

Bids – Direct Diversion of USDA Foods Barrel Cheese, Natural American

The Direct Diversion of USDA Foods Cheese 110202 – Barrel Cheese, Natural American was sent to two vendors and published in the Daily Herald on December 30, 2015. Three bids were returned:

Bongards, Bongards, MN
JTM Food Group, Harrison, OH
Land O Lakes, Arden Hills, MN

Further processed USDA commodity products are not like their commercial equivalents. The district is allotted a dollar amount based on the number of meals served the prior year. Products are then selected to be used in the school meals program. Pounds of raw product (in this case Natural American Cheese) are sent via the United States Department of Agriculture to a manufacturer, who then uses the raw product and turns out finished cases of usable food items. The district is then given a discount off the commercial price of the finished item. The value of the discount is established yearly by the USDA.

This bid requires direct diversion, which means that the finished product is delivered directly to our warehouse from the manufacturer. This entails a minimum purchase on our part, usually between 2500-3000 pounds. This allows us to realize a significant savings over delivery by a food service distributor.

Another consideration in the bid award is storage space. A shelf stable product has the advantage of not taking up valuable freezer space. Shelf stable cheese cups are used by our CARE program as well as the Blessings In A Backpack program. Shelf stable cheese sauce allows for room temperature storage, which is easier to manipulate than a frozen product, and does not impinge on our limited freezer space. We do not have the storage space to receive a 5,000 pound delivery. Land O Lakes provides the best minimum delivery option at 2,500 pounds of shelf stable product. The minimum delivery quantities with JTM are 3,000 pounds and with Bongards are 5,000 pounds.

Bid Results

The bid amounts submitted by each vendor are:

\$14,886.16 – Bongards
\$40,280.04 – JTM
\$72,329.70 – Land O Lakes

Bongards did not bid on 4 items and did not meet bid specs on 3 items. Additionally, their cheese cup requires refrigeration.

JTM did not bid on 10 items and all items come in frozen which presents storage issues.

Land O Lakes bid on all items and cheese sauce and cups are shelf stable.

Recommendation

It is recommended that the Board of education award the bid to Land O Lakes in the amount of \$72,329.70. Bid documents are available for review in the business office.

PRODUCT DESCRIPTION	VENDOR	QTY (Cases)	COMMERCIAL CASE COST	COMMODITY VALUE	COST PER SERVING	COST PER CASE	TOTAL COST
Shredded Cheddar	Bongards	200	\$ 51.62	\$ 39.72	\$ 0.037	\$ 11.90	\$ 2,380.00
	Land O Lakes	200	\$ 52.22	\$ 39.72	\$ 0.039	\$ 12.50	\$ 2,500.00
	JTM						no bid
Shredded Mozz	Bongards	160	\$ 52.62	\$ 39.72	\$ 0.040	\$ 12.90	\$ 2,064.00
	Land O Lakes	160	\$ 52.02	\$ 39.72	\$ 0.038	\$ 12.30	\$ 1,968.00
	JTM						no bid
Italian Cheese Sauce	Bongards						no bid
	Land O Lakes	50	\$ 72.69	\$ 28.96	\$ 0.206	\$ 43.73	\$ 2,186.50
	JTM	41	\$ 55.53	\$ 16.11	\$ 0.150	\$ 39.42	\$ 1,616.22
Sauce Pouch	Bongards						no bid
	Land O Lakes	650	\$ 65.97	\$ 26.81	\$ 0.185	\$ 39.16	\$ 25,454.00
	JTM	522	\$ 59.10	\$ 29.79	\$ 0.110	\$ 29.31	\$ 15,299.82
Macaroni and Cheese	Bongards						no bid
	Land O Lakes	600	\$ 54.26	\$ 12.41	\$ 0.523	\$ 41.85	\$ 25,110.00
	JTM	600	\$ 49.03	\$ 10.09	\$ 0.490	\$ 38.94	\$ 23,364.00
Sliced Cheddar	Bongards	did not bid specs					
	Land O Lakes	20	\$ 45.31	\$ 23.83	\$ 0.056	\$ 21.48	\$ 429.60
	JTM						no bid
Sliced PepperJack	Bongards	did not bid spec					
	Land O Lakes	15	\$ 45.31	\$ 23.83	\$ 0.056	\$ 21.48	\$ 322.20
	JTM						no bid
Sliced Swiss	Bongards	did not bid spec					
	Land O Lakes	15	\$ 46.51	\$ 23.83	\$ 0.059	\$ 22.68	\$ 340.20
	JTM						no bid
American Processed	Bongards	100	\$ 61.33	\$ 42.80	\$ 0.019	\$ 18.53	\$ 1,853.00
	Land O Lakes	100	\$ 66.64	\$ 43.24	\$ 0.024	\$ 23.40	\$ 2,340.00
	JTM						no bid
Mozz String Cheese	Bongards	400	\$ 33.67	\$ 20.86	\$ 0.076	\$ 12.81	\$ 5,124.00
	Land O Lakes		\$ 34.41	\$ 20.86	\$ 0.081	\$ 13.55	\$ 5,420.00
	JTM						no bid
CoJack Stick	Bongards	60	\$ 34.51	\$ 20.86	\$ 0.081	\$ 13.65	\$ 819.00
	Land O Lakes		\$ 41.12	\$ 20.86	\$ 0.121	\$ 20.26	\$ 1,215.60
	JTM						no bid
CoJack Cubes	Bongards	60					no bid
	Land O Lakes		\$ 57.70	\$ 24.83	\$ 0.164	\$ 32.87	\$ 1,972.20
	JTM						no bid
Jalapeno Cup	Bongards	44	\$ 84.93	\$ 24.79	\$ 0.313	\$ 60.14	\$ 2,646.16
	Land O Lakes	60	\$ 68.91	\$ 17.72	\$ 0.366	\$ 51.19	\$ 3,071.40
	JTM						no bid

Land O Lakes Total	\$ 72,329.70	Bid on all items
Bongards Total	\$ 14,886.16	Did not bid on 4 items and did not bid specifications on 3 items. Cheese cup requires refrigeration
JTM Total	\$ 40,280.04	Did not bid on 10 items. All items come in frozen which presents a storage issue vs. Bongards and Land O Lakes which are shelf stable

Minimum Delivery Amounts							
Land O Lakes	2500 lbs						
JTM	3000 lbs						
Bongards	5000 lbs						