

Attachment D – Warehousing Service and Storage Requirements RFx 3000023120

The Warehouseman shall provide proper storage facilities for all United States Department of Agriculture (hereinafter referred to as USDA) commodities entrusted to him, as provided by law and the Louisiana Department of Agriculture and Forestry (LDAF), Food Distribution Division Claims Policies and Procedures memo dated April 30, 1998 (see Attachment E), including any amendments and/or revisions. Dry, refrigerated, and frozen storage warehouse facilities should be conveniently located near each other within the warehouse district being bid. The facilities shall have ample docks as required for simultaneous loading of both State trucks and a representative number of recipient agency trucks. Sufficient floor space in single story facilities shall be provided to permit ventilation, palletization, each of proper rotation, inspection, inventory, and removal of foods. The Warehouseman shall provide ample space to accommodate a desk-sized table in an area suitable to support a computer terminal and printer, provided by LDAF. The location of the equipment shall be air-conditioned and humidity controlled with a minimum of three 110-117 volt AC, three prong, grounded outlets located within 10 feet of the equipment. The electrical outlets shall be on a 20 amp circuit and cannot be shared with any other equipment. Sufficient time shall be provided for an employee to enter shipments received and goods transferred out on a daily basis.

LDAF agrees to distribute from the Warehouseman's facilities all USDA donated food commodities to eligible public School Food Authorities within the contract area, except for direct shipments to processors of commodities as determined necessary by the Food Distribution Division and requested by School Food Authorities utilizing processors of commodities, and to recipient agencies requesting and capable of receiving direct shipments. Such direct ship points may include, but are not limited to, commercial or private warehouses, and commercial food product distributors.

Quantities consigned will be based on USDA commodity food shipments for LDAF and recipient agency needs, and cannot, therefore, be accurately predetermined. Warehouseman will be notified when foods are requisitioned for his warehouse and also when food is shipped if timely notification is received from the shipper by LDAF. Demurrage and diversion charges will be borne by the Warehouseman unless prior notification of shipment was not received by the Warehouseman and his warehouse is full.

Tender for Storage

“Lot” as used herein, means the unit or units of goods for which the Warehouseman is to keep a separate account. The Warehouseman must identify each lot by LDAF's assigned lot number until the last unit is withdrawn. Lots transferred by the Warehouseman must be identifiable by this number at all times.

The Warehouseman will designate each delivery of a commodity as a separate transaction and will identify its contents by lot number. Lots must be stored so that a member of LDAF, together with the Warehouseman, may spot-check physical inventory. Discrepancies between the book and physical inventory will be rectified by the next billing date or on an annual basis, as determined by the Distribution Agency.

The Warehouseman shall store and deliver goods only in the packages in which he initially receives them, unless packages are so damaged that repackaging is needed. Before proceeding with any repackaging, the Warehouseman shall contact LDAF for approval and instructions. Repackaging shall be done under the

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supervision of the Louisiana Food and Drug Administration or LDAF.

LDAF will designate commodities as either dry, refrigerated, or frozen, to be stored by the Warehouseman within the following temperature ranges:

Dry:	Maximum of 80° F
Refrigerated:	32° to 41° F
Frozen:	-10° to 0°F

Additional storage temperature requirements for specific commodities are explained in Louisiana Department of Agriculture and Forestry memo dated April 30, 1998 (Attachment E).

Storage Period

All lots are stored on a month-to-month basis as follows: A storage month extends from the date of receipt of a lot in one calendar month up to, but not including, the same date in the succeeding calendar month. Should there be no corresponding date in the following calendar month, the storage month extends to the next calendar day. If both offices are closed on the last day of a storage month, the month will be extended to the next day both offices are in operation.

LDAF endeavors at all times to distribute older commodities first. Should an incoming shipment contain commodities dated other than for one year, the shipment should be separated into lots by year. Should an incoming shipment contain various packing dates of the same year, the shipment should be receipted using the date that is the majority of the shipment.

