



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Approval of Updated Tabulation for RFP 042-2021 Milk & Juice that includes adjusted costs  
due to third party extraordinary changes and inflationary costs. This RFP was approved on September 15, 2021  
at the Regular Board Meeting.

SUBMITTED BY: Ms. Cordelia Flores-Jackson of: Purchasing Department

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: December 15, 2021

## RECOMMENDATION:

Staff recommends the UISD board of trustees approve the updated tabulation for RFP 042-2021 Milk & Juice that includes price increase's ranging from 2% to 6 % effective January 1, 2022. This service is provided by Oak Farms/Hygeia Dairy to service the Child Nutrition Department, District Wide. Please see documentation justifying the increase provided by the vendor.

## RATIONALE:

Staff has complied with all applicable federal, state and local purchasing policies and procedures in obtaining pricing information for the items listed above. Staff is recommending the award based on being the best value to the district.

## BUDGETARY INFORMATION:

Child Nutrition Funds

## POLICY REFERENCE & COMPLIANCE:

CH local – Purchasing and Acquisition

CH legal – Purchasing and Acquisition

**Board Approval**  
Awarding of Bids/Proposals  
December 15, 2021

**REVISED**  
**RFP 042-2021 Milk & Juice**

Recommendation:

Requesting approval to purchase from the best bidder(s)/ offer(s) meeting specifications as follows:

<u>Recommended Vendor(s)</u>	<u>Est. Annual Amount</u>
<b>Oak Farms/Hygeia Dairy (Dean Dairy Fluid, LLC)</b>	<b>\$2,855,472.70 (New Dispensers being provided by vendor)</b>

Administration distributed One Hundred and Thirty Seven (137) proposals and advertised on Saturday, June 27, 2021, and Sunday, June 28, 2021. One proposal was received on July 14, 2021 at 3:00pm at the UISD Service Center Purchasing Department.

Budget Information:

2021-2022 Child Nutrition Department

Resource Personnel:

Raul Ramirez, Director of Child Nutrition Department  
Ana L. Gutierrez, Accounting Manager  
Cordelia Flores-Jackson, Director of Purchasing  
Karina Mendoza-Guerra, Manager of Purchasing  
Michelle Pizaña-Barrera, Procurement Officer



# UNITED INDEPENDENT SCHOOL DISTRICT

Raul Ramirez, Jr.  
Child Nutrition Director

## MEMORANDUM

TO : Cordelia Flores  
Director of Purchasing

FROM : Raul Ramirez, Jr. *Raul Ramirez*  
Child Nutrition Director

SUBJECT : RFP 042-2021 Milk and Juice – Revised Tabulation

DATE : December 08, 2021

We have reviewed the new tabulation sheet of RFP 042-2021 for Milk and Juice provided by the Purchasing Department.

Based on the new tabulation sheet and attributes, we recommend that Oak Farms/Hygeia Dairy be awarded the Milk and Juice contract. There was an adjustment in price as a result of supply chain issues, extraordinary changes and challenges in the marketplace.

The justification for the purchase is that the Texas Department of Agriculture thru the United ISD Child Nutrition Department requires that different grades of milk and juice be offered to all students.

If you have any questions, please contact me.

