



January 8, 2017

**Action Required**

Re: Region 10 Multi-Region Purchasing Cooperative, SY 2018-2019

Dear Food Service Director Addressed:

The enclosed packet of materials contains pertinent information and an Interlocal Agreement to participate in the 2018-2019 Region 10 Education Service Center Multi-Region Purchasing Cooperative (R10MRPC). This packet was compiled so that districts could review the information to make an informed choice concerning district participation for the upcoming year. The information may also be used for school board presentations. **The deadline for returning the Interlocal Agreement for any or all component areas is February 28, 2018.** This deadline is necessary to facilitate the bid and ordering processes for the 2018-2019 school year, however, a district may join the R10MRPC at any time during a school year upon approval by the R10MRPC Purchasing Specialist.

The Interlocal Agreement (pages 4-11) is to be completed and signed by all districts that wish to participate in any area of the Cooperative for the 2018-2019 school year. ***Please complete the Interlocal Agreement for your district and return the original signed document to the Region 10 Education Service Center, 400 E. Spring Valley Rd., Richardson, Texas 75081, attention Keri Warnick by the February 28, 2018 deadline.***

The R10MRPC is a totally self-funded entity through a Vendor Participation Fee. This fee is collected directly from the awarded vendors. Fees are used to cover expenses related to the administration and operation of R10MRPC. Studies indicate that school districts benefit through cooperative participation with a considerable cost savings. While the purchasing power of the R10MRPC is significant; the costs of goods and services continues to rise annually. Even while industry costs have increased approximately 15 percent over the past two years, the MRPC has experienced only a 9 percent or less increase for the same time period. Benefits to participating in the MRPC include reduced costs associated with advertising, paperwork, as well as reduced time and worry spent on the bidding process. MRPC members also benefit from the buying power of the Cooperative. Consideration should be given to each of these areas by any size district when making future participation decisions. Other benefits of the R10MRPC and services provided are included in the enclosed materials.

If I can be of further assistance in this matter, please call me at 972.348.1448. I am available to talk to your school board if needed. Thank you for your consideration for participation in the SY 2018-2019 R10MRPC.

Sincerely,

Keri Warnick

Purchasing Specialist – Consultant II

Enclosures



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# **INTERLOCAL AGREEMENT**

**The following Interlocal Agreement for SY2018-2019 is to be completed by all districts that wish to participate in any area of the R10MRPC**

**NOTE: PLEASE COMPLETE PAGES 4 – 11, and 19-22 (SIGNATURE REQUIRED ON PAGES 9, 11 and 22 if applicable) AND RETURN WITH ORIGINAL SIGNATURE TO REGION 10 EDUCATION SERVICE CENTER AS INDICATED. BE SURE TO CHECK THE APPROPRIATE ANTICIPATED BID(S) FOR PARTICIPATION.**

**DUE: February 28, 2018**

Region 10 Education Service Center  
Multi-Region Purchasing Cooperative  
**INTERLOCAL AGREEMENT**  
**2018-2019 Contract**

**THIS AGREEMENT IS ENTERED INTO BY AND BETWEEN THE AGENCIES SHOWN BELOW AS CONTRACTING PARTIES FOR THE PERIOD OF July 1, 2018, through June 30, 2019.**

**Contracting Parties**

Denton Independent School District  
Contracting Entity (CE)

\_\_\_\_\_  
County-District Number

Region 10 Education Service Center  
Fiscal Agent

057-950  
County District Number

**STATEMENT OF SERVICES TO BE PERFORMED**

The Region 10 Multi Region Purchasing Cooperative (R10MRPC) organizes and administers the child nutrition cooperative purchasing and commodity processing program for Member Contracting Entities (CEs) in Regions 6, 7, 8, 10, 11, 12, 13, and 15. Authority for such service is granted by Section 8.053 of the Texas Education Code, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F, of the Texas Local Government Code. The goal of the cooperative is to obtain substantial savings on food service items through volume purchasing.

The R10MRPC does not charge a membership fee.

**ANNUAL MEMBERSHIP:**

Annual Membership includes all services offered by R10MRPC and participation in any or all of the following bids. R10MRPC procures a variety of formal, competitive sealed proposals (RFP's) to best help districts with their fiscal budgetary needs. Each district joining the R10MRPC is required to select the bids it anticipates using during the agreement school year. The selection of bid participation is seen as a commitment to purchase through R10MRPC and will be used in the scope of bid for each appropriate RFP. Prior to the release of any bid, each participating district will be asked for their anticipated quantities, although R10MRPC makes no guarantees in regard to quantities to any vendor.

