Request for Proposal

Third Party Purchasing Services
For Procurement of
Cafeteria Food and Supplies – Commercial and Commodity

November 1, 2017

Participating KVEC public school corporations:

- Ashland Independent
- Breathitt County Schools
- Floyd County Schools
- Harlan County Schools
- Jackson Independent
- Jenkins Independent
- Johnson County Schools
- Knott County Schools
- Lawrence County Schools
- Lee County Schools
- Leslie County Schools
- Letcher County Schools
- Magoffin County Schools
- Martin County Schools
- Middlesboro Independent
- Owsley County Schools
- Paintsville Independent
- Perry County Schools
- Pikeville Independent
- Pike County Schools
- Wolfe County Schools
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SECTION I

Instructions to Service Providers
SECTION I – Instructions to Service Providers

1.1 INTENT

It is the intent of the Kentucky Valley Educational Cooperative (on behalf of participating member public schools) to solicit Sealed Responses from qualified Firms to secure a third party to perform purchasing services for food service food, supplies and materials that meet or exceed all State and Federal (relating to State and Local Government procurement a/k/a non-procurement program) procurement guidelines, regulations and laws for all Child Nutrition Programs.

1.2 PURPOSE

The purpose of this Request for Proposal (RFP) is to hire a third party to procure supplies, materials and equipment on behalf of Kentucky Valley Educational Cooperative (KVEC) participating member public school corporations through a cooperative arrangement at competitive prices.

1.3 RFP COORDINATOR

The primary contact for this RFP shall be:

John Lewis, Projects Coordinator
Kentucky Valley Educational Cooperative
412 Roy Campbell
Hazard, KY 41701
Business Phone:   (219) 926-5555
Facsimile Phone: (219) 926-5553
E-Mail: jlewis@nwiesc.k12.in.us

The primary contact shall hereinafter be referred to as the RFP Coordinator.

1.4 DUE DATE FOR PROPOSALS

Service Provider must submit a complete Response to this RFP, using the format outlined in Section V of this RFP. One (1) original and one (1) electronic response on disk shall be delivered to the Kentucky Valley Educational Cooperative 412 Roy Campbell Drive, Hazard, KY 41701 by 2:00 p.m. local time, on November 30, 2017, at which time the Proposals will be opened and the Service Providers identified and acknowledged. Responses are to be in sealed envelopes and clearly marked: “Food Service Third Party Purchasing Services.” Responses received after the above deadline will be returned to the originator unopened. Mail allowances by the recipient will not be made beyond the specified time and date. An RFP sent by facsimile or other electronic means will not be accepted.
1.4.1 Standard Forms and Contracts

Any forms and contracts the Service Provider proposes to include, as part of any agreement resulting from this response between the Service Provider and the Kentucky Valley Educational Cooperative must be submitted as part of the Response. Any forms and contracts not submitted as part of the response and subsequently presented for inclusion may be rejected. Notwithstanding the above, The Governing Board of Kentucky Valley Educational Cooperative shall have the final say over the form of the contract to be executed between the Service Center and the successful Service Provider.

1.5 ADDITIONAL REQUESTS FOR CLARIFICATION

Prospective Service Providers may request that Kentucky Valley Educational Cooperative clarify information contained in this RFP. All such requests must be made in writing to the RFP Coordinator. Kentucky Valley Educational Cooperative will not respond to any requests for clarification received after 12:00 p.m. on November 20, 2017. Kentucky Valley Educational Cooperative Area School’s response to any requests for clarification may be provided to all parties who have requested an RFP package.

1.6 ADDENDA TO THE RFP

If it becomes necessary to revise any part of the RFP, notice of the revision will be given in the form of an addendum to all parties who have requested an RFP package. All addenda shall become a part of the RFP. Each Service Provider should in its Response, to avoid any miscommunication, acknowledge all addenda, which it has received, but the failure of a Service Provider to receive, or acknowledge receipt of, any addendum shall not relieve the Service Provider of the responsibility for complying with the terms thereof. Acknowledgment by the Service Provider should consist of returning a signed copy of each Addendum Cover Sheet as part of the Response.

1.7 RIGHT TO REJECT

Kentucky Valley Educational Cooperative reserves the right to accept or reject any or all Responses in whole or in part and to waive any irregularities therein not mandated by law.

1.8 WITHDRAWAL

No Responses may be withdrawn for a period of thirty (30) calendar days following the Due Date of such Responses.
SECTION II

General Terms and Conditions
SECTION II – General Terms and Conditions

2.1 RESPONSE FORMAT

2.1.1 Response Forms

Supplied with the RFP is a Service Providers Response Form. The form provides the format for the Response and must be completed and submitted for the Response to be considered. Exceptions to specifications must be noted on such Service Providers Response Form. Also, Appendixes A through E attached hereto must be completed and submitted with the Response for the Response to be considered.

2.1.2 Officer of Firm

Responses shall address all items completely and thoroughly in accordance with the format provided and shall be signed by an officer of the Firm with the authority to commit the Firm’s resources.

2.1.3 Withdrawal

The contents and commitments in the Responses shall remain firm for ninety (90) calendar days from the Due Date of such Responses.

2.2 RIGHT TO REQUEST ADDITIONAL INFORMATION

Kentucky Valley Educational Cooperative reserves the right to request any additional information that might be deemed necessary after opening the Responses.

2.3 POST-RESPONSES PRESENTATIONS

Kentucky Valley Educational Cooperative, in its sole discretion, reserves the right to request post-response presentations from all, some or none of the Service Providers.

2.4 INCURRED COSTS

Kentucky Valley Educational Cooperative is not responsible for any costs incurred by any Service Provider for any work performed relative to the preparation of a Response to this RFP or negotiation of a contract for services, including the costs for the preparation of the information solicited herein.

2.5 SCHEDULE DATES

The following is an anticipated schedule for the selection process. Kentucky Valley Educational Cooperative reserves the right to modify any part of this schedule:
1. Request For Proposal Issued: November 1, 2017
2. Deadline for Clarification Requests: November 20, 2017
3. Due Date for Responses: November 30, 2017
4. Response Opening: November 30, 2017
5. Evaluation of Responses: November 30, 2017
7. Request Board of Education Approval: December 1, 2017
8. Anticipated Contract Start Date: December 31, 2017

2.6 LICENSURE

Before a contract pursuant to this RFP is executed, the selected Firm must hold all applicable business and professional licenses, permits, etc. Kentucky Valley Educational Cooperative may require any or all Service Providers to submit evidence of proper licensure.

2.7 DISCLOSURE OF PROPOSAL CONTENTS

All Responses and materials submitted in response to this RFP shall become the property of Kentucky Valley Educational Cooperative. Selection or rejection of a Response does not affect this right. All Response information, including detailed fee for services, shall be held in confidence during the evaluation process, to the extent permitted by law. Upon the completion of the evaluation of Responses, the Responses and associated materials shall be open for review by the public. By submitting a Response, the Service Provider acknowledges and accepts that the full contents of the Response and associated documents may become open to public inspection.

2.8 CONTRACT REQUIREMENTS

Kentucky Valley Educational Cooperative considers this RFP legally binding and will require that this Request for Proposal and the resulting Firm’s Response be incorporated by reference into any subsequent contracts between the Firm and Kentucky Valley Educational Cooperative. It should be understood by the Firm that this means that the Kentucky Valley Educational Cooperative expects the Firm to satisfy all requirements listed herein. Exceptions should be explicitly noted in your Response. Lack of exceptions listed on the individual
Response Forms will be considered acceptance of all of the specifications as presented in this RFP.

Minimally, the contract must contain the following language:

A. Identification of Parties to the Agreement Clause – Both the Firm and Kentucky Valley Educational Cooperative shall be clearly identified by name. Neither of the identified parties to the Agreement shall assign or encumber any of its rights, or delegate or subcontract any of its duties defined in the Agreement, in whole or in part, to other third party unless the other party to the Agreement gives its prior written consent. Subject to the foregoing covenant against assignment and delegation, the rights created by the Agreement shall pass to the benefit of the identified party and the duties and obligations resulting from the Agreement shall bind the identified party and their respective successors and assignees.

B. Entire Agreement Clause – This Agreement, including appendices and referenced attachments, constitutes the entire Agreement between the Kentucky Valley Educational Cooperative and Firm and supersedes all proposals, presentations, representations, and communications, whether oral or in writing, between the parties on this subject.

