



PINCO ADVISORY COMMITTEE MEETING
MARCH 23, 2017
10:00AM
PINCO SERVICE CENTER
3019 16TH STREET
BAKERSFIELD, CA 93301

MINUTES: 10:25 a.m.

- 1. SIGN-IN: SEE SIGN-IN SHEET 24 MEMBER DISTRICTS IN ATTENDANCE.**
- 2. ADOPTION OF AGENDA**

Adoption of March 23, 2017 Advisory Committee Meeting Agenda.

MOTION: WESTSIDE SECONDED: LAMONT 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: FEBRUARY 9, 2017 ADVISORY COMMITTEE MEETING MINUTES**

MOTION: ARVIN SECONDED: LANCASTER PASSED

- 5. 2017-2018 PINCO RFP UPDATE**

Background: Bid Sub-committee to update PINCO Advisory Committee on vetting process from respondents with PINCO’s 2017-2018 Request For Proposals. Scoring follows steps outlined in PINCO Best Value Scoring and tastings conducted recently for Member Districts on specific items:

- RFP #01/17-18 Chicken Products
- RFP #02/17-18 Beef Products
- RFP #03/17-18 Pork Products
- RFP #04/17-18 Turkey Products
- RFP #05/17-18 Purchased Items to PINCO Warehouse

The Lead Agency recommends PINCO Advisory Committee ratify the PINCO Bid Sub-committee’s recommendations for the categories listed for final approval by the Antelope Valley Union High School District.

MOTION: BAKERSFIELD SECONDED: KCSS PASSED

The Advisory Committee ratified the Bid Sub Committee’s approval of the bids as submitted.

DISCUSSION: The following variables were considered in the evaluation process in determining the recommendations for awards: Price, Acceptability and Service.

RFP#01/17-18 Chicken Products

Award to AdvancePierre Foods, Tyson Foods and Yang’s 5th Taste

RFP#02 17-18 Beef Products

Award to AdvancePierre Foods, Don Lee Farms

RFP#3 17-18 Pork Products

Award to Don Lee Farms

RFP#4 17-18 Turkey Products

Award to Rose and Shore Inc. and Jennie-O Foodservice

RFP#5 17-18 Purchased Food Products to PINCO

Award to Cal Tropic, Sky Blue Bakery, Sargent Foods

6. JPA AMENDMENT REGARDING QUORUM REQUIREMENTS

Background: Lead Agency, upon direction of PINCO Advisory Committee has retained Borton Petrini LLP to draft an amendment to PINCO's Joint Powers Agreement regarding Member District Quorum requirements at meetings to a more reasonable level to conduct business for the good of the Cooperative. Lead Agency met with PINCO's Executive Committee to review final language to ensure language meets goals set forth prior to contacting Counsel. In adherence of J.P.A. Section 14 Amendments/Subsection D, the Lead Agency with Member Districts and provided written notice of the proposed amendment to take place at the PINCO Advisory Committee Meeting scheduled for May 18, 2017. Lead Agency will work with Executive Committee in communications to promote this meeting in order to have the required number of Member Districts in attendance.

INFORMATION ONLY

The change in quorum can be made by 27 member districts in attendance at the May 18, 2017 meeting and voting for this adjustment to the JPA.

7. FIRST READING: INTERNAL SWEEP POLICY REVISION

Background: PINCO's Executive Committee selected an Ad-hoc Committee to study scenarios under the Commodity Sub-committee's recommendation regarding revisions to the Internal Sweep Policy related to usage percentage "at processor," Member Districts subject to sweeps and communication timelines. This Committee will report-out with findings and recommendation to PINCO's Advisory Committee for consideration.

INFORMATION ONLY

The Advisory Committee members would like to see the May 30th internal sweep remain at the 60% threshold. With the next internal sweep this can be reviewed to increase it to 70% usage for the May internal sweep.

