

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

REQUIREMENTS CONTRACT: Turkey Products, Processed Using USDA Commodity Turkey

CONTRACT No.: OT905508

EFFECTIVE DATES: 01/14/08 to 06/30/10

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT905508 that opened on 12/19/07. 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, Third Floor, 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, S-8, S-9 and S-10 of the Supplemental Contract Terms and Conditions. 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.

Deliveries shall be made to the following Ohio sites. The delivery location will be noted on the purchase order issued by the participating agency. Unloading is by appointment only. The contractor shall contact the cold storage facilities to make an appointment for unloading prior to loading for shipment.

<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%

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.

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. The contractor shall be responsible for demurrage, detention, switching or any other charges which may accrue after the railcar or truck has been placed for unloading by the USDA's carrier at the point of destination or in the event that such railcar and/or truck placement is prevented by any factors caused by the contractor.

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. 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.
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 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.

SAMPLES: Samples of all products offered are required. A sample shall consist of one (1) case of each product meeting all requirements as specified herein and shall bear required labeling and markings. The samples must be certified by the United States Department of Agriculture (USDA) Agricultural Marketing Service (AMS), Poultry Division. Samples shall be submitted prior to the close of business on December 14, 2007 to the address shown below. Failure to submit samples as specified will result in the bidder being deemed as not responsive.

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

The USDA certificate shall certify that the samples have been processed according to the detailed specifications and fabrication methods detailed in the bid. Each sample shall be separately identified as to content, processor, bid number, and bidder's company name. All samples must be accompanied by a USDA, AMS, Poultry Division grading certificate. Samples submitted without a USDA, AMS, Poultry Division grading certificate will not be considered for award. Samples may be analytically tested. Samples will not be returned. All samples shall be produced subsequent to the date of release of this contract for bid. Bench top samples or R&D samples will be deemed not responsive.

AWARD: There will be one (1) low lot award to the lowest responsive and responsible bidder meeting all bid specifications and requirements listed herein.

EVALUATION: Bids will be evaluated in accordance with Article I-17. of the Instructions for Bidders. In addition, to determine the low lot total price (grand total) for each bid, the state will use the following process:

1. Multiply the minimum yield per 36,000 lbs. of raw turkey for each item within an Option (as specified on the pricing page) by number of truckloads to be processed annually by the bidder's fee for processing per pound.

As specified in paragraphs II.B.1.b.12, II.B.2.b.12, II.B.3.b.5, and II.B.4.b.11, the guaranteed minimum return (minimum yield) per truckload of commodity of commodity turkey shall be:

<u>Item</u>	<u>Minimum Yield</u>
Turkey Breast	34% (12,240 lbs.)
Turkey Ham	22% (7,920 lbs.)
Turkey Bologna	11.5% (4,140 lbs.)
Turkey Corn Dog Nuggets	30% (10,800 lbs.)

- The line item totals for each item shall then be multiplied by the number of truckloads of USDA commodity turkey to be processed into each end product in order to obtain an extended line item total. For the purpose of evaluation only, the amount of USDA commodity turkey to be processed into each end product under each Option shall be as shown below.

Option 1

Turkey Breast: 40% (3.2 TL)
Turkey Ham: 28% (2.24 TL)
Turkey Bologna: 32% (2.56 TL)

Option 2

Turkey Breast: 40% (3.2 TL)
Turkey Ham: 28% (2.24 TL)
Turkey Corn Dog Nuggets: 32% (2.56 TL)

- The extended line item totals within each Option shall be added to obtain a lot total for each option.
- The lot total of both Options shall be added to obtain a grand total for the bid.

Failure to bid all items/Options may result in the bidder being deemed as not responsive. The bid will be evaluated according to the fee per pound for processing the specified finished product, as specified above. 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 Office for Safety, Health, and Nutrition staff and members of the Ohio Commodity Advisory Board. 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.

QUALITY CONTROL: The successful vendor shall make available at the request of the Department of Education, Office of Safety, Health, and Nutrition, independent laboratory test results for each finished good item produced from each batch of bulk chilled turkey.

For purpose of this requirement, the following definitions shall apply:

Batch of Bulk Chilled Turkey: Four (4) 36,000 lb. truckloads of bulk chilled turkey

Each Finished Good Item Produced:

Turkey Breast, Fully Cooked, Frozen	50,000 lbs.
Turkey Ham, Picnic, Smoked (Cured Turkey Roll), Fully Cooked, Frozen	30,000 lbs.
Turkey Bologna (Processed Dark Turkey Meat), Fully Cooked, Frozen	20,000 lbs.
Mini Turkey Corn Dog Nuggets (Processed Dark Turkey Meat) Battered/Breaded, Fully Cooked, Frozen	40,000 lbs.