xc: Mr. Mike Garza, Associate Superintendent for Student Support Services

## RFP 042-2021

## MILK &amp; JUICES

September 1, 2021 - August 31, 2022

				OAK FARMS / HYGIEA DAIRY (Dean Dairy Fluid, LLC)	
				Total Price (New Dispensers)	\$2,855,472.70
Line #	Description	QTY	UOM	Unit	Extended
1	1/2 Pint Unflavored Skim Milk <b>with brand new dispensers</b>	350000	EA	<u>\$0.2567</u>	\$89,845.00
2	1/2 pint unflavored 1% fat milk <b>with brand new dispensers</b>	3100000	EA	<u>\$0.2621</u>	\$812,510.00
3	1/2 pint strawberry fat free <b>with brand new dispensers</b>	900000	EA	<u>\$0.2581</u>	\$232,290.00
4	1/2 pint Chocolate fat free <b>with brand new dispensers</b>	3400000	EA	<u>\$0.2581</u>	\$877,540.00
5	1/2 pint unflavored Soy milk <b>with brand new dispensers</b>	500	EA	No Bid	
6	1/2 pint unflavored Lactose-Free Milk product <b>with brand new dispensers</b>	11000	EA	<u>\$0.5862</u>	\$6,448.20
7	1/2 pint Chocolate Soy milk <b>with a brand new dispensers</b>	500	EA	No Bid	
8	1/2 pint Vanilla Soy Milk <b>with brand new dispensers</b>	500	EA	No Bid	
9	1/2 pint Vanilla Almond milk <b>with brand new dispensers</b>	500	EA	No Bid	
10	6oz Frozen Orange Juice (100% natural from concentrate) delivered to the food production center <b>with brand new dispensers</b>	850000	EA	<u>\$0.2477</u>	\$210,545.00
11	4oz Frozen Orange Juice (100% fruit juice) delivered to the food production center <b>with a brand new dispensers</b>	2000000	EA	\$0.1798	\$359,600.00
11 ALT1	4oz Fresh Orange Juice <b>with brand new dispensers</b>	2000000	EA	<u>\$0.1476</u>	
12	4oz Frozen Apple Juice (100% fruit juice) delivered to the food production center <b>with brand new dispensers</b>	800000	EA	\$0.1798	\$143,840.00
12 ALT1	40z Fresh Apple Juice <b>with brand new dispensers</b>	800000	EA	<u>\$0.1476</u>	
13	4oz Yogurt Strawberry <b>with brand new dispensers</b>	115000	EA	<u>\$0.3561</u>	\$40,951.50
14	4oz Yogurt Strawberry-Banana <b>with brand new dispensers</b>	115000	EA	<u>\$0.3561</u>	\$40,951.50
15	4oz Yogurt Cherry <b>with brand new dispensers</b>	115000	EA	No Bid	
16	4oz Yogurt Raspberry <b>with brand new dispensers</b>	115000	EA	No Bid	
17	4oz Yogurt Horchata <b>with brand new dispensers</b>	115000	EA	<u>\$0.3561</u>	\$40,951.50

				Total Price (New Dispensers)	\$2,855,472.70
Line #	Description	QTY	UOM	Unit	Extended
18	1/2 pint unflavored skim milk with previously used dispensers	350000	EA	<u>\$0.239</u>	\$83,650.00
19	1/2 pint unflavored 1% fat milk with previously used dispensers	3100000	EA	<u>\$0.2444</u>	\$757,640.00
20	1/2 pint Strawberry Fat Free with previously used dispensers	900000	EA	<u>\$0.2404</u>	\$216,360.00
21	1/2 pint Chocolate Fat Free with previously used dispensers	3400000	EA	<u>\$0.2404</u>	\$817,360.00
22	1/2 pint unflavored Soy milk with previously used dispensers	500	EA	No Bid	
23	1/2 pint unflavored Lactose-Free milk product with previously used dispensers	11000	EA	<u>\$0.57</u>	\$6,270.00
24	1/2 pint Chocolate Soy milk with previously used dispensers	500	EA	No Bid	
25	1/2 pint Vanilla Soy milk with previous used dispensers	500	EA	No Bid	
26	1/2 pint Vanilla Almond milk with previously used dispensers	500	EA	No Bid	
27	6oz Frozen Orange Juice (100% natural from concentrate) delivered to the Food Production Center with previously used dispensers	850000	EA	<u>\$0.2396</u>	\$203,660.00
28	4oz Frozen Orange Juice (100% Fruit Juice) delivered to the Food Production Center with previously used dispensers	2000000	EA	\$0.1717	\$343,400.00
28 ALT1	4oz Fresh Orange Juice with previously used dispensers	2000000	EA	<u>\$0.1395</u>	
29	4oz Frozen Apple Juice (100% Fruit Juice) delivered to the Food Production Center with previously used dispensers	800000	EA	\$0.1717	\$137,360.00
29 ALT1	4oz Fresh Apple Juice with previously used dispensers	800000	EA	<u>\$0.1395</u>	
30	4oz Yogurt Strawberry with previously used dispensers	115000	EA	<u>\$0.348</u>	\$40,020.00
31	4oz Yogurt Strawberry-Banana with previously used dispensers	115000	EA	<u>\$0.348</u>	\$40,020.00
32	4oz Yogurt Cherry with previously used dispensers	115000	EA	No Bid	
33	4oz Yogurt Raspberry with previously used dispensers	115000	EA	No Bid	
34	4oz Yogurt Horchata with previously used dispensers	115000	EA	<u>\$0.348</u>	\$40,020.00
35	Half gallon of 1% low fat milk	1	EA	<u>\$2.1096</u>	\$2.1096
36	Percentage Discount of List Price	1	EA	30%	30%
37	Gallon of 1% low fat milk	1	EA	<u>\$4.1892</u>	<u>\$4.1892</u>
NOTE		ALTERNATIVE PRICING FOR FRESH ORANGE & APPLE JUICES IN 4 OZ CONTAINERS Storage longevity is 21 days. Can be delivered to warehouse or directly to school campus at no additional cost			
		Brand New Dispensers will be used for 36 months			



October 20, 2021

Michelle Pizana-Barrera  
Procurement Office  
United Independent School District

Michelle

As we head into the fourth quarter of 2021, the dairy industry is facing unprecedented challenges in our supply chain. These challenges include fuel, cartons, ingredients, resin, milk cases, pallets and even mechanical parts that might be required to maintain our equipment. In addition, the labor market is extremely fluid. Hiring and retaining qualified people is as difficult as we have ever seen.

