

**(ATTACHMENT 55) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS RELATED TO SCHOOL NUTRITION**

PR#: \_\_\_\_\_  
 Contract Number: \_\_\_\_\_  
 RFP - 843

**MILWAUKEE BOARD OF SCHOOL DIRECTORS  
 PROFESSIONAL SERVICES CONTRACT**

This Blanket Contract is being entered into this 28<sup>th</sup> day of February, 2014, by and between Red Gold, LLC (“Contractor”) and Milwaukee Board of School Directors.

**1. SCOPE OF SERVICES**

The United States Department of Agriculture (“USDA”) has made bulk commodities available to State Distributing Agencies (“DF”), including the Wisconsin Department of Public Instruction (“DPI”), for distribution to eligible Recipient Agencies, including Milwaukee Public Schools (“MPS”). MPS is entitled to receive bulk commodities through the DPI, including apple slices, bulk beef, chicken, pork, turkey, cheese, eggs, tomato paste, orange juice, potatoes and peanut butter (“Bulk Food Commodities”).

MPS has issued RFP-843 to select highest scoring responsive and responsible commodity processors for each bulk commodity; This Agreement incorporates the terms and conditions in RFP- 843. MPS has determined to have the Bulk Food Commodities manufactured into designated end product for ultimate consumption in MPS schools; Processors have been approved by the USDA and the DPI as a National Processing Agreement (“NPA”) commodity-processor; Contractor shall specifically perform the following tasks:

Contractor shall provide, at its own expense, all personnel required to perform the services under this Blanket Contract. NOW THEREFORE, for good and valuable consideration hereinafter set forth, the parties agree as follows:

1. Processor shall process the Bulk Food Commodities awarded to it, which are listed below, via RFP-843 into the end product as directed by the Summary End Product Data Schedule, Tab B Section 4 of RFP-843 and herein incorporated by reference.

<b>Red Gold, LLC</b>	<b>\$ 104,855.00</b>
Ketchup Individual Packaged	
Ketchup #10 Can	
Salsa, Chunky, Mild	
Tomato Sauce	
Spaghetti Sauce	

2. Processor shall be compensated on a fee-for-service or net off invoice basis, as specified in Processor’s Response to RFP-843 which are herein incorporated by reference.
3. Processor shall adhere to any and all contracts, agreements or MOUs between Processor and the DPI or USDA concerning the Bulk Food Commodities subject of this Agreement.
4. Processor shall accommodate two week lead time from date of order for product to arrive at distributor.
5. Processor shall provide a list of the case allocations to the DPI, MPS or the USDA upon request.
6. Processor shall file a monthly performance report with DPI for each commodity.
7. Processor shall establish with US Foods a frequency of usage report showing sales to US Foods, and submit the report to US Foods on a weekly basis.
8. Processor shall provide to MPS any information reasonably requested that would assist MPS in complying with its legal obligations with respect to the Bulk Food commodities. At a minimum,

Processor shall report to MPS on a monthly basis agreed-upon information, to include the bulk commodities used to date and the remaining bulk commodities.

## 2. TERM

This RFP is for a blanket contract for Direct Diversion of Commodity Processed Foods for delivery for a one year period anticipated to commence July 1, 2014 through June 30, 2015. This contract has an option to be extended by mutual consent for up to four (4)-one year periods, unless amended, cancelled or re-bid. Renewal shall be based on customer satisfaction with products, service and price and annual Board approval.

**NO work** shall commence before a Contractor receives a fully executed Contract and has been given approval to proceed. Any work performed by the Contractor prior to obtaining a fully-executed contract with approval to proceed shall not be compensated pursuant to this contract. Any continuation of the contract beyond this term must be set forth in writing and signed by the original signatories to the contract.

## 3. COMPENSATION

All respondents to this RFP must provide unit pricing into MPS's Prime Vendor for delivery to MPS's schools; as all orders will be processed through the Prime Vendor. MPS's Prime Vendor is US Foods. US Foods will work in accordance with vendors lead times to accommodate adequate stocking products.

