

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

**REQUIREMENTS CONTRACT: SALISBURY STEAK WITH SOY, PROCESSED USING USDA COMMODITY GROUND BEEF**

CONTRACT No.: OT901309

EFFECTIVE DATES: 07/14/08 to 06/30/11

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT901309 that opened on 05/19/08. 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 90th 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 each product offered. The processing and fabrication procedures are to describe the product and the exact method of processing.
2. The bidder should submit a nutrition analysis as part of the bid response for each product offered.
3. The bidder should submit an end-product-data-sheet for each finished product proposed to be processed for the Ohio Department of Education (ODE), Office for Safety, Health, and Nutrition (OSHN).
4. **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.

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:** A sample of each product offered is required. A sample shall consist of one (1) case of each end product specified. Product samples shall be meet all requirements specified herein and shall bear required labeling and markings. Each sample shall be identified as to content, processor, bid number, and bidder's company name. The sample must be certified by the United States Department of Agriculture (USDA) Agricultural Marketing Service (AMS), Livestock and Seed Division as meeting formulation, specification, fabrication and packaging requirements, as well as having been processed under constant USDA supervision. Samples submitted without a USDA, AMS, Livestock and Seed Division grading certificate will not be considered for award. Product samples shall be submitted prior to the close of business on Friday, May 16, 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 43228  
Telephone: (614) 930-4229

One-half (1/2) case of each product sample shall be used in sample evaluation and the other one-half (1/2) case shall be used for comparison to actual processed product received during the term of any contract issued pursuant to this bid. 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 minimum yield per 42,000 lbs. of USDA commodity ground beef for each item shall be multiplied by number of truckloads of USDA commodity ground beef to be processed annually and then multiplied by the bidder's fee for processing per pound to obtain an extended total for each line item. The extended totals for each line item shall be added to obtain a grand (lot) total. For purposes of evaluation, it will be assumed that seventy percent (70%) of the USDA commodity ground beef will be processed into Salisbury steak and thirty percent (30%) of the USDA commodity ground beef will be processed into meatloaf.

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. Any variation between the sample and the actual product delivered that is due to processor changes may be acceptable and shall require prior written approval from the Department of Administrative Services (DAS).

**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.

**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 ground beef into Salisbury steak with soy and meatloaf with soy and ketchup for the Ohio Department of Education (DOE), Office for Safety, Health and Nutrition (OSHN). It is anticipated that approximately 252,000 pounds of ground beef 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 ground beef is anticipated to become available in July, 2008. Commodity ground beef will be delivered in truckload quantities of 42,000 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, the cost of USDA certification service 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 14, 2008 through June 30, 2011.

B. Classification

1. Salisbury Steak with Soy, Fully Cooked, Flame Broiled, Frozen
2. Meatloaf with Soy, Fully Cooked, Frozen

II. REQUIREMENTS

A. USDA Commodity Description

1. Ground Beef, Coarse, Frozen (IMPS 136)
  - a. Ground through a plate having holes no larger than one inch (1") and no smaller than five-eighths of an inch (5/8")
  - b. Fat Content: Maximum 18.99%
  - c. Packaging: 60 lb. fiberboard shipping containers

B. End Product Description

1. Salisbury Steak with Soy, Fully Cooked, Flame Broiled, Frozen

a. Formulation

<u>Ingredients</u>	<u>Percentage</u>
USDA commodity coarse ground beef	76.82% minimum
Hydrated Soy	9.4% maximum
Seasoning	12.47% maximum
Whole Dried Egg	1.31% maximum *

- b. Product shall be prepared using USDA commodity coarse ground beef according to the above formulation.

\* Salisbury steak without whole dried egg will be considered for award as long as the end product contains the minimum amount of USDA commodity ground beef listed above.

SPECIFICATION (Cont'd.)

- c. All ingredients shall be well blended.
  - d. The Salisbury steak must be cubed.
  - e. The Salisbury steak shall be fully cooked to a minimum internal temperature of 155° F. for a minimum of sixteen (16) seconds.
  - f. The Salisbury steak may have charbroiled lines applied. If product has charbroiled lines applied, lines shall not be painted on.
  - g. When cooking is complete, portions shall be individually quick frozen (IQF) and boxed.
  - h. The approximate portion dimensions shall be four and one-half inches (4-1/2") long x three and one-half inches (3-1/2") wide.
  - i. The minimum portion weight shall be 2.45 ounces and the maximum portion weight shall be 2.55 ounces.
  - j. Each portion shall provide 2.0 ounces meat/meat equivalent for the Child Nutrition meat requirements.
  - k. The product shall contain natural flavorings to protect the flavor.
  - l. The soy content of the product shall be textured soy protein (TVP) only.
  - m. Product shall have a firm and moist texture.
  - n. Product shall have a flavor characteristic of Salisbury steak.
  - o. Product must not contain MSG.
  - p. The minimum yield on one (1) truckload (42,000 lbs.) of USDA commodity coarse ground beef shall be 44,984 lbs. of Salisbury steak with soy.
2. Meatloaf with Soy, Fully Cooked, Frozen

a. Formulation

<u>Ingredients</u>	<u>Percentage</u>
USDA commodity coarse ground beef	65.50% minimum
Hydrated Soy	18.50% maximum
Seasoning	16.00% maximum

- b. Product shall be prepared using USDA commodity coarse ground beef according to the above formulation.
- c. All ingredients shall be well blended.
- d. The product shall have the characteristic shape of meatloaf prepared in a loaf pan.
- e. The meatloaf shall be fully cooked to a minimum internal temperature of 155° F. for a minimum of sixteen (16) seconds in a convection oven.
- f. When cooking is complete, portions shall be individually quick frozen (IQF) and boxed.
- g. The approximate portion dimensions shall be two and three-quarters inches (2-3/4") x three and one-quarter inches (3-1/4").