I am pleased to point out that Oak Farms has been fulfilling orders and providing timely deliveries throughout these challenging times. We intend to continue that same high level of service, and I am proud that our teams are finding new and innovative ways to deliver the dairy products which you require.

Fortunately, that is no shortage in our raw milk supply. Our DFA family of Dairy Farmers are working hard and performing at a very high level. We anticipate this will continue.

Finally, it is important to understand the cost associated with timely deliveries. Our company is working diligently to overcome the increases we incur each day. However, it is virtually impossible to absorb all these cost changes without passing a portion of the increase to the market.

Please understand these cost increases as we work to maintain our goal of Superior Customer Service.

Best Regards,

Bill R Murphy  
General Manager, Oak Farms  
Houston, Texas / San Antonio, Texas



November 30, 2021

United Independent School District  
3501 E Saunders  
Laredo, Texas 78041

Re: Inflationary Cost Adjustment

Dear Mrs. Jackson

We at DFA- Dairy Brands/Hygeia appreciate your business and are grateful to service your dairy needs.

As discussed, we are requesting the following adjustments effective January 1, 2022:

**Increase:**

**Half Pints:** .0162  
**4oz Juice:** .0081  
**4oz Yogurt:** .0081

Gallons: .2592  
Half Gallons: .1296

Attached is documentation which details the extraordinary changes and challenges that we are facing in the marketplace at this time. Our entire company is constantly working to reduce cost without compromising service or quality.

Our hope is to provide you the necessary information in hand as you prepare to notify the UISD of our intent.

Glen and I look forward for our visit next week!

Please feel free to reach out to myself or Glen if you have any questions prior to our sit down.

Glen Harrington: (512) 364-7271  
Israel Rios: (956) 535-1090

Thank you very much.

Israel Rios  
Sales Manager

Oak Farms Dairy  
1314 Fredricksburg Road  
San Antonio, TX 78201  
(210) 732-1111

