

**Montana Schools Commodity
Processing Cooperative**

**Invitation for Bid for
USDA Foods (Commodity)
Processed End Product Distribution**

April 2023

**Invitation for Bid (IFB)
 Bid Acknowledgement Form
 Commodity Processing Distribution Services**

Direct all inquiries in writing to: Montana Schools Commodity Processing Cooperative
 Jessa Youngers, RD
 Email: jessa_youngers@gfps.k12.mt.us

Certification

The Respondent hereby certifies by submission and signature of this proposal that the Respondent complies fully with this Invitation for Bid (IFB). In addition, the representative below is duly authorized to sign this proposal on behalf of Respondent, company, or corporation and fully understands that by virtue of executing and returning this Bid Acknowledgement Form represents complete and unconditional acceptance of the requirements, terms and conditions of this IFB and all appendices and any addendums released hereto.

Respondent hereby agrees to provide the services and/or items specified in the IFB at the prices quoted pursuant to the requirements of this document.

| | |
|----------------------|------------------------|
| Authorized Signature | Name & Title (printed) |
| Respondent Name | Federal I.D. |
| Mailing Address | City |
| State and Zip | Phone Number |
| Fax Number | Email Address |
| Contact Person | Contact's Phone Number |

The form must be completed and returned with your proposal. All proposals must be signed by an officer or employee having authority to legally bind Respondent(s).

Thank you for your interest in doing business with Montana Schools Commodity Processing Cooperative.

Section 1

Purpose

The Montana Schools Commodity Processing Cooperative, hereafter referred to as “MSCPC”, is seeking a qualified distributor to deliver donated USDA Foods, hereafter referred to as “commodity,” processed items from awarded processors.

Background

The purpose and intent of this IFB is to secure a food service distributor to deliver commodity processed items from awarded processors to approximately 6 school districts and to secure a firm fixed fee for the specified contract period. Distributors must commit to maintaining and enforcing the highest levels of service, quality and standards for the entire term of this contract and any subsequent renewal periods.

Montana Schools Commodity Processing Cooperative Information

MSCPC consists of school districts that wish to further process commodities. The school districts participating in the cooperative are listed below for school year 2023-2024.

- Billings Central Catholic School District
- Billings Public School District
- Bozeman School District
- Butte School District
- Great Falls School District
- Missoula County Public School District

The total estimated case count for all school districts is 5,500 cases.

Estimated case counts for approved commodity processed categories serve only as added insight as to the types of products and quantities that the MSCPC will utilize. No guarantee is given or implied as to the amount that will be purchased. Quantities may increase or decrease as needs change, such as participation changes, menu changes, etc. All quantities, whether increased or decreased, shall be furnished at the bid price.

Scope of Work/Services

The awarded respondent will be responsible for purchasing, receiving, storing, distributing, reporting and tracking of the further processed commodities. The pass-through value method MSCPC will be utilizing will be Net-Off Invoicing. The awarded respondent will honor the price negotiated by MSCPC and the awarded processor and add a fixed fee per case for administration, warehousing and distribution of the processed commodities.

A single fixed fee shall be quoted per shipping carton, storage fee, and special handling service fee associated with commodity processed items. The fixed fee shall be bid in dollars and cents and NOT as a percentage (%). The distributor’s fixed fees shall remain firm for the duration of the contract.

The awarded processors are as follows:

| <u>Category</u> | <u>Awarded To</u> |
|---|------------------------------|
| 1 USDA 100154, Beef | JTM |
| 2 USDA 100103, Chicken, Large Bird | Tyson |
| 3 USDA 100113, Chicken Legs | International Food Solutions |
| 4 USDA 100193, Pork Picnic BNLS | JTM |
| 5 USDA 1010700, Peanuts, Raw, Shelled | Smucker’s |
| 6 USDA 110244, Cheese, Mozzarella, LMPS | Schwan’s Company |

| | | |
|---|---------------------------------------|----------|
| 7 | USDA 110242, Cheese, Natural American | JTM |
| 8 | USDA 100332 Tomato, Paste | Red Gold |

Contract Period

The contract will begin July 1, 2023 and go to June 30, 2024.

