



**PINCO EXECUTIVE COMMITTEE MEETING  
JANUARY 11, 2017  
10:00AM  
PINCO ADMINISTRATIVE OFFICES  
44809 BEECH AVENUE  
LANCASTER, CA 93534**

**MINUTES: 10:40 AM**

- 1. SIGN-IN: See Sign-In sheet**
- 2. ADOPTION OF AGENDA**

Adoption of January 11, 2017 Executive Committee Meeting Agenda.

**MOTION: GREENFIELD SECONDED: PALMDALE PASSED**

- 3. PUBLIC COMMENTS FROM THE FLOOR:**

Public Business from the Floor – Agendized Items and Non-Agendized Items: The public is invited to address items on the PINCO Agenda or any item that is within PINCO’s jurisdiction as constituted. Without taking action or entering into a dialog with the public, PINCO Board members may briefly respond to statements made or ask clarifying questions about topics not on the PINCO agenda. Individual speakers are limited to three (3) minutes each with the total time for public input on each item limited to fifteen (15) minutes. All persons requesting to make comments are asked to complete a public speaking form prior to the meeting. You will be asked to provide your full name, who or what you are representing and the topic as an item identified on the agenda or as a non-Agendized item.

- 4. ADOPTION: OCTOBER 12, 2016 EXECUTIVE COMMITTEE MEETING MINUTES**

**MOTION: PALMDALE SECONDED: WESTSIDE PASSED**

**DISCUSSION:**

**Comments from discussion of Agendized and Non-Agendized items for historical reasons need to reflect material and time-related information. Statements of position/opinion shall not be recorded in Minutes with the exception of activity(ies) or announcements. Minutes will be posted on PINCO website as PENDING APPROVAL until adopted by Executive and Advisory Committees respectively.**

- 5. 2017-2018 PINCO BID-PROPOSAL CATEGORY SCHEDULE**

Background: PINCO’s Bid Sub-committee will report on its recommendations for category(ies) and timeline for solicitation in 2017-2018.

**INFORMATION ONLY**

**Bid Sub-committee representatives reported on working with Member Districts to establish line items for processor/purchased item categories to PINCO. Broadline solicitation will be staggered providing more time to vet responses. Best Value scoring will be adjusted in compliance with new CDE/USDA procurement guidelines.**

## 6. USDA ENTITLEMENT "SALE"- MCI/LOS CABOS

Background: PINCO has been working with MCI/Los Cabos since the beginning of the school year to find ways to accelerate diverted Cheddar cheese. Carry-over balance combined with current year diversion and usage will cause PINCO to lose any unused pounds per CDE/USDA Policy by sweep in October of 2017. In order to avoid this potential sweep, the Lead Agency per advisement with CDE and MCI/Los Cabos placed one truckload (40,800#'s) of Cheddar Cheese up for sale with other agencies; scheduled for arrival mid-January. On January 3, 2017, CDE found an agency to take this entitlement from PINCO. With the sale taking place before arrival/billing, the \$81,037.00 of entitlement will be available to use for any purchases made prior to June 30, 2017. This sale prevented an inevitable loss of entitlement that would have impacted all Member Districts. It is important for PINCO Member Districts to consider the drawdown of entitlement for items awarded to processors to gauge the appropriate amount of USDA Foods in its diversion(s).

### INFORMATION ONLY

No comments

## 7. REVISION: INTERNAL SWEEP POLICY

Background: PINCO's Commodity Sub-committee met after carry-over sweeps to refine language in the Internal Sweep Policy. The drive and main-purpose of Policy remains intact. Timeline changes(s) allow Districts more opportunity to make adjustments to orders &/or trade-sell and the percentage increase from 25% to 60% in the May sweep impresses usage upon the "receiver" of the pounds. These changes, along with Member District's active management of inventory at processor and continued use of will ensure PINCO's adherence with Policy and maximization of its entitlement. It is recommended that PINCO's Executive Committee take the proposed changes in this Policy to PINCO's Advisory Committee for approval.