C. Applicable and Governing Law Clause – The Agreement shall be subject to all laws of the Federal Government of the United States of America and to the laws of the State of Indiana. All duties of either party shall be legally performable in Indiana. The applicable law for any legal disputes arising out of this contract shall be the law of (and all actions hereunder shall be brought in) the State of Indiana.

D. Notices Clause – All notices or communications required or permitted as a part of the Agreement shall be in writing (unless another verifiable medium is expressly authorized) and shall be deemed delivered when:

i. Actually received; or

ii. Upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the party; or

iii. If not actually received, ten (10) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the respective other party at the address set out in the section of the Agreement titled “Identification of the Parties to the Agreement” or such other address as the party may have designated by notice or Agreement amendment to the other party.

Consequences to be borne due to failure to receive a notice due to improper notification by the intended receiving party of a new address will be borne by the intended receiving party.
E. **Effect of Regulation** – Should any local, state, or national regulatory authority having jurisdiction enter a valid and enforceable order upon Kentucky Valley Educational Cooperative which has the effect of changing or superseding any term or condition of this Agreement, such order shall be complied with, but only so long as such order remains in effect and only to the extent actually necessary under the law. In such event, this Agreement shall remain in effect, unless the effect of the order is to deprive Kentucky Valley Educational Cooperative of a material part of its Agreement with the Firm. In the event the order results in depriving Kentucky Valley Educational Cooperative of materials or raising its costs beyond that defined in this Agreement, Kentucky Valley Educational Cooperative shall have the right to rescind all or part of this Agreement (if such a rescission is practical) or to terminate the Agreement upon thirty (30) days written notice to the Firm. Should the Agreement be terminated under such circumstances, Kentucky Valley Educational Cooperative shall be absolved of all penalties and financial assessments related to cancellation of the Agreement.

F. **Independent Contractor** – It is expressly agreed that the Firm is not an employee of Kentucky Valley Educational Cooperative, but an independent contractor.

G. **General Indemnification** – The Firm agrees to indemnify, defend and hold harmless Kentucky Valley Educational Cooperative, its Participants, successors, assigns, employees and agents from and against any and all claims, costs, expenses, damages, and liabilities, including reasonable attorney’s fees, arising out of (I) the negligent acts or willful misconduct of the Firm and/or its officers, directors and employees, agents or subcontractors; (ii) any breach of the terms of this Agreement by the Firm; (iii) any violation of applicable State and/or Federal law, regulation, or requirement; or (iv) any breach of any representation or warranty by the Firm under this Agreement. The Firm agrees to notify Kentucky Valley Educational Cooperative by certified mail, return receipt requested, immediately upon knowledge of any claim, suit, action or proceeding for which it may be entitled to indemnification under this Agreement.

H. **Insurance** – The Firm agrees to maintain at no additional cost to Kentucky Valley Educational Cooperative and participating public school corporations the following insurances until the termination of services under this Agreement (see Insurance Certificate attached hereto):

i. Workers’ compensation coverage that meets or exceeds legal requirements;

ii. Professional liability insurance coverage with minimum limits of $1,000,000.00; and

iii. A minimum Commercial General Liability limit of $1,000,000.00.
With respect to any of the insurance policies provided by the Firm pursuant to this Agreement which are “claims made” policies, in the event at any time any such policies are cancelled or not renewed, the Firm shall provide a substitute insurance policy(ies) with terms and conditions and in amounts which comply with the terms of this Agreement and which provides for retroactive coverage to the date of cancellation or non-renewal to fill any gaps in coverage which may exist due to the cancellation or non-renewal of the prior “claims made” policy(ies). With respect to all “claims made” policies, which are renewed, the Firm shall provide coverage retroactive to the date of commencement of work under this Agreement.

I. **Contract Duration** – Kentucky Valley Educational Cooperative intends to enter into a contract with an effective date of August 14, 2013 through August 13, 2014. Kentucky Valley Educational Cooperative reserves the right to annually extend the Agreement for an additional year up to no more than five (5) years in total. Extensions will be effective through an amendment to the Agreement.

J. **Right to Terminate for Breach** – Each party shall have, in addition to all other remedies available to it, the right to terminate this Agreement immediately upon written notice to the other party that the other party has committed a material breach of any of its obligations herein and such material breach shall not have been cured or corrected within ten (10) days following written notice of the same. Upon termination of this Agreement by either party for breach or default of the other party, each party shall be entitled to exercise any other right, remedy or privilege which may be available to it under applicable law or proceed by appropriate court action to enforce the terms of this Agreement or to recover damages for the breach of this Agreement.

K. **Right To Terminate For Convenience** – Kentucky Valley Educational Cooperative shall have the right to terminate this Agreement for any reason upon a ninety (90) day advance written notice to the Firm.

L. **Personnel** – Service Provider shall provide sufficient organization, personnel and management to carry out the requirements of this Agreement. Kentucky Valley Educational Cooperative reserves the right, in its sole discretion, to remove or change any of Service Provider’s personnel. Prior to actual removal and/or substitution, Kentucky Valley Educational Cooperative shall notify the Service Provider of its intent to remove such employee and the Service Provider shall replace such employee as soon as reasonably possible with an employee which the Kentucky Valley Educational Cooperative deems acceptable.

M. **FOB** – All prices must be Freight On Board (“FOB”) to participating member Kentucky Valley Education Cooperative school corporations, inclusive of Special Requirements.
2.9 SELECTION CRITERIA

The Bidders will be analyzed and evaluated based upon the following selection criteria:

Section IV Appendices

Appendix A 1 point possible
Appendix B 1 point possible
Appendix C 1 point possible
Appendix D 1 point possible
Appendix E 1 point possible

Section V Service Providers Response Form

1. Fee Proposal and Benefits of the Bidder’s Organization 20 points possible
2. Qualifications, Financial Stability and Experience of Bidder 25 points possible
3. Distribution and Value Added Incentives 20 points possible
4. Contract Sourcing Performance and References of Bidder 30 points possible
SECTION III

Third Party Purchasing Services
SECTION III – Third Party Purchasing Services

3.1 GENERAL DESCRIPTION

It is the goal of Kentucky Valley Educational Cooperative on behalf of its participating member school corporations to find a qualified Firm to secure a third party to perform purchasing services that meet or exceed all State and Federal (relating to State and Local Government procurement a/k/a non-procurement program) procurement guidelines, regulations and laws for all Child Nutrition Programs and to allow Kentucky Valley Educational Cooperative participating member school corporations to procure food, supplies, materials and equipment through a group purchasing service at competitive prices.

3.2 PROJECT SCOPE

The successful Service Provider will be required to:

A. Perform the bidding process for food, supplies, materials, equipment and related services germane to the food service operation that will meet all Federal and State procurement standards.

B. Provide an acceptable electronic method to analyze bids and keep track of orders, rebates, deliveries, invoices, and quarterly reports.

C. Provide market basket methods of purchasing items which change daily or weekly, such as fresh produce and box beef, etc.

D. Provide the capability for certified public accountants to audit Distributors on behalf of Kentucky Valley Educational Cooperative and participating school corporations once bidding and contracts are issued.

HPS utilizes a CPA auditing firm to provide us with the number of members, invoices, and products in order make the HPS audits statistically valid. HPS staff follows the recommendations of these guidelines and performs audits on a quarterly basis. If further auditing is required, then there would be at an additional fee per the rates quoted at that time billable to the school district.

E. Provide fee structure for your service (see question 21).

F. Provide contracts, pricing and information, catalogues, search information, technical information, etc. via a web.

G. Provide field staff to assist listed participating member school corporations.

H. Provide manufacturer incentives in which savings or discounts are passed directly along to participating member public school corporations.

I. Provide the capabilities to procure distribution of USDA Commodity Products, both Processed and Non Processed.

J. Provide to participating member school corporations copies of all procurement documents, including advertising schedules, issued on their behalf.

K. Provide member based input and evaluation of cafeteria food and supply bid responses prior to award.
SECTION IV

Appendixes
APPENDIX A

U.S. DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility
and Voluntary Exclusion - Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ ATTACHED INSTRUCTIONS)

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

_HPS__
Organization Name

__Food Service Third Party Purchasing Services__
PR/Award Number or Project Name

_Richard Jones   Senior Director of Finance and Administration_____
Name and Title of Authorized Representative

Signature    Date
APPENDIX B

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.

2. The certification in this clause is a material representative of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms “covered transaction,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” participant,” “person,” “primary covered transaction,” “principal,” “proposal,” and “voluntarily excluded,” as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
**APPENDIX C**

**CERTIFICATION REGARDING LOBBYING**

**INSTRUCTIONS:** To be completed and submitted **ANNUALLY** by 1) any child nutrition entity receiving Federal reimbursement in excess of $100,000 per year and 2) potential or existing contractors/vendors as part of an original bid, contract renewal or extension when the contract exceeds $100,000.

