

DARKANSAS DEPARTMENT OF HUMAN SERVICES
PERFORMANCE BASED CONTRACTING

Pursuant to Ark. Code Ann. 19-11-267 et. seq., the selected contractor shall comply with performance-based standards. Following are the performance-based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. The contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.
- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable.
- IV. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards and may include the input of the vendor so as to establish standards that are reasonably achievable.
- V. The contract program deliverables and performance indicators to be performed by the contractor are:

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>A. GENERAL REQUIREMENTS</p> <ol style="list-style-type: none"> The vendor shall handle a wide variety of foods during any given year and the items and quantities shall vary from year to year; however, the vendor's facilities must have the capacity to store, at a minimum, the following quantities of USDA commodity foods during any given month: <ul style="list-style-type: none"> 150,000 cases of dry foods 25,000 cases of refrigerated foods 50,000 cases of frozen foods The vendor shall be required to absorb all one-time costs associated with accepting this contract, including but not limited to: <ol style="list-style-type: none"> Expenses associated with equipping the warehouse as needed in order to provide services required in this IFB. Expenses associated with moving commodities from the current vendor's location to the new vendor's location. Programming and/or upgrading of the vendor's computer system to make it compatible with the data processing requirements outlined in this IFB. The vendor shall accept, store and deliver only sound, recoupable, and undamaged commodities ordered by the ACDS for use in the NSLP and TEFAP programs. The vendor shall have access to full-size, eighteen-wheeler trucks with 40,000-pound capacities, forklifts, van trucks, dual compartment (refrigerated and non-refrigerated) trucks, slip-sheet handling equipment, and other vehicles and/or equipment in the quantities needed to provide the services required in this IFB. The vendor must follow Instructions given by the DHS Commodity Distribution Unit regarding shipment, receipt, delivery, and storage requirements for USDA commodity foods. 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>

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<p>6. The vendor must adhere to all USDA, FDA, ADH, and DHS regulations governing the storage, handling, and/or delivery of USDA commodity foods.</p> <p>7. The vendor shall provide the services for the receipt and delivery of USDA commodity foods as required in this solicitation and according to USDA FNS Revised Instructions 709-5 dated March 13, 2019, provided as Attachment H to this IFB, and the provisions of all applicable state and federal statutes, rules, and regulations, including but not limited to the National School Lunch and Child Nutrition Act; 7 CFR Section 210-251.</p> <p>8. The vendor shall comply with all applicable federal, state, and local laws and regulations pertaining to wages, hours, and conditions of employment.</p> <p>9. The vendor shall be responsible for paying any Monetary Settlement Claims levied by USDA against the vendor and/or against the DHS Commodity Distribution Unit resulting from the vendor's failure to properly secure, handle, store, and/or account for shipments.</p> <p>10. The vendor shall maintain All Risk Liability Insurance on all USDA commodity foods stored in the vendor's warehouse. The coverage amount must be equal to the market value of the USDA commodity foods in the vendor's warehouse at any one time.</p> <p>11. The vendor shall maintain All Risk Liability Transit Insurance for use during the transportation and delivery of USDA commodity foods to the distribution locations. The coverage must be equal to the market value of the USDA commodity foods on delivery vehicles at any one time.</p> <p>12. The vendor must possess a computer system capable of exchanging data with the ACDS and the DHS Commodity Distribution Unit using the Internet, such as downloading, sending, and receiving</p>		

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<p>delivery schedules, and downloading shipping instructions in specified formats, such as Excel.</p> <p>13. The vendor must have a recall program. The vendor's recall program must be able to identify, track and locate recalled USDA Food Commodities distributed to each location within twenty-four (24) hours of recall notification. The vendor shall notify recipients of recalled USDA commodity food and shall report information regarding the recall to the DHS Commodity Distribution Unit immediately upon knowledge of such recall.</p> <p>14. The vendor must perform a test of the product recall program and perform an assessment of recall procedures, annually.</p> <p>15. The vendor must provide instruction on the proper receipt, storage, and delivery of USDA commodity foods to all staff members who deliver, handle, receive, report on, and/or store USDA commodity foods. The vendor shall determine the training method.</p>		
<p>B. REFRIGERATION MANAGEMENT</p> <p>1. The warehouse must be equipped with a refrigeration temperature management system for refrigerated and frozen storage areas and must include an automated reporting system that records temperatures in 15-minute intervals, twenty-four (24) hours per day, seven (7) days per week.</p> <p>2. The vendor shall provide reports generated from the refrigeration temperature management system for annual audits, warehouse reviews, in instances when food loss occurs in which temperature is a factor, or upon request of the DHS Commodity Distribution Unit.</p> <p>3. The refrigeration temperature management system must have the capabilities to send alarms to a monitoring service and/or warehouse personnel in the event of a rise or fall in temperatures beyond required settings.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p>

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<ol style="list-style-type: none"> 4. If alarms are triggered by the refrigeration temperature management system, the vendor shall notify the DHS Commodity Distribution Unit immediately upon knowledge of the event for a determination of whether the USDA commodity food stored in the vendor's warehouse is salvageable or if it is to be destroyed. 5. The warehouse must be equipped with a monitoring system for leak detection if ammonia is to be used as a refrigerant. 6. The monitoring system must have the capabilities of automatic shutdown of the refrigeration system in the event of an ammonia leak. 7. The vendor shall notify the DHS Commodity Distribution Unit immediately upon knowledge of an automatic shutdown caused from an ammonia leak. The vendor shall proceed as instructed by the DHS Commodity Distribution Unit. 		<p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
<p>C. PEST CONTROL</p> <ol style="list-style-type: none"> 1. The vendor shall keep storage areas and aisles clean and free from litter and debris in order to reduce the possibility of infestation. 2. The vendor shall install and maintain industry approved rodent bait traps and, shall chart the trap locations on a floor plan of the warehouse. 3. The vendor shall inspect the rodent bait traps and warehouse area daily as to promptly detect any evidence of insect or rodent infestation. The vendor shall record the daily inspections in a Pest Control Inspection Log that shall be provided to the vendor upon award. The vendor shall make the Pest Control Inspection Log available to the DHS Commodity Distribution Unit for inspection upon request. 4. The vendor shall notify the DHS Commodity Distribution Unit within twenty-four (24) hours of any damaged, deteriorated, or infested commodities found in the warehouse. 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including</p>