Prime Vendor Address:  
US Foods  
W137 N9245 Highway 145  
Menomonee Falls, WI 53051

Subsequent deliveries are required no later than 14 calendar days after receipt of order, unless otherwise negotiated. MPS reserves the right to determine in its sole discretion whether services have been adequately and fully delivered.

## 4. NON APPROPRIATION OF FUNDS

This Contract is contingent upon the appropriation of sufficient funds by appropriate MPS officials. If funds are not appropriated, Contractor agrees to take back any commodities furnished under the Contract, terminate any services supplied to MPS under the Contract, and relieve MPS of any further obligations under the Contract.

## 5. NON-DISCRIMINATION

In the performance of work under this Contract, Contractor shall not discriminate in any way against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age (over 40) or sex. This prohibition includes but is not be limited to employment; promotions, demotions and transfers; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. Contractor is required to include a similar provision in all subcontracts to this contract.

If MPS determines Contractor has violated this non-discrimination policy, MPS may terminate this Contract without liability for undelivered services or materials. MPS may also deem the Contractor ineligible to participate in future contracts with MPS.

## 6. INDEMNITY

Notwithstanding any references to the contrary, Contractor assumes full liability for all of its acts or omissions in the performance of this Contract, as well as the acts or omissions of its subcontractors. Contractor shall indemnify and hold harmless MPS, its agents, officers and employees against all liabilities, losses, judgments, decrees, costs, and expenses that may be claimed against MPS as a result of granting of this contract to said Contractor, or that may result from the carelessness or neglect of said Contractor, its agents, or employees. If judgment is recovered against MPS in suits of law or equity for any reason, including by reason of the carelessness, negligence, or acts or omissions of the Contractor, against such persons, firms or corporations carrying out the provisions of the Contract for the Contractor, the Contractor assumes full liability for such judgment, not only as to any monetary award, but also as to the costs, attorneys fees or other expenses resulting therefrom.

In accordance with applicable laws, MPS shall be responsible for defending and paying judgments on behalf of its officers, employees and agents while acting within the scope of their employment or agency for any claims that may arise out of MPS' negligence for acts, policies, or directives that affect the activities covered by this Contract.

**7. BACKGROUND CHECKS**

A criminal information background check is required for all persons providing services under this Contract, including volunteers, that: (1) provide services in MPS facility(ies) on a regular and ongoing basis or more than 5 hours per week; and (2) come into contact with or have access to MPS students with or without the presence of an MPS teacher or MPS supervisor.

The purpose of this check is to ensure there is nothing that would render the person(s) unfit to perform services under this Contract where there is contact and or access to MPS students. MPS will, in its sole discretion, determine whether there is anything in a background check that would render a person unfit to work in an MPS facility with contact or access to MPS students. MPS shall perform background checks in the state(s) in which the individual resided for at least 6 months in the last 5 years, and was 18 years old or older at the time.

Contractor may perform its own criminal background checks through the Wisconsin Department of Justice Crime Information Bureau ("CIB"). Contractor shall provide the completed criminal background checks to at least 10 days prior to any services being performed pursuant to this contract.

MPS will perform the necessary background investigation at the rate of \$10.00 per person. In the event Contractor chooses this option, Contractor may contact the Office of Staffing Services at 475-8224 to obtain the necessary forms. Please note that all forms must be filled out and submitted at least 30 days prior to the commencement of the services.

All background checks must be completed prior to the commencement of services under this contract. MPS will NOT be responsible for the payment of any services rendered by Contractor before the completion of these criminal information background checks.

**8. INSURANCE AND PROOF OF FINANCIAL RESPONSIBILITY**

Contractor understands and agrees that financial responsibility for claims or damages to any person, or to Contractor's employees and agents, shall rest with the Contractor. Contractor and its subcontractors shall effect and maintain any insurance coverage, including, but not limited to, Workers' Compensation, Employers' Liability, General Liability, Contractual Liability, Professional Liability, Automobile Liability and Umbrella Liability to support such financial obligations. The indemnification obligation, however, shall not be reduced in any way by existence or non-existence, limitation, amount or type of damages, compensation, or benefits payable under Workers' Compensation laws or other insurance provisions.

