

Office of State Procurement
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

MEMORANDUM OSP 17-03

TO: All Department Undersecretaries, Agency Heads, Business Managers, and Contract Officers of all State Departments and Agencies, Colleges and Universities, Boards and Commissions, and Political Subdivisions of the State

FROM: Paula Tregre, Interim Director 

DATE: August 8, 2016

RE: US Foods Statewide Food Contract (#4400009771)

Please be advised of the following information regarding a new statewide contract ([#4400009771](#)) with US Foods for **food and food-related supplies**.

This agreement is structured as a catalog contract, through which state agencies and authorized cooperative purchasers (political subdivisions, higher ed. institutions, etc.) have access to the full catalog of over 12,000 core food items and food-related supplies, tools and equipment, available through the US Foods warehouse on a daily basis, and approximately double that when including specialty equipment and supplies available as-needed through its suppliers.

There are two programs available through the contract: a K-12 program specifically designed for schools, and the standard program for all other entity types. US Foods offers delivery to all areas of the State, and can tailor delivery schedules to meet user needs.

The contract offers a variety of rebates and performance incentives to users, including:

- New Business Incentive – 2% rebate for almost all purchases made in the first 26 weeks of deliveries
- Quarterly Operations Rebate – rebate based on good average order (“drop”) size and timely payments
- CMA Rebate – manufacturer rebates for purchases of marked items with superior, negotiated pricing

All rebates listed above are payable back to user agencies to add further value to the process.

Unlike the State’s prior fixed line-item contracts for food, the catalog will be available online, with dynamic pricing to reflect actual, audited sourcing costs plus a preset US Foods markup. This means that there will no longer be disconnects between market pricing and contract pricing, and the vendor does not have to price in the cost of multi-year price risk, so savings are passed along to the user agencies. This is much more in line with the best practices of other public and private-sector food buying entities.

In addition, the US Foods program is a catalog contract. This allows much more flexibility for users, as there will be multiple brands and varieties per item type, so user agencies can tailor their selections based on their needs.

Because this is a new program, with a new model, OSP will maintain all existing Miscellaneous Groceries and similar line-item contracts. These contracts will be rebid later this year, and are intended to be carried concurrently with the US Foods program into the future.

Lastly, US Foods employs nutrition and food consultants available as a complimentary service to all program participants. Agencies serving populations with specific dietary requirements (such as school children, military personnel, inmates, and individuals with diabetes or other specific nutritional needs, for example) can have their items and ordering process tailored to reflect corresponding compatible, portioned recipes.

If you would like to learn more, schedule an informational meeting or call, or enroll in the program, please contact US Foods or OSP:

US Foods:	Pat Patterson, National Sales Manager	Chris Warner, Account Executive
	Phone: 769-777-6506 (<i>Primary</i>) Pat.Patterson2@USFoods.com	or Phone: 337-983-2569 (<i>Secondary</i>) Chris.Warner@USFoods.com

OSP:	Gina Purpera (<i>Program Questions</i>)	Amy Gotreaux (<i>Contract Questions</i>)
	Phone: 225-342-5525 Gina.Purpera@LA.gov	or Phone: 225-342-5476 Amy.Gotreaux@LA.gov

This contract is available through the US Communities cooperative, based on a master contract by North Carolina State University, which was competitively bid and awarded to Premier, a group purchasing organization which negotiates pricing directly with suppliers, and which uses US Foods as its distributor for food sales and delivery.