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<ol style="list-style-type: none"> 5. The vendor shall have monthly licensed pest control services performed in accordance with all federal, state, and local rules and regulations. 6. The vendor shall maintain records on all fumigations and/or pest control applications performed during the monthly service and shall document such inspections and/or fumigations in the Pest Control Inspection Log. 7. The vendor shall move and restack any USDA commodity food susceptible to insect and/or rodent infestation if stored for more than three (3) months. 		<p>without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
<p>D. FIRE SAFETY</p> <ol style="list-style-type: none"> 1. The vendor shall comply with city, county, and local Fire Codes. 2. The vendor shall keep storage areas and aisles clean and free from litter and debris in order to reduce the possibility of fire. 3. The vendor shall keep fire extinguishers in the quantities and locations as required by city, county, and local Fire Codes. 4. The vendor shall maintain fire extinguishers and other fire-fighting equipment in good condition and, shall have inspections performed on such equipment a minimum of twice per year. 5. The vendor shall attach tags to individual pieces of fire-fighting equipment to show dates of inspections, recharging, and/or reconditioning of such equipment. 6. The warehouse must be equipped with a fire alarm system with the capability of being monitored twenty-four (24) hours per day, seven (7) days per week. 7. The vendor shall monitor fire alarms twenty-four (24) hours per day, seven (7) days per week, and shall notify the DHS Commodity Distribution Unit immediately upon knowledge of any fires in the warehouse. 8. The warehouse must be equipped with a sprinkler system per city, county and local Fire Codes. 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file</p>

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		and terminating the contract.
<p>E. HOURS OF SERVICE</p> <ol style="list-style-type: none"> 1. The vendor shall provide services for the receipt, storage, and distribution of USDA commodity food as outlined in this IFB to the Arkansas Department of Human Services DHS Commodity Distribution Unit and to the recipient agencies during normal business hours, which shall be Monday through Friday, 8:00 am.to 5:00 p.m., CST. 2. The vendor shall provide services required in this IFB during scheduled appointment times for agency pickups of USDA commodity foods, incoming shipments, and for any inspections and/or other service required in this bid solicitation. 3. The vendor shall provide services required in this IFB during crisis or disaster situations on a twenty-four (24) hour basis. A crisis or disaster situation shall include, but is not limited to, catastrophic disasters such as earthquakes, tornadoes, etc. where food is brought in for congregate feeding. DHS shall have the final determination as to which events qualify as a disaster or crisis. 4. The vendor shall provide access to the warehouse for USDA and personnel during normal business hours, Monday through Friday, 8:00 a.m. CST until 5:00 p.m. CST. 5. The vendor shall accept and provide storage for all sound, recoupable, and/or undamaged USDA commodity foods received during the hours of 8:00 a.m. to 5:00 p.m. CST, Monday through Friday unless additional scheduling has been mutually agreed upon by the vendor and the shipper/carrier in advance. 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
<p>F. RECEIPT OF USDA COMMODITIES</p> <ol style="list-style-type: none"> 1. Logistics <ol style="list-style-type: none"> a. The vendor must initially inspect each shipment and Bill of Lading prior to unloading This vendor shall inspect the security seals, the overall condition of the USDA 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p>

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<p>commodity food, and the number of units in the shipment against the delivery receipt</p> <p>b. If the security seal is broken, or if the security number of the seal does not match the serial number on the Bill of Lading, the vendor must refuse the shipment and contact the DHS Commodity Distribution Unit by telephone immediately. The vendor shall proceed as instructed by the DHS Commodity Distribution Unit</p> <p>c. The vendor shall conduct a complete and thorough inspection as the shipment is unloaded and prior to the carrier departing. The vendor shall inspect the condition of USDA commodity food, the condition of the containers, and the quantities received.</p> <p>d. If the shipment contains Over, Short, or Damaged (OS&D) USDA commodity food, the vendor shall ensure the carrier remains at the vendor's warehouse until a determination is made by the DHS Commodity Distribution Unit on how to proceed.</p> <p>e. The vendor shall unload shipments of USDA commodity foods within the Free Time allowed for palletized loads, free time is up to two (2) hours. For non-palletized loads, free time is up to six (6) hours. Failure to complete the unloading within the free time may incur a demurrage or detention charge.</p> <p>f. The vendor shall be responsible to pay any assessed demurrage and/or detention charges when shipments are not unloaded within the free time allotted. In instances when shipments are held by the DHS Commodity Distribution Unit, any demurrage and/or detention charges shall not be the responsibility of the vendor.</p>	<p>standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>

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<p>g. The vendor shall ensure the carrier's freezer or refrigeration unit remains on during unloading of USDA commodity foods</p> <p>h. The vendor shall receive inbound freight in accordance with acceptable industry practices and USDA Food and Nutrition Service (FNS) Instruction 709-5, Shipment and Receipt of USDA Foods, dated March 13, 2019. A copy of this document is listed as Attachment H to this IFB.</p> <p>i. USDA commodity foods shipped to the vendor's warehouse shall be entirely prepaid by USDA and the USDA food vendor, including product and freight.</p> <p>j. Poultry deliveries should arrive with documentation from USDA poultry inspectors. In instances where documentation is not provided upon delivery, the vendor shall be responsible for arranging inspections with USDA poultry inspectors to break the truck seal and check temperatures on all poultry shipments.</p> <p>k. The vendor shall accept both USDA and DHS Commodity Distribution Unit contracted shipments, including any shipments which may result from new contracts between recipient agencies and the DHS Commodity Distribution Unit.</p> <p>l. The USDA shipping periods shall be either the 1st through the 15th of the month, or the 15th through end of the month. The USDA food vendor is under contract with USDA to deliver orders placed by the DHS Commodity Distribution Unit to the warehouse vendor during one of these two periods.</p> <p>m. The vendor shall receive both palletized and slip-sheeted commodities. The vendor shall</p>		

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<p>provide the proper slip-sheet handling equipment.</p> <p>n. The vendor shall be required to unload a minimum of three (3) full eighteen-wheeler trucks per day.</p> <p>o. An overview of the warehouse activity for FY 2019 and FY 2020 for both the NSLP and TEFAP are provided as Attachments I and J, respectively. This data is provided for informational purposes only and shall not be construed as the actual activity which may result from this solicitation.</p> <p>p. The vendor must maintain a log of shipper/carrier deliveries, preferably in electronic format, and shall include the following information in the log-</p> <ul style="list-style-type: none"> • Name of the carrier (firm and driver for truck deliveries) • Date and time of notification for delivery • USDA commodity food to be delivered • Date and time of arrival • Date and time unloading commences • Date and time unloading is completed • Signature of the vendor, or designated representative, and signature of the carrier's representative <p>2. Notification of Shipments</p> <p>a. The DHS Commodity Distribution Unit shall notify the vendor via email with an Excel attachment of expected deliveries for the year as soon as the information becomes available to the DHS Commodity Distribution Unit.</p> <p>b. USDA shall notify the vendor with expected delivery dates for the year.</p>		