The minimum limits of insurance required of the Contractor by MPS shall be:

Workers' Compensation	Statutory Limits
Employers' Liability	\$100,000 per occurrence
General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate
Professional Liability	\$1,000,000 per occurrence
Auto Liability	\$1,000,000 per occurrence
Umbrella (excess) Liability	\$1,000,000 per occurrence

MPS shall be named as an additional insured under Contractor's and subcontractors' general liability insurance and umbrella liability insurance. Evidence of all required insurances of Contractor shall be given to MPS. The certificate of insurance or policies of insurance evidencing all coverages shall include a statement that MPS shall be afforded a thirty (30) day written notice of cancellation, non-renewal or material change by any of Contractor's insurers providing the coverages required by MPS for the duration of this contract.

**9. SHIPPING /TAXES**

If goods are provided pursuant to this Contract, please note that MPS is exempt from Federal Excise and Wisconsin Sales Taxes. All vendor quotes, bids and invoices must include delivery FOB destination to the MPS location receiving the goods and freight must be prepaid. This means any freight, shipping, processing, handling or like charges must be part of a unit price. Any separate line items for freight, shipping, processing, handling or like charges listed on an invoice will be deleted and NOT PAID.

All textbook purchases shall be governed by the terms and conditions in the Milwaukee Board of School Director Textbook Contract, found on the MPS portal (<http://mpsportal.milwaukee.k12.wi.us>) which provides that textbooks shipped to MPS or its schools must be done at no additional charge to MPS or its schools.

MPS reserves the right to reject any items that do not conform to the bid, quote or Purchase Order. All return freight charges associated with the rejected materials shall be borne by the vendor.

#### **10. IRREPARABLE HARM**

It is mutually agreed the breach of this Contract on Contractor's part shall result in irreparable and continuing damage to MPS for which money damages may not provide adequate relief. Therefore, the breach of this Contract on Contractor's part shall entitle MPS to both preliminary and permanent injunctive relief and money damages insofar as they can be determined under the circumstances.

#### **11. TERMINATION BY CONTRACTOR**

Contractor may, at its option, terminate this Contract upon the failure of MPS to pay any amount, which may become due hereunder for a period of sixty (60) days following submission of appropriate billing and supporting documentation. Upon said termination, Contractor shall be paid the compensation due for all services rendered through the date of termination including any retainage.

#### **12. TERMINATION BY MPS - BREACH BY CONTRACTOR**

If Contractor fails to fulfill its obligations under this Contract in a timely or proper manner, or violates any of its provisions, MPS shall thereupon have the right to terminate it by giving five (5) days written notice before the effective date of termination of the contract, specifying the alleged violations, and effective date of termination. The Contract shall not be terminated if, upon receipt of the notice, Contractor promptly cures the alleged violation with five (5) days. In the event of termination, MPS will only be liable for services rendered through the date of termination and not for the uncompleted portion, or for any materials or services purchased or paid for by Contractor for use in completing the Contract.

#### **13. TERMINATION BY MPS**

MPS further reserves the right to terminate this Contract at any time for any reason by giving Contractor written notice by Registered or Certified Mail of such termination. MPS will attempt to give Contractor 20 days notice, but reserves the right to give immediate notice. If in the event of said termination, Contractor shall reduce its activities hereunder, as mutually agreed to, upon receipt of said notice. Upon said termination, Contractor shall be paid for all services rendered through the date of termination, including any retainage. This section also applies should the Milwaukee Board of School Directors fail to appropriate additional monies required for the completion of the Contract.

#### **14. INDEPENDENT CONTRACTOR**

Contractor agrees and stipulates that in performing this Contract, it is acting as an Independent Contractor, and that no relationship of employer and employee, partnership or joint venture is created by this Contract. Contractor has exclusive control over work hours, location, and other details of such services, and MPS' sole interest is to ensure that said service shall be performed and rendered in a competent, safe, efficient, timely and satisfactory manner in accordance with the terms of this Contract.

