

PINCO EXECUTIVE COMMITTEE MEETING

JANUARY 16, 2020

10:00AM

PINCO ADMINISTRATIVE OFFICES

44809 BEECH AVENUE

LANCASTER, CA. 93534

**\*\*NOTICE\*\***

Pursuant to California Government Code § 54953(b) and notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law.

PINCO HAS ESTABLISHED TELECONFERENCING ACCESS FOR THIS SCHEDULED PINCO EXECUTIVE COMMITTEE MEETING. ANY PINCO MEMBER DISTRICT REPRESENTATIVE OR MEMBER OF THE PUBLIC IS ENCOURAGED TO ATTEND/PARTICIPATE AT THE FOLLOWING LOCATION:

PINCO SERVICE CENTER

3019 16<sup>TH</sup> STREET

BAKERSFIELD, CA 93301

MINUTES

1. SIGN-IN: 10:21 am

2. ADOPTION OF AGENDA

Adoption of January 16, 2020 Executive Committee Meeting Agenda.

**MOTION: Arvin SECONDED: Wilsona VOTE: PASSED**

3. ADOPTION: EXECUTIVE COMMITTEE MEETING MINUTES OF OCTOBER 3, 2019

Marilou requested to have item #12 motion changed from Pomona to Panama

**MOTION: Wilsona SECONDED: Arvin VOTE: PASSED**

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. ACTION: MICHAEL FOODS: PROPOSITION 12 & ABILITY TO HONOR CONTRACT

Background: On December 19, 2019, Michael Foods informed PINCO that it would cease production of USDA Egg products based on pending implementation of Proposition 12 effective January 1, 2020; notwithstanding the date of notification and January 1<sup>st</sup> deadline, PINCO was denied to place any orders on behalf of the fourteen Member Districts with open P.O.'s. Michael Foods is seeking USDA authorization to have the Eggs be substitutable with Eggs compliant with "the as of now" proposed language; Michael Foods has not been able to provide pricing with the substitution but acknowledges there will have to be a price increase in substituting-out the USDA Egg.

With direction from PINCO's Bid Sub-committee, the Lead Agency secured pricing and terms for replacement product through Cargill Kitchen Solutions (SunnyFresh) for Member Districts to be able to place orders/drawdown entitlement on all egg products in the PINCO Buying Guide. PINCO shall perform an inter-

processor transfer to ensure a seamless transition in regard to usage for all products purchased. It is recommended PINCO's Executive Committee review the contract with Michael Foods and furnish PINCO's Advisory Committee with options in addressing the issue with Michael Foods' inability to honor its agreement with PINCO which may include, and is not limited termination

**MOTION: Panama SECONDED: Kernville VOTE: PASSED**

**6. ACTION: PINCO SUCCESSION PROCEDURES**

Background: It is recommended PINCO's Executive Committee review the summary and advisement provided by Borton Petrini LLP in relation to adoption of PINCO's Succession Procedures and Voting Rights of Lead Agency and forward to PINCO's Advisory Committee for adoption.

**MOTION: Kernville SECONDED: Wilsona VOTE: PASSED**

**7. ACTION: 2019-2020 INTERNAL SWEEP P.O. DEADLINE RESCHEDULE**

Background: Due to staffing vacancies, PINCO Member Districts were not advised of balances at-risk of internal sweep per PINCO Internal Sweep Policy language in accordance with the Policy's established timeline(s) in December. Member Districts were sent updated usage reports January 7 & 8; Ashlee is currently working with Districts to confirm balances and determine trade &/or submitting purchase orders to meet the required usage percentage. Based on the delay in receiving this data, it is recommended the Executive Committee determine an appropriate deadline for Member Districts to complete the necessary action(s) to avoid internal sweep(s); a suggested date would be March 1, 2020.

**MOTION: Panama SECONDED: Beardsley VOTE: PASSED**

**8. DISCUSSION: DEVELOPMENT OF PINCO MEMBERSHIP BENEFIT PACKAGE FOR MEMBER DISTRICT INFORMATION AND PROMOTIONAL MATERIAL IN RECRUITMENT**

Background: It is recommended PINCO's Executive Committee discuss development of a "Why PINCO" platform to provide Member Districts with data, operational and financial resources to reinforce the value and support of PINCO membership with their Administration and community(ies). This information could be shared with agencies in solicitation of new membership as determined.

