

Hallsville Independent School District

For the Consideration of the Board of Trustees

Date of Board Meeting: February 18, 2025

Agenda Item#: _____

Topic: Approval of Interlocal Agreement with Region 8 ESC for
Food Service Commodity Processing Services

Background and Rationale:

Discuss and consider approval of an interlocal agreement between Hallsville ISD and Region 8 ESC, for the end processing of USDA commodity foods. If approved, these processing services would begin with the 2025-26 school year, and would provide more efficiency and reliability with food ordering availability through the USDA's commodity foods program. There would be no additional costs incurred to the food service program, as these services relate to the USDA Commodity entitlements.

Relationship to Strategic Plan:

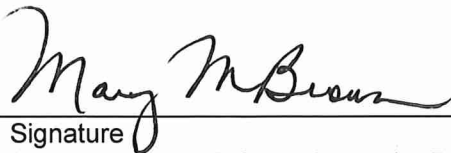
Personnel Affected:

Budget Implications:

N/A

Recommendation:

The Administration recommends the approval of the interlocal agreement with Region 8 ESC, as presented.



Signature
(Person Bringing Information to the Board)



Superintendent's Signature

Justification for Further Processing of USDA Commodities

Pros for further processed items-

- Nutritional advantages with consistent name brand products
 - o Allergen info is accurate with the name brand products
 - o Overall better quality on certain products. Our Corporate purchasing team has put together a very extensive list of products that tie into raw commodity products. They have worked with the manufacturers to ensure the highest quality products while utilizing commodity products. All the products that have been sourced have gone through rigorous testing.
- Product comes in weekly through Sysco as needed.
 - o Reducing the amount of inventory kept on hand, should freezers go out and product gets lost. Less charge back to the clients for lost products due to refrigeration losses.
- Corporate/Hub team support for drawdown of pounds to stay on target. Monthly draw down reporting to ensure proper crediting of commodity amounts monthly.
- Corporate/Hub team support in selecting products and quantity of items.
- Seamless transition of product when the commodity drawdown has been exhausted. The same products will be used when the drawdowns are exhausted. There will be no change to the integrity of the program and food products served.
- Invoice crediting for the client is the same, no change there.

Cons of Brown Box-

- Large deliveries once per month. Unexpected amounts of products arriving at one time. Difficulties to menu the products when large deliveries arrive or when they arrive.
- Very little notice or input as to when these deliveries are made.
- Not always receiving what you anticipated
 - o If there are not enough allocations for a certain product, the items you selected are removed without notice and that allocation is just gone; resulting in a loss of commodity utilization.
- Allergens can change depending on the product, with no line of site into that product/allergen.
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There are pros and cons to both Brown Box and further processing. The team at Chartwells helps us decide which products are best from each avenue!



Region 8 Education Service Center
Commodity Processing & Food Purchasing Cooperative Program
INTERLOCAL BID PARTICIPATION AGREEMENT: SY 2025-2026

The following agreement is entered into by and between the District/Member, as indicated below, and Region 8 Commodity Processing and Food Purchasing Cooperative for participation in one or more of the R8CPC & R8FPC awarded bids. The agreement is a single-term agreement effective July 15, 2025, through July 15, 2026.

R8CPC & R8FPC formally procures several competitive RFPs (Request For Proposal) on behalf of all participating members. Each member is required to complete this Participation Agreement if they wish to purchase from any R8CPC & R8FPC awarded bid during the single-year term of this agreement.

To help R8CPC & R8FPC represent the most accurate information to potential bidders, please place an "X" or "✓" next to each bid listed below that you "plan" to use during the SY 2025-2026. R8CPC & R8FPC does not guarantee any vendor that any item will be purchased, however, members are encouraged to seriously consider each selected bid as member purchasing volume is used in the bidding process.

