



DALE COUNTY BOARD OF EDUCATION

OFFICE OF SUPERINTENDENT 202 S. HIGHWAY 123. SUITE E OZARK, ALABAMA 36360

PHONE (334)774-2355 WEB SITE: www.dalecountyboe.org FAX (334)774-1275



Dear Bid Representative:

INVITATION TO BID FOR MILK SERVICE

The Dale County School Board of Education will receive bids on Milk Service for the Child Nutrition Program in all the Dale County Schools, according to specifications attached, no later than 10:00 a.m., Monday, May 15, 2023, in the office of the Superintendent located at 202 S. Highway 123, Suite E, Ozark, Alabama 36360. Bids will be opened at this time.

Bid may be mailed or brought to the Superintendent's Office at the above address. Please mark sealed bid envelope "Sealed Bid for Milk".

The following requirements for Milk Service for the Board of Education have been developed in accordance with the terms and conditions of the Alabama Bid Law and shall be a part of the contract document as fully as if they were written verbatim into those documents and all bidders shall take it into account when preparing estimates.

If you have any questions regarding this bid, please contact: Denisa Clark, Child Nutrition Program Director, at 334-774-2355 ext. 4.

Sincerely,

Ben Baker Superintendent Dale County Schools

Attachments

DALE COUNTY BOARD OF EDUCATION

Child Nutrition Program 202 South Highway 123, Suite E Ozark, AL 36360

TITLE: MILK SERVICE

GENERAL INFORMATION

- 1. All bidders must use our form for submitting their bid.
- 2. All bids must be sealed and marked **SEALED BID FOR MILK PRODUCTS**.
- 3. Late bids will not be opened.
- 4. Bids will not include State Sales Tax or Federal Excise Taxes.
- 5. Records showing successful bidder(s) and prices quoted will be placed on file and may be examined upon request. If contract is awarded to someone other than lowest bidder, a note of explanation will appear in the bid file.
- 6. It is not the policy of the Dale County Board of Education to purchase on the basis of low bid only. Quality, conformity with the specifications, purpose for which required, terms of delivery, past service, and experience are among the factors that may be considered in determining the responsible bidder.

DISQUALIFICATION OF BIDS

Bids may be disqualified before awarding of the bid for any of the following:

- 1. Failure to mark and seal envelope as required.
- 2. Failure to sign bid document.
- 3. Failure to include requested information or other details of the bid.
- 4. Excessive errors in calculating prices and totals.
- 5. Failure to sign and include USDA Debarment and Suspension Certificate.
- 6. Failure to sign and submit e-verify information unless previously on file with Dale County Board of Education.

INSTRUCTIONS TO BIDDERS

Below are instructions to bid on Milk Service for the Child Nutrition Program of Dale County Schools. These specifications form the basis for service for the period of August 1, 2023 through July 31, 2024. Dale County Board of Education reserves the right to extend the contract annually an additional four (4) years. <u>Bid Opening: 10:00 a.m., Monday, May 15, 2023 at 202 South Highway 123, Suite E, Ozark, AL 36360</u>

1. Only Grade A pasteurized fluid milk and fluid milk products from a source which has attained and is maintaining a Sanitation Compliance Rating of not less than 90%, and which has been approved by the State Health Officer, will be acceptable. All milk shall be subject to inspection after arrival at destination. In any instance, where the milk fails to meet required requirements, the schools reserve the right, at the vendor's expense, to return the product. Milk failing to meet specifications included herein shall be reason to cause termination of contract.

