quest, offers of gratuities or benefits from a prohibited source during the time that the procurement was ongoing, and material departures from the stated RFP terms, amongst several other questionable actions taken by Assistant Superintendent for Business Services Jeremy Davis and the district. These irregularities in their totality significantly undermine the appearance of impartiality and fairness, indicating that the procurement and/or resulting contract is not compliant with federal procurement requirements, and is contrary to open and free competition. Accordingly, ISBE's prior approval for the use of federal funds is withdrawn pending corrective action.<sup>2</sup>

To reinstate approval of federal funding, the district must: (1) refrain from executing the proposed FSMC contract (or, if executed, immediately initiate termination); (2) preserve all procurement and contract records related to this issue; and (3) within 5 business days of the date of this correspondence, submit to ISBE a corrective action plan in which the district agrees to enter into a one-year emergency contract with the district's prior year's FSMC, OrganicLife,<sup>3</sup> that complies with all applicable federal and state regulations and ensures no disruption to food services for students.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> See 7 CFR § 210.21(b) ("The State agency or school food authority is the responsible authority, without recourse to FNS, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in connection with the Program," including bid protests.). ISBE views this as a shared authority, with the ultimate responsibility for ensuring bid protests are settled in accordance with federal regulation residing with the State agency.

<sup>&</sup>lt;sup>2</sup> See 7 CFR § 210.24 ("Program payments shall be withheld until the school food authority takes corrective action satisfactory to the State agency, or gives evidence that such corrective action will be taken . . . .").

<sup>&</sup>lt;sup>3</sup> In addition to being the district's previous year's FSMC, OrganicLife was also the second highest scoring bidder.

<sup>&</sup>lt;sup>4</sup> See <u>7 CFR § 210(c)(1)</u> ("School food authorities shall comply with State agency requests for changes to procurement procedures and solicitation and contract documents to ensure that, to the <u>State agency's satisfaction</u>, such procedures and documents reflect applicable procurement and contract requirements and the requirements of this part.") (emphasis added).

Furthermore, ISBE reserves its right to take additional action against Quest and/or the district and intends to forward this matter to all appropriate authorities, including but not limited to the Lake County State's Attorney Office and the USDA Office of Inspector General, for their review.<sup>5</sup>

Please note that any costs incurred under an unapproved or noncompliant contract are subject to disallowance and may not be reimbursed with program funds. Contractual matters between the district and any FSMC remain the district's responsibility.

Thank you for your attention. If you have any questions or concerns, please contact me at (217) 782-0866.

Sincerely,

Mark Haller

Director of Nutrition

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Cc: Art Kessler, Board President, North Shore School District 112, <a href="mailto:akessler@nssd112.org">akessler@nssd112.org</a>
Kerry Pipal, Partner, Hodges, Loizzi, Eisenhammer, Rodick & Kohn, <a href="mailto:kpipal@hlerk.com">kpipal@hlerk.com</a>

<sup>&</sup>lt;sup>5</sup> See <u>7 CFR § 210.21(b)</u> ("Matters concerning violation of law are to be referred to the local, State, or Federal authority that has proper jurisdiction.").