Fuel Surcharges

MSCPC will not entertain proposals with clauses that allow vendors to add a fuel surcharge during periods of volatility in the petroleum market. Such proposals will be rejected.

Buy American Provision

“Buy American” Compliance

As a sponsor of the National School Lunch and School Breakfast Programs, MSCPC will consider only applicable products which comply with the requirements of the “Buy American” Act.

Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 requires schools and institutions participating in the NSLP and SBP in the contiguous United States to purchase, to the maximum extent practicable. Domestic commodities or products for use in meals served under the programs.

The legislation defines “domestic commodity or product” as one that is produced in the United States and is 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 over 51 percent of the final processed product consists of agricultural commodities that were grown domestically.

It is the MSCPC intent to strictly adhere to this policy. Decisions to the contrary shall be MSCPC responsibility. The respondent shall give the MSCPC advance notice of any conflict with this policy.

Delivery of Approved Products

The distributor may not change from one approved product to an unapproved product without written approval from the MSCPC during the course of the contract period. If a product is discontinued, a written explanation from the manufacturer stating that the product is no longer being manufactured must be sent to MSCPC. Letters from brokers or distributors are not acceptable in lieu of a manufacturer’s letter.

The distributor is responsible for maintaining the quality of the food products stored through proper rotation; for the loss of food products by mysterious disappearance, ammonia damage, water damage, vermin infestation, elements of nature or any other losses for which a public warehouse person is normally required to maintain protection for stored food products. Products are to be stored and palletized in a manner to facilitate the removal for delivery on the “first-in, first-out” basis.

The distributor will maintain sanitary conditions and otherwise meet Montana Department of Public Health and Human Services Standards.

Required storage temperatures are as follows: Frozen is 0° to -10°F, Chilled/Refrigerated is 33°-41°F and Canned/Dry is 50°-70°F. No damaged or contaminated product is to be left exposed in rooms where food products are stored.

The distributor’s plant facilities or delivery vehicles shall be subject to inspection and inventory by representatives of the MSCPC, the US Department of Agriculture and the Montana Office of Public Instruction School Nutrition Program, Food Distribution branch at any time during normal working hours without additional cost to the MSCPC.

Deliveries shall be completed between the hours of 6:00 a.m. and 3:00 p.m. or times mutually agreed upon by both the school district and distributor. Drivers must deliver products into dry storage, freezer or cooler rooms as designated by the school's foodservice manager. Drivers are not required to place products on shelves or remove containers from master cases.

Products shall be delivered in a clean condition, free of dirt, sand, grease or other foreign material in clean cases. Leaking, empty or partially empty cases containing sour or contaminated product shall be replaced without charge. The conditions causing the cases to be replaced must not be extensive nor a consistently recurring problem. Delivery equipment for frozen products must be capable of maintaining temperature of 0 degrees F or below so that product is received in a hard-frozen state. Delivery equipment for refrigerated products must be capable of maintaining a temperature of no greater than 40 degrees Fahrenheit.

Net-Off Invoice Commodity Processing Pricing

The distributor shall provide to the MSCPC schools "Net-Off Invoice" for commodity processed products and the awarded distributor must have the ability to meet the reporting and audit requirements involving the tracking of the items. The "Net-Off Invoice Pass Through Value System" is a variation of the "hybrid-system" which allows a distributor to sell end products to the MSCPC at a discount and submit a refund application for the contract value of the donated food contained in each case to the processor. Under the "Net-Off Invoice System," the distributor does not submit a physical refund application, but rather deducts any eligible discount from the invoice received from the processor. For example, under the "Net-Off Invoice System" a processor sells identical USDA Commodity processed products and commercial products to the distributor at a gross commercial price of \$30.00 per case. The value of the USDA Commodity processed food contained in one case of finished end product in this example is \$10.00. The distributor sells the product at a discounted price based on the value of the USDA Commodity processed food contained in the finished case, or in this example \$20.00 plus the distributor's fixed fee per case. The distributor then deducts the value of the USDA Commodity processed food from the gross commercial price shown on the processor's invoice to the distributor and remits the balance due to the processor.