- 2. A bid by a supplier may be submitted to provide Milk Products to the Office of the Superintendent of Dale County Schools. This bid will be awarded to the lowest and most responsible bidder meeting all requirements of specifications listed herein.
- 3. For bidding purposes only, the approximate daily volume will be provided. This does not, however, constitute a commitment to purchase this quantity during the time of this contract. Based on changes in student population and preferences, quantities may vary.
- 4. All items are bid are to be available for all schools in the Dale County School System.
- 5. The successful bidder will furnish and service all holding equipment in the schools where needed. After the awarding of the bid, the successful bidder will be given a list of needed holding equipment. The dairy agrees to be responsible for damage to the milk boxes or refrigerators, buildings, and grounds that are a direct result of carelessness of the deliveryman.
- 6. The low bidder will remove milk cartons from the case and place them into the coolers at time of delivery. Milk left over from a previous delivery is to be rotated in a manner to insure that the unused milk from the previous delivery will be used first or replace unused milk and/or unsatisfactory milk (off flavor, damaged containers, etc.) with fresh milk, each day at no cost to the Dale County Schools.
- 7. The low bidder must agree to deliver fresh milk and to furnish the Board of Education a letter stating the specified number of days between processing and expiration date for each type of milk. Milk delivered to schools must have a minimum of five days until the expiration date at the time of delivery to the schools. The low bidder must also agree to pick up and credit excess milk prior to holidays and such other times as school officials may reasonably request.
- 8. It is the intent of the Dale County Board of Education to pay milk invoices monthly. Therefore, the successful bidder must furnish daily invoice of delivery and also one monthly statement including the following information:
 - (1) Date of delivery
 - (2) Invoice or ticket number
 - (3) Quantity purchased
 - (4) Extended totals, etc.

For EACH school. Billing procedures must be acceptable to the Child Nutrition Department.

- 9. All one-half pint containers, in which milk for the school system is packaged, shall be: of an approved substance, sanitary and leak-proof. All containers must be treated to kill bacteria and provide adequate protection of contents from contamination.
- 10. A schedule for delivery will be developed with the successful bidder that will meet requirements of the school program.
- 11. Replacement supply of milk is to be available and provided within one hour to any school when the delivered product proves to be unacceptable or if the supply of milk in the school is lost.

- 12. Vendor will accept responsibility for reimbursement to any school that is unable to claim reimbursable meals due to lack of milk available to serve, with appropriate notice to vendor. Vendor will pay USDA reimbursement meal rate for the number of meals that were incomplete due to a lack of milk.
- 13. Should a bidder find discrepancies in or omissions from the bidding document or should be in doubt as to their meaning, clarification should be requested by calling the Superintendent's Office, Dale County Child Nutrition Program, Ozark, AL, Denisa Clark, CNP Director at telephone (334) 774-2355 ext. 4.
- 14. Products must be accepted by consumers, by taste, and consumption, otherwise, contract can and will be terminated.
- 15. This bid will be based on the present raw milk base price per hundredweight as set forth by the governmental agency controlling the price of raw milk in the area. To compensate for the fluctuation of the price of raw milk, the price of milk may be adjusted 1/10 of a cent per ½ pint up or down as the price of raw milk varies twenty cents (20¢) per hundredweight.
- 16. The Board of Education reserves the right to reject any and/or all bids or part thereof; to waive technicalities or informalities; and to award the contract to other than the lowest bidder, if cause can be documented.
- 17. The Dale County School System reserves the right to accept lowest bid on all items combined from one bidder or any feasible combination of bids from different companies.
- 18. The Dale County School System is not liable for Federal Excise or State Sales Tax.
- 19. Contractors shall comply with Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998. Contractors shall, to the maximum extent possible, utilize domestic commodities. The legislation defines "domestic commodity or product" as one that is produced in the United States or processed in the United States substantially using agricultural commodities that are produced in the United States. The term "substantially" shall mean that over 50 per cent of the final processed product shall consist of agricultural products that were grown domestically. Failure to abide by this provision shall result in the cancellation of the contract, the refund of <u>all</u> funds paid toward the purchase of such products, and the removal of the contractor from doing business with agencies of the State of Alabama for a period of not less than five (5) years.
- 20. Contractors must complete and submit attached e-verify information unless previously on file with Dale County Board of Education (see attached information).

Each proposal will be evaluated based on criteria and priorities defined by the Dale County Board of Education. Proposals will be screened based upon compliance with the base requirements. The evaluation criteria include, but are not limited to, the following:

- 1. The Vendor's overall qualifications based on past performance and company qualifications and certification.
- 2. The Vendor's ability to meet all the requirements detailed in the bid.
- 3. Best overall value and in the best interest of the Dale County Board of Education.
- 4. Vendor's acceptance of purchasing card.

