

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

REQUIREMENTS CONTRACT: POTATOES, DEHYDRATED, MASHED, PROCESSED USING USDA COMMODITY BULK POTATOES

CONTRACT No.: OT901109

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. OT901109 that opened on 04/02/08. 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: _____
Hugh Quill, Director Date

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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 60th 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. The contribution value of a serving to the NSLP pattern and nutritional analysis, reheating and serving size information should be submitted with the bid response and also with the bid sample, should a sample be requested during the bid evaluation.
4. Quality Control/Total Quality Control: Prior to contract inception, the contractor shall submit to the ODE, OSHN a narrative of the quality control or total quality control program at the processing plant. The narrative of the quality control or total quality control program is not to be submitted as part of the bid response.

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: If requested during the evaluation, 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. The sample shall be accompanied by documentation of the contribution value of a serving to the NSLP pattern and nutritional analysis, reheating and serving size information. Product samples shall be submitted within seven (7) calendar days of the request 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 thirty-four percent (34%) of the USDA commodity potatoes will be processed into low sodium dehydrated mashed potatoes and sixty-six percent (66%) of the USDA commodity potatoes will be processed into no mix dehydrated mashed potatoes. As indicated in the 'Scope' paragraph on page 5, it is anticipated that four million (4,000,000) pounds of USDA commodity bulk potatoes will be available annually for processing into the two (2) specified end products (1,360,000 pounds [34 truckloads] into low sodium dehydrated mashed potatoes and 2,640,000 pounds (66 truckloads) into no mix dehydrated mashed potatoes). For each of the three (3) years of the contract, the bidder's fee for processing per pound of end product will be multiplied by the minimum yield per truckload of the USDA commodity and then multiplied by the number of truckloads of the USDA commodity estimated to be processed annually to obtain an extended annual total. The three (3) annual totals for each item will be added to obtain a line item total for the item. The line item totals for both items will be added to obtain a grand (lot) total.

There will be a taste test of the samples submitted to determine acceptability. There will be, at a minimum, a five (5) member panel composed of members of the Ohio Advisory Committee made up of food service professionals from across the state of Ohio. Samples will be evaluated for appearance, color, aroma, flavor (taste), and texture. If product sample is deemed unacceptable as a result of the taste test, no further consideration for award shall be given. If the product sample submitted for the taste test exceeds the specifications, as stated in the bid and is presented as being the end product for the entire contract, then the sample shall be the standard for the entire contract with anticipated yields as projected and costs as stated.

CONTRACT AWARD: The contract will be awarded to the lowest responsive and responsible bidder by low lot total. 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.

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 bulk potatoes into dehydrated mashed potatoes for the Ohio Department of Education (DOE), Office for Safety, Health and Nutrition (OSHN). It is anticipated that approximately four million (4,000,000) pounds of bulk potatoes 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 bulk potatoes is anticipated to become available in July, 2008. Commodity bulk potatoes will be delivered to the contractor in truckload quantities of 40,000 pounds. 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. Potatoes, Dehydrated, Mashed, Low Sodium
2. Potatoes, Dehydrated, Mashed, No Mix

II. REQUIREMENTS

A. USDA Commodity Description

1. Bulk potatoes (A213)
2. Varieties: Shall include Shepody, Ranger, Umatilla, Alturas, Norkotah, Atlantic, Goldrush, Snowden, Pike, Reba, Marcy, Millenium, Superior, Freedom and Russett Burbank
3. Grade: U.S. No. 2 Processing or better
4. Size: Whole potatoes, not less than 1-1/2" in diameter and not less than 4 ounces in weight
5. Pack: Bulk truckload (40,000 lbs.)

B. End Product Description

1. Potatoes, Dehydrated, Mashed, Low Sodium
 - a. Shall be a convenient low sodium dry mashed potato mix that may be easily and quickly reconstituted with hot water.

SPECIFICATION (Cont'd.)