Tests shall include, but not be limited to, *listeria monocytogenes*, *staphococcus*, *E. coli 0157:H7*, *salmonella*, any extraneous matter, and undercooking. All costs for testing shall be the responsibility of the successful vendor. Failure to meet the specification requirements will invalidate the contract and will result in the contractor being liable for any financial losses incurred by the state of Ohio.

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 USDA commodity turkey into turkey breast slab, smoked; turkey picnic ham; cooked turkey bologna and mini turkey corn dogs for the Ohio Department of Education (DOE), Office for Safety, Health, and Nutrition (OSHN). It is anticipated that approximately 576,000 lbs. of chilled bulk turkey will be made available by the USDA to the state of Ohio annually, if market conditions warrant. It is anticipated that product will become available January 1, 2008. There are two (2) ordering options (combination of products) defined on the pricing page of this bid. It is anticipated that approximately eight (8) truckloads will be processed for each option; however, the total quantity specified is based on anticipated USDA shipments. The estimate of orders on each option is not guaranteed and the state of Ohio is not obligated to request processing in these or any other amounts. The Ohio Department of Education will provide the contractor with at least thirty (30) days notice of the option to be used for each order. As specified in the 'TRANSPORTATION CHARGES' paragraph, the USDA will deliver the commodity to the contractor. As specified in the 'DELIVERY AND ACCEPTANCE' paragraph, the contractor shall deliver processed product to the three (3) cold storage facilities. Bid pricing (fee for processing per pound of finished product) shall include all transportation charges for delivery of processed product to cold storage facilities, the cost of USDA certification service, and any other costs associated with providing the specified product. The term of any ensuing contract shall be for a period of twenty-nine and one-half (29-1/2) months, from January 14, 2008 through June 30, 2010.

B. Classification

1. Turkey Breast, Fully Cooked, Frozen
2. Turkey Ham, Picnic, Smoked (Cured Turkey Roll), Fully Cooked, Frozen
3. Turkey Bologna (Processed Dark Turkey Meat), Fully Cooked, Frozen
4. Mini Turkey Corn Dog Nuggets (Processed Dark Turkey Meat), Battered/Breaded, Fully Cooked, Frozen

II. REQUIREMENTS

A. USDA Commodity Description

Bulk turkey, chilled (USDA "B")

B. End Product Descriptions

1. Turkey Breast, Fully Cooked, Frozen

a. Formulation

Ingredients

	<u>Percentage</u>
Boneless/Skinless Turkey Breast and White Turkey Trim Meat Turkey Skin	80.00 min.
Water/Ice	16.05 max.
Salt	1.25 max.
Sodium Phosphate	0.51 max.
Dextrose	1.25 max.
Carrageenan	0.78 max.

SPECIFICATION (Cont'd.)

b. Fabrication of Product

1. All breast and white trim meat shall be used in processing of this product.
2. Boneless/skinless turkey breast meat may be put through a grinder with a two inch (2") or kidney plate.
3. Vacuum load breast meat and add portion of ice and water.
4. Make chopper emulsion from breast trim, white turkey, skin, ice and portion of dry ingredients.
5. All items shall be mixed well.
6. Add emulsion.
7. Product to be stuffed into a casing that will give a tavern (rectangular or semi-oval) shape.
8. Product shall be examined by a metal detector, as specified in paragraph II.D.5.
9. Product shall be cooked to internal temperature of 160° F.
10. After cooking, product shall be chilled to 40° F. as soon as possible. Product may be chilled in cooking bag or may be repacked in cryovac type bag.
11. Product must be frozen to an internal temperature of 0° F. within seventy-two (72) hours of repacking and in accordance with USDA grading procedures.
12. Guaranteed minimum return shall be 34% per 36,000 pounds of bulk chilled turkey processed.

2. Turkey Ham, Picnic, Smoked (Cured Turkey Roll), Fully Cooked, Frozen

a. Formulation

<u>Ingredients</u>	<u>Percentage</u>
Boneless/Skinless Turkey Thigh and Boneless Drumstick and Trim Meat	80.00 min.
Water	13.50 max.
Salt	2.20 max.
Brown Sugar	0.81 max.
Sodium Phosphates	0.50 max.
Corn Syrup Solids	2.10 max.
Flavoring	0.30 max.
Smoke Flavoring	Sufficient for Purpose
Sodium Erythrodate	0.043 max.
Sodium Nitrite	0.012 max.