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<p>c. The DHS Commodity Distribution Unit shall notify the vendor monthly of any updated delivery schedules.</p> <p>d. The vendor shall be notified by the USDA automated email system and the DHS Commodity Distribution Unit of upcoming shipments.</p> <p>e. The vendor shall receive telephone correspondence from a USDA food vendor representative to schedule the exact date and time of delivery.</p> <p>3. Unloading Documents</p> <p>a. The Unloading Documents shall include the following:</p> <ul style="list-style-type: none"> • Bill of Lading • Warehouse Receiving Report • Unloading Tally • Forwarding Notice FNS-269 • Over, Short or Damaged (OS&D) Report, if applicable • Signed Salvage Receipts from carrier, if applicable • Inspection Reports, if applicable, such as poultry inspections, carrier inspections, and/or ADH inspections • Signed delivery receipts with any rejected commodities noted <p>b. The Bill of Lading, Unloading Tally, Forwarding Notice FNS-269, OS&O Report, Delivery Receipts, and any Poultry Inspection Reports shall be supplied by the USDA food vendor and presented to the warehouse vendor upon delivery of USDA commodity foods. The DHS Commodity Distribution Unit shall supply the vendor with the Warehouse Receiving Report.</p> <p>c. The vendor must read the truck temperatures, and temperatures of refrigerated and frozen USDA commodity foods at the time of truck opening. The vendor must document the temperatures on the</p>		

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<p>Unloading Tally, Forwarding Notice FNS-269, Warehouse Receiving Report, and the Bill of Lading.</p> <p>d. Prior to accepting USDA commodity food shipments, the vendor shall check and document the following additional information on the Warehouse Receiving Report:</p> <ul style="list-style-type: none"> • The seal numbers and the condition of seals • The pack dates and Best If Used By dates, if available • The condition of the USDA commodity food load, the truck, and/or trailer • The temperature of the truck upon opening • The adequacy of bracing and/or strapping • Any recouped commodities • Lot numbers assigned by the vendor • Any damage to USDA commodity foods upon receipt of shipment <p>e. The vendor shall forward the Warehouse Receiving Report to DHS Commodity Distribution Unit via fax or email, or per DHS discretion, along with additional Unloading Documents, by the end of the next business day following delivery.</p> <p>4. Lack of Capacity</p> <p>a. On the rare occasion whereby the quantity of USDA commodity foods received by the vendor exceeds the vendor's warehouse capacity, the vendor shall secure additional warehouse space to provide adequate storage for the excess of USDA commodity foods. This shall take place on the date and time of delivery</p>		

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<p>b. The need to secure additional warehouse space shall be the rare exception in extraordinary circumstances., such as a catastrophic disaster where food is brought in for congregate feeding. The need to secure additional warehouse space shall be determined and approved, in writing, by the DHS Commodity Distribution Unit prior to the vendor securing the additional warehouse space.</p> <p>c. Additional warehouse space secured by the vendor must meet the same specifications and requirements set forth in this IFB for the original warehouse space.</p> <p>d. The DHS Commodity Distribution Unit shall reserve the right to inspect any facility that may be used for additional warehouse space prior to the vendor securing the facility.</p> <p>e. Additional expenses connected with the securing, transfer, handling, and transportation to and from the additional warehouse space shall be borne by the vendor.</p> <p>5. Over, Short and Damaged (OS&D) USDA commodity foods</p> <p>a. The vendor must inspect the truck temperatures, and the temperatures of refrigerated and frozen USDA commodity foods at the time of truck opening. Upon inspection, if temperature is above forty (40) degrees Fahrenheit for refrigerated commodities, or above ten (10) degrees Fahrenheit for frozen commodities, or if the commodity is soft as determined by warehouse vendor personnel, the vendor must notify the DHS Commodity Distribution Unit by telephone immediately. The vendor shall then handle the</p>		

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<p>commodities as instructed by the DHS Commodity Distribution Unit.</p> <p>b. The vendor must inspect the condition and quantity of USDA commodity foods upon delivery, and shall reject containers having OS&D commodities. The vendor shall notify the DHS Commodity Distribution Unit, and the carrier's representative by telephone immediately upon receipt of any shipments containing OS&D commodities.</p> <p>c. When instructed by the DHS Commodity Distribution Unit, the vendor shall request a joint inspection with the carrier. Any joint inspection must be conducted within forty-eight (48) hours of receipt of any shipment containing OS&D USDA commodity food. The date, time, and name of the individual contacted shall be noted on the Forwarding Notice, and the OS&D Report.</p> <p>d. To determine the condition of USDA commodity foods when the carrier does not respond to an inspection request, the vendor shall follow instructions issued by the DHS Commodity Distribution Unit concerning the receipt and handling of OS&D USDA commodity food, such as documentation requirements, whether the vendor is to accept or reject the shipment, recoup all or portions of the shipment, release all or portions of the shipment to the carrier for salvage, or arrange inspections with USDA agents or state/local health authorities.</p> <p>e. In the event that the entire shipment, or large portions of the shipment, contain OS&D commodities that are not recoupable, as determined by the DHS Commodity Distribution Unit and/or any subsequent USDA or</p>		

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<p>state/local health authority inspections, the vendor shall mark all damaged, non-recoupable containers as "Not To Be Sold Or Exchanged" and "Railroad Salvage/Carrier Salvage". Upon instruction from the DHS Commodity Distribution Unit, the vendor shall release the containers to the carrier for salvage. The vendor must obliterate all USDA markings if the product is to be salvaged by the carrier for another use.</p> <p>f. When rejecting non-recoupable OS&D USDA commodity food, the vendor shall obtain the carrier's inspection report with written confirmation of damage if applicable, the delivery receipt noting any rejected commodities, the carrier's signature on the OS&D Report acknowledging the OS&D commodities, and a salvage receipt from the carrier, if applicable. The vendor shall submit these documents to the DHS Commodity Distribution Unit along with the additional Unloading Documents by the end of the next business day following delivery.</p> <p>g. If the carrier is unable or unwilling to accept rejected product for salvage within two (2) weeks, the vendor shall set rejected product aside for disposal.</p> <p>h. If upon inspection of the condition and quantity of USDA commodity foods it is determined by the vendor that insect or rodent Infestation is present, the vendor shall immediately notify the DHS Commodity Distribution Unit by telephone. The vendor shall follow the instructions received from the DHS Commodity Distribution Unit as to whether the load is to be returned to the food vendor or destroyed by the warehouse vendor. The costs of returning</p>		

