

INVITATION FOR BIDS

TO: Bid Dept.

ITEMS: Milk Products as indicated in Section II

TYPE CONTRACT: Firm Pricing Only

PERIOD: Effective August 1, 2011 through July 31, 2012

BID OPENING: June 13, 2011, 10:00 a.m., Public Opening, U.S.D. 500-Board of Education Building, Attn: Purchasing Dept., Bids will be opened on 3rd Floor, Room 355
2010 North 59th Street,
Kansas City, KS. 66104

ENVELOPE SHOULD BE PLAINLY MARKED "Milk Bid" with date and time of opening.

MAIL BIDS: Hand deliver or mail Milk Bid - Section I and Milk Bid - Section II to the above address.

CONDITIONS: In strict accord with Sections I through IV

CONTACTS: If you have any questions concerning this invitation for bid, please phone Karla Floyd, Director of Nutritional Services at (913) 627-3914.

Milk Bid - Section I Sheet 1

INVITATION FOR BIDS

(This page to be completed by bidder.)

Date Bid Issued: _____

BIDDING FIRM SUBMITS THE FOLLOWING: DATE SUBMITTED: _____

Name of Bidding Firm: _____

Name & Title of Signing Officer: _____

Our Bottom Line Bid for Product is as Follows:

Milk Products in Section II Amount \$ _____

Signature of Signing Officer

Date

Title

Telephone

Note: Complete this page in INK. If corrections are needed, cross out and initial **DO NOT ERASE**.

PRODUCT REQUIREMENTS

MILK PRODUCTS

CONTRACT TYPE – Firm Pricing Only

No	Identification	Unit	Unit Cost*	Estimated Units Required	Total Item Cost*
1.	1% Milk	1/2 pint		394,999	
2.	Skim or Lowfat (Chocolate &/or strawberry or other flavors)	1/2 pint		2,619,747	
3.	Skim Milk	1/2 pint		4,405	
4.	Flavored Milk Suggested flavors, chocolate, strawberry, orange & or other flavors	16 oz			Items 1 - 4 Total **
1.	Cottage Cheese, Lowfat.	5 lb.		227	
2.	Sour Cream, Imitation or Light (indicate which kind and also the weight if different)	5 lb.		14	

* To be completed by bidder

** Bidder will transfer total to Section I, Sheet 2.
Bidder should return this page with submitted bid.

GENERAL BID AND CONTRACT REQUIREMENTS.

A. INSTRUCTIONS

1. DELIVERY OF BIDS

Sealed bids will be accepted at the Board of Education Building on the, date and hour shown on Sheet 1, Invitation For Bids, at which time the bids will be publicly opened.

The lowest bidder(s) will be designated for contract purposes provided the firm meets all bidder qualifications (see Milk Bid - Section III, page 6) and subject to a final review and agreement between the two parties (the district and the designated distributor). The bid of any low bidder that does not meet all bidder qualifications will be subject to approval.

2. CORRECTION OF MISTAKES ON THE BID FORM

Erasures or the use of typewriter correction fluid on bid forms are not acceptable and may result in the rejection of the bid. Prior to submission or openings, errors may be crossed out, corrections entered, and initialed by the person signing the bid. No bids shall be altered or amended after the specified time for opening.

3. QUANTITIES

See Section II - Product Requirements. It shall be understood by all parties concerned that any contact established as a result of this invitation will not obligate the school district to receive any quantity in excess of actual requirements. While the quantities shown are classified as estimates for bidding purposes, they do result from actual historic tabulation. School district authorities will make reasonable effort to fully utilize projected supplies of formula items, which may not have a market elsewhere.

Quantity requirements for items with volatile prices shall be projected as far in advance as practical, usually with a lead-time of two to four weeks in advance of usage.

Distributors are required to bid and deliver all items listed, as well as items, which may be added later. Any questions concerning a distributor's capability to bid or deliver an item must be reviewed with school district authorities at least two weeks prior to bid opening.

4. REVIEW AND AWARD OF BIDS

After the public opening of bids, the school district Board of Education may require at least 10 days for review of low bids prior to awards. It is important for bidders to understand that the reason for the review of bids, line by line, is to assess the fairness of the bid to suppliers and the school district alike. Any supplier must show suitable evidence for acceptance of any item challenged upon review and assessment. Acceptance shall be at the discretion of removing items from all bids, if the bid instructions are unclear. Any proposal, which in the opinion of the School Board violates the integrity of fairness of a bid, may be rejected in total.

A single award will be made from acceptable low bids to cover the entire requirements of each or all groups during the contract period. The School Board reserves the right to reject any or all bids, in whole or in part, and to waive technicalities whenever it is deemed to be in the best interest of the school district.

