

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

REQUIREMENTS CONTRACT: Trimmings, Beef, Fresh, Chilled

CONTRACT No.: OT907809

EFFECTIVE DATES: 04/27/09 to 03/31/10
Renewal through 03/31/12

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT907809 that opened on 03/20/09. 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 Ohio Penal Industries, Meat Processing Career Center, 11446 State Route 762, Orient, OH 43146, 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:

Russell Perry, CPPB
russell.perry@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>

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: Supplies will be delivered to the participating agency within twenty-eight (28) days after receipt of order and, in accordance with paragraphs S-8, S-9 and S-10 of the Supplemental Contract Terms and Conditions. The delivery location will be noted on the purchase order issued by the participating agency. 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.

MINIMUM ORDER: The minimum quantity of any order placed against a contract awarded pursuant to this bid shall be twenty thousand (20,000) pounds.

MULTIPLE AWARD CONTRACT: This bid is issued to establish a Multiple Award Contract (MAC). A MAC is a contract made with more than one supplier of the same or similar types of supplies or services at varying prices for delivery within the same geographic area. The state's obligations under a MAC are subject to the Ohio Controlling Board's continuing authorization to use the MAC program authorizing the use of Multiple Award Contracts. By the signature affixed to Page 1, of this Bid, the Bidder certifies that it is currently in compliance and will continue to adhere to the requirements of the Ohio Ethics Law, Ohio Revised Code Section 102.04. The Bidder affirms that, as applicable to the Bidder, no party listed in Ohio Revised Code Section 3517.13 (I) or (J) or spouse of such party has made, as an individual, within the two previous calendar years, one or more contributions totaling in excess of \$1,000.00 to the Governor or to his campaign committees.

CONTRACT AWARD: A Contract will be awarded to all responsive and responsible bidders.

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 line item, showing the quantities/dollars generated by this contract. The report shall be forwarded to the Office of State Purchasing, 4200 Surface Road, Columbus, OH 43228-1395, Attn: Elizabeth Lind.

SPECIFICATION

I. SCOPE AND CLASSIFICATION

A. Scope

The purpose of this bid is to obtain a contractor(s) to supply fresh chilled beef trimmings requirements to be ordered by Ohio Penal Industries (OPI), Meat Processing Career Center. The estimated monthly requirements are 50,000 pounds of beef trimmings. Orders will be placed approximately once every other week. OPI Meat Processing Career Center normally produces beef trimmings which are used in production of end products. This contract will supplement the quantity produced by the OPI Meat Processing Career Center. If, for any reason, the OPI Meat Processing Career Center is unable to produce beef trimmings or if there are changes in production, monthly requirements for beef trimmings from this contract may be as high as 150,000 pounds per month with deliveries requested weekly. The state of Ohio is not obligated to order beef trimmings in this or any other amount. Should the OPI Meat Processing Career Center be closed for a time or decrease production for some unforeseen reason, orders may decline in quantity and/or frequency or may cease. Delivery shall be made F.O.B. destination prepaid. The term of any contract issued pursuant to this bid shall be for one (1) year, from April 27, 2009 through March 31, 2010.

B. Classification

1. Trimmings, Beef, Fresh, Chilled

SPECIFICATION (Cont'd.)

II. APPLICABLE DOCUMENTS

1. United States Department of Agriculture (USDA), Food Safety and Inspection Service (FSIS), Meat, Poultry and Egg Product Inspection Directory
(http://www.fsis.usda.gov/Regulations_&_Policies/Meat_Poultry_Egg_Inspection_Directory/index.asp)
2. United States Department of Agriculture (USDA) Daily National Carlot Meat Report
(<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateB&navID=MarketNewsAndTransportationData&leftNav=MarketNewsAndTransportationData&page=LSMarketNewsPage>)
3. United States Department of Agriculture (USDA), Food Safety and Inspection Service (FSIS), FSIS Notice 05-09, Measures to Address *E. coli* 0157:H7 at Establishments that Receive, Grind or Otherwise Process Raw Beef Products
(<http://www.fsis.usda.gov/OPPDE/rdad/FSISNotices/05-09.pdf>)

III. REQUIREMENTS

A. End Product (Trimblings, Beef, Fresh, Chilled)

1. Beef trimmings may be prepared from any portion of the carcass which yields product that will meet end item requirements.
2. Ingredients that may be included are as follows:

