



**PINCO ADVISORY COMMITTEE MEETING**  
**THURSDAY, SEPTEMBER 16, 2021**  
**10:00 AM**  
**PINCO SERVICE CENTER**  
**3019 16<sup>TH</sup> STREET**  
**BAKERSFIELD, CA 93301**

Pursuant to the Governor's recent provisional guidance regarding open meeting policies in conducting public business, and California Government Code § 54953(b) and notwithstanding any other provision of law, the legislative body of a local agency has provided teleconferencing for the benefit of the public and the legislative body of a local agency in order to meet, discuss and act in the best interests of the Partners in Nutrition Co-Operative under its Joint Powers Agreement. PINCO has established teleconferencing access for this special session PINCO Advisory Committee meeting. PINCO Member District Representatives and members of the public are encouraged to participate through the following number:

Advisory Committee Meeting Link: <https://meet.google.com/erb-ttuc-szw>  
Or dial: (US) +1 478-308-5422 PIN: 142 536 413#

1. **SIGN-IN:**
2. **ADOPTION OF AGENDA**

Adoption of the September 16, 2021 Advisory Committee Meeting Agenda as presented.

**MOTION:** \_\_\_\_\_ **SECONDED:** \_\_\_\_\_ **VOTE: YES** \_\_\_ **NO** \_\_\_

3. **ADOPTION: ADVISORY COMMITTEE MEETING MINUTES OF JUNE 17, 2021**

Adoption of the Advisory Committee Meeting Minutes of June 17, 2021 as presented.

**MOTION:** \_\_\_\_\_ **SECONDED:** \_\_\_\_\_ **VOTE: YES** \_\_\_ **NO** \_\_\_

4. **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.

5. **UPDATE: PRICE INCREASES YANG'S 5<sup>th</sup> TASTE AND TYSON FOODS**

Background: On August 18<sup>th</sup> and 19<sup>th</sup>, Yang's 5<sup>th</sup> Taste and Tyson Foods notified PINCO of pending price increases as a result of ongoing labor shortages and supply chain issues. Feeling financial and production pressures throughout the K12 market, Tyson Foods would not entertain negotiation while Yang was willing to.

From its long-standing relationship with Yang's 5<sup>th</sup> Taste, PINCO was able negotiate 10% increase overall versus the "hard" 12.6% all with the exception of a few are facing. PINCO has no issue with product availability with Yang's. Price increases to take effect immediately with PO scheduled for pick up this week.

Tyson Foods stated in a meeting prior to the issuance of their letter attached to this Agenda, the price increases only address ingredient and logistic "cost spikes" and should not be considered remedy as they continue to address current issues. Price increases scheduled to go into effect October 3, 2021.

**INFORMATION ONLY**

6. **UPDATE: REALLOCATION OF PINCO'S 2021-2022 USDA FOODS ENTITLEMENT SCHEDULE**

Background: At the September 2, 2021 Executive Committee. There was discussion of a reallocation of PINCO's 2021-2022 USDA Foods based on the vendor's ability to provide product under the term(s) of their agreement(s); Smuckers and Tyson Foods were identified for possible consideration in the Lead Agency making a request for an inter-processor transfer(s).

The Executive Committee directed PINCO's Commodity Sub-committee to meet to review the issue and make its recommendations to the Lead Agency. In following its recommendations, the Lead Agency contacted FDP to initiate the request attached to this Agenda; the five truckloads kept at Tyson Foods provides assurance Member Districts have entitlement available as orders are filled by the processor and the additional loads to Michael B's and Integrated Foods respectively helps everyone as orders have exceeded original forecasting. Thanks to Ashlee for providing current processing activity and perspective along with PINCO's Commodity Sub-committee for their work on behalf of membership.

#### **INFORMATION ONLY**

### **7. UPDATE: ORDERING LEAD TIME INCREASE**

Background: PINCO's Service Center and Lead Agency continue to receive notice from its vendors extending lead times. While the Service Center has made internal adjustments to maintain Member District's four week ordering lead timeline, we have had five vendors issue temporary 30-day lead time requirements due to industry's current production and supply chain situation.

