# MEMORANDUM

Spokane Public Schools
*excellence for everyone*

August 22, 2018

☐ Information Only
☐ Action Required By _____
☐ Due Back By _____

To: Dr. Mark Anderson
Associate Superintendent, School Support Services

Dr. Linda McDermott

From: Cindy Coleman
Director, Business Services

Subject: Bid No. 2-1819, Milk and Dairy Products

RECOMMENDATION

It is recommended that a purchase order be issued to Terry's Dairy, Inc., Colville, WA, for milk and dairy product needs of the 2018-2019 fiscal year. The cost of these products will be approximately $934,386.59.

TABULATION

| | Group I (Fluid Milks) | Group II (Misc. Dairy) | Total (incomplete) |
|---|---|---|---|
| Terry's Dairy, Inc. Colville, WA | $714,038.50 | $220,348.09 | $934,386.59 √ |

√ - Low responsive bid

BACKGROUND

This contract provides for milk and dairy products for consumption in the school nutrition program. The two group designations above are Group I, being fluid milk in pouches and cartons, and Group II, being other miscellaneous dairy products. Where the pricing on Group II items will remain firm during the contract year, the contract terms for Group I items allows for price movement based upon prevailing market conditions as published in the Federal Milk Administrator; therefore, the above prices are subject to escalation or de-escalation throughout the year at a rate consistent with established formulas. Both categories are combined into a single award to help streamline the order and delivery process for all milk and dairy products to our school cafeterias. This will allow district kitchen managers the convenience of only having to place one order for all types of milk and dairy products. Delivery to each site can then take place at one time rather than having twice the number of trucks backing across district property in order to deliver the same amount of product. While the bid award dollar amount is based on pricing submitted for historical sales, it is recommended that the board approve an amount of 10% over that figure given the growing enrollment to our student lunch counts. The recommended contract also provides for four additional one-year renewal options. The contract expenditures will come from the general fund.

**TABULATION**
**BID NO. 2-1819**
**Milk and Dairy**

TABULATION

**GROUP IA:**

| Item No. | Product Description | Terry's Dairy Inc. Spokane, WA |
|---|---|---|
| 1a. | Milk, non-fat chocolate flavored, 1/2 pint | .1895 |
| 2a. | Milk, fresh, 1%, low fat, 1/2 pint, | .1915 |
| 3a. | Milk, non-fat, fortified, 1/2 pint | . 183 |
| 4a. | Milk, non-fat, Various Flavored (non-chocolate), 1/2 pint | .2147 |
| 5a. | Milk, non-fat, lactose free, 1/2 pint | . 53 |
| | **Total Group IA – Rigid Carton** | **$350,452.70** |

**GROUP IB**

| Item No. | Product Description | |
|---|---|---|
| 1b. | Milk, non-fat chocolate flavored, 1/2 pint | .1909 |
| 2b. | Milk, fresh, 1%, low fat, 1/2 pint, | .1894 |
| 3b. | Milk, non-fat, fortified, 1/2 pint | . N/A |
| | **Total Group IB – Pouch Carton** | **$363,585.80** |

**GROUP II**

| | | |
|---|---|---|
| 6. | Milk, 1% low-fat, gallon | $2.45 |
| 7. | Milk, 2% low fat, gallon | $2.51 |
| 8. | Buttermilk, low-fat, half gallon | $2.15 |
| 9. | Cottage Cheese, non-fat, small curd, Bulk, 5 lb container | $7.008 |
| 10. | Sour Cream, non-fat, 5 lb container | $8.139 |
| 11. | Dixi Cups, 24/pkg | $6.50 |
| 12. | Ice Cream Bar, 2 ½ oz. bar | $3.234 |
| 13 | Ice Cream Sandwich, 3 oz. bar, 24 bars/pkg. | $6.50 |
| | **Total Group II** | **$220,348.09** |
| | **Grand Total Groups I and II** | **$934,386.59** |