

**REELFOOT AREA CONSORTIUM
SCHOOL NUTRITION PROGRAMS**

MILK AND DAIRY BID

GENERAL

Attached are instructions and conditions for submitting a Milk and Dairy Product Bid for the Child Nutrition Programs of the Reelfoot Area Consortium. The consortium is a consolidated bidding arrangement between the Boards of Education of the Dyer County, Dyersburg City, Lake County, Obion County, and Union City Schools Systems. The districts' enrollments total approximately 12,000 students from 25 schools: i.e., Dyer County - 8, Dyersburg City - 4, Lake County - 3, Obion County -7, and Union City - 3.

The objectives of this consolidated bidding effort are 1) to reduce logistic and distribution costs through consolidation and 2) to select suppliers in such a manner as to provide for open and free competition and comparability.

All food must be processed and packaged in accordance with local, State of Tennessee, and FDA regulations contained in the Sanitary Food Transportation Act of 1990.

BID PERIOD

The bid period begins July 1, 2014 and ends June 30, 2015.

Sealed written bids will be received at the time and place specified on the Invitation to Bid. Postmark on the Bid by this date will not suffice. Bid must be received on/or before the date and time stated. Faxed bid documents will not be accepted.

Upon award of this bid, this document serves as a contract for service. All conditions stipulated here are considered binding upon the winning bidder. A bidder's signature on the bid sheet is considered binding.

VENDOR QUALIFICATION

Potential bidders must meet the following criteria:

- Be able to provide a quality product as specified
- Offer reasonable pricing
- Provide dependable delivery of items ordered
- Meet specifications and bid conditions
- Demonstrate successful past performance

A potential bidder may be rejected for one or more of the following reasons:

- Inadequate or unacceptable product lines
- Inadequate facilities with respect to excess capacities, capable of accommodating surges in volume
- Inadequate truck fleets to handle predicted volume of goods
- Inadequate sanitation
- Documented unacceptable product

BID AWARD

Bids are to be opened on Thursday, June 12, 2014 @ 10:30 AM at the Union City Municipal Building, conference room, at 408 South Depot Street, Union City, TN 38261. Only the bottom line total figure will be read at the bid opening. Bids will also be examined for compliance with specification and conditions outlined in the bid document.

Consideration will be given to all bids properly submitted. Bids will receive appropriate confidentiality before awarding. Upon award, bid documents and tabulations will be available for review. Errors discovered after public opening cannot be corrected, and the bidder will be bound to honor bid as submitted.

The contract will be awarded in writing to the responsive and responsible Bidder whose bid is the lowest cost for the area of distribution by total bottom line. It is the intent of Reelfoot Area Consortium to involve and utilize the best product/services at the best prices and provide small and minority firms, women's business enterprises and labor surplus area firms with increased opportunity to do business with the School Nutrition Program. Regardless of the procurement method used, price is the final determining factor for awarding the contract.

Reelfoot Area Consortium reserves the right to accept or reject any or all bids. The Local Education Agency in each system will be responsible for the contract awarded. The bid will be awarded after approval by the School Nutrition Supervisors of said systems. All bidders will be notified in writing of the bid award within ten days of bid opening.

If a prospective vendor does not agree with the bid award, they have the right to protest. Disputes arising from the award of this bid must be submitted in writing to the Marsha Neal, Business Office Manager, Dyer County Board of Education, 159 Everett Avenue, Dyersburg, TN 38024, no later than ten days after the published award. The hearing official will disclose the dispute to the Tennessee State Department of Education, School Nutrition office. The steps for dispute resolution are as follows:

1. A meeting with the School Nutrition Directors participating in the bid, the hearing official and representatives from the disputing party to discuss and resolve the complaint.
2. A written decision letter stating the reasons for the decision will be prepared by the hearing official and submitted in writing to the protestor and all parties involved. This decision letter will be mailed to the protestor and will advise the protestor that he has a right to an additional review.
3. All employees will be notified that they cannot purchase under this procurement until a final decision is rendered.
4. In the event that purchases must be made for school meals before a final decision is rendered, the emergency purchase procedures established by the school system will be used.

BID RENEWAL

The Reelfoot Area Consortium reserves the right to renew all aspects of the bid one year at a time for an additional four (4) years based on a firm fixed price for items not subject to escalation/de-escalation. If bid is awarded based on escalation/de-escalation clause, fluid milk products will continue to follow procedure outlined for calculating monthly price changes. The Reelfoot Area Consortium will notify the contractor of the intention to renew this contract no later than April 1, 2015. A written response will be due from the contractor no later than April 25, 2015.