1. Commodity Processing
2. Commercial/Full-Line Grocery Purchasing
3. Direct Delivery (R10MRPC approval required for participation on this bid, see pg. 8)
4. Small-wares and Chemicals/Cleaning Products (kitchen specific)
5. Fresh Produce
6. Fresh Bread
7. Milk/Dairy Products
8. Ice Cream Novelties
9. Chips and Snacks
10. Beverages (dispensed, canned, and plastic container)

***Membership duration: 7/1/2018 – 6/30/2019***

Region 10 Education Service Center  
Multi-Region Purchasing Cooperative  
**INTERLOCAL AGREEMENT**  
**2018-2019 Contract**

**LIMITATION OF AGREEMENT:** If any provision of this Agreement is deemed not in accordance with USDA (United States Department of Agriculture) or TDA (Texas Department of Agriculture) regulation or other binding legal precedent, that provision is void, but all other provisions shall remain in full force and effect.

**GENERAL PROVISIONS:**

1. The Parties agree to comply fully with all applicable federal, state, and local statutes, ordinances, rules, and regulations in connection with the procurement activities and programs contemplated under this Agreement. This Agreement is subject to all applicable present and future valid laws governing such programs.
2. This Agreement shall be governed by the law of the State of Texas and venue for any dispute resolution shall be in the county in which the administrative offices of ESC 10 are located, which is currently Dallas County, Texas.
3. The R10MRPC reserves the right, but is not obligated, to add additional members, because if adding a Member “materially changes the existing contract(s)” and, therefore, requires rebidding of said contract(s), the Member may not be permitted to participate in those affected contracts to avoid rebidding and possibly negatively affecting the membership in place at the time of the current contract(s) award. The Member may become effective upon any new bids or rebids being awarded or as permitted at the sole discretion of the R10MRPC.
4. This Agreement and any addenda executed by the parties contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties. Modifications may be required by law or regulation which shall require action by the R10MRPC and the Member. Failure to act by a Member, within a reasonable period of time, on legally required modifications shall terminate the Interlocal Agreement.
5. If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect.
6. Before any Party may resort to litigation, any claims, disputes or other matters in question between the Parties to this Agreement shall be submitted to nonbinding mediation. The selection of the mediator shall be mutually agreed upon.
7. No Party to this Agreement waives or relinquishes any immunity or defense on behalf of themselves, their directors, officers, employees, and agents as a result of its execution of this Agreement and performance of the functions and obligations described herein.
8. All parts of this Agreement, when executed by both Parties, are binding upon the Parties and may be changed only by written agreement of the Parties.
9. Agreement must be physically signed using a “wet signature.” Electronic or typed signatures will not be accepted. This Agreement can be negotiated and transmitted electronically via fax or scanned email. Currently, Region 10 districts (only) have the “e-contract” option available.

**AUTHORIZATION TO PARTICIPATE.** Each Member represents and warrants, by the execution and delivery of the Interlocal Agreement, that they have obtained all requisite authority through governing board action to enter into and perform the terms of this Agreement.

**COOPERATION AND ACCESS.** The Member agrees that it will cooperate with any reasonable requests for information and/or records made by R10MRPC. R10MRPC reserves the right to audit the relevant records of any Member during normal working hours. Any breach of this Article shall be considered material and shall make the Agreement subject to termination on ten (10) days written notice to the Member.

**PRIMARY AND SECONDARY CONTACT.** The Member agrees to appoint a primary and secondary contact who shall have express authority to represent and bind the Member, and R10MRPC will not be required to contact any other individual regarding program matters. Any notice to a primary or secondary contact shall be binding upon the Member. The Member reserves the right to change the contacts as needed by giving written notice to R10MRPC. Such notice is not effective until actually received by R10MRPC.