Contractor has the sole obligation to provide for and pay any contribution or taxes required by federal, state or local authorities imposed on or measured by income. Contractor specifically covenant not to file any complaint, charge, or claim with any local, state or federal agency or court in which Contractor claims to be or to have been an employee of MPS during the period of time covered by this Contract and that if any such agency or court assumes jurisdiction of any complaint, charge or claim against MPS on Contractor's behalf, Contractor will request such agency or court to dismiss such matter. MPS shall not be charged any obligation or responsibility whatsoever of extending any fringe benefits which may be extended to MPS employees, including any insurance, or pension plans.

Contractor further agrees that MPS is not to be charged with the obligation or responsibility of extending any fringe benefits such as hospital, medical and life insurance, or pension plans which may be extended to employees of MPS from time-to-time and further agree to indemnify and hold harmless MPS and all its employees, officers and agents from any liability for personal injuries, including death, or for damage to or loss of personal property, which might occur as a result of the performance of the services provided for under this Contract.

#### **15. ASSIGNMENT LIMITATION**

This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns; provided, however, that neither party shall assign its obligations hereunder without the prior written consent of the other.

## **16. PROHIBITED PRACTICES**

- A. Contractor during the period of this contract shall not hire, retain or use for compensation any member, officer, or employee of MPS to perform services under this Contract, or any other person who, to the knowledge of Contractor, has a conflict of interest.
- B. Contractor hereby attests it is familiar with MPS's Code of Ethics, providing in pertinent part, "[a]n employee of MPS may not accept any gift or gratuity in excess of \$25.00 annually from any person, persons, group or any firm which does business with or is attempting to do business with MPS."
- C. Contractor shall adhere to the MPS' Livable Wage Policy that requires all contractors to pay their employees a minimum of \$7.70 per hour.
- D. No person may enter into this contract for services that the MPS employee would otherwise perform as an employee.
- E. No current or former MPS employee may perform services on a professional services contract without the prior written consent of the Director of Human Relations or her designee.
- F. If the Contract is for apparel for \$5,000.00 or more, the Contractor agrees to provide only items manufactured by responsible manufacturers. Contractor is required to include a similar provision in all subcontracts to this contract.

## **17. NOTICES**

Notices to either party provided for in this Contract shall be sufficient if sent by Certified or Registered mail, postage prepaid, addressed to the signatories on this contract, or to their designees.

## **18. WAIVER**

The waiver or failure of either Party to exercise in any respect any rights provided for in this Contract shall not be deemed a waiver of any further right under this Contract.

## **19. INTEGRATION / SEVERABILITY**

This Contract and its exhibits and addenda, if any, constitute the entire Contract among the Parties with respect to the subject matter hereof and supersede all prior proposals, negotiations, conversations, discussions and Contracts among the Parties concerning the subject matter hereof. No amendment or modification of any provision of this Contract shall be effective unless the same shall be in writing and signed by both Parties.

The District shall not be bound by any terms and conditions included in of contractor's packaging, service catalog, brochure, technical data sheet or other document which attempts to impose any conditions at variance with or in addition to the terms and conditions contained herein.

If any term or provision of this Contract should be declared invalid by a court of competent jurisdiction or by operation of law, the remaining terms and provisions of this Contract shall be interpreted as if such invalid Contracts or covenants were not contained herein.

## **20. CHOICE OF LAW & FORUM**

The state courts of Wisconsin shall be the sole forum for all disputes arising of this contract. The validity, construction, enforcement and effect of this Contract shall be governed solely by the laws of the State of Wisconsin.

## **21. TIMING**

Time is of the essence in this Contract.

## **22. CERTIFICATION REGARDING DEBARMENT OR SUSPENSION**

Contractor certifies that neither Contractor or its principals; its subcontractors or their principals; the sub-recipients (if applicable) or their principals are suspended, debarred, proposed for debarment, voluntarily excluded from covered transactions, or otherwise disqualified by any federal department or agency from doing business with the Federal Government pursuant to Executive Orders 12549 and 12689. Contractor specifically covenants that neither the Contractor or its principals, its sub-contractors or their principals, or the sub-recipients (if applicable) or their principals are included on the Excluded Parties List System ("EPLS") maintained by the General Services Administration ("GSA").