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USDA commodity food shall be borne by the vendor.		
<p>G. RECOUPING USDA COMMODITY FOODS</p> <ol style="list-style-type: none"> 1. With confirmation from the DHS Commodity Distribution Unit, the vendor shall accept USDA commodity food units delivered with damaged outer cases or containers, but only when the inner cases or containers are sound and undamaged. The vendor shall assign these units to the same lot, and store in the same manner as undamaged units. 2. The vendor shall recoup the sound and undamaged inner cases or containers into new outer cases or containers as soon as possible but, shall not take longer than forty-eight (48) hours from receipt. 3. When recouping commodities, the vendor shall transfer all USDA food vendor markings to the new cases or containers. At a minimum, the markings must include the Lot Number and UPC, if available. 	Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
<p>H. DISPOSAL OF USDA COMMODITY FOODS</p> <ol style="list-style-type: none"> 1. The vendor must contact the DHS Commodity Distribution Unit for instruction prior to disposing of USDA commodity food. 2. The vendor must obtain appropriate inspections from the local Health Department to determine if the food is usable for other than human consumption. If upon inspection it is 	Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months'</p>

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<p>determined the food is usable for other than human consumption, the vendor shall contact the DHS Commodity Distribution Unit and proceed as instructed by the DHS Commodity Distribution Unit.</p> <p>3. The vendor must dispose of all USDA commodity food in accordance with all local, state, and federal regulations including the Food, Drug, and Cosmetics Act.</p> <p>4. The vendor must receive a Destruction Report from the local Health Department prior to disposal of USDA commodity foods.</p> <p>5. When disposing of USDA commodity foods, the vendor shall remove the food from its container or bag and dispose of both separately.</p> <p>6. The vendor shall bill all costs for disposing the USDA commodity food to the DHS Commodity Distribution Unit.</p>	<p>determined by DHS.</p>	<p>payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
<p>I. STORAGE OF USDA COMMODITY FOODS</p> <p>1. General Requirements</p> <p>a. The vendor shall store USDA commodity foods separately from other foods stored at the vendor's facility.</p> <p>b. Except in rare circumstances, the vendor shall store and ship all USDA commodity food for both the NSLP and TEFAP programs in and from a single location.</p> <p>2. Lot Identification</p> <p>a. The vendor shall assign a lot number to each shipment received for storage and shall mark, label, and/or tag each storage lot with its assigned number.</p> <p>b. The vendor shall record the assigned lot number on the</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>Warehouse Receiving Report. The assigned lot number must match the lot number recorded on the Warehouse Receiving Report.</p> <p>3. Quality Control</p> <p>a. The vendor shall ensure USDA commodity foods are not damaged and/or contaminated by moisture, foreign odors, inappropriate freezing, mold formation, rusting etc., by taking preventative measures such as the following:</p> <ul style="list-style-type: none"> • Maintaining a dry warehouse with no more than forty percent (40%) humidity • Utilization of fans to provide air circulation in storage areas • Storing USDA commodity foods on dry pallets and away from all chemicals, cleaning agents, or other types of harmful products that could contaminate food. • Providing air drying and heating equipment <p>b. The vendor shall rotate all commodities on a first-in, first-out (FIFO) basis in accordance with acceptable warehousing practices and must have a system in place prior to award which ensures all proper stock rotation practices and procedures are followed</p> <p>c. The vendor shall mark the date of receipt to the vendors warehouse on all USDA commodity food cases and containers.</p> <p>d. The DHS Commodity Distribution Unit shall periodically conduct inspections for proper FIFO compliance.</p>		<p>reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>e. The vendor shall not store, load, or deliver any USDA commodity food with chemicals or other products that may be harmful to the quality or safety of USDA commodity food. The DHS Commodity Distribution Unit may allow exceptions if such exceptions are documented as being compatible with standard industry practice and written authorization is obtained from the DHS Commodity Distribution Unit in advance.</p> <p>4. Refrigerated Storage</p> <p>a. The vendor shall store USDA commodity foods requiring refrigeration at 36 to 40 degrees Fahrenheit.</p> <p>b. The vendor shall provide main aisles and cross aisles which permit easy identification, inspection, inventorying, and removal of USDA commodity foods.</p> <p>c. The vendor shall check and document temperatures hourly.</p> <p>d. The vendor shall use fans to circulate air and maintain an even temperature.</p> <p>5. Dry Storage for Perishable Items</p> <p>a. The vendor shall provide dry storage for perishable USDA commodity foods between 50 to 60 degrees Fahrenheit.</p> <p>b. Fahrenheit.</p> <p>c. The vendor shall provide main aisles and cross aisles to permit easy identification, inspection, inventorying and removal of USDA commodity foods.</p> <p>d. The vendor shall add heat, as deemed necessary by the vendor, to prevent moisture from condensing on</p>		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ul style="list-style-type: none"> e. the stored USDA commodity foods. f. The vendor shall check and document temperatures hourly. <p>6. Dry Storage for Non-Perishable Items</p> <ul style="list-style-type: none"> a. The vendor shall store non-perishable USDA commodity foods at 60 to 70 degrees Fahrenheit. b. The vendor shall provide main aisles and cross aisles to permit easy identification, inspection, c. inventorying, and removal of USDA commodity foods d. The vendor shall add heat, as deemed necessary by the vendor, to prevent moisture from condensing on stored commodities <p>7. Frozen Storage</p> <ul style="list-style-type: none"> a. The vendor must store frozen USDA commodity foods at zero degrees Fahrenheit or below. b. The vendor shall provide main aisles and cross aisles in a manner that provides for easy identification, inspection, inventorying, and removal of USDA commodity foods. c. The vendor shall check and document freezer temperatures hourly. <p>8. Multi-Walled Paper Bag and Corrugated Solid Fiberboard Carton Storage</p> <ul style="list-style-type: none"> a. The vendor shall store multi-walled paper bag and corrugated solid fiberboard cartons on a smooth, clean, and dry surface and shall only use dry pallets to provide air circulation and to prevent moisture absorption from floors. 		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ul style="list-style-type: none"> b. The vendor shall not use green pallets to store multi-walled paper bagged commodities or solid fiberboard cartons. c. The vendor shall protect USDA commodity foods from projecting nails, sharp comers, or any item which could damage packaging. <p>9. Canned Goods, Glass or Plastic, and Metal Container Storage</p> <ul style="list-style-type: none"> a. The vendor must store containers with screw caps, friction covers, or vent plugs facing up. b. The vendor shall ensure against sudden temperature changes in order to prevent sweating of containers by using temperature controls in dry storage areas. <p>10. Stacking Restrictions</p> <ul style="list-style-type: none"> a. The vendor shall not stack pallets more than five (5) pallets high. b. The vendor must stack pallets In a way that allows for free and easy inspection and ready use of fire equipment. c. The vendor must provide a minimum of an (eighteen (18) inch clearance between the tops of stacks and sprinkler heads. d. The vendor shall stack each lot in an orderly manner and shall maintain sufficient clearances between adjacent stacks, walls, ceilings, and floors to provide proper air circulation, and between freezer room wall to prevent condensation and damage. Spacing, at the minimum, shall be six (6) inches from the ground, ceiling, and walls, with one (1) foot between stacks. 		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>J. DELIVERY OF USDA COMMODITIES</p> <p>1. General Requirements</p> <p>a. The vendor shall receive schedules for TEFAP deliveries from the DHS Commodity Distribution Unit via ACDS approximately twenty-four (24) hours in advance.