

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

MANDATORY USE CONTRACT FOR: BREADSTICKS, CHEESE FILLED, REDUCED FAT, WHOLE GRAIN RICH,  
PROCESSED USING USDA COMMODITY CHEESE

CONTRACT No.: OT903014

EFFECTIVE DATES: 08/07/13 to 06/30/16

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT903014 that opened on 07/05/13. 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 Child Nutrition, 25 South Front Street, Third Floor, Columbus, Ohio 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:

Kellie Johnson  
kellie.johnson@das.ohio.gov

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

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

Signed: \_\_\_\_\_  
Robert Blair, 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 of receipt of the commodity order or as mutually agreed by the contractor and the Department of Education and in accordance with paragraphs S-8, S-9, and S-10 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 in accordance with the quantities ordered. Quantities ordered may be to the nearest whole pallet, or as mutually agreed by the contractor and the Department of Education. Unloading of ordered product shall be 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 term 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 as regards to latent defects, fraud, or such gross mistakes as amount to fraud.

<u>CITY</u>	<u>WAREHOUSE</u>	<u>OF PRODUCT</u>
Cincinnati, Ohio	SYSCO Food Storage	25%
Cleveland, Ohio	SYSCO Foodservice	25%
Columbus, Ohio	A T Xpress	25%
Dayton, Ohio	Terminal Cold Storage	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 four (4) cold storage facilities in the state of Ohio listed above. Due to expiration of some existing warehouse contracts, it is possible that the delivery destinations as well as the percentage of finished product to the destinations above may change during the contract period. Any such changes should not attract additional charges to ODE. Bidders may take this into consideration in their bid. Commodity will be delivered to the contractor by the 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. If payment terms are listed on the invoice to the Ohio Department of Education, it must be consistent with the terms in the contract.

DOCUMENTATION:

1. The bidder should submit a narrative of their processing and fabrication procedures as part of the bid response for all products to be produced under this contract. The processing and fabrication procedures are to describe the product and the exact method of processing.
2. Commodity Food Processing Agreement: The successful contractor shall complete and sign an Ohio processing agreement prior to the inception date of any ensuing contract. The processing agreement will be provided by the Department of Education, Office for Child Nutrition 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.

Attachment A to the bid, which is Page 11 of the processing agreement is 'Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions' (Form AD-10-48 [11/97]). This page of the agreement only should be submitted as part of the bid response.

Processor shall furnish to Department of Education 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 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 Department of Education 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 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. Quality Control/Total Quality Control: The contractor shall submit with the completed Commodity Food Processing Agreement 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.
4. 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 Department of Education, Office for Child Nutrition.

SAMPLES: A sample of product offered is required. A sample shall consist of two (2) cases of each breadstick. Product samples shall meet all requirements as specified herein, shall bear required labeling and markings and shall include preparation and serving instructions. Samples shall be submitted prior to the close of business on Friday July 05, 2013 to the address shown below. Failure to submit samples as specified will result in the bidder being deemed as not responsive.

Ohio Department of Education, Office for Child Nutrition  
c/o Terminal Cold Storage  
20 – 60 Eaker Street  
Dayton, Ohio 45402  
Telephone: (937) 223-3138 ext. 10  
Attn: Cindy Watkins/Oji Ohajuruka

One case of each product shall be used for bid evaluation and the other case shall be used to verify actual processed product received during the contract period. Samples will be evaluated on appearance, color, aroma, flavor (taste), and texture. The sample may be analytically tested. Samples will not be returned.

EVALUATION: Bids will be evaluated in accordance with Article I-17 of the "Instructions, Terms, and Conditions for Bidding". In addition, the bid will be evaluated according to the fee per pound for processing the specified finished product. There will be a taste test of the samples submitted to determine acceptability. There will be, at a minimum, a ten (10) member panel composed of members of the Office for Child Nutrition staff, members of the Ohio Commodity Advisory Board and/or students from Ohio schools. Samples will be evaluated for texture, eye appeal, flavor and color. If product 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. No further consideration may be given if the product fails to meet the evaluation criteria.

