This request for proposal (RFP) allows Child Nutrition Program - South Texas Cooperative (CNP-STC) members the opportunity to contract with qualified vendors to provide fresh dairy and juice products needed to meet United States Department of Agriculture (USDA) School Nutrition Program (SNP) requirements for the preparation of nutritious student meals and snacks. Item descriptions, specifications and/or technical requirements and estimated quantities and pricing, and/or price lists and/or catalogs have been provided by each vendor enclosed. Region One Education Service Center and its cooperative members are required to conduct a cost or price analysis for the procurement of goods and/or services not listed in the items tab, and within the scope of services offered with this bid solicitation. Cooperative members are responsible for the selection of goods and/or services available to meet their individual menu needs, nutrition goals, storage capabilities, and student preferences.

On May 23, 2018 Region One Education Service Center Purchasing Department, acting on behalf of its CNP-STC members, received two (2) responses to Dairy and Juice Products RFP 19-AGENCY-000051.

On June 19, 2018 the Region One ESC Board of Directors met to review and approve the recommendations of the CNP-STC, acting on behalf of its members, for award of Dairy and Juice Products RFP 19-AGENCY-000051. Proposals were evaluated to select the best qualified vendors based on the established criteria. Two (2) vendors were recommended for award. Vendors recommended for awarded had complete request for proposal submissions with an evaluation score of 70 or greater. The following vendors were awarded, as noted below, for CNP-STC Dairy and Juice Products RFP 19-AGENCY-000051 based on the proposals received, including pricing and services that best meet the needs of our member; effective August 1, 2018 through July 31, 2019 with the option to extend up to three (3) additional one-year periods if all parties are in agreement:

**Borden Dairy Company dba Borden Dairy Company of Texas, LLC – Dallas, TX:**
- Brownsville ISD
- Cameron County
- Edinburg CISD
- Hidalgo County Head Start
- Los Fresnos CISD
- Mercedes ISD
- Mission CISD
- Monte Alto ISD
- Ray mondville ISD
- Rio Hondo ISD
- Roma ISD
- Santa Rosa ISD
- STX Ed Tech/Horizon Montessori
- Zapata County ISD

**Dean Foods Company dba Southern Foods Group LLC dba Oak Farms Dairy – Dallas, TX:**
- Donna ISD
- Edcouch-Elsa ISD
- Harlingen CISD
- Hidalgo ISD
- IDEA Public Schools (all sites)
- Jim Hogg County ISD
- La Feria ISD
- La Joya ISD
- Laredo ISD
- Lasara ISD
- La Villa ISD
- Lyford ISD
- McAllen ISD
- PSJA ISD
- Point Isabel ISD
- Rio Grande City CISD
- San Isidro ISD
- San Perlita ISD
- Santa Maria ISD
- Sharyland ISD
- South Texas ISD
- Valley View ISD
- Weslaco ISD

Pricing for dairy products are subject to monthly escalation/de-escalation based on the Federal Milk Marketing Order (FMMO) as published by the USDA, juice and other product pricing is firm. For your convenience, the order guide has been revised on posted on the CNP-STC Webpage at [www.esc1.net/southtexascoop](http://www.esc1.net/southtexascoop), Awarded Bids & Proposals.

For additional information or questions, please contact the South Texas Cooperative at [eBuyOne@esc1.net](mailto:eBuyOne@esc1.net):
- Lori Atwood Ramos, Purchasing Coordinator, Phone: 956.984.6123
- Kristina Carrizales, Purchasing Cooperative Specialist, Phone: 956.984.6012
- America Retana, Purchasing Technician, Phone: 956.984.6217
School Nutrition Programs are required to comply with the Buy American Provision. Foods must meet the "domestic" standard, defined as an agricultural commodity that is produced in the U.S. and a food product that is processed in the U.S. substantially using agricultural commodities produced in the U.S. Therefore, over 51% of the final processed product (by weight or volume) must consist of agricultural commodities that were grown domestically. For foods that are unprocessed, agricultural commodities must be domestic, and for foods that are processed, they must be processed domestically using domestic agricultural food components that are comprised of over 51% domestically grown items, by weight or volume as determined by the SFA. For products procured by SFAs for use in the Child Nutrition Programs using nonprofit food service account funds, the product’s food component is considered the agricultural commodity. FNS defines food component as one of the food groups which comprises reimbursable meals. The food components are: meats/meat alternates, grains, vegetables, fruits, and fluid milk. Refer to 7 CFR 210.2 for full definitions. Any product processed by a winning vendor must contain over 51% of the product’s food component, by weight or volume, from U.S. origin. This definition of domestic product serves both the needs of schools and American agriculture. Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are considered domestic products under this provision as these products are from the territories of the U.S. Vendors are required to list each food and/or beverage item they are proposing that does not meet the Buy American Provision. There are limited exceptions to the Buy American American Provision: 1. The product is not produced or manufactured in the U.S. in sufficient and reasonable quantities of satisfactory quality; or 2. Competitive bids reveal the cost of a U.S. product is significantly higher than the non-domestic product. See USDA-FNS memo SP 38-2017 Compliance with and Enforcement of the Buy American Provision in the National School Lunch Program.

