

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: APPLE AND CHERRY WHOLE GRAIN RICH MINI TURNOVERS USING USDA
COMMODITY APPLES AND CHERRIES

CONTRACT No.: OT903616

EFFECTIVE DATES: 12/22/15 to 07/31/16

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT903616 that opened on 10/30/15. 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](#) (Revised 10/2013), 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 CHILD 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.

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

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

Signed: _____
Robert Blair, Director Date _____

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AMENDMENTS TO CONTRACT TERMS AND CONDITIONS: The following Amendments to the Contract Terms and Conditions do hereby become a part hereof. In the event that an amendment conflicts with the Contract Terms and Conditions, the Amendment will prevail.

DELIVERY AND ACCEPTANCE: Purchase orders for any item(s) listed in a contract awarded pursuant to this bid will be placed directly with the successful contractor by the using agency. Product will be processed and delivered within one (1) month of receipt of the commodity order or as mutually agreed by the contractor and the Department of Education and in accordance with paragraphs S-8, S-9, and S-10 of the SUPPLEMENTAL CONTRACT TERMS AND CONDITIONS. Deliveries shall be made to the following Ohio sites. The delivery location will be noted on the purchase order issued by the participating agency. All shipments are to be in accordance with the quantities ordered. Quantities ordered may be to the nearest whole pallet, or as mutually agreed by the contractor and the Department of Education. Unloading of ordered product shall be by appointment only. The contractor shall contact the cold storage facilities to make an appointment for unloading prior to loading for shipment. The state reserves the right to add, delete, or change distribution centers and/or percentage of usage during the term of the contract. Acceptance (transfer of title) will occur upon the inspection and written confirmation by the ordering agency that the supplies delivered conform to the requirements set forth in the Contract. Unless otherwise provided in the Contract, acceptance shall be conclusive except as regards to latent defects, fraud, or such gross mistakes as amount to fraud. The approximate percentage of total product to be delivered to each location is also provided below.

<u>CITY</u>	<u>WAREHOUSE</u>	<u>ESTIMATED VOLUME OF TOTAL PRODUCT</u>
Dayton, Ohio	Fre-Flo Distribution, Inc./Terminal Cold Storage	50%
Columbus, Ohio	Net PAC International LLC	25%
Cleveland, Ohio	Fre-Flo Distribution, Inc./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. Due to expiration of some existing warehouse contracts, it is possible that the delivery destinations as well as the percentage of finished product to the destinations above may change during the contract period. Any such changes should not attract additional charges to ODE. Bidders may take this into consideration in their bid. Commodity will be delivered to the contractor by the USDA, F.O.B. Destination.

PAYMENT: Shall be in accordance with Article III.B. of Contract Terms and Conditions with the following exception. Payments will be due on the 90th calendar day rather than the 30th calendar day. If payment terms are listed on the invoice to the Ohio Department of Education, it must be consistent with the terms in the contract. This 90th calendar day payment term will supersede the payment term listed on page one of the bid. By signing page one of the bid, bidder is in acknowledgement of the 90th calendar day payment term.

DOCUMENTATION:

1. The bidder should submit a narrative of their processing and fabrication procedures as part of the bid response for all products to be produced under this contract. The processing and fabrication procedures are to describe the product and the exact method of processing.
2. **Commodity Food Processing Agreement:** The successful contractor shall complete and sign a National Processing Agreement or an Ohio Processing Agreement prior to the inception date of any ensuing contract. The processing agreement will be provided by the Department of Education, Office for Child Nutrition and is the authority to process USDA commodity foods and adherence to its contents is mandatory. Failure to complete and return this document prior to inception date of any ensuing contract may result in immediate cancellation from contract. Bidder shall also upon request by OCN, submit a copy of a USDA approved Summary End Product Data Schedule (SEPDS) of all products for which a bid has been awarded.

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

Processor shall furnish to Department of Education a surety bond obtained only from a surety company listed in the U.S. Department of Treasury Circular 570, "Surety Companies Acceptable on Federal Bonds", an irrevocable letter of credit, or an escrow account. Such bond, letter of credit, or escrow account shall be made payable to the Department of Education. The bond shall guarantee that the processor shall faithfully account for, return, or pay for all of the Commodity Food received or carried forward, in accordance with the processing agreement.

Inventory protection is required by the Department of Education prior to the delivery of commodity food to the processor. The minimum amount of the bond, letter or credit or escrow account, shall be determined by: value of the commodity food on order minus anticipated usage rate during the processing Agreement period. The bond shall remain in effect until all commodity food is properly accounted for, paid for or returned in accordance with the processing agreement. Liability for loss is provided in Article 18 of the processing agreement.

