

**2. Pre-Award Audit.** HPS reserves the right to audit all pricing submissions prior to award of contract. **Understood**

A. Prices quoted must be the NET PRICE that HPS Institutions will pay, F.O.B. destination. USDA Foods discounts will only be applied on the approved manufacturers (listed on the instructions tab of the **Exhibit C** spreadsheet).

B. Each responding vendor must submit, with the proposal, a list of all Products that are a firm price for the entire school year, calendar year, or specified period of time.

c. **Firm Pricing.**

**1. Firm Pricing; Adjustments.** The Proposal of Material - Specification List attached as **Exhibit C** represents the high-volume Products purchased by HPS Institutions. The Products listed on the Proposal of Material – Specification List, must be quoted firm against any increase (firm priced) at minimum for each four month price protection period, (unless the responding vendor offers the price protection period for a longer period). The four month price protection periods are July 1 – October 31; November 1 – February 28/29; and March 1 – June 30, commencing on July 1, 2022. All prices must be quoted F.O.B. HPS Institution’s place of business, unless otherwise noted on item #13 of the Terms & Conditions informational sheet and accepted by HPS in writing. After the initial four month period, (unless otherwise stated) all successive price increase requests must be submitted to the HPS office a minimum of 15 days before the proposed effective date (i.e., the first day of the next four month price protection period) and are subject to the approval of HPS prior to implementation. The HPS School Food Purchasing Advisory Committee will evaluate any requested price increase by considering relevant factors such as any changes in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers: Food Away from Home in U.S. City Average (Series ID CUUR0000SEFV) (“CPI”). Allowable changes will be determined by the change in the published CPI verse the published CPI for the number of months in price protection period (example: for price protection period July 1 through October 31<sup>st</sup> if the most current published CPI is September, the acceptable change will be the difference between the June CPI and the September CPI). **The Committee will not approve any aggregate price increase it determines would constitute a material change to the contract.** If manufacturers’ price increases only pertain to a specified geographic area, the Awarded Distributor will only submit the price changes for the specified geographic area. HPS reserves the right to bill the Awarded Distributor for costs incurred to notify HPS Institutions of any price increase that was not part of the originally agreed upon pricing term. In the event of a general market decline for any Product after the initial four (4) month period, either (1) the Awarded Distributor may reduce the price(s) to HPS Institutions to a level reflecting such general decline, or (2) HPS may renegotiate or terminate the Master Group Agreement. **Understood**

**2. Other Group Purchasing Contracts.** Responding vendors should note that HPS already has entered into group purchasing contracts for certain items included in the “Separate Contracts” tab of the Proposal of Material – Specification List attached as **Exhibit C**. Those items are also covered by this RFP, and the Awarded Distributor will be required to stock those items or the manufacturer equivalent in the case of private label. Please provide your fixed fee to deliver the items to the HPS institutions. The items in **Exhibit C** will be included in the overall HPS proposal and not be considered off proposal items. **Understood**

- d. **Market Sensitive.** All Products listed on the Proposal of Material – Specification List attached as **Exhibit C**, that are “market sensitive” high volume items (e.g., produce and dairy) may be priced using the “cost plus a Fixed Fee” mechanism. **Understood**
- e. **Other Product Pricing.** For all other Products that the responding vendor may provide, the vendor must provide a detailed description of the pricing mechanism used to determine the "non-firm priced items" net pricing. The mechanism must provide net pricing that reflects the competitive market and is available to all HPS Institutions. The responding vendor’s response must include a Fixed Fee per case schedule for all items not listed on the Proposal of Material. **See Tab 11, Off Bid Pricing Structure**
- f. **Cost Reimbursable Contract Requirements.** The contract will include the provisions required by 7 CFR 210.21(f)(1), as more specifically described in Section 4.f.3 of the General Conditions, above. **Understood**
- g. **USDA Foods Pricing.** Each responding vendor must outline its capabilities to distribute USDA Foods Products, including Processed, Non-Processed, DoD, and any USDA approved pilot programs to the HPS Institutions, and must quote on **Exhibit C** either the NOI Price (if permitted by the applicable State Department of Education or other State agency having jurisdiction), modified fee for service, or Closed Sku NOI (CNOI) for each USDA Foods Product. If applicable, each responding vendor must provide the cost structure (i.e., Fixed Fee per case) for the delivered distribution cost for any non-processed USDA Foods Products. If applicable, each responding vendor must provide the distribution cost (i.e., Fixed Fee per case) for the modified fee-for-service USDA Foods Products described above that are included in the firm Commodity price. If applicable, each responding vendor must provide the distribution cost (i.e., Fixed Fee per case) for the Closed Sku NOI (CNOI) USDA Foods Products described above that are included in the firm Commodity price. If applicable, each responding vendor must provide the distribution cost (i.e., Fixed Fee per case) for the distribution of DoD products to the HPS Institutions. If applicable, each responding vendor must provide the distribution cost (i.e., fixed fee per case) for any USDA approved pilot programs to the HPS Institutions. Each responding vendor must provide a sample USDA Foods Manufacturer Tracking Report. **Understood, See Tab 12, USDA Foods Capabilities, USDA Tracking Report, USDA Foods Pricing Structure**
- h. **Firm Offers.** All proposals will be considered firm offers to sell the Products to HPS Institutions that will remain open to acceptance or rejection for a period of ninety (90) days from the closing time and date shown above for submittal of proposals. Any responding vendor may withdraw its proposal at any time before the stated closing time and date. Given the uncertainty of the agriculture industry HPS proposes that all proposals will be given the opportunity to make an one-time adjustment effective 8-1-22. After that date all subsequent price adjustment dates will follow the schedule in Section 5c of this RFP document. Due to FOIA and other disclosure laws and regulations that apply to certain SFAs and other HPS Institutions, proposals that are submitted in response to this RFP may be subject to disclosure as matters of public record. **Agreed**
- i. **Sales Volume; Separate Contract Items.** The sales volume figures shown on **Exhibit C** and volume projections stated elsewhere in this RFP are intended for the responding vendor’s own use as an aid in determining approximate quantities. HPS makes no guarantee, express or implied, as to the exact quantities of Products that will be purchased by HPS Institutions, and the Awarded Distributor will be required to honor its pricing if quantities vary from **Exhibit C** or from projections stated elsewhere in this RFP. Responding vendors should note that HPS already has entered into group purchasing contracts for certain items included in the Proposal of Material – Specification List attached as **Exhibit C** (see Section 5.c.2 above). **Understood**