The School Nutrition Programs will consider renewals of this contract with price re-determination no less than 60 days before expiration of the contract. A request for renewal will be sent to contracted vendor. Any items on the bid that were not subject to automatic escalation/de-escalation can be re-determined. If the vendor desires to renew the contract AND wishes to re-determine bid prices they must notify the Reelfoot Area Consortium in writing by April 25, 2015. The vendor should return the signed request for renewal accompanied by a petition for price increases and/or decreases. The total projected cost of price increases and decreases multiplied by the projected usage for each item cannot exceed the percent change in the Consumer Price Index – All Urban consumers, U.S. Food and Beverages, South--Size Class D, from March, 2014 to March, 2015. A

calculation will determine the percent change at time of price increase request and no price increases above this percent will be allowed.

BID PREPARATION

Bids are to be completed in two formats: bottom-line firm price for the 2014-2015 school year, and with an escalation/de-escalation clause. Forms are enclosed for completion of each type of bid.

FIRM PRICE BID:

All bidders must hold pricing for fluid milk products and all additional products for the length of the bid period. Price Increases and or price decreases will only be considered at bid renewal intervals.

PRICE ESCALATION/DE-ESCALATION for fluid milk:

All bidders must hold pricing for fluid milk products for a minimum of 30 days from bid date. Pricing for fluid milk products must be based on April 2014. Pricing for fluid milk products can escalate or de-escalate in accord with changes in the Dairy Farmers of America Southeast Council monthly report on Class I Skim Price per cwt. This price must be tied directly to the Federal Milk Order announcement for the applicable geographical zone. Prices for milk delivered can be escalated or de-escalated at the rate of \$.001 per half pint for each \$.15 increase in the index. Any changes (up or down) in prices must be announced to all supervisors of Reelfoot Area Consortium as soon as they are available. Suppliers are requested to submit the following: 1) WITH BID: A copy of the DFA monthly report for the month specified above. All pricing must be based on this report. 2) EACH MONTH: A copy of calculations used to arrive at the monthly price accompanied by the DFA monthly report.

Bidders must submit one price for each item on the bid. Each bidder should bid on all items listed in the bid document. The total bottom line cost will be determined by multiplying each item bid price times the estimated usage figure and adding the extended dollar figures. In the event a vendor fails to quote a price on an item, the highest price for that item from all bids received will be inserted to calculate the bottom line price. Reelfoot Area Consortium will recalculate usage and line extensions to make necessary conversions for differences in pack size. The bottom line total will be adjusted if mathematical conversions and extensions indicate the need for correction.

All bids shall be in accordance with the instructions to bidders and specifications as attached. Specifications are intended to be open and non-restrictive. A copy of the Nutrition Facts label and ingredient statement must be included with the bid.

Estimated usages are given for each item. The estimated usages do not indicate the actual quantity which will be ordered, since such volume will depend upon requirements which develop during the contract period. Estimated usages are based on last year's purchases and are estimated for the bid period. For new/never used item's estimated usage, the amount is a projected amount based on anticipated acceptance by students. Inclusion of items on bid does not guarantee purchase.

All columns of the bid document must be completed in ink or typewritten. The bottom line total (sum of extended prices) must also be printed in ink or typewritten on the proposal form. No erasures shall be permitted. Errors may be crossed out and corrections printed in ink or typewritten and must be initialed in ink by the person signing the bid.

Mathematical calculations involving decimals must be carried to two (2) places.

Should a bidder find discrepancies or omissions from the bidding document or be in doubt as to their meaning, he/she shall at once request clarification from any consortium member.

It shall be the sole responsibility of the bidder to make certain that all bids in proper form are submitted to Union City Board of Education, 408 South Depot, Union City, TN 38261 by 10:30 AM, June 12, 2014. Item cost must include delivery to schools.

The bid document, contract agreement, debarment/suspension certification statement, Lobbying certificate, Certificate of Independent Price Determination, and Buy American waiver form must be filled out and signed. A Certificate of Insurance must also be provided. All originals must be signed in ink by a person with authority to bind the bid. The Bid must be sealed in an envelope that is clearly marked **“Food Service Bid—Milk & Dairy Products”**.