</p> <p>b. The vendor shall deliver approximately ninety-nine percent (99%) of the USDA food commodities to recipient agencies and approximately one percent (1%) is estimated to be picked-up by recipient agencies.</p> <p>c. The vendor shall receive schedules from ACDS for NSLP deliveries approximately twenty-four (24) hours in advance. Upon receipt, the vendor shall send the delivery schedules via email in Excel format to the DHS Commodity Distribution Unit.</p> <p>d. The vendor shall only disburse USDA commodity food to eligible recipient agencies. The vendor must obtain computer-generated instructions through the ACDS or written instructions from the DHS Commodity Distribution Unit which must be signed by the DHS Commodity Distribution Unit's authorized personnel. Written or verbal instructions by an agency or verbal instructions by the DHS Commodity Distribution Unit shall not be permitted.</p> <p>e. The vendor shall not be paid for delivery of any item documented on the delivery receipt to be unfit for program use due to damage sustained while in transit aboard the vendor's delivery vehicle or as a direct result of improper storage while at the vendor's warehouse.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>f. The vendor shall use van trucks for delivery of dry commodities, refrigerated trucks for delivery of refrigerated commodities, or dual compartment refrigerated trucks for a combination of these deliveries.</p> <p>g. The number of vehicles required shall depend on the size of the trucks and may vary by region and delivery period.</p> <p>h. Delivery vehicles and equipment such as the refrigeration units, internal units, bulkheads, walls, ceilings, and doors shall be washed to deter offensive odors, as determined necessary by the vendor, and must be maintained in good condition. Unsanitary conditions shall not be allowed.</p> <p>i. Delivery personnel must be attired in a manner that identifies the vendor.</p> <p>j. Delivery of all USDA commodity food must originate from a single location, except in rare circumstances.</p> <p>k. The vendor shall not charge drop fees for small deliveries. The DHS Commodity Distribution Unit shall work with recipient agencies and the vendor to minimize or eliminate deliveries of fewer than ten (10) cases.</p> <p>l. The vendor shall clearly itemize each type of USDA commodity food using the product identification number and an item description on all shipping lists to recipient agencies.</p> <p>2. Loading Requirements</p> <p>a. The vendor shall place for loading and shall load only sound, undamaged USDA commodity foods.</p>		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ul style="list-style-type: none"> b. The vendor shall place all USDA commodity foods for loading in the loading area, organized by stop order, as determined by the of delivery driver, and shall conduct a preloading count. c. The vendor shall perform all loading of refrigerated and frozen USDA commodity food from a temperature- controlled (40-50 degrees Fahrenheit) loading dock. d. The vendor must pre-cool delivery vehicles to a minimum forty (40) degrees Fahrenheit before frozen or refrigerated USDA commodity food is loaded. e. The vendor shall not overload trucks. The vendor shall load trucks in a manner that complies with the Department of Transportation weight limits. <p>3. Delivery Requirements</p> <ul style="list-style-type: none"> a. The vendor shall deliver all USDA commodity food to recipient agencies on a monthly basis, or at other intervals mutually agreed upon by the vendor and the agency. b. In order to increase delivery efficiency by enabling recipient agencies to plan and schedule receiving personnel, the vendor either shall provide each recipient agency of the NSLP program with deliveries on the same weekday of each scheduled delivery period, or shall provide twenty-four (24) hours' advance notification of delivery to the recipient agency. c. Many TEFAP deliveries are time sensitive and there shall be instances when the vendor is requested by the DHS Commodity Distribution Unit to make such time sensitive 		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>deliveries. In these instances, the vendor shall take all steps necessary to schedule and make such deliveries at the time and place designated by the DHS Commodity Distribution Unit. Such time sensitive delivery requests shall be made no less than two (2) full business days prior to the requested delivery date.</p> <p>d. When requested by the DHS Commodity Distribution Unit, the vendor must provide delivery to all recipient agencies of the NSLP program during the months of August through May. TEFAP deliveries shall be scheduled during any of the twelve (12) months.</p> <p>e. The vendor shall make deliveries between the hours of 7:00 a.m. and 3:00 p.m. for the NSLP programs and between the hours of 8:00 a.m. and 4:00 p.m. for TEFAP programs, unless special arrangements between the vendor and the recipient agency have been made In advance.</p> <p>f. The vendor shall make deliveries Monday through Friday, except for planned closings, holidays or other times when certain recipient agencies are closed, such as for inclement weather.</p> <p>g. The DHS Commodity Distribution Unit shall provide the vendor with a list of each school district's planned closings. This shall be provided monthly and is to be used as a guide only and not as an absolute final schedule.</p> <p>h. If deliveries are delayed due to a cause beyond the control of the recipient agency, such as inclement weather, vendor equipment failure, or personnel problems, the vendor shall work with the affected recipient</p>		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ul style="list-style-type: none"> i. agency to arrange another agreeable time of delivery, which shall be before the next scheduled delivery date. j. The vendor shall not receive payment for attempted deliveries on days when a school or agency is closed. k. This shall include days when the school or agency is closed due to inclement weather, or for any other reason, even if the closing is not listed on the planned school closings lists. l. The vendor may deliver USDA commodity food in only straight loads or in mixed loads containing other foods that have been commercially purchased. The delivery of mixed loads shall not hinder compliance with any of the requirements outlined in this IFB. m. The vendor shall provide dry storage during delivery at a minimum fifty (50) degrees Fahrenheit and a maximum seventy (70) degrees Fahrenheit, refrigerated storage during delivery between thirty-six (36) degrees Fahrenheit and forty (40) degrees Fahrenheit, and frozen storage during delivery at zero (0) degrees Fahrenheit or below. n. The vendor shall follow standard industry practice pertaining to unusual delivery situations such as flooded or icy roads, business closures, or delivery vehicle malfunction. o. Throughout the delivery cycle, the vendor must mechanically record internal cargo temperatures using on-board recording devices, a minimum of four (4) times daily, or every thirty (30) minutes for deliveries not requiring long travel distance. 		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>4. Receipt of USDA Commodity Food By Recipient Agency</p> <ul style="list-style-type: none"> a. The vendor shall be notified by the DHS Commodity Distribution Unit of each agency's designated receiving areas prior to delivery. b. The vendor shall have access to each receiving area by truck and to a ground level unloading area or a c. standard truck dock. d. The vendor shall only be required to deliver USDA commodity food to the rear of the truck at the designated receiving areas at each recipient agency site. Recipient agency personnel shall be responsible for unloading USDA commodity food delivered by the vendor. e. The vendor shall instruct the recipient agency to verify the quantity of each type of USDA commodity food, the total of all quantities of USDA commodity food, and the condition of USDA commodity food delivered. f. The vendor shall instruct the recipient agency to note on the delivery receipt any variances from the norm such as shortages or damaged USDA commodity food. The vendor shall initial all such notations and shall obtain a signature from the recipient agency on each delivery receipt. g. The vendor shall not re-deliver any mis-picked, short, or damaged USDA commodity food. Any commodity not properly delivered at the time of the original delivery shall be considered cancelled and the DHS Commodity Distribution Unit shall enter new delivery Instructions to the vendor. 		
K. PICKUP OF USDA COMMODITIES	Acceptable performance is	1st Incident: A Corrective Action Plan