Cow meat obtained from boning cows, boneless primals and subprimals from slaughter steers and heifers and whole carcass trimmings in natural proportions. Bull meat is acceptable. Shank meat is permissible if tendons or ligaments are removed in such a manner as to expose seventy-five (75%) percent lean.
3. Ingredients that may not be included are as follows:

Ground product, water, foreign objects, mechanically separated meat, organ meat, wet ice, tenderizing agents, excessive abdominal tissue, blood clots, bruised meat, backstrap, cartilage, spinal cord and bones.
4. Cheek meat and head meat is permissible, up to twenty (20%) percent of the total batch weight.
5. Trimmings derived from automatic deboning machines and/or advance lean retrieval systems shall be excluded.
6. Meat shall be fresh, never frozen and delivered chilled. The temperature of the meat received shall be not less than 28 degrees F. and shall not exceed 40 degrees F.

7. Fat Content and Chemical Analysis

- a. Fat content is limited to 35% per production lot without a discount being taken.
- b. Product with a fat content from 35.01% to 40% percent shall be accepted and discounted in accordance with the table below:

<u>Percent Fat Content Per Production Lot</u>	<u>Applicable Discount Percent of Contract Price</u>
35.01 through 37.50	2.5
37.51 through 40.00	5.0

- c. Lots with a fat content over forty (40%) percent shall not be accepted.

SPECIFICATION (Cont'd.)

- d. Fat content must be certified by the USDA using the average analysis method and results must be shown on the certificate.
 8. All meat shall be clean, wholesome and unadulterated. Beef shall be in excellent condition, i.e. exposed lean and fat surfaces shall be of a color and bloom typical of beef which has been properly stored and handled. Cut surfaces shall show no more than slight darkening or aging and/or microbial activity. No odors foreign to fresh meat shall be present and the meat shall show no evidence of freezing, defrosting or mishandling. Product will be rejected if it has been abused in any way, such as stored without proper refrigeration, improperly handled, shows evidence of excessive bacterial growth or shows any other evidence that would cause it to be unfit for human consumption.
 9. Meat shall be delivered within five (5) days of processing, excluding the processing day.
 10. Delivery of a quantity that is within five (5%) percent of the total quantity ordered will be deemed a complete order. Delivery of a quantity less 95% of the total quantity ordered may require another delivery for the balance of the quantity ordered. Delivery of a quantity greater than 105% of the total quantity ordered may result in the quantity of product in excess of this amount being rejected.
- B. Regulatory Requirement: All meat and meat products will originate from animals slaughtered in establishments regularly operated under the Meat Inspection Operations regulations of the USDA, Food Safety and Inspection Service (FSIS) or the Ohio Department of Agriculture (ODA) or under a system of meat inspection approved by FSIS. In addition, meats and meat products will be processed in establishments, that meet this requirement.
- C. Packaging
1. Beef trimmings shall be delivered fresh chilled and placed into plastic lined, leak proof combo bins covered with plastic. The weight of the combo bin shall be from 1,850 to 2,250 pounds. No alternate packs are acceptable.
 2. Combo bins shall be clean and unbroken.
 3. Combo bins shall not contain staples, metal, wires or metal bands.
- D. Labeling
1. Meat shall be inspected for wholesomeness and all shipping containers shall bear the official USDA or ODA inspection legend.
- E. USDA Certification Service
1. Fat content must be certified by the USDA, Agricultural Marketing Service (AMS), Meat Grading and Certification Branch using the average analysis method and results must be shown on a USDA LS-5-3 Acceptance Certificate.
 2. The USDA LS-5-3 Acceptance Certificate shall be made out to "The State of Ohio" in triplicate. One (1) copy of the USDA certificate must accompany each shipment. The original and one (1) copy of the USDA certificate must accompany each invoice.
 6. Any shipment of product not accompanied by a properly executed USDA certificate will be refused at destination, will remain the property of the contractor and will be returned at the contractor's expense.

SPECIFICATION (Cont'd.)

IV. CONTRACT PRICE

A. Base Price

The USDA Daily National Carlot Meat Report (NCMR) publishes the daily weighted average prices for beef products. This publication is the only acceptable report for base price determination. The item listed below shall be used to establish a base price for beef trimmings. The following is a reference showing which line item weighted average price on the USDA Daily National Carlot Meat Report shall apply for beef trimmings:

Item from USDA Daily NCMR:

National/Regional Daily Boneless Processing Beef and Beef Trimmings – Negotiated Sales – Afternoon
F.O.B. Plant – National
Fresh 65%

Example:

An order is placed February 26, 2009.