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**Applicable to Grants, Sub grants, Cooperative Agreements, and Contracts Exceeding $100,000 in Federal Funds**

Submission or this certification is a prerequisite for making or entering into this transaction and is imposed by section 1352, Title 31, U.S. Code. This certification is a material representation or fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty or not less than $10,000 and not more than $100,000 for each such failure.

The undersigned certifies, to the best of his or her knowledge and belief that:

1.) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence and officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal Contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

2.) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL. "Disclosure Form to Report Lobbying," in accordance with its instructions.

3.) The undersigned shall require that the language of this certification be included in the award documents for all covered sub awards exceeding $100,000 in Federal funds at all appropriate tiers and that all sub recipients shall certify and disclose accordingly.

<table>
<thead>
<tr>
<th>Name of School Food Authority Receiving Child Nutrition Reimbursement in Excess of $100,000:</th>
<th>Agreement Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address of School Food Authority:</td>
<td></td>
</tr>
<tr>
<td>Printed Name and Signature of Submitting Official:</td>
<td>Date:</td>
</tr>
</tbody>
</table>

**Names of Food Service or Vendor/Contractor**

<table>
<thead>
<tr>
<th>HPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printed Name and Title: Richard Jones Senior Director of Finance and Administration</td>
</tr>
</tbody>
</table>
# APPENDIX D

## DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

<table>
<thead>
<tr>
<th>1. Type of Federal Action:</th>
<th>2. Status of Federal Action:</th>
<th>3. Report Type:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. contract</td>
<td>a. bid/offer/application</td>
<td>a. initial filing</td>
</tr>
<tr>
<td>b. grant</td>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td>c. cooperative agreement</td>
<td>b. initial award</td>
<td>b. material change</td>
</tr>
<tr>
<td>d. loan</td>
<td>c. post-award</td>
<td></td>
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<tr>
<td>e. loan guarantee</td>
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<tr>
<td>f. loan insurance</td>
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</tr>
</tbody>
</table>

### For material change only:
- Year _______
- Quarter _______
- Date of last report___________

<table>
<thead>
<tr>
<th>4. Name and Address of Reporting Entity:</th>
<th>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</th>
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<tbody>
<tr>
<td>_____ Prime  _____ Subawardee</td>
<td></td>
</tr>
<tr>
<td>Tier______, if Known:</td>
<td></td>
</tr>
<tr>
<td>Congressional District, <em>if known</em>:</td>
<td>Congressional District, <em>if known</em>:</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>6. Federal Department/Agency:</th>
<th>7. Federal Program Name/Description:</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>CFDA Number, <em>if applicable</em>:</td>
</tr>
<tr>
<td></td>
<td>____________</td>
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</table>

| 10. a. Name and Address of Lobbying Registrant | b. Individuals Performing Services (including address if different from No. 10a) |
| (if individual, last name, first name, MI): | (last name, first name, MI):                                                              |

| 11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure. |

Signature: ____________________________
Print Name: _ Richard Jones
Title: ___ Senior Director of Finance and Administration ___
Telephone No.:269-795-3308______ Date: ______

Authorized for Local Reproduction
Standard Form - L.I.L (Rev. 7-97)
APPENDIX E

NONCOLLUSION AFFIDAVIT TO BE EXECUTED BY SERVICE PROVIDER AND SUBMITTED WITH PROPOSAL

STATE OF KENTUCKY )
)                     
PERRY COUNTY )

Richard Jones, being first duly sworn, deposes and says that he or she is __ Senior Director of Finance and Administration ____________________________ of the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the Service Provider has not directly or indirectly induced or solicited any other provider to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any provider or anyone else to put in a sham proposal, or that anyone shall refrain from submitting a proposal; that the Service Provider has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other provider, or to fix any overhead, profit, or cost element of the bid price, or of that of any other provider, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the Service Provider has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

I certify (or declare) under penalty of perjury under the laws of the State of Kentucky that the foregoing is true and correct.

__________________________  ____________________________
Name of Firm                Signature(Firm)

Subscribed and sworn to before me this _______ day of ____________, 20____

My Commission Expires: ________________  ____________________________

Notary Public

County of Residence: ____________________________

This form must be completed and submitted with your bid package.
SECTION V

Service Providers Response Form
SECTION V – Service Providers Response Form

5.1 RESPONSE FORMAT

5.1.1 Response Forms

Supplied with the Request for Proposal is a Response Form. The form provides the format for the Response and must be completed and submitted for your Response to be considered.

5.1.2 Font Size

The Response shall be simple and in an 8 ½” x 11” format. The text shall be concise, with emphasis placed upon completeness and clarity.

5.1.3 Supplemental Information

All supplemental information is optional and, if included, should be presented as an attachment to your Response.

5.1.4 Responses

All hard copy responses must be accompanied with an electronic version of the Request for Proposal.
SERVICE PROVIDERS RESPONSE FORM

REQUEST FOR PROPOSAL
FOR
THIRD PARTY PURCHASING SERVICES

DATE: _________________

NAME OF FIRM: HPS____

OFFICES: 3275 N M-37 Hwy PO BOX 247, Middleville, MI 49333

Fee Proposal and Benefits of the Bidder’s Organization

1. Provide a detailed fee structure for your services. Include any fees related to volume, number of students, and number of school delivery locations or other levels of membership. Include any administrative fees charged to manufacturers and/or distributors that would not be passed back to the participating Kentucky Valley Educational Cooperative public school corporations.

The net cost after rebates and incentives for the HPS membership is zero ($0.00) should the HPS member choose to participate in the rebate and incentive programs available. In fact, HPS members can earn rebates and incentives in the HPS School Food Purchasing Program that exceed the cost of membership dues.

HPS charges each school district an annual membership dues as a fee for our group purchasing services. The membership is based on a flat rate that is determined by the amount of purchases made by the school district through the HPS program offerings. The flat rate is determined and set prior to joining HPS according to projected purchases in the program. Each succeeding year the HPS member will receive a membership dues billing based on the previous 12 months’ participation. If the HPS member continues to find value in participating in the HPS program, they pay the annual membership dues. The HPS membership is voluntary and at any point the HPS member may discontinue their membership if they so wish to do so.

Minimum dues per facility assessed annually: $725.00

Maximum dues per facility assessed annually: $3,150.00
**COMMITTED AND COMMODITY PURCHASING INCENTIVE:**

According to the terms set forth in the School Food Purchasing Program, an HPS member that agrees to commit 90 percent of its purchasing, by dollar volume, to Gordon Food Service will receive a 1.25 percent committed volume rebate on all purchases from GFS. In addition, HPS members who are eligible to receive commodity products from GFS will receive an extra 0.25 percent incentive on all purchases from GFS.

The rebate shall be paid bi-annually (December and June). A 90 percent commitment level indicates a customer is purchasing all commercial products from GFS. Milk, Dairy and Bread products could constitute the other 10 percent of volume. A signed Committed Purchasing Program Form is necessary to participate in this incentive. This form must be signed and returned to GFS before any purchasing volume will be tracked for the rebate. No rebate will be paid out to a customer outside of payment terms. Finance charges may be pulled from rebate amounts prior to paying a member the rebate. Purchases of all products, excluding boxed beef items and proprietary government commodity items (brown box) will be eligible for the committed volume rebate.

**QUICK PAY INCENTIVE:**

HPS members can access a 1 percent quick pay incentive with payment of invoices within 10 days. Each HPS member is eligible for an early pay incentive if payments are received by GFS within ten (10) days of the delivery date. The early pay incentive shall be a 1 percent deduction from the total amount of the invoice. The HPS member must notify GFS of its intent to participate in this incentive in advance. After GFS has been duly notified, the HPS member may deduct 1 percent off the payment of each invoice. If payment is not received by GFS within 10 days of delivery, the HPS member is not eligible for the incentive and is responsible for the full amount of each invoice. If the HPS member elects this incentive and fails to make any payment within ten (10) days, GFS, in its sole discretion, may revoke this incentive option from the HPS member.

All pricing discounts are passed on directly to the school systems. The goal is to ensure all discounts and incentives are net and that members utilize the best value products and attempt to reduce purchases through standardization. HPS requires all pricing to be net off-invoice to the member.

