

EXECUTIVE SUMMARY

Recommendation for Renewal and Additional Spending Authority 15-036V – Mainline Foods and Distribution Services

The School Board of Broward County, Florida (SBBC), awarded the Invitation to Bid (ITB) 15- 036V – Mainline Foods and Distribution Services Department on July 22, 2014, for three (3) years July 1, 2014 through June 30, 2017 with the option to renew for two (2) additional one (1) year periods. The first option to renew the contract was approved by the School Board on March 21, 2017, for an additional one (1) year period from July 1, 2017 through June 30, 2018. This contract is utilized by the Food & Nutrition Services department, to procure food and food supply products including, but not limited to, main entrée items, beverages, grocery/staple items, produce, and paper products that are used in school cafeterias. School lunch, breakfast, after-school snacks, and supper programs must meet meal patterns and nutritional standards based on the United States Department of Agriculture (USDA) guidelines.

This contract includes the storage and delivery of USDA commodity foods and commodity processed products, as well as an opportunity to purchase new and specialized foods. Food & Nutrition Services department managers place orders for these products on an as-needed basis and according to a schedule based on meals planned.

Food & Nutrition Services department is requesting approval to exercise the ITB's second (and final) contract renewal for an additional one (1) year period from July 1, 2018 through June 30, 2019. This ITB includes an option to renew the contract term per Section 4, Special Condition 4.05, and contract renewal: "The term of the bid shall be for three (3) year(s), and may, by mutual agreement between SBBC and the Awardee, be renewed for two additional one-year periods and, if needed, 90 days beyond the expiration date of the final renewal period." The bid's awarded vendor, US Foods, Inc., has accepted the request to renew the contract.

In addition to requesting approval for this one (1) year renewal, a request is also presented to approve an increase in spending authority of \$19,200,000. Based on budgetary and usage analyses, Food & Nutrition Services has identified that the contract has enough funding for the current contract term. However, an additional allocation is necessary to provide adequate funding for the renewal. Food & Nutrition Services issues open PO's at the beginning of the fiscal year that are used/consumed based on demand for the products. These open PO's are closed at fiscal year-end, and all unused monies roll over to be used in the next fiscal period. At fiscal year end 2017-2018, and upon PO-closing activities, Food & Nutrition Services projects that \$9,070,197 will remain in the bid's unused spending authority. This amount will need to be complemented to provide adequate funding for the twelve (12) month renewal as shown below:

Financial Impact

<u>\$ 2,355,471</u>	<u>Average monthly expenditure</u>
<u> x 12</u>	<u>Number of months in contract renewal</u>
<u>\$ 28,265,658</u>	<u>Forecast recommendation for twelve (12) month renewal</u>
<u>- 9,070,197</u>	<u>Minus-Unused spending authority</u>
<u>\$19,195,461</u>	<u>Adjusted forecasted additional funding needed for twelve (12) month renewal-to be rounded to \$19,200,000)</u>

$$\begin{aligned} \$108,000,000 + \$19,200,000 &= \underline{\underline{\$127,200,000}} \\ &\underline{\underline{\text{Contract's New Award Total}}} \end{aligned}$$

Recommendation for Renewal and Additional Spending Authority
15-036V – Mainline Foods and Distribution Services
March 6, 2017 Board Agenda
Page 2

This recommendation for renewal is in the best interests of the District to benefit from fixed prices and continuity of service, in as much as the Consumer Price Index (CPI), as of December 2017 indicated an increase of zero-point ten (0.10) percent. Staff has indicated that vendor performance is satisfactory and recommend the extension and continuation of services with the awarded vendor. Surveys were compiled with responses provided by Food & Nutrition Services department managers who provided feedback on the products and delivery services provided by the awarded vendor. Based on the results of the customer satisfaction surveys, a total of one hundred and seventy-one (171) responses were received with eighty-nine (89) percent rating customer services and product delivery as excellent, very good, or good.

Prices were benchmarked against Miami-Dade County Public Schools, Pinellas County Schools and with the Power Buying Group. In all cases, SBBC has more favorable pricing as shown in the chart below:

Market Basket Comparison of 162 Food Items	
Miami-Dade County Public Schools	\$3,256,232
SBBC	-\$3,254,103
Savings	\$ 2,129
Market Basket Comparison of 88 Food Items	
Pinellas County Schools	\$2,551,898.22
SBBC	- \$2,501,511.81
Savings	\$ 50,387
Market Basket Comparison of 188 Food Items	
Power Buying Group	\$5,823,987
SBBC	- \$5,814,810
Savings	\$ 9,177