Below are specific requirements for tracking and record keeping:

- **Shortage Settlement Procedures:** The successful respondent shall be responsible for reconciling the month ending inventory with the MSCPC schools within 5 working days of the following month. At the end of each month the successful respondent shall reimburse the MSCPC schools for any shortages noted. The amount shall be the value of the USDA Commodity donated food.

Ordering Process

Orders will come from school districts within MSCPC separately. Orders can be sent on a mutually agreeable schedule with the distributor and by a mutually agreeable method.

Reports

The distributor must work with the awarded processors to ensure timely, monthly reporting is done in the K-12 Foodservice or Processor Link websites. It will ultimately be the processors responsibility to update information in one of these two websites.

Section 2

Bid Instructions

All bids must be received no later than 2:00 p.m. MST, on April xx, 2023. The respondent will be responsible for its timely deliver to the:

Montana Schools Commodity Processing Cooperative
Attention: Jessa Youngers
PO Box 2429
Great Falls, MT 59403

To complete the bid the following items need to be filled out and returned:

- 1) Certification Form
- 2) Fixed price per case on line below

3) Lobbying Certification

It is the respondent's responsibility to assure that its bid is delivered at the proper time and to the proper place of the bid opening. Bids which for any reason are not so delivered will not be considered and will be returned to the respondent.

Provide one (1) original bid with manual signatures and one (1) copy scanned with original signatures on a flash drive in PDF or TIFF format. Bids must be sealed and clearly labeled on the outside of the package. Once accepted, all original bids and any copies of bids become the sole property of the MSCPC and may be retained by the MSCPC or disposed of in any manner the MSCPC deems appropriate.

All bids must be signed by an officer or employee having authority to legally bind Respondent. Any corrections of unit prices must be initialed. This includes corrections made using correction fluid (white out) or any other method of correction. Respondents should become familiar with any local conditions which may, in any manner, affect the services required. The respondent is required to carefully examine the IFB terms and to become thoroughly familiar with any and all conditions and requirements that may in any manner affect the work to be performed under the resulting contract. No additional allowance will be made due to lack of knowledge of these conditions.

Bids not conforming to the instructions provided herein may be subject to disqualification at the sole option of the MSCPC.

Any proposal may be withdrawn prior to the date and time the proposals are due. Any proposal not withdrawn will constitute an irrevocable offer, for a period of 90 days, to provide the MSCPC with the services specified in the proposal.

Time Schedule

The MSCPC will attempt to use the time schedule as indicated below. The below dates and times are subject to change. All changes will be posted to the Great Falls School District website as they become available.

| | |
|-----------------------|---|
| April 25, 2023 | Solicitation Date |
| May 2, 2023 | Request for Information Cut-Off at 2:00 p.m. |
| May 16, 2023 | Bid Due Date at 2:00 p.m. |
| May 19, 2023 | Distributor Award Date |

Request for Information

Any questions concerning the IFB should be directed to Jessa Youngers of the Great Falls Public School District, at jessa_youngers@gfps.k12.mt.us. All questions must be submitted by information cut-off date listed above. Questions received after this date will not be considered. Answers to the questions will be posted on the Great Falls Public Schools website with the bid information for all prospective respondents to view. All such interpretations and supplemental instructions will be in the form of written Addenda to the IFB.

MSCPC members are not to be contacted prior to the award decision regarding this solicitation. By submission of bid, respondent understands that award of the solicitation by the MSCPC and any subsequent purchase orders and

agreements, shall constitute a binding and enforceable contract. Unless otherwise stipulated in the solicitation documents, no other contract documents shall be issued.

Section 3

Evaluation of Bid

The bids will be reviewed and evaluated by the MSCPC evaluation committee. The bids will be opened after the May 16th cutoff. The bids will be evaluated on lowest fixed fee per case for administration, warehousing and distribution of processed commodities.

Section 4

General Terms and Conditions

Agreement

A contract or agreement will be released, after award, for any work to be performed as a result of this IFB. The bid negotiated terms and the contract will constitute the complete agreement between respondent and MSCPC.

