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

REQUIREMENTS CONTRACT: PEANUT BUTTER AND JELLY POCKETS, PROCESSED USING USDA COMMODITY PEANUT BUTTER

CONTRACT No.: OT900111 EFFECTIVE DATES: 07/01/2010 to 06/30/2013

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT900111 that opened on 04/21/10. 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 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:

Jennifer Shaefer *
jennifer.shaefer@das.state.oh.us

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

http://www.ohio.gov/procure

*Denotes contact update with Amendment 2.

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 (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.

CITY	WAREHOUSE	PERCENTAGE OF PRODUCT
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 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 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 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 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 to be processed.

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 two (2) cases of each product. Samples shall be submitted prior to close of business on Monday, April 19, 2010 to the address shown below. Samples shall bear required labeling and markings. Each sample shall be identified as to content, processor, bid number, and bidder's company name.

Office for Safety, Health, and Nutrition
c/o SYSCO Foodservice
2400 Harrison Road
Columbus, OH 43228
Telephone: (614) 930-4229
Attn: Ed Doklovic/Oji Ohajuruka

One (1) case of each sample submitted shall be used for sample evaluation and the other case shall be used to verify actual processed product received during the term of any ensuing contract. Samples will be evaluated on 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-17 of the “Instructions to Bidders”. In addition, the state will: determine the lot total price for each bid, using the following process. Below is shown the estimated percentage of USDA commodity peanut butter and the corresponding quantity in pounds of USDA commodity peanut butter that is estimated will be used for each end product annually..

Peanut butter and grape jelly pockets (white bread)	37% (44,400 lbs.)
Peanut butter and strawberry jelly or jam pockets (wheat bread)	21% (25,200 lbs.)
Peanut butter and grape jelly pockets (wheat bread)	21% (25,200 lbs.)
Peanut butter and strawberry jelly or jam pockets (wheat bread)	21% (25,200 lbs.)

The bidder’s fee per pound for processing each end product will be multiplied by the minimum yield per truckload of the USDA commodity for that product and then multiplied by the number of truckloads of the USDA commodity estimated to be processed annually to obtain an extended line item total. The extended line item totals for each item 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. Low lot total will be determined as specified in the ‘Evaluation’ paragraph above. Failure to bid all items may result in the bidder being deemed not responsive.

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: Jennifer Shaefer. *

*Denotes contact update with Amendment 2.

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 peanut butter into peanut butter and jelly pockets for the Ohio Department of Education (ODE), Office for Safety, Health and Nutrition (OSHN). It is anticipated that the USDA will make available a minimum of one hundred twenty thousand (120,000) lbs. of USDA commodity peanut butter to the state of Ohio annually and that one hundred twenty thousand (120,000) lbs. will be processed annually. Product is anticipated to become available in July, 2010. The quantity specified is based on anticipated product availability from the USDA and the state of Ohio is not obligated to request processing in these amounts or any other quantities. Peanut butter will be delivered in bulk to the contractor and the contractor shall process product and deliver finished product to the cold storage facilities specified herein. Bid pricing (price per pound of finished product) shall include all transportation charges and any other charges associated with providing the specified product. The term of any contract awarded pursuant to this bid shall be for three (3) years, from July 1, 2010 through June 30, 2013.

B. Classification

1. Peanut Butter and Grape Jelly Pockets, Crustless, Frozen

2. Peanut Butter and Strawberry Jelly or Jam Pockets, Crustless, Frozen

II. REQUIREMENTS

A. USDA Commodity Description

1. U.S. Grade A peanut butter, as defined in the U.S. Standards of Grades for Peanut Butter (B480)

   a. Finely ground and smooth texture

   b. Peroxide value may not exceed 1.5 meg/kg.

   c. Contains sufficient vegetable stabilizers to prevent oil separation

   d. Packed in bulk containers (500 lb. drums)

B. End Product Description

1. Peanut Butter and Jelly Pockets, Crustless, Frozen

   a. Formulation

Ingredients	Percentage
USDA Grade A Peanut Butter	45.83% minimum
White and/or Wheat Bread	37.50% minimum
Grape Jelly or Strawberry Jelly or Jam	16.67% maximum

   b. The peanut butter and jelly crustless pocket shall be prepared from USDA commodity peanut butter, grape jelly or strawberry jelly or jam and white or wheat bread, with crusts removed, according to the above formulation. Product must not contain MSG. The peanut butter and jelly shall be pocketed between two (2) pieces of bread with crusts removed. Edges shall be sealed to prevent filling from leaking.

   c. Each peanut butter and jelly crustless pocket shall have a minimum net weight of 2.80 oz. Each peanut butter and jelly crustless pocket shall provide one (1) oz. meat/meat alternate and 1.25 grain/bread serving in the National School Lunch Program (NSLP).