To address these increases, PINCO is forced to move to a six week lead time on all POs effective immediately. The Service Center will revise current open POs to reflect the increased timeline. Please revise POs and contact the Service Center with any change(s) to pull-dates. There has been no estimate given on how long this increase will be in effect but the additional two weeks for vendors should assist vendors who are experiencing setbacks daily.

#### **INFORMATION ONLY**

### **8. UPDATE: REVISION OF PICK-UP & DELIVERY SCHEDULE TO ADDRESS ONGOING VENDOR ISSUES**

Background: Ongoing product shortages with some of PINCO's "key" local vendors that were originally set up for F.O.B. processor has created challenges in keeping Member District's pull-date timeline(s) intact. The base of problem rests in finding room for the one (or multiple) shorted product on trucks with future appointment schedules when those pick up's are already full loads (22 pallets max. in Food Source's 48' Trailer). With direction from PINCO's Executive Committee, the Lead Agency negotiated with Michael B's, Integrated Foods and Don Lee Farms to switch from F.O.B. processor, to F.O.B. Bakersfield.

This change will create more fluidity with these vendors where any product shorted can be placed on the next weekly truck to PINCO when it becomes available versus having to wait three or more weeks when/if the next Food Source truck went down to the vendor(s). The Executive Committee and Members from the Bid & Commodity Sub-committee believed the cost increase for product to be delivered in the case with these vendors was justified given the volume of product being purchased.

All pricing has been updated in the revised PINCO Buying Guide distributed this week.

#### **INFORMATION ONLY**

### **9. UPDATE: SYSCO FOODS – FORCE MAJEURE FROM VENDORS & PENDING PRICE INCREASES**

Background: Sysco Foods of Ventura (Sysco) contacted the Lead Agency on September 7, 2021 with notification it received five letters from manufacturers issuing price increases based on Force Majeure; all received over the Labor Day holiday. Sysco is currently working with those manufacturers willing to sit down at the negotiating table and will update Member Districts with any price increases and effective dates, after review by Sysco Corporate. In order to maintain transparency, Sysco will provide all manufacturer documentation and invoicing to justify any price increases as per terms of our agreement.

#### **INFORMATION ONLY**

### **10. REPORT: 2021-2022 STORAGE AND INVENTORY UPDATE**

Background: Lead Agency to report out on current inventory, status of discontinued items prior to the September 15, 2021 must-pull deadline and remaining product at risk per best-by dating.

#### **INFORMATION ONLY**

### **11. ACTION: ADDITIONAL PRODUCTS – JOHN SOULES**

Background: With Tyson Foods experiencing continued operational challenges and now issuing price increases, it is critical for Member Districts to have additional chicken options. The Lead Agency has solicited John Soules for

pricing for alternative products to Tyson Foods under the terms of its current agreement with PINCO which are included with this Agenda.

It is recommended PINCO's Advisory Committee review John Soules' response and direct the Lead Agency to make any product revisions to the PINCO 2021-2022 Buying Guide as determined.

**MOTION:** \_\_\_\_\_ **SECONDED:** \_\_\_\_\_ **VOTE: YES** \_\_\_\_ **NO** \_\_\_\_

**12. REPORTS FROM ADVISORY COMMITTEE MEMBERS/LEAD AGENCY**

**13. UPCOMING MEETING DATES:**

<u>Executive Committee</u>	<u>Advisory Committee</u>
----------------------------	---------------------------

<del>September 2, 2021</del>	<del>September 16, 2021</del>
------------------------------	-------------------------------

October 7, 2021	October 21, 2021
-----------------	------------------

DECEMBER 1, 2021 PINCO FOOD SHOW TRADE MEETING & VENDOR RECEPTION

2021 PINCO FOOD SHOW – DECEMBER 2, 2021

December 16, 2021 (Advisory Committee Only)

January 13, 2022	January 27, 2022
------------------	------------------

February 3, 2022	February 17, 2022
------------------	-------------------

March 3, 2022	March 17, 2022
---------------	----------------

April 7, 2022	April 21, 2022
---------------	----------------

May 5, 2022	May 19, 2022
-------------	--------------

June 2, 2022	June 1, 2022
--------------	--------------

(2021 PINCO Food Show and events pending AV Fairground's scheduling based on public health guidance).

**14. ADJOURN: MOTION** \_\_\_\_\_ **SECONDED** \_\_\_\_\_