

REQUEST FOR PROPOSAL

FLEMING COUNTY BOARD OF EDUCATION
211 West Water Drive
Flemingsburg, KY 41041

BEVERAGE MARKETING AGREEMENT

The Fleming County Board of Education (hereinafter called the Board of Education or the Board) will receive sealed proposals for the sale and marketing of beverages on its premises. You are invited to submit a sealed proposal, subject to the terms and conditions of this request for proposal. Please read the instructions and specifications carefully. Failure to comply with these instructions may disqualify your proposal.

The Board and its affiliated schools and groups are currently distributing a wide variety of beverages through school and office vending machines, at sporting events, and for various meetings. We are soliciting proposals from companies that want to secure an exclusive marketing agreement for providing its brand of beverage products.

Proposals must be mailed or delivered to Andy Plank, Finance Director, Fleming County Board of Education, 211 West Water Street, Flemingsburg, KY 41041, in an envelope marked "BEVERAGE MARKETING" in the lower left-hand corner. The vendor's return address shall appear in the upper left-hand corner.

Copies of the request for proposal may be obtained in the District Office at the above address, between 8:00 a.m. and 4:00 p.m. Monday through Friday, prior to the date specified for proposal opening. Approved forms must be used.

Period of Contract: The period of the contract shall be for the period September 25, 2024 through June 30, 2025, with the option to renew for four additional fiscal years (July-Jun), or for some other period agreed upon as a result of the proposal process.

Time of proposal opening: Proposals must be received by 2:00 p.m., on Friday, September 20, 2024, at which time (or as soon as the business of the Board permits) they shall be publicly opened and read aloud. All proposals must be received by the designated time stated in the request for proposal, and none will be considered thereafter. **Failure to have the proposal in the District Office prior to the proposal opening will automatically prevent the reading of your proposal. We do not accept FAX proposals.**

The Board of Education cannot assume the responsibility for any delay as a result of failure of the mail to deliver proposals on time.

Location of proposal opening: Proposals will be opened and read at the District Office, Fleming County Board of Education, 211 West Water Street, Flemingsburg, KY 41041.

**PROPOSAL FORM
CERTIFICATION OF COMPLIANCE WITH SPECIFICATIONS**

Beverage Marketing Agreement

To: Andy Plank, Finance Director
Fleming County Board of Education
211 West Water Street
Flemingsburg, KY 41041

In compliance with the REQUEST FOR PROPOSAL, and subject to all the conditions thereof, the undersigned hereby certifies that all items and/or services included in this proposal shall be **in compliance with all requirements and technical specifications** included in this proposal, except as noted below:

Exceptions:

Name of Company/Individual _____

Address _____

Authorized Signature _____

Please Print or Type Name _____

Official Title _____ Date _____

Telephone # _____ Fax # _____

Email Address _____

**PROPOSAL FORM
CONFLICT OF INTEREST**

It shall be a breach of ethical standards for any employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other particular matter pertaining to any contract or subcontract; and any solicitation or proposal therefore, in which to his/her knowledge:

- (A) He/she, or any member of his/her immediate family, has a financial interest herein; or
- (B) A business or organization in which he/she or any member of his/her immediate family has a financial interest as an officer, director, trustee, partner, or employee is a party; or
- (C) Any other person, business, or organization with whom he/she or any member of his/her immediate family is negotiating or has an arrangement concerning prospective employment is a party. Direct or indirect participation shall include, but is not limited to, involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or in any other advisory capacity.

It is a violation of Kentucky law for any Board member or employee with procurement authority, or a member of his/her immediate family, to have a pecuniary interest either directly or indirectly in an amount exceeding \$25.00 per year in any purchase of goods or services by the Board of Education or any school thereof. Violation of this provision subjects the Board member or employee to forfeiture of his/her position and/or employment with the school system.

I hereby certify that no member of my immediate family is an employee with procurement authority or Board member of the Fleming County Board of Education.