The following day, the USDA Daily National Carlot Meat Report lists the previous day's weighted average price for the item listed above as \$90.74 per cwt.

Base Price = $\$90.74 \div 100$

Base Price = \$0.9074 per lb.

Base Price = \$0.907 per lb. (Base price shall be no more than three (3) digits after the decimal point. Fourth digit to be rounded down if four (4) or less and rounded up if five (5) or more. Rounding of prices shall be done at the end of the formula, as shown above.)

B. Mark Up

To the base price per pound, will be added the contractor's "mark up" per pound (see pricing page). The mark up per pound shall cover all costs associated with providing the required services listed herein including, but not limited to, transportation, processing, fat analysis, packaging, wages, benefits, overhead, profit, etc.

C. Total Price

The total price per pound will be determined by adding the applicable base price per pound (see section IV.A. above) to the mark up per pound (see pricing page).

- D. If the applicable USDA Daily National Carlot Meat Report does not report a price for the item listed above for the date the order is placed, the price from the latest previous USDA Daily National Carlot Meat Report for the specified item shall apply.

V. ORDERING PROCEDURE

- A. Telephone call(s) to order beef trimmings from this contract may be placed by authorized representative(s) of OPI, Meat Processing Career Center. After the award of this contract, the OPI, Meat Processing Career Center Manager will provide the contractor with the authorized representative(s) name(s).
- B. Within one (1) business day of each telephone order, the contractor shall provide OPI, Meat Processing Career Center with verbal acknowledgement of the order and with the applicable base price for the item from the USDA Daily National Carlot Meat Report.
- C. OPI, Meat Processing Career Center shall confirm the base price in the USDA Daily National Carlot Meat Report and issue a purchase order confirming the telephone order within one (1) business day of each telephone order.
- D. Invoice shall be issued in original plus three (3) copies.

SPECIFICATION (Cont'd.)

- E. Should a contractor be unable to fulfill an order, contractor shall state so at the time the telephone order is placed and no purchase order will be issued. Should a contractor accept a telephone order, receive a purchase order and fail to fulfill the order, this will be considered a default of contract.

VI. DELIVERY

1. Deliveries shall be made to Ohio Penal Industries, Meat Processing Career Center, 11446 State Route. 762, Orient, Ohio 43146.
2. Delivery hours are 7:30 a.m. to 2:30 p.m., Monday through Friday, excluding state holidays.
3. A delivery appointment is necessary and must be made prior to loading for shipment.
4. A delivery appointment may be scheduled by contacting the OPI Meat Processing Career Center at (614) 877-4362, Ext. 316.
5. Delivery shall be made via refrigerated truck and the temperature of the beef trimmings at the time of delivery shall be not less than 28 degrees F. and shall not exceed 40 degrees F.
6. All delivery trailers shall be clean and odor free.
7. The contractor shall be responsible to coordinate laboratory analysis of fat content with the USDA and to obtain necessary USDA certification in sufficient time to enable product to be delivered by the required delivery date. Requests to extend delivery dates to obtain USDA certificate, etc. may not be granted.
8. If the contractor is unable to meet a scheduled delivery date due to delays caused by the state, the delivery date will be adjusted accordingly to offset such delays.

VII. QUALITY ASSURANCE

- A. All establishments supplying beef trimmings to OPI, Meat Processing Career Center will be required to provide a copy of their HACCP plan upon request. The HACCP plan must be deemed effect shall address:
1. The USDA requirement for E. Coli 0157:H7 treatment (See USDA, FSIS Notice 05-09)
 - a. A document (e.g., letter of guarantee) must accompany each product shipment from supplier that provides assurance that the supplier employs CCPs that address *E. coli* O157:H7 and that describes those interventions
 - b. Certificates of analysis (COAs) (i.e., actual test results) and the sampling method used (e.g., N=60) by the supplier must be provided upon request
 2. A document (e.g., letter of guarantee) expressing that the producing establishment employs preventive measures for zero tolerance requirements and Specific Risk Materials (SRMs) associated with Bovine Spongiform Encephalopathy (BSE) must be provided upon request
- B. The state of Ohio reserves the right to inspect the producing establishment and verify the contents and effectiveness of the HACCP plan and plant sanitation procedures.
- C. In the event plant sanitation procedures are deemed unsatisfactory by representatives of the state of Ohio, the contract may be immediately cancelled.