SPECIFICATION (Cont'd.)

- h. The minimum portion weight shall be 2.60 ounces and the maximum portion weight shall be 2.70 ounces.
  - i. Each portion shall provide 2.0 ounces meat/meat equivalent for the Child Nutrition meat requirements.
  - j. The soy content of the product shall be textured soy protein (TVP) only.
  - k. Product shall have a firm and moist texture.
  - l. Product shall have a flavor characteristic of meatloaf.
  - m. There shall be no branding of the meatloaf.
  - n. Product must not contain MSG.
  - o. The minimum yield on one (1) truckload (42,000 lbs.) of USDA commodity coarse ground beef shall be 44,984 lbs. of meatloaf with soy.
- 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 regularly operating under the supervision of a representative of the USDA, Food Safety and Inspection Service (FSIS) and the USDA, Agricultural Marketing Service (AMS), Livestock and Seed Division. Contractor shall have an approved USDA hazard analysis critical control points (HACCP) program and a total quality control (TQC) program at the processing plant.
- D. USDA Certification Service
- 1. As part of Option 2 coverage, the USDA, AMS, Livestock & Seed Division grader shall continuously monitor the processing and fabrication procedures. Product shall be processed under continuous USDA supervision.
  - 2. All product must be examined and accepted by a USDA, AMS, Livestock and Seed Division grader prior to delivery. The contractor shall arrange and pay for the necessary USDA service.
  - 3. A USDA, AMS, Livestock and Seed Division grading certificate shall accompany each shipment of product, showing that the product was produced under continuous USDA supervision, is in sound condition, and meets the specification requirements. Product not accompanied by a grading certificate will be rejected, shall remain the property of the contractor, and shall be returned at contractor's expense.
  - 4. Each case shall be stamped with the USDA contract compliance stamp and the certificate number. Product not identified with the contract compliance stamp will be rejected, shall remain the property of the contractor, and shall be returned at contractor's expense.
  - 5. All further processed products, prior to final packaging, shall be examined by a metal detector device capable of detecting metals that may be present. Sensitivity levels and testing for acceptable operation shall be as specified in procedures established by the USDA, AMS, Livestock and Seed Division.
- E. Packaging
- 1. Salisbury steak and meatloaf shall be bulk packaged in shipping cartons with clear plastic liners or shall be sleeve packed in securely closed plastic in the shipping cartons.
  - 2. Salisbury steak and meatloaf shall be packed in twenty (20) to thirty (30) pound net weight cases. No alternate packs are acceptable.
  - 3. The packaging of the bid samples must meet specifications and shall be the method of packaging to be used for all product provided under any term contract issued pursuant to this bid.

SPECIFICATION (Cont'd.)

4. All packaging and packing materials must be new and clean and must not impart objectionable odors or flavors to the products.
5. 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.
6. 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.
7. Boxes shall be one piece, die-cut, regular slotted container (RSC) design. Fiberboard shall be testing not less than two hundred (200) pounds. No holes in boxes are permitted.

F. 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. The contribution value of a serving to the National School Lunch Program (NSLP) pattern, the nutrition analysis, and the 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.
3. The shipping container shall bear the USDA inspection legend, ingredient statement in order of predominance, name of the product, net weight of the case, date of processing, and storage instructions.
4. Heating instructions shall be included with each case.

G. Palletizing: Shipments may be requested as palletized deliveries; and if requested, 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: 3500 pounds (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.

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. Laboratory analysis shall be performed by an independent laboratory contracted by the OSHN to insure compliance with the bid formulation. Costs incurred for laboratory analysis shall be borne by the OSHN except in instances of demonstrated nonconformance to formulation and/or specifications.

SPECIFICATION (Cont'd.)

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 Meat Inspection Act.

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

PRICE SCHEDULE

OAKS ITEM ID	ITEM DESCRIPTION	CASE WEIGHT	USDA COMMODITY WEIGHT (TL)	MINIMUM YIELD OF END PRODUCT PER TL OF COMMODITY	FEE FOR PROCESSING (PER LB. OF END PRODUCT)
9294	Salisbury Steak with Soy	20.08 lbs.	42,000 lbs.	44,984 lbs.	\$ 0.90 per lb.
	Meatloaf with Soy				

\*

\* No award

CONTRACTOR, TERMS AND DELIVERY:

BID/CONTRACT NO.: OT901309-1 (06/30/11)



94671  
Pierre Foods, Inc.  
9990 Princeton Road  
Cincinnati, OH 45246

TERMS: Net 90 Days

DELIVERY: As indicated in the 'Delivery and Acceptance' paragraph, page 3

CONTRACTOR'S CONTACT: Ms. Valerie Fairbanks,

Toll Free: (800) 553-0282  
Telephone: (513) 682-7656  
Fax: (513) 874-5150  
Email: [valerie.fairbanks@pierrefoods.com](mailto:valerie.fairbanks@pierrefoods.com)