**Item tabled. Ad hoc committee was discussed for review of proposed timelines/percentages in addition to assessment of internal sweeps to avoid negative balances. Committee will present draft revision to Executive Committee for review at its next scheduled meeting March 8, 2017.**

**MOTION: PALMDALE      SECONDED: GREENFIELD      PASSED**

## 8. JPA/POLICY COMMITTEE- QUORUM STUDY

Background: The JPA/Policy Sub-committee met in December to discuss the JPA's required quorum and meeting attendance. The goal of the Sub-committee was to determine a reasonable number/percentage, **40%**, of Member Districts attending a meeting to represent the interests of the Co-operative and conduct business. The Sub-committee determined that reducing the number from twenty to **sixteen** Member Districts would prevent meetings from not being able to take place due to a lack of attendees. Sub-committee members also discussed incorporating language requiring attendance at PINCO's two "key" annual meetings the **USDA Pre-planner and Bid Award meetings**. Required attendance and a **monetary** consequence should be considered by the Executive Committee. The Lead Agency recommends PINCO's Executive Committee approve the JPA/Policy Sub-committee's quorum/minimum meeting attendance recommendation(s) to bring to PINCO's Advisory Committee for their approval. Once approved, Lead Agency will work with PINCO legal counsel to determine the best course of action to amend the JPA.

**MOTION: PALMDALE      SECONDED: WESTSIDE      PASSED**

JPA/POLICY Sub-committee reported-out on their December 12, 2016 meeting. Executive Committee will review 2017-2018 proposed calendar dates with attention to frequency of meetings and combining activities in order to reduce the times PINCO Members would be away from their Districts.

**9. REPORTS FROM PINCO SUB-COMMITTEES**

Request was made to have notification of Sub-committee meetings so members could attend when available.  
Next Bid committee meeting will be held January 19, 2017.

**10. REPORTS/COMMENTS FROM EXECUTIVE COMMITTEE MEMBERS**

**11. UPCOMING MEETING DATES:**

**2016-2017 Advisory Committee**

January 19, 2017	PINCO Service Center, Bakersfield	2017-2018 Bid Planning
February 9, 2017	PINCO Service Center, Bakersfield	2017-2018 Pre-Planner
March 23, 2017	PINCO Service Center, Bakersfield	2017-2018 Bid Awards
April 20, 2017	PINCO Service Center, Bakersfield	2017-2018 Buying Guide
May 18, 2017	PINCO Service Center, Bakersfield	Budget/Calendar
June 15, 2017	PINCO Service Center, Bakersfield	Year-End General Session

**2016-2017 Executive Committee**

March 8, 2017	PINCO Administrative Offices, Lancaster	2017-2018 Bid Re-Cap
April 6, 2017	PINCO Administrative Offices, Lancaster	Budget/Calendar, Gen Bus.
May 10, 2017	PINCO Administrative Offices, Lancaster	Gen. Business, Budget
June 8, 2017	PINCO Administrative Offices, Lancaster	Year End Gen. Business