MILK BID PROPOSAL FORM

DALE COUNTY BOARD OF EDUCATION Child Nutrition Program

Contract Date: August 1, 2023 - July 31, 2024

*Dale County Board of Education reserves the right to purchase variable combinations of fat free and/or 1% fat milk, based on individual schools' preference.

| ITEM | How Packed | Bid Unit | Estimated Usage (individual units) | Unit Price | Extended Total |
|------------------------------------|---------------|-------------|------------------------------------|---------------|-------------------|
| ½ Pint Low Fat (1%) Milk | ½ Pint | ½ Pint | 107,000 | | |
| ½ Pint Fat Free Chocolate Milk | ½ Pint | ½ Pint | 275,000 | | |
| ½ Pint Fat Free Strawberry Milk | ½ Pint | ½ Pint | 60,000 | | |
| TOTAL MILK BIDS | | | | | \$ |

In compliance with your invitation to bid on milk, the undersigned proposes to furnish The Dale County Board of Education with Milk Service, including needed equipment for the following schools: Ariton School, Ariton, AL., Dale County High School, Midland City, AL., G. W. Long School, Skipperville, AL., Midland City Elementary School, Midland City, AL., Newton Elementary School, Newton, AL., South Dale Middle School, Pinckard, AL

| The terms and conditions of this bid are understood and accepted. | | | |
|---|------|--|--|
| Company | | | |
| Signature of Official | Date | | |

Dale County Board of Education Child Nutrition Program 2023-24

Milk Delivery Schedule

As per instructions to bid for milk products, a delivery schedule for each school shall be implemented. This will inform the lunchroom managers when to expect deliveries and insure that deliveries do not interfere with the operations of the lunchrooms. Deliveries should be 2-3 times per week, between the hours of 6:30 a.m. – 2:00 p.m. Deliveries should be made only during regular working hours of the lunchroom staff. Under no circumstance will a key be provided to milk personnel for delivery before or after hours.

Please fill out the following to set up a tentative delivery schedule for each school:

| School | Name of Delivery | Phone # for | Days of week | Time of day |
|--------------|------------------|----------------|--------------|-------------|
| | person | emergency | to expect | to expect |
| | | contact person | delivery | delivery |
| Ariton High | | | _ | |
| School | | | | |
| Dale County | | | | |
| High | | | | |
| G. W. Long | | | | |
| School | | | | |
| Midland City | | | | |
| Elementary | | | | |
| Newton | | | | |
| Elementary | | | | |
| South Dale | | | | |
| Middle | | | | |

| Name and phone number of main contact person: | | |
|---|------------------------|------|
| Thank you for this information. Please sign and return one cowill be kept on file with your contract. | opy with the contract. | This |
| Signature of person responsible for schedule | Date | _ |

DALE COUNTY BOARD OF EDUCATION Child Nutrition Program SY 2023-24

Please contact: Denisa Clark, CNP Director for any questions: 334-774-2355 ext. 4

Equipment needs based on 2-3 deliveries/week.

Milk Equipment Needed:

| SCHOOL | CONTACT INFO | EQUIPMENT NEEDED |
|-----------------------------------|--|---------------------|
| Ariton High School | 264 Creel Richardson Drive Ariton, AL 36311 Josh Evans, Manager 334-445-5570 | 4 Milk Boxes |
| Dale County High School | 11740 County Road 59 Midland City, AL 36350 Joan Mallory, Manager 334-445-5571 | 3 Milk Boxes |
| G.W. Long School | 2567 County Road 60 Skipperville, AL 36374 Melita Smith, Manager 334-445-5572 | 4 Milk Boxes |
| Midland City Elementary School | 48 2 nd Street Midland City, AL 36350 Ilene Livingston, Manager 334-445-5573 | 2 Milk Boxes |
| Newton Elementary School | 523 College Street Newton, AL 36352 Melissa Mesey, Manager 334-445-5574 | 1 Milk Box |
| South Dale Middle School | 309 Randolf Street Pinckard, AL 36371 Elaine Rogers, Manager 334-445-5575 | 2 Milk Boxes |