SPECIFICATION (Cont'd.)

- D. In accordance with article S-15 of the Supplemental Contract Terms and Conditions, samples may be taken from deliveries made and submitted to an independent lab for laboratory tests at the option of the Department of Administrative Services (DAS) or OPI, Meat Processing Career Center. The state will bear the cost of the testing when samples are found to be in compliance with the contract. If the samples do not conform to the contract, the contractor will bear the costs of testing and the state will apply the terms and conditions of the Termination provision of this Contract.

VIII. CONTRACTOR RESPONSIBILITIES

1. Processor must perform microbiological testing of beef trimmings for Escherichia coli 0157:H7. A copy of the test results must accompany each delivery. Any shipment of product not accompanied by microbiological test results for E coli 0157:H7 will be refused at destination, will remain the property of the contractor and will be returned at the contractor's expense.
2. The contractor must provide a complete listing of all net weights delivered at the time of delivery. Any shipment of product not accompanied by a net weight list will be refused at destination, will remain the property of the contractor and will be returned at the contractor's expense. Net weights will be verified by OPI Meat Processing Career Center at the time of delivery. Should there be a discrepancy in weight, the contractor shall provide a corrected net weight list and a corrected invoice, if invoice has been issued.
3. Should delivered product be rejected for failure to meet contract requirements, replacement product shall be delivered within seven (7) days of rejection of delivery.
4. Should delivered product be rejected after delivery has been completed, rejected product shall be picked up within twenty-four (24) hours of verbal notification of rejection to the contractor.

IX. CONTRACTOR'S QUALIFICATIONS

The bidder shall be an establishment as defined by Revised Code Section 918.01 and shall be the establishment processing the product. The establishment shall be licensed by the Department of Agriculture under Chapter 918. of the Revised Code or produce meat products under federal inspection, as defined in Revised Code Sections 918.01.

or

The bidder must identify the establishment from which they are obtaining the product and should submit with the bid response a letter from the establishment.

The letter from the establishment shall state that the establishment agrees to supply product to the bidder pursuant to any contract issued as a result of this bid. The letter shall be on establishment's letterhead and shall be signed by an officer of the corporation. The letter shall be addressed to the Department of Administrative Services, Office of Procurement Services.

Establishment name(s) and number(s) from which product will be obtained:

Establishment Name: JBS Packerland

USDA Establishment No.: 562M

Failure to provide the establishment name(s) and number(s) in the spaces provided above will deem your bid not responsive.

Contractor(s) shall not provide product from any other source during the term of any contract issued pursuant to this bid without written permission from the Department of Administrative Services, Office of Procurement Services. Failure to comply with this specification may result in immediate cancellation from contract.

Failure of bidder who is not the establishment processing the product to submit the specified letter with the bid response may deem your bid not responsive.

SPECIFICATION (Cont'd.)

If the letter from the establishment is not submitted with the bid response, it may be requested during bid evaluation. Failure to provide a letter(s) requested during the bid evaluation, by the deadline provided (within seven calendar days of request), will deem the bid not responsive.

X. SPECIAL NOTE

- A. GUARANTY: By the signature affixed on page 1 of this bid/contract, the contractor guarantees that, as of the date of delivery to the state or the state's agent, the product(s) offered is (are) not adulterated or misbranded within the meaning of the Federal Meat Inspection Act.

PRICE SCHEDULE

OAKS ITEM ID NUMBER	DESCRIPTION	* MARKUP
15981	Trimnings, Beef, Fresh, Chilled	\$ 0.159 per lb.

CONTRACTOR, DELIVERY AND TERMS:



160669
TBS Meat Distributors, Inc.
2842 Massachusetts Avenue
Cincinnati, OH 45225

CONTRACTOR'S CONTACT: Mr. Paul Brown

BID/CONTRACT NO.: OT907809-1 (03/31/10)

DELIVERY: Within 28 Days ARO

TERMS: 2%-10, Net 30 Days

Telephone: (513) 681-2276
FAX: (513) 681-2289
Email: pbrownmeats@aol.com

* See page 6, paragraph IV.B. for definition of markup

SUMMARY OF AMENDMENTS

Amendment Number	Revision Date	Description
2	04/01/11	Mutual Renewal thru 3/31/12.
1	04/01/10	Mutual Renewal thru 3/31/11 and buyer information update.