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ol style="list-style-type: none"> 1. The vendor must receive properly assigned, computer-generated instruction from the DHS Commodity Distribution Unit before recipient agencies, or DHS Commodity Distribution Unit personnel will be allowed to pick up any USDA commodity food stored in the vendor's warehouse. 2. The vendor shall receive 24-hour advance notice from the DHS Commodity Distribution Unit of agency pick up. 3. The vendor shall provide timely service to recipient agencies. 4. The vendor shall place only sound, undamaged products in the loading dock area for agency pick-up and loading by agency personnel. 5. When requested by the DHS Commodity Distribution Unit, the vendor shall load State vehicles with USDA commodity food picked up by the State agency. 	<p>defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>(CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
<p>L. INSPECTIONS AND INVENTORY</p> <ol style="list-style-type: none"> 1. During normal business hours, which shall be Monday through Friday, 8:00 a.m. until 5:00 p.m. CST, the vendor shall allow authorized representatives of the DHS Commodity Distribution Unit and/or USDA to inspect the vendor's warehouse and material handling equipment, inventory all USDA commodity food stored in the vendor's warehouse, and review all records pertaining to USDA commodity food. 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>2. Any inspection or inventory conducted by the DHS Commodity Distribution Unit or USDA which finds deterioration, infestation, or other change in condition in any of the USDA commodity food stored in the vendor's warehouse shall not act to relieve the vendor of any responsibilities under this contract or under law. In addition, any Inspection or inventory conducted shall not constitute a waiver of any of the notification requirements outlined in this IFB.</p> <p>3. The vendor shall invoke the services of a third-party auditing company or a certified and experienced individual qualified to perform food storage safety inspections. The vendor shall have such inspections performed annually.</p> <p>4. Monthly Inventory</p> <p>a. The vendor must conduct monthly inventory and must reconcile any discrepancies with the DHS Commodity Distribution Unit. Inventory and any reconciliation must be completed no later than the 22nd of each month.</p> <p>b. The vendor must submit a reconciled Monthly Inventory Report via email with an Excel attachment to the DHS Commodity Distribution Unit no later than the 22nd of each month, unless otherwise instructed by the DHS Commodity Distribution Unit.</p> <p>c. The vendor shall include the following information on Monthly Inventory Report:</p> <ul style="list-style-type: none"> • Name of each commodity • Pack size of each commodity • Lot number of each commodity, as assigned by the vendor • Beginning inventory of each commodity 		<p>with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ul style="list-style-type: none"> • Quantity of each commodity received during the reporting period • Rejections and returns from recipient agencies of each commodity • Amount of each commodity released or shipped by master bill number • Amount of each commodity lost through damages, shortages, or other loss • Ending Inventory of each commodity <p>5. Annual Inventory Review</p> <p>a. The vendor shall conduct an annual, joint physical inventory review with the DHS Commodity Distribution Unit and/or State Auditors before the end of the State's fiscal year, or as deemed necessary by the DHS Commodity Distribution Unit, to verify counts and to resolve and reconcile discrepancies. The State's fiscal year ends on June 30.</p> <p>b. The vendor shall receive written notification from the DHS Commodity Distribution Unit of the pending annual inventory review at least ten (10) business days prior to the scheduled annual review date.</p> <p>c. The vendor must palletize commodities prior to the annual inventory review and must not rearrange commodities from June 25 through July 15 of each year.</p> <p>d. The vendor shall not charge additional costs to the State or the DHS Commodity Distribution Unit for use of the vendors personnel and/or equipment during the annual inventory review.</p> <p>e. All discrepancies from overages, shortages, or loss from damages shall be disclosed to the vendor</p>		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>on July 15 of each year and shall be based on the results of the monthly inventory and final annual Inventory review.</p> <p>f. If shortages or damages exist after the annual Inventory review and cause a discrepancy between the physical inventory and the book inventory, such discrepancies shall result in a recount, the discrepancies shall be reconciled between the vendor and the DHS Commodity Distribution Unit within two (2) weeks of the completion of the annual inventory review.</p> <p>g. If any irreconcilable discrepancies exist after the two (2) week reconciliation period, the DHS Commodity Distribution Unit shall issue a Monetary Claim Settlement against the vendor.</p> <p>h. Overages found during the annual inventory review shall accrue to the benefit of the DHS Commodity Distribution Unit, and the vendor shall place such overages of USDA commodity food back into the inventory.</p> <p>i. The vendor shall not use any excess inventory or overages found during the annual Inventory review to carryover in order to offset future shortages that may occur, except in instances where the vendor has documentation, and a clear identification of an uncorrected delivery error such as, applesauce delivered instead of apricots. In such instances, the DHS Commodity Distribution Unit shall make the final reconciliation decision.</p>		
<p>M. DAMAGE AND LOSS OF USDA COMMODITY FOOD</p> <p>1. The vendor shall prevent damage to USDA commodity food by strictly adhering to all industry standards and protocol, and the requirements of this IFB.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ol style="list-style-type: none"> 2. Damage to USDA commodity foods shall Include, but is not limited to, insect and rodent infestation due to improper storage, mold, mildew, or other quality altering contamination, physical damage to containers including serious rust. or any other circumstance that cause damage to USDA commodity food stored in the vendor's warehouse or delivered on the vendor's delivery vehicles. 3. If damage to USDA commodity foods occurs, the vendor shall immediately isolate all damaged, spoiled, or infested USDA commodity foods from good USDA commodity foods in order prevent additional contamination. 4. The vendor shall notify the DHS Commodity Distribution Unit by email within twenty-four (24) hours upon knowledge of any damage, deterioration, or infestation of USDA commodity foods found in the warehouse or during delivery. 5. The vendor shall notify the DHS Commodity Distribution Unit by email within twenty-four (24) hours upon knowledge of any occurrence that could be detrimental to USDA commodity foods, such as fire, storms. flood, water leaks, bankruptcy, and power outages. 6. The vendor shall safeguard all USDA commodity food from theft by securing locks on all entries into the warehouse. The vendor shall only distribute keys to employees as reasonably needed to provide smooth operation. 7. Any loss of USDA commodity food resulting from damage while being stored in the vendor's warehouse or while being delivered on the vendor's delivery vehicles shall result in a Monetary Claim Settlement against the vendor. 	<p>acceptable performance throughout the contract term as determined by DHS.</p>	<p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
N. MONETARY CLAIM SETTLEMENT	Acceptable performance is	1st Incident: A Corrective Action Plan

