

**Addendum #3 – QUESTIONS & ANSWERS
FOR
RFQ #2014-002 GENERAL FOOD, PRODUCE AND SUPPLIES
September 2, 2014**

Question #1

We need to know estimated annual quantities on each item. Estimated volume is critical information for us to participate.

✓ **Answer to Question #1**

Exhibit A to the RFP has been revised and a quantity has been added to the Exhibit as Addendum #2 to the RFP and has been posted on the NHA web site. Also, please note that Option #1 of Exhibit A has been expanded to include more items.

Question #2 Hello Jerome, it looks like there are a couple chemical items on the bid. Is this for a dish machine? Is the bid for just these three chemicals or can we bid on all of your chemical systems? If so can I put it all on its own proposal?

✓ **Answer to Question #2**

Bidders are encouraged to bid on the items listed in Exhibit A. NHA is also welcomes bids for products that have a similar function or that bidders believe will be useful to enhance Nutrition Services' goals and operation.

Question #3

I will not be able to attend the Pre-Conference Tour this afternoon because of a conflicting meeting. However, I have had the tour of Locations just a few months back so I am very familiar with the Neighborhood House Organization...

✓ **Answer to Question #3**

This conference is mandatory. Bids for RFP 2014-002 General Food, Produce and Supplies will only be accepted for those bidders who attend the mandatory Pre-Conference Meeting and Tour.

Question #4

Does NHA want price or margin?

✓ **Answer to Question #4**

NHA requests firm-fixed-pricing.

Question #5

At the end of the first year contract, is there room to negotiate on commodity items?

✓ **Answer to Question #5**

The opportunity exists for negotiations upon the anniversary date of the contract, but both parties to the contract must agree on the outcome.

Question #6

Is there transparency after bids are awarded in terms of seeing individually awarded prices?

✓ **Answer to Question #6**

After awards are made, contract(s) will be executed with the awardee(s). Those prices will become public and may be requested under the Freedom of Information Act. However, individual bids will not be shared with other bidders.

Question #7

Within each price list option (i.e., #1, #2, #3), are awards based on the entire option list or items within that list?

✓ **Answer to Question #7**

NHA may award based on the entire list or groupings within each list for example, all Option #1 may be awarded to one contractor. Alternatively, meats maybe awarded to one contractor and dairy maybe awarded to another.

Question #8

Is there a hard and fast formula for award," i.e., 90% cost/10% proximity to NHA (local definition)?

✓ **Answer to Question #8**

NHA will award contracts to bidders who can best meet the needs of the Agency and Nutrition Services. The RFP and NHA Nutrition Services Preconference/Tour provided such information.

Question #9

Is the beef patty 8/1 fresh or frozen?

✓ **Answer to Question #9**

Beef patties can be fresh or frozen. If fresh, please include a note for special instructions such as lead-time needed for delivery.

Question #10

I saw some items at the central kitchen that were not on the bid sheet. Are the items on the bid the only items being bid on?

✓ **Answer to Question #10**

The items on the bid sheet are only a selection of the total items purchased by NHA's Nutrition Services Department. They are the items NHA is requesting bids on, but it is likely additional items will be ordered. NHA also welcomes bids for products that have a similar function or that bidders believe will be useful to enhance Nutrition Services' goals and operation.

Question #11

I saw 3 chemical items on the bid. Are those the only chemicals or can we bid on everything including dish machines?

✓ **Answer to Question #11**

Bidders are encouraged to provide bids on the items listed in Exhibit A. NHA also welcomes bids for products that have a similar function or that bidders believe will be useful to enhance Nutrition Services' goals and operation.

Question #12

What is the weekly usage for the ground beef bulk 90/10?

✓ **Answer to Question #12**

Please refer to Addendum 2 for annual volume usage of products. Weekly and monthly usage varies depending on our 5-week cycle menu, holidays, and other scheduled school breaks.

Question #13

What is the weekly usage for the ground chuck 90/10?

✓ **Answer to Question #13**

Please refer to Addendum 2 for annual volume usage of products. Weekly and even monthly usage varies depending on our 5-week cycle menu, holidays, and other scheduled school breaks.

Question #14

What is the weekly usage for the 2 oz. beef patties?

✓ **Answer to Question #14**

Please refer to Addendum 2 for annual volume usage of products. Weekly and even monthly usage varies depending on our 5-week cycle menu, holidays, and other scheduled school breaks.

Question #15

What is the weekly usage for the chicken fajita?

✓ **Answer to Question #15**

Please refer to Addendum 2 for annual volume usage of products. Weekly and even monthly usage varies depending on our 5-week cycle menu, holidays, and other scheduled school breaks.

Question #16

Will the ground beef be frozen once it's delivered fresh?

✓ **Answer to Question #16**

No. NHA will not freeze ground beef once it's frozen. In fact, it is necessary for NHA to source fresh (not frozen) ground beef (except for patties, which may be delivered fresh or frozen).

Question #17

Will the beef patties be frozen once delivered fresh?