**INFORMATION ONLY**

**9. REVIEW: FINAL RESULTS OF 2018-2019 SWEEPS & STATE EXCESS BANK CAPTURE**

Background: In working with FDP and Processors, PINCO was able to minimize loss due to sweep as well as receive pounds at no-charge from the CDE Excess Bank. The following breakdown provides a list of those pounds swept as well as captured:

Swept:

	<u>Pounds</u>	<u>Entitlement Value</u>
Michael B's- Cheddar	29,790.47	\$46,353.66
Tyson – Beef Blk Coarse	151,842.09	\$337,819.73

Captured:

Tyson - Chicken Chill Lrg.	72,000	\$70,214.00
Don Lee – Beef Blk Coarse	42,000	\$93,442.00
LOL – Barrel Cheese	14,794	\$31,952.14

Moving forward, PINCO's Commodity Sub-committee will assess usage at mid-year in consideration of carryover usage to help determine commodity diversion in upcoming year(s) and take advantage of bonus entitlement through the Excess Bank.

**INFORMATION ONLY**

**10. RE-CAP: 2019 PINCO FOOD SHOW REVENUE REPORT**

Background: After final expenses, the 2019 PINCO Food Show netted \$34,342.19 deposited into the PINCO Marketing Fund; current balance of PINCO Marketing Fund is \$57,895.64. While there was a slight drop in vendor participation due to broker consolidation of tables and two brokers leaving the industry. Notwithstanding the drop, there was an 8% increase in net profit for the Food Show which can be attributed to the marginal increase in registration fees and a \$2,087.00 reduction in overall expenses. Thanks again to the Food Show Sub-committee for their planning and execution in putting on a fantastic event helping stage PINCO's bid process as well as earning significant monies to improve the Service Center.

**INFORMATION ONLY**

**11. NOTICE: TYSON – ENDING USDA PROCESSING OF PEANUT BUTTER PRODUCTS**

Background: Tyson Foods has notified PINCO that is closing its peanut processing plant in March, leaving the peanut butter processing industry effective July 1, 2020. Tyson has discontinued the Peanut Butter and Banana Sandwich that is currently in the PINCO Buying Guide but is committed to honor the terms of our agreement on all other products in filling orders through the end of the year; PINCO will work with FDP at end of year to ensure any remaining entitlement is transferred or credited based on 2020-2021 RFP award(s).

**INFORMATION ONLY**

**12. UPDATE: 2020-2021 BID SUB-COMMITTEE REPORT**

Background: PINCO's Bid-Sub-committee to report-out on its most recent meeting held January 9, 2020.

