

STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF PROCUREMENT SERVICES
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

**REQUIREMENTS CONTRACT: BREADSTICKS, CHEESE-FILLED, PROCESSED USING USDA COMMODITY
MOZZARELLA CHEESE**

CONTRACT No.: OT900109

EFFECTIVE DATES: 07/01/08 to 06/30/11

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT900109 that opened on 03/05/08. The evaluation of the bid response(s) has been completed. The bidder(s) listed herein have been determined to be the lowest responsive and responsible bidder(s) and have been awarded a contract for the items(s) listed. The respective bid response, including the [Terms and Conditions for Bidding, Standard Contract Terms and Conditions, and Supplemental Contract Terms and Conditions](#), special contract terms & conditions, any bid addenda, specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Requirements Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to the Department of Education, Office for Safety, Health and Nutrition, 25 South Front Street, Mailstop 303, Columbus, OH 43215, as applicable.

Agencies are eligible to make purchases of the listed supplies and/or services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that agencies will purchase the volume of supplies and/or services as advertised in the Invitation to Bid.

SPECIAL NOTE: State agencies may make purchases under this Requirements Contract up to \$2500.00 using the state of Ohio payment card. Any purchase that exceeds \$2500.00 will be made using the official state of Ohio purchase order (ADM-0523). Any non-state agency, institution of higher education or Cooperative Purchasing member will use forms applicable to their respective agency.

Questions regarding this and/or the Requirements Contract may be directed to:

Elizabeth Lind, CPPB
elizabeth.lind@das.state.oh.us

This Requirements Contract and any Amendments thereto are available from the DAS website at the following address:



<http://www.ohio.gov/procure>

Signed: _____ Date _____
Hugh Quill, Director

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AMENDMENTS TO CONTRACT TERMS AND CONDITIONS: The following Amendments to the Contract Terms and Conditions do hereby become a part hereof. In the event that an amendment conflicts with the Contract Terms and Conditions, the Amendment will prevail.

DELIVERY AND ACCEPTANCE: Purchase orders for any item(s) listed in a contract awarded pursuant to this bid will be placed directly with the successful contractor by the using agency. Product will be processed and delivered within one (1) month (per one [1] truckload of commodity) of receipt of commodity or as mutually agreed by the contractor and the Ohio Department of Education and, in accordance with Article S-2 of the Supplemental Contract Terms and Conditions. Deliveries shall be made to the following Ohio sites. The delivery location will be noted on the purchase order issued by the participating agency. All shipments are to be one stop composite truckloads, with the exception of the final delivery, which may require a partial load to each site at no additional charge to the state. Unloading is by appointment only. The contractor shall contact the cold storage facilities to make an appointment for unloading prior to loading for shipment. The percentage of total product to be delivered to each location is also provided. The state reserves the right to add, delete, or change distribution centers and/or percentage of usage during the course of the contract. Acceptance (transfer of title) will occur upon the inspection and written confirmation by the ordering agency that the supplies delivered conform to the requirements set forth in the Contract. Unless otherwise provided in the Contract, acceptance shall be conclusive except in regards to latent defects, fraud, or such gross mistakes as amount to fraud.

<u>CITY</u>	<u>WAREHOUSE</u>	<u>PERCENTAGE OF PRODUCT</u>
Dayton, Ohio	Terminal Cold Storage	50%
Columbus, Ohio	SYSCO Foodservice	25%
Cleveland, Ohio	SYSCO Foodservice	25%

TRANSPORTATION CHARGES: Any item(s) ordered from a contract awarded pursuant to this bid shall be shipped F.O.B. destination, freight prepaid to the three (3) cold storage facilities in the state of Ohio listed above. Commodity will be delivered to the contractor by the United States Department of Agriculture (USDA), F.O.B. Destination.

PAYMENT: Shall be in accordance with Article III.B. of Contract Terms and Conditions with the following exception: Payments will be due on the 45th calendar day rather than the 30th calendar day.