5. LINES OF COMMUNICATION

As far as practical, all communications between school district and supplier shall be in writing. Each shall designate a representative to deal with day-to-day logistical matters of the program. Matters of policy are to be dealt with by Karla Strickland and a high-level company official.

6. DELIVERY TIMES AND PLACES

The prices quoted shall be for deliveries to all schools in the district as shown in Section IV. All drop sites require deliveries nine months per year. Some drop sites, however, may require deliveries for summer feeding programs in which case this contract shall include such deliveries.

Delivery schedules shall be submitted to school district officials for prior approval and shall remain constant from week to week. Deliveries shall be ordered in full-case quantities whenever possible. Deliveries shall be made in accord with the frequency and hours designated in Section IV - Special Requirements. Deliveries shall be made Mondays through Fridays except on school holidays or closed days (due to inclement weather). When holidays or closed days fall on a scheduled delivery day; deliveries shall be made on the next school day.

Drivers and helpers shall deliver merchandise into designated storage areas at each school. Although drivers or helpers may be required to stack merchandise in coolers or freezers, they shall not be required to stow merchandise on shelves in walk-in holding rooms. See Section IV - Special Requirements. Drivers and helpers shall require the authorized school receiver, or the designated representative, to verify the accuracy of items, quantities of each item, total quantities, and condition of merchandise. Each delivery ticket shall be receipted (signed) by a designate school receiver. Variations from the norm, i.e., shortages, damages, etc., shall be noted on each ticket by the designated school receiver and initialed by both the truck driver and school receiver.

Special or intermediate deliveries will be required only if a contractor fails to deliver a product on a regularly scheduled delivery, in which case the contractor shall make delivery before start of next school day or as otherwise requested by the Director of Nutritional Services. Note: USDA regulations require milk products are available, per site, at or before time of meal service. A penalty, not to exceed federal reimbursement of the Free meal rate, will be assessed for failure of delivery.

7. PAYMENTS

Contractors shall submit statements for individual schools monthly on mutually agree upon dates to the district authority. Each statement shall include a summary of delivery tickets (invoices) for the period. Each ticket shall be listed in numerical sequence and show the total charges. Statements may be submitted more often than monthly but only upon the mutual agreement of both parties.

8. TERMINATION

Contracts may be terminated at any time, on 30 day's notice, upon the mutual agreement of both parties or upon the discretion of the school district, in a shorter period of time, if the terms of the contract are violated in any way.

B. BIDDER QUALIFICATIONS

Before any bid can be accepted, a bidder must be deemed qualified, in the judgment of school district officials, to perform as required herein. A bid may be rejected if a bidder fails to meet any one of the following qualifications:

1. PRODUCT LINE

It must be clearly evident to school district officials that a bidder is capable of delivering promptly all items on the bid list and acquiring, on short notice, any peripheral item, which might be required.

2. CAPACITY

A bidder must clearly demonstrate to school district officials that he has the capacity, physically and financially, to supply items to the school district in economical quantities as required.

3. RELIABILITY

A successful bidder must have a proven (or believable) record of service, particularly with respect to delivering all items on a regularly scheduled basis, at favorable prices. A distributor may be designated as unacceptable if the requirements listed herein have been previously violated and/or poor communications exist between the seller and the school district.

4. ACCOUNTING PRACTICES

A successful bidder must clearly demonstrate to school district officials his capability to provide accurate, reliable and timely report, in terms of invoices, statements, credits and utilization reports. Moreover, he must demonstrate his capability to spontaneously provide data for periodic review of prices by school district officials.

5. FACILITIES AND EQUIPMENT

Contractors must have adequate warehouses for supplying contract products. Conditions for storing chilled and frozen products must be as recommended by the Refrigeration Research Foundation. Delivery temperatures of frozen and chilled food shall be in accord with the AFDOS Code as recommended by the Food and Drug Administration (Federal).

6. SANITATION REQUIREMENTS

District officials may routinely inspect facilities of the contractor. Facilities and operating practices must be continuously in compliance with the United State Food, Drug, and Cosmetic Act and State and local laws and regulations.