- | | | |
|--|--|--|
| <input type="checkbox"/> Full-Line Grocery, NOI & FFS | <input type="checkbox"/> Frozen Desserts | <input type="checkbox"/> Small wares |
| <input checked="" type="checkbox"/> Commodity Processing | <input type="checkbox"/> Beverages (Container) | <input type="checkbox"/> Kitchen Chemicals/Cleaning Products |
| <input type="checkbox"/> Milk- Full Service | <input type="checkbox"/> Grass Fed Beef | <input type="checkbox"/> Kitchen Paper/Plastic Products |
| <input type="checkbox"/> Fresh Bread | <input type="checkbox"/> Raw Protein | <input type="checkbox"/> Fresh Fruit & Vegetables |
| <input type="checkbox"/> Non- Dairy/ Juice | <input type="checkbox"/> Slush/Disp. Drinks | |

Authorization:

Hallsville ISD District/R8CPC or R8FPC Member 7 ESC Region 4,800 2024-2025 Enrollment

John Martin Name of Authorized Representative (Superintendent) _____ Signature of Authorized Representative

Superintendent Title of Authorized Representative _____ Date

P.O. Box 810, Hallsville, TX 75650 Mailing Address, City, State, Zip Code Harrison County

Pam Talley Primary Food Service Contact 903-668-5990 ext. 5552 Primary Contact Phone

ptalley@hisd.com Primary Contact Email Address 00536-102904 CE ID#

Amy Parham Secondary Food Service Contact 903-668-5990 ext. 1407 Secondary Contact Phone

aparham@hisd.com Secondary Contact Email Address

For R8CPC & R8FPC Use Only

Karyn Buckner Authorized Signature Karyn Buckner R8CPC & R8FPC Contact Person July 2025 Date

Program Coordinator Title of Contact Person 903-575-2612 Phone

INTERLOCAL AGREEMENT

For us by the

Region 8 Commodity Processing Cooperative (R8CPC)

Region 8 Education Service Center and a

School Food Authority or any other Eligible Entity as Defined by

U.S. Department of Agriculture (USDA) and Texas Department of Agriculture (TDA)

Hallsville ISD

NAME OF ENTITY

102 - 904

Texas Schools County-District Number

IF NOT A Texas school district SFA,
R8CPC will assign number

Region 8 Education Service Center
Pittsburg, Texas

225 - 950
County-District Number

Texas Education Code §8.002 permits regional education service centers, at the direction of the Commissioner of Education, to provide services to assist school districts, colleges and universities in improving student performance and increasing the efficiency and effectiveness of school, college and university operations. In addition, authority is granted under Texas Government Code §§ 791.001 *et seq*, as amended, to enter into Interlocal Agreements with said educational entities, as well as other governmental entities and political subdivisions of Texas and other States. As authorized by applicable statutes and regulations, Cooperative Purchasing Services under this agreement are extended to all Texas State, City or County Government Agencies, or any other Government Entity as defined in the Texas Government Code § 791.003.

This Interlocal Agreement (hereinafter the "Agreement") is entered into by and between the Region 8 Commodity Processing Cooperative (R8CPC), an **intergovernmental cooperative** as defined by TDA and USDA, acting on its own behalf and the behalf of a participating authorized School Food Authority or any other Eligible Entity. The purpose of this Agreement is to outline the responsibilities of School Food Authority or any other Eligible Entity members, hereafter referred to as "Member", entering into the Interlocal Agreement for the purpose of procurement and securing commodity processing contracts for Members.

This document does not expire or terminate except by its terms.

NOTE: R8CPC personnel can assist the Member with yield estimates and determination of how many raw pounds to process in order to receive the expected end product yield. Adjustment of donations of each raw commodity for processing may be performed per Texas Department of Agriculture (TDA) guidelines and regulations.

GENERAL STATEMENT OF SERVICES TO BE PERFORMED. Region 8 Education Service Center, by this Agreement, agrees to provide cooperative purchasing services to the above-named Member through a program known as the Region 8 Commodity Processing Coop (R8CPC) program for the purpose of procuring USDA and TDA related food commodity processing.

The purpose of the R8CPC program shall be to obtain efficiencies for participating Members through cooperative purchasing.

LIMITATION OF AGREEMENT. If any provision of this Agreement is deemed not in accordance with USDA or TDA regulation or other binding legal guidance, that provision is void by agreement of the R8CPC and the Member, hereafter referred to as the "Parties".