CONTRACT AWARD: The contract will be awarded to the lowest responsive and responsible bidder by low lot total. Low lot total will be determined by multiplying 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 lot total. 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 State Procurement, 4200 Surface Road, Columbus, Ohio 43228-1395, Attn: Kellie Johnson

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 Reduced fat, whole grain rich, cheese filled breadsticks and Reduced fat, whole grain rich cheese/pepperoni-filled breadsticks for the Ohio Department of Education (DOE), Office for Child Nutrition (OCN). 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 or proportion of end products. Commodity mozzarella cheese is anticipated to become available in July, 2013. 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 four (4) 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 as well as 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 August 7, 2013 through June 30, 2016.

B. Classification

1. Breadsticks, Reduced Fat, Whole Grain Rich, Cheese-Filled
2. Breadsticks, Reduced Fat, Whole Grain Rich, Cheese/Pepperoni-Filled

II. REQUIREMENTS

A. USDA Commodity Description

1. Low Moisture, Part 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, Whole Grain Rich, Reduced Fat, Cheese Filled, Individually Quick Frozen (IQF), USDA Mat. Code 100042.

1. Formulation - Crust Only

<u>Ingredients</u>	<u>Percentage</u>
Whole wheat flour	31.0% maximum
Enriched flour	28.0% minimum
Water	36.8% minimum
Sugar	1.2% minimum
Seasonings/Shortening (salt, yeast, etc)	3.0% minimum

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 five (5) grams of fat.

b. Breadsticks, Cheese/Pepperoni-Filled, Individually Quick Frozen (IQF)

1. Formulation – Crust Only

<u>Ingredients</u>	<u>Percentage</u>
Whole wheat flour	31.0% maximum
Enriched flour	29.0% 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	25.1% minimum
Pepperoni	4.9% 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 coextruded 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 eight (8) grams of fat.

General Breadstick description

1. 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.

2. Each par-baked breadstick shall have a net minimum weight as follows:

- a. Reduced Fat, Whole Grain rich Cheese-Filled Breadsticks: Three (3) ounces
- b. Reduced Fat, Whole Grain rich Cheese/Pepperoni-Filled Breadsticks: One and three-quarters (1-3/4) ounces to three (3) ounces

3. Breadsticks shall contain 100 percent whole grain, or contain a blend of whole grain meal and/or flour and enriched meal and/or flour of which at least 50 percent is whole grain. Each serving of breadsticks shall provide two (2) ounce equivalency and one (1) meat/meat alternate serving, as required in the NSLP.

4. Each par-baked breadstick shall have the following overall length:

- a. Whole Grain Rich, Reduced Fat, Cheese-Filled Breadsticks shall be 7 inches (+/- 1/2 inch).
- b. Whole Grain Rich, Reduced Fat, Cheese/Pepperoni-Filled Breadsticks shall be 4 1/2 inches (+/- 1/2 inch).

5. 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.

6. 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 regularly operating under the supervision of the contractor.

D. Packaging

1. Whole grain Rich Reduced Fat, Cheese-filled Breadsticks shall be packed 70 – 100 count per case and weigh 12 – 25 pounds per case. Other alternate packs may be considered. The bidder must indicate the case pack offered, case weight and number of servings per case on the bid pricing package.

Whole Grain Rich, Reduced Fat, Cheese/Pepperoni-Filled Breadsticks shall be packed 120 - 200 count per case and weigh 12 – 25 pounds per case. Other alternate packs may be considered. The bidder must indicate the case pack offered, case weight and number of servings per case on the bid pricing package.

2. All packaging and packing materials must be new and clean and must not impart objectionable odors or flavors to the product.

3. 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.

4. 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.

E. Labeling

1. The contribution value of a serving to the National School Lunch Program (NSLP) pattern, the nutritional 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.

