



STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET

March 31, 2015

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER
FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: KIM JONES
STATE CONTRACT PROCUREMENT OFFICER I
302-857-4584

SUBJECT: **AWARD NOTICE**
CONTRACT NO. GSS15728-FOOD_PROD
Food Products and Services

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OF
KEY CONTRACT INFORMATION**

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KEY CONTRACT INFORMATION

1. MANDATORY USE CONTRACT

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REF: Title 29, Chapter 6911(d) Delaware Code. Every state department and agency within the Executive Branch and Judicial Branch of the state government shall procure all material, equipment and nonprofessional services through the statewide contracts administered by Government Support Services, Office of Management and Budget. Delaware State University, Delaware Technical and Community College, the operations funded by Public School Districts, Delaware Transit Corporation, the Legislative Branch and the Board of Pension Trustees and their consultants are specifically exempted from the requirements of this subsection.

2. CONTRACT PERIOD

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Each Vendor's contract shall be valid for a one (1) year period from April 1, 2015 through March 31, 2016. Each contract may be renewed for two (2) one (1) year periods through negotiation between the Vendor and Government Support Services. Negotiation may be initiated no later than ninety (90) days prior to the termination of the current agreement.

3. VENDORS

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| | |
|---|--|
| GSS15728-FOOD_PROD V01 Good Source Solutions, Inc. 3115 Melrose Drive, Suite 160 Carlsbad, CA 92010 Attn: Gil Hines PH: 800-735-4319 FX: 858-435-1175 EM: ghines@goodsource.com FSF: 0000046037 Award: Market basket ONLY | GSS15728-FOOD_PROD V02 H. Schrier & Co., Inc. 4901 Glenwood Road Brooklyn, NY 11234 Attn: David Libertoff PH: 718-258-7500 FX: 718-258-9586 EM: DLibertoff@schrierfoodservice.com FSF: 0000002187 Award: Entire Contract |
| GSS15728-FOOD_PROD V03 Sysco Eastern Maryland 33239 Costen Road Pocomoke, MD 21851 Attn: Nancy Linck PH: 410-677-5527 FX: 800-677-9726 EM: Linck.Nancy@emd.sysco.com FSF:0000033811 Award: Market basket ONLY | |

4. SHIPPING TERMS

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F.O.B. destination; freight pre-paid.

5. DELIVERIES

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Locations will expect weekly order delivery.

Product is expected to be in stock and available for delivery within a five (5) business day lead time.

In case of unforeseen circumstances, one 'Emergency Need' delivery per month must be permitted. 'Emergency Need' deliveries are to be made within 72 hours of original order.

Deliveries are to be made in a climate-controlled truck for refrigerated or frozen foods.

Vendor delivery personnel must assist in unloading.

Total poundage per item delivered must be within a five percent (5%) tolerance of the specified amount ordered.

6. PRICING

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Prices shall remain firm for the term of the contract unless Government Support Services accepts and agrees to a price adjustment as specified below.

7. PRICE ADJUSTMENT

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The Vendor is not prohibited from offering a price reduction on its services or materiel offered under the contract. The State is not prohibited from requesting a price reduction on those services or materiel during the initial term or any subsequent options that the State may agree to exercise.

Price adjustments for this contract will be calculated as follows: Quoted prices shall be adjusted on a quarterly basis for the contract term (July 1, October 1, 2015 and January 1, 2016) based on the change in value of the U.S. Department of Labor; Bureau of Labor Statistics; Producer Price Index (PPI) (series id: WPUSOP3110) for Finished Consumer Foods.

The method of price adjustment will be to review the most recent non-preliminary index available on the first day of the month immediately preceding the quarterly adjustment date. The change in the index rate over the most recent non-preliminary quarter will be used to determine the change in prices for the contract quarterly period. There will be no consideration given to price fluctuation outside of that most recent quarter.

It is the vendors responsibility to obtain the correct percentage of change, accurately fill out and submit the excel document, and address any related questions or concerns with the contract officer in writing well in advance of the deadline for price submissions or their submission may be rejected.

The website for the Producer Price Index (PPI) is <http://data.bls.gov/cgi-bin/srgate> .

