

Termination of Bid
12-010N – Fruit Juices for Cafeterias
February 18, 2015 Board Agenda
Page 2

CONTINUATION OF SUMMARY EXPLANATION AND BACKGROUND

This request to terminate the bid will not create any interruption in supplying Food and Nutrition Services with fruit juices for cafeterias. This Bid will continue to be used until the termination on March 17, 2015. The remaining contract balance of \$156,868.40 will provide delivery of fruit juices until March 17, 2015. If additional expenditures are needed over the remaining balance amount, Procurement & Warehousing Services will solicit three (3) competitive quotes in accordance with School Board Policy 3320, Part II C, for purchases up to \$50,000 with due diligence requests from at least two (2) certified Minority/Women Business Enterprise vendors. A new award will be presented at the March 17, 2015, School Board meeting.

The nutrition standards implemented by the United States Department of Agriculture (USDA) substantiates that the amount awarded for this contract is insufficient for the duration of the contract period.

Fruit Juices for Cafeterias (12-010N)

Contract Period: August 1, 2011, through July 31, 2016
Award Amount: \$7,750,000

An award amount of \$11,500,000 would be needed to complete expenditures through June 30, 2016, a \$3,750,000 deficit.

After an analysis of the contract, additional funding reflects a 44 percent increase which resulted in staff rebidding this item and to seek more competitive pricing.

The contract for Fruit Juices for Cafeterias (12-010N) was awarded prior to implementation of the new USDA nutrition standards for School Lunch and Breakfast in 2012. Based on the average juice consumption, the contract averaged less than \$1,500,000 annually; the contract was awarded in the amount of \$7,750,000, satisfying the contract period. Implementation of the new standards significantly impacted juice consumption, increasing annual cost of less than \$1,500,000 to over \$2,600,000.

USDA REGULATIONS

This contract has been directly impacted by regulations implemented by the USDA, as well as new initiatives of the Food and Nutrition Services Program.

Lunch (2012-13)

- Old Regulation: Offer a total of $\frac{3}{4}$ cup fruit and/or vegetable daily.
- New Regulation: Offer $\frac{1}{2}$ cup fruit /juice daily and $\frac{3}{4}$ cup vegetable daily.
- Impact: An increase of $\frac{1}{2}$ cup serving of fruit /juice or vegetable daily, resulting in increased quantities of juice purchased.

- Old Regulation: Student was not required to select a fruit/juice or vegetable daily with lunch.
- New Regulation: Student must select a fruit/juice or vegetable daily with lunch.
- Impact: An increase in the quantity of juice purchased.

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Breakfast (2013-14)

- Old Regulation: Student was not required to select a fruit/juice or vegetable daily with breakfast.
- New Regulation: Student must select a fruit/juice or vegetable daily with breakfast.
- Impact: An increase in the quantity of juice purchased.

Breakfast (2014-15)

- Old Regulation: Offer 1/2 cup fruit/juice or vegetable daily.
- New Regulation: Offer 1 cup fruit/juice or vegetable daily.
- Impact: An increase in the quantity of juice purchased.