

STATE OF SOUTH DAKOTA
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL AVENUE
PIERRE, SOUTH DAKOTA 57501-3182

USDA COMMODITY WAREHOUSE STORAGE - ANNUAL

NOTICE
ADDENDUM 1

DATE: October 10, 2012
BUYER: Lisa Hubbard
PHONE: 605-773-4580

VENDORS:

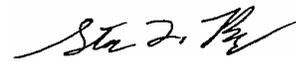
NORDICA WAREHOUSES, INC.

801 South 6th Avenue
Sioux Falls, SD 57104
Contact: David E. Lyng
Phone: (605) 336-9152 Extension 38
Fax: (605) 339-6197
Vendor #12044554
E-mail: dave.lyng@nordicawarehouses.com
CONTRACT #16246

Addendum 1 is being issued for the following:

Contracts have been extended until November 30, 2013.

All terms and conditions specified on the contract remain unchanged.



Steven L. Berg, Director
Office of Procurement Management



PMB 01231
BUREAU OF ADMINISTRATION
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL
PIERRE, SD 57501-3182
(605) 773-3405
FAX (605) 773-4840



USDA COMMODITY WAREHOUSE STORAGE

NOTICE OF AWARDS

Buyer: Lisa Hubbard - 014
Phone: 605-773-4580
Fax: 605-773-4840
Email: Lisa.Hubbard@state.sd.us
Date: November 29, 2011

- 1. Contract Term:** This notice establishes contract(s) resulting from IFB 25945 for a period of one year, from December 1, 2011 through November 30, 2012 inclusive. The IFB and the vendor's response, along with the South Dakota Vendor's Manual are made part of the vendor's contract by this reference.
- 2. Extension:** The State may, at its own discretion, extend a contract for an additional two (2) months past the original contract expiration date. Further extensions may be for a period of one year up to four (4) additional years. Notice shall be given by the State to the vendor at least 60 days prior to the termination of the contract, and the vendor shall agree to such extension within 30 days thereafter, before such extension period shall become effective.
- 3. Pricing:** Price increases will not be considered until this contract has been in effect for 150 days. Written requests for price escalation must be supported by dated manufacturer's printed price sheets or similar documentary evidence. This evidence must be presented to the Office of Procurement Management, and if approved, will become effective 30 working days after approval. Price increases will be allowed for the actual cost of the price increase from the manufacturer to the supplier only and must be presented as a percentage of increase, which will be used to adjust vendor pricing to the State. Price decreases are acceptable on invoice(s) presented for payment.
- 4. Delivery:** The contractor shall furnish and deliver all of the awarded items of supplies, equipment, and commodities enumerated in the schedules and specifications, at the price and according to the terms and conditions, and of the kind, quality, and amounts and at the times specified in the schedules and specifications. The supplies, equipment and commodities shall be delivered to the Director of the Office of Procurement Management or to such State Department or State agency as he shall direct and such delivery shall be made without cost to the State.
- 5.** In the event of the inability or failure of the contractor to furnish and deliver any item or items enumerated in the schedules and specifications at the time and in accordance with the terms and conditions therein provided, the Director of the Office of Procurement Management may contract for or purchase such supplies, equipment, and commodities in the open market and the contractor shall make good the excess over the price named in the schedule and specifications and the cost of such supplies, equipment, and commodities in the open market provided however, that the foregoing provisions shall not apply where other penalties for any default in the performance of the conditions of this contract are provided for in the schedules and specifications.

6. **Surety:** This contract(s) shall be in full force and effect upon the execution and delivery thereof and the furnishing and delivery by the Contractor, to the Office of Procurement Management, of a good and sufficient Surety Bond in the sum required by the above-referenced solicitation, to be approved by the Office of Procurement Management.