Name of Company

Authorized Signature

Date

References: KRS 156.480, OAG 80-32, Model Procurement Code 45A.455

Note: This certificate must be signed and attached to the proposal form in order for your proposal to be qualified.

**Fleming County Board of Education
PROPOSAL FORM
SPECIFICATIONS AND RESPONSE TO PROPOSAL
Beverage Marketing Agreement**

NOTICE: Request for Proposal of beverages for Fleming County Schools for the length of the contract period. Sealed proposals will be accepted at the District Office until 2:00 p.m. on Friday, September 20, 2024. Proposals shall be on appropriate proposals form and shall be in sealed envelope plainly marked on the outside - "BEVERAGE MARKETING."

30 minutes after the last lunch period until the end of the last instructional period:

Beverages shall meet the following requirements **(Please refer to 702 KAR 6:090 Minimum nutritional standards for foods and beverages available on public school campuses during the school day- attached to this proposal form specifications):**

- (1) Plain or flavored, non-carbonated water containing zero calories
- (2) 100% fruit or vegetable juice or any combination equaling 100%--8oz ES, 12oz HS & MS
- (3) Any other beverage containing no more than 10 grams of sugar per serving except that this limit shall not apply to 100% fruit or vegetable juice or any combination of both equaling 100%; and the volume size is limited to 17 ounces for Elementary Schools, except for water, and limited to 20 ounces for Middle and High Schools.

Vendor shall provide:

- (1) The vendor is to provide full-service vending (loading, collecting monies and maintenance) on each machine.
- (2) Necessary machines, with bill changer, possible timer, supplied free of charge.
- (3) Machines in additional areas of the school as designated by the principal.
- (4) Equipment in proper working order. All machines are to be kept clean and in good repair by the vendor.
- (5) Service on a regular basis, free of charge.
- (6) Service to repair machine when called by the school, free of charge.
- (7) Full-service vending with maintenance of inventory records and cash receipts. Vendor agrees to provide each location with restocking information and collection information on a monthly basis.
- (8) Vending machine pricing is consistent building to building.

After School, non-instructional day, teacher workroom and non-instructional building sales

- (1) Regular soft drinks
- (2) Regular sports drinks
- (3) Juice "drinks" (juice-type beverages that do not meet the nutritional standards above)

The Fleming County Board of Education reserves the right to reject any and all proposals.

BEVERAGE MARKETING AGREEMENT PROPOSAL SPECIFICATIONS

The purpose of this Request for Proposal is to establish a contract at firm unit prices for the purpose of soft drinks/beverages for the Fleming County Schools.

Vendors must propose on all parts to be considered in the competitive range. Those who do not will be considered non-responsive and will be rejected from further review.

Fleming County Schools covered under this proposal consist of:

- 3 Elementary Schools- Hillsboro, Ewing and Flemingsburg
- 1 Middle School-Simons Middle School
- 1 High School-Fleming County High School
- 1 Central Office (Staff Only)
- Others include high school and middle school athletic concessions

VENDOR RESPONSIBILITIES

- A. The successful vendor provide (at no additional cost to Board) and install all necessary vending equipment needed to implement this service agreement.
- B. The successful vendor shall maintain equipment as needed by each individual school site. This service is to include the add/delete of machines and the change of location within a school.
- C. The successful vendor must supply a complete product line including water, juices, sports drinks, vitamin water, etc.
- D. The successful vendor shall be responsible for all service and repair to equipment within 24 hours after notification.
- E. A contact person and telephone number shall be provided and must be operational between the hours of 7:00 a.m. to 5:00 p.m. to insure the Fleming County Schools can report service/maintenance problems in a timely manner.
- F. Successful vendor shall furnish annual usage reports of products sold by school location by product. These reports will cover the period from July 1 to June 30 and are due by July 15 each year.
- G. The successful vendor must agree to open multiple accounts within a school.
- H. The successful vendor must deliver products to the school one time (minimum) each week to maintain acceptable stock levels to prevent loss of revenue due to stock outs. Deliveries shall be made on weekdays between the hours of 8:00 a.m. and 3:00 p.m. If sales warrant, the vendor shall make additional deliveries at the request of the school principal or his or her designee.
- I. When requested, the successful vendor shall furnish soft drinks to school booster organizations (PTA/PTO, Athletic and Band Boosters, etc). The items shall be furnished in accordance with the proposal prices and all conditions and specifications.
- J. Successful vendor would have exclusive rights to all Fleming County Schools. This applies to all covered by this proposal which are sold on school property.
- K. All vending equipment shall be equipped with timers and other energy saving devices.
- L. Vendor will provide a complete line of product and equipment as required in the general specifications.
- M. Vendor may offer additional extra services for the benefit of our students and student athletes, (example: sports drink packages, rebates per case, etc.)