**DEFENSE AND PROSECUTION OF CLAIMS.** The Member authorizes R10MRPC, only with respect to matters arising out of or contemplated by this Agreement: (1) to control the commencement, defense, intervention or participation in a judicial, administrative or other governmental proceeding; (2) to represent the R10MRPC in an arbitration, mediation, or any other form of alternative dispute resolution; (3) to represent the R10MRPC in any other appearance necessary to protect the rights of the R10MRPC relating to actions concerning any past or current Member, including any appearances and actions in litigation, claim or dispute; and (4) to engage legal counsel and appropriate experts that, in R10MRPC's sole discretion, will assist with such defense or prosecution of any action or claim in matters arising out of this Agreement. The Member does hereby agree that any suit brought against R10MRPC or a R10MRPC employee or agent may be defended in the name of R10MRPC, Region 10 Education Service Center, or the Member by the counsel selected by R10MRPC, in its sole discretion, or its designee, on behalf of and at the expense of R10MRPC as necessary for the prosecution or defense of any litigation or claim. Full cooperation by the Member shall be extended to supply any information needed or requested in such prosecution or defense. Subject to specific revocation, the Member hereby designates R10MRPC to act as a class representative on its behalf in matters arising out of this Agreement.

**GOVERNANCE.** R10MRPC shall be governed by the Region 10 Education Service Center Board of Directors ("Board") in accordance with the applicable law and regulation. Procurement processes and procedures are governed by all applicable law and regulation.

**LIMITATIONS OF LIABILITY.** R10MRPC, ITS ENDORSERS AND SERVICING CONTRACTORS, DO NOT WARRANT THAT THE OPERATION OR USE OF R10MRPC SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. R10MRPC, ITS ENDORSERS AND SERVICING CONTRACTORS, HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE PARTIES AGREE THAT IN REGARD TO ANY AND ALL CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER UNDER ANY CIRCUMSTANCES FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**NOTICE.** Any written notice to the R10MRPC shall be made by: first class mail, postage prepaid and delivered to the Multi-Region Purchasing Cooperative, Region 10 Education Service Center, 400 E Spring Valley Rd, Richardson, TX 75081-1300; faxed to 972 348-1449, Keri Warnick (contact person); or emailed to [keri.warnick@region10.org](mailto:keri.warnick@region10.org)

## **FEES**

Fees required for maintaining this project are received from vendors by the R10MRPC through a Vendor Participation Fee collected on a quarterly basis throughout the school year. There is no membership fee required from participating districts or schools.

## **ACCEPTANCE – COMMODITIES**

R10MRPC is granted the right to issue a cooperative bid/proposal for the processing of selected commodity foods donated by Members. R10MRPC is further granted the right to enter into a Contract for Services with the processor(s) receiving the processing award(s) for agreed upon processed end products, for the purpose of executing a service agreement on behalf of participating Members. Members will have the right and responsibility to accept the processed end product(s) for the life of the contract between R10MRPC and the processor for all commodity foods donated to, and for which processing was subsequently procured through, the R10MRPC. Excess commodities may be distributed according to USDA or TDA regulation and guidance.

## **CERTIFICATE OF AUTHORITY/FND-101 FORM**

The Texas Department of Agriculture (TDA) now requires each participating Contracting Entity (CE)/School District to physically complete and sign an FND-101 form to allow their purchasing co-op access to view and enter commodity pounds into the CE's TX-UNPS Food Distribution Program (FDP) account. An FND-101 form must be signed by the Superintendent of CE for each employee of the co-op. MRPC has included an FND-101 form for each of its' employees in this Agreement packet. Please have your Superintendent complete the information requested in Section A with your district's information (pages 19, 20, and 21), and sign and date Section D on page 22, all to be returned with the other Interlocal Agreement pages.

MRPC has three employees that service the needs of each participating member district:

1. Keri Warnick, Purchasing Specialist
2. Elizabeth Gonzales, Commodity Specialist
3. Angela McCrary, Administrative Assistant

It is important that MRPC employees be given access rights to the CE's TX-UPS FDP account for the following reasons:

1. Viewing rights so that MRPC can provide technical assistance and program management to Food Service Directors.
2. Access rights to bank commodity pounds on behalf of the member CE. It is a requirement that the CE participating in the Processing of USDA Foods sign an FND-101 form for each of the co-op employees, otherwise, the MRPC will not have the ability to load the requested commodity pounds for the CE.

CE's that only utilize MRPC minimally or for the Direct Delivery bid only will not need to complete an FND-101 form. If you are a CE that participates with another co-op for your processed commodity needs, please do not sign the FND-101 forms.