The vendor must submit a written request for price increases during the time frame as outlined below for their effectiveness date to the Government Support Services, Attn: Shelly Alioa, State Contract Procurement Officer.

For price changes effective July 1, 2015 through September 30, 2015 requests must be submitted between June 1, 2015 through June 15, 2015.

For price changes effective October 1, 2015 through December 31, 2015 requests must be submitted between September 1, 2015 through September 15, 2015.

For price changes effective January 1, 2016 through March 31, 2016 requests must be submitted between December 1, 2015 through December 15, 2015.

Request for price increases must be accompanied by documentation, regardless of the vendors overall increase, price increases will not exceed the PPI stated above. No price increases are to be billed to the State facilities without prior written approval by Government Support Services. Price increases become effective with all orders placed on or after the effective date. The State of Delaware shall receive full proportionate benefits of price decreases immediately upon their effective date.

All prices submitted for approval will be in the original Appendix B Excel format document as submitted in the original proposal. When submitting requests for price changes, vendor shall be required to list the State Item Number and Complete identification of items requesting change. Vendor shall not delay or stop deliveries pending a price change. Failure to submit required information may result in denial for a price change.

ADDITIONAL TERMS AND CONDITIONS

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8. BILLING

The successful vendor is required to **"Bill as Shipped" to the respective ordering agency(s).** Ordering agencies shall provide at a minimum the contract number, ship to and bill to address, contract name and phone number.

9. PAYMENT

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

10. PRODUCT SUBSTITUTION

All items delivered during the life of the contract shall be of the same type and manufacture as specified unless specific approval is given by Government Support Services to do otherwise. Substitutions may require the submission of written specifications and product evaluation prior to any approvals being granted.

11. ORDERING PROCEDURE

Successful contractors are required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Each agency is responsible for placing their orders and may be accomplished by written purchase order, telephone, fax or computer on-line systems. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

12. PURCHASE ORDERS

Agencies that are part of the First State Financial (FSF) system are required to identify the contract number GSS15728-FOOD_PROD on all Purchase Orders (P.O.) and shall complete the same when entering P.O. information in the state's financial reporting system.

13. REQUIREMENTS

For a complete list of contract specifications please refer to the original bid solicitation document(s). Any contract specific documentation will be accessible through the hyperlink(s) provided on this contract's details page.

14. HOLD HARMLESS

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

15. NON-PERFORMANCE

In the event the contractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the contractor. Under no circumstances shall monies be due the contractor in the event open market products can be obtained below contract cost. Any monies charged to the contractor may be deducted from an open invoice.

16. FORCE MAJEURE

Neither the contractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government restriction, strike, flood, fire, or unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.

17. AGENCY'S RESPONSIBILITIES

The Agency shall:

- a. Examine and review in detail all letters, reports, drawings and other documents presented by the Contractor to the Agency and render to the Contractor in writing, findings and decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.
- b. Give prompt written notice to the Contractor whenever the Agency observes or otherwise becomes aware of any development that affects the scope or timing of the Contractor's services.
- c. When an ordering agency first experiences a relatively minor problem or difficulty with a vendor, the agency will contact the vendor directly and attempt to informally resolve the problem. This includes failure to perform by the date specified and any unacceptable difference(s) between the purchase order and the merchandise received. Ordering agencies should stress to vendors that they should expedite correction of the differences because failure to reply may result in an unfavorable rating in the execution of the awarded contract.

Award Notice

Contract No. GSS15728-FOOD_PROD

- d. The state has several remedies available to resolve non-performance issues with the contractor. The Agency should refer to the Contract Terms and Conditions to view these remedies. When a default occurs, the Agency should first review the contract to confirm that the issue is a part of the contract. If the issue is not covered by the contract, the state cannot expect the contractor to perform outside the agreement. If the issue is a part of the contract, the Agency or GSS - Contracting must then contact the contractor, discuss the reasons surrounding the default and establish a date when the contractor will resolve the non-performance issue.

- e. If there is a performance deficiency, a Corrective Action Report (CAR) may be used. Complete this form to report concerns with vendors or commodities. Be sure to furnish as much detail as possible. <http://gss.omb.delaware.gov/divisionwide/forms.shtml>.