DISTRICT RESPONSIBILITIES

- A. Fleming County Schools shall furnish without cost to the vendor all utilities and facilities reasonable and necessary for the efficient performance of this agreement, including but not limited to the following: hot and cold water, lights and electric current. The Fleming County Schools will, at no cost, install such utility outlets as may be required at the areas designated for vending equipment.
- B. Fleming County Schools shall provide building maintenance and janitor service without cost to vendor to keep the vending area in a safe and clean condition as part of the normal cleaning program.

VENDING EQUIPMENT

The successful vendor shall provide all necessary automatic vending equipment to meet the needs of the Fleming County Schools.

- A. All equipment must meet the standards of health as set by Local, State and Federal requirements.
- B. All machines shall be equipped with energy star or power saver chip.
- C. All equipment (accessible to students) shall be equipped with timers and timers shall be set to meet the competitive food regulations. These machines shall be made inoperable during the "blackout" period of the beginning of the school day to 30 minutes after the last lunch period for each individual school.
- D. All equipment shall be equipped with meter/counters to record all sales.
- E. All equipment must have change-making devices (bill changers).
- F. All equipment, if possible, must have rollers/casters to allow for routine cleaning where installed.
- G. Equipment location will be indicated by each school principal during an initial on-site inspection visit.
- H. Any expansion of service must be authorized in writing by a Fleming County Schools representative. Vendor must be willing and able to install additional equipment as requested.
- I. Damage, theft or vandalism to vending machines shall not be the responsibility of the Fleming County Schools, but shall be the assumed responsibility of the successful vendor.
- J. All equipment shall be serviced and maintained as often as deemed necessary. Vendor must do a periodic washing and sanitizing to ensure sanitary conditions and acceptable appearance.
- K. All equipment must be installed and operational by no later than August 30, 2019.

PRODUCT REQUIREMENTS

The successful vendor shall assure that all product available to students, during the school day, meet all local, state and federal guidelines, the most restrictive.

- A. At all schools during the school day, only school day approved beverages shall be sold in vending machines. Examples:
- B. In addition at high schools only, other beverages as allowed in 7 C.F.R. Parts 210 and 220, and state law and regulation, (whichever is most restrictive) may be available in vending machines available to students.
- C. Beverage sizes shall not exceed the allowable limits for the beverage as listed in local, state or federal regulations.
- D. Beverages sold for concessions or for adult vending machines, those not available to students, do not have these restrictions.

GENERAL PROPOSAL INSTRUCTIONS AND CONDITIONS

(PLEASE READ CAREFULLY)

A. ACCEPTANCE OF BIDS

The Board of Education reserves the right to accept any proposal, to reject any or all proposals, to waive any irregularities or informalities in proposals received where such acceptance, rejection or waiver is considered to be in its best interest. The Board of Education also reserves the right to reject any proposal where evidence or information submitted by the vendor does not provide satisfactory proof that the vendor is qualified to carry out the details of the contract.

B. PROPOSAL DOCUMENTS

All "Proposal Forms" provided with this "Request for Proposal" must be submitted.

No proposal can be corrected or altered or signed after being opened. The Board shall not be responsible for errors or omissions on the part of vendors in making up their proposals. Any proposals received unsigned shall be rejected.

