



COMMUNITY CONSOLIDATED SCHOOL DISTRICT 15

580 N 1st Bank Drive • Palatine IL 60067 | 847.963.3000 | www.ccsd15.net
Michael Adamczyk, SFO, Chief School Business Official • Business & Auxiliary Services

DATE: September 11, 2019

TO: Board of Education

FROM: Michael Adamczyk, CSBO
Kristin Voigts, Director of Nutrition Services

RE: Action Item – One-Year Renewal of Bid Award #16-007 Direct Diversion of USDA Cheese

A letter was sent to Land O'Lakes requesting the option to renew the Direct Diversion of USDA Cheese Bid #16-007 for the 2019-2020 school year at the same terms & conditions. The renewal letter was accepted and returned with pricing for the upcoming school year. Product is directly delivered on a monthly basis to our Central Kitchen warehouse at Walter Sundling Junior High.

This item was last bid on December 30, 2015. Per Section 105 ILCS 5/10-20.21 of the Illinois School Code, contracts for the purchase of perishable foods and perishable beverages are exempt from bidding. However, the District will go out to bid this Spring for the 2020-21 school year.

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 monthly purchase on our part and allows a significant savings over delivery by a food service distributor, usually between 2,500 and 3,000 pounds. Due to these minimums, it is difficult to split this bid among different manufacturers.

Recommendation

It is recommended that the Board of Education award the renewal of the Direct Diversion of USDA Cheese Bid #16-007 to Land O'Lakes in the amount of \$55,000.00.



COMMUNITY CONSOLIDATED SCHOOL DISTRICT 15

1100 N. Smith Street • Palatine IL 60067 | 847.963.3928 | www.ccsd15.net
Kristin Voigts, SNS, Director of Nutrition Services • School Nutrition Services

July 18, 2019

Tami Johnson
Land O' Lakes
1200 Country Road F West
Arden Hills, MN 55112-2921

Dear Tami Johnson:

Community Consolidated School District #15 in Palatine has the option of renewing our Direct Diversion of USDA Cheese Bid #16-007 with your company for the 2019-2020 school year. If your company is willing to renew the bid at the same terms and conditions of the current bid for the 2019-2020 school year, please check the appropriate line, sign below and return the signed extension back to me via e-mail at voigtsk@ccsd15.net or by fax at **847-963-3925**. This would be the third year of a three-year renewal. If you choose not to renew the bid, please check the appropriate line and return it back to me. If you choose not to renew, we will rebid this portion of Direct Diversion of USDA Cheese Bid. We would appreciate your response by July 31, 2019.

Community Consolidated School District 15 reserves the right to amend the bid document based on future actions of the Illinois State Board of Education regarding items available for consumption during lunch periods.

We have enjoyed doing business with you and hope that you will renew this bid for an additional year.

Sincerely,

Kristin Voigts
Director of Nutrition Services

Yes, I would like to renew the Direct Diversion of USDA Cheese Bid #16-007 at the same terms and conditions of the current bid for the 2019-2020 school year. Bid documents are attached for your reference.

No, I am not willing to renew the Direct Diversion of USDA Cheese Bid #16-007 for the 2019-2020 school year.

Alethia C. Scheett
Signature

08/02/2019
Date

Alethia Scheett / K-12 Marketing Specialist
Print Name and Title

K12Specialist@landolakes.com
E-mail Address



304 Park Street
Spencer, WI 54479

Attn: Bobbie Desprat
Palatine, IL 60067
Phone Not Provided
IL-8337

Submission Report Generated for:
Palatine C C School Dist 15
Report Generation Nbr 5880
Generated: 08/02/2019 09:21 AM

Opportunity Nbr: IL-2016-06958 RENEWAL
Shipment Method: Direct
Award Type: Line Item
Opportunity Status: New

Award Period: 07/01/2019 - 06/30/2020
Submission Deadline:
Open Date: 07/31/2019 05:00 PM
Submitted On: N/A