## **23. FORCE MAJEURE**

MPS will not be liable to pay contractor for any work that the contractor is unable to perform due to act of God, riot, war, civil unrest, flood, earthquake, outbreak of contagious disease or other cause beyond MPS' reasonable control (including any mechanical, electronic, or communications failure, but excluding failure caused by a party's financial condition or negligence).

#### 24. STUDENT DATA

Contractor acknowledges that student data is protected by both federal and state law. *See* Wis. Stat. § 118.125; 20 U.S.C. § 1232g(b); 34 C.F.R. § 99.1 *et seq.* If MPS determines that Contractor has disclosed any student record information in violation of either federal or state law, without prejudice to any other rights or remedies the MPS may have, MPS shall be entitled to immediately terminate this and every other existing Contract without further liability. Moreover, MPS may bar Contractor from future MPS contracts for varying periods up to and including permanent debarment.

#### 25. NON-DISCLOSURE

Absent prior written consent of the person listed in Section 3 or his/her designee, Contractor shall not: (1) disclose, publish, or disseminate any information, not a matter of public record, that is received by reason of this Contract, regardless of whether the Contractor is or is not under contract at the time of the disclosure; or (2) disclose, publish, or disseminate any information developed for MPS under this Contract. Contractor agrees to take all reasonable precautions to prevent any unauthorized use, disclosure, publication, or dissemination of the same information.

All information and any derivatives thereof, whether created by MPS or Contractor under this Contract remains the property of MPS and no license or other rights to such information is granted or implied hereby. For purposes of this Contract, "derivatives" shall mean: (i) for copyrightable or copyrighted material, any translation, abridgment, revision, or other form in which an existing work may be recast, transformed, or adapted; and (ii) for patentable or patented material, any improvement thereon.

Within ten business days of the earlier of receipt of MPS' written or oral request, or final payment, Contractor will return all documents, records, and copies thereof it obtained during the development of the work product covered by this Contract.

#### 26. MPS LOGO/PUBLICITY

No Contractor shall use the MPS Logo in its literature or issue a press release about the subject of this Contract without prior written notice to and written approval of MPS' Director of Communication and Public Affairs.

#### 27. ORDER OF PRIORITY

Should Contractor and MPS sign Contractor's Contract in addition to this Contract, the terms set forth in this Contract shall govern in the event of a conflict.

#### 28. PUBLIC RECORDS

Both parties understand that the Board is bound by the Wisconsin Public Records Law, and as such, all of the terms of this Contract are subject to and conditioned on the provisions of Wis. Stat. § 19.21, *et seq.* Contractor acknowledges that it is obligated to assist the Board in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Contract, and that the Contractor must defend and hold the Board harmless from liability under the law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Contract.

#### 29. HUB REQUIREMENT

The HUB requirements for this RFP were 15% per 12-month contract. Student Employment is 0 hours per 12 month contract. Student Education was 20 hours per 12 month contract.

IN WITNESSES WHEREOF, the parties here to have executed this Contract on the day, month and year first above written.

CONTRACTOR, RED GOLD LLC

By Dana Saverino

Vendor name RED GOLD LLC

Address 1500 Tomato Country Way  
City, State Zip Elwood IN 46063

Date: 3/19/14

MILWAUKEE BOARD OF SCHOOL DIRECTORS

By Deborah Noble

Deborah Noble, Director of Procurement Services

Date: 3/21/14

Phone Number:

Tax Id or SS [REDACTED]

Budget Code:

By: Gregory Thornton  
Gregory E. Thornton, Ed.D., Superintendent of Schools

Date: 3/21/14

By: Michael Bonds  
Michael Bonds, Ph.D., President  
Milwaukee Board of School Directors

Date: 3-26-14

NOTE: BUDGET CODES THAT ARE NOT LOCAL SCHOOL BUDGET CODES, MUST BE APPROVED BY APPROPRIATE DEPARTMENT OR PROGRAM ADMINISTRATOR.

This contract is not enforceable until signed by the Department of Finance. Payment will not be made on any contract not on file in the Department of Finance. A minimum of fifteen business days is required for approval.

Reviewed by Division of Insurance and Risk Management

By: Robert R. Coulter Date: 4/2/14

Approved as to form and independent contractor status by Department of Finance.

By: Debra Shober Date: 4-2-14