Region 10 Education Service Center  
Multi-Region Purchasing Cooperative  
**INTERLOCAL AGREEMENT: 2018-2019 Contract**

**ANNUAL MEMBERSHIP: Role of the Region 10 Education Service Center:**

1. Provide for the organizational and administrative structure of the program.
2. Provide staff time necessary for efficient operation of the program.
3. The R10MRPC shall coordinate the Competitive Procurement Process for all Awarded Contracts.
4. The R10MRPC shall follow all local, state, and federal procurement guidelines as listed below but not limited to as changes or adjustments are made to guidelines:
  - a. Region 10 Education Service Center requires Board of Directors' approval on all R10MRPC bid award recommendations.
  - b. State of Texas Education Code 44.031 Purchasing contracts.
  - c. The Code of Federal Regulations (CFR) sections 200.317-200.326.
  - d. Education Department General Administrative Regulations (EDGAR) as the guidelines pertain to Purchasing Cooperatives' procuring on behalf of its' Members. Currently EDGAR refers and requires CN Food Purchasing Cooperatives to adhere to the CFR, sections 200.317 – 200.326.
  - e. Form 1295 will be required to be filled out and filed with the Texas Ethics Commission by all awarded vendors and will be managed by the Region 10 ESC Business Office.
5. The R10MRPC shall send solicitations for the Further Processing of USDA foods to all companies found on the Texas Department of Agriculture's (TDA) "Approved List of Vendors" without limitations.
6. The R10MRPC shall enter into a detailed agreement with distributors that provide the distribution of processed end products containing USDA Foods that includes language to ensure proper resolution of errors such as data, pricing, product, reports, etc.
7. The R10MRPC shall do the following in regard to USDA Foods:
  - a. Track and assist Members with management of their USDA Foods inventory balances to ensure compliance with TDA and USDA Foods inventory requirements.
  - b. Assist Members with Sales Verifications of end products sold through a distributor, including but not limited to verification of rebates, discounts and credits.
  - c. Assist Members with the utilization of carryover pounds to avoid swept inventory on November 30<sup>th</sup>.
  - d. The R10MRPC shall provide participating Members with information on commodity processing, including, but not limited to, anticipated delivery dates, product recalls or production issues, discontinued products and replacement recommendations.
  - e. The R10MRPC shall make all surveys open to the Members as surveys are opened by TDA.
  - f. Provide the list of commodity items to participating Members for purposes of obtaining quantity requests. This is done using an online software program.
  - g. Receive quantity requests from participating Members for commodity processing through district entries into the online software and prepare appropriate quantity totals by item.
8. Send delivery schedules to vendors but assumes no responsibility for failure of delivery by vendors, or failure of payment to vendors by participating Members.
9. Initiate and implement activities related to the bidding and vendor selection process. Competitive bidding procedures for Texas public schools will be strictly followed.
10. Provide participating Members with procedures for ordering, delivery, and billing.
11. Mediate any problems/concerns between vendors and participating Members.
12. Provide participating Members access to all records, reports, and documents to ensure rebates, discounts and other applicable credits will accrue to the School Food Authority (SFA).
13. Make available all documents created and received in regard to procurement of all bids. Provide a complete procurement packet for each RFP to ensure complete transparency.

**R10MRPC Purchasing Specialist Signature:** \_\_\_\_\_

*Keri Warwick*

Date: 12/14/2017



Region 10 Education Service Center  
Multi-Region Purchasing Cooperative  
**INTERLOCAL AGREEMENT: 2018-2019 Contract**