Steven L. Berg, Director
Office of Procurement Management

Date: 11/29/2011

Bookmarks

[Contractors](#)

CONTRACTORS

	<p>NORDICA WAREHOUSES, INC. 801 South 6th Avenue Sioux Falls, South Dakota 57104 Contact: David E. Lyng Telephone: (605) 336-9152 Ext. 38 Fax: (605) 339-6197 E-Mail: dave.lyng@nordicawarehouses.com</p> <p>Contract: 16246 Vendor #12044554</p>	

ITEM #	DESCRIPTION	PRICE PER HUNDRED WEIGHT PER DAY	CONTRACT #
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NATIONAL SCHOOL LUNCH			
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001	Refrigerated and Frozen Storage	\$.0393	16246
002	Dry Storage	\$.0296	16246
003	Handling Cost	\$1.18	16246

EMERGENCY FOOD ASSISTANCE			
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004	Refrigerated and Frozen Storage	\$.0282	16246
005	Dry Storage	\$.0238	16246
006	Handling Cost	\$.98	16246

**ADDITIONAL PROVISIONS TO
CONTRACT 16246
USDA COMMODITY WAREHOUSE STORAGE**

ATTACHMENT A

Contract #16246 is the result of IFB 25945 which is an annual contract to store US Department of Agriculture donated commodity products which will be delivered by a separate trucking contractor to local agencies in South Dakota. Agencies are approved by the South Dakota Department of Education - Child and Adult Nutrition Services. Warehouse will have adequate, secure, and clean storage space for dry, frozen, and refrigerated food items. Warehouse will have an electronic system for tracking movement of product and billing; means and ability to complete required paperwork in a timely manner; space with staffing able to pick and stage loads for delivery; staff and means to notify local agencies of schedules; and work with Child and Adult Nutrition Services for smooth operation. The requirements are detailed in the general specifications section.

Nordica Warehouse will maintain the warehouse in compliance with State and Federal regulations, FNS Instruction 709-5, 7 CFR Part 250 and any other executive orders which may apply. The complete 7 CFR Part 250 can be located at the following website: www.fns.usda.gov. The section reads in part:

7 CFR Part 250.12(b)(2)

(2) Subdistributing agencies, recipient agencies, warehouses, carriers, or other persons to whom donated foods are delivered by the distributing agency are responsible to the distributing agency for any improper distribution or use of donated foods or for any loss of, or damage to, donated foods caused by their fault or negligence,

7 CFR Part 250.14(d)

(d) Contracts. When contracting for storage facilities, distributing agencies and subdistributing agencies shall enter into written contracts to be effective for no longer than five years, including option years extending a contract. Before the exercise of option years, the storage facility shall update all pertinent information and demonstrate that all donated foods received during the previous contract period have been accounted for. The contract shall, at a minimum, contain the following:

(1) Assurance that the storage facilities will be maintained in accordance with the standards specified in paragraph (b) of this section;

(2) Evidence that donated food shall be clearly identified;

- (3) Assurance that an inventory system shall be maintained and an annual physical inventory will be conducted; and reconciled with the inventory records;
- (4) Beginning and ending dates of the contract;
- (5) A provision for immediate termination of the contract due to noncompliance on the part of the warehouse management;
- (6) A provision allowing for termination of the contract for cause by either party upon 30 days written notification;
- (7) The amount of any insurance coverage, which has been purchased to protect the value of food items which are being stored; and
- (8) Express written consent for inspection and inventory by the distributing agency, subdistributing agency, recipient agency, the Comptroller General, the Department or any of their duly authorized representatives.

Nordica Warehouse will be responsible for the following:

1. To coordinate with USDA's freight company for scheduling and appointments of deliveries.
2. Unload trucks upon their arrival at warehouse and to properly store commodities in warehouse.
3. To assume costs of demurrage and other charges which accrue after a truck or rail car has been placed for unloading by the delivery carrier or which accrue because placement of a truck or rail car is prevented.
4. To deliver warehouse receipts to the State agency showing proof of food products received in the warehouse on behalf of the State agency.
5. Upon receipt of manifest and pre-printed receipts from the State Agency, to load trucks and other delivery vehicles in order to transport commodity products to recipient agencies.
6. To provide insurance to cover loss of commodity product under control of the **Nordica Warehouse**.
7. **Nordica Warehouse** will maintain an inventory of pallets. The State of South Dakota will not be responsible for loss of pallets.