**12. ADJOURN:**

**MOTION: PALMDALE      SECONDED: WESTSIDE**

**PINCO ADMINISTRATIVE OFFICES**

**WEDNESDAY JANUARY 11, 2017**

**SIGN IN SHEET**

<b>MEMBER DISTRICT</b>	<b>REPRESENTATIVE</b>
ACTON-AQUA DULCE USD	
ALISAL USD	
AVUHSD	<i>Joe Cook</i>
ARVIN USD	
BAKERSFIELD CITY SD	<i>Brenda Robison</i>
BARSTOW USD	<i>fl</i>
BEARDLSEY SD	
BIG PINE SD	
BISHOP UESD	
DELANO ELEM SD	<i>[Signature]</i>
DELANO HS DISTRICT	<i>[Signature]</i>
EARLIMART SD	
EASTSIDE USD	
EDISON SD	
EL TEJON USD	
FAIRFAX SD	<i>[Signature]</i>
GREENFIELD USD	
KEPPEL USD	
KERN COUNTY SUPT	
KERNVILLE USD	
LAMONT SD	
LANCASTER SD	
LONE PINE SD	
LOST HILLS SD	
MC FARLAND SD	
MOJAVE SD	
NORRIS SD	
PALMDALE SD	<i>[Signature]</i>
PANAMA-BUENA VISTA SD	<i>[Signature]</i>
RICHLAND SD	
SOUTH FORK USD	
STANDARD SD	
TAFT CITY SD	
TEHACHAPI USD	
VINELAND SD	
WASCO ELEM SD	<i>[Signature]</i>
WASCO UHSD	<i>[Signature]</i>
WESTSIDE USD	
WILLIAM S. HART UHSD	
WILSONA SD	

## PINCO: 2017-2018 Proposal Schedule

<u>Date</u>	<u>Action</u>
January 11, 2017	Category recommendations to Executive Committee
January 19, 2017	Present proposed Category recommendations to Advisory Committee
January 29, 2017	Advertise/Post Category Solicitations (first of two)
February 5, 2017	Second Posting for Categories
February 19, 2017	Advertise/Post Purchased Items to Warehouse (Broad-Line) RFP
February 26, 2017	Second Posting for Broad-Line RFP
February 28, 2017	Opening of Responses to RFP Categories #01-#05
March 1-7, 2017	Re-cap Response(s) Categories #01-#05
March 8, 2017	Present Response Re-cap & Recommendations to Executive Committee
March 23, 2017	Present Category Recommendations to Advisory Committee for Approval
March 28, 2017	Opening Response(s) of RFP Broad-Line
March 29-April 4, 2017	Re-cap Broad-Line RFP Response(s)
April 5, 2017	AVUHSD to Review/Approve PINCO Recommendation(s) Categories #01-#05
April 6, 2017	Present Broad-Line RFP Re-cap & Recommendations to Executive Committee
April 20, 2017	Present Broad-Line RFP Recommendations to Advisory Committee for approval.
May 3, 2017	AVUHSD to Review/Approve Broad-Line for Award

## PINCO

### Internal Commodity Management Bulletin

A Commodity Committee was created to assist the PINCO Lead District in overseeing the management of both USDA commodities sent to processors and USDA commodities received into the PINCO Service Center Warehouse.

#### 1. Process Preventing Commodity Sweeps by the USDA

In order to prevent commodity sweeps by the USDA, individual Districts must be held accountable for their individual use of the commodities allocated into their accounts. The tangible consequence of not utilizing commodities in a timely and efficient manner will be result in having product "swept" by the co-op and redistributed to Districts in need of, and/or properly utilizing, the commodity(ies).

##### PINCO Internal Commodity Sweep:

- Twice ~~a-per~~ year, on or about January 31<sup>st</sup> and May 30<sup>th</sup>, there will be an internal sweep of commodities ~~not-under-utilized~~ by each ~~districts~~. On January 31<sup>st</sup>, districts that have not used 25% of their allocated commodities per vendor/commodity type will have 50% of their balance removed from their account and re-allocated to districts requesting the product. On May 30<sup>th</sup>, districts that have not used 60% of their allocated commodities per vendor/commodity type will have 50% of their balance removed from their account and re-allocated to districts requesting the product. Notifications will be e-mailed ~~monthly~~, ~~two months~~ sixty (60) days prior to each sweep, informing Districts that may be subject to pounds being swept at processor. The notification will include the Fair Market Value (FMV) of the product in danger of being swept. ~~One month~~ Sixty (60) days ~~Two months~~ prior to the internal sweep, notice will be included in the weekly newsletter identifying commodities at processor that may be "at-risk" of being swept along with Member District information to encourage internal transfer.
- Purchase Orders and trades utilizing the commodity at-risk must be received ~~one month~~ thirty (30) days prior to the sweep date.
- All USDA Foods involved in transfer between Member Districts is subject to receipt, storage and usage timelines pursuant to PINCO and USDA Policies (Member Districts need to be aware of usage timelines before accepting foods from Member Districts).
- Transfers are considered usage by the selling District and as an additional receipt by the receiving District (impacting overall usage percentage by receiving District).
- E-mail reminder(s) will be sent out before the Pre-Food Show December trade session, providing Districts opportunity to trade commodities they will not use for the remainder of the school year.
- A report/spreadsheet reflecting the percentage of the commodity usage per district/per vendor will be utilized to calculate the amount of commodities used and swept.
- A Co-op specific spreadsheet will be utilized every September to forecast a potential sweeps for the year.

