

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: NUTRITION BARS, PROCESSED USING USDA COMMODITY FRUIT AND NUT MIX OR FRUIT

CONTRACT No.: OT900209

EFFECTIVE DATES: 07/01/08 to 06/30/11

* Renewal through 06/30/13

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT900209 that opened on 03/05/08. 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 of 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:

Senthan Mahendrarasa
Senthan.Mahendrarasa@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>

* To indicate mutual agreement to renew for twelve (12) months, effective July 1, 2012 through June 30, 2013.

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.

<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 the 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 for the product offered as part of the bid response.
3. The bidder should submit, as part of the bid response, a formulation sheet demonstrating how one (1) nutrition bar is equal to one-half (1/2) cup fruit and one (1) bread serving.
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.

5. Quality Control/Total Quality Control: Prior to contract inception, the contractor shall submit to the ODE, OSHN a narrative of the quality control or total quality control program at the processing plant. The narrative of the quality control or total quality control program is not to be submitted as part of the bid response.

Documentation listed above that is designated to be submitted with the bid response may also be requested during bid evaluation. Documents will be requested during evaluation and a deadline of seven (7) calendar days provided for submission. Failure to provide documents requested by the deadline provided will deem the bid not responsive.

PRODUCT SAMPLES: The bidder shall submit a sample of an iced nutrition bar with nuts. A sample shall consist of one (1) case of iced nutrition bars with nuts. The product sample shall 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. Product samples shall be submitted prior to the close of business on Tuesday, March 4, 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 the 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 state will evaluate the bid according to the fee per pound for processing offered on the bid pricing page.

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 line item.

*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: Senthana Mahendrarasa.

** 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).

* Denotes change in contract analyst

** To indicate additional Special Terms and Conditions added by mutual agreement 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 fruit and nut mix or USDA commodity fruit into nutrition bars for the Ohio Department of Education (DOE), Office for Safety, Health and Nutrition (OSHN). It is anticipated that approximately 80,000 pounds of USDA commodity fruit and nut mix and/or fruit 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 fruit and nut mix and/or fruit is anticipated to become available in July, 2008. Commodity fruit and nut mix and/or fruit will be delivered in truckload quantities of 40,000 pounds each. The contractor shall process the end product and make delivery to the three (3) cold storage facilities specified herein. Bid prices (fee for processing per pound of finished product) shall include all transportation charges for delivery of processed product to the cold storage facilities and any other costs associated with providing the specified end products. The term of any contract issued pursuant to this ITB shall be for three (3) years, from July 1, 2008 through June 30, 2011.

B. Classification

1. Nutrition Bars, Iced
 - a. With fruit and nut mix
 - b. With frozen fruit
 - c. With dried fruit

II. REQUIREMENTS

A. USDA Commodity Description

1. Fruit and Nut Mix, Dehydrated (A261)
 - a. Packaging: Five (5), five (5) pound bags poly bags per fiberboard shipping container
2. Fruit, Frozen
 - a. The following USDA commodity frozen fruits may be used:
 1. Apple slices
 2. Apricots
 3. Blackberries
 4. Blueberries
 5. Blackberry puree
 6. Red Raspberry puree
 7. Cherries
 8. Peaches
 9. Red Raspberries
 10. Strawberries
 - b. Packaging: Twenty (20) to forty (40) pound cases
3. Fruit, Dried
 - a. The following USDA commodity dried fruits may be used:
 1. Raisins
 2. Prunes
 3. Prune pieces
 4. Plum/Prune puree

SPECIFICATION (Cont'd.)