Cancellation of Award/Termination

In the event any of the provisions of this solicitation are violated by the respondent, MSCPC will give written notice to the respondent stating the deficiencies and unless the deficiencies are corrected within ten (10) days, recommendation will be made to MSCPC for immediate cancellation. Upon cancellation hereunder, MSCPC may pursue any and all legal remedies as provided herein and by law.

MSCPC reserves the right to terminate any contract resulting from this IFB, at any time, and for any reason, upon giving 30 days prior written notice to the other party. If said contract should be terminated for convenience as provided herein, MSCPC will be relieved of all obligations under said contract. MSCPC will be required to pay to the respondent only that amount of the contract actually performed to the date of termination. Access to any and all work papers will be provided to the MSCPC after the termination of the contract.

The awarded respondent will have the option to terminate the contract upon written notice to the MSCPC. Such notice must be received at least 90 days prior to the effective date of termination.

Cancellation of contract by the awarded respondent may result in removal from respondent list for a period of three (3) years.

Conflict of Interest

All respondents must disclose the name of any officer, director, or agent who is also an employee of one of the MSCPC school districts. All respondents must disclose the name of any district employee who owns, directly or indirectly, any interest in the respondents' business or any of its branches.

Contract Renewal

The MSCPC, at its sole discretion, may exercise options to extend the contract for up to four (4) additional one-year periods based upon funding availability and by mutual written consent of both parties. The respondent understands that any rate increases must be requested in writing with supporting documentation, approved by the MSCPC, and shall not exceed the average CPI for Food Away from Home for all Urban and Rural Consumers for the first five (5) years of the contract.

Insurance Requirements

The respondents shall obtain and maintain in full force and effect throughout the initial term and any renewal term, with a reputable insurance carrier qualified to do business in the State of Montana. Insurance coverage shall consist of the following:

- 1. General Requirements.** The respondent shall maintain for the duration of this contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the respondent, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.
- 2. Primary Insurance.** The respondent's insurance coverage shall be primary insurance with respect to the MSCPC, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the MSCPC, its officers, officials, employees, or volunteers shall be excess of the respondent's insurance and shall not contribute with it.
- 3. Specific Requirements for Commercial General Liability.** The respondent shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the respondent or its officers, agents, representatives, assigns, or subcontractors.

The MSCPC, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor, products, and completed operations, and the premises owned, leased, occupied, or used.

- 4. Specific Requirements for Automobile Liability.** The respondent shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the respondent or its officers, agents, representatives, assigns, or subcontractors.

The MSCPC, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, owned, or borrowed by Contractor.

COMPLIANCE WITH WORKERS' COMPENSATION ACT

The respondent shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the MSCPC in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the respondent nor its employees are MSCPC employees. This insurance/exemption must be valid for the entire contract term and any renewal.

COMPLIANCE WITH LAWS

The respondent shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. The respondent is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subletting or subcontracting by the respondent subjects subcontractors to the same provisions. In accordance with 49-3-207, MCA, the respondent agrees that the hiring of persons to perform this contract will be made on the basis of merit

and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing this contract.

Debarment

All contracts involving Federal funds will contain certain provisions required by applicable sections of Title 34, Section 80.36(l) and Section 85.510 Code of Federal Regulations. The respondent certifies, by submitting this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in Federally-funded transactions.

LOBBYING CERTIFICATION

Submission of this certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned certifies, to the best of his/her knowledge and belief that:

1. No Federal appropriated funds have been paid or will be paid or on behalf of the undersigned, to any person for influencing or attempting to influence and officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "disclosure Form to Report Lobbying", in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding \$100,000 in Federal funds at all appropriate tiers and that all sub-recipients shall certify and disclose accordingly.

COMPANY: _____

COMPANY ADDRESS: _____

COMPANY PHONE NUMBER: _____

COMPANY FAX NUMBER: _____

AUTHORIZED REPRESENTATIVE: _____
(PRINTED NAME AND TITLE) DATE

AUTHORIZED REPRESENTATIVE: _____
(SIGNATURE OF COMPANY) DATE