b. Fabrication of Product

1. Thigh and drumstick meat and first joint wing meat shall be used in processing of this product.
2. Chunked turkey thigh meat and desinewed drumstick meat shall be placed into mixer.
3. All other ingredients shall be added and all products shall be mixed well.
4. If product is not chunked and formed, it may be injected with the cure solution.
5. Add water with lid closed, mixer running. Vacuum mix.
6. After mixing, product shall be stuffed into casing.
7. Product shall be examined by a metal detector, as specified in paragraph II.D.5.
8. Product shall be cooked to an internal temperature of 155° F.
9. Product shall then be cooled and stored at 40° F.
10. Product shall be frozen and shall reach an internal temperature of 0° F. within seventy-two (72) hours of placement in freezer and in accordance with USDA grading procedures.
11. This product shall conform in all respects to the following chemical analysis:
Fat Analysis: Maximum 8%
Moisture to Poultry Protein Ratio: No greater than 3.8:1
 Testing for the above chemical analysis may be performed pursuant to delivery of product. Product failing to meet the above requirements shall be picked up by contractor/returned at contractor's expense. Contractor shall be responsible for replacement of product rejected due to laboratory test failure. Contractor shall be liable for any financial losses incurred by the state of Ohio due to the above.
12. Guaranteed minimum return shall be 22% per 36,000 pounds of bulk chilled turkey processed.

SPECIFICATION (Cont'd.)

3. Turkey Bologna (Processed Dark Turkey Meat), Fully Cooked, Frozen

a. Formulation

<u>Ingredients</u>	<u>Percentage</u>
Turkey, Mechanically Deboned Meat (MDM)	87.00 min.
Water/Ice	7.00 max.
Salt	2.03 max.
Spice Flavoring (Corn Syrup/Dextrose/Flavoring/Soy Protein)	3.50 max.
Sodium Phosphates	0.50 max.
Sodium Erythorbate	0.041 max.
Sodium Nitrite	0.013 max.

b. Fabrication of Product

1. Finely ground turkey shall be mixed with water and ingredients.
 2. The mixture shall then be emulsified, stuffed into casings, and cooked to an internal temperature of 155° F., then chilled and packed.
 3. Product shall be examined by a metal detector, as specified in paragraph II.D.5.
 4. Product shall be frozen and shall reach an internal temperature of 0° F. within seventy-two (72) hours of placement in freezer and in accordance with USDA grading procedures.
 5. This product shall conform in all respects to the following chemical analysis:
Fat Analysis: Maximum 20%
Testing for the above chemical analysis may be performed pursuant to delivery of product. Product failing to meet the above requirements shall be picked up by contractor/returned at contractor's expense. Contractor shall be responsible for replacement of product rejected due to laboratory test failure. Contractor shall be liable for any financial losses incurred by the state of Ohio due to the above.
5. Guaranteed minimum return shall be 11.5% per 36,000 pounds of bulk chilled turkey.
4. Mini Turkey Corn Dog Nuggets (Processed Dark Turkey Meat), Battered/Breaded, Fully Cooked, Frozen

a. Formulation

<u>Ingredients</u>	<u>Percentage</u>
Turkey, Mechanically Deboned Meat (MDM)	87.00 min.
Water	6.80 max.
Hot Dog Seasoning (exclusive of salt and sodium nitrite)	3.70 max.
Salt	2.04 max.
Sodium Nitrite	0.013 max.

Batter/breading shall consist of enriched wheat and corn flour, water, sugar, egg yolks, nonfat dry milk, and other wholesome ingredients. Batter/breading shall be not more than 50% maximum of the finished weight of each mini turkey corn dog.

SPECIFICATION (Cont'd.)

b. Fabrication of Product

1. MDM shall be loaded into mixer.
2. Salt and cure pre-blend shall be added to MDM. Product shall be chilled with CO₂.
3. Mix shall be dumped into new combo bins and prepared for further processing.
4. Water and spice blend shall be added and the product mixed.
5. Product shall be stuffed into casings, cooked to 155° F. and cut into pieces weighing 9.45 grams.
6. Pieces shall be wrapped in batter and deep fried in oil.
7. Pieces shall be Individually quick frozen.
8. Product shall be examined by a metal detector, as specified in paragraph II.D.5.
9. Each mini corn dog nugget shall weight 0.67 ounce.
10. Each serving of mini turkey corn dog nuggets (six nuggets) shall provide 2 oz. meat and 2 bread servings for the National School Lunch Program (NSLP).
11. Guaranteed minimum return 30% per 36,000 pounds of bulk chilled turkey processed.