**INFORMATION ONLY**

**13. REPORTS FROM EXECUTIVE COMMITTEE MEMBERS/LEAD AGENCY**

**14. UPCOMING MEETING DATES:**

**2019-2020 PINCO MEETING CALENDAR**

**EXECUTIVE COMMITTEE**

**ADVISORY COMMITTEE**

~~January 16, 2020~~

January 30, 2020

February 6, 2020

February 20, 2020

March 5, 2020

March 19, 2020

April 2, 2020

April 16, 2020

May 7, 2020

May 21, 2020

June 4, 2020

June 18, 2020

Executive Committee Meetings held at 44809 Beech Avenue Lancaster, CA 93534

Advisory Committee Meetings held at 3019 16<sup>th</sup> Street Bakersfield

**15. ADJOURN: MOTION Panama SECONDED: Kernville 11:40am**

## **2017 Food Show**

**Vendor attendance - 150.5**

**Revenue - \$52,650.00**

**Expense - \$22,481.13**

**Total to Marketing Fund - \$30,168.87**

## **2018 Food Show**

**Vendor attendance - 131.5**

**Revenue - \$54,000.00**

**Expense - \$22,630.58**

**Total to Marketing Fund - \$31,369.42**

## **2019 Food Show**

**Vendor attendance - 118.5**

**Revenue - \$54,885.00**

**Expense - \$20,542.81**

**Total to Marketing Fund - \$34,342.19**

PRODUCT RESPONSE FORM - PROCESSED COMMODITY EGGS

PRODUCT IS RFP #02-19/20 Show Firm Name & Address in this section

Processor: CARGILL KITCHEN SOLUTIONS

CARGILL KITCHEN SOLUTIONS  
206 W 4TH ST  
MONTICELLO MN 55362

Commodity Used: EGGS, WHOLE BULK, #100047  
 OR LIST OTHER COMMODITY EGG USED

**\*\*DO NOT CHANGE THE LINE NUMBER OF ITEMS LISTED ON THE RESPONSE FORM\*\***

Line	End Product Description	Usage	Mfg. Code	Pack Size	USDA Comm. Used for Proc.	Gross Price / per cs.	Egg Discount	Commodity Net Pricing FOB Bakersfield	Commodity Net Pricing FOB Processor	Non-Commodity Net Pricing FOB Bakersfield	Non-Commodity Net Pricing FOB Processor	Terms
	<i>Example:</i> Grilled Egg Patty, 1.25 oz.		1234	142/ 3.37 oz.	#100047	\$37.00	\$5.00	\$23.00	\$21.00	\$28.00	\$26.00	net 30
1	Egg Patty, Grilled, IW, 1.25 oz	1,500	40110	369 1.25oz	#100047	52.95	15.53 15.54	37.42 38.41	37.42 38.41	52.95	52.95	NET 60
2	Skillet Omelet, Colby, IW, 2.1 oz	400	40176	225 2.1oz	#100047	75.57	15.19 15.17	60.71 60.76	60.71 60.76	75.57	75.57	NET 60
3	Skillet Frittata, Cheese & Turkey Sausage, IW, 2.2 oz		40184	225 2.2oz	#100047	81.57	16.16	65.41	65.41	81.57	81.57	NET 60
4	Skillet Frittata, WW Wrap, Chorizo, IW, 3.45 oz	2,400		DISCOUNT IN USE								
5	French Toast, WG, Cinnamon Glazed, IW, 2.9 oz		40091	110 2.9oz	#100047	53.10	4.51	48.59	48.59	53.10	53.10	NET 60
6	Tac-Go, Cheese & Ham, WG, IW, 3.35 oz	1,300	40263	96 3.35oz	#100047	56.66	7.06 7.07	49.60 49.59	49.60 49.59	56.66	56.66	NET 60
7	Tac-Go, Cheese & Sausage, WG, IW, 3.2 oz		40274	96 3.2oz	#100047	55.39	6.89 6.90	48.50 48.49	48.50 48.49	55.39	55.39	NET 60
8	Breakfast Wrap with Cheese, WG, IW, 3.1 oz	2,000	40375	90 3.1oz	#100047	41.46	6.18	35.28	35.28	41.46	41.46	NET 60
9	Diced Eggs, Bulk, 1 oz serving											
10	Egg Patties, Scrambled, Bulk, 1.5 oz			DISCOUNT IN USE								
11	Scrambled Eggs, Pre-Cooked, Bulk, 4/5#, 1 oz serving		40927	1/5# 3oz	#100047	39.89	13.28 13.29	26.61 26.60	26.61 26.60	39.89	39.89	NET 60



End Product Description	Usage	Mfg. Code	Pack Size	USDA Comm. Used for Proc.	Gross Price / per cs.	Egg Discount	Commodity Net Pricing FOB Bakersfield	Commodity Net Pricing FOB Processor	Non-Commodity Net Pricing FOB Bakersfield	N Commodity Net Pricing FOB Processor	Terms
27											
28											

DO NOT CHANGE THE LINE NUMBER OF ITEMS LISTED ON THE PINCO BID FORM

THE UNDERSIGNED HEREBY PROPOSES AND AGREES TO FURNISH AND DELIVER THE GOODS OR SERVICES IN ACCORDANCE WITH THE TERMS, CONDITIONS, SPECIFICATIONS AND PRICES HEREIN QUOTED.

Please list any additional terms and cash discounts here N/A

Janelle Nilson School Specialist  
**Required Information: Printed or Typed Name & Title**

Janelle Nilson  
**Required Information: Bidder's Manual Signature in Ink**



10/31/2019

RE: SEPDS 19/20

Cargill (Sunny Fresh) was informed of a change in the Processors and Summary End Product Data Schedule (SEPDS) values. The USDA communicates such changes to Cargill and in this case, it was a rounding error of \$.01/lb in Processor Link.

In effect, this change will decrease the Pass through Value (PTV) by \$.01/case and will increase pricing by \$.01/case so create a net zero dollar change.

We will honor deductions to invoices occurring prior to November 15th 2019.

Please update the Pass Thru Value (PTV) to the chart below and the pricing to the attached pricing you are using for school year 19/20 for all invoices November 16th, 2019 moving forward.

Product	Previous 19/20 PTV 7/1/19-11/15/19 (Incorrect)	New 19/20 PTV 11/16/19-6/30/2020 (Correct)
10080	\$21.65	\$21.64
10085	\$21.65	\$21.64
40176	\$15.11	\$15.10
40262 (Discontinued)	\$4.93	\$4.92
40263	\$7.07	\$7.06
40274	\$6.90	\$6.89
40275 (Discontinued)	\$5.16	\$5.15
40710	\$15.54	\$15.53
40927	\$13.29	\$13.28
40928	\$11.02	\$11.01
50045	\$14.46	\$14.45
50074	\$2.25	\$2.24

We appreciate your help in coordinating this change. As always, we are committed to providing high quality products. If you have additional questions or concerns, please let me know. Thank you for your ongoing business.