**ANNUAL MEMBERSHIP: Role of the Participating Member:**

1. Commit to participate in the program by authorization of the governing body and by execution by an approved official in the appropriate space on the attached form.
2. Commit to purchasing when anticipated quantities are provided for selected bids in this Agreement.
3. Designate a primary and secondary contact for the cooperative.
4. Provide an estimated quantity request for each of the products desired through use of the online required software or as requested by the Purchasing Specialist.
5. Comply with all USDA and/or TDA regulations, including, but not limited to, Roles and Responsibilities for Further Processing of USDA Foods as per the Annual Agreement via TX-UNPS.
6. Prepare purchase orders issued to the appropriate vendor from the official award list provided by Region 10 Education Service Center
7. Accept shipments of products ordered from vendors in accordance with standard purchasing procedures.
8. Address product warranties and product qualities with manufacturer.
9. Pay vendors net amount due within thirty days after receipt of a correct monthly statement.
10. Participation is recommended in all bid evaluation committees for each RFP that the district is utilizing. Evaluation committee meetings will include, but not be limited to, face-to-face group meetings, online voting, or any other form of participation as requested by the R10MRPC.
11. Act ethically at all times and in accordance with all federal, state, and local guidelines, as well as R10MRPC Member Roles. The Co-op shares information with the members that at times is considered confidential and proprietary. Members may be asked to sign Non-disclosure statements and agree to the terms set forth in the agreement. Future membership in the co-op may be jeopardized based on unethical handling of sensitive cooperative information.
12. The following roles will apply to Members participating in Commodity Processing:
  - a. The Member shall access the Texas Unified Nutrition Program System (TX-UNPS) Food Distribution Program (FDP) Module on a regular basis to effectively manage USDA Foods entitlement, food requests, allocations, and as applicable, storage and delivery of USDA Foods from assigned state-contracted warehouse.
  - b. The Member shall track and manage USDA Foods inventory balances to ensure compliance with TDA and USDA Foods inventory requirements, i.e., inventory levels shall not exceed a six (6) month supply at any given time; access processor tracking systems (K12 and ProcessorLink) on a regular basis; and report inventory issues to R10MRPC.
  - c. The Member shall conduct Sales Verifications of end products sold through a distributor, including but not limited to verification of rebates, discounts and credits.
  - d. The Member shall maintain copies of the original Child Nutrition (“CN”) Label from the product, carton; or a photograph of the CN Label as it appears on the original product carton if available.
  - e. The Member shall attend and/or access online trainings provided by TDA on the management of the USDA Foods program to obtain the latest information on the program.

**By signing below, the joining district agrees to adhere to all of the above stated “roles” of a participating member:**

**District’s Authorized Representative Signature:** \_\_\_\_\_

**Date Signed:** \_\_\_\_\_

## **Direct Delivery Bid Participation:**

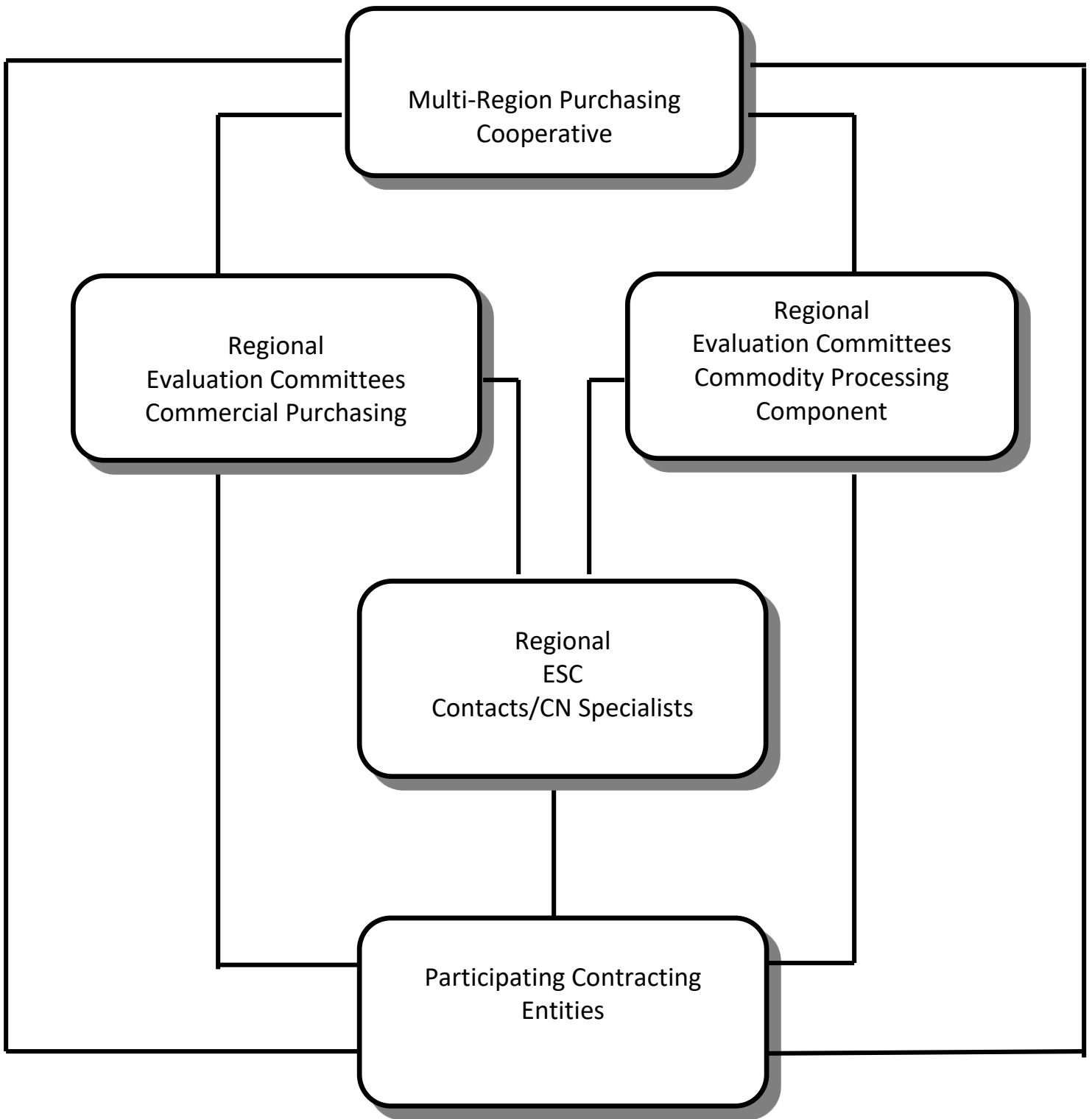
Districts with an interest in participation in the Direct Delivery bid must meet the four criteria listed below and be approved by the R10MRPC Purchasing Specialist. This approval may require that an on-site visit occur or that pictures be submitted for validation.