C. Preparation and Processing

1. 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 Poultry Inspection Regulations. Quality assurance and specification requirements for the specified item(s) shall be determined by the USDA, AMS, Poultry Division in accordance with USDA procedures.
2. Boned meat used in the preparation of further processed items shall be examined prior to blending or cooking. The boned meat shall be free of bruises, tendons, cartilage, and blood clots exceeding 0.3 inches in any dimension.
3. In addition, bone and hard tendons less than 0.3 inches may not exceed the tolerances listed in Sample Plan II of the Poultry Grader's Handbook. Sample size shall be as specified in Sample Plan II for the above listed attributes.
4. USDA commodity turkey shall be processed by contractor as soon as possible from time of receipt from USDA, in accordance with USDA guidelines.

D. USDA Certification Service

1. As part of Option 2 coverage, the USDA, AMS, Poultry 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, Poultry Division grader prior to delivery. The contractor shall arrange and pay for the necessary USDA service.
3. A USDA, AMS, Poultry 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.
4. Each case shall be stamped with the USDA contract compliance stamp and the certificate number. Product not identified with the contract compliance stamp or not accompanied by a grading certificate 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, Poultry Division.

SPECIFICATION (Cont'd.)

E. Packaging

1. Turkey Breast, Fully Cooked, Frozen: Product shall be packed 4/10 lb. or 5/8 lb. per case.
2. Turkey Ham, Picnic, Smoked (Cured Turkey Roll), Fully Cooked, Frozen: Product shall be packed in heat shrinkable poly film and shall be packed 4/10 lb. per case.
3. Turkey Bologna (Processed Dark Turkey Meat), Fully Cooked, Frozen: Product shall be packed in a moisture proof , fibrous casing and shall be packed 4/10 lb. per case.
4. Mini Turkey Corn Dog Nuggets (Processed Dark Turkey Meat), Battered/Breaded, Fully Cooked, Frozen: Product shall be bulk packed in a fiber board container with a sealed poly liner and shall weigh 30 lbs. per case
5. 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.

F. Labeling

1. Each container shall bear the USDA contract compliance stamp and certificate number.
2. All cases shall contain the following statement in letters legible from a distance of five feet (5'): "Contains commodities donated by the people of the United States of America. This product shall be used only by eligible recipient agencies. Not to be sold or exchanged." This statement shall not be removable from the master case.
3. Printed, stamped, and stenciled labeling and marking information on shipping containers must be water-fast, non-smearing, of a contrasting color, and readable.
4. A copy of cooking instructions shall be sent to the Ohio Department of Education, Office for Safety, Health, and Nutrition prior to initial shipment of all products.

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.

SPECIFICATION (Cont'd.)

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 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. If laboratory analysis is done in accordance with "QUALITY CONTROL" paragraph specified herein, 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 Poultry Products Act.

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:

1. Completing and filing with the OSHN (Office for Safety, Health, and Nutrition) overage, shortage and damage reports.
2. Obtaining signed receipts (original bills of lading) from carriers of donated foods.
3. Mailing all delivery receipts and receiving reports to the 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 changes 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	PRODUCT	* MINIMUM YIELD PER 36,000 LBS. OF RAW TURKEY	FEE FOR PROCESSING (PER LB. OF FINISHED PRODUCT)
OPTION NO. 1			
9297	Turkey Breast, Fully Cooked, Frozen	12,240 lbs.	\$ 0.74 per lb.
9298	Turkey Ham, Picnic, Smoked (Cured Turkey Roll), Fully Cooked, Frozen	7,920 lbs.	\$ 0.74 per lb.
3642	Turkey Bologna (Processed Dark Turkey Meat), Fully Cooked, Frozen	4,140 lbs.	\$ 0.74 per lb.
OPTION NO. 2			
9297	Turkey Breast, Fully Cooked, Frozen	12,240 lbs.	\$ 0.74 per lb.
9298	Turkey Ham, Picnic, Smoked (Cured Turkey Roll), Fully Cooked, Frozen	7,920 lbs.	\$ 0.74 per lb.
3643	Mini Turkey Corn Dog Nuggets (Processed Dark Turkey Meat), Battered/Breaded, Fully Cooked, Frozen	10,800 lbs.	\$ 1.45 per lb.

CONTRACTOR, TERMS AND DELIVERY:

148030
 House of Raeford Farms, Inc.
 520 East Central Avenue
 Raeford, NC 28376

CONTRACTOR'S CONTACT: Mr. Mike Ptak

CONTRACTOR'S IT/MIS CONTACT: Mr. Rich Welch,

BID/CONTRACT NO.: OT905508-2 (06/30/10)

TERMS: Net 60 Days

DELIVERY: As specified in 'Delivery and Acceptance' paragraph on page 3

Toll Free: (800) 888-7539, Ext. 4280
 Telephone: (910) 875-5161, Ext. 4280
 Fax: (910) 875-8301
 Email: mike.ptak@houseofraeford.com

Toll Free: (800) 888-7539

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