



SCHOOL BOARD ACTION REPORT

DATE: May 19, 2017
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Teresa Fields, Director, Nutrition Services; trfields@seattleschools.org
Pegi McEvoy, Assistant Superintendent, Operations; pmcevoy@seattleschools.org

For Introduction: June 7, 2017
For Action: June 28, 2017

1. TITLE

Approve the third year renewal of contract B01540 with Dairy Fresh Farms for Fluid Milk Products, Miscellaneous Dairy Products and Juice Products for 2017-18.

2. PURPOSE

The purpose of this action is to comply with Policy No. 6220, Procurement, as this action exceeds the \$250,000 threshold; and to ensure that the district has continuous delivery of dairy products for the Nutrition Services program for the 2017-18 school year.

3. RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to execute the Year 3 renewal of contract B01540 with Dairy Fresh Farms in the amount of \$1,001,809.00, for provision of fluid milk products, miscellaneous dairy products and juice products for the 2017-18 school year, in the form of the draft Agreement attached to the School Board Action Report, with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary actions to implement the contract.

4. BACKGROUND INFORMATION

Background: The quantities in this bid represent an estimate of the various products required to support the School Breakfast, Lunch and Afterschool Snack programs. The actual quantities to be purchased may vary depending on internal changes and student participation. For the Fluid Milk Products and for the Miscellaneous Dairy Products, prices are firm for 90 days after the bid opening and thereafter are subject to escalation, up or down, based upon cost changes in Class I and Class II milk and butterfat differential as determined by the Puget Sound Federal Milk Marketing Order or any Marketing Order established by authority of an agency of the State of Washington, including United States Department of Agriculture Federal Milk Order 124. Prices for Juice Products are firm for the contract period. Historically, Nutrition Services has been able to manage monthly price fluctuations for these products and will maintain this contract at the same approximate cost as in 2016-17.

The existing contract for Milk, Miscellaneous Dairy and Juice expires on August 31, 2017. Dairy Fresh Farms, Inc. submitted the lowest bid in 2015 for this contract. The contract amount for the 2017-18 school year is the same as the previous year. Nutrition Services has been able to manage the contract with the vendor within the budget.

Alternatives: If the contract is not awarded, fluid milk, miscellaneous dairy products and juice would not be available to students as part of the School Breakfast, Lunch or Snack programs at the start of the 2017-18 school year. An eight ounce serving of milk is a required component that must be offered to students at breakfast and lunch in order for Nutrition Services to receive federal reimbursement.

Research: N/A.

5. FISCAL IMPACT/REVENUE SOURCE

The cost of the contract for the 2017-18 school year is \$1,001,809.00. This represents no change from the previous year. The revenue source for this motion is currently budgeted in Nutrition Services Food Budget in the General Fund.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District’s Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

7. EQUITY ANALYSIS

Not applicable for this action, as it is the renewal of a three-year contract the district is committed to.

8. STUDENT BENEFIT

It is the policy of the Board that each school participate in the National School Lunch and School Breakfast Program and that the District encourages its students to develop good eating habits and understand and appreciate the kinds of food necessary to maintain good health. Dairy products are an important ingredient in a healthy diet for students and is an essential ingredient for their ability to be ready to learn.

9. WHY BOARD ACTION IS NECESSARY

Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)

10. POLICY IMPLICATION

Per policy No. 6220, Procurement, any contract over 250,000 must be brought before the Board for approval. Per Policy No. H61.00, Food Service, and Board Procedure No. H61.01, Breakfast and Lunch Program, it is the policy of the Board that each school participation in the National School Lunch and School Breakfast Program and the District intends for its students to develop

good eating habits and understand and appreciate the kind of food necessary to maintain good health.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the May 18, 2017 Operations Committee meeting. The Committee reviewed the motion and moved it forward to the full Board with a recommendation for approval.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the dairy products amendment will be executed to continue services beginning September 1, 2017.

13. ATTACHMENTS

- Contract B01540, Amendment No. 2