*Note: the amount of savings and rebates are dependent on the participation and total spend through the awarded distributor.*

2. **Describe any commitment requirements associated with membership fees.**

Participation in the HPS program is voluntary. Members can use one contract or a multitude of contracts. There is no commitment required to be a member of HPS. Although some contracts offer a commitment program, such as the School Food Purchasing Program. If members choose to commit 90 percent of their purchases, they are eligible for rebates. This program is outlined further in this RFP response.
3. Provide the distribution cost for delivered processed commodities, including net off invoice, rebate and modified fee for service items, which are included in the firm commodity prices currently under contract.

Pricing for commodity items are included in the Material of Specification Sheet (Bid List). Every bid item will display a column for the Commercial Firm Price, The Commercial Fixed Fee, Commodity NOI Price and the Commodity MFFS Price, each bid item may have up to two of those fields populated, to demonstrate the Commercial price and/or the Commodity price. HPS requires its distributor to display Net Off Invoice (NOI) priced items discounted amount on the face of the invoice to ensure compliance with USDA regulations.

The HPS distributor is required to follow each state’s regulation for Fee For Service (FFS) and Modified Fee For Service (MFFS).

Commodity pricing is available to HPS members that participate in the USDA direct diversion program. Schools must have properly diverted their entitlements to their chosen vendors to receive a commodity discount from those vendors.

Members must adhere to the following processes to be in compliance with Federal and State USDA Commodity Regulations.

HPS also establishes the delivery cost for Non-processed and Modified Fee items, but note that the HPS Material of Specifications sheet will indicate the invoice price for those MFFS items.

HPS has the ability to add items to the bid two times a year July 1 and January 1. Whenever an item is added to the HPS bid HPS will request Commercial and Commodity pricing on behalf of the HPS membership.

<table>
<thead>
<tr>
<th>Processor (MFFS/FFS)</th>
<th>#403 KY</th>
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</thead>
<tbody>
<tr>
<td>Advance/Pierre</td>
<td>$2.50</td>
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<tr>
<td>American Foods</td>
<td>$2.50</td>
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<tr>
<td>American Pride</td>
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<tr>
<td>Brookwood Farms</td>
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<tr>
<td>Chefs Corner Foods</td>
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<tr>
<td>Don Lee Farms</td>
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<tr>
<td>Integrated Foods</td>
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<tr>
<td>JTM</td>
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<tr>
<td>National Food Group</td>
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<tr>
<td>Quantum Foods</td>
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<tr>
<td>Tabatchnick</td>
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<tr>
<td>Michael Foods</td>
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4. **Describe your Firm in terms of philosophy and growth strategy related to the provision of GPO services. Highlight any new or upcoming services, business model changes or governance changes.**

**HPS Philosophy**

HPS is a member driven organization. By this we have organically grown through the 68 years of service to our members. Being owned and operated by our non-profit members we are guided by our Board of Managers to invest in resources and tools that contribute to the success of our member organizations. HPS overriding philosophy of HPS is the organization is as strong as our membership base. This is demonstrated in the Mission Statement:

**HPS Mission**

*We will help our Members realize their goals and financial objectives by ensuring that all HPS offerings are relevant and add value.*

HPS passes on all savings directly to the member, which includes all pricing discounts offered by the vendor community, will be reflected in the price on the invoice. This has assisted HPS to maintain the best valued program offering to our members. Vendors appreciate this pricing strategy knowing the entire discount they are offering is being given to their customer versus a portion being kept by the GPO as an administrative for administering the contract.

**Growth Strategy**

The HPS growth strategy is a reflection of who we are. From the direction of the HPS Board of Managers, HPS performs an evaluation on purchases prior to the district joining HPS. In order to be in-line with the HPS Mission, the prospective member must find value in our program prior to HPS recommending they join as a member. HPS is a membership dues based organization and we strongly believe that members must find value in our programs prior to paying for our services. Through the HPS vision statement, our growth strategy is reflected.

**Vision**

*Strengthening communities by helping our Members fulfill their missions.*

The relationships with our members and business partners is who HPS truly is. The foundation and progression of these partnerships is what results in success.

**Business Model and Governance**

The HPS business model and governance is driven from our Board of Managers. This body governs HPS and makes the ultimate decisions on behalf of the membership. The roles and responsibilities of the Board of Managers are outlined below:
HPS Board of Managers

Board of Managers – Members of the Board

- Active non-profit member owner of HPS
- Make-up of the Board of Managers
  - Hospital Administrators – CEO, CFO
  - Senior Living Administrators/Executives
  - School Superintendents
  - HPS Technical Advisory Committee Chairperson
  - HPS President and CEO
- Total of 16 seats on the HPS Board of Managers

Board of Managers – Election Process

- Recommendation from HPS member or HPS staff
- HPS President and CEO meets to explain the responsibilities and commitments
- HPS President and CEO presents the member to the Board of Managers for recommendation to join the Board
- HPS Board of Managers asks for motion and vote for member to join the Board of Managers

Board of Managers – Responsibilities

- Review/Advise/Approve on the:
  - Strategic Direction of HPS
  - Operational Investments
  - Monthly/Quarterly Financials of HPS
  - Dues Structure of Memberships and Classifications
  - HPS Annual Budget each Fiscal Year
  - Quarterly Meetings – Third Friday of the Month
    - September – HPS Office
    - December – HPS Office
    - March – HPS Office
    - June – Annual HPS Board of Managers Retreat

See Addendum– HPS Board of Managers Member Listing

Technology Tools and Service

HPS offers an on-line service to the HPS membership - “HPS Contract Analysis Tool.” This automated system assists the HPS memberships’ understanding and management of their food costs. HPS receives line item invoice data from the distributor for each HPS Member. With this collection of data, the HPS website hpscat.com demonstrates the value proposition beyond the standard purchase volume and rebate reports:

- Program Participation Savings – Invoice Savings and Rebates
- Contract Utilization – Purchase patterns on the HPS program pricing
- Budget vs. Spend – Tools to monitor spend
• Benchmarking Tools – Compare other HPS members purchases

In addition, the HPS Contract Analysis Tool provides the HPS contracting team with real-time purchasing data for all of our members enhancing our ability to provide precise purchasing projections on behalf of the HPS membership.

Addendum - HPS Contract Analysis Tool Member Reports

HPS Menu Planner

HPS is in the pilot stages of a web-based menu program and business objects system for school food service. Driven by input from our members, our Menu Planner is designed to deliver to our members in the education field a single, easy-to-use tool that will help them meet all that is required of them from the district level all the way to the USDA. This system is targeted to be available to HPS members SY17-18. Some of the features include:

• Creating and sharing meal plans and recipes
• Tracking nutritional values of individual food, meals and meal plans to meet USDA standards
• Accessing recipes from vendors and the USDA
• Tracking cost per meal
• Maintaining production records
• Tracking inventory records
• Tracking 6 Cent Certification compliance
• Generating required government reporting forms
• Publishing menus for students and parents (online and phone app)
• Allowing parents to manage recipes, plan family meals, and create personal shopping lists

5. Describe what differentiates you from your competitors in the market.

HPS dedicates resources to the education market at the highest level of decision making by allotting three (3) seats on the Board of Managers and six (6) Advisory Committees focused solely on the education business. In addition, the member development team employs staff at the local level to provide on-going customer service to our members.

In regards to the program offering, HPS differentiates the contracts for education and healthcare. These markets have a different customer base, therefore a different product mix. Federal procurement guidelines dictate pricing mechanisms and rebate programs for participants in the National School Lunch Program. These regulations include following the Super Circular 2 CFR Part 200 (7 CFR Parts 210.21, 215.14a, 220.16, 225.17, and 226.22, as applicable), and the government-wide regulations in 7 CFR Part 3016, 3019 and 7 CFR 210.21(f), 215.14a(d) and 220.16(e). Therefore, HPS does not collect administrative fees from vendors and any such incentives are attributed directly to the appropriate SFA and therefore are credited to the appropriate school food service account.
The following outlines key aspects of the HPS service model and what the Kentucky Valley Educational Cooperative membership can expect from the HPS staff and program offerings:

- Transparency
- Membership dues are billed once per year
- Single bank experience
- Brown box delivery included in service profile
- Available to service membership from 8am-5pm EST
  - Dedicated point person with back-up personnel on hand for questions
  - Dedicated field staff (four people) to service the membership in Kentucky
- Email Notifications
  - Threshold notifications/entitlement notifications
- Branded website
  - Informative reports
  - Product list by distribution center
  - Duel/multiple thermometers for easy monitoring of progress
  - Detailed brown box order with estimated delivery dates
  - Pie chart view of manufacturers for the products purchased and received
- Volume rebates (Members receive 100% of rebates earned)
- Broker contact information and relationship support
- Presence and support at American Commodity Distribution Association
- Presence at food service and business official association conferences throughout the year

The main factor that sets HPS apart from the competition is the dedication to provide value and relevant services to the HPS membership. As owners of HPS, members are able to provide input and chart the course of HPS’ future. By utilizing the members’ expertise, HPS is able to make informed decisions on the overall strategic direction of the company.

