



# **SCHOOL BOARD ACTION REPORT**

**DATE:** June 20, 2018  
**FROM:** Dr. Larry Nyland, Superintendent  
**LEAD STAFF:** Pegi McEvoy, Assistant Superintendent of Operations  
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**For Introduction:** 6/27/2018  
**For Action:** 7/11/2018

## **1. TITLE**

Recommendation to award Fresh Produce Bid B02844

## **2. PURPOSE**

This board action would approve a contract for up to \$750,000 to provide fresh fruit and vegetable products for the district's breakfast, lunch and afterschool snack programs for 2018-2019, providing access to nutritious meals to all students in the district.

## **3. RECOMMENDED MOTION**

I move that the School Board authorize the Superintendent to execute a contract with Duck Delivery of Washington, Inc., covering the period from September 1, 2018 to August 31, 2019, for up to \$750,000.00 for fresh produce with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary actions to implement the contract. This contract has annual renewal options for two additional years.

## **4. BACKGROUND INFORMATION**

### **a. Background**

The existing contract for Fresh Produce expires on August 31, 2018.

The District advertised this contract in April 2018. One bid was received on May 10, 2018, from Duck Delivery of Washington, Inc. in the amount of \$423,064.10 annually.

The recommended contract amount is \$750,000. This varies from the bid amount for several reasons:

We used a "market basket" approach to bid the higher volume items, but there are additional items that will be purchased through the contract. In addition, since the bid is done in spring when produce prices are low and the prices are adjusted weekly, we must account for higher produce costs through the school year months. Finally, we would like to allow for expansion of the Fresh Fruit and Vegetable Program, for which we have applied but not yet been awarded. Seattle Public Schools participates in the National School Lunch Program, School Breakfast Program, Afterschool Snack Program and the Fresh Fruit and Vegetable Program and is required

to obtain fixed price contracts. Given the variable nature of produce availability and market prices, the Bid Price Form contains 36 items that are typically used the entire year and in high volumes and excludes most seasonal items that would be unavailable or very high priced at the time of bid. This design was to encourage more vendors to respond and to ensure bid analysis was not skewed by the seasonality of produce. The bidder's Total Annual Cost is based on items on the Bid Price Form. The actual quantities and items to be purchased may vary depending on internal changes and student participation.

Prices are firm for 90 days after bid opening and thereafter will be subject to escalation, up or down, based upon market prices. The contract will provide weekly pricing for the items on the Bid Price Form which are then firm for the subsequent week. The district reserves the right to purchase additional seasonal products that are not listed on the Bid Price Form from the awarded bidder, or purchase such products from other contracted vendors who have provided a lower quote for those items.

In addition, the bid quantities do not reflect the Fresh Fruit and Vegetable program, a grant that Nutrition Services has applied for but not yet been awarded for 2018-2019.

For reasons stated above, the Maximum Contract Amount was derived from a three-year average of produce expenditures. For this reason the Total Annual Cost on the awarded bid will differ from the Maximum Contract Amount.

This contract has annual renewal options for two additional years.

#### b. Alternatives

1. Use the Department of Defense Fresh Fruit and Vegetable program for all produce needs. We currently have diverted \$500,000 of our commodity donation dollars for 2018-2019 to the DOD program for the acquisition of fresh fruits and vegetables. However, the product list is limited so these funds are used for higher volume items that are used more frequently. If this was our only source we would not be able to serve the large variety of produce as we do currently.
2. Use our current food distributor, Food Services of America, for our produce needs. This option is available to us if needed, however, the prices are typically higher for many products and the delivery would not be available daily, causing storage issues and diminishing the freshness of the products. This vendor opted against submitting a bid that would require daily deliveries.

These alternatives were considered, however, this bid provides the lowest costs, highest quality and options and most flexibility.

#### c. Research

National School Lunch and National School Breakfast meal patterns require that sponsors offer a variety of fruits and/or vegetables.

### 5. **FISCAL IMPACT/REVENUE SOURCE**

Fiscal impact to this action will be \$750,000.00 for the 2018-19 school year.

The revenue source for this motion is Nutrition Services Food Budget.

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

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

This formal bid was for food products to support the School Breakfast, Lunch, Afterschool Snack and Fresh Fruit and Vegetable programs with specifications that meet U.S. Department of Agriculture guidelines.

## 7. **EQUITY ANALYSIS**

Nutrition Services provides meal service to students in a non-discriminatory manner per school board policy and U.S.D.A. guidelines. The Equity Analysis Tool was not run for this contract but the contract supports our mission that students have equitable access to food.

## 8. **STUDENT BENEFIT**

Fresh produce is an important component of appetizing, nutritious breakfasts and lunches that are appealing to students and provide them needed nutrition.

## 9. **WHY BOARD ACTION IS NECESSARY**

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

Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)

Adopting, amending, or repealing a Board policy

Formally accepting the completion of a public works project and closing out the contract

Legal requirement for the School Board to take action on this matter

Board Policy No. \_\_\_\_\_, [TITLE], provides the Board shall approve this item

Other: \_\_\_\_\_

**10. POLICY IMPLICATION**

Per Policy No. 6220, Procurement, any contract over \$250,000 must be brought before the Board for approval. Per Policy No. 6705, Food Service and Student Nutrition, fresh produce products are necessary to furnish students with nutritious breakfasts and lunches.

**11. BOARD COMMITTEE RECOMMENDATION**

This motion was discussed at the Operations Committee meeting on June 7. The Committee reviewed the motion and moved it forward to the full board with a recommendation for approval.

**12. TIMELINE FOR IMPLEMENTATION**

Upon Board approval, the Fresh Produce Agreement will be executed to initiate services beginning September 1, 2018.

**13. ATTACHMENTS**

None