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 RESC 8 are located, which is currently Camp County, Texas.
3. The R8CPC 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 R8CPC. A material change is defined as a change in quantities or other relevant factors in excess of 20% of the solicited and awarded procurement volume measured in dollars or numbers of listed items procured or weight of listed items procured.
4. This Agreement 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 R8CPC and the Member. Failure to act by a Member 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. If any term(s) or provision(s) of this Agreement are determined to be contrary to current law or regulation by both Parties and invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect.
7. The Parties to this Agreement expressly acknowledge and agree that all monies paid pursuant to this Agreement shall be paid from budgeted available funds for the current fiscal year of each such entity.

8. 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.
9. 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.
10. 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.
11. This Agreement may be negotiated and transmitted electronically.
12. All signatures shall be wet signatures and electronic signatures shall not be accepted. Scanned copies of wet signatures are acceptable.

AUTHORIZATION TO PARTICIPATE. Each Member represents and warrants, by the execution and delivery of the Interlocal Agreement, that they have duly authorized all requisite administrative action required to enter into and perform the terms of these agreements and that its governing body has duly authorized its participation in R8CPC.

COOPERATION AND ACCESS. The Member agrees that it will cooperate in compliance with any reasonable requests for information and/or records made by R8CPC. R8CPC reserves the right to audit the relevant records of any Member. 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.

COORDINATOR. The Member agrees to appoint a primary and secondary program coordinator who shall have expressed authority to represent and bind the Member, and R8CPC will not be required to contact any other individual regarding program matters. Any notice to or any agreements with the coordinator shall be binding upon the Member. The Member reserves the right to change the coordinators as needed by giving written notice to R8CPC. Such notice is not effective until actually received by R8CPC.

DEFENSE AND PROSECUTION OF CLAIMS. The Member authorizes R8CPC to regulate the commencement, defense, intervention or participate in a judicial, administrative or other governmental proceedings or in an arbitration, mediation, or any other form of alternative dispute resolution, or other appearance of R8CPC and / or any past or current Member in litigation, claim or dispute, and to engage counsel and appropriate experts, in R8CPC's sole discretion, with respect to such litigation, claim or disputes in matters arising out of this Agreement. The Member does hereby agree that any suit brought against R8CPC or a R8CPC Employee may be defended in the name of R8CPC or the Member by the counsel selected by R8CPC, in its sole discretion, or its designee, on behalf of and at the expense of R8CPC as necessary for the prosecution of any litigation. Full cooperation by the Member shall be extended to supply any information needed or helpful in such prosecution or defense. Subject to specific revocation, the Member hereby designates R8CPC to act as a class representative on its behalf in matters arising out of this Agreement.

GOVERNANCE. R8CPC shall be governed by the Region 8 ESC Board of Trustees ("Board") in accordance with the applicable law and regulation. Procurement processes and procedures are governed by all applicable law and regulation.

LIMITATIONS OF LIABILITY. R8CPC, ITS ENDORSERS AND SERVICING CONTRACTORS, DO NOT WARRANT THAT THE OPERATION OR USE OF COOPERATIVE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE. THE COOPERATIVE, 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 R8CPC shall be made by first class mail, postage prepaid and delivered to Region 8 ESC, 4845 US Hwy 271 N., Pittsburg, Texas 75686.

FEEES

Fees required for maintaining this project are received from vendors by the R8CPC and secured upon contract with awarded vendors. Fees collected in excess of operating costs of the cooperative shall be returned to the Members pro rata according to the Member's purchasing volume by dollar amount.

ACCEPTANCE

R8CPC is granted the right to issue a cooperative bid/proposal for the processing of selected commodity foods donated by Members. R8CPC 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 may, at the sole discretion of the R8CPC, have the responsibility to test, approve, and recommend all end products before any awards are made when required by R8CPC or regulation.* Members will have the right and responsibility to accept the processed end product(s) for the life of the contract between R8CPC and the processor for all commodity foods donated to, and for which processing was subsequently procured through, the R8CPC. Excess commodities may be distributed according to USDA or TDA regulation or guidance.