6. **Describe the roles and responsibilities of your advisory committees.**

**HPS Advisory Committees**

**Advisory Committees – Members of the Committees**

Active non-profit member owner or for-profit participant of HPS

- School Food Purchasing Advisory Committee (SFPAC)
  - *Michigan School Food Service Directors and membership at large*
- Indiana School Food Purchasing Advisory Committee (IN SFPAC)
  - *Indiana School Food Service Directors*
- Illinois/Wisconsin School Food Purchasing Advisory Committee (IL/WI SFPAC)
  - *Illinois/Wisconsin Food Service Directors*
- Kentucky/Tennessee School Food Purchasing Advisory Committee (KY/TN SFPAC)
  - *Kentucky School Food Service Directors*
- Ohio School Food Purchasing Advisory Committee (OH SFPAC)
  - *Ohio School Food Service Directors*
- Educational Purchasing Advisory Committee (EPAC)
Advisory Committees

- Purchasing Responsibility – Class of Trade 3 & 4
  - College & University Purchasing Advisory Committee (CUPAC)
    - Food Service Directors
  - Engineers Advisory Committee (EAC)
    - Maintenance Directors – all classes of trade
  - Food Service Administrators Advisory Committee (FSAC)
    - Healthcare Food Service Directors
  - Technical Advisory Committee (TAC) (Chair must be non-profit – HPS Board Member)
    - Healthcare Purchasing Directors

Advisory Committees – Election Process

- Recommendation from HPS member, HPS staff or complete an interest survey expressing interest in becoming a member of an advisory committee
- Contracting team member contacts HPS member to explain the responsibilities and commitments of an advisory committee member
- Contracting team member presents the member to the advisory committee for recommendation to join the committee
- Committee chairperson asks for motion and vote for member to join the advisory committee

Advisory Committees – Responsibilities

- Review/Advise/Approve on the Contract Portfolio assigned to their committee
  - Expirations
  - RFP's
  - Extensions
  - Renewals
  - Awards
- Between 2 – 6 Meetings per Year
  - HPS Office
  - HPS Member Facilities
  - Conferences
  - Food Shows
  - Committee Appreciation Event

See Addendum – HPS Advisory Committee Member Listing

7. Describe your ability to provide field staff to assist participating school corporations in resolving issues.

Under the leadership of our Vice President of Member Development, HPS employs four (4) Directors of Member Development as well as nine (9) Region Managers in field physically servicing the HPS membership. The Region Managers visit member facilities, conduct regional meetings with members, and attend industry association meetings. The member development team greatly improves HPS’ ability to contact more members on a regular basis and provide more timely information.
Specifically related to servicing the Kentucky Valley Educational cooperative, Lisa Stewart, Director of Member Development and Preston Fouts Service the Kentucky market for HPS:

**Membership Support**

In addition to our field staff, HPS employs two (2) Member Resource Representatives. These representatives are located at the HPS office and contact members on a scheduled basis by e-mail or phone to provide updates on the member’s activities and present new opportunities for savings in the program.

**See Addendum - HPS Member Development Team**

8. **What are the major strengths your Firm will bring to participating school corporations?**

HPS has made a significant organizational commitment to represent the education market place. Three (3) Board of Manager seats are allocated to secondary schools with superintendents serving. The HPS Board of Managers is the ultimate decision making body at HPS. In addition, six (6) HPS advisory committees are dedicated to the education market, one in general purchasing and five specifically for school food service.

HPS has extensive experience and innovation in the education market. The large number of members is testimony to this experience and innovation, as new members join every month. HPS has and will continue to use the membership expertise in the market to continue improving the portfolio of products and services available to the education segment. The utilization of our school advisory committees continues to provide us with the input necessary to innovate services available on a timely basis. HPS also combines the forces of all the members purchase volume, which is recognized by the manufacturer and distributor community. The collaboration among HPS staff, industry partners, and the HPS members results in the overall value to the education community through the HPS services listed below:

- Competitive prime vendor distribution program for food and supplies
- [www.hpscat.com](http://www.hpscat.com) – Web-based contract analysis tool for contract compliance
- Milk and bread programs available according to geographic locations
- Equipment service including specifications, budgeting, and quoting
- Contracts with Point of Sale systems
HPS is committed to continuous improvement in order to offer the services needed to remain relevant and provide value to the Kentucky Valley Educational Cooperative membership.

Lastly, and most important is HPS expends every effort to follow federal procurement guidelines. HPS spends countless hours with advisory committees, state departments, USDA, legal counsel, and school districts interrupting and implementing the most current policies and procedures required by federal procurement guidelines. Procurement is an on-going process and ever changing. HPS is committed to the education market by providing services that are relevant and provide value to our membership.

9. Describe your participation, involvement and support of the Indiana School Nutrition Association and the national School Nutrition Association. Include your Firm’s specific service mission to support the K-12 Education market.

We are very active in local, regional, and national trade and professional associations, including many school food service professional associations. HPS participates as an attendee, exhibitor, and/or presides as a presenter when requested for seminars.

We are an active participant in the annual School Nutrition Association of Kentucky as a sponsor and exhibitor. At the national level, HPS attends and exhibits at the National School Nutrition Association ANC conference. HPS’ goal of attending and exhibiting at these conferences is to gain a better understanding of the current trends and happenings in school food service. During the conference, HPS is able to connect with current and potential members. In addition, the exhibit hall is an avenue to meet with vendors that HPS members purchase from throughout the school year.

HPS leadership also attends ACDA (America Commodity Distributors Association) Conference, SNIC (School Nutrition Industry Conference), and the LAC (Legislative Action Conference). HPS’ mission in the attending all of these conferences is to gain a better understanding of the education market and be a resource to our members.
Qualifications, Financial Stability and Experience of the Bidder

1. Give a brief history of your Firm:
   - Company size and history;
   - Resumes of key personnel;
   - Scope of clients serviced and/or members;
   - Annual dollar amount of current contracts negotiated; and
   - Other information that would qualify your Firm to meet the needs of participating Kentucky public school corporations.

HPS operates as a non-profit LLC group purchasing organization (GPO) owned and operated by the non-profit and governmental members. In 1949, HPS was created to perform aggregated purchasing activities for the member owners. In the beginning, a grant was given from the Kellogg Foundation to promote group-purchasing activities among thirteen (13) Southwestern Michigan hospitals.

HPS represents a membership of nearly 4,000 members. The growth in membership and diversity of membership has been key to HPS’ success in providing savings to member organizations. HPS has an extensive list of non-healthcare members, which require a different approach to contracting versus our competitors who operate solely or primarily in the healthcare market. Some of our non-healthcare members include head-start programs, daycare centers, children’s homes, juvenile detention centers and many other state-owned residential facilities.

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The HPS leadership team leads a well-rounded group of 42 employees, with the average employee tenure exceeding 10 years. The leadership team has nearly 60 years of experience in the GPO market and is very active in local, regional, and national trade and professional associations. The following are the bios of the corporate leadership team, which are also located at https://hpsgpo.com.
As President/CEO, Tom is charged with fostering a positive culture through enhanced teamwork and accountability through better communication with our Membership, Business Partners and the HPS Board of Managers. In addition, Tom is responsible for personnel, corporate communications, and technology services. Tom also supervises the furniture, finishes and equipment program and maintains vendor relationships in that area.

Tom participates with both the Healthcare Supply Chain Association and Healthcare Group Purchasing Industry Initiative. He also attends many ROi functions to provide the HPS membership with a voice in ROI initiatives and to keep up with the current activities of HPS' national partner. During Tom’s tenure at HPS he has served as the Chief Operating Officer and prior to that position, the Director of Finance and Operations. As supervisor of the administration department, Tom managed the membership’s financial and demographic information.

Prior to joining HPS, Tom served in many other financial roles, including handling finance and accounting for St. Mary’s Health Services in Grand Rapids and serving as the director of finance for a senior living facility before that. Tom holds a bachelor’s degree from Albion College and an MBA from Grand Valley State University. He resides in Grand Rapids, Mich. with his wife, Deb. Tom has two children, Benjamin and Jessika, both graduates of Notre Dame.