The sealed bid must then be mailed or delivered to the following address:

Union City Board of Education
Attn: Lora Linder
408 South Depot
Union City, TN 38261

ADDING ADDITIONAL ITEMS

The Board of Education reserves the right to add/or delete products during the contract period. Pricing for added products will be based on a comparison of pricing offered by vendor to the pricing of the same item offered on the open market prior to adding an item to the contract listing.

ORDERS

All orders will be placed with a company representative by the School Nutrition Supervisor as often as appropriate for the item(s) involved. An appointment time will be set which is mutually agreeable and convenient for each one.

Pre-numbered purchase orders with firm fixed prices will be used after formal bidding.

DELIVERY

- A list of schools is included with these bid conditions.
- Deliveries shall be available to the schools Monday thru Friday between the hours of **6:30 a.m. and 2:00 p.m.** Deliveries will not be accepted outside of this time frame! Exceptions to this time frame must be approved on a case by case basis by the School Nutrition Program Supervisor of affected system. Each location shall have a constant delivery schedule.
- Dairy products must be delivered inside the cafeteria/food preparation area. The manager or designee will check the items delivered against the requisition/purchase order and invoice at the time of delivery with both the manager or designee and the driver signing the appropriate forms for shortages and errors, and/or obviously damaged goods.
- All foods are to be delivered with no evidence of damage. The successful bidder agrees to be responsible for damaged packaging and to pick up and replace any products that are damaged, or out of date, at no charge.
- If foreign objects are found in foods purchased from vendor and such objects result in injury or sickness to customers, vendor will be responsible for all claims resulting from this injury or sickness and the Boards of Education and their employees will not be held responsible.
- Each School Nutrition Program shall retain the right to reject any or all of a delivery that does not meet product specifications. Rejected items are to be picked up at the supplier’s expense and credit memo issued.

- Delivery schedules will be altered to meet holiday and inclement weather schedules. Holiday shall be defined as any week that has less than five (5) school days. If the holiday falls on a scheduled delivery day, the delivery shall be made on a day to be mutually agreed upon by the school district and the successful contractor.
- Deliveries will be made FOB destination to each school. Milk is to be delivered in refrigerated trucks and placed in refrigerated boxes. The successful bidder shall provide milk boxes for the schools in Lake County, Dyersburg City, and Union City. The 8 schools of Dyer County, and 7 schools of Obion County provide their own milk boxes. **At the time of each delivery, all milk in the box is to be placed on top of the milk delivered that day to assure that the oldest milk will be used first.** No milk shall be left in any milk box beyond the shelf-life date. Unused milk is to be collected by the successful bidder **BEFORE ALL VACATION PERIODS.** Credit for such milk is to be noted on a separate invoice. The school calendar for each district will be provided to the winning bidder.
- In the event of inclement weather, national or local emergencies, each system will notify the vendor as soon as possible about necessary delivery delays.
- Each School Nutrition Program reserves the right to reject the use of any equipment by a carrier if it is not in a clean, sanitary condition, and suitable for hauling of all items.
- The successful bidder shall provide the name and telephone contact number of a company contact person, along with a delivery schedule that includes the delivery person's name and contact number.
- **Delivery personnel shall pick up all empty cases at each school on each delivery day.**

TRANS FATS

The Healthy Hunger-Free Kids act of 2010 requires schools to serve food with zero grams of trans fat per serving. Only naturally occurring trans fat found in products such as beef, lamb, and dairy products made with whole milk is excluded from this ban. **All food products offered on this bid must be documented with a nutrition label or manufacturer specification listing the trans fat contribution.**

VENDOR PERFORMANCE

If the Vendor fails in full or part to perform or comply with any provision of this Contract or the terms or conditions of any documents referenced and made a part hereof, the Reelfoot Area Consortium may terminate this Contract, in whole or in part, and may consider such failure or noncompliance a breach of Contract. Vendors with poor performance will be notified at the time of such performance and be given opportunity to correct the problems. Documentation will be kept on file. Any vendor with continued poor performance will be removed from the potential vendor list for one year.

Failure to deliver within the time specified or within a reasonable amount of time, or failure to make replacements of a rejected item immediately will constitute authority to purchase on the open market so as to replace the item(s) rejected and/or not received. On all such purchases, the Vendor agrees to promptly reimburse schools for excess costs incurred by such a purchase.