5. Fig pieces
 6. Fig paste/puree
 7. Cranberries, whole
 8. Nuts (all varieties)
- b. Packaging: Twenty (20) to forty (40) pound cases
- B. End Product Description
1. Nutrition Bars, Iced
 - a. Product shall be prepared using enriched wheat flour, soybean oil, sugars, apple juice concentrate, corn syrup, fructose and USDA commodity fruit and nut mix or fruit.
 - b. Product shall not contain any artificial flavors, coconut oil, palm oil or lard.
 - c. Icing shall contain powdered sugar, cornstarch, gelatin and vanilla.
 - d. Product shall contain no added preservatives.
 - e. Minimum portion weight shall be two (2) ounces.
 - f. Approximate Nutrition Bar Dimensions
 1. Length: 4-1/4"
 2. Width: 2-1/2"
 3. Thickness: 5/8"
 - g. Each nutrition bar must provide a minimum of one-half (1/2) cup fruit and one (1) bread/grain credit based on the National School Lunch Program (NSLP).
 - h. Product shall be delivered in temperature controlled vehicles in order to maintain product quality. Product shall be stored refrigerated or frozen at the state and/or the school's option.
 - i. Product shall have a minimum shelf life of one (1) year if held frozen at 0° F., a minimum shelf life of one hundred and twenty (120) days if held refrigerated and a minimum shelf life of ninety (90) days if stored at room temperature.
 - j. The minimum yield on one (1) truckload (40,000 lbs.) of USDA commodity fruit and nut mix or fruit shall be 132,000 lbs. of nutrition bars.
- C. Preparation and Processing: All preparation and processing described herein shall occur subsequent to the date of award. The product shall be produced, processed, and stored in plants operating under the supervision of the contractor.
- D. Packaging
1. Product shall be packed one hundred and thirty-two (132) nutrition bars per case. No alternate packs will be acceptable.
 2. Nutrition bars shall be individually wrapped in packaging film, minimum six (6) mil, minimum gauge biaxial oriented polypropylene. Wrapper must have bright colors and commercial appearance.
 3. All packaging and packing materials must be new and clean and must not impart objectionable odors or flavors to the products.
 4. 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.

SPECIFICATION (Cont'd.)

5. 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.
6. Boxes shall be one piece, die-cut, regular slotted container (RSC) design. Fiberboard shall be testing not less than two hundred and seventy (275) pounds. No holes in boxes are permitted. Each shipping carton shall have interior fiberboard support to prevent crushing and collapsing of the shipping carton.

E. Labeling

1. If the prepared nutrition bar contains fruit and nut mix or nuts, the individual wrapper of each nutrition bar must bear the following statement, "PRODUCT MAY CONTAIN NUTS AND WAS MADE IN A PLANT WITH NUT AND PEANUT PRODUCT".
2. The individual wrapper of each nutrition bar must bear the following statement, "THIS NUTRITION BAR PROVIDES ONE BREAD SERVING AND ONE FRUIT SERVING. MADE WITH A MINIMUM OF 14.75 GRAMS OF ENRICHED FLOUR AND CONTAINS FRUIT, FRUIT JUICE CONCENTRATE AND OTHER WHOLESOME AND NUTRITIOUS INGREDIENTS".
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. The shipping container shall also bear the ingredient statement, name of the product and date of pack.

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 in the commercial marketplace.
2. All commodities and services to be furnished hereunder shall conform to the specifications as noted herein. All product shall be processed in the United States.
3. If laboratory analysis is done in accordance with Article S-15 of the Supplemental Contract Terms and Conditions, the laboratory analysis will be predicated upon the formulation specified herein.
4. Guaranty: By the signature affixed on page 1 of this bid, contractor guarantees that, as of the date of delivery to the State or the State's agent, the product(s) offered is (are) not adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act ("the ACT"), and not an article which may not, under the provisions of section 404, 505, or 512 of the Act, be introduced into interstate commerce.

SPECIFICATION (Cont'd.)

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 commodity 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

OAKS ITEM ID	ITEM DESCRIPTION	USDA COMMODITY WEIGHT (TL)	MINIMUM YIELD OF END PRODUCT PER TL OF COMMODITY	FEE FOR PROCESSING (PER LB. OF END PRODUCT)
3041	Iced Nutrition Bar	40,000 lbs.	132,000 lbs.	\$ 1.68 per lb.

CONTRACTOR, TERMS AND DELIVERY:

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

BID/CONTRACT NO.: OT900209-1 (06/30/13) *

TERMS: Net 90 Days

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

CONTRACTOR'S CONTACT: Mr. Sean Zecman

Toll Free: (888) 824-0700
 Telephone: (734) 446-1150
 Fax: (734) 453-1800
 Email: szecman@csvsales.com

CONTRACTOR'S IT/MIS CONTACT: Same as above

* To indicate renewal of the contract for another year.

SUMMARY OF AMENDMENTS

Amendment Number	Revision Date	Description
3	07/01/12	Renew the subject contract an additional twelve (12) months, effective 07/01/12 through 06/30/13 and note new analyst contact. Addition of Special Terms and Conditions added by mutual agreement.
2	07/01/11	To indicate a mutually agreed upon renewal to the Contract for twelve (12) months effective July 1, 2011 through June 30, 2012 under the same terms and conditions and pricing.
1	07/23/10	To indicate a change in the Contract Analyst, the usage report contact, the Contractors address and to add page 9 Summary of Amendments.