

Specifications for Staple Groceries

1. Purpose

In this Invitation to Bid (“ITB”), the State of Tennessee (“State”) is seeking to award one or more contracts (“Contract”) to Contractor(s) that can satisfy the State’s Staple Groceries needs. Staple Groceries are essential food and beverage items that are regularly consumed. Contractor(s) awarded a Contract pursuant to this ITB shall provide Staple Groceries to all Authorized Users at the same price and under the same terms and conditions.

The State invites all potential Respondents to provide competitive prices and quality, along with strong organizational capabilities. Additionally, the State is hoping to curtail spend on the categories listed in Section 3 of the specifications. Respondents must have the ability to restrict purchases on certain categories of items and must work with the State to minimize and eventually eliminate spend on items specified in the categories listed in Section 3.

2. Key Outcomes

By awarding one or more Contracts pursuant to this ITB, the State seeks to accomplish the following:

- a. To obtain competitive pricing by leveraging a Respondent’s specialization in food distribution
- b. To minimize spend on items that are specified in the categories listed in Section 3
- c. To reduce cost through operational efficiencies

3. Categories Not Allowed on this Contract

The State has chosen nine catalog categories, to classify items that can be purchased on this Contract. Contractors must work with the State to eliminate the purchase of items that do not fall into their respective catalog categories. The following are categories that are not allowed to be sold through this Contract.

- Paper Products
- Cleaning Supplies
- Packaging
- Equipment
- Smallwares
- Class I Dairy Products

4. Core Items and Catalog Categories

The Core items constituted a significant portion of the spend for Staple Groceries and will be used in the evaluation. The State expects competitive pricing on the Catalog categories.

Respondents are required to provide pricing for all Core Items and discount percentages for all Catalog categories to be considered responsive. Respondents must provide discount percentages for all categories and the corresponding catalog must be submitted as part of the bid. **The submitted catalog can be either an online catalog or catalog link containing categories and the list price must be verifiable.**

The Core Items represent a group of items representative of historical spend. Core Items include the State’s best estimate of the highest use and most essential items for Staple Groceries. Pricing must include all delivery (three to five business days), shipping, service, restocking, and administrative costs associated with the product.

The State will only accept items that are equal to or exceed the specifications to the items specified. Core Items identified in the specifications of this ITB are deemed to meet all written specifications. IF THE STATE DETERMINES THAT AN ITEM PROPOSED IS NOT EQUAL TO, OR EXCEEDS, SPECIFICATIONS, THE BID FOR THAT CATEGORY WILL BE CONSIDERED UNRESPONSIVE.

Catalog categories include:

- Frozen Foods Excluding Entrée's Excluding Desserts
- Frozen Entrée's
- Desserts
- Dry Foods
- Produce
- Fresh Meats
- Class II, III, and IV Dairy Products
- Fresh Eggs
- Beverages

5. Historical Spend

The following figures convey historical spend by State agency Authorized Users. The numbers can be used as estimates for future demand by State agency Authorized Users. However, all dollars spent are estimates only and the State shall not be obligated to purchase a minimum quantity of items.

Grocery Category	Average Yearly Historical Spend
Frozen Combination Meals	\$281,061.23
Beef	\$219,703.41
Juice	\$161,113.40
Water	\$116,605.24
Chicken	\$108,492.76
Frozen Prepared Potatoes Or Rice Or Pasta Or Stuffing	\$56,560.41

Crisps Or Chips Or Pretzels Or Mixes	\$54,817.79
Dipping Sauces Or Condiments Or Spreads Or Marinades	\$52,680.62
Frozen Cakes Or Pies Or Pastries	\$44,949.71
Frozen Bread	\$41,699.33
Sweet Biscuits Or Cookies	\$38,659.19
Frozen Sandwiches Or Filled Rolls	\$38,607.06
Prepared Eggs	\$37,827.54

6. Product Availability

The Contractor must communicate manufacturer's discontinuation of any products to the State Contract Manager in writing within at least 30 calendar days of the item's discontinuation. In such instances, Contractor shall work with the State Contract Manager to identify and implement alternative options that shall maintain or reduce costs and supply equal or greater quantities per UOM associated with the replacements.

7. Order Fill Rate

Order fill rates will be maintained at 98% or greater for all orders. Order fill rate, will be defined as "the total number of items on an order filled completely and delivered within the delivery timeframe divided by the total number of items on an order."

8. Order Confirmation

The Contractor shall send an order confirmation to the Authorized User, according to industry best practices.

9. Customer Service

Contractors must provide the State with a customer service team that will be dedicated to this Contract and be available at a minimum of Monday through Friday from 8AM to 5PM Central Time. Contractors must provide a toll-free telephone number, a toll-free fax number, website login, and an email address to contact the customer service team to place orders. This team will take orders from any State Authorized User.

10. K-12 School Purchases

All K-12 School Purchases must abide by the Buy American Provision.

11. Catalog Updates

This section outlines the establishment and maintenance of a comprehensive catalog extract for Staple Groceries within the framework of SWC 616. The products found in the catalog extract and offered to the state through SWC 616 will be derived from published catalogs, price lists, or price schedules as defined in this document. Contractors will electronically maintain and distribute these extracts to all Authorized Users. These extracts will only include the manufacturer's product range relevant to this Invitation to Bid's scope and purpose, chosen for inclusion by the State of Tennessee. Suppliers may update their catalogs for price increases, decreases, substitutions, and discontinued items semi-annually. Catalog updates will take place every January 1st and July 1st of each year. State approval will be necessary for any proposed additions or modifications to the catalog extracts.

12. Escalator Clause, Automatic Catalog P/I

Unit prices listed in the specific catalog or price list offered shall constitute the base price unit or unless changed by the publisher of the catalog or price list. A vendor/contractor may increase and shall decrease the price of individual products during the term of the contract to reflect changes in the catalog or price lists that are publicly published and applicable to all customers external to the State per Terms and Conditions Section 1.51. Base prices for any individual product sold under this contract may not be increased at a rate higher than offered to any other customer. The vendor/contractor agrees to furnish proof of such price changes upon request.

13. Fixed Bid Percentage Requirements

Bid percentage (%) discount must be fixed for the entire term of the contract, unless Supplier offers a higher percentage (%) discount and the change would be in the best interest of the State.