

APPENDIX G: TECHNICAL SPECIFICATIONS

ITEM #	DESCRIPTION	Bidder to initial as Specified
1	<p>General Terms</p> <p>The contractor shall provide statewide United States Department of Agriculture (USDA) Foods warehousing and delivery service for Washington Office of Superintendent of Public Instruction (OSPI) and Washington State schools; public, private, and learning institutions that are participating in the Child Nutrition Food Distribution Program, which are currently known as Local Education Agencies (LEAs) on a month to month basis pursuant to the distribution list provided by OSPI.</p> <p>The Contractor shall provide sufficient warehouse space to store all inbound freight, including abnormal peak loads, at no additional cost to OSPI or LEAs. The exact amount of cases can vary depending on the flow of inbound and outflow of products to LEAs.</p> <p>The contractor shall furnish a warehousing facility with sufficient equipment, personnel, and space to receive, accept, unload, handle, store, inventory, and deliver perishable USDA Foods (frozen) and non-perishable USDA Foods (dry) items to LEAs.</p>	
2	<p>Clerical and Labor</p> <p>This agreement is subject to the rules and regulations of the USDA Food and Nutrition Service (FNS) Instruction 709-5 "Shipment and Receipt of USDA Foods" (<i>Appendix H</i>). Services required of the contractor are to receive, accept, unload, handle, store, inventory, and deliver USDA Foods. Contractor is responsible for arranging routes for delivery to all LEAs.</p> <p>Warehouse labor and clerical support for Contract Services should be included in the Bid price. It is imperative that the awarded contractor(s) have full time clerical support for processing of paperwork on site during normal business working hours for daily receipt and picking for shipment orders.</p> <p>Additional warehouse labor and clerical support may be required through no fault of the warehouse. In this type of emergency situation such as a food recall but not limited to, OSPI may authorize in writing additional hourly rates. See pricing sheet to list your additional hourly rate to be used in such situations.</p> <p>The Contractor shall not be paid for any additional warehouse labor or clerical support without obtaining the prior written authorization from OSPI.</p>	
3	<p>Information Technology</p> <p>The Contractor must have the capability to maintain computer information systems to interface with the USDA Web Based Supply Chain Management (WBSCM) and the current OSPI CNPWEB systems and to provide inventory tracking, report generation and upload/download capabilities. The Contractor must be capable of exchanging all data electronically. The Contractor will be expected to receive and send daily electronic files that contain LEA orders, confirmation, and delivery information to OSPI in a format agreed upon by OSPI and the Contractor.</p>	

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4	<p>Warehouse Operations</p> <p>At a minimum, the contractor’s warehousing facility must:</p> <ul style="list-style-type: none"> ● Be capable of storing OSPI’s units of USDA Foods (refer to <u>Appendix D</u> for historical information regarding the number of SKU’s of food received by OSPI). ● Have adequate docking facilities for the loading and unloading of inbound and outbound truck shipments. ● Have adequate dry, and freezer storage capabilities for storage of perishable and non-perishable food. OSPI shall have the right to determine which foods are to be placed in dry, and freezer storage and the contractor shall accept such determination. ● Be maintained in a clean, dry, and orderly manner to ensure the safety, and sanitary condition of the stored food. ● Be kept free of damaged food or food of questionable condition. ● Maintain foods at proper storage temperatures: freezer storage at zero degrees Fahrenheit and below, dry storage between fifty degrees Fahrenheit and seventy degrees Fahrenheit. ● The contractor shall either (1) visually take and post to a master sheet, two times per day, the room temperatures for freezer and dry storage, or (2) maintain an accurate continuous recording temperature chart for freezer and dry storage. The contractor shall keep the master sheets or charts on file. The contractor shall make the sheets or charts available to OSPI for inspection at any time. ● The contractor shall understand and agree that Hazard Analysis Critical Control Points (HACCP) requirements are applicable to the contract. Therefore, the contractor shall be subject to HACCP requirements, (http://www.fda.gov/food/guidanceregulation/haccp/default.htm). 	

