

School Board Meeting:

March 19, 2009

Subject:

Food Service Primary Vendor Bid

Presenter:

Marilyn Splinter

SUGGESTED SCHOOL BOARD ACTION:

Recommend board approval

Sealed bids for primary vendor were received on February 19, 2009. Bids were received from Appert's Foods, St. Cloud, Food Service of America, Fargo and Upper Lakes Foods, Cloquet.

The primary vendor bid establishes the fee the distributor will charge the district to deliver product. Two fees were bid, purchased products and the fee to deliver USDA "brown box" commodities. A market basket of the top 64 items purchased was utilized to provide a means of comparing costs for the volume of purchases, not just the fee per case. The bid analysis also utilized the actual case count, of purchased product and USDA commodities, in 2007-08 as an additional cost comparison. Products purchased under the Minnesota School Buying Group bid were not included in the market basket.

In the analysis of the market basket, it was evident that there were significant discrepancies in the prices bid by the distributors for six items. The correct pricing to the distributor was verified with the manufacturer representatives. The best course of action, to fairly evaluate the bid, was to remove the six items in question from the market basket. When the six items in question were removed, the results were incredibly close.

All three companies submitted the required documents and are capable of fulfilling the contract.

The fixed fee bids for 2009-11 are higher than we are currently paying, but the increase was not as much as anticipated. We are in the fourth and final year of the existing primary vendor agreement with Upper Lakes Foods. The fee per case for the entire contract has been \$0.85/case. We have been able to complete the maximum life of the contract by being good business partners with the distributor.

The fee bid for delivering USDA commodities is hinged on being awarded the primary vendor bid. The fee for delivering commodities, without a primary vendor agreement, would be much higher than those included in the bids. Upper Lakes Foods bid a price for commodity delivery to one location and a second, higher price, for delivery to multiple locations. We take commodity deliveries at one location, BCMS, where food service has dry and freezer storage for larger quantities of food.

The recommendation is for the Board to accept the low bid submitted by Upper Lakes Foods, \$0.95/case fixed fee for purchased items and \$2.50/case for single drop USDA "brown box" commodities

The bid tabulation and analysis are attached for your review.

Attachment:

Primary Vendor Bid Tabulation
Bid Analysis