R8CPC:

ROLES AND RESPONSIBILITIES

1. The R8CPC shall provide for the organizational structure of the procurement program.
2. The R8CPC shall provide staff for efficient operation of the procurement program.
3. The R8CPC shall coordinate the Competitively Procurement Process for all Awarded Contracts.
4. The R8CPC shall provide Members with procedures, if required, for placing orders.
5. The R8CPC shall maintain a filing system for Due Diligence Documentation.
6. The R8CPC shall retain documents for the required time period.
7. The R8CPC shall cooperate and provide documentation for any audit request.

8. The R8CPC shall collect and utilize fees equal to the administrative costs of operating the cooperative.
9. The R8CPC shall return any surplus fees to the Member in compliance with the applicable regulations and this Agreement.
10. The R8CPC shall provide the Members access to all records, reports, and documents needed to ensure rebates, discounts, and other applicable credits due to the Members.
11. The R8CPC shall follow all local, state and federal procurement guidelines to ensure fair and open competition.
12. The R8CPC shall send the solicitations for further processing to companies on the Texas Department of Agriculture (TDA) Approved List of Processors without limitations. For example, the R8CPC cannot choose to send a solicitation to only selective companies on the approved TDA list.
13. The R8CPC shall ensure that solicitations for the further processing of USDA Foods are awarded only to processors that are on the TDA Approved List of Processors.
14. The R8CPC shall enter into an agreement with distributors that provide the distribution of processed end products containing USDA Foods; ensure the agreement contains proper language for the resolution of errors, i.e., data, pricing, product; proper retention of data, reports, etc.
15. The R8CPC shall provide for the organizational and administrative structure of R8CPC.
16. The R8CPC shall negotiate with school district Members with those commodity foods to be processed, the quantities of commodity foods to be donated by each individual school district, and the processed end products to be received.
17. The R8CPC shall develop and initiate a cooperative and competitive bid/proposal for the processing of commodity foods in accordance with the competitive procurement requirements for Texas Public schools, USDA, TDA and any other controlling authority.
18. The R8CPC shall execute the R8CPC Contract for Services Agreements with awarded vendors.
19. The R8CPC shall provide participating Members with information on commodity processing, including, but not limited to, anticipated delivery dates of processed end products.
20. The R8CPC shall track product receipts and donations in cooperation with Members.
21. The R8CPC shall collect purchasing and product documentation, as needed, and make that information available to Members.
22. The R8CPC cooperative coordinator shall make all surveys available to all Members as surveys are opened by TDA.
23. The R8CPC may in good faith offer a renewal of contracts if both parties agree. R8CPC shall provide good faith member forecasting on selected previous awarded items and new items if a material change +/- 25% over all, per manufacturer, does not occur.

PARTICIPATING MEMBER: ROLES AND RESPONSIBILITIES

1. The Member shall commit to participate in the program by an action of the Governing Body of the entity and authorized signature on Interlocal Agreement and any other required forms.
2. The Member shall designate and train a staff member at their district as a back-up to the Food Service Director that will ensure sustainability in the management of USDA Foods at the Member level.
3. The Member shall be responsible for requesting shipments of products ordered from Awarded Vendors.
4. The Member shall process Payments to Awarded Vendors as contractually or legally required.

