

NEW HAMPTON COMMUNITY SCHOOL DISTRICT
710 WEST MAIN STREET
NEW HAMPTON, IOWA 50659

MILK AND DIARY PRODUCT BID FOR 2014-2015 SCHOOL YEAR

Firm PRAIRIE FARMS DAIRY
 Address 3510 Central AVE
 City & State DUBUQUE, IA 52001
 Phone Number 563 582 7206
 Authorized by STACY R WAND
 Signature Stacy R Wand

Pricing below shall be based on the Class I price for fluid milk for the month of June 2014, under the terms of the Federal Market Order. Pricing shall remain firm for the entire 2014-2015 school year except for changes (if any) in the Class I price for fluid milk.

1/2 pint white fat free milk	<u>2195</u>	per carton
1/2 pint white 1% milk	<u>2260</u>	per carton
1/2 pint fat free chocolate milk	<u>2260</u>	per carton
1 gallon white 1% milk	<u>3.45</u>	per gallon
5 pound lo fat cottage cheese	<u>8.60</u>	per 5 lb. container
1/2 gal. vanilla shake ice milk mix	<u>3.60</u>	per 1/2 gallon
5 pound flavored fat free yogurt	<u>6.15</u>	per 5 lb. container
6 ounce flavored fat free yogurt	<u>.58</u>	per carton
12 16 ounce vending milk (white, skim)	<u>.75</u>	per bottle
12 16 ounce vending milk (white, 1%)	<u>.75</u>	per bottle
12 16 ounce vending milk (chocolate, skim)	<u>.75</u>	per bottle
12 16 ounce vending milk (Strawberry, skim)	<u>.75</u>	per bottle
16 ounce vending milk (Malted)	<u>.85</u>	per bottle

An additional cash discount of 0 % will be allowed for each month purchases, with payment due by the 25th of the following month.

Please indicate if your dairy purchases milk from dairy producers who use growth hormone therapy with their livestock.

See Attached
 Yes No Other

New Hampton Community Schools reserves the right to accept or reject any or all bids.

New Hampton Community Schools reserves the right to cancel the awarded vendor contract upon non-compliance of contract terms, including but not limited to what the District deems unsatisfactory or spoiled milk, poor product quality, untimely delivery or non delivery of product, etc.



June 24, 2014

Milk Escalator / De-Escalator Pricing Clause

The pricing quoted is based on the current month's (JUNE 2014) Federal Milk Marketing Order for Class I Skim and Class I Butterfat. This pricing is subject to change as the cost of raw milk changes each month according to the USDA Federal Milk Market Price Announcements and changes in over order premium charges.

The cost of milk fluctuates up and down each month based on the cost changes in raw milk. Changes of a minimum of \$.10 per CWT (up or down) will move the cost of a half pint \$.0005.

Prices will also be adjusted up or down based on cost changes in packaging, ingredients, labor, fuel, juice concentrate, re-sale products, and any other manufacturing and distribution related expenses. Supporting documentation will be supplied upon request.

FORCE MAJEURE

If either party's failure to comply with any obligation arising under this Agreement results from acts of God, governmental Laws, rules, regulations or order, strikes or other labor trouble, shortage of or inability to obtain raw materials, fuels power or transportation, or any other case beyond the reasonable control of the affected party (any of the foregoing, collectively "Force Majeure", such failure shall not be a breach of this Agreement or create any liability for damages.

All price changes will become effective on the 1st day of the month following the price announcement.

Thank you for the opportunity to bid on your business.

Sincerely,

Stacy R. Wand
Sales Manager
Prairie Farms Dairy Dubuque

ESCALATOR CLAUSE

FLUID MILK PRODUCTS:

The prices in this bid are based on the Class I price (at 3.5% butterfat) plus premiums. The Class I price is established under the terms of the Central Federal Milk Market Order #32. The price established for the month of June 2014 is \$27.56 per 100 lbs. The components of this price include: Class I Skim Price - \$15.58/cwt.; Class I Butterfat Price - \$2.2356/lb; Location Adjustment - \$1.80/cwt.; Premiums - \$3.20/cwt.

The formula for price adjustments of fluid milk delivered in half-pint and all other size containers is as follows:

- a. Compute the difference per hundredweight for Class I milk between the price for the month in question and the price for the base month indicated above (or the most recent month in which prices were adjusted) based on the factors relating to the actual cost of each product. Actual cost for each product is determined as follows:
(Skim factor) * (Skim price) + (Butterfat factor) * (Butterfat price) + Location adjustment + Premiums. Skim factors/Butterfat factors are as follows: Whole milk - .9665/3.35; 2% milk - .9800/2.00; 1% milk - .9900/1.00; Skim milk - .9995/.05.
- b. Multiply this difference per hundredweight by .086 (8.6 / 100 – 8.6 lbs. to each gallon of milk) to calculate the difference in price per gallon.
- c. One-sixteenth of this difference is the amount of change in price for each one-half pint container of milk. All other size containers will be proportional.
- d. If the price for Class I milk is higher during the month in question than in the base month, the sum will be added to the previous price charged by the vendor. If the price for Class I milk is lower during the month in question than in the base month, the sum will be deducted from the previous price charged by the vendor.

ALL PRODUCTS:

Prices bid on all products are subject to change based on price changes from our suppliers including but not limited to fuel, packaging and ingredients. Supporting documentation is available upon request.