Product Nbr	Product	Net Wt ¹	Portions ¹	Bid Code	Option ²	PTV ¹	Discount ¹	Price/Case	Price/Portion
39912	Mucho Queso™ Jalapeño Cheese Dip Cups	26.25	140.00		FFS			\$ 51.19	\$ 0.3656
39941	Mucho Queso™ Jalapeno Cheese Sauce	39.75	212.00		FFS			\$ 39.16	\$ 0.1847
39944	Ultimate White Cheese Sauce Blend	39.75	212.00		FFS			\$ 43.73	\$ 0.2063
41485	Shredded Cheddar and Monterey Jack Blend	20.00	320.00		FFS			\$ 14.80	\$ 0.0463
41698	Shredded Mozzarella Cheese	20.00	320.00		FFS			\$ 12.30	\$ 0.0384
41749	Shredded Mild Cheddar Cheese	20.00	320.00		FFS			\$ 12.50	\$ 0.0391
43284	RF Macaroni and Cheese Entree	30.00	80.00		FFS			\$ 41.85	\$ 0.5231
44006	Mild Cheddar Cheese Cracker Cuts	15.00	240.00		FFS			\$ 34.65	\$ 0.1444
44113	RF Mild Cheddar Cheese Cubes	12.50	200.00		FFS			\$ 32.87	\$ 0.1644
44115	RF Colby-Jack Cheese Cubes	12.50	200.00		FFS			\$ 32.87	\$ 0.1644
44224	RF Mild Cheddar Read-i-Pac® Cheese Slices	12.00	192.00		FFS			\$ 21.48	\$ 0.1119
44238	Pepper Jack Read-i-Pac® Cheese Slices	12.00	192.00		FFS			\$ 21.48	\$ 0.1119
44261	RF Swiss Read-i-Pac® Cheese Slices	12.00	192.00		FFS			\$ 22.68	\$ 0.1181
44877	Colby Jack Cheese Sticks	10.50	168.00		FFS			\$ 17.54	\$ 0.1044
44878	RF Colby Jack Cheese Sticks	10.50	168.00		FFS			\$ 20.26	\$ 0.1206
44879	Mild Cheddar Cheese Sticks	10.50	168.00		FFS			\$ 17.54	\$ 0.1044
44881	RF Mild Cheddar Cheese Sticks	10.50	168.00		FFS			\$ 20.26	\$ 0.1206
46255	160-slice Pasteurized Process American Cheese (Yellow)	30.00	480.00		FFS			\$ 23.40	\$ 0.0488
59701	Mozzarella String Cheese	10.50	168.00		FFS			\$ 13.02	\$ 0.0775
59703	Light Mozzarella String Cheese	10.50	168.00		FFS			\$ 13.55	\$ 0.0807

¹ Per Case

² Options: FFS - Fee For Service, NOI - Net Off Invoice, C-Direct - Commercial Direct, C-Distributor - Commercial Distributor

Terms and Conditions

- Bid/quotes do not pyramid with any other programs.
- Bid/quotes apply only to the operator stated on bid/quote.
- All bid/quotes are to the Distributor/School District unless otherwise specified.
- Must notify of award to activate bid/quote.
- Minimum Delivery is 5,000 pounds per invoice (NOT per order).
- Please note that dry and cooler items ship and invoice separately from frozen items.
- Land O'Lakes does honor bid pricing on purchases through redistributors. Requests for reimbursement must be submitted in the form of a bill back (no deductions will be

allowed through redistributors). Amount of bill back must not exceed the difference between Land O'Lakes' price list and the bid price . Land O'Lakes will not reimburse any additional charges associated with purchasing through redistribution.

COMMERCIAL PRICING

•• Land O'Lakes pricing for all K-12 products identified on this bid submission is subject to change with 30-day notification for the duration of the bid contract period as identified. Land O'Lakes reserves the right to adjust pricing based upon market conditions.

NET OFF INVOICE PRICING

•• The Net Off Invoice pricing provided is the GROSS PRICE. Please subtract the Pass Thru Value to arrive at the NET CASE PRICE.
•• Distributors are only eligible to deduct for the Pass Thru Value for schools that have a commodity balance with Land O Lakes . Once the commodity balance is depleted, the school should be invoiced at the commercial price.

Date/time values are shown in the **Central** time zone.