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ol style="list-style-type: none"> 1. The DHS Commodity Distribution Unit shall assess a Monetary Claim Settlement against the vendor for any product damaged or lost while being stored in the vendor's warehouse, or while being delivered to recipient agencies. 2. The DHS Commodity Distribution Unit shall assess a Monetary Claim Settlement against the vendor for all irreconcilable discrepancies still in existence after the completion of the annual inventory review's two-week reconciliation period. 3. The DHS Commodity Distribution Unit shall compute the monetary value of the damage to and/or loss of commodities using the most current market rates available for USDA commodity food. The computed monetary value shall be assessed to the vendor through the issuance of a Monetary Claim Settlement. 4. Losses from damage shall include, but are not limited to, insect and rodent Infestation due to improper storage, mold, mildew, or any other quality altering contamination, physical damage to containers including serious rust, or any circumstance within the vendor's control that causes damage and/or loss to USDA commodity foods in such a way that makes them unacceptable and/or unavailable for distribution and/or human consumption. 5. The DHS Commodity Distribution Unit shall submit the Monetary Claim Settlement to the vendor within ten (10) business days after the two-week reconciliation period of the annual inventory review has ended and the monetary value of the loss has been determined, or within ten (10) business days of the vendor's disclosure of the loss and/or damage. 6. The vendor shall have fifteen (15) business days after receipt of the 	<p>defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>(CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>Monetary Claim Settlement to submit a Monetary Claim Settlement Appeal Request, in writing, to the DHS Commodity Distribution Unit. The DHS Commodity Distribution Unit must receive the request within fifteen (15) business days of receipt of the Monetary Claim Settlement by the vendor.</p> <p>7. The DHS Commodity Distribution Unit shall rule on the Monetary Claim Settlement Appeal Request and respond to the vendor, in writing, within ten (10) business days of receipt of the vendor's Monetary Claim Settlement Appeal Request.</p> <p>8. If the vendor's Monetary Claim Settlement Appeal Request is denied by the DHS Commodity Distribution Unit, the vendor shall make payment, as outlined in this IFB, within ten (10) business days of receipt of the Monetary Claim Settlement Appeal denial. Failure of the vendor to comply with this requirement may result in the termination of this contract</p> <p>9. The vendor shall submit Monetary Claim Settlement payments and Monetary Claim Settlement Appeal Requests to:</p> <p>Arkansas Department of Human Services DHS Commodity Distribution Unit P O. Box 1437 Slot S337 Little Rock, AR 72203-1437</p>		
<p>O. REPORTS AND RECORDS RETENTION</p> <p>1. The vendor shall submit the following reports to the DHS Commodity Distribution Unit:</p> <p>a. Reconciled Monthly Inventory Reports in Excel format by the 22nd of each month via email.</p> <p>b. Warehouse Receiving Reports In Excel format by the end of the next business day following delivery of</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>USDA commodities to the vendor's warehouse.</p> <ol style="list-style-type: none"> 2. The vendor shall maintain records of all delivery receipts, salvage receipts or any other appropriate receipts for a period of five (5) years past the expiration date of the initial contact award. 3. The vendor shall maintain records of all perpetual Inventory disbursements, and deliveries for a period of five (5) years past the expiration date of the initial contact award. 4. The vendor shall maintain all monthly and yearly inventory reconciliations conducted with the DHS Commodity Distribution Unit for a period of five (5) years past the expiration date of the Initial contact award. 5. The vendor shall maintain all written summaries of each annual test of the vendors recall program for a period of five (5) years past the expiration date of the initial contact award. 6. The vendor shall maintain all reports generated from the refrigeration temperature management system for a period of five (5) years past the expiration date of the Initial contact award. 7. The vendor shall maintain the Pest Control Inspection Log complete with an daily pest control inspections performed by the vendor of warehouse area and all professional pest control inspections and any fumigations or applications administered for a period of five (5) years past the expiration date of the initial contact award. 8. The vendor shall maintain the charted locations of rodent bait traps for a period of five (5) years past the expiration date of the initial contact award, 		<p>for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>9. The vendor shall maintain records of bi-annual inspections on fire extinguishers or other firefighting equipment, and any maintenance administered for a period of five (5) years past the expiration date of the initial contact award.</p> <p>10. The vendor shall maintain documentation of hourly temperature checks and recorded temperatures for a period of five (5) years past the expiration date of the Initial contact award.</p> <p>11. The vendor shall maintain written summaries of each annual food storage safety inspection for a period of five (5) years past the expiration date of the initial contact award.</p> <p>12. The vendor shall maintain all employee training sessions for the proper receipt, storage and delivery of USDA commodity foods for a period of five (5) years past the expiration date of the initial contact award.</p> <p>13. The vendor shall maintain all records In an organized manner, and in electronic or hard copy format, and shall make all records available for inspection, review, and/or audit by any state or federal authorized personnel during normal business hours, Monday through Friday, 8:00 a.m. until 5:00 p.m. CST.</p>		
<p>P. COMMUNICATION AND COMPLAINTS</p> <p>1. The DHS Commodity Distribution Unit shall distribute the contact Information of each recipient agency to the vendor via email after award. The vendor and the DHS Commodity Distribution Unit shall utilize the contact person for all communication regarding USDA commodity food delivery.</p> <p>2. The DHS Commodity Distribution Unit shall distribute contact Information for the TEFAP and NSLP to the vendor after award for the purpose of general communication.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>3. The vendor shall submit all policy and/or administration questions, including complaints, in writing to DHS/DCCECE DHS Commodity Distribution Unit Fax: 501-371-1410 Fax: 501-371-1410 PO Box 1437 Slot S337 Little Rock, AR 72203-1437 Attn: James Ponzini</p> <p>Email: james.ponzini@dhs.arkansas.gov</p> <p>4. All complaints will be reviewed by the DHS Commodity Distribution Unit and, if needed, an investigation initiated. The vendor shall supply the DHS Commodity Distribution Unit with any information and/or documentation that may be needed to conduct and complete any such investigation.</p> <p>5. The DHS Commodity Distribution Unit shall prepare a written response to legitimate complaints and shall provide a copy of such response to interested parties within ten (10) business days of receipt.</p> <p>6. The DHS Commodity Distribution Unit shall notify the DCCECE of complaints and/or investigations appearing to violate the requirements of this IFB and/or any resultant contract.</p> <p>7. Investigations showing violation of this IFB and/or any resultant contract may be cause for contract termination, as determined by DCCECE.</p>		<p>with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