All prices and quotations must be in ink or typewritten. No pencil figures will be permitted. Mistakes are to be crossed out and corrections inserted adjacent thereto and initialed by the person signing the proposal. Corrections made with correction tape or fluid are to be initialed.

C. SPECIFICATIONS

Specifications are attached and are a part of this proposal. All materials or services furnished must be in conformity with the specifications and will be subject to inspection and approval by the representatives of the Board of Education after delivery. The right is reserved to reject and return at the risk and expense of the supplier, any item that may be defective or fail to comply with these specifications.

It is important that each party submitting a proposal follow carefully the specifications detailed herewith. The vendor is instructed to complete all blanks and spaces where information concerning any item is requested. Only items meeting the requirements, subject to the Board's consideration of stated exceptions, are to be quoted on the regular proposal form.

The Board of Education reserves the right to waive compliance of any material or services with any particular specification where such waiver is considered to be in its best interest, including, but not limited to, cases where such waiver is necessary due to technical errors of inconsistencies in the preparation of such specifications.

D. MODEL PROCUREMENT REGULATIONS

The Model Procurement Regulations adopted by the Board of Education shall be deemed incorporated by reference in these specifications as though fully quoted herein. In the event of any conflict between this request for proposal to be and the Model Procurement Regulations, the Regulations shall control.

E. PERFORMANCE BOND

The Board of Education reserves the right to determine the ability of any vendor to perform the work, and any vendor shall, upon request, furnish such information as may be necessary to determine ability, including a performance bond, if requested.

F. EXCUSE FOR NON-PERFORMANCE

The successful vendor(s) shall be excused from performing hereunder during the time and to the extent that they are prevented from obtaining, delivering or performing in the customary way because of fire, strike, partial or total interruption of, loss or shortage of transportation facilities, lockout, commandeering of raw materials, products, plants or facilities by the government when satisfactory evidence thereof is presented to the other party, providing it is satisfactorily established that the non-performance is not due to the fault or negligence of the party not performing.

G. PENALTIES

In case of default by the vendor, the Board of Education may procure the articles or services from other sources and may deduct from any unpaid balance due the vendor the amount of the excess cost so paid, and the price paid shall be considered the prevailing market price at the time such purchase is made.

H. TAXES

The Federal Excise Tax and the Kentucky Sales and Use Tax are not to be imposed. The Board of Education will furnish the successful vendor with proper tax exemption certificates upon request.

I. PRODUCT EVALUATION

Items will be disqualified that do not meet specifications or an accepted equal. If a product is purchased and it is later established that said product fails to comply with these specifications and conditions, the item will be rejected and returned to the supplier at the supplier's expense. No item shall be considered satisfactory that does not conform to our usual accepted methods, use, application, storage, handling and delivery. The decision concerning the satisfactory use and performance of any item on this proposal shall be that of the educational and business staff of the Board of Education.

J. BRAND NAMES

The brand or trade name, and manufacturer's name, must be given in the "Beverage Description" column provided. If vendor fails to indicate brand or trade name, where requested, the item and proposal may be disqualified.

K. NON-DISCRIMINATION

During the performance of this Contract, the Seller agrees as follows:

- (1) The Seller shall not discriminate against any employee, applicant, or subcontractor because of age, color, creed, handicap condition, marital or parental status, national origin, race, sex, veteran status, or political opinion or affiliation. The Seller shall take affirmative action to ensure that applicants are employed without regard to their age, color, creed, handicap condition, marital or parental status, national origin, or political opinion or affiliation. Such action shall include, although is not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Seller agrees to post in conspicuous places notices setting forth the provisions of the Equal Opportunity clause.
- (2) The Seller shall in all solicitations and/or advertisements for employees placed by or on behalf of the Seller, state that all qualified applications shall receive consideration for employment without regard to age, color, creed, handicap condition, marital or parental status, national origin, race, sex, veteran status, or political opinion or affiliation.
- (3) The Seller shall cause any subcontractor engaged to perform any services required by this Contract to include this Equal Opportunity clause in all solicitations, advertisements and employment practices it shall perform.