- ✓ **Answer to Question #17**
No. NHA will not freeze beef patties that are delivered fresh.

Question #18

What is the earliest delivery time allowed?

- ✓ **Answer to Question #18**
The earliest time for delivery is 4AM.

Question #19

How many deliveries are required per week?

- ✓ **Answer to Question #19**
The number of deliveries required per week will vary depending on the items ordered and the demands of the menu. There could be a possibility of needing daily deliveries.

Question #20

What are the payment terms for the Neighborhood House Association?

- ✓ **Answer to Question #20**
NHA's payment terms are net 30.

Question #21

Would the NHA consider receiving a cost-plus or percentage-over-cost pricing program? Fix pricing on commodities may expose the buyer and seller to huge fluctuations in the market.

- ✓ **Answer to Question #21**
NHA requests fixed pricing.

Question #22

I saw some items at the central kitchen that were not on the bid sheet. Are the items on the bid the only items being bided on?

- ✓ **Answer to Question #22**
The items on the bid sheet are only a selection of the total items purchased by NHA's Nutrition Services Department. They are the items NHA is requesting bids on, but it is likely additional items will be ordered.

Question #23

I saw 3 chemical items on the bid. Are those the only chemicals or can we bid on everything including dish machines?

- ✓ **Answer to Question #23**
Bidders are encouraged to provide bids on the items listed in Exhibit A. NHA also welcomes bids for products that have a similar function or that bidders believe will be useful to enhance Nutrition Services' goals and operation.

Question #24

Hello Jerome, it looks like there are a couple chemical items on the bid. Is this for a dish machine? Is the bid for just these three chemicals or can we bid on all of your chemical systems? If so can I put it all on its own proposal? Thank you for your time.

- ✓ **Answer to Question #24**

Bidders are encouraged to bid on the items listed in Exhibit A. NHA also welcomes bids for products that have a similar function or that bidders believe will be useful to enhance Nutrition Services' goals and operation. Please add additional items not already listed to the end of the bid list of Option #1, 2 or 3 as appropriate.

Question #25

Would the NHA consider receiving a cost-plus or percentage-over-cost pricing program? Fix pricing on commodities may expose the buyer and seller to huge fluctuations in the market.

✓ **Answer to Question #25**

No, NHA will only enter into a firm-fixed-price with the contractor (Food and Nutrition Service, USDA Section 226.22)

Question #26

For the quote on Exhibit A – Option #1 Meat, Dairy, Canned & Dry Goods, Frozen Foods, Option # 2 Produce, Option # 3 Paper: The item description, pack size, and volume are now listed, can we have added the manufacture name and manufacture code of what is currently being supplied so we may bid apple to apple? Products can differ from manufacture to manufacture; this may be helpful for bidders to provide the most accurate products.

✓ **Answer to Question #26**

The RFP does not specify that products be provided by a specific (name brand) manufacturer. Bidders are encouraged to provide pricing on items they feel will best fit with NHA's goals.

Question #27

For milk, fresh - the California Milk Board restricts from having milk be required to hold pricing for more than 30 days at a time. A price can be fixed, and provided but the actual product may increase the same % up or down based on raw commodities used in fresh milk for class I, II, III commodities. This is provided by the California Milk Board so it is not any proprietary formula, although the bid requires fixed pricing for all products this regulation would need to be addressed, are we able to increase/decrease based on these regulations the exact amount or % the Milk Board regulates? This would be an escalator clause 0 go to www.cdfa.ca.gov/dairy/ , Food and Agriculture section 61384 and 61391, Public Agency Prices “ sales below cost “ , please contact me for further information we can walk through it.

✓ **Answer to Question #27**

NHA is not asking Respondents to provide “sales below cost.” Sections 61384 and Section 61391 is not relevant to this RFP. These sections are amplified below.

61384. (a) The sale by any retailer, wholesale customer, manufacturer, or distributor, including any producer-distributor or nonprofit cooperative association acting as a distributor, of milk, cream, or any dairy product at less than cost is an unlawful practice. This subdivision applies to finished products, and does not apply to sales of bulk milk between handlers.

(b) For the purposes of this section, the following terms have the following meanings:

(1) "Cost," as applied to manufacturers and distributors, means the total consideration paid or exchanged for raw product, plus the total expense incurred for manufacturing, processing, handling, sale,

and delivery.

(2) "Cost," as applied to wholesale customers, means the invoice price charged to the wholesale customer, or the expense of replacement, whichever is lower, plus the wholesale customer's cost of doing business.

(3) "Cost of doing business," as applied to wholesale customers, means a wholesale customer's total operating expense divided by the customer's total sales income.

(4) (A) Except as provided in subparagraph (B), "total consideration paid or exchanged for raw product," in the case of market milk or market cream used in the manufacture of class 1, 2, and 3 products, means the department's current announced regulated minimum price of the market milk or market cream, payable by handlers to producers, except as provided in Section 62708.5.