3. Quality Control/Total Quality Control: The contractor shall submit with the completed Commodity Food Processing Agreement a narrative of the quality control or total quality control program at the processing plant. The narrative of the quality control or total quality control program is not to be submitted as part of the bid response.
4. Nutritional Analysis: As part of the bid response, the bidder should submit a nutritional analysis for all finished products proposed to be processed for the Department of Education, Office for Child Nutrition.

SAMPLES: A sample of each product offered is required. A sample shall consist of two (2) cases of the product. Product samples shall meet all requirements as specified herein, shall bear required labeling and markings and shall include preparation and serving instructions. Samples shall be submitted no later than 1:00 pm on Friday October 30, 2015 to the address shown below. Failure to submit samples as specified will result in the bidder being deemed as not responsive.

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

DELIVERY APPOINTMENT FOR SAMPLE SUBMISSION: Bidders must call to obtain delivery appointments from Terminal Cold Storage at (937) 223-3138 Ext. 10, or provide at least a 24-hour notification prior to shipping all bid products to the warehouse. The bidder (or shipper of bidder's product) shall provide advance information to the warehouse that include the bidder's company name, product bid Contract Number (OT903616), Index number (EDU110), a short description or name of the product and the number of cases to be delivered. Bid sample products for which prior delivery appointments or notification have not been secured in advance of shipment may not be accepted by the warehouse.

EVALUATION: Bids will be evaluated in accordance with Article I-17 of the "Instructions, Terms, and Conditions for Bidding". There will be a taste testing of the samples submitted to determine acceptability. This will be conducted by a minimum, a ten (10) member panel composed of members of the Office for Child Nutrition staff, members of the Ohio Commodity Advisory Board and/or students from Ohio schools. Samples will be evaluated for appearance, color, flavor (taste) and texture. If product is deemed unacceptable as a result of the taste test, no further consideration for award shall be given. If the product sample submitted for the taste test exceeds the specifications, as stated in the bid and is presented as being the end product for the contract, then the sample shall be the standard for the entire contract with anticipated yields as projected and costs as stated. In addition, the bid will be evaluated according to the fee per pound for processing the specified finished product. One case of each product shall be used for bid evaluation to determine acceptability and the other case shall be used to verify and validate actual processed product received during the contract period. No further consideration may be given if the product sample submitted by a bidder fails to meet the evaluation criteria.

CONTRACT AWARD: The contract will be awarded to the lowest responsive and responsible bidder and by low lot total. Low lot total price shall be determined by dividing the pounds of a full truckload of USDA raw commodity for processing by the quoted minimum yield in pounds of finished product from the truckload and multiplying this by the processing fee per pound offered by the bidder. The extended prices of all line items in this bid will be added to obtain the low lot total. Failure to bid all commodity items in this bid may result in the bidder being deemed not responsive.

THIRD PARTY ADMINISTRATION: The Ohio Department of Education may notify the Contractor at any time that communication, administration, management, or any other function or responsibility of Ohio Department of Education have been, will be, or may be assigned to a third party for the duration or any other portion of the contract. Rights and responsibilities of the Contractor to any third party assignee of the Ohio Department of Education shall be congruent to the rights and responsibilities of the Contractor to the Ohio Department of Education itself, unless otherwise excepted by agreement or law.

CONTRACT RENEWAL: Should the term contract be renewed beyond the July 31, 2016 expiration date, the prices offered for the contract shall be effective for the term of the renewal(s).

USAGE REPORTS: Every six (6) months the contractor must submit a report (written or on disk) indicating sales generated by this contract. The report shall list usage by customer, by line item, showing the quantities/dollars generated by this contract. The report shall be forwarded to the Office of State Procurement, 4200 Surface Road, Columbus, OH 43228-1395, Attn: Senthana Mahendrarasa

I certify that the above products(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 Ohio Department of Education 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 Ohio Department of Education for the finished product(s) delivered.

PROCESSOR: Horizon Snack Foods

SIGNATURE: On File

TITLE: National Sales Manager - Schools

DATE: 10/27/15

BID AUTOMOBILE LIABILITY CHECKLIST:

Contractor will indicate, by checking the appropriate box(es) below, which mode of transportation will apply to this contract.