5. The Member shall provide forecasting as represented with good faith, estimated quantities for the cooperative to include in the applicable solicitation for the processing of USDA Foods.
6. The Member shall provide adequate lead time to the manufacturer and the R8CPC for any prior approved products and/or any pre order changes before order is placed with manufacturer. Once order is placed with manufacturer member may not change products unless the product has been deleted and replaced by manufacturer.
7. The Member shall access the Texas Unified Nutrition Program System (TX-UNPS) Food Distribution Program (FOP) 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.
8. The Member shall manage a good faith effort to ensure entitlement is used within the program year it was earned.
9. 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 on a regular basis; and report inventory issues to R8CPC.
10. The Member shall conduct Sales Verification of end products sold through a distributor, including, but not limited to, verifying sales and USDA Foods rebates, discounts and credits.
11. The Member shall verify receipt of end products delivered by state-contracted warehouses; ensure end products received are the products requested; report discrepancies to the state-contracted warehouse, R8CPC, and TDA as applicable
12. The Member shall review usage and USDA Foods inventory balances prior to ordering new inventory to ensure effective use of USDA Foods.
13. The Member shall utilize carryover inventory from the prior program year no later than each November 30th.
14. The Member shall provide timely updates regarding concerns/issues of further processing of USDA Foods to R8CPC and/or TDA, as applicable.
15. 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.
16. The Member shall maintain copies of the original CN Label from the product carton, or a photocopy of the CN Label as it appears on the original product carton.
17. The Member shall ensure that end product invoices from processors and distributors are paid in a timely manner and according to the contract.
18. The Member shall ensure documentation is available to TDA for any program review.
19. The Member shall sign and provide the R8CPC Interlocal Agreement, Board Resolution, or Board action minutes to the R8CPC.
20. The Member shall make no direct payment for services to be rendered as a result of this Agreement.
21. The Member shall accept processed end products, according to the delivery schedule negotiated between R8CPC and the contracted processor.
22. The Member shall establish coordinating language in food service purchasing bids/proposals with the school district Member's own distributor for all items to be received as value-pass-thru processing options.
23. The Member shall participate upon every opportunity in scheduled meetings of the R8CPC including, bid/proposal openings and/or awards.
24. The Member shall read the R8CPC Contract for Services and following contract procedures as established between R8CPC and the contracted processor.

TERM AND TERMINATION

1. Term.

The Interlocal Agreement shall remain on file in the member's portfolio between R8CPC and SFA Member. It will be effect until Region 8 or the School District Member submits in writing a request for termination of agreement (*See Termination below*).

The Interlocal Agreement will remain on file in the Region 8 Food Cooperative office located at 4845 US Hwy 271 N., Pittsburg, Texas 75686.

2. Termination by Member.

Member may not terminate membership after forecasting has been offered for a proposed or active RFP of the R8CPC. This would create a material change in the awarded contract in which the Member agreed to participate. Notice of intent to terminate this Agreement must be made by October 31 of the year prior to the next contract year for commodity processing. Example: for the commodity processing contract year 2017-2018, notice of termination must be received by October 31, 2016. This is because the procurement process begins at that time.

Notice of intent to terminate this Agreement must be made in writing to R8CPC, Commodity Processing Cooperative Manager at the address in the NOTICE section on page 4 of 8 of this Agreement.

Termination by the R8CPC.

Region 8 may terminate this Agreement for cause by giving thirty (30) days notice by certified mail to the Member, if the Member fails to abide by this Agreement.

3. Termination Conditions.

If the Member terminates its participation during the term of this Agreement or breaches this Agreement, or if R8CPC terminates participation of the Member under the provision of this Article, the Member shall bear the full financial responsibility for any purchases occurring after the termination date, and for any unpaid charges accrued during its term of membership in the R8CPC.

AUTHORIZATION:

Region 8 Education Service Center and Region 8 Commodity Processing Co-op (R8CPC) have entered into an Agreement to provide cooperative purchasing opportunities to School Food Authority or any other Eligible Entity. This Agreement was approved by the governing boards of the respective parties at meetings that were posted and held in accordance with the Texas Open Meetings Act, Texas Government Code Ch. 551. (If required by the entity jurisdiction. Required for Texas public school districts. Consult your legal counsel for applicability to your entity.)

The individuals signing below are authorized to do so by the respective parties to this Agreement.

Member Entity:

Hallsville ISD

Entity/District Name

Purchasing Cooperative Lead Agency:

Region 8 Education Service Center

By: _____

Authorized Signature

By: _____

Authorized Signature

Title: Superintendent

Title: Executive Director Region 8 ESC

Date: _____

Date: _____

Entity Contact Information

Pam Talley

Primary Program Coordinator Name

300 Willow / P.O. Box 810

Street Address

Hallsville, TX 75650

City, State

Zip

903-668-5990x.5552 / 903-668-5991

Telephone Number

Fax Number

ptalley@hisd.com

Primary Program Coordinator Email Address

Amy Parham

Secondary Program Coordinator Name

aparham@hisd.com

Secondary Program Coordinator Email Address