SPECIFICATION (Cont'd.)

d. Each peanut butter and jelly crustless pocket should be individually packaged in food-safe plastic film that is both tamper-evident and easy to open by children. The wrap should be attractively printed.

e. It is unknown at the time of bid issuance whether ODE will request processing of product with white or wheat bread or both.

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 under the supervision of the contractor.

D. Packaging: Peanut butter and jelly crustless pockets shall be packaged in individual portions, heat sealed in clear film that is both tamper-evident and easy to open by children and frozen. Each case shall be packaged between 72-100 count. No alternate packs are acceptable.

1. General

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

b. Bags shall be securely closed. Metal wire ties, metal clips, paper-coated wire ties, or staples shall not be used for sealing plastic-film bags.

c. Staples shall not be used as a final case closure. Case closure shall be accomplished by taping, strapping, or gluing. All boxes within the delivery unit of an individual product shall be of a uniform size and weight.

d. Boxes shall be one piece, die-cut, regular slotted container (RSC) design. Fiberboard shall be testing not less than 200 lbs. No holes in boxes are permitted. Shipping cartons shall have necessary interior support to prevent crushing of product while in transit or in storage.

E. Labeling

1. The contribution value of a serving to the NSLP pattern, the nutrition analysis, and the 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 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. Printed, stamped, and stenciled labeling and marking information on shipping containers must be water-fast, non-smearing, of a contrasting color, clear, and readable.

3. Label shall meet the requirements of the Food Allergy & Consumer Protection Act (FALCPA) of 2004. Any of the eight (8) protein allergens shall be identified in the production process. It may be necessary to identify other allergens than the eight (8) protein allergens, as required by the act.

F. 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.

Pallet exchange is satisfactory with all warehouses.

G. General Information

1. The delivered product shall comply with all applicable federal and state mandatory requirements and regulations relating to the preparation, packaging, labeling, storage, distribution and sales of the product within the commercial marketplace.

SPECIFICATION (Cont'd.)

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 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. 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.

YOUR BID:

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.

OAKS ITEM ID NUMBER	END PRODUCT (PROCESSED AS SPECIFIED)	COMMODITY WEIGHT PER TL	MINIMUM YIELD * OF END PRODUCT PER TL OF COMMODITY	FEE FOR PROCESSING (PER LB. OF END PRODUCT)
10212	Peanut butter and grape jelly pockets (White bread)	40,000 lbs.	101,818.18 lbs.	$ 2.097 per lb.**
10213	Peanut butter and strawberry jelly or jam pockets (White bread)	40,000 lbs.	101,818.18 lbs	$ 2.214 per lb.**
10214	Peanut butter and grape jelly pockets (Wheat bread)	40,000 lbs.	101,818.18 lbs.	$ 2.342 per lb.**
10215	Peanut butter and strawberry jelly or jam pockets (Wheat bread)	40,000 lbs.	101,818.18 lbs	$ 2.457 per lb.**

Case Pack Offered: 72 Peanut butter and jelly crustless pockets per case.

I certify that the above product(s): (1) will be produced in compliance with the attached specifications; (2) minimum finished product specified is guaranteed. Total production is to be returned to the ODE regardless of the amount; (3) that the product will be delivered to specified locations in Ohio; and (4) the processing fee reflected above represents the total cost to the ODE for the finished product(s) delivered.

*** PROCESSOR: Smucker Foodservice, Inc.

*** SIGNATURE: Larry W. Herman

*** TITLE: VP/GM Foodservice

DATE: 4/15/2010

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

** Price Change with new award effective 11/08/10.

*** Change in processor, signature and title effective 11/08/10.

CONTRACTOR INDEX

CONTRACTOR, TERMS AND DELIVERY:

BID/CONTRACT NO.: OT900111-4** (06/30/13)

0000192302 *
Smucker Foodservice, Inc..
One Strawberry Lane
Orrville, OH 44667

TERMS: Net 90 Days

DELIVERY: 30 Days ARO

CONTRACTOR'S CONTACT: Linda Vaccani

Toll Free: (800) 553-0952
Telephone:(330) 684-3308
Fax: (330) 684-3115
Email: linda.vaccani@jmsmucker.com

** *REMIT TO ADDRESS

The J.M. Smucker Company
39198 Treasury Center
Chicago, IL 60694-9100

*Denotes vendor number update with Amendment 2.

** Denotes change in contract number to a (-4) with Amendment 2.

*** Added Remit to Address 10/06/2011

SUMMARY OF AMENDMENTS

Amendment Number	Revision Date	Description
2	10/06/11	This amendment is issued to update analyst contact, vendor number and added remit to address. This amendment also updates the contract number to OT900111-4.
1	11/15/10	To correct the award on this contract to Smucker Foodservice, Inc.