DOCUMENTATION

1. The bidder should submit a narrative of their processing and fabrication procedures as part of the bid response for product to be produced under this contract. The processing and fabrication procedures are to describe the product and the exact method of processing.
2. SPA Ohio (State Participation Agreement): If the successful contractor has in place a national agreement with the USDA, they shall complete and sign a SPA Ohio (State Participation Agreement) prior to the inception date of any ensuing contract. The agreement will be provided by the Ohio Department of Education (ODE), Office for Safety, Health, and Nutrition (OSHN) and is the authority to process USDA commodity foods and adherence to its contents is mandatory. Failure to complete and return this document prior to inception date of any ensuing contract may result in immediate cancellation from contract. The SPA Ohio (State Participation Agreement) may be reviewed at the ODE web site: at the following url:

<http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=487&Content=21647>

Should the successful contractor not currently have in place a national agreement with the USDA, either a national or state master agreement will be required. As part of this process, the successful contractor shall furnish to the ODE a surety bond obtained only from a surety company listed in the U.S. Department of Treasury Circular 570, "Surety Companies Acceptable on Federal Bonds", an irrevocable letter of credit, or an escrow account. Such bond, letter of credit, or escrow account shall be made payable to the Ohio Department of Education. The bond shall guarantee that the processor shall faithfully account for, return, or pay for all of the commodity food received or carried forward, in accordance with the processing agreement.

Inventory protection is required by the ODE prior to the delivery of commodity food to the processor. The minimum amount of the bond, letter or credit or escrow account, shall be determined by: value of the commodity food plus value of commodity food on order minus anticipated usage rate during the processing Agreement period. The bond shall remain in effect until all commodity food is properly accounted for, paid for or returned in accordance with the processing agreement. Liability for loss is provided in Article 18 of the processing agreement.

3. **Nutritional Analysis:** As part of the bid response, the bidder should submit a nutritional analysis for all finished products proposed to be processed for the ODE, OSHN.

Documentation listed above that is designated to be submitted with the bid response may also be requested during bid evaluation. Documents will be requested during evaluation and a deadline of seven (7) calendar days provided for submission. Failure to provide documents requested by the deadline provided will deem the bid not responsive.

PRODUCT SAMPLES: The bidder shall submit a sample of each product specified in the bid. A sample will consist of one (1) case of each product specified. Product samples shall meet the requirements specified herein and bear specified labeling and markings. Each sample shall be identified as to content, processor, bid number and the bidder's company name. Product samples shall be submitted prior to the close of business on Tuesday, March 4, 2008 to the address shown below.

Office for Safety, Health and Nutrition
c/o SYSCO Foodservice
Attn: Erik Jablanka/J.R. Green
2400 Harrison Road
Columbus, OH 43204
Telephone: (614) 272-0658

One-half (1/2) case of each product shall be used for sample evaluation and the other one-half (1/2) case of each product shall be used to verify actual processed product received during the term of any ensuing contract. Any variations between the samples and the products being delivered that are due to manufacturer changes may be acceptable and shall require prior written approval from DAS. Variations without written approval from DAS will be considered as an event of default. Evaluation of samples may include, but is not limited to, appearance, color, aroma, flavor (taste) and texture. The samples may be analytically tested. Samples will not be returned. Failure to submit samples as specified will deem the bid not responsive.

EVALUATION: Bids will be evaluated in accordance with Article I-5 of the "Instructions to Bidders". In addition, the state will evaluate the bids as follows. It will be assumed for purposes of evaluation, that fifty percent (50%) of the commodity mozzarella will be processed into each end product. As indicated on page 7, paragraph II.B.8., one hundred percent (100%) of the commodity shall be returned to the state as processed product. As indicated in the 'Scope' paragraph on page 5, it is anticipated that 322,560 pounds of USDA commodity mozzarella cheese will be available annually for processing into the two (2) specified end products (161,280 pounds [4 truckloads] of USDA commodity mozzarella cheese to be processed into each end product). As specified on the bid pricing page, the bidder is to offer a fee per pound for processing for each year of the three (3) years of the term contract for both items specified. The fee per pound for processing offered by the bidder will be multiplied by 161,280 pounds to obtain an extended line item total for the year. The extended line item totals for all three years for both items will be added to obtain a grand (lot) total.