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<th>Item #:</th>
<th>Description:</th>
<th>Country of Origin:</th>
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<th>Exception:</th>
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<td>6 oz Apple Juice</td>
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August 23, 2017

RE: Buy American Act – Orange Juice

To our valued customers:

The Buy American Act, Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998, includes a provision, Section 12(n) of the NSLA (42 USC 1760(n)), requiring School Food Authorities to purchase domestically grown and processed foods to the maximum extent practicable. USDA memo SP-24-2016 contains exceptions to this provision, which permit a Food Service Authority to source non-domestic if:

1. the product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality; or
2. competitive bids reveal the costs of a U.S. product are significantly higher than the foreign product.

Borden Dairy Company sources orange juice concentrate from major U.S.-based suppliers. Information provided by the suppliers states that the domestic supply of orange juice is limited and the price for multi-country origin orange juice is generally one-half the cost of the domestic product and there are no supply issues with the multi-country juice. Attached is information from one of our suppliers regarding the limited supply and pricing issues related to orange juice. Please note that the nutritional value of the juice is the same regardless of country of origin.

Borden Dairy Company appreciates your business and is committed to providing our customers with the highest quality products. Please do not hesitate to contact us if we may be of further assistance.

Sincerely,

Lou Savarese
Sr. Director Supply Chain - Procurement
Florida Fruit Supply Shrinks – Juice Supply Shrinks

Florida Fruit Supply Shrinking

Florida Juice Supply Shrinking

Florida Orange Production (MM boxes)

Domestic Fruit Supply Disappears

USDA forecast

Confidential
NOTE: The data is based upon the Florida Department of Citrus data.
Florida Fruit Costs increased 27%

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<th>Variety</th>
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<td>2015-16</td>
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<tr>
<td>Early &amp; Midseason Oranges</td>
<td>$1.89</td>
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</tbody>
</table>

Florida Juice Costs based upon this high cost of Florida fruit are now over $3/ps.

Juice Costs based upon multi-country fruit is less than $1.50/gallon.

Confidential
NOTE: The data is based upon the Florida Department of Citrus data.
School Nutrition Programs are required to comply with the Buy American Provision. Foods must meet the "domestic" standard, defined as an agricultural commodity that is produced in the U.S. and a food product that is processed in the U.S. substantially using agricultural commodities produced in the U.S. Therefore, over 51% of the final processed product (by weight or volume) must consist of agricultural commodities that were grown domestically. For foods that are unprocessed, agricultural commodities must be domestic, and for foods that are processed, they must be processed domestically using domestic agricultural food components that are comprised of over 51% domestically grown items, by weight or volume as determined by the SFA. For products procured by SFAs for use in the Child Nutrition Programs using nonprofit food service account funds, the product’s food component is considered the agricultural commodity. FNS defines food component as one of the food groups which comprises reimbursable meals. The food components are: meats/meat alternates, grains, vegetables, fruits, and fluid milk. Refer to 7 CFR 210.2 for full definitions. Any product processed by a winning vendor must contain over 51% of the product’s food component, by weight or volume, from U.S. origin. This definition of domestic product serves both the needs of schools and American agriculture. Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are considered domestic products under this provision as these products are from the territories of the U.S. Vendors are required to list each food and/or beverage item they are proposing that does not meet the Buy American Provision. There are limited exceptions to the Buy American American Provision: 1. The product is not produced or manufactured in the U.S. in sufficient and reasonable quantities of satisfactory quality; or 2. Competitive bids reveal the cost of a U.S. product is significantly higher than the non-domestic product. See USDA-FNS memo SP 38-2017 Compliance with and Enforcement of the Buy American Provision in the National School Lunch Program.

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<td>SEE ATTACHED JUICE LETTER</td>
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January 5, 2018

Dear Valued Customer:

Re: “Buy American” Requirements

Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 requires school food authorities (SFAs) to purchase, to the maximum extent practicable, “domestic commodity or product” which is either: (1) an agricultural commodity produced in the U.S.; or (2) a food product processed in the U.S. using “substantial” agricultural commodities that are produced in the U.S. “Substantial” means that over 51% of the final processed product consists of agricultural commodities that are produced in the U.S.

As you can read in the guidance link above, there are limited exceptions to the Buy American provision which allow for the purchase of products not meeting the “domestic” standard as described (“non-domestic”) in circumstances when use of domestic products is truly not practicable.

These exceptions, as outlined in the guidance, are:

- The product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality; or
- Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product.

Today, Country Pure Foods certifies our line of four ounce cartons of 100% juice packed under the BuyAm Select label comply with the Buy American provision of the William F. Goodling Child Nutrition Act of 1998. The flavors available under the BuyAm Select lineup include Apple Juice, Orange Juice, Grape Juice and 100% Punch. The approximate upcharge to source domestic solids for these four SKUs is shown below in this letter.

Regarding the rest of our juice products, many are made with juice concentrates that are not practicable to source 100% domestically due to supply constraints. We appreciate that you want to menu juices for the schoolchildren of America. To help you understand the magnitude of this and to assist you to invoke the "exception" language above, we offer the following information:

- **Apple Juice products** – Cost approximately +20%-25% more than imported if ample supply is available.
- **Orange Juice products** – Cost approximately +30% more than imported if ample supply is available.
- **100% Punch products** – Cost approximately +20%-25% more than imported if ample supply is available.
- **Grape Juice products** – Cost approximately +10%-15% more than imported if ample supply is available.
- **Pineapple products** – no domestic pineapple available.

We thank you for your inquiry and trust this gives you additional insight. If you have any questions regarding this letter, please contact your local Regional Sales Manager or Customer Service (877 99JUICE).

Regards,

Joseph M. Koch
Country Pure Foods

Corporate Address: 222 S. Main St. Suite 401, Akron OH 44314 330 753 2293