- Bidder/Broker ("The Contractor") or their Sub Contractor will make delivery or be performing services using a vehicle that is owned, leased or rented. Provide Certificate of Insurance documenting automobile liability with a Combined Single Limit of \$500,000.00.
- Goods/Services will be delivered via common carrier.
- No employee or representative of the contractor will have cause to be on state property to make deliveries or to perform services.

BILL TO:

Department of Education
Office of Child Nutrition
25 South Front Street
Columbus, OH 43215

All invoices must be submitted via email to: Fiscal.managment@education.ohio.gov

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 into individually wrapped Fruit Turnovers. It is anticipated that approximately 163,200 pounds of commodity apples and approximately 163,200 pounds of commodity cherries will be made available to the state of Ohio annually. Quantities specified are based on anticipated product availability from the USDA and it is anticipated that these same amounts may be processed annually under any ensuing contract. However, the state of Ohio is not obligated to request processing in these or any other quantities. USDA commodity fruit will be delivered to the contractor and the contractor shall process the USDA commodity and deliver finished product to the cold storage facilities specified herein. Bid prices (prices 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 from December 01, 2015 through July 31, 2016.

B. Classification

1. Apple Turnovers, Whole Grain Rich Crust, Lightly Glazed, Individually Wrapped, Frozen
2. Cherry Turnovers, Whole Grain Rich Crust, Lightly Glazed, Individually Wrapped, Frozen

II. REQUIREMENTS

A. Commodity Description

1. USDA commodity apples, canned (Mat. Code 100206), IQF Apples (Mat. Code 100258), or other substitutable raw product acceptable by Ohio Department of Education.
2. USDA commodity cherries, frozen, (Mat. Code 100235), Cherries, IQF (Mat. Code 100237), or other substitutable raw product acceptable by Ohio Department of Education.

B. End Product Description

1. Apple Turnovers, Whole Grain Rich Crust, Lightly Glazed, Individually Wrapped, Frozen

Formulations

a. Formulation

<u>Ingredient</u>	<u>Percentage</u>
USDA commodity apples, sliced frozen	22.0% minimum
Fructose, Whole grain-rich Flour and other ingredients	78.0% maximum

- b. Each apple turnover or fruit pocket shall have a serving size of 1.90 oz. (+/- 0.15 oz.). The turnover shall provide ¼ cup fruit and 1 ounce grain equivalency as required in the National School Lunch Program (NSLP). The crust of the turnovers shall contain 100 percent whole grain, or contain a blend of whole grain meal and/or flour and enriched meal and/or flour of which more than 50 percent is whole grain.
- c. The turnovers shall contain no more than 150 mg of sodium per serving. It shall not contain monosodium glutamate.
- d. Each turnover shall have a light glaze and contain zero trans-fat.
- e. Turnovers shall be individually wrapped
- f. Product shall have a shelf life of at least six (6) months if held frozen at 0 degrees F. or below.

2. Cherry Turnovers, Whole Grain Rich Crust, Lightly Glazed, Individually Wrapped, Frozen

a. Formulation

- | <u>Ingredient</u> | <u>Percentage</u> |
|--|-------------------|
| USDA commodity cherries, frozen | 19.0% minimum |
| Fructose, Whole grain-rich Flour and other ingredients | 81.0% maximum |
- b. Each cherry turnover or fruit pocket shall have a serving size of 1.90 oz. (+/- 0.15 oz.). The turnover shall provide ¼ cup fruit and 1 ounce grain equivalency as required in the National School Lunch Program (NSLP). The crust of the turnovers shall contain 100 percent whole grain, or contain a blend of whole grain meal and/or flour and enriched meal and/or flour of which more than 50 percent is whole grain.
- c. The turnovers shall contain no more than 150 mg of sodium per serving. It shall not contain monosodium glutamate.
- d. Each turnover shall have a light glaze and contain zero trans-fat.
- e. Turnovers shall be individually wrapped
- f. Product shall have a shelf life of at least six (6) months if held frozen at 0 degrees F. or below.

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

1. Turnovers shall be individually wrapped in colorful glassine film which is ovenable and microwave safe. Product shall be packed 80 to 100 individually wrapped turnovers per case. No alternate case packs are acceptable. Bidder shall indicate case pack offered on the bid pricing page. Case weights shall be uniform.
2. All packaging and packing materials must be new and clean and must not impart objectionable odors or flavors to the product.
3. Staples shall not be used as a final case closure. Case closure shall be accomplished by taping, strapping or gluing. All boxes within the delivery unit of an individual product shall be of a uniform size and weight.
4. Boxes shall be one piece, die-cut, regular slotted container (RSC) design. Fiberboard shall be testing not less than 200 lbs. No holes in boxes are permitted.