<p>Q. Future Programs The Department of Human Services (DHS) may require vendor to accept store and deliver USDA commodity foods for additional DHS programs not currently specified in this RFP. At such time, Vendor and DHS will negotiate additional requirements and associated costs.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contract term as</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
	determined by DHS.	<p>percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and terminating the contract.</p>
<p>R. PERFORMANCE BONDING The Contractor shall be required to obtain performance bonds to protect the State's interest as follows:</p> <ol style="list-style-type: none"> 1. The amount of the performance bonds shall be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for the protection of the State. 2. The State shall require additional performance bond protection when a contract price is increased or modified. 3. The additional performance bond must be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request. 	Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contract term as determined by DHS.	<p>Damages shall be one percent (1%) per day, calculated using the annual contract amount, for each day Vendor fails to meet the Performance Bonding Requirements specified in Service Criteria.</p> <p>In addition, Vendor's continued failure to meet Service Criteria, may result in a below standard Vendor Performance Report (VPR) maintained in the vendor file and contract termination.</p> <p>Failure to provide is a breach of contract and may result in immediate contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>4. The contractor shall notify the State of any changes, modification, or renewals for the performance bond during the term of the contract. The performance bond documentation must be provided to the State with each required notice.</p>		
<p>S. MANDATED REPORTING</p> <p>Pursuant to Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents shall immediately make a report to the Child Abuse Hotline or the Adult Maltreatment Hotline (based on type of maltreatment) if Contractor or any of its employees, agents, or Subcontractors' employees and agents, while performing duties under this contract, have reasonable cause to suspect that:</p> <ol style="list-style-type: none"> A child has been subjected to child maltreatment; A child died as a result of child maltreatment; A child died suddenly and unexpectedly; or Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment. or An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility resident maltreatment. <p>A privilege or contract shall not prevent a person from reporting maltreatment when he or she is a mandated reporter and required to report under this section.</p> <p>An employer or supervisor of a mandated reporter shall not prohibit an employee or a volunteer from directly reporting maltreatment to the Hotline.</p> <p>An employer or supervisor of a mandated reporter shall not require an employee or a volunteer to obtain permission or notify any person, including an employee or a supervisor, before reporting maltreatment to the Hotline.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>For each failure to report, DHS may impose:</p> <ol style="list-style-type: none"> A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS. DHS may elect to calculate penalties/damages differently per occurrence. <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>Pursuant to Act 531 of 2019, Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents are mandated reporters.</p>		
<p>T. CONFLICT OF INTEREST MITIGATION During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions. The Vendor shall disclose all actual, apparent, or potential conflicts of interest to the Department of Human Services (DHS) within five (5) days of having knowledge of them. The Vendor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>The Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined ten thousand dollars (\$10,000) for the first failure to comply with the mitigation plan developed by the Vendor and approved by DHS. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.</p>
<p>U. TRANSITION PLANNING Ninety (90) days prior to the contract end date, the vendor shall submit to DHS a detailed plan for transitioning all contracted services to DHS, or to another vendor selected by DHS to provide the contracted services.</p> <p>The transition plan shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) days prior to the contract end date. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report (VPR) maintained in the vendor file. Final payment may be withheld from the vendor until the all elements of the transition are satisfied as determined by DHS.</p>
<p>V. ARKANSAS FREEDOM OF INFORMATION ACT (Ark. Code Ann. §25-19-101 et seq.): 1. Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil an Arkansas Freedom of Information Act (FOIA) request.</p>	<p>Contractor shall respond to FOIA requests timely and accurately one hundred percent (100%) of the time.</p> <p>Contractor shall</p>	<p>1. For each failure to meet performance standard, DHS may impose:</p> <p>a. A ten percent (10%) penalty, assessed in the</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>2. Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS.</p> <p>3. Contractor is subject to Arkansas FOIA law pursuant to Ark. Code Ann. §25-19-103(7)(A).</p> <p>Contractor shall timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. §25-19-101 et seq. for specific requirements.</p>	<p>provide information and documents to DHS upon request in the timeframe specified in the request one hundred percent (100%) of the time. DHS shall have sole determination as to the sufficiency of Contractor's response and provision of documents.</p>	<p>following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or</p> <p>b. A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS.</p> <p>DHS may elect to calculate penalties/damages differently per occurrence.</p> <p>In addition to the above, Contractor shall be responsible for any penalties, fees, and costs imposed on DHS associated with vendor's failure to timely and accurately provide the requested information and documents.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
		standard Vendor Performance Report (VPR) in the vendor file and contract termination.

Failure to meet the minimum Performance Standards as specified **may** result in the assessment of damages.

In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to, or cure to the satisfaction of the State, the insufficiency. The State **may** waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services of it is in the best interest of the State. In these instances, the State **shall** have final determination of the performance acceptability.

Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

ⁱ Nothing in this table is intended to set forth all obligations of the Contractor under the contract. These obligations are in addition to any others imposed by the contract and applicable law.

ⁱⁱ The damages set forth are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.