(B) Notwithstanding subparagraph (A), in situations involving sales on a bid basis to public agencies or institutions, the definition in subparagraph (A) shall only apply to market milk or market cream that is utilized for class 1 purposes, as those purposes are defined in Chapter 2 (commencing with Section 61801).

(c) Proof of cost, based on audits or surveys conducted in accordance with generally accepted accounting principles as defined by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board, and modified, if necessary, to satisfy the requirements of this section, shall establish a rebuttable presumption of that cost at the time of the transaction of any sale. This presumption is a presumption affecting the burden of proof, but it does not apply in a criminal action.

(d) Nothing in this section shall be deemed to prohibit any of the following activities:

(1) The meeting, in good faith, of a lawful competitive price or a lawful competitive condition.

(2) A distributor's action in making conditional sales of equipment or other property, extending credit for merchandise purchased, or paying a customer's obligations not otherwise prohibited by this chapter to another distributor in connection with the transfer of the customer's business from the latter to the former.

(e) The secretary shall establish, by regulation pursuant to Section 61341, the procedures which shall be used to make the determinations required by this section, including the following:

(1) Any modifications to the generally accepted accounting principles described in subdivision (c) necessary to satisfy the requirements of this section.

(2) Procedures for evaluating efforts to meet lawful competitive prices or conditions.

(3) Other procedures necessary or appropriate to facilitate the application or enforcement of this section.

61391. Solicitation by, or collusion or joint participation between or among, any manufacturer, distributor, producer, wholesale

customer, consumer, or any representative of any of them, to commit any of the unlawful practices which are prescribed in this article, or the use of any misrepresentation, threat, intimidation, or boycott to effectuate the commission of those unlawful practices, makes any person that participates in those unlawful practices subject to the penalties of this chapter

Question #28

Pack & Size, we are to bid the exact pack and size based on the items, this may require converting from one pack size to an each and convert back up to the pack size mentioned. Only in a few circumstances may this need to occur, how would you suggest we identify the pack may be different and should be put that maybe with a star next to the item, and an Addendum at the end of the items ?

✓ **Answer to Question #28**

Bidders can bid on the exact pack and size listed in Exhibit A. Alternate columns for 'Pack Qty' and 'Pack Size' are provided within the leftmost three columns so that bidders may indicate alternate packs and sizes in case that method is more suitable.

Question #29

For the % of local farm produce, if we purchase Avocado's from the local area of Fallbrook, how would you like this documented in the bid? Should we include a Produce sourcing addendum to address items we would source locally?

✓ **Answer to Question #29**

Bidders may discuss their plan and ability to source locally grown produce in a narrative section of their bid. Bidders are encouraged to provide a narrative on how they will best help NHA fulfill their goal to source locally grown produce as indicated in the RFP.

Question #30

Are nutritional specifications required for each product submitted, related to Option # 1?

✓ **Answer to Question #30**

CN labels are not required to be submitted with a bid.

Question #31

During the pre-bid conference it was discussed that participation in the National School Lunch Program is valid, does the Neighborhood House participate in the USDA Commodity Allocation program based on K-12 NSLP participants, and if so what is the chosen vendors for this school year that has commodities? Example – Tyson vs Gold Kist, on Chicken, Pierre vs Smuckers on Peanut Butter, Don Lee vs Integrated on Ground Beef?

✓ **Answer to Question #31**

NHA's menu is in the process of being approved for meeting NSLP guidelines. If and/or when it becomes necessary to utilize commodities, NHA will address that matter with its vendor(s).

Question #32

CN Labeling is specific to Meat/Meat Alternate products, it was notated that most products require CN Label's can that be specified to pertain to meat/meat alternate?

✓ **Answer to Question #32**

CN labels are not required to be submitted with a bid.

Question #33

Food Delivery Standards, section 2.1 does a driver and designated representative determine acceptability at the time of delivery so therefore the signature indicates all is acceptable at time of delivery?

✓ **Answer to Question #33**

The section of reference is section 2.4. NHA is not obligated to pay for any food unwholesome or spoiled at the time of delivery. The method of determining whether food may be accepted or not due to spoilage may be developed during contractual stage.

Question #34

Section 2.1 Food Quality and Health Standard portion of the San Diego County Food Handlers Certification – is this being required for the food distribution facility that is bringing box in and box out, regardless of the vendor's location?

✓ **Answer to Question #34**

Section 2.1 indicates vendors must meet California and local Health Department requirements for handling food. Bidders should determine which regulations they must meet pertaining to handling and preparing food, if in fact that is necessary for their operation.

Question #35

California State Contracts use a USDA base + differential for pricing. This protects the end user as well as the vendor, since market price can change dramatically. Since NHA wants firm pricing, when is it possible to adjust pricing according to market conditions? Is it after one year or sooner?

✓ **Answer to Question #35**

The contract award will be firm-fixed-pricing. NHA may be open to further price negotiations for contract option years 2 and outward. When providing pricing, feel free to indicate the specifications on items you are bidding on.