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5	<p>Receiving / Storage</p> <p>Contractor will notify OSPI within three (3) days in writing when any product(s) are received, unless immediate verbal notification is specified below. The following information is needed:</p> <ul style="list-style-type: none"> • Within three (3) days after a shipment is received, the contractor must receipt the USDA foods (non-processed) shipments electronically in USDA’s WBSCM. The contractor shall designate an individual to receive an USDA E Authentication ID to receipt the shipments in the WBSCM. The contractor shall enter appropriate data regarding long, short, and/or damaged shipments in the WBSCM receipting process. • Food products received and identified by Sales Order/Purchase Order number (SO/PO), and/or other order identifiers as provided by USDA or OSPI with date received. • Truck number, carrier, or other identifier. • Seal numbers and condition of seals. • Number of pieces and actual gross/net weight. (Actual gross/net weight is obtained from the manifest.) • Over/short or damage report as applicable. • Warehousing lot number pertaining to receipt. • Visible damage because of shifted loads, toppled pallets, bad palletizing, etc., will be reported immediately by telephone to OSPI prior to offload, including photos whenever possible for backup documentation. • Disposal of damaged USDA Foods may be necessary as authorized by OSPI. • Charges for damaged USDA Foods due to warehouse carriers’ action will be related to the cost of visible damage resulting in unusable USDA Foods. <p>If requested by a LEA, the contractor shall store a LEAs allocation of food for a period of time, in lieu of delivering the food to the LEA. OSPI shall pay for the delivery of the food from OSPI’s inventory to the LEAs individual storage. All further charges are the responsibility of the LEA based on terms of an agreement established between the contractor and the LEA.</p>	
6	<p>Alternate Storage</p> <p>The contractor is responsible for providing an alternate storage site if the main warehouse cannot handle all receipts at a particular point in time. In the event it is necessary for the Contractor to secure additional space due to unforeseen circumstances, additional space secured by the Contractor shall be at Contractor’s expense and shall meet all specifications for warehouse and warehousing requirements as set forth in this RFP.</p> <p>Any transportation or transfer charges incurred by the warehouse in securing additional space shall be at Contractor’s expense. Contractor shall return USDA Foods to the primary location for distribution.</p>	

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7	<p>Receipt of USDA Foods</p> <p>OSPI and its warehouse Contractor are required to comply with USDA Food and Nutrition Service (FNS) Instruction 709-5. "Shipment and Receipt of USDA Foods". The Contractor is not allowed to take action outside the scope of this instruction without prior written approval by OSPI.</p> <p>Title passes to OSPI at the time products are unloaded from the truck, or piggyback trailers by Contractor warehouse personnel. Occasionally some shortage or damage may occur when loaded at the Supplier's plant or in transit. Claims against a carrier or supplier, or both, for the monetary loss are justified. Food and Nutrition Service or OSPI will determine liability and establish and pursue such claims. Therefore it is important that the contractor carefully check each shipment to assure that a complete delivery is made, that it is in good condition, and that any overage, shortage and/or damage is properly documented and reported. <u>Failure to do so will result in the Contractor being held liable for out-of-condition USDA Foods, even though the damage may have occurred before or during shipment.</u></p> <p>The Contractor shall receive inbound freight in accordance with the following instructions:</p> <ul style="list-style-type: none"> • Inspect the load for condition on arrival and verify accuracy of count. Indicate on the pallets the date received. • The USDA and processor delivery carriers are required to contact the contractor to schedule an unloading appointment at least 48 hours in advance. In the event a delivery carrier fails to make an appointment, the contractor must unload the USDA Foods as soon as conveniently possible within the normal, daily unloading hours. • The contractor shall notify OSPI immediately if a shipment of USDA Foods is received and the contractor has not received an expected USDA or processor delivery spreadsheet from OSPI. • The contractor shall not accept any food that is extensively damaged or is of a questionable condition without the expressed permission of OSPI. • The Contractor shall recoup salvageable product from partially damaged cases of product so that all food suitable for human consumption are salvaged for program use. 	

