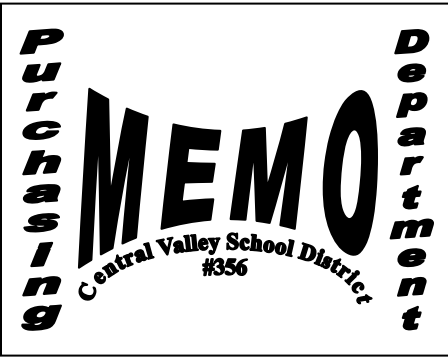


<b>To:</b>	Jan Hutton Executive Director of Finance
<b>From:</b>	Darren King, C.P.M. <i>Darren</i> (509) 228-5476 Purchasing Manager
<b>Date:</b>	June 12, 2009
<b>Subject:</b>	Bakery Products (Cooperative) 2009-10 Bid: 376-09-03-B



On April 28, 2009 we received bids for Bakery Products (Cooperative) 2009-10 for the district's Nutrition Services needs. We received one bid instead of our desired three.

In review of our process, I found that all of our legal and policy requirements were met as well as additional customary practices that go beyond our requirements. We advertised in the Spokesman Review to encourage vendors to bid on this contract. All local bakeries that potentially could supply our bakery needs were faxed a Call for Bids flyer soliciting their participation in the bid process. A total of nine different companies in the Spokane marketplace were notified. If we canceled the bid and bid again, I would expect the same response. Many of the smaller bakeries don't have the facilities to meet our needs.

We did receive a letter from our current bakery products supplier, Franz Family Bakeries (a.k.a. Snyder's), and they listed their reasons for not bidding as the duration of the bid was more than one year, and it's rare for them to extend terms past 14 days. Our payment method would make it impossible to pay within 14 days.

We did allow the bid items to be frozen prior to delivery in order to open up the competition between vendors this year as we have had difficulty getting more than Franz to respond in the past. The bid pricing on many of the items are less expensive than our current contract with Franz. The few items that are more expensive this year have other options that could be chosen at a savings. For example, instead of purchasing the 1/2" sliced wheat bread, the standard loaf of wheat bread is more competitive with the current contract.

The bid allows us to renew it up to two additional one-year terms and maintain pricing. FSA took exception to our method and originally wanted to pass increases in pricing from their supplier on to the district. They have sent a clarifying letter to the district stating they wouldn't be seeking an increase in pricing during the current one-year contract. Prior to each year's renewal the district shall confirm the pricing hasn't changed and if so we will issue a new bid for bakery products.

The responding vendor, Food Service of America, currently supplies our canned goods through the cooperative contract with Mead School District. We have been happy with their performance on the canned goods contract and feel confident in their ability to meet our bakery needs.

Based on our options, I recommend we award the contract to the responding bidder, Food Services of America.

C E N T R A L V A L L E Y S C H O O L S

Central Valley School District #356 Purchasing Dept. (509) 228-5476

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