1. District must have an appropriate loading dock that would allow a delivery truck to pull up and unload minimum drops in the amounts of 5,000+ pounds.
2. District must have a forklift or other piece of equipment that would allow them to move a pallet of products safely.
3. Loading area must be 100% free of students or potential student access. Separate warehouses or storage areas of the campus are preferable.
4. District must have an appropriate sized freezer, refrigerator, and/or storage area for dry goods in large minimum drops of products.

It is the policy of Region 10 Education Service Center not to discriminate on the basis of race, color, national origin, sex or handicap in its vocational programs, services or activities as required by Title VI of the Civil Rights Act of 1964, as amended; Title IX of the Education Amendments of 1972; and Section 503 and 504 of the Rehabilitation Act of 1973, as amended. Region 10 Education Service Center will take steps to ensure that lack of English language skills will not be a barrier to admission and participation in all educational programs and services.



Interlocal Agreement  
Region 10 Education Service Center  
Multi-Region Purchasing Cooperative  
SY 2018-2019: Informational Packet



Interlocal Agreement  
Region 10 Education Service Center Multi-Region Purchasing Cooperative  
SY 2018-2019 Calendar

**FEBRUARY 28, 2018**

**Interlocal for SY18-19 Co-op Participation due to Region 10 ESC**

June 30, 2018

All Bid Award Catalogs to be made available via the Co-op website to all Member Districts

September 5, 2018

Multi-Region Purchasing Cooperative Online Zoom Webinar. General information and training will be shared.

September 25, 2018

R10MRPC “Annual Food Show” to be held at the Dallas Market Hall.

October 10, 2018

Commodity Processing Bid meeting. Online Zoom Webinar. Discussion and instructions for participation in the commodity bid.

January 21 – February 1, 2019

Commodity Processing meetings. Review of awarded commodity bid and overview of commodities. 4 regional meetings, dates and times TBD.

March 27, 2019

Multi-Region Purchasing Cooperative Online Zoom Webinar. General information, new bids for SY19-20 to be discussed.

**Participation in online webinar meetings, evaluation committees, R10MRPC Advisory Board, and other Multi-Region Purchasing Cooperative meetings and trainings is highly encouraged. Procurement guidelines requires participating Members to be actively involved and informed of what their purchasing cooperative is managing on their behalf. Attending as much as the Multi-Region Purchasing Cooperative has to offer is the best way to be successful in your foodservice.**

Interlocal Agreement  
Region 10 Education Service Center  
Multi-Region Purchasing Cooperative  
**SY 2018-2019 Purchasing Overview**