As Vice President of Member Development, Michelle is responsible for ensuring that the value of the HPS program is demonstrated to the current and prospective membership. Michelle supervises and trains the team that makes direct contact with the membership and she manages the various systems and technologies to ensure best practices in member communication. Michelle previously served the HPS membership as a member development specialist in Southeastern Michigan.

Prior to joining HPS, Michelle worked for Borgess Health Alliance in Kalamazoo, Mich. as a public relations associate. She holds a bachelor’s degree in public relations from Western Michigan University and an MBA from Wayne State University. Michelle lives Grand Rapids, Mich. with her daughter, Kayla.

As Vice President of Business Development and Contracting, Kevin manages the Contracting Department. Kevin ensures a link from the contracting department to all other departments
within HPS. Kevin also develops and maintains relationships that are important to our members. The relationships include manufacturer and distributor communities, local/state/national trade associations, governmental agencies, and ROI, our national partner. The goal is to strengthen the relationships that we have today. In addition, Kevin’s role is to continue developing new business relationships that bolsters our portfolio at HPS and identify new opportunities that will bring value to our membership.

Prior to joining HPS, Kevin owned his own restaurant and worked in food distribution sales. Kevin holds a bachelor degree from Michigan State University and a MBA from Keller Graduate School of Management. He resides in Kentwood, Mich. with his wife Renee and their three children, Charlie, Nora, and Jerry.

**Rick Jones, Senior Director of Finance and Administration**

rjones@hpsgpo.com
Phone: 269-736-3335

As Senior Director of Finance and Administration, Rick manages the day-to-day operations at HPS, including personnel, finance and accounting. In this role, Rick is charged with ensuring that HPS continues to be a financially stable, self-sustaining organization. As supervisor of the administration department, Rick oversees the management of the membership’s financial and demographic information.

Rick graduated with a bachelor degree from Northern Michigan University and a master's degree from Western Michigan University. Rick worked for several years in the public governmental sector with Kalamazoo County and Kalamazoo Human Services Department and worked in the behavioral health care field as a CFO with Southwest Michigan Affiliation. Rick lives in Kalamazoo with his wife, Connie. He has two children, Dan and Kate.

2. Please attach a current audited financial statement, balance sheet and evidence of all current general liability and errors and omissions insurance carried by your Firm.

**See Addendum - HPS Financial Statements**

3. List any actions taken by any regulatory agency resulting in litigation involving the Firm or its agents or employees with respect to any work performed in the last ten (10) years, including outcomes relating thereto.

HPS, its agents, or employees have not been involved in any litigation with a regulatory agency with respect to any work performed in the last ten (10) years.

4. List all insurances that the Firm has that would be applicable to its services.

**See Addendum – Insurance Certificate**
5. Describe, in detail, your capabilities for certified public accountants to audit vendors or distributors on behalf of participating school corporations once bidding and contracts are issued.

HPS currently utilizes the service of a CPA firm to statistically validate the number of members, items, and invoices to audit. The CPA firm provides a sliding scale so as membership and purchase volume grow, the number of members and invoices/items audited also increases.

The School Food purchasing agreement is audited quarterly by HPS staff. These audits check all pricing mechanisms, including firm priced and fixed fee items. Audits require the distributor to present the actual invoice for a product that has a fixed fee to determine that the fixed fee plus the cost is what the HPS member paid. The audit for the firm priced product list is conducted at the HPS office and simply requires staff to verify that the member is paying what the firm priced list indicates.

Audit spreadsheets are made available to those members providing invoices and any other member interested in reviewing an audit spreadsheet. Furthermore, any HPS member and/or the HPS School Purchasing Advisory Committee wishing to attend an audit simply need to request an invitation to next scheduled quarterly audit. Copies of audits and any corrective actions (credit reports) are maintained at the HPS office.

See Addendum – HPS School Audit

6. Describe your Firm’s familiarity with Federal and State procurement requirements and how your Firm ensures compliance with such procurement requirements to include 7CFR210.21(f), 215.14(a) and 220.16(e).

HPS provides a high-integrity, competitive, open competition contract process. HPS Advisory Committees award contracts to vendors that provide the best-quality products and demonstrate broad-based acceptability and optimal total value. HPS strives to ensure compliance with procurement requirements in Program regulations of the Super Circular 2 CFR Part 200 (7 CFR Parts 210.21, 215.14a, 220.16, 225.17, and 226.22, as applicable), and the government-wide regulations in 7 CFR Part 3016 and 3019, as applicable. HPS has significant experience in working with state and local government departments. In each state where HPS has members, we make a concerted effort to meet with the Board of Education and/or Department of Education in order to familiarize ourselves, and to keep current with state procurement requirements. HPS encourages these agencies to review our RFP process on no less than an annual basis. Procurement guidelines and their interpretation change from time to time, and this review process provides the opportunity to update the RFP language to meet the procurement guidelines to the best of our ability. In addition, prior to each RFP for the School Food Purchasing Program, the RFP template is sent to HPS legal counsel for review of all procurement guidelines.

See Addendum - HPS Procurement checklist and plan
7. Describe your Firm’s experience in writing Request for Proposals for procurement of supplies, materials and equipment.

Each year, HPS prepares, drafts, and reviews nearly 100 RFPs utilizing membership advisory committees to build the applicable technical components of the RFP including but not limited to pricing, terms and conditions relative to each product segment considered for proposal. These RFPs are for the products and services utilized by the HPS membership.

8. Describe your Firm’s evaluation and contract award process.

HPS provides a high-integrity, competitive, open competition contract process. HPS Advisory Committees award contracts to vendors that provide the best-quality products and demonstrate broad-based acceptability and optimal total value. The following outlines the procurement regulations and processes HPS follows in the Request for Proposal for School Food Distribution.

**Overview of the HPS Request for Proposal process:**

**Identify Member Needs**

- Procurement method used is a Formal Request for Proposal
- Review vendor survey(s) of interested respondents
- Obtain Advisory Committee input on all potential vendors
  - Code of ethics/conduct & conflict of interest policy – HPS Corporate Compliance Officer is responsible for updating Conflict of Interest Disclosure Forms from all Committee and Board Members annually
  - Advisory Committee final review/approval of vendor list

**Develop and Release Request for Proposal**

- Determine products and material specifications
  - Product specifications (approved brand/equal)
  - Quantity
  - Quality
  - Packaging
  - Pricing (unit and extended)
  - Substitutions and/or deviations – language to address prior approval for all substitutions
- Conduct Request for Information to vendors prior to issuing RFP
- Review market information including current usage and/or potential volume
- Prepare RFP instructions:
  
  a. Intent of procurement activity
  b. Contract time period
  c. RFP submission procedures require a sealed proposal
  d. Pre-proposal meeting date/time/location
  e. RFP public opening date/time/location
  f. Contact information
  g. Establish requirements for award criteria
  h. Evaluation factors for award (qualitative)
i. Pricing mechanisms (quantitative) – Firm Pricing and Fixed Fee
j. Include all Legal terms and conditions:
   o Certification regarding disclosure of lobbying
   o Debarment/suspension certification language
   o Non-collusion statement
   o Assurance of ethical practices
   o Price determination statement (fixed, fixed w/price adj., etc.)
   o Contract duration and option to renew
   o Buy American statement – listing of Non-Domestic Products prior approval
   o Bid protest procedures
   o Remedy for non-performance/termination of contract
   o HUB statement (involve minority business where possible)
   o "Equal Employment Opportunity" statement
   o Clean Air/Water Act statement
   o Civil Rights Act statement
   o Record retention and record access requirements
   o Method of shipment/delivery requirements
   o Method of payment, invoices, statements
   o Purchase instrument to be used/how vendor will receive
   o Bid certification form

Experience soliciting bids

HPS provides a high-integrity, competitive, open competition contract process. HPS expends all efforts to encourage competition. The following outlines the HPS process:

- Publicly advertise RFP Advertisement procedures
  o Major metropolitan newspapers in each market and bidnet.com/SourceSuite
- Provide/send RFP to potential vendors
- RFPs submitted to over 50 distributors for maximum free and open competition
- Public bid opening
- Advertise date and time in affidavit in newspapers

Evaluation and contract awarding process

HPS Advisory Committees award contracts to vendors that provide the best-quality products and demonstrate broad-based acceptability and optimal total value. The following outlines the procurement regulations and processes HPS follows in the Request for Proposal for School Food Distribution. By utilizing the formal procurement Request for Proposal (RFP) both price and other evaluation factors are used as award criteria. The Advisory Committee had determined the award method to be used is to a Prime Vendor.