CONTRACT AWARD: The contract will be awarded to the lowest responsive and responsible bidder by low lot total. Low lot total will be determined as specified in the 'Evaluation' paragraph above. Failure to bid all items may result in the bidder being deemed not responsive.

CONTRACT RENEWAL: Should the term contract be renewed beyond the June 30, 2011 expiration date, the prices offered for the third year of the contract shall be effective for the renewal period.

USAGE REPORTS: Every six (6) months the contractor must submit a report (written or on disk) indicating sales generated by this contract. The report shall list usage by customer, by line item, showing the quantities/dollars generated by this contract. The report shall be forwarded to the Office of Procurement Services, 4200 Surface Road, Columbus, Ohio 43228-1395, Attn: Elizabeth Lind.

SPECIFICATION

I. SCOPE AND CLASSIFICATION

- A. Scope: The purpose of this bid is to obtain a contractor to process United States Department of Agriculture (USDA) commodity low fat, part skim mozzarella cheese into high fiber, reduced fat, cheese-filled breadsticks and cheese/pepperoni-filled breadsticks for the Ohio Department of Education (DOE), Office for Safety, Health and Nutrition (OSHN). It is anticipated that approximately 322,560 pounds of mozzarella cheese will be made available by the USDA to the state of Ohio annually and that this quantity will be processed annually under any term contract issued pursuant to this Invitation to Bid (ITB). The quantity specified is based on anticipated commodity availability from the USDA and the state of Ohio is not obligated to request processing of this or any other quantity. Commodity mozzarella cheese is anticipated to become available in July, 2008. Commodity mozzarella cheese will be delivered unfrozen in truckload quantities of 40,320 pounds each. The contractor shall process the end products and make delivery to the three (3) cold storage facilities specified herein. Bid prices (fee for processing per pound of finished product) shall include all transportation charges for delivery of processed product to the cold storage facilities and any other costs associated with providing the specified end products. The term of any contract issued pursuant to this ITB shall be for three (3) years, from July 1, 2008 through June 30, 2011.
- B. Classification
1. Breadsticks, High Fiber, Reduced Fat, Cheese-Filled
 2. Breadsticks, Cheese/Pepperoni-Filled

II. REQUIREMENTS

A. USDA Commodity Description

1. Low Moisture, Park Skim Mozzarella Cheese (21CFR133.155)
2. Aged not less than five (5) days and not more than fifteen (15) days
3. Moisture: 45% minimum, 50% maximum
4. Milk Fat: 30% minimum, 45% maximum by weight of solids
5. pH Value Range: 5.0 to 5.4
6. Pack: 48 lb. bulk cases

B. End Product Description

1. Formulation

a. Breadsticks, High Fiber, Reduced Fat, Cheese Filled, Individually Quick Frozen (IQF)

1. Formulation - Crust Only

<u>Ingredients</u>	<u>Percentage</u>
Enriched flour	44.0% maximum
Whole wheat flour	15.0% minimum
Water	36.8% minimum
Sugar	1.2% minimum
Seasonings/Shortening (salt, yeast, etc)	3.0% minimum

SPECIFICATION (Cont'd.)

2. Formulation – Total Breadstick

<u>Ingredients</u>	<u>Percentage</u>
Crust	70.6% maximum
Reduced fat mozzarella	19.6% minimum
LMPS Mozzarella	9.8% minimum
 3. The par-baked cheese-filled breadsticks shall be prepared using USDA commodity LMPS mozzarella cheese according to the above formulation. The 7" breadstick and cheese shall be co-extruded into the final product. The product must not contain MSG. Once par-baking has been completed, breadsticks shall be cooled to an ambient temperature, packaged into cases and frozen immediately. Product shall be individually quick frozen (IQF).
 4. Each serving of cheese-filled breadsticks shall contain no more than four (4) grams of fat.
- b. Breadsticks, Cheese/Pepperoni-Filled, Individually Quick Frozen (IQF)
1. Formulation – Crust Only

<u>Ingredients</u>	<u>Percentage</u>
Enriched flour	50.0% maximum
Whole wheat flour	10.0% minimum
Water	35.6% minimum
Sugar	1.2% minimum
Seasonings	3.2% minimum
 2. Formulation – Total Breadstick