- Purpose - The goal of the Region 10 Multi-Region Purchasing Cooperative (R10MRPC) is to obtain substantial savings on specific food service items for participating Members through volume purchasing. The highest quality products for the best possible prices will be sought. The district should benefit through cost savings, meeting bid procurement requirements, and receiving items meeting Child Nutrition program requirements.
- Fee – There is no direct fee to participate in R10MRPC. R10MRPC is based on a Vendor Participation Fee that charges vendors a fixed fee of .0085 of total revenue sales. This fee is collected by R10MRPD directly from the awarded vendors on a quarterly basis.
- Delivery - The vendor will include a delivery schedule as part of each bid. Deliveries will be made weekly to each campus cafeteria unless the district makes other arrangements with the vendor(s). As per General Terms and Conditions, the vendor(s) may hold the district to a minimum delivery drop amount.
- Quantity Needs – Vendor Velocity Reports and surveys will be used to estimate future product usage for bidding purposes. The R10MRPC can best meet product needs when provided the information on items that will be served at each district.
- Ordering from the Bid Award - Orders will be made by the food service director/appointed representative to the sales representative/on-line ordering for the items awarded to each vendor. Procurement guidelines state that all purchases should be made from the original bid award list or through Micro-Purchase or Small Purchase methods depending on the value of the purchase.
- Savings to the District - Studies indicate that school districts benefit through cooperative participation with a considerable cost savings. While the purchasing power of the R10MRPC is significant; the costs of goods and services continues to rise annually. The industry standard shows increases have been approximately 15 percent for most food service goods and services over the past two years. For the same time period, the R10MRPC increases have been approximately 9 percent. Cooperative participation also reduces costs associated with advertising, paperwork, and time spent on the bidding process as well as more buying power. Consideration should be given to each of these areas by any size district when making future participation decisions.
- Communication – R10MRPC will continue to communicate effectively with all districts through email and the R10MRPC website (<https://www.region10.org/programs/multi-region-purchasing-cooperative/overview/>). The R10MRPC website is fully operational and provides real time communication as well as the most current bid award information and the Nutritional Information required for audits. Therefore, it is required that all Food Service Directors have access to email and Internet on a regular basis. Due to the constant changes in NSLP guidelines and updates to awarded bid products, R10MRPC will send out a weekly email blast, providing information in regard to bid documentation, weekly produce price lists, as well as other documents to be determined.

- Problems with Products, Deliveries, etc. – While striving to achieve quality goods and services, R10MRPC cannot guarantee that districts will never be shorted nor have items substituted. However, it is the intent of R10MRPC to follow up on any complaints received from districts regarding services from a vendor(s). The following process has been established to handle issues that may arise.
  - Each participating district will receive a Product/Service Report in the Award packet sent to districts annually. This form is also available online at <https://www.region10.org/programs/multi-region-purchasing-cooperative/overview/>, under the “Links and Docs” Tab.
  - District is to complete the form as needed and return it to Keri Warnick, Purchasing Specialist via email, to [keri.warnick@region10.org](mailto:keri.warnick@region10.org)
  - All completed forms received by R10MRPC will be addressed with the appropriate vendor within 48 hours (business) of receipt and the issuing district will be notified of a solution.
  - All submitted forms will be kept as documentation and may be used in determining future bid awards as well as legal action against current or past vendors.

By being a Member of R10MRPC, a district enhances its power to entice vendors to provide excellent products and service.

Interlocal Agreement  
Region 10 Education Service Center  
Multi-Region Purchasing Cooperative  
**SY 2018-2019 Commodity Processing Overview**

Commodity Processing provides the opportunity for districts to stretch out of pocket commercially purchased products through the use of USDA donated foods.

There are three “value pass-through” methods districts can use to receive commodity processed items as a Member of the R10MRPC:

**1. Fee for Service (FFS)**

With this method, districts determine preapproved items with the quantities of these items they wish to receive. Items are shipped to a designated private or state contracted warehouse on a district’s behalf. Cost of finished products to the district is only for added ingredients and the manufacturers cost of processing the USDA commodities into finished products. A fee is paid directly to the manufacturer by the district for this service. FFS pricing can be a cost effective form of commodity processing when products are ordered and utilized in a timely fashion.

Members that have private storage warehouses and can order large quantities for a single shipment can be designated as Direct Ship Districts for Fee for Service products. These Members will need to advise the R10MRPC if this option is selected in advance of bid procedures. Direct Ship Districts will benefit from using this option by reduction in storage fees at a state or contracted warehouse as well as other potential price reductions.

**2. Fee for Service through a Distributor (FFSD)**

The FFSD method allows districts to commit/bank pounds of raw USDA foods to be used to receive a discounted price from a distributor. This process involves combining the Commercial Food Purchasing Component and the Commodity Processing Component of the R10MRPC. Committed/banked pounds must be designated to a specific manufacturer and distributor in order to be able to receive products from a distributor at a discounted price. Advantages of these methods allow districts the flexibility of products, large choice of end products, and “just in time” delivery. FFSD is available for USDA Foods considered “non-substitutable” including beef, pork, and fruit.