Evaluate Proposals Submitted

- Eliminate unacceptable proposals and determine if potential vendors:
  o Impose conditions that modify RFP requirements, or are non-responsible
- Evaluate Potentially Acceptable Proposals
Analyze potentially acceptable proposals based on evaluation factors and weighted average pricing analysis

Finalize Award

- Conduct final evaluation of proposal
- Conduct final review with Advisory Committee
- Obtain Advisory Committee scoring for contract award
- Advisory Committee awards contract
- Notify awarded vendor(s) by mail or email
- Obtain appropriate signatures - Master Group Agreement
- Notify non-awarded vendor(s) by mail or email
- Renewal clause included in the original RFP for up to 1 year
- Distribute contract communications to all eligible members

Documentation Maintained for Procurement

- All RFPs w/appropriate documentation and signatures
- Comparison charts and award documentation
- Record of public bid opening
- Copies of award/declination letters
- Copies of advertisements
- Evaluation of rollover clause - Decision by committee (meeting minutes)
  - Record retention requirements (3 yrs. + current school yr. minimum)

Note: HPS does not charge distributors or manufacturers administrative fees. Consistent with 7 CFR 210.21(f), 215.14(a)(d) and 220.16(e), any such incentives are credited to the appropriate school food service account. HPS will not receive any discounts, rebates, or incentives in connection with the HPS School Food Purchasing Program.

HPS utilizes a variety of electronic mechanisms to analyze the bids, primarily Microsoft Excel. First, HPS has access to specific usage by product, by manufacturer, by category, or by individual participating school system. This ability to extract data that is accurate and current provides HPS a significant advantage in the bidding process. Members of the Advisory Committees evaluating bids analyze product-by-product pricing in addition to evaluating the category and total bottom line distribution pricing. Prior to bidding and throughout the year, HPS staff has meetings with manufacturers and brokers to review manufacturer volume. The ability to have historical and current usage by product by manufacturer increases the awareness of the HPS purchasing volume with both the broker and manufacturer communities.

9. Describe, in detail, your capabilities for certified public accountants to audit vendors or distributors on behalf of participating school corporations once bidding and contracts are issued.

See answer in question number 5.
10. Describe contract search capability for members via your Firm’s website.

The HPS member website is located at https://hpsgpo.com. This site allows each member to search according to the specific contracts available to their class of trade. The following are the search criteria available:

- Vendor name
- Products within the contract
- Contract category
- Equipment manufacturers available through the HPS Furniture, Finishes and Equipment Program
- Key words within the contract description
- Contract number

Once the search is narrowed to the specific contract of interest, the following is available:

- Contract Vendor
- Contract Award date and expiration
- Contract Terms and Conditions
- Contract pricing
- Vendor participation forms
- Vendor commitment forms
Another feature of https://hpsgpo.com is the program updates. All program and contract updates/changes are posted on “Headline Facts.” This feature is available to all members once they have logged in as a member.

**HEADLINE FACTS**

**CONTRACT EXTENDED – FERRELLGAS**
11/7/17
HPS Contract 449 with Ferrellgas for propane services has been extended through Oct. 31, 2019. Read More

**PRICE UPDATE – MILK & DAIRY**
10/30/17
A price change has gone into effect for the following contracts for milk and dairy products:
- Cedar Crest (WI), Contract 434
- Prairie Farms (Lower MI), Contract 431
- SmithFoods (OH), Contract 205
- Toff Dairy (OH, SE MI), Contract 368

VIEW ALL HEADLINE FACTS

**Distribution and Value Added Incentives**

1. Describe, in detail, the Distributor’s method for tracking orders, rebates, deliveries and invoices.

**Distributor Contract Requirement**

As a requirement of the HPS School Food Purchasing Program, HPS receives reports from the distributor detailing purchase volume and rebates. This data is compiled per district and loaded into the HPS member database. Purchase volume data and rebate data are tracked and presented to members during annual business reviews or provided upon request from the HPS office. Members receive credit memos for the rebates directly from the distributor. Either HPS or the member notifies the distributor of rebates that are not commensurate with purchase volume.

**Membership Web Based Tool**

HPS receives line item detail for every member’s purchasing under the program. This data is stored for each HPS member in the HPS Contract Analysis Tool. With this information, HPS analyzes the top items members purchase through the HPS school food purchasing program in comparison to the entire HPS school membership.

This automated system assists the HPS memberships’ understanding and management of their food costs. With this collection of data, the HPS website, hpscat.com, demonstrates the value proposition beyond the standard purchase volume and rebate reports:
In addition, the HPS Contract Analysis Tool provides the HPS contracting team with real-time purchasing data for all of our members enhancing our ability to provide precise purchasing projections on behalf of the HPS membership.

Furthermore, the HPS membership in itself is an accurate tool for measuring the accuracy of orders, rebates, deliveries, and invoices. The members utilizing the HPS contracts on a daily basis are constantly monitoring the above factors and providing input to HPS when something is not according to contract terms.

2. **Describe how these savings/discounts will be tracked, computed and passed on to participating member school corporations.**

All pricing discounts are passed on directly to the school systems. The goal is to ensure all discounts and incentives are net and that members utilize the best value products and attempt to reduce purchases through standardization. HPS requires all pricing to be net off-invoice to the member.

The HPS Contract Analysis Tool, hpscat.com, is a free web based tool for HPS members to view and their individual savings, rebates, and the cases purchased at a firm price. *Note: the amount of savings and rebates are dependent on the participation and total spend through the awarded distributor.*

3. **Describe additional rebates, discounts and incentives and how these savings are passed on to participating member Kentucky Valley Educational Cooperative.**

**COMMITTED AND COMMODITY PURCHASING INCENTIVE:**

According to the terms set forth in the School Food Purchasing Program, an HPS member that agrees to commit 90 percent of its purchasing, by dollar volume, to Gordon Food Service will receive a **1.25 percent** committed volume rebate on all purchases from GFS. In addition, HPS members who are eligible to receive commodity products from GFS will receive an extra **0.25 percent** incentive on all purchases from GFS.

The rebate shall be paid bi-annually (December and June). A 90 percent commitment level indicates a customer is purchasing all commercial products from GFS. Milk, Dairy and Bread products could constitute the other 10 percent of volume. A signed Committed Purchasing Program Form is necessary to participate in this incentive. This form must be signed and returned to GFS before any purchasing volume will be tracked for the rebate. No rebate will be paid out to a customer outside of payment terms. Finance charges may be pulled from rebate amounts prior to paying a member the rebate. Purchases of all products, excluding boxed beef items and
proprietary government commodity items (brown box) will be eligible for the committed volume rebate.

**QUICK PAY INCENTIVE:**

HPS members can access a 1 percent quick pay incentive with payment of invoices within 10 days. Each HPS member is eligible for an early pay incentive if payments are received by GFS within ten (10) days of the delivery date. The early pay incentive shall be a 1 percent deduction from the total amount of the invoice. The HPS member must notify GFS of its intent to participate in this incentive in advance. After GFS has been duly notified, the HPS member may deduct 1 percent off the payment of each invoice. If payment is not received by GFS within 10 days of delivery, the HPS member is not eligible for the incentive and is responsible for the full amount of each invoice. If the HPS member elects this incentive and fails to make any payment within ten (10) days, GFS, in its sole discretion, may revoke this incentive option from the HPS member.

All pricing discounts are passed on directly to the school systems. The goal is to ensure all discounts and incentives are net and that members utilize the best value products and attempt to reduce purchases through standardization. HPS requires all pricing to be net off-invoice to the member.

Note: the amount of savings and rebates are dependent on the participation and total spend through the awarded distributor

4. Would participating members Kentucky Valley Educational Cooperative have access to electronic order placement? If yes, please describe.

Yes, see Addendum - GFS E Business Tools.

In addition to the ability to place orders online, there are many other valuable resources available to GFS customers. As part of GFS service, GFS Experience provides a Commodity Report Center that aggregates data from commodity tracking websites for easy access to balances remaining with processors.

5. Describe how your Firm addresses the following in distribution contracts:

- Pick up and credit policy
  
  - See Addendum - Gordon Food Service Product Returns Policy

- Product recall notification policy
  
  - See Addendum– Gordon Food Service Food Recall Presentation

- Items short on delivery and/or picked in error
  
  - Gordon Food Service distribution centers have some of the highest order-fill ratios and accuracy rates in the industry. If an item is not delivered or picked in error, and the invoice shows the item, then a Credit Memo will be issued at the time of
delivery. Incorrect items will be picked up at the time of delivery or as soon as possible.