Sincerely,

Jackie Streit  
Assistant Business Manager- Poultry

Cargill Kitchen Solutions  
206 West Fourth Street  
Monticello, MN 55362

Tel 763-271-5600  
Tel 800-247-5797  
Fax 763-271-5711  
[www.cargillkitchensolutions.com](http://www.cargillkitchensolutions.com)







Joe Cook &lt;jcook@avhsd.org&gt;

**RE: EXTERNAL EMAIL PINCO- Questions/Issues/Clarification**

1 message

**Anne Lerma** <anlerma@beardsley.k12.ca.us>  
To: Joe Cook <jcook@avhsd.org>

Wed, Dec 18, 2019 at 2:23 PM

Hi Joe,

Thanks for the email.

I have been in PinCo long enough to understand the value of the co-op. My concerns are fiscal based and I want to make sure other districts understand the whole picture when it comes to bringing items into the warehouse and what that costs all of us. Are we making good decisions when we bring in items that are sitting in an outside space and not bringing them in from Sysco.

~~We are going to be hit with an increase next year due to the exiting districts and I don't want other districts leaving because we have become too costly. I'm speculating.... But If BCSD is burden with a huge bump next year are they going to start transporting all their own food and no longer use food-source. How will that be calculated out for everyone.~~

How long before the USDA or CDE steps in when each district is spending too much money on a co-op verses using the State option or forming their own buying group. The amounts being spent on PinCo yearly could pay for fulltime district employees to perform the duties that PinCo provides.

Of course this is just me being frugal with my budget, my District enjoys the benefit of PinCo and I hope we stay in for the long haul. I'm just doing my part to see that it happens.

I hope you have a wonderful Holiday Season,

Anne

**From:** Joe Cook [mailto:jcook@avhsd.org]  
**Sent:** Friday, December 13, 2019 10:59 AM  
**To:** Anne Lerma  
**Subject:** EXTERNAL EMAIL PINCO- Questions/Issues/Clarification

Hi Anne- How's it going?

I want to see if you have time to discuss the concerns you raised at yesterday's meeting with entitlement at-processor and your concerns with expenses you spoke to at the Service Center in late November.

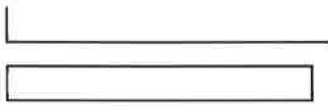
I understand your concerns but believe there are factors and opportunities that we need to put into proper context in order for Beardsley School District to fully understand and value the financial and management services benefits that PINCO provides its Members. This is important not just for your District's sponsorship but also in serving as a PINCO Region Representative in your communications with your Region's Districts.

Please let me know if you would like to schedule a time for us to meet at your convenience and with anyone in your District who oversees the meal program. My schedule is relatively open in January and I am more than happy to come to the District.

Thanks,

joe

**Joe Cook** | Director, Food Services  
PINCO President | [jcook@avhsd.org](mailto:jcook@avhsd.org) | (805) 857-6836



**Antelope Valley Union High School District**  
(661) 575-1052  
44809 Beech Avenue  
Lancaster, CA 93535  
<https://www.avdistrict.org/>



**PINCO EXECUTIVE COMMITTEE MEETING  
THURSDAY, JANUARY 16, 2020  
SIGN-IN SHEET**

<b>MEMBER DISTRICT</b>	<b>REPRESENTATIVE</b>
ACTON-AQUA DULCE USD	
ALISAL USD	
AVUHSD	
ARVIN USD	<i>Dee Alherna</i>
BAKERSFIELD CITY SD	
BEARDLSEY SD	<i>Rachelma</i>
BIG PINE SD	
BISHOP USD	
DELANO ELEM SD	
DELANO HS DISTRICT	
EARLIMART SD	
EASTSIDE USD	<i>Just</i>
EDISON SD	
EL TEJON USD	
FAIRFAX SD	<i>Ellis &amp; Amy</i>
GREENFIELD USD	
KEPPEL USD	<i>Daniel Weaver</i>
KERN COUNTY SUPT	
KERVILLE USD	<i>Jason</i>
LAMONT SD	
LANCASTER SD	
LONE PINE SD	
LOST HILLS SD	
MC FARLAND SD	
MOJAVE SD	
NORRIS SD	
PALMDALE SD	
PANAMA-BUENA VISTA SD	<i>Melinda</i>
RICHLAND SD	
SOUTH FORK USD	
STANDARD SD	<i>Tracy Dougherty</i>
TAFT CITY SD	
TAFT UHSD	
TEHACHAPI USD	
VINELAND SD	
WESTSIDE USD	<i>Angela</i>
WILSONA SD	