2. Product must have an approved CN label.

3. Each case shall bear the USDA contract compliance stamp and certificate number.

4. The shipping carton shall contain ingredient statement, name of product, and date of pack.

5. Printed, stamped, and stenciled labeling and marking information on shipping containers must be water-fast, non-smearing, of a contrasting color, clear and readable.

6. Labeling of products shall be in compliance with all guidelines as specified by the U. S. Food and Drug Administration regulations 21 CFR 101 and 9 CFR 317 Subpart B; The Food Allergen Labeling and Consumer Protection Act of 2004 (Public Law 108-282, Title II); and the State of Ohio Rule 3717-1-03.5(C), (the administrative rule adopted under Ohio Revised Code 3717.53).

Labeling of products containing the major food allergens - milk, egg, fish (e.g., bass, flounder, or cod), Crustacean shellfish (e.g., crab, lobster, or shrimp), tree nuts (e.g., almonds, pecans, or walnuts), wheat, peanuts, and soybeans - shall be in compliance with the Food Allergen Labeling and Consumer Protection Act of 2004 (Public Law 108-282, Title II) and the State of Ohio Rule 3717-1-03.5(C), (the administrative rule adopted under Ohio Revised Code 3717.53).

E. 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.

F. 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 products shall be processed in the United States.
3. If laboratory analysis is done in accordance with Article S-15 of the Supplement 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: The contractor shall be responsible for obtaining signed receipts (original bills of lading) from carriers of donated foods.
- 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

Bidders shall not insert a unit price more than 3 digits after the decimal point. Digit(s) beyond 3, after the decimal point, shall be dropped by Procurement Services and not used in the evaluation and any subsequent award.

ALL BLANKS BELOW MUST BE COMPLETED

OAKS ITEM ID	END PRODUCT	COMMODITY WEIGHT PER TL	YOUR MINIMUM YIELD*	FEE FOR PROCESSING (PER LB. OF END PRODUCT)
13071	Reduced fat, Whole grain rich Cheese-filled Breadsticks Individually Quick Frozen (IQF)	40,320 lbs.	120,692 lbs.	FIRST YEAR (07/01/13-06/30/14)
				\$ 1.278 Per lb.
				SECOND YEAR (07/01/14-06/30/15)
				\$ 1.313 Per lb.
				THIRD YEAR (07/01/15-06/30/16)
				\$ 1.349 Per lb.

Case pack offered: 72 breadsticks per case

Case Weight Offered (lbs.) 13.50

Number of Servings Per Case 72

OAKS ITEM ID	END PRODUCT	COMMODITY WEIGHT PER TL	YOUR MINIMUM YIELD*	FEE FOR PROCESSING (PER LB. OF END PRODUCT)
13072	Reduced fat, Whole grain rich Cheese/Pepperoni-Filled Breadsticks Individually Quick Frozen (IQF)	40,320 lbs	140,807 lbs.	FIRST YEAR (07/01/13-06/30/14)
				\$1.172 Per lb.
				SECOND YEAR (07/01/14-06/30/15)
				\$1.204 Per lb.
				THIRD YEAR (07/01/15-06/30/16)
				\$1.237 Per lb.

Case pack offered: 144 breadsticks per case

Case Weight Offered (lbs.) 15.75

Number of Servings Per Case 72

Product(s) packaging contains recycled material:  Yes  No; If yes, \_\_\_\_\_%

\* Minimum yield under this contract is the pounds of end product returned to the state of Ohio on weight of commodity product.

CONTRACTOR INDEX

CONTRACTOR, TERMS AND DELIVERY:

151937  
National Food Group, Inc.  
46820 Magellan Drive, Suite A  
Novi, MI 48377-2454

CONTRACTOR'S CONTACT: Mr. Jim Moore

BID/CONTRACT NO.: OT903014-1 (06/30/16)

TERMS: Net 90 Days

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

Toll Free: (800) 886-6866  
Telephone: (734) 446-1127  
Fax: (248) 669-3000  
Email: [jmoore@nationalfoodgroup.com](mailto:jmoore@nationalfoodgroup.com)