<u>Ingredients</u>	<u>Percentage</u>
Crust	69.4% maximum
LMPS Mozzarella	22.8% minimum
Pepperoni	7.2% minimum
Seasonings	0.6% minimum
 3. The par-baked cheese/pepperoni-filled breadsticks shall be prepared using USDA commodity LMPS mozzarella cheese according to the above formulation. The 4" breadstick and cheese shall be co-extruded into the final product. The pepperoni shall be added when the product is formed. The product must not contain MSG. Once par-baking has been completed, breadsticks shall be cooled to an ambient temperature, packaged into cases and frozen immediately. Product shall be individually quick frozen (IQF).
 4. Each serving of cheese/pepperoni-filled breadsticks shall contain no more than nine (9) grams of fat.
3. The mozzarella cheese must have a mild, pleasing flavor. Vinegar flavor will not be acceptable. The cheese body and texture shall be smooth and pliable and may not possess sweet holes or be gassy. The cheese shall have a natural white to light cream color. Color shall be bright, uniform and have an attractive sheen.
 4. Each par-baked breadstick shall have a net minimum weight as follows:
 - a. High Fiber, Reduced Fat, Cheese-Filled Breadsticks: Three (3) ounces
 - b. Cheese/Pepperoni-Filled Breadsticks: One and three-quarters (1-3/4) ounces to three (3) ounces

SPECIFICATION (Cont'd.)

5. Each serving of breadsticks shall provide two (2) bread servings and one (1) meat/meat alternate serving, as required in the NSLP.
6. Each par-baked breadstick shall have the following overall length:
 - a. High Fiber, Reduced Fat, Cheese-Filled Breadsticks: Six and one-half inches (6-1/2") to seven and one-half inches (7-1/2")
 - b. Cheese/Pepperoni-Filled Breadsticks: Four inches (4") to five inches (5")
7. Par-baked breadsticks shall be prepared from a thawed state such that the end user may bake in convection oven at 375° for 8 to 10 minutes, or deep fry for 2 minutes. Product may be brushed with butter and sprinkled with parmesan cheese for added flavor at end user's option.
8. Unfrozen mozzarella cheese is a 'substitutable' commodity by definition from USDA. Each pound of unfrozen mozzarella sent to the processor is required to be returned to the state agency in finished product. (100% yield).

C. Preparation and Processing

All preparation and processing described herein shall occur subsequent to the date of award. The product shall be produced, processed, and stored in plants operating under the supervision of the contractor.

D. Packaging

1. High Fiber, Reduced Fat, Cheese-Filled Breadsticks: Shall be packed 72 to 126 count per case, 13.5 to 23.75 lbs. per case. No alternate packs will be acceptable. The bidder shall indicate the case pack and case weight offered on the bid pricing page.
2. Cheese/Pepperoni-Filled Breadsticks: Shall be packed 123 to 217 count per case, 13.5 to 23.75 lbs. per case. No alternate packs will be acceptable. The bidder shall indicate the case pack and case weight offered on the bid pricing page.
3. General
 - a. All packaging and packing materials must be new and clean, and must not impart objectionable odors or flavors to the product.
 - b. Bags shall be securely closed. Metal wire ties, metal clips, paper-coated wire ties, or staples shall not be used for sealing plastic-film bags.
 - c. Staples shall not be used as a final case closure. Case closure shall be accomplished by taping, strapping, or gluing. All boxes within the delivery unit of an individual product shall be of a uniform size and weight.
 - d. Boxes shall be one piece, die-cut, regular slotted container (RSC) design. Fiberboard shall be testing not less than 200 lbs. No holes in boxes are permitted. Shipping cartons shall have necessary interior support to prevent crushing of product while in transit or in storage.

E. Labeling

1. The contribution value of a serving to the NSLP pattern and nutritional analysis, reheating and serving size information shall be printed on the outside of the master case or may be included as an insert in each master case.
2. Printed, stamped, and stenciled labeling and marking information on shipping containers must be water-fast, non-smearing, of a contrasting color, and readable.
3. The shipping carton shall also contain ingredient statement, name of the product, and date of pack.