Orders, Transfers, and Distribution Reports

LDAF may order commodities for storage by the Warehouseman without consulting the Warehouseman beforehand; however, LDAF shall notify the Warehouseman once orders have been requisitioned. Prior to the first day of the shipping period, the Warehouseman may refuse to accept the ordered commodities without incurring any charges. However, if commodities have been shipped and LDAF must divert a shipment, the Warehouseman shall bear any charges resulting from the diversion, unless shipments arrive at the warehouse without prior notification and the warehouse is full as determined by LDAF.

The Warehouseman will release USDA commodities only upon authorization from LDAF. Instructions by LDAF to release commodities become effective when notice is received by the Warehouseman.

LDAF truck driver or the recipient agency representative receiving USDA commodities must sign the warehouse copy of LDAF’s Pick Ticket, provided by the Warehouseman, verifying the kind and count of commodities.

Prior to loading LDAF’s trucks, the Warehouseman may place dry commodities on the loading dock prior to the arrival of the truck. Refrigerated and frozen commodities, however, shall not be pulled from

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storage before the truck arrives. The Warehouseman is responsible for safeguarding USDA commodities until loading is completed.

The Warehouseman may transfer commodities from one room of a building to another of the same building without notifying LDAF in advance; however, such transfers must be made at no charge to LDAF. Under no circumstances may the Warehouseman transfer commodities at a charge to LDAF without authorization. In the event of an emergency such that a loss of, or damage to, a commodity impends, the Warehouseman may make such transfers as are reasonable to save the commodity. In the event of such an emergency transfer, the Warehouseman will notify LDAF by telephone immediately, and provide a written explanation of the transfer within 10 business days. The Warehouseman is liable for charges resulting from such transfers unless otherwise agreed to by LDAF.

Monthly distribution reports by recipient agency name shall be submitted by the Warehouseman by the 10th of each month with the inventory report.

Inventory Reports

The inventory report shall list each commodity by kind and size. An annual physical inventory shall be conducted by LDAF and the Warehouseman. Overages and shortages may be balanced against each other only within the physical inventory in which they were noted. A Warehouseman is not authorized to substitute one commodity for another in issuing commodities. Any errors in this regard should be reported immediately to LDAF and inventory records immediately reconciled.

Charges and Billing

A charge unit of a commodity shall be determined by LDAF.

LDAF is liable for all charges agreed upon up to the time of release or transfer to a recipient agency, by LDAF, except for charges for storage and withdrawal after release or transfer to eligible recipient agencies, which shall be the responsibility of those agencies, and the Warehouseman hereby agrees that these charges shall not exceed the charges to the State. This includes commodities in the form as provided by USDA and also products which have been further processed by approved processors and delivered to the warehouse and stored to the account of the eligible recipient agencies. LDAF is liable for charges for commodities from the date placed under seizure, hold, or embargo by the Louisiana Food and Drug Administration, the United States Food and Drug Administration, or the vendor, or USDA, until the date of release, unless a determination of fault is made by USDA against a negligent party other than LDAF, in which case LDAF will pursue regular claims action.

LDAF is liable for the following charges:

Monthly storage charges at a uniform cost for all charge units of a commodity in a given type of storage. All charges for storage are on a month-to-month basis unless otherwise agreed upon by LDAF and the Warehouseman. Charges for a given lot begin upon receipt into storage of the entire lot. Charges are based upon the number of units in a given lot at the beginning of a storage month.

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Handling at a uniform cost per unit covering the routine labor and duties incidental to unloading and receiving goods at warehouse truck or rail platform and returning to the same, and in combination with any uniform withdrawal charges for the withdrawal of a lot or portion of a lot and the preparation of a withdrawal ticket.

Any special costs incurred by the Warehouseman in handling damaged goods when previously authorized by LDAF.

Telephone costs for phone calls made by LDAF personnel. Copies of the telephone bills designating charges shall be submitted with the regular monthly storage bills.

Any other charges approved by LDAF before they are incurred. Payment will not be made without such approval.

Charges fall due on the first day of the following storage month.