Oak Farms Dairy  
1819 Rutland Dr  
Austin, Texas 78758  
(512) 837-2685

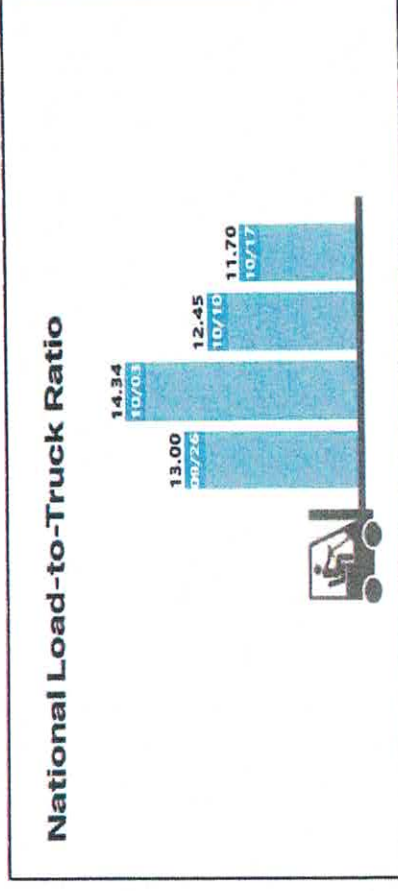
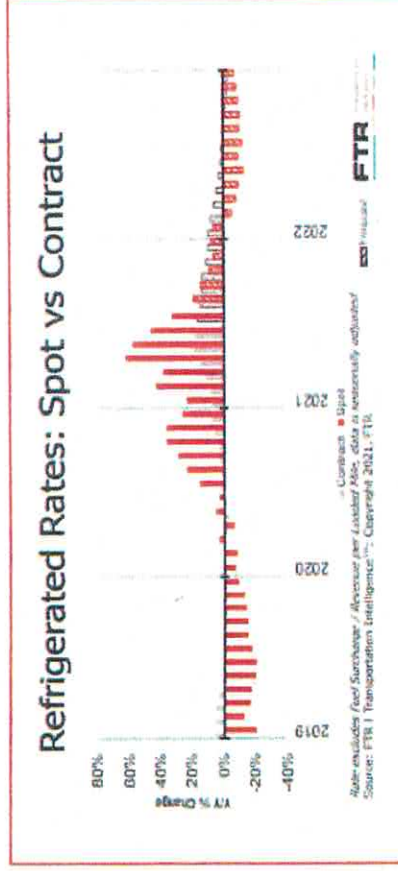
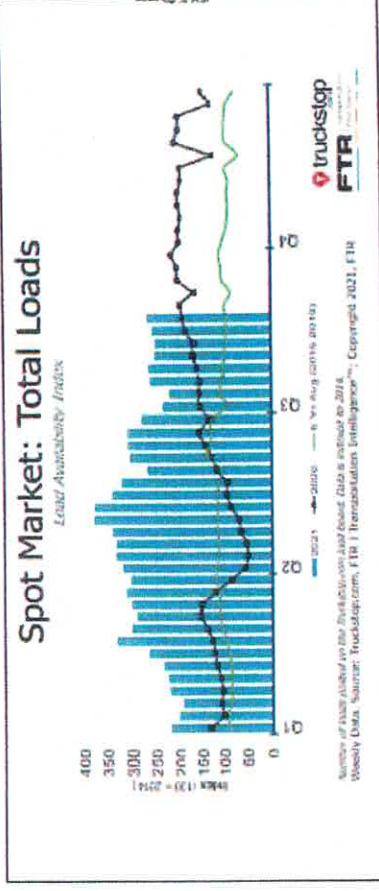
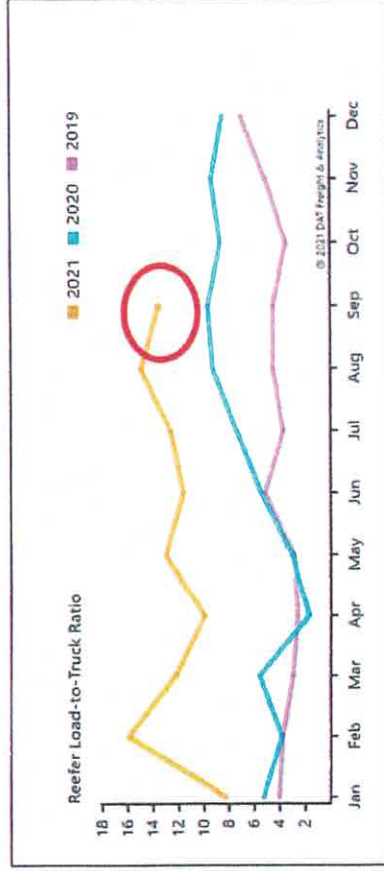
Hygeia Dairy - McAllen  
525 Beaumont  
McAllen, TX 78501  
(956) 686-0511

Hygeia Dairy - Corpus  
2525 Hygeia  
Corpus Christi, TX 78415  
(361) 854-4561

Hygeia Dairy - Laredo  
8119 San Dario  
Laredo, TX 78645  
(956) 722-1718



## 3rd Party Freight



- Load to Truck Ratio dropped slightly in September, but still higher than any point in 2020 or 2019.
- October Load to Truck Ratio remains extremely high (11.7 – 14.34)
- Active Truck Utilization expected to remain high through 2022.
- Requests for rate adjustments still very high.



# EIA Short Term Energy Outlook (STEO) Diesel October 2021

Retail Diesel STEO forecast



## Notes:

- Sep to Oct forecast dramatically different
- Global oil inventories down, accelerated rate as focus on shipping goods intensifies ahead of holiday season
- Oct 4<sup>th</sup> OPEC announced production will not be increased
- 2022 overall diesel forecast expected to remain unchanged
- 3PL rates still being driven by driver shortage lack of available lanes as well as fuel inflation

[Short-Term Energy Outlook - U.S. Energy Information Administration \(EIA\)](#)

## We are facing \$0.0162 of incremental inflation per Hpt unit plus Raw Milk changes.

### Plant & Cooler Cost

#### Increases

\$0.0056/unit

- **Overtime increase** – significantly higher overtime due to labor shortages
- **R&M** - Higher third-party R&M due to labor shortage
- **Temp labor** - Higher use of temporary workers
- **Utilities inflation** – utilities (wastewater, electricity and natural gas) are increasing across most markets
- **Process inefficiencies** – labor and supply shortages leading to process interruptions, delays and related waste

### Distribution Cost

#### Increases

\$0.0071/unit

- **Secondary packaging** – cases and pallets increasing 20-200% across the country
- **Freight inflation** - Labor shortages requiring increased use of third-party freight and freight rates continue to increase significantly

### Ingredients and Packaging

\$0.0035/unit

- **Ingredients** – continued inflation in some product ingredients including sweeteners and cocoa
- **Packaging**- further inflation in non resin product packaging (labels, paper carton, etc.)
- **Fruit Juice**- Near record levels of expediting cost, shortages on farm labor and concentrate increases