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8	<p>Shipment of USDA Foods</p> <p>The Contractor shall ship outbound freight in accordance with the following instructions:</p> <ul style="list-style-type: none"> • OSPI will supply the Contractor with Pick Lists/Bills of Lading electronically by the 25th of each month for the following month's delivery. Contractor shall be responsible to create delivery receipts documents for LEAs to sign upon delivery forwarding copy to OSPI. • The Contractor is responsible for arranging shipping times, dates, sorting the Bills of Lading into routes, establishing loading times and the loading order of each trailer to ensure that LEAs receive their deliveries during the allotted delivery window determined by OSPI. • Two (2) business days prior to delivery, the contractor shall contact the LEA with a specified date and time of delivery. The delivery window provided shall be a 2 hour time frame. Delivery drops shall be made between the hours of 6:00 am and 2:30 pm PST. The contractor must call the LEA if the delivery will not arrive on the scheduled day by 2:30 pm. • The Contractor shall pick orders prepared by OSPI. Orders consist of multiple types of food products in specified quantities. • When Multiple LEA's use a common destination (such as FSA or Sysco) orders may be picked at the master bill of lading, shipped at master bill of lading, and will bill/invoice OSPI at master bill of lading destination level. • Individual LEA shipments must be unitized on industry standard pallets and shrink-wrapped or secured with metal or plastic bands. • The contractor shall understand and agree that all deliveries are tailgate; this may in some case be a designated LEA storage location, a receiving dock or inside a building back door. • Delivery signatures and verification: A signature of driver, LEA, time and date is needed upon drop. Wherever possible discrepancies should be noted otherwise must be reported with 24 hours to receive credit. It is expected that LEAs practice approved HACCP plans for all USDA Foods received. • As outlined in the National Agency for Food and Drug Administration and Control Act code, foods must maintain proper temperatures during shipment: freezer storage at zero degrees Fahrenheit and below, dry storage between fifty degrees Fahrenheit and seventy degrees Fahrenheit. • It is recommended the vehicle be equipped with a GPS temperature monitoring device and OSPI shall be provided access to reports. 	

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9	<p>Storage and Damage</p> <p>Contractor is to inspect merchandise as it arrives at the warehouse and not to accept any damaged USDA Foods unless authorized to do so by OSPI (see Item 5 above - Receiving/Storage). Damaged merchandise received must be reported to OSPI before unloading.</p> <p>The Contractor shall be financially responsible for shortages and damages to USDA Foods that occur while in its possession. Contractor shall be responsible for replacing or paying the USDA Foods value, processing charges, cost of processed food products, including handling and storage costs for damaged or missing goods in the warehouse. Contractor may purchase replacement product. Replacement product shall be of like quality.</p> <p>Damage may be caused by dropping or improperly stacking product using a forklift or other mechanical equipment, or by other causes such as when water creates serious rust. Damage also includes infestation of product due to improper storage conditions.</p> <p>Hidden damage, such as exploded or leaking cans and damage or shortages due to manufacturer's negligence should be documented and reported to OSPI upon discovery. These shortages and damages will not be considered the financial responsibility of the Contractor as long as they are reported promptly, and supporting documentation is transmitted to OSPI, including photos whenever possible for backup.</p> <p>All damaged product must be disposed of by an acceptable method and in accordance with all federal, state, and local laws and health regulations.</p>	

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10	<p>Inventory</p> <p>The contractor shall inventory all incoming goods and report shortage, overage and damage. Subsequently, Contractor shall take a monthly inventory and verify it with the book inventory. Any discrepancies shall be reported to OSPI with the end-of-the-month inventory report. The Contractor shall submit to OSPI, not later than the third calendar day of the month following each month of transactions, a report of inventory on hand at the end of the month.</p> <p>The Contractor shall take a full physical inventory upon completion of the outbound shipment cycle of all USDA Foods monthly to reconcile with the book inventory and forward a copy to OSPI.</p> <p>Discrepancies between physical and book inventory shall be reconciled monthly or more frequently if required by OSPI. Irreconcilable shortages will be settled by computing the value of such shortages based on the USDA Foods value, processing charges, cost of processed food products, and will include handling and storage costs. A monetary of in-kind settlement from Contractor for the shortage amount will be required. In-kind replacement of product must be of like quality.</p> <p>Book inventory will be adjusted to correspond with physical inventory after settlement. The Contractor shall maintain records accounting for receipt and disposition of all USDA Foods. Records must be maintained for six (6) years following the close of the federal fiscal year (October 1 – September 30) to which they pertain and must be available for review at any reasonable time upon the request from either USDA or OSPI.</p> <p>An annual physical inventory shall be taken at the end of June. OSPI officials will make arrangements with the Contractor to coordinate and observe the physical count. Sufficient equipment shall be made available to the count team to ensure their safety and effectiveness during count cycle. Additionally, with respect to dry and freezer locations; appropriate outerwear shall be supplied to all members of the count team.</p> <p>Upon completion of inventory counting, all members must agree to final numbers and sign their names on contractor inventory count sheets. Once completed and signed by contractor, the figures are final and originals become the property of OSPI.</p>	
11	<p>Sanitation</p> <p>Contractor must keep warehouse clean with a passing grade from the American Sanitation Institute or equivalent as approved by the Washington Dept. of Agriculture, Food Safety Program. Food products are to be stored no closer to any wall than eighteen (18) inches. OSPI reserves the right to inspect any warehouse containing state property at any time during normal working hours.</p> <p>Warehouse facilities and warehousing practices must be continuously in compliance with federal, state, and local laws and regulations. The warehouse shall be licensed and inspected annually by the Washington Dept. of Agriculture, Food Safety Program, and other federal, state, or local officials may inspect the warehouse routinely.</p> <ul style="list-style-type: none"> • The Contractor shall not store or transport agriculture items, chemical products or other products that may be harmful to the quality of the food products in the same room with food commodities. • Rodent bait traps must be installed and maintained with a chart of their location and frequency of maintenance noted. • Damaged food products must be stored separately from food products that are in good condition. 	