Warehouse bills will be submitted monthly by the Warehouseman for the previous month's charges for each lot in the warehouse on the first day of the storage month and will be paid on a monthly basis. For commodities distributed within the previous storage month, the State is liable for the full month's storage charge. Fuel charges for commodities when under controlled temperatures shall be incorporated into the rate per unit of storage.

All prices listed herein are to be firm for the contractual period except that prices may be adjusted on an annual basis by written request received by March 1st of each year reflecting the average percentage rate of rise or fall in the Bureau of Labor Statistics Price Index (Producer Price Index (PPI) series PCU493120493120 – Refrigerated Warehousing and Storage) as obtained by the Louisiana Department of Agriculture and Forestry for that year. This annual adjustment is contingent upon approval of funds by the Louisiana Legislature.

Payment

LDAF will pay the Warehouseman upon presentation and approval of properly executed invoices. Payment will be made upon the basis of the appropriate unit price and other charges as listed in the contract; such payment will constitute full compensation for services.

Liability of the Warehouseman

The responsibility of a Warehouse is the reasonable care and diligence required by law as set forth in the Contract, and the Department of Agriculture & Forestry memo of April 30, 1998 (Attachment E), including subsequent amendments and/or revisions. Commodities are to be protected at all times against theft, rodents, insects, spoilage, and damage. Warehouseman is not responsible for damage to commodities caused by an Act of God. Unless negligence is determined, the Warehouseman will not be held liable for concealed damage, undetected leakage from packages, variation in weights, shrinkage in weights, or from losses by reason of containers deemed defective by USDA. Where damage is detected,

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the Warehouseman shall notify the Department of Agriculture & Forestry and remedy the damage as directed by LDAF.

Whenever possible, the Warehouseman will comply with requests by LDAF for special conditions or procedures, and LDAF is liable for all charges agreed upon resulting from such compliance.

The Warehouseman shall submit to LDAF as soon as possible, notification of any and all damage to commodities and/or their packing cases when cases or bags are so damaged that they may not be allocated. Refer to Claims Policy and Procedures, Louisiana Food Distribution Division, memo dated April 30, 1998 (Attachment E).

LDAF truck drivers have the authority to refuse to accept any commodities they deem damaged or poorly packaged.

LDAF reserves the right at its option to leave in place at the end of the contract period or upon cancellation, all or any part of the items in storage for a period of up to 90 days, drawing down from storage as required at the same prices, terms and conditions. In the event the new successful bidder is different from the current vendor, but the commodities are to be stored in the same facility, LDAF is not liable for any handling charges for any inventory in stock on the first day of the contract period. In addition, the anniversary (billing) date of all lots will not be adjusted.

Guarantee and Liability Clause

The Warehouseman guarantees that the commodities issued are in good condition and are from the correct lot invoiced on a first-in-first-out basis, and that no changes or substitutions have been made unless authorized by the Food Distribution Division.

The Warehouseman holds and saves the State, its officers, agents, and employees harmless from liability of any kind, resulting from any act of commission or omission by the Warehouseman, its agents, servants, or employees, other than costs and expenses for any services rendered by the Warehouseman as outlined in the contract and its attachments. During the Warehouseman's performance under the contract, the Warehouseman will comply with any and all applicable Federal, State, or Local statutes, laws and regulations affecting USDA Food Distribution Program activities and/or the duties and responsibilities of the Warehouseman under the contract.

Spoilage and Loss of Commodities

If the Warehouseman suspects that commodities have become out-of-condition, he should contact LDAF immediately. The Warehouseman shall have authorized health authorities inspect and condemn the commodities before they may be disposed of. A copy of the condemnation or inspection certificate must be submitted by the Warehouseman to LDAF, together with a State Warehouse Distributing Agency claim determination form. Refer to Claims Policies & Procedures, Louisiana Food Distribution Division, memo dated April, 1998 (Attachment E).

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Should commodities become unfit for human consumption, but determined fit for animal consumption by the local sanitarian or USDA, the Warehouseman shall contact LDAF for instructions as to further disposition. If commodities are condemned for both human and animal consumption, they shall be disposed of in accordance with Federal and State laws and Local statutes.

The health inspector shall be present at all times during the destruction of spoiled commodities.