E. Labeling

1. The contribution value of a serving to the National School Lunch Program (NSLP) pattern, the nutritional analysis, and the reheating and serving size information shall be printed on the outside of the master case or may be included as an insert in each master case.
2. Product shall have an approved CN label.
3. Each case shall bear the USDA contract compliance stamp and certificate number.
4. The shipping carton shall contain ingredient statement, name of product, and date of pack.
5. Printed, stamped, and stenciled labeling and marking information on shipping containers must be water-fast, non-smearing, of a contrasting color, clear and readable.
6. Labeling of products shall be in compliance with all guidelines as specified by the U. S. Food and Drug Administration regulations 21 CFR 101 and 9 CFR 317 Subpart B; The Food Allergen Labeling and Consumer Protection Act of 2004 (Public Law 108-282, Title II); and the State of Ohio Rule 3717-1-03-5 ©, (the administrative rule adopted under Ohio Revised Code 3717.53).
7. 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).

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.
6. 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.
2. All commodities and services to be furnished hereunder shall conform to the specifications as noted herein. All products shall be processed in the United States.
3. If laboratory analysis is done in accordance with Article S-15 of the Supplement Contract Terms and Conditions, the laboratory analysis will be predicated upon the formulation specified herein.
4. Guaranty: By the signature affixed on page 1 of this bid, contractor guarantees that, as of the date of delivery to the State or the State's agent, the product(s) offered is (are) not adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act ("the ACT"), and not an article which may not, under the provisions of section 404, 505, or 512 of the Act, be introduced into interstate commerce.

III. CONTRACTOR'S RESPONSIBILITIES

In addition to those responsibilities specified above, the contractor shall be responsible for the following:

- A. 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 one (1) year from expiration date and final payment on the contract or extension thereof.

PRICE SCHEDULE

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

APPLE TURNOVER, WHOLE GRAIN RICH, FROZEN

OAKS ITEM ID	END PRODUCT	COMMODITY WT. PER TL	MINIMUM YIELD*	FEE FOR PROCESSING (PER POUND OF END PRODUCT)
29218	Apple Turnovers, Whole grain rich, frozen	USDA Canned Apples (Mat. Code 100206) or USDA IQF Apples (Mat. Code 100258, 39,600 lb.	64,275.00 lbs.	\$ 1.735 per lb.

Case pack offered: 120/2 oz. per case

Case Weight Offered (lbs.) 15

Number of Servings Per Case 120

** Product(s) packaging contains recycled material: Yes No; If yes, 20 %

CHERRY TURNOVER, WHOLE GRAIN RICH, FROZEN

OAKS ITEM ID	END PRODUCT	COMMODITY WT. PER TL	MINIMUM YIELD*	FEE FOR PROCESSING (PER POUND OF END PRODUCT)
29219	Cherry Turnovers, Whole grain rich, frozen	USDA Frozen Cherries (Mat. Code 100235) or USDA Cherries, IQF (Mat. Code 100237, 38,400lb.	56,910.00 lbs.	\$ 1.943 per lb.

Case pack offered: 120/2 oz. per case

Case Weight Offered (lbs.) 15

Number of Servings Per Case 120

** Product(s) packaging contains recycled material: Yes No; If yes, 20 %

* Minimum yield under this contract are the pounds of end product returned to the state of Ohio on full truckload weight of USDA commodity product.

** Shall not be included in evaluation

ATTACHMENT A

U. S. DEPARTMENT OF AGRICULTURE

**Certification Regarding Debarment, Suspension, Ineligibility
and Voluntary Exclusion - Lower Tier Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-1733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Horizon Snack Foods OT903616
Organization PR/Award or Project Name

Lisa Swanson – National Sales Manager - Schools
Name(s) and Title(s) of Authorized Representative(s)

On File 10/27/15
Signature(s) Date

CONTRACTOR INDEX

88280
Horizon Snack Foods
7066 Las Positas Road, Suite G
Livermore, CA 94551

CONTRACTOR'S CONTACT:

Remittance Address:

Horizon Snack Foods
75 Remittance Drive
Suite 6432
Chicago, IL 60675-6432

BID CONTRACT NO.: OT903616-1

DELIVERY: As Specified

TERMS: Net 90 Days

Gina Romo
Telephone: (925) 215-4241
FAX: (760) 741-0659
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Ronnel Sapasap
Telephone: (925) 215-4220
E-mail: rsapasap@horizonfoodgroup.com