

# Milk and Bread RFP for Prospering Pals Co-op

## Memo

**To:** Dr. Jeff Turner  
**From:** Sid Grant  
**CC:** Kelly Penny, Denise Sullivan, Jean Mosley, Amy Curry  
**Date:** 6/13/2007  
**Re:** Milk and Bread RFP for Prospering Pals Purchasing Cooperative

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Attached as Excel spreadsheets, please see the comparative results for the milk and bread Request for Proposals for the Prospering Pals Purchasing Cooperative for the 2007-2008 school year. Coppell ISD is the hosting district of this cooperative made up of several area school districts. Participating districts of the milk proposal include Coppell, Grapevine/Colleyville, Highland Park, Hico, Love Joy, Lake Dallas, Lancaster, Eagle Mountain - Saginaw, and Little Elm. Participating districts of the bread proposal include Coppell, Love Joy, Lake Dallas, Lancaster, Eagle Mountain - Saginaw, Mineral Wells, and Little Elm.

The Request for Proposal Method (RFP), as provided in the Texas Education Code 44.031, was used to obtain proposals.

Regarding the milk proposals, Borden's, Oak Farms and Schepp's Dairies were mailed proposals. Oak Farms and Schepp's are actually both owned by Dean Foods. These three dairies are essentially the only local dairies that provide full lines of wholesale milk products. That is, these three companies package all the "private label" milk for the grocers in the area. Borden's submitted a "No Bid" stating they were unable to bid due to increased fuel cost and not having enough labor to service all schools in the purchasing cooperative. Dean Foods (e.g. Oak Farms and Schepp's) submitted a combined bid. That is, Oak Farms will supply some of the school districts, while Schepp's will supply the remainder of the districts in the purchasing cooperative.

The Dean Foods proposal includes a 2.3 cent increase for all ½ pint cartons of milk. This increase is attributed to the increase in commodity pricing for wholesale milk as well as increased fuel costs. Please see attached spread sheet for a comparison of all current and proposed milk prices.

For the Bread proposals, Mrs. Baird's Bread (e.g. Bimbo Bread), Sara Lee, and Flowers Baking Company were sent proposals. No bids were received from any vendors. Mrs. Baird's stated that school districts were not a profitable market for bread companies, and fuel costs make the daily deliveries cost prohibitive. Mrs. Baird's further stated that they only bid four (4) school districts for the 2007-08 school year. Jean Mosley was fortunately able to negotiate with Sara Lee to agree to supply the participating districts through our existing agreement with the Educational Purchasing Cooperative of North Texas (EPCNT). Richardson ISD is the hosting district of the bread bid awarded to Sara Lee. Please see the attached Excel spreadsheet for a detailed price comparison of current pricing through Mrs. Baird's versus proposed pricing from Sarah Lee.

Unfortunately, we continue seeing a trend with Child Nutrition commodity food items (e.g. bread, milk, ice cream, fresh produce, and other food items) where a limited number of vendors are willing to bid and offer their product due to the competitive nature and increasing cost of doing business with school districts. For example, delivering twenty packages of hamburger buns, or five boxes of ice cream to an elementary on a given day is increasingly not cost effective for many potential vendors. However,

along with our neighboring school districts, we will continue to search for alternative ways to obtain good, multiple competitive bids for our food items.

**RECOMMENDATION:**           **That the Coppel ISD Board of Trustees approve Sara Lee as the provider of bread and Dean Foods as the provider of milk for the Child Nutrition's Prospering Pals Purchasing Cooperative for the 2007 – 2008 school year at the June 18, 2007 board meeting.**