- b. At least ninety-two percent (92%) of the end product shall be fully cooked, mashed, dried and dehydrated fresh potatoes.
 - c. No more than eight percent (8%) of the end product shall be other dry ingredients, which may include, but shall not be limited to, maltodextrin, partially hydrogenated soybean oil, lactose, sodium caseinate, dipotassium phosphate, partially hydrogenated vegetable oil, mono and diglycerides, artificial flavor and color.
 - d. The dehydrated potatoes and other dry ingredients shall be blended.
 - e. Product shall contain no more than 94mg sodium per 100mg serving.
 - f. Product may contain milk products.
 - g. Product shall not contain potato skins.
 - h. Product shall contain zero trans fat.
 - i. Product shall not contain MSG.
 - j. Product shall be suitable for dry storage.
 - k. Product shall have a minimum shelf life of nine (9) months held in dry storage.
2. Potatoes, Dehydrated, Mashed, No Mix
- a. Shall be a convenient dry mashed potato mix that may be easily and quickly reconstituted with hot water. Preparation shall not require use of a mixer.
 - b. At least ninety-one percent (91%) of the end product shall be fully cooked, mashed, dried and dehydrated fresh potatoes.
 - c. No more than nine percent (9%) of the end product shall be other dry ingredients, which may include, but shall not be limited to, salt, hydrogenated canola oil, mono and diglycerides, artificial color, natural and artificial color.
 - d. The dehydrated potatoes and other dry ingredients shall be blended.
 - e. Product shall have rich, buttery flavor without adding additional ingredients.
 - f. Product may contain milk products.
 - g. Product shall be lactose free.
 - h. Product shall contain zero trans fat.
 - i. Product shall not contain MSG.
 - j. Product shall contain no more than 1739mg sodium per 100mg serving.
 - k. Product shall be suitable for dry storage.
 - l. Product shall have a minimum shelf life of nine (9) months held in dry storage.
- 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.

SPECIFICATION (Cont'd.)

D. Packaging

1. Potatoes, Dehydrated, Mashed, Low Sodium: Shall be packed in 3.0 to 4.0 pound cartons, six (6) cartons per case. No alternate packs are acceptable.
2. Potatoes, Dehydrated, Mashed, No Mix: Shall be packed in 26 oz. to 28 ounce pouches, twelve (12) pouches per case. No alternate packs are acceptable.
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. Printed, stamped, and stenciled labeling and marking information on shipping containers must be water-fast, non-smearing, of a contrasting color, and readable.
2. Product may have an approved CN label and name and location of the processor. Each container shall bear the net weight of the case, the date of manufacturing/processing, the ingredient statement in order of predominance, and recommended storage instructions.
3. Heating instructions shall be included with each case and a copy sent to the Department of Education, Office for Safety, Health and Nutrition prior to initial shipment of any product.

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. Quality Control: OSHN will randomly select product from that shipped into the cold storage facilities for sample testing by the Ohio Department of Agriculture or may test samples maintained by the manufacturer. Minimum bacteriological standards shall be:

SPECIFICATION (Cont'd.)

1. E. coli: < 10/gm.
2. S. Aureus: 10/gm.
3. Salmonella: Negative
4. Yeast and Mold: No visible growth

All costs for testing shall be the responsibility of the contractor. Failure to meet the specification requirements will invalidate the awarded contract and will result in the contractor being liable for any financial losses incurred by the state of Ohio.

H. 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 in 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. If laboratory analysis is done in accordance with Article S-15 of the Supplemental Contract Terms and Conditions, the laboratory analysis will be predicated upon the formulation specified herein.
4. 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. Receiving information:

1. Completing and filing overage, shortage, and damage reports with OSHN.
2. Obtaining signed receipts (original bills of lading) from carriers of commodity foods.
3. Mailing all delivery receipts and receiving reports to OSHN no later than the following business day after receipt.

B. 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 change in subcontractors must be approved by the state, in writing, prior to such change.

C. 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, and for three (3) years from expiration date and final payment on the contract or extension thereof.

PRICE SCHEDULE

OAKS ITEM ID	ITEM DESCRIPTION	USDA COMMODITY WEIGHT (TL)	MINIMUM YIELD OF END PRODUCT PER TL OF COMMODITY	FEE FOR PROCESSING (PER LB. OF END PRODUCT)		
				FIRST YEAR (07/01/08-06/30/09)	SECOND YEAR (07/01/09-06/30/10)	THIRD YEAR (07/01/10-06/30/11)
13240	Potatoes, Dehydrated, Mashed, Low Sodium	40,000 lbs.	7,988 lbs.	\$ 1.48 per lb.	\$ 1.48 per lb.	\$ 1.48 per lb.
13314	Potatoes, Dehydrated, Mashed, No Mix	40,000 lbs.	8,001 lbs.	\$ 1.41 per lb.	\$ 1.41 per lb.	\$ 1.41 per lb.

Case Pack:

Potatoes, Dehydrated, Mashed, Low Sodium Four (4) lbs. per carton, six (6) cartons per case

Potatoes, Dehydrated, Mashed, No Mix Twenty-six (26) ounces per pouch, twelve (12) pouches per case

CONTRACTOR, TERMS AND DELIVERY:

154129
J.R. Simplot Company
6360 South Federal Way
Boise, ID 83716

Remit To:

P.O. Box 100948
Atlanta, GA 30384-0948

CONTRACTOR'S CONTACT: Ms. Debbie Black

CONTRACTOR'S IT/MIS CONTACT: Same as above

BID/CONTRACT NO.: OT901109-1 (06/30/11)

TERMS: Net 60 Days

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

Toll Free: (800) 635-0408, Ext. 8276
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Fax: (208) 384-8020
E-mail: debbie.black@simplot.com