**3. Net Off Invoice (NOI)**

The NOI method allows districts to commit/bank pounds of raw USDA foods to be used to receive a discount from specified commercially purchased products. This process involves combining the Commercial Food Purchasing Component and the Commodity Processing Component of the R10MRPC. Committed/banked pounds must be designated to a specific manufacturer and distributor in order to receive commodity discounts toward commercial purchases. Advantages of these methods allow districts the flexibility of products, large choice of end products, and “just in time” delivery. NOI is available for USDA Foods considered “substitutable” including cheese, chicken, turkey, fruits, vegetables, and butter.

The R10MRPC has historically assisted districts in processing USDA foods such as: beef, pork, chicken, turkey, eggs, peanut butter, fruit, and cheese (mozzarella and cheddar). Overall any commodity processing by the district reduces the out of pocket cost of an item creating overall food cost savings.



Interlocal Agreement  
Region 10 Education Service Center  
Multi-Region Purchasing Cooperative  
**SY 2018-2019 Commodity Savings Overview**

The following examples provide an overview of out-of-pocket expenses for two types of commodities and two types of purchasing methods.

- I. Chicken, Asian Inspired, Tangerine Sauce: 176 servings per case
  - A. Purchase through a Commercial/Full-Line Distributor (Labatt, Sysco, etc...) \*\*\*
    - i. Commodity value per case: \$ 13.63
      - a. NOI Price: \$ 124.00
      - b. Commodity Discount : -\$ 13.63
      - c. Out of pocket expense: = \$110.37
  - B. Purchase through a state awarded contracted warehouse\*\*:
    - i. Commodity value per case: \$ 13.63
      - a. FFS Price: \$ 88.88
      - b. Delivery Fee per Case: \$ + 3.00 \*
      - c. Out of pocket expense: = \$ 91.88
- II. Beef, Flame-broiled Patties: 250 patties per case.
  - A. Purchase through a Commercial/Full-Line Distributor (Labatt, Sysco, etc...) \*\*\*
    - i. Commodity value per case: \$ 75.93
      - a. FFS Price: \$ 29.36
      - b. Commodity Discount: \$ 0.00 (discount taken out by manufacturer)
      - c. Out of pocket expense: = \$ 29.36
  - B. Purchase through a state awarded contracted warehouse\*\*:
    - i. Commodity value per case: \$ 75.93
      - a. FFS Price: \$ 24.75
      - b. Delivery fee per case: \$ +3.00 \*
      - c. Out of pocket expense: = \$ 27.75

\*\*\*Districts will order products weekly as needed through the commercial distributor. Distributor pays a commercial price, gives the district an immediate commodity discount, and then requests the rebate from the processor.

\*\*Districts must request multiple cases and typically have a once-a-month delivery from the state contracted warehouse. This can make it difficult on a smaller district with smaller storage and freezer areas.

\*Delivery Fees from the Contracted Warehouse can vary depending on proximity of district location to the warehouse location. Some districts may see upwards to a \$4.00 per case delivery fee.



**Region 10 ESC Multi-Region Purchasing Cooperative  
Service/Product Comment Form**



Please use this form to report issues on products or services (positive or negative) related to any vendor, manufacturer, or distributor doing business with Region 10 Multi-Region Purchasing Co-op. Please provide as much information as possible and include any pictures taken of the product or packaging as necessary.

District Name: \_\_\_\_\_ Date: \_\_\_\_\_

Primary Contact Name: \_\_\_\_\_

Name of Vendor/Distributor: \_\_\_\_\_ Brand: \_\_\_\_\_

Product Name: \_\_\_\_\_ Product Code: \_\_\_\_\_

Date Received: \_\_\_\_\_ Date Used: \_\_\_\_\_

Production Date Found on Box Label: \_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Have you reported this to the vendor/distributor rep?      YES      NO      (circle or highlight one)

Vendor/Distributor Rep Name: \_\_\_\_\_ Date Reported: \_\_\_\_\_

Primary Contact Signature: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Fax or Email to:      Keri Warnick  
 Fax: 972.348.1449  
[keri.warnick@region10.org](mailto:keri.warnick@region10.org)

Office use only: Date Rcvd: Initials:
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