SPECIFICATION (Cont'd.)

F. Palletizing

Shipments shall be palletized according to standard industry practices and shall conform to the following:

1. Manufacturers standard 40" x 48" partial 4-way shipping pallets are acceptable.
2. Maximum Height: 7' 6" (including pallet)
3. Maximum Weight: 3,500 lbs. (including pallet)
4. Pallets are to be securely banded or shrink wrapped.
5. The cost of palletizing must be included in the unit price.
6. Pallet exchange is satisfactory with all warehouses.

G. General Information

1. The delivered product shall comply with all applicable federal and state mandatory requirements and regulations relating to the preparation, packaging, labeling, storage, distribution, and sales of the product within the commercial marketplace.
2. All commodities and services to be furnished hereunder shall conform to the specifications as noted herein. All product shall be processed in the United States.
3. Guaranty: By the signature affixed on page 1 of this bid, contractor guarantees that, as of the date of delivery to the State or the State's agent, the product(s) offered is (are) not adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act ("the ACT"), and not an article which may not, under the provisions of section 404, 505, or 512 of the Act, be introduced into interstate commerce.

III. CONTRACTOR'S RESPONSIBILITIES

In addition to those responsibilities specified above, the contractor shall be responsible for the following:

- A. Prime Contractor Responsibilities: The prime contractor will be required to assume responsibility for all contractual activities offered in this agreement, whether or not that contractor performs them. Further, the state will consider the prime contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated contract. If any part of the work is to be subcontracted, the contractor shall provide a list of subcontractors, including firm name and address, contact person, complete description of work to be subcontracted and descriptive information concerning subcontractor's organizational abilities. The state reserves the right to approve subcontractors and to require the primary contractor to replace subcontractors found to be unacceptable. The contractor is totally responsible for adherence by the subcontractor to all provisions of the contract. Any changes in subcontractors must be approved by the state, in writing, prior to such change.
- B. Accounting Records: The contractor and all subcontractors shall maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and other procedures specified by the state of Ohio. Financial and accounting records shall be made available upon request to the state of Ohio, its designees or the Ohio Auditor of State at any time during the contract period and any extension thereof for three (3) years from expiration date and final payment on the contract or extension thereof.

PRICE SCHEDULE

OAKS ITEM ID	END PRODUCT	COMMODITY WEIGHT PER TL	FEE FOR PROCESSING (PER LB. OF END PRODUCT)
13071	High Fiber, Reduced Fat, Cheese-Filled Breadsticks, Individually Quick Frozen (IQF)	40,320 lbs.	FIRST YEAR (07/01/08-06/30/09)
			\$ 1.192 per lb.
			SECOND YEAR (07/01/09-06/30/10)
			\$ 1.222 per lb.
			THIRD YEAR (07/01/10-06/30/11)
			\$ 1.253 per lb.

Case Pack: 72 breadsticks per case; 13.5 lbs. per case

13072	Cheese/Pepperoni-Filled Breadsticks, Individually Quick Frozen (IQF)	40,320 lbs.	FIRST YEAR (07/01/08-06/30/09)
			\$ 1.121 per lb.
			SECOND YEAR (07/01/09-06/30/10)
			\$ 1.149 per lb.
			THIRD YEAR (07/01/10-06/30/11)
			\$ 1.178 per lb.

Case Pack: 144 breadsticks per case; 15.75 lbs. per case

CONTRACTOR, TERMS AND DELIVERY:

151937
 National Food Group, Inc.
 44450 Pinetree Drive
 Plymouth, MI 48170

CONTRACTOR'S CONTACT: Mr. Sean Zecman

BID/CONTRACT NO.: OT900109-1 (06/30/11)

TERMS: Net 90 Days

DELIVERY: In accordance with 'Delivery and
 Acceptance' paragraph, page 3

Toll Free: (888) 824-0700
 Telephone: (734) 446-1150
 Fax: (734) 453-1800
 Email: szecman@csvsales.com

CONTRACTOR'S IT/MIS CONTACT: Same as above