

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

919



FROM: Purchasing and Fleet Services Department

SUBMITTAL DATE:
August 29, 2012

SUBJECT: APPROVE PURCHASE OF DAIRY PRODUCTS AND LIKE ITEMS FROM HOLLANDIA DAIRY UTILIZING THE LOCAL PREFERENCE POLICY FOR THE COUNTY OF RIVERSIDE

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve purchase of dairy products and like items in the annual amount of \$1,352,077 from other than the low bidder per the local preference policy at an estimated additional cost of \$56,019, which contains an option to renew for four (4) additional one (1) year periods, and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459.4, to exercise the renewal option, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual Consumer Price Index (CPI) rates for Dairy and related products.

Departmental Concurrence

BACKGROUND:


(Continued on Page 2)


 Mark Seiler
 For Robert J. Howdyshell, Director
 Purchasing and Fleet Services Department

FINANCIAL DATA	Current F.Y. Total Cost:	\$901,384	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$811,246	Budget Adjustment:	No
	Annual Net County Cost:	\$1,216,869	For Fiscal Year:	12/13

SOURCE OF FUNDS: Various Department budgets	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: 
Serena Chow

County Executive Office Signature

Consent
 Policy
 Consent
 Policy

Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.:	District:	Agenda Number:
		3.35

BOARD OF SUPERVISORS

**FORM 11: APPROVE PURCHASE OF DAIRY PRODUCTS AND LIKE ITEMS FROM
HOLLANDIA DAIRY UTILIZING THE LOCAL PREFERENCE POLICY FOR
THE COUNTY OF RIVERSIDE**

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BACKGROUND

County departments and agencies such as the Sheriff and RCRMC must purchase food products in order to provide meals for their inmates or patients. To obtain these products at the most reasonable costs, County Purchasing issues formal bids to establish contracts. Because the pricing for dairy products varies on a daily basis, prices for fresh milk and dairy products are bid based on a fixed differential to the appropriate index on a specific date. All milk and dairy products shall be in compliance with the last provision of the rules and regulations of the Department of Food and Agriculture, pertaining to the marketing of milk and other products. The county will receive wholesale and/or public agency prices that will be in compliance with the California Department of Agriculture requirements. The awarded vendor will adjust prices upward and downward in exact proportion as adjusted by the marketing of milk and other dairy products, mandated by the Bureau of Milk Marketing Enforcement, and provide the county with copies of marketing orders as published by the State of California Bureau of Milk Stabilization and/or the U.S. Department of Agriculture on an as-requested basis.

In October 1995, the Board of Supervisors approved a five (5) percent Local Vendor Preference Policy to encourage business growth and provide jobs in Riverside County. On April 26, 2012 the Purchasing Department, released a Request for Quotation (RFQ) PUARC-1236 for dairy products and like items for all Riverside county departments. A statement informing bidders of the local preference policy was included in the bid instructions, and as a result, a local bidder submitted a quotation with 4.3% higher costs as that of the bidder located outside of Riverside County.

PRICE REASONABLENESS

Bid notifications were emailed to 35 companies and advertised on the county Purchasing Internet site. The RFQ requested delivered pricing based on county usage for all Riverside county departments. Six (6) bid responses were received ranging from \$863,434 to \$1,929,230. However, two (2) of the bid responses were deemed non-responsive as they did not provide pricing on most of the items needed by the county. The lowest responsive and responsible bidder was Rockview Farms (Downey, CA) in the amount of \$1,296,058; however, the lowest responsive and responsible Riverside County bidder was Hollandia Dairy at a cost of \$1,352,077, for an additional cost of \$56,019. That difference is within the five (5) percent preference allowed for under the policy.