#### 2. Process Regarding Additional Commodity Requests from the USDA Swept Account.

- Requests for additional product from the USDA Swept Account will only be handled once a school year per vendor/commodity.
- Requests require approval by the Advisory Committee.
- There will be no individual agreements between ~~one member~~ districts and the USDA.

- Product requested from the USDA Sweep Account will be allocated to districts requesting the product only, not (fair-shared) to the entire co-op, since swept commodities are not part of the Co-Op's Entitlement Fund and do not get billed from the State.

The division of the commodities requested will be as close as possible to the requested amount from the districts, but may still require a "fair-share" formula within the Districts requesting the product if more or less product is available by the USDA. This exemption from a co-op wide fair-share allocation is only for product received from a swept account. Fair-share allocations will still be required on all entitlement loads or bonus loads that are billed per case from the State.

- Districts shall only request enough additional commodities to get them through the current school year. Only Districts demonstrating an ability to properly utilize product received from previous sweeps will be given preference on future sweeps.
- Two emails will go out the Co-Op Members regarding the request of additional commodities with a specific deadline date listed. Request(s) for product by a Member District after the deadline date has passed will not be honored.
- A forecast report per commodity, based on the first three months ninety (90) days of usage, will be used in determining the co-op's need for additional product requests. If the "estimated year-end balance" on the forecast report is less than the first ninety (90) days' three month's usage for the year, a motion by the Commodity Sub-committee may be submitted to the Advisory Committee to vote on requesting additional product from the USDA Sweep.

### 3. Process on Removing Swept Commodities from Individual Accounts after a USDA Sweep of the Co-Op

If a USDA sweep occurs, the following process will take place:

- The remaining balance of the specific swept commodity for the entire co-op will be re-allocated to Districts using our fair-share formula, but excluding Districts not utilize(ing) at least 25% of the commodities for the year. Districts can also request to be excluded from the re-allocation of the commodity balance. Two electronic communications will go out within ten (10) business days notifying Districts of the deadline to request exclusion from the re-allocation. The deadline date will be enforced.
- Districts with balances less than the fair-share projected sweep amount will not be placed into a negative commodity value. Districts that have an inventory amount above the fair share formula of the soon to be swept commodity shall be debited commodity value on a pro-rata basis (fair-share will be altered so that no negative balance occurs for any district).

### 4. Steps Analyzing Pre-Planner and Impact of Additional Commodity on the PINCO Service Center Warehouse

- The Commodity Sub-committee will review items added to our pre-planner during the course of the year from the USDA/State, and determine a need within the cooperative by requesting e-mail surveys.
- The Commodity Sub-committee will analyze the quantity of items brought into the Service Center and make suggestions for adding/removing loads for the next school year. One analysis will be tracking how quickly the product is pulled from the warehouse inventory.
- If additional commodities are transferred to the PINCO account, this could put strain on the PINCO Service Center's freezer space as more processed items are brought into the warehouse. The end impact, free commodities or not, can greatly affect the true savings in storage issues. This issue will need to be

examined on-going by the Facilities and Commodity Sub-committees in making recommendations to PINCO Advisory Committee.

- The Commodity Sub-committee will be added as part of the Advisory Committee Meeting Agenda. This will give an opportunity for the Sub-committee to share information gathered on sweeps, products available, pre-planner and impact on the warehouse and Districts.

DRAFT