Reasons for product rejection may be any one of the following:

- Quality
- Price
- Serviceability of item (damage)
- Product does not meet bid specifications

BREACH

A party shall be deemed to have breached the contract if any of the following occurs:

- Failure to provide products or services that conform to contract requirements or
- Failure to maintain/submit any report required hereunder; or
- Failure to perform in full or in part any of the other conditions of the contract

- Violation of any warranty

School System Actions in the Event of a Breach:

Upon the occurrence of any event of breach, the School System may take any one, or more, or all, of the following actions:

- Give the Vendor a written notice of the breach requiring it to be remedied within thirty (30) days from the date of the notice, unless another time line is specified; and if the event of breach is not remedied within the time limit, terminate this contract with notice provided to the Vendor;
- Give the Vendor a written notice specifying the event of breach and suspending all payments to be made under this contract and ordering that the portion of the contract price, which would otherwise accrue to the Vendor during the period from the date of such notice until such time as the School System determines that the Vendor has cured the breach, shall never be paid to the Vendor;
- Set off against any other obligation the School System may owe to the Vendor any damages the School System suffers by reason of any event of breach;
- Treat the contract as materially breached and pursue any of its remedies at law or in equity, or both.

CONTRACT TERMINATION FOR CAUSE

If the Contractor fails to properly perform its obligations under this contract in a timely or proper manner, or if the Contractor violates any terms of this contract, the School District shall have the right to terminate the contract and withhold payments in excess of fair compensation for completed services.

In the event the contract is terminated for due cause by the System, the System shall have the option of awarding the contract to the next lowest bidder or bidding again.

CONTRACT TERMINATION FOR CONVENIENCE

Reelfoot Area Consortium may, by written notice to the Vendor, terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the consortium. Reelfoot Area Consortium must give notice of termination to the Vendor at least 30 days prior to the effective date of termination. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall Reelfoot Area Consortium be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

INVOICES AND STATEMENTS

All monthly statements are to be issued to include and end with the cut-off date which will be the LAST DAY OF THE MONTH.

Two (2) invoices must be furnished to each school at the time of delivery. Invoices must be signed by the cafeteria manager or designee; show purchase order number, quantity, and price of each item delivered and total amount of the order. **Unsigned invoices will not be paid.** If an item must be returned or is rejected, the invoice must be signed by the manager or designee and the person delivering.

At the end of each month, a separate statement showing invoice numbers and dates of delivery for each school must be mailed to the following address:

Dyer County Schools
Food Service Department
159 Everett Avenue
Dyersburg, TN 38024

Dyersburg City Schools
School Nutrition Program
509 Lake Road
Dyersburg, TN 38024

Lake County Schools
Lake County High School
Cafeteria Fund
300 Cochran Street
Tiptonville, TN 38079

Margaret Newton School
Cafeteria Fund
819 Church Street
Tiptonville, TN 38079

Lara Kendall School
Cafeteria Fund
200 College Street
Ridgely, TN 38080

Obion County Board of Education
Food Service Department
1700 North Fifth St.
Union City, TN 38261

Union City Schools
Food Service Department
Municipal Building, Box 749
Union City, TN 38261-0749

PAYMENTS

Invoices will be balanced with the statement and processed for payment. Statement must include any credits issued during the month.

All schools serviced under this contract are tax exempt.

SCHOOLS TO BE SERVED

DYER COUNTY

1. Dyer County High, 1000 West Main St., Newbern 38059
2. Fifth Consolidated, 2377 Millsfield Hwy, Dyersburg 38024
3. Finley Elementary, Poplar Street, Finley 38030
4. Holice Powell, 258 W. Main, Dyersburg, TN 38024
5. Newbern Elementary, 320 Washington St., Newbern 38059
6. Three Oaks Middle, 3200 Upper Finley Rd., Dyersburg 38024
7. Trimble Elementary, 256 College St., Trimble 38259
8. Northview Middle School, 820 Williams St., Newbern 38059

DYERSBURG CITY SCHOOLS

1. Dyersburg Primary, 1425 Frank Maynard Blvd., Dyersburg 38024
2. Dyersburg Intermediate, 800 Phillips St., Dyersburg 38024
3. Dyersburg Middle, 400 Frank Maynard Blvd., Dyersburg 38024
4. Dyersburg High, 125 Hwy 51 Bypass, Dyersburg 38024

LAKE COUNTY

1. Lake County High, 300 Cochran, Tiptonville 38079
2. Lara Kendall School, 200 College, Ridgely 38080
3. Margaret Newton, 819 Church, Tiptonville 38079