Instructions for Certification

- 1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.
- 2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant kn9wingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- 3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- 4. The terms "covered transaction," debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
- 5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
- 6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
- 8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- 9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

U. S. DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, <u>Federal Register</u> (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS)

- 1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- 2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

| Organization Name |
|--|
| |
| PR/Award Number or Project Name |
| |
| Names(s) and Titles(s) of Authorized Representative(s) |
| |
| |
| |
| Signature(s) |
| |
| |
| |
| Date |

REQUIRED FEDERAL PROVISIONS FOR PROCUREMENT IN CNP PROGRAMS

Title 2: Grants and Agreements

PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS Subpart F—Audit Requirements Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

- (A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- (B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- (C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- (D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
- (E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- (F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
- (G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- (H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- (I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
- (J) See §200.322 Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

REOUIRED FEDERAL PROVISIONS FOR PROCUREMENT IN CNP PROGRAMS

Title 7: Agriculture

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Subpart E-State Agency and School Food Authority Responsibilities §210.21 Procurement.

(d) Buy American-

- (1) Definition of domestic commodity or product. In this paragraph (d), the term 'domestic commodity or product' means-
 - (i) An agricultural commodity that is produced in the United States; and
 - (ii) A food product that is processed in the United States substantially using agricultural commodities that are produced in the United States.
- (2) Requirement
 - (i) In general, Subject to paragraph (d)(2)(ii) of this section, the Department shall require that a school food authority purchase, to the maximum extent practicable, domestic commodities or products.
 - (ii) Limitations. Paragraph (d)(2)(i) of this section shall apply only to-
 - (A) A school food authority located in the contiguous United States; and
 - (B) A purchase of domestic commodity or product for the school lunch program under this part.

(f) Cost reimbursable contracts-

- (1) Required provisions. The school food authority must include the following provisions in all cost reimbursable contracts, including contracts with cost reimbursable provisions, and in solicitation documents prepared to obtain offers for such contracts:
 - (i) Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority;
 - (ii) (A) The contractor must separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or
 - (B) The contractor must exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification:
 - (iii) The contractor's determination of its allowable costs must be made in compliance with the applicable Departmental and Program regulations and Office of Management and Budget cost circulars;
 - (iv) The contractor must identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the school food authority for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. If approved by the State agency, the school food authority may permit the contractor to report this information on a less frequent basis than monthly, but no less frequently than annually:
 - (v) The contractor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract, and
 - (vi) The contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the State agency, or the Department.
- (2) Prohibited expenditures. No expenditure may be made from the nonprofit school food service account for any cost resulting from a cost reimbursable contract that fails to include the requirements of this section, nor may any expenditure be made from the nonprofit school food service account that permits or results in the contractor receiving payments in excess of the contractor's actual, net allowable costs.

(g) Geographic preference.

- (1) A school food authority participating in the Program, as well as State agencies making purchases on behalf of such school food authorities, may apply a geographic preference when procuring unprocessed locally grown or locally raised agricultural products. When utilizing the geographic preference to procure such products, the school food authority making the purchase or the State agency making purchases on behalf of such school food authorities have the discretion to determine the local area to which the geographic preference option will be applied;
- (2) For the purpose of applying the optional geographic procurement preference in paragraph (g)(1) of this section, "unprocessed locally grown or locally raised agricultural products" means only those agricultural products that retain their inherent character. The effects of the following food handling and preservation techniques shall not be considered as changing an agricultural product into a product of a different kind or character: Cooling; refrigerating; freezing; size adjustment made by peeling, slicing, citing, chopping, shucking, and grinding; forming ground products into patties without any additives or fillers; drying/dehydration; washing; packaging (such as placing eggs in cartons), vacuum packing and bagging (such as placing vegetables in bags or combining two or more types of vegetables or fruits in a single package); the addition of ascorbic acid or other preservatives to prevent oxidation of produce; butchering livestock and poultry; cleaning fish; and the pasteurization of milk.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture

Office of the Assistant Secretary for Civil Rights

1400 Independence Avenue, SW Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.