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12	<p>Emergency Situation</p> <p>In the event of an emergency, disaster situation, or situation of distress as determined by Governmental officials or defined by the USDA; a support request from OSPI may be issued. In accordance with OSPI emergency support plan, the contractor shall deliver specified USDA Foods to designated sites, regardless of the volume of units of food, as soon as possible but shall be no later than 24 hours after notification by the state agency even if such occurs on a weekend or holiday. Documentation of these requests and activities shall be tracked separately from normal delivery parameters. The contractor shall give priority to such activities over all other LEA deliveries.</p>	
13	<p>Warranties</p> <p>Warranty on service standards. Contractor represents and warrants that: (i) Contractor shall perform all services, and in accordance with the highest applicable professional and/or industry standards; and (ii) Contractor shall at all times during the term of the Contract utilize only personnel to perform the services who are qualified, competent, licensed and certified.</p> <p>Contractor’s warranties are in addition to and not in lieu of any other warranties. All warranties provided for in this Contract shall be cumulative, shall be deemed consistent and not in conflict, are intended to be given full force and effect and to be interpreted expansively to give the broadest warranty protection to OSPI.</p> <p>In the event of a conflict between the specifications and applicable federal or state laws, the federal or state laws shall prevail. Provided, however, in the event of conflict is based solely upon minimum standards, such as quality or safety, the higher or more stringent standard shall apply. Contractor shall be responsible for making any modifications required to achieve compliance with the required laws and standards. Contractor shall notify the OSPI of any such required modifications upon receipt of knowledge or notification of such.</p>	
14	<p>Inspections</p> <p>OSPI may perform on-site inspections of the warehouse and storage facilities at any time during the term(s) of the Contract to ensure that the Contract requirements are being met.</p>	
15	<p>Disposal of USDA Foods</p> <p>Upon the request of OSPI, the contractor may dispose of food products. Contractor is cautioned that all the food product must be disposed in accordance with USDA regulations, state statutes and local health authority.</p>	
16	<p>Liquidated Damages</p> <p>The contractor shall agree and understand that the failure to meet requirements stated herein is considered critical to the efficient operations of OSPI. However, since the amount of actual damages would be difficult to establish in the event the contractor fails to comply with the requirements of this contract, the contractor shall agree and understand that liquidated damages shall be reasonable and fair under the circumstances. OSPI reserves the right to asses liquidated damages of up to ten (10) percent that may be deducted from monthly invoices.</p>	

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17	<p>Invoicing and Payments</p> <p>Prior to any payments becoming due under the contract, the contractor must register in the Statewide Vendor Payment System as defined in section 2.7 of contract model.</p> <ul style="list-style-type: none"> • The contractor understands and agrees that OSPI reserves the right to make contract payments through electronic funds transfer (EFT). • Terms shall be net 30 days for invoices submitted by contractor. • The contractor must submit invoices on the contractor’s original descriptive business invoice form and must use a unique invoice number with each invoice submitted. Only services defined in this contract will be paid, any additional unforeseen charges will not be paid without OPSI’s written approval. • Contractor shall invoice LEAs that have separate accounts with contractor. 	

Bidders Signature:	Date:
Company:	