L. DELIVERY

The Seller agrees to furnish and deliver the items within the terms of the contract as the Board's representative may prescribe.

All costs for delivery, including drayage, freight, and the packaging of said articles, are to be borne by the vendor, and must be included in your proposal prices.

If during the period of the contract it is necessary that the Board's representative place toll or long distance telephone calls in connection therewith (for complaints, adjustments, shortages, failures to deliver, etc.) it is understood that the vendor will bear the charge of expense for all such calls.

M. SAMPLES AND/OR DESCRIPTIVE LITERATURE

Samples may be required to assist in making decisions for awarding of contracts. The samples must be furnished by the time and date specified for proposal opening, but may also be requested at any time prior to the award of the proposal. Failure to furnish samples may disqualify any proposal.

Samples shall be representative of items on which the proposal is submitted and will be checked as deemed necessary by the Board of Education for compliance with specifications outlined herein. Samples are to be properly marked for identification, indicating the supplier's name and the corresponding item number as shown in the Request for Proposal.

N. K.O.S.H.A. STANDARDS AND HAZARD COMMUNICATION STANDARD 1910.2000

If applicable, all materials and services must meet or exceed K.O.S.H.A. (Kentucky Occupational and Safety Health Act) standards, and must comply with Hazard Communication Standard 1910.2000 of the Occupational Safety and Health Administration.

O. PROPOSALS

Tabulations will be made by Finance Director, and each qualified vendor will be mailed a tabulation after the Board of Education has taken official action at the Board Meeting.

Any proposals received after the scheduled time of opening will be returned unopened to the vendor.

No proposal can be corrected or altered or signed after being opened. The Board of Education shall not be responsible for errors or omissions on the part of the vendors in making up their proposals. Any proposals received unsigned shall be rejected.

All regular proposals must be submitted in accordance with specifications on the proposal form supplied with this request. The submission of a proposal on the proposal form certifies that the product meets any and all specifications, except as noted on such form.

P. PRICES

All prices quoted by the various vendors must be firm for a minimum period of sixty (60) days to allow acceptance by the Board of Education. If awarded the contract, the prices will then be firm for the time period indicated under "Period of Contract."

All prices and quotations must be in ink or typewritten. No pencil figures will be permitted. Mistakes are to be crossed out and corrections inserted adjacent thereto and initialed by the person signing the proposal. Corrections made with correction tape or fluid are to be initialed.

Quote on each item separately. Prices must be stated in units specified herein.

Proposals that have clerical errors or irregularities are subject to correction only with concurrence with the Finance Director. Unit prices should be listed, extended, and totaled. Should errors exist in the extended price, the unit price will prevail.

Q. OR EQUAL CLAUSE

Whenever, in any contract documents, an article, materials or equipment is described by use of a proprietary product or by using the name of a manufacturer or vendor, the term "or equal," if not inserted, is implied.

The use of a specific article or manufacturer's name shall be construed as indicating the type of equipment, design, general construction, quality and finish. Such use shall not be construed as limiting or excluding any manufacturer's product of comparable quality, design and efficiency.

REQUIRED SCHOOL NUTRITION FEDERAL CLAUSES

A. Termination for Convenience

Fleming County School District reserves the right to terminate any contract at any time, in whole or in part, by thirty (30) day written notice to Contractor. Upon receipt by the Contractor of the "notice of termination", the Contractor shall discontinue all services with respect to the applicable contract. Fleming County School district, after deducting any amount(s) previously paid, shall pay for all services rendered or goods supplied by the Contractor, as well as any reasonable costs incurred by Contractor up to the time of termination but not including Contractor's loss of profit. The cost of any agreed upon services provided by the Contractor will be calculated at the agreed upon rate prior to "notice of termination" and a fixed fee contract will be pro-rated (as appropriate).