OBION COUNTY

1. Black Oak Elementary, 365 N. Shawtown Rd., Hornbeak, TN 38232
2. Hillcrest Elementary, 605 South Main St., Troy, TN 38260
3. Lake Road Elementary, 1130 E. Hwy. 22, Union City, TN 38261
4. Obion County Central High, 528 N. Hwy 51, Troy, TN 38260
5. Ridgemont Elementary, 1285 N. Hwy 45 W, Union City, TN 38261
6. South Fulton Elementary, 209 John C. Jones Pkwy., South Fulton, TN 38257
7. South Fulton High, 1302 John C. Jones Pkwy., South Fulton, TN 38257

UNION CITY

1. Union City High School, High School Dr., Union City 38261
2. Union City Middle School, High School Dr., Union City 38261
3. Union City Elementary, Miles Ave., Union City 38261

BUY AMERICAN REQUIREMENT

The “Buy American Requirement” requires that schools and institutions participating in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) in the contiguous United States purchase, to the maximum extent practicable, domestically grown and processed foods. Please note this rule applies to “Private Labels” as well as other labels. The legislation defines “domestic commodity or product” as one that is produced and processed in the United States substantially using agricultural commodities that are produced in the United States. The report accompanying the legislation stipulated that “substantially” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically. Reelfoot Area Consortium requests that vendors denote on their bid document products that do not meet this requirement by putting an asterisk to the left of the item number on the bid document and listing the item, country of origin and reason why Buy American is not possible on the Buy American Waiver. **If the reason for the waiver request is “Availability”, nothing else is necessary. If the reason is “Cost”, please provide both the U.S. price and the foreign price. It will then be the decision of the School Nutrition Program Supervisor which product to purchase.**

REGULATION COMPLIANCE

- All contracts awarded in excess of \$10,000.00 by grantees and their contractors or sub-grantees shall comply with Executive Order 11246, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375, and supplemented by the Department of Labor regulations (41CFR, Part 60).
- All contracts over \$100,000.00 will require compliance with the Clean Air Act issued under Section 306, Section 508 of the Clean Water Act, Executive Order 11738 and Environmental Protection Agency regulations.
- Bidders must comply with mandatory standards and policies related to energy efficiency which are contained in the State Energy Plan issued in compliance with the Energy Policy and Conservation Act (PL 94-163, 89 Stat. 871).

- A Certificate of Lobbying must be signed for all contracts over \$100,000.
- A Certificate of Debarment/Suspension must be signed for all contracts over \$25,000.
- Bidders must comply with the “Buy American” provision as outlined in Policy Memorandum 210. 21-14.
- All property or services furnished must comply with all applicable Federal, State, and Local laws, codes and regulations.

RECORDS

All contractors are required to retain all books, records and other documents relative to this agreement for three (3) years after final payment and all other pending matters are closed. Contractors must agree that the School Food Authority, the State Agency, the United States Department of Agriculture, or Comptroller General may have full access to any books, documents, papers, and records of the Contractor which are directly pertinent to all negotiated contracts. If an investigation or audit is in progress, records shall be maintained until stated matter is closed.

REPORTS

Contractors shall be required to submit product usage reports as requested by the School Nutrition Program Supervisor.

Based on the request from a School Nutrition Program Supervisor, these reports shall be submitted for total quantity delivered either by school site, combined district total, or a total report for Reelfoot Area Consortium.

CODE OF CONDUCT

The following conduct will be expected of all persons who are engaged in the awarding and administration of contracts supported by School Food and Nutrition Program Funds.

- 1) No employee, officer or agent of named School Food Authorities shall participate in the selection or in the award or administration of a contract supported by program funds if a conflict of interest, real or apparent, would be involved.

Conflicts of interest arise when one of the following has a financial or other interest in the firm selected for the award:

- a. The employee, officer or agent
 - b. Any member of the immediate family
 - c. His or her partner
 - d. An organization which employs or is about to employ one of the above.
- 2) The School Nutrition Program employees, officers, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.
 - 3) Penalties for violation of the code of conduct of named School Nutrition Program should be:
 - a. Reprimand by Board of Education;
 - b. Dismissal by Board of Education;
 - c. Any legal action necessary.

BIDDERS MUST COMPLY WITH, SIGN, AND SUBMIT WITH THE BID:

- U.S. Department of Agriculture Certification Regarding Debarment (enclosed)
- Certification Regarding “Buy American” (enclosed)
- Certification Regarding Lobbying (enclosed)
- Certificate of Independent Price Determination (enclosed)
- Certificate of Insurance must be supplied by contractor
- Nutrition facts labels and ingredient statements for each item bid

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