- **Out of stock notification policy**
  - Gordon Food Service Inside Sales Team members (IST’s) work towards 100% order fulfillment for every customer on every delivery. In the event the IST is unable to secure all of the original items as ordered, the IST will communicate with the customer to obtain approval for an appropriate substitute item to be shipped. In the event the customer is unavailable to communicate, the IST will communicate with the Gordon Food Service Customer Development Specialist (CDS) in order select an available alternate. If no appropriate substitute items are available and the customer is unavailable, messages will be left to notify the customer. If an available alternate item is not acceptable upon delivery, the customer may return the item for a full refund at the time of delivery.
  - **See Addendum - Gordon Food Service Product Returns Policy**

- **Damaged product policy**
  - **See Addendum – Gordon Food Service Product Returns Policy.**

- **Discontinued product notification policy**
  - As soon as possible, discontinued items are highlighted in memorandums sent to CDS’s alerting them to contact their customers to arrange replacement items. GFS also provides market updates at [https://www.gfs.com/en/market-updates](https://www.gfs.com/en/market-updates). Here, Gordon Food Service experts gathered the latest in market pricing to help you run your business and customize upcoming menus based on economic trends.

6. **Would participating member Kentucky Valley Educational Cooperative have the capability of ordering USDA Commodities year round? If not, describe blackout dates.**

For SY2017-2018 Gordon Food Service is projecting there will not be a black out period beginning July 1, 2017 as there was in previous years. This is dependent upon third party commodity management companies having data for FY2017- FY2018 uploaded.

7. **What is the currently contracted Distributor’s fill rate for schools?**

The overall Gordon Food Service fill rate for schools is 98.8% first pass. There is an increase of 0.25 – 0.5% on second pass based on current days of product receipt.

8. **Describe the currently contracted Distributor’s delivery service. Factors in this detail should include number of available delivery days per week, delivery time windows, order lead time and required minimum order amounts.**

The Gordon Food Service delivery service will be based on the customer needs and the truck routes in the area. The service needs of the school district can be addressed directly with Gordon Food Service. The HPS School Food Purchasing Program outlines a $500.00 minimum delivery
once a week.

9. Describe the currently contracted Distributor’s customer service philosophy and available support and resources for the K-12 Education market.

See Addendum – Gordon Food Service Cornerstone Values, exemplifies the customer service philosophy of the Gordon Family and all GFS employees.

Gordon Food Service offers many consultative services for K-12 Education customers. The sales representatives dedicated to the K-12 Education segment are specifically trained to help address the challenges found in child nutrition programs. There are dozens of unique resources available to K-12 Education customers including local shows and seminars, web-based in-services for staff development and commodity planning tools. Gordon Food Service also publishes an annual guide for school food service operators called Making The Grade. This publication includes menu planning tools, concept meal ideas and lists of items that will help customers drive participation in their programs.

**Contract Sourcing Performance and References of Bidder**

1. Provide a list of ALL currently active contracts for Cafeteria food and supplies, including expiration dates. Group contracts by category.

See Addendum– HPS Contracts utilized by Education members

2. Provide a price list for ALL items included in contracts listed above in effect as of July 2017. Include brand, pack size and price per case.

See Addendum – HPS price listings for HPS School Food Purchasing Program (Kentucky)

3. Describe the method of pricing in these contracts, i.e. firm price, fixed fee, cost plus percentage, etc.

**Explanation of HPS Pricing Mechanisms**

The pricing proposal is consistent with the HPS School Food Purchasing Contract. HPS utilizes two methods of pricing for members: Firm Pricing and Fixed Fee Pricing. HPS strives to ensure compliance with procurement requirements in Program regulations of the Super Circular 2 CFR Part 200 (7 CFR Parts 210.21, 215.14a, 220.16, 225.17, and 226.22, as applicable), and the government-wide regulations in 7 CFR Part 3016 and 3019, as applicable:

**Firm Priced Items** – HPS has a firm bid price to be honored for the duration of the semester on the high volume items from the historical purchase history of the HPS membership for the past school year in addition, new items the HPS advisory committee has approved. The semesters are broken up as follows: July - December and January - June. There is a potential for pricing to change at the semester break. HPS would be notified if there were any firm priced items that needed adjustment 30 days prior with supporting documentation.
**Fixed Fee Pricing and Current Price**: The other “market sensitive” high volume school items will be priced using a mechanism of “cost plus a fixed fee dollar amount”. All other items will be determined using competitive school pricing with prospective price re-determination tied to the market index (CPI). These items (i.e. Produce, Dairy and some COP items, etc.) may change price from week to week or month to month due to a change in cost, but the fixed fee does not change.

4. **What is the length of firm pricing in these contracts?**

**FIRM PRICE LIST:**

HPS has a firm bid price to be honored for the duration of the semester on the high volume items from the historical purchase history of the HPS membership for the past school year in addition, new items the HPS advisory committee has approved. The semesters are broken up as follows: July - December and January - June. There is a potential for pricing to change at the semester break. HPS would be notified if there were any firm priced items that needed adjustment 30 days prior with supporting documentation.

In order to comply with Federal Procurement regulations, every 6 months HPS sends to all participants in the HPS School Food purchasing Contract the change in the contract. Any documentation to justify price changes is available through HPS.

**See Addendum – Letter to HPS members July 2017**

5. **How does your Firm measure compliance with USDA and the State of Indiana procurement policy?**

HPS employs the service of a legal firm, Buckman MacDonald Bauer & Brown PC, whose role is to ensure the RFP is in compliance with the federal procurement guidelines. As changes occur, the HPS School Food Purchasing Program RFP is an ever-changing document and the requirements of respondents are changed accordingly.

In addition, HPS meets in-person with the Kentucky Department of Education to review the HPS procurement processes. These meetings also provide the opportunity to gain a better understanding of the regulations at a state level and the requirements of the USDA. HPS staff attends the state wide trainings hosted by MDE in order to stay well-informed on any public policy, and legislative or statutory requirements.

Furthermore, HPS is a member of many associations in order to stay abreast to the industry changes. These associations include the School Nutrition Association at the national and state level in the market we have members. HPS exhibits each year at ANC (SNA Annual National Conference). In addition, HPS attends the SNA’s Legislative Action Conference and the School Nutrition Industry Conference. HPS staff is also very active at the state level with SNA through industry committee representation and participating in the annual conferences.

HPS holds a membership with the American Commodity Distribution Association. HPS staff attends the annual conference each year and has been invited to participate in the panel
discussions. These associations provide education to their members on the industry as a whole including federal procurement guidelines. HPS takes every measure to work with state and federal agencies to include any procurement language that is deemed necessary. HPS’ mission in attending all of these conferences is to gain a better understanding of the education market and be a resource to our members.

6. Please provide at least three (3) school customer references, including name of contact person, title, address and telephone numbers.

Seth Miller
Superintendent
Westville Community Unit Schools
125 W. Ellsworth Street
Westville, IL 61883
217-267-3141

Kathleen Kane
Food Service Director
Valparaiso Community Schools
3801 Campbell St.
Valparaiso, IN 46385
219-531-3050

Nancy LaFave
Great Lakes Consortium Chairperson
Food Service Director
Escanaba Area Public Schools
500 S. Lincoln Road
Escanaba, MI 49829
906-789-5597

7. Please provide any other pertinent information about your Firm, which you feel is important for consideration.

See items in binder - HPS Material covering other services provided to K-12 schools

Send substantiating documentation, where applicable.
ACKNOWLEDGEMENT

The undersigned hereby agrees that the Response to this RFP is a legal and binding offer and the undersigned, on behalf of its Firm, agrees to furnish and deliver the services in accordance with the terms, conditions and prices herein quoted.

FIRM NAME: ___ HPS

SIGNED BY: ____________________________________________

(Mandatory Signature-unsigned bids will be rejected)

PRINT NAME: ______ Richard Jones

TITLE: ___ Senior Director of Finance and Administration  DATE: ____________

ADDRESSES: ___ 3275 N M-37 Hwy  PO BOX 247 Middleville, MI 49333

________________________________________ PHONE NO.: __269-795-3308__

FAX NO.: __269-795-9788__________ E-MAIL: _mpleiness@hpsgpo.com_

This form must be submitted with your Response.