

APPENDIX I

HPS Value Components Questions

HPS strives to provide only contracts that offer great value to our Members, are relevant to their needs, and include differentiating factors that set them apart from all other similar contracts offered by other GPOs.

Our contracts must address the four general areas of concern that all of our Members, regardless of class of trade, deal with on a daily basis. These are what we call a contract's Value Components, which are:

1. Financial Viability: Our contracts must provide a positive financial impact to our Members.
2. Regulatory Compliance: Our contracts must help our Members become and maintain compliance with relevant laws, policies and regulations.
3. Staff Efficiency: Our contracts must help our Members optimize their staff through process improvement, training and education, and other assistance that makes their work easier and more accurate.
4. Client Participation/Engagement/Satisfaction: Our contracts must help our Members be more attractive to their client base, leading to greater participation in their services, and higher levels of satisfaction.

How you answer the following questions in light of the above description will help paint the picture of the level of true value you can bring to our Members. Please be as thorough as possible; we've incorporated additional pages after the questions if you want to expound on any of your answers. You are also welcome to attach other sheets.

Value Component 1

Pricing Information – 25 Points

1. Max 25 Points

Please complete Exhibit C

Financial Viability – 20 Points: Our contracts must provide a positive financial impact to our Members.

1. (Max 4 Points) Describe your pricing to HPS Members.
Our pricing is based on competitive market analysis.

2. (Max 4 Points) What bench marketing did your company use to determine the HPS Member price?

SmithFoods uses IRI and competitive pricing we see in the market to determine our pricing for HPS members

3. (Max 2 Points) Outline rebates and/or incentives you would make available to the HPS membership, i.e. commitment-based, volume-based, drop-size based, EDI or quick payment discounts, etc.
NA
4. (Max 2 Points) What is the price protection period for this contract?
As the milk market changes monthly, our pricing moves with the market.
5. (Max 2 Points) Does your company charge fuel surcharges and/or other delivery charges? (yes no)
If yes, explain the charges and fee schedule in detail.
Our delivery charges are built into our price. We require a \$125 minimum on orders to cover those costs.
6. (Max 2 Points) Specifically describe how your offerings will have a positive financial impact on our Members' organizations.
Our pricing is competitive in the market, there are no hidden fees or extra surcharges as the price you see is what you get.
7. (Max 2 Points) Financially speaking, is your offering to HPS Members stronger than to other groups?
Explain either way.
Our pricing is more competitive for HPS than it is to independent customers who ask for pricing. As HPS is a group, the rate is better.
8. (Max 2 Points) Explain your shipping terms.
We deliver M-F. Depending on the location, there would be specific delivery days arranged with each individual based on fit with established routes.

Value Component #2

Regulatory Compliance – 20 Points: Our contracts must help our Members become and maintain compliance with relevant laws, policies and regulations.

1. (Max 4 Points) Describe how your product/service provides solutions for relevant industry standards and laws?

SmithFoods provides high quality dairy, culture, and ice cream products. We are able to service most any kind of food service entity with our product offerings
2. (Max 4 Points) How does your product or service adhere to industry standards?
Our products are certified to meet industry standards.

3. (Max 4 Points) Describe how your company helps the HPS Member improve their policy or procedures in your product or service line.

We offer an assortment of fresh and extended shelf life products

4. (Max 4 Points) Describe any special programs that your organization offers that will improve HPS Members' ability to properly and efficiently use your products/services.

Customers are able to order online, fax, or by calling in to customer service.

5. (Max 4 Points) Describe how your product or service helps promote industry's best Practices in the HPS Members facility.

Value Component #3

Staff Efficiency – 20 Points: Our contracts must help our Members optimize their staff through process improvement, training and education, and other assistance that makes their work easier and more accurate.

1. (Max 5 Points) How does your product or service help increase productivity and/or optimize staffing levels at the HPS Members facility.

NA

2. (Max 5 Points) Describe how your product or service optimizes organizational efficiency of the HPS Member.

NA

3. (Max 5 Points) Describe how HPS Members will place orders for your products/services.

Customers are able to order online, fax, or by calling in to customer service.

4. (Max 5 Points) Describe your organization's ongoing education and/or training opportunities to promote continuous improvement for your products/services.
SmithFoods is dedicated to quality. We have an R&D department that is dedicated to creating new and better products for our customers.

Value Component #4

Client Participation/Engagement/Satisfaction – 15 Points: Our contracts must help our Members be more attractive to their client base, leading to greater participation in their services, and higher levels of satisfaction.

1. (Max 4 Points) Does your product or service has had proven outcomes? (yes no)
If yes, explain and provide documentation of those outcomes.

Yes

2. (Max 4 Points) How does your product or service meet or exceed to industry quality standards?

We adhere to strict industry standards, we promise a minimum of 10 days code on all dairy products.

3. (Max 2 Points) Explain the strengths of your company's brand recognition.

Smith's is the #1 dairy in NE ohio. Only private label performs better than us. We are also in the top 3 for cottage cheese, sour cream, and dips. This is according to IRI data in the market.

4. (Max 2 Points) Outline your organizations plan for marketing to HPS Members.

SmithFoods services nearly 1000 schools and healthcare facilities. Our plan is to go through the member list and reach out to those customers if they fit on our existing routes and provide them with our product lists. Samples can also be sent if customers want to compare our product to our competitors.

5. (Max 3 Points) Describe how your product or service aligns with HPS Member Classes of Trade and which ones are eligible to utilize your contract:

Medical (acute care and non-acute facilities)

Medical Associate (doctor's offices, labs, etc.)

Senior Living (skilled nursing, assisted living, independent living facilities)

We have an assortment of single serve milks and ice creams. As well as Foodservice size sku's that are good for the kitchen area.

Education (public and private primary K-12 schools, colleges and universities)

We have an assortment of single serve milks and ice creams. As well as Foodservice size sku's that are good for the kitchen area.

Associate (camps, senior meal programs, municipalities, jails, etc.)

We have an assortment of single serve milks and ice creams. As well as Foodservice size sku's that are good for the kitchen area.