

Please See Tab 1 GFS Exceptions to RFP for additional legal exceptions

SECTION 5. INSTRUCTIONS AND INFORMATION FOR RESPONDING VENDORS.

a. Any firm interested in submitting a proposal to HPS must review and complete the requested information and submit its proposal in accordance with the terms and conditions of this Request for Proposal. Proposals in response to this RFP must be received at the HPS office, 3275 N. M-37 Highway, P.O. Box 247 Middleville, Michigan 49333 - Attention: Tori Mascho, no later than 5:00 PM EDT on April 22, 2024.

b. Pricing.

1. **Pricing Mechanisms, Methods.** Responding vendors must complete the Proposal of Material-Specifications List spreadsheet attached as **Exhibit C** with prices as of July 1, 2024. Responding vendors are required to use USDA recognized pricing mechanisms. That is, pricing for commercial Products must be based on either “firm price” or “cost plus a fixed fee.” Commodity Product pricing must be either NOI (if permitted by the applicable State Department of Education or other State agency having jurisdiction), modified fee for service, Closed Sku NOI (CNOI), or Rebate. “Cost plus a percentage of cost” is not permitted. Any proposal that is based on “cost plus a percentage of cost” will be rejected. HPS will be soliciting proposals from multiple distributors to determine the most responsive and responsible responding vendor of this solicitation.

“**Cost**” is defined as Awarded Distributor’s invoice amount from the supplier, plus overhead/storage, inbound freight, minus customer allowance and any other “off” invoice allowances. “**Fixed Fee**” is defined as the difference between Cost and the selling price to HPS SFAs. Fixed Fees shall remain firm for the duration of the Master Group Agreement. Pricing submitted for all Products will be net price, F.O.B. destination (HPS Institution), and stated as “firm price” or “cost plus a fixed fee.” The unit price offered should contain two points (.00) beyond the decimal. The extended price must be rounded to the nearest whole cent (5 or greater will be rounded up and 4.9 or less will be rounded down). The Awarded Distributor must assure only allowable costs are submitted for reimbursement and must also identify the amount of each discount, rebate, and other applicable credit on invoices presented for payment at least monthly. Awarded Distributor must maintain documentation of costs and discounts, rebates, and other applicable credits, and must furnish such documentation upon request of HPS, the applicable State Department of Education or other State agency having jurisdiction, or the USDA. Individual product rebates may be filed either by the SFA or by Awarded Distributor but will be paid only to the SFA for credit to its Nonprofit School Food Service Account. The Awarded Distributor will provide the tracking report on behalf of HPS, if requested. HPS expects firm fixed price for contracts secured by the Awarded Distributor on behalf of the HPS Institutions. **See Tab 10, Cost Definition**

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).