C. STANDARD CONTRACT CONDITIONS

1. This contract shall be governed in all respects -- as to validity, construction, capacity, performance, or otherwise -- by the laws of the State.
2. Contractors providing services under this Invitation to Bid herewith assure the school district that they are conforming to the provisions of the Civil Rights Act of 1964, as amended, and with applicable Federal, State and local laws and regulations pertaining to wages, hours, and conditions of employment. In connection with contractor=s performance of work under this Agreement, contractor agrees not to discriminate against any employee(s) for employment because of age, race, religious creed, sex, national origin, or disability.
3. Modifications, additions, or changes to the terms and conditions of this Invitation to Bid may be a cause for rejection of a bid. Bidders are requested to submit all bids on the school district's official forms. Bids submitted on company forms may be rejected.
4. The contractor agrees to retain all books, records and other documents relative to this agreement for three (3) years after final payment or until audited by the district, whichever is sooner. The district, it's authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
5. By his signature on the face of this document, a bidder certifies that his bid is made without prior understanding, agreement or connection with any corporation, firm, or person submitted a bid for the same materials, supplies or equipment and is in all respects fair and without collusion or fraud. The bidder certifies that he understands collusive bidding is a violation of Federal law and can result in fines, prison sentences, and civil damage awards. He further agrees to abide by all conditions of this bid and certifies that he is authorized to sign this bid for the bidder.
6. Any employee or any official of the school district, elective or appointive, who shall take, receive or offer to take or receive, either directly or indirectly, any rebate, percentage of contract, money or other things of value, as an inducement or intended inducement, in the procurement of business, or the giving of business, for, or to, or from, any person, partnership, firm or corporation, offering bidding for, or in open market seeking to make sales to the school district shall be deemed guilty of a felony and upon conviction such person or persons shall be subject to punishment or a fine in accord with State and/or Federal laws.

D. STANDARD PRODUCT CONDITIONS

1. All products shall conform to the minimum requirements of Federal and State regulations. These requirements shall include, but not are limited to, weights, measures, and fill of containers drained weights and contamination.
2. All products shall conform to standard guarantee requirements with respect to safety, and the supplier by his signature on Section I, Sheet 2, agrees to hold the buyer harmless in the event of product failure.

SPECIAL BID AND CONTRACT REQUIREMENTS

A. TYPE OF CONTRACT

MILK PRODUCTS – Firm Pricing Only

B. PRICES

Bidders enter in the designated column, Section II, Product Requirements, a price per unit for each item shown. Multiple the prices per unit times the total units required on each line and enter the extension in the designated column. all extensions to obtain a total bottom line price. Enter this number of the appropriate line in Section I, Sheet 2.

C. FIRM PRICING

All prices shall be firm for the entire 2011/2012 school year, August 1, 2011-July 31, 2012

D. BID DISCLOSURE

Only bottom line bids, as pertains to the award of bids, will be read at the bid opening, however, all bids and prices shall be subject to review at the time of bid opening. Bids and invoices are subject to review after the bid opening only upon written formal petition to school district officials. Subsequent disclosure will be made only if in compliance with State laws of the Federal Freedom of Information Act.

E. TRANSMITTAL OF ORDERS

Delivery personnel are to work with unit manager to establish acceptable base quantity levels.

F. PRODUCT SPECIFICATION

Fluid milk and milk products shall be manufactured and packaged as defined in the State Regulations Governing the Production and Sale of Milk and Milk Products, as published by the State Department of Agriculture. Milk and milk products shall be pasteurized, homogenized, and vitamin fortified.

Fluid milk shall be delivered at a temperature of 40 degrees F or less. Any milk delivered above 40 degrees F may be rejected.

G. DELIVERY SCHEDULE (to be completed by district)

1. Deliveries shall be made on school days, Monday through Friday, on a regular schedule based upon milk cooler capacity.

2. Deliveries shall be made at a time agree upon by both parties.

3. Drivers shall stock milk coolers and rotate stock.

Yes 9

No 9

4. Drivers shall leave milk cartons in case when placing in cooler.

Yes 9

No 9

5. Milk companies shall be required to furnish milk coolers.

Yes 9

No 9

6. Contract supplier shall pick up and credit milk on hand prior to school holidays or closing of longer than 5 days duration. See calendar for school year marked as Attachment A.

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INFORMATION FOR THE BUYER

MILK PRODUCTS

An annual formula pricing type contract is recommended for purchasing milk products. This contract is written for a school year and based on bottom line, with prices firm for at least 30 days. However, suppliers can petition for price escalations based on a specific formula, as indicated herein. Price escalation contracts have the advantage of minimizing risk to processors in that they are protected against increases in prices of raw material. On long range firm pre bids, without escalation, processors often have to submit higher bids to protect against increases in raw material prices. Studies have shown that bid prices to school districts are higher when risk is present.

Formula pricing contracts are based on processors initiating petitions for price increases or decreased. Processors must submit justification for increases, as outlined in the contract documents. Annual audits are, therefore, unnecessary. Contract documents require processors to pass along price decreases as well as price increases.

