

New Hampton Community School District
New Hampton, Iowa 50659
May 31, 2018
NOTICE TO BIDDERS

The Board of Education for the New Hampton Community School District is accepting bids on milk and dairy products for the 2018-2019 school year, to be delivered to the Elementary and High School cafeterias in New Hampton, IA. Some coolers for the milk are owned and maintained by the school district. The bidder will provide and maintain other coolers as needed.

Delivery of milk shall be made between 6:00 AM and 10:00 AM, twice (2) times per week.

All milk shall be Grade A pasteurized and homogenized and shall meet or exceed the minimum standards of the State of Iowa and the United States Department of Agriculture.

Please submit quotations on the following items:

- 1/2 pint carton of fat free white milk
- 1/2 pint carton of 1% white milk
- 1/2 pint carton of fat free chocolate milk
- 1/2 pint carton of fat free strawberry flavored milk
- 1 gallon container of 1% white milk
- 1 gallon container of 2% white milk
- 5 pound container of low fat cottage cheese w/ 2% milk fat
- 5 pound container of cottage cheese w/ 4% milk fat
- 5 pound container of low fat flavored yogurt
- 4-6 ounce carton of 1% fruit flavored low fat or free yogurt (ie: strawberry, blueberry, etc.)
- 16 oz vending milk (chocolate, white, strawberry, etc.) fat free and 1% varieties

Bids will be accepted in the Superintendent's office at 710 West Main Street, New Hampton, IA 50659 until **4:00 PM, Friday, July 1, 2018**. The Board of Education will make the final decision at their regularly scheduled July, 2017 meeting. The New Hampton Community School District reserves the right to reject any or all bids, or any part thereof, to waive informalities, and accept alternates as bid if it so desires.

If you have any questions, please feel free to contact me at 641-394-2134. Thank you for your time and consideration.

Sincerely,
New Hampton Community Schools



Jodi Cerwinski
Director of Food Service



RIDICULOUSLY HIGH STANDARDS.

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 2018 is \$19.62 per 100 lbs. The components of this price include: Class I Skim Price - \$6.35/cwt.; Class I Butterfat Price - \$2.6074/lb; Location Adjustment - \$1.80/cwt.; Premiums - \$2.85/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.

ANDERSON ERICKSON DAIRY

2420 E. University | Des Moines, Iowa | 50317-6501 | Tel: 515-265-2521 | Fax: 515-263-6301 | www.aedairy.com

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

MILK AND DIARY PRODUCT BID FOR 2018-2019 SCHOOL YEAR

Firm _____ Prairie Farms Dairy _____
 Address _____ 3510 Central Ave. _____
 _____ Dubuque, IA 52001 _____
 City & State _____
 Phone Number _____ 563 582 7206 _____
 Authorized by _____ STACY R WAND _____
 Signature _____ *Stacy Wand* _____

Pricing below shall be based on the Class I price for fluid milk for the month of June 2018, under the terms of the Federal Market Order. Pricing shall remain firm for the entire 2017-2018 school year except for changes (if any) in the Class I price for fluid milk.

1/2 pint white fat free milk	<u>1880</u>	per carton
1/2 pint white 1% milk	<u>1960</u>	per carton
1/2 pint fat free chocolate milk	<u>1975</u>	per carton
1 gallon white 1% milk	<u>2.90</u>	per gallon
cottage cheese-2% milk fat	<u>8.40</u>	per 5 lb. container
cottage cheese-4% milk fat	<u>8.40</u>	per 5 lb. container
4-6 ounce flavored fat free yogurt	<u>.5600</u>	per carton
16 ounce vending milk (white, skim)	<u>80</u>	per bottle
16 ounce vending milk (white, 1%)	<u>80</u>	per bottle
16 ounce vending milk (chocolate, skim)	<u>80</u>	per bottle
16 ounce vending milk (Strawberry, skim)	<u>80</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.

___ 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.



Milk Escalator / De-Escalator Pricing Clause

The pricing quoted is based on the current month's (JULY 2018) 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 are based on CMPC announced class 1 Skim and Class 1 announced butterfat. Calculations to four decimal places.

- ½ pint whole = $([(\text{Skim change} * 8.3205) / 100] + [(\text{Butterfat change} * 0.2795) / 16])$
- ½ pint 2% = $([(\text{Skim change} * 8.4476) / 100] + [(\text{Butterfat change} * 0.1724) / 16])$
- ½ pint 1% = $([(\text{Skim change} * 8.5338) / 100] + [(\text{Butterfat change} * 0.0862) / 16])$
- ½ pint Skim = $([(\text{Skim change} * 8.61274) / 100] + [(\text{Butterfat change} * 0.01726) / 16])$

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



1100 Broadway
Carlinville, IL 62626-1183

Phone: 217-854-2547
Fax: 217-854-8468

COMPANY POSITION ON rBST

January 21, 2008

Prairie Farms Dairy, Inc., a cooperative company owned by dairy farmers, has been supplying consumers with wholesome dairy products since 1938.

Our company is dedicated to addressing the needs of consumers and adapting to provide the right mix of products. An increasing number of consumers are requesting milk from cows not treated with rBST. Driven by this change in the marketplace, effective February 1, 2008, the raw milk supplied by our farmers will come from cows not treated with rBST.

For more information, contact Gary Lee at glee@prairiefarms.com or (217) 854-2547.

Sincerely,

PRAIRIE FARMS DAIRY, INC.

Edward L. Mullins
Chief Executive Officer
Executive Vice President

ELM:sb