Determination of liability for spoiled commodities is at the discretion of USDA in accordance with USDA regulations and instructions.

In the case of goods damaged or lost through negligence of the Warehouseman, the USDA commodity value of the goods on the date the spoilage or loss is discovered shall be the measure of damages. Where USDA regulations so specify, the Warehouseman may be required to make restitution in whole or in part of damaged or lost commodities. Commodities and/or shipping containers shall be sold to a salvage company only after refusal of liability is made by the carrier and approval of LDAF. Documentation of refusal shall be mailed to LDAF, together with a check for the salvage made out to the Louisiana Department of Agriculture and Forestry Federal Container Salvage Fund.

LDAF is not responsible for the subsequent condition of commodities when commodities are under State embargo, Federal seizure, or on hold by USDA or the vendor.

Truck Loading and Unloading

The Warehouseman is responsible for the load, count and visible condition in the loading of all LDAF trucks and for recipient agencies that pick up their own commodities. Forklifts may not be driven into LDAF trucks for the purposes of loading and unloading.

Should incoming shipments of commodities be short or damaged upon receipt, the Warehouseman is responsible for updating the Web Based Supply Chain Management (WBSCM) system. If more than one-half of the incoming shipment is damaged or out-of-condition, the Warehouseman shall immediately advise LDAF. Only the USDA has the authority to reject a shipment from the vendor. Prior permission to fumigate a truck must be granted by LDAF or USDA. All unloading reports shall include a completed tally sheet, Bill of Lading, and any documents related to loss or destruction of damaged commodities as instructed by LDAF.

For all shipments received at the warehouse, the following procedures shall be followed:

Upon arrival of the commodities at the warehouse, the Warehouseman shall unload within the free time allowance and properly store the commodities, and in addition, shall issue to LDAF such documents as otherwise prescribed by statute. Warehouseman is responsible for any demurrage charges which may accrue as a result of Warehouseman's negligence. No shipment shall be unloaded without proper identification as to destination, amount to be unloaded and delivery order number. In the event of a fractional receipt of a shipment, the Warehouseman agrees to level or brace the remaining load, reseal the car and redirect the balance of the shipment to its next point of destination.

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The Warehouseman shall forward to LDAF for each shipment received the Unloading Report and one copy of the tally sheet. When commodities are damaged or a shortage is noted, the Warehouseman shall notify LDAF immediately after receipt of the shipment. The Bill of Lading shall indicate the actual amount accepted and the amount over, short and/or damaged. Please document all damages and/or amounts short on the Bill of Lading.

Piggyback Shipments

Piggyback shipments are a combination of rail and truck shipments. The Warehouseman is obligated to accept piggyback shipments and shall be prepared to unload upon receipt. Warehouseman will be responsible for scheduling a delivery appointment within 24 hours after 7:00 a.m. CT on the first day after receiving notification of delivery. If Warehouseman desires the driver to unload, he must advise carrier when delivery appointment is made; however, the Warehouseman is responsible for all unloading charges incurred. These charges shall be billed directly to the Warehouseman. It is additionally understood that waiting time and/or any other charges resulting from receiver negligence will be the responsibility of the Warehouseman. Damaged commodities shall be unloaded and segregated from other foods pending instructions from carrier. Warehouseman is required to notify Trailer or Flat Car (TOFC) carrier, not local drayage company, of any loss or damage immediately upon unloading. If TOFC carrier is not listed on shipping documents, the local drayage company should be able to provide the company's name and contact person. When a piggyback shipment is received with extensive damage, the Warehouseman should not unload or accept any portion of the load. The Warehouseman shall notify the TOFC carrier and LDAF immediately.

If the Warehouseman unloads commodities at a location other than the one designated by LDAF, the Warehouseman will be responsible for all costs associated with transferring the product to the proper warehouse as established by LDAF. The conditions during transporting the product shall be the same as conditions for storage of that product.

Taxes

Warehouseman hereby agrees that the responsibility for payment of taxes from the funds thus received under the contract and/or legislative appropriation shall be said Warehouseman's obligation.