

limitation the products in the HPS School Food Service Purchasing Program listed on **Exhibit C** (individually defined as “**Product**” and collectively defined as “**Products**”), directly for and to all HPS members and participants, (including without limitation entities in HPS’s non-K12 associate class of trade), both taxable and tax-exempt, that are located in the State and that elect to access HPS pricing for the Products under the Master Group Agreement and Individual Member/Participant Agreements (“**HPS Institutions**”). The forecasted quantity of purchases of Products by HPS Institutions in the State during the original, one-year term of the Master Group Agreement is anticipated to be \$120,000,000 and 3,529,412 cases. HPS projects, but does not guarantee, that if the Master Group Agreement is renewed, such sales volume in the State will increase by 15% each year in dollar volume and in case growth respectfully. This two factor growth test will be used to determine if a material change has occurred. The Products include items covered by the National School Lunch Program and the other CN Programs administered by the Food and Nutrition Service (“**FNS**”) of the United States Department of Agriculture (“**USDA**”). After the award of the contract for Broadline Distribution Services, HPS, on behalf of the HPS Institutions, will enter into processing agreements with all awarded USDA Commodity vendors listed in the Awarded Distributor’s proposal. The processing agreements will comply with 7 CFR Part 250. Each HPS Institution will have the right to enter into its own processing agreement(s).

HPS makes this request on behalf of the HPS Institutions, including any SFAs that operate CN Programs and that are or in the future become HPS members or group purchasing participants and enter into Individual Member/Participant Agreements (defined below) with the Awarded Distributor. Responding vendors should be aware that the names and number of HPS Institutions in the State may change during the term of the Master Group Agreement. The Products and pricing of the awarded Master Group Agreement may be available to other HPS Institutions in the State that are not listed on the attached **Exhibit A**, but that join HPS and sign Individual Member/Participant Agreements after the procurement and award of the Master Group Agreement. However, in no event will the number of HPS SFAs exceed the number of SFAs in the State. HPS Institutions are not required to participate, but the commercial and commodity pricing offered in this proposal will be open to any HPS Institution in the State that may join HPS at any time to take advantage of that pricing. By submitting a proposal, the responding vendor agrees to make the same contract terms and conditions, Products, and prices available to other such HPS Institutions.

This solicitation is intended to promote full and open competition. If the responding vendor believes the language, specifications, terms, and conditions restrict or limit the requirements in this solicitation to a single source, it is the responding vendor’s responsibility to notify Ms. Tori Mascho in writing, at [tmascho@hpsnet.com](mailto:tmascho@hpsnet.com) so as to be received within five (5) business days after the date the solicitation is issued by HPS. The solicitation may or may not be changed, but a review of such notification will be made prior to the award of contract.

### **SECTION 3. QUALIFICATIONS AND RESPONSIBILITIES OF DISTRIBUTOR.**

a. **Broadline Distribution Services:** The Awarded Distributor must provide the following “**Broadline Distribution Services**” as allowed by the State Department of Education or other State agency having jurisdiction:

1. Perform year-around distribution (including ordering, storage, delivery and electronic tracking) of food (commercial and USDA Commodities), supplies, materials, equipment, and all other Products related to a food service operation for all participating HPS Institutions in the State who elect to access HPS pricing. **Agreed**

2. Provide an acceptable electronic method for HPS on behalf of the HPS Institutions to analyze proposals as well as keep track of orders, rebates, deliveries, invoices, and quarterly reports. **Agreed**
3. Provide monthly market basket audits for items to confirm manufacturer prices as compared to the Consumer Price Index (CPI) as well as pass through of all applicable discounts, rebates, and credits. **See Tab 2 GFS Audit Procedure**
4. Provide HPS with appropriate purchasing documents for Products on a quarterly basis so that HPS may audit the pricing mechanisms used. **See Tab 2 GFS Audit Procedure**
5. Provide contracts, pricing and information, search information, technical information, etc. via a web site. **Agreed**
6. Provide field staff to assist the HPS Institutions. **Agreed**
7. Distribute USDA Food products, along with commercial products. (See Section 3b, “USDA Foods”, below). “USDA Foods” or “USDA Commodities” include value-added (brown box), processed or non-processed foods under any approved USDA delivery method, Department of Defense (“DoD”) program(s), Rebates or USDA pilot programs. **Agreed**
8. Upon request, provide copies of all procurement documents to the applicable State Department of Education or any HPS Institution, to demonstrate compliance with CN Program and government-wide regulations, including Buy American. **Agreed, to the extent such regulations or requirements are applicable to Distributor.**
9. Provide member-based input and evaluation of food items, supplies, and materials bid/proposal responses prior to award. **Agreed**
10. Provide HPS Institutions with information regarding any Buy American requirements, nutritional facts, CN label, or bid specification sheet(s) as requested. **See attachment #6 Nutrition Resource Center/Buy American**
11. At the request of any HPS Institution that wishes to develop or update a plan for responding as a CN Program operator to a “disaster” or “situation of distress,” as those terms are defined in 7 CFR 250.2, the Awarded Distributor will provide reasonable assistance, support and cooperation to any such HPS Institution in connection with developing or updating such response plan, consistent with all applicable laws and regulations, including without limitation 7 CFR 250.69 and 7 CFR 250.70 **Agreed**