8. **Nordica Warehouse** will be responsible for coordinating loading schedules with the delivery contractor and placing commodity food products in a staging area for easy loading access. The staging area will be necessary for the assembly of refrigerated, frozen and dry product by the warehouse for recipient agencies according to distribution instructions furnished by the State agency. **Nordica Warehouse** is responsible to load delivery contractor trucks.
9. **Nordica Warehouse** will release commodity food products to the delivery contractor in accordance with delivery instructions furnished by the State agency. **Nordica Warehouse** will release to local agencies on a "will-call" basis in the city where the warehouse is located or as approved by the State agency.
10. **Nordica Warehouse** will provide notification to schools/agencies prior to delivery. In the event of delivery delays, **Nordica Warehouse** will work in conjunction with the delivery contractor to notify schools/agencies with a revised schedule. The delivery contractor shall have the primary responsibility of revised schedule notifications.
11. **Nordica Warehouse** will issue a bill of lading for each recipient agency in accordance with the amounts listed in the distribution instructions furnished by the State agency.
12. **Nordica Warehouse** will issue freight waybill in accordance with the amounts listed in the bill of lading, and the distribution instructions provided by the State Agency. Upon release of commodity product to the delivery contractor, **Nordica Warehouse** will furnish to the delivery contractor the needed copies of the bill of lading, freight waybill, and copies of the State agency delivery receipt for each recipient agency.
13. **Nordica Warehouse** will have an automated record keeping system subject to approval by the State agency.
14. **Nordica Warehouse** may be called on to furnish facilities, equipment, and administrative services in an effort approved by the State agency to provide processed donated foods to eligible recipients. The services provided would be negotiated between the contractor and industry.
15. **Nordica Warehouse** will permit appropriate State and/or Federal agency personnel to conduct an inventory of product being held in storage on behalf of the State agency and subject to this agreement at any reasonable times.

16. **Nordica Warehouse** will provide and insure a commitment to investigate in conjunction with the State agency, the South Dakota Office of the Attorney General and/or cognizant Federal agency any unexplained losses of commodity products held in storage.

COMMODITY STORAGE CAPACITY:

The State agency received approximately the following in net weight from USDA for use in the various food assistance programs: 1.9 million pounds.

The following are the approximated percentages for the amount of dry, frozen, and refrigerated commodity products. These percentages exclude commodity processed products for NSLP, which are primarily frozen items.

NSLP: Dry – 49%; Frozen – 16%; Refrigerated – 18%

TEFAP: Dry – 90%; Frozen – 10%. While the State agency had a minimum amount of refrigerated or frozen in this program, occasionally USDA makes available cheese, fresh produce or meats.

In addition, the NSLP anticipates approximately 200,000 pounds of raw product to be processed into value-added product. Depending upon the product, this may result in a range of 200,000 – 300,000 pounds of finished product. Cases of finished product range from 12 to 40 pounds.

Handling charges is an all inclusive price based on a per 100 weight.

Nordica Warehouse agrees and understands that some USDA donated foods may be delivered by USDA to a recipient agency where the best interest of the State or recipient agency is served. Direct shipments will be limited to larger recipient agencies.

INSURANCE:

Nordica Warehouse will provide an insurance certificate for all risk insurances for refrigerated, frozen, and dry products with the State of South Dakota named as additional insured. In addition, **Nordica Warehouse** will maintain and supply insurance certificates for general liability, workers compensation and automobile liability insurance during the performance of this contract.

PAYMENT:

The State of South Dakota will pay for services rendered for the USDA commodity food products allocated to schools/agencies on a weekly or monthly basis upon receipt of a signed State of South Dakota voucher and adequate documentation of services. Payment for charges will not be made until the commodity food products have shipped from the warehouse facility for delivery to recipient agencies.

Payment will be based on the USDA published standard gross weight for USDA commodities and the standard gross weight as indicated by the vendor/manufacturer for commodity processed products. Pallet weight and dunnage must be excluded from the gross weight of the case/container.

Invoices for storage and handling will be prepared by **Nordica Warehouse**.

Nordica Warehouse is responsible for collection of storage and handling costs from recipient agencies other than Public Schools and agencies participating in TEFAP. These costs are paid by the State of South Dakota to the extent of available State and Federal funds. In the event Federal and/or State funds are no longer available for these payments, the responsibility would rest with **Nordica Warehouse** for collection of costs from these agencies.