PRICES

Milk prices charged by dealers under escalation contracts vary in accord with the cost of raw milk as regulated by the U.S. Department of Agriculture. Raw milk prices move up or down, nationally, on a periodical basis, in accord with Market Milk Orders. Although raw milk prices may vary nationally at the same rate, price levels differ from one milk order region or zone to another. All areas of the country are not under the milk order program, (which is voluntary), but prices in areas, which are excluded usually, fluctuate in accord with Amilk order prices. Raw milk, which determines the extent of price escalations on school district contacts, accounts for about two-thirds of the cost of products. Cost can be allocated as follows:

Raw Milk	64.5%
Processing & Packaging	14.5
Distribution, including Marketing	15.5
Administration & Overhead	<u>5.5</u>
TOTAL	100.0%

It is not necessary to include this section in Bid Documents.

According to the contract documents recommended for milk purchasing, price escalations are based on raw milk cost only. The formula permits an escalation (or de-escalation) at the rate of \$0.001 per half pint when the price of raw milk changes, up or down, by \$0.15 per hundred weights (cwt.). The minimum amount of a price change is \$0.001 per half-pint, which means that prices of raw milk must go up at least 15 cents per cwt. For they're to be an increase. Price increases can be calculated as follows:

At a price of 154 per /2 pint (ounces) the cost attributable to raw milk is 9.74 (at 64.5%). 100 lbs. (Cwt.) Of milk yields 200 2 - pints at 2 lb. (8 ounces) each. Thus 200 x 9.74 (of raw milk) yields \$19.40 as cost of raw milk per 100 lbs. (Cwt.). If raw milk goes up 154 per cwt., this is an increase of \$0.008 (154/\$19.55 new price of raw milk per 100 lbs.). \$0.008 x 154 per 2 pint of milk delivered to schools is \$0.001 increase per 2 pint.

Food service supervisors can track changes in milk supplies and price changes by subscribing to the monthly Milk Market Summary Report. These reports can be obtained from the USDA Milk Market Order Administrators located in your area. By tracking milk order price changes, food service supervisors can determine if a price decrease is forthcoming as well as the amount of monthly price increases. However, milk dealers can be expected to notify school districts of price changes as soon as the USDA authorizes price changes for raw milk.

BID PRICES

Bid prices may vary in accord with a dealer's processing and distribution costs, as well as the regulated prices paid for raw milk. Processing costs depend largely on volume, processing methods and labor costs - none of which can be influenced by a school district. Distribution cost, however, is another matter. Most of the costs incurred in distribution can be allocated to delivery, which includes the salary, and commissions paid to driver-salesmen. The cost of distribution to schools might vary from 10 to 17 percent, depending on volume, delivery distance, frequency and size of delivery drops and the extent of other services required.

PRODUCT SPECIFICATIONS

Milk Usually it is not necessary to write a specification for milk and ice cream, except to add that purchases are being made in accord with minimum state standards and to identify the product desired and contents properly, as may be applicable.

Cultured Buttermilk cultured buttermilk is produced by adding specific bacteria to skim milk or lowfat milk. Cream, small butter granules and salt may also be added. Most buttermilk contains from 1 to 2 percent milkfat (nominal 1.5 per cent).

Yogurt Yogurt is also a product, which is cultured by the use of specific bacteria. This product is available in liquid or semi-solid form and may be flavored by adding fruit.

Fat Free Milk, Lowfat or Light Milk, and Reduced Fat Milk if fluid milk is labeled Fat free (skim); it contains .5 grams of fat or less per eight fluid ounce serving. A Low fat or light milk (2 % & 1%) contains two and a half grams of fat per eight fluid ounce serving. A Reduced Fat milk (2%) can contain five grams of fat per eight fluid ounce serving. Vitamins A and D should be added to skim lowfat, and reduced fat milk. For Child Nutrition Programs, 2%, 1%, and 2% milk meet the requirements for lowfat milk.

Chocolate Milk or Dairy Drink If chocolate (or other flavor) is added to whole milk, the product is labeled A chocolate (or other flavor) milk. If added to skim milk or lowfat milk, the product is labeled A chocolate (or other flavor) drink or beverage.

Reduced Fat Ice Cream Mix Reduced fat ice cream mixes are added to fluid milk (or water), frozen, and dispensed from a machine. Mixes can be purchased with flavors, or flavors can be added (or increased) at the time of kitchen preparation.

Cottage Cheese Cottage cheese comes in A small curd or A large curd, and has no fat, lowfat, 2%, or 4% butterfat. When a cream dressing and salt are added to the dried curd particles, it is referred to as A creamed cottage cheese. Cottage cheese for food service is packed in rigid containers holding up to 30 pounds.