B. Termination for Non-performance

Fleming County School District may terminate the resulting contract for non-performance, as determined by Fleming County School district, for such causes as:

1. Failing to provide satisfactory quality of service, including, failure to maintain adequate personnel, whether arising from labor disputes, or otherwise any substantial change in ownership or proprietorship of the Contractor, which in the opinion of the School district is not in its best interest, or failure to comply with the terms of this contract;
2. Failing to keep or perform, within the time period set forth herein, or violation of, any of the covenants, conditions, provisions or agreements herein contained;
3. Adjudicating as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might during that sixty (60) day period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default; or
4. Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

C. Demand for Assurances

In the event that Fleming County School district has reason to believe Contractor will be unable to perform under the Contract, it may make a demand for reasonable assurances that Contractor will be able to timely perform all obligations under the Contract. If Contractor is unable to provide such adequate assurances, then such failure shall be an event of default and grounds for termination of the Contract.

D. Notification

Fleming County School district will provide ten (10) calendar days written notice of default. Unless arrangements are made to correct the non-performance issues to the school district's satisfaction within ten (10) calendar days, the School district may terminate the contract by giving forty-five (45) days' notice, by registered or certified mail, of its intent to cancel this contract.

E. Attorney's Fees:

In the event that either party deems it necessary to take legal action to enforce any provision of the contract, and in the event that Fleming County School district prevails, the Contractor agrees to pay all expenses of such action, including attorney's fees and costs at all stages of litigation.

F. Compensable Damages for Breach:

The Contractor agrees that the following items shall be included as compensable damages for any breach of a contract with the School district.

1. Replacement costs.
2. Cost of repeating the competitive bidding procedure expenses.
3. Expenses incurred as the result of delay in obtaining replacements.

The enumeration of compensable damage contained in this section is not intended to be exclusive and will not operate to bar recovery by the School district for any other damages occasioned by the Contractor's breach of a contract. However, in cases where contract provides for liquidated damages, said liquidated damages shall be in lieu of all other damages, including those enumerated.

Contractors applying for or bidding for an award exceeding \$100,000 must file the required certification as required by the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Contracts in excess of \$150,000 contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

G. Suspension and Debarment

The Contractor understands that a contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension."

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by Fleming County school district. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to Fleming County School District, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 2 CFR 180.220 while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

1. Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority;
2. The contractor must separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or The contractor must exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification;
3. The contractor's determination of its allowable costs must be made in compliance with the applicable Departmental and Program regulations and Office of Management and Budget cost circulars;
4. The contractor must identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the school food authority for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. If approved by the State agency, the school food authority may permit the contractor to report this information on a less frequent basis than monthly, but no less frequently than annually;

5. The contractor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract; and
6. The contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the State agency, or the Department.
7. Prohibited expenditures. No expenditure may be made from the nonprofit school food service account for any cost resulting from a cost reimbursable contract that fails to include the requirements of this section, nor may any expenditure be made from the nonprofit school food service account that permits or results in the contractor receiving payments in excess of the contractor's actual, net allowable costs.

H. Buy American:

Description: 7 CFR 210.21(d) requires that SFAs purchase, to the maximum extent practicable, domestic commodities or products. A domestic commodity or product is an agricultural commodity that is processed in the United States (including U.S. Territories) and/or a food product that is processed in the United States (including U.S. Territories) substantially using agricultural commodities that are produced in the United States (including U.S. Territories). A Buy American Provision is required to be included in solicitations and agreement or contracts when procuring food that are considered "food components." FNS defines a food component as one of the food groups that comprises reimbursable meals: meats/meat alternates, grains, vegetables, fruits, and fluid milk. Foods that are unprocessed, agricultural commodities must be domestic. All processed food products must contain over 51% of the product's food component, by weight or volume, from U.S. origin (including U.S. Territories) and be processed in the United States (including U.S. Territories).

There are two (2) limited exceptions to Buy American requirements:

1. The product is not processed or manufactured in the U.S. in sufficient and reasonably available quantities of a satisfactory quality; or
 2. Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product.
- Exceptions must be requested by vendors and approved by SFAs prior to accepting or receiving non-domestic foods.