8. PINCO SERVICE CENTER: WORKSPACE REPLACEMENT

Background: Service Center office furnishings and workstations have been used for over nine years and require replacement/upgrading. Lead Agency will present PINCO Advisory Committees with specific needs and expense to authorize a budget to purchase what is needed from specified account to be determined by PINCO Members.

MOTION: BAKERSFIELD SECONDED: WESTSIDE TABLED

Districts were requested to check on surplus furniture within their Districts that may meet the needs of the PINCO Warehouse Office. Lead Agency will contact Stinson's Furniture in Bakersfield and collect additional quotes to present at the April 20, 2017 Advisory Committee meeting.

9. FUTURES COMMITTEE: ASSESSMENT OF SERVICE CENTER AND FACILITY OPTIONS

Background: PINCO's lease agreement is termed through June 30, 2019. This timeline presents PINCO the opportunity to explore the options to assess our current situation and alternative locations to meet the demands and expectations of the Cooperative's Member Districts. The Lead Agency will convene the Futures Sub-committee to begin this process and report-out as this process develops.

INFORMATION ONLY

By the April 20th Advisory Meeting the Futures Committee will meet and begin the process of evaluating our current facilities and or looking at Bakersfield area warehouses that would meet the needs of PINCO.

10. REPORTS FROM LEAD AGENCY & PINCO SUB-COMMITTEES

11. REPORTS/COMMENTS FROM ADVISORY COMMITTEE MEMBERS

Eastside attended an Institute of Child Nutrition Directors Meeting in Oxford, Mississippi and highly recommended it in Professional Standards training and development.

12. UPCOMING MEETING DATES:

2016-2017 Advisory Committee

April 20, 2017
May 18, 2017
June 15, 2017

PINCO Service Center, Bakersfield
PINCO Service Center, Bakersfield
PINCO Service Center, Bakersfield

2017-2018 Buying Guide
Budget/Calendar
Year-End General Session

2016-2017 Executive Committee

April 6, 2017
May 10, 2017
June 8, 2017

PINCO Administrative Offices, Lancaster
PINCO Administrative Offices, Lancaster
PINCO Administrative Offices, Lancaster

Budget/Calendar, Gen Bus.
Gen. Business, Budget
Year End Gen. Business

13. ADJOURN:

MOTION: GREENFIELD

SECONDED: BAKERSFIELD

PASSED

REGIONAL OFFICES

FRESNO
TELEPHONE (559) 238-0117
FAX (559) 237-7888

LOS ANGELES
TELEPHONE (213) 924-2888
FAX (213) 488-3830

MODESTO
TELEPHONE (209) 578-1701
FAX (209) 527-8783

ORANGE COUNTY
TELEPHONE (951) 868-2300
FAX (951) 868-2322

SACRAMENTO
TELEPHONE (916) 688-1212
FAX (916) 688-1222

LAW OFFICES OF

BORTON PETRINI, LLP

2080 CALIFORNIA AVENUE, SUITE 700
POST OFFICE BOX 2028
BAKERSFIELD, CALIFORNIA 93303-2028
(861) 322-3051

FAX: (861) 322-4628

EMAIL: BPB@BORTONPETRINI.COM

WEB SITE: WWW.BORTONPETRINI.COM

F. E. BORTON (877-1-948)
JAMES PETRINI (807-1-878)
HARRY M. CONRON (807-1-871)
RICHARD E. HITCHCOCK (925-200-1)
JOHN F. PETRINI (944-2008)

REGIONAL OFFICES

SAN BERNARDINO
TELEPHONE (909) 381-0827
FAX (909) 381-0888

SAN DIEGO
TELEPHONE (619) 238-8424
FAX (619) 231-0784

SAN FRANCISCO
TELEPHONE (415) 877-0730
FAX (415) 877-0737

SAN JOSE
TELEPHONE (408) 538-0870
FAX (408) 538-0878

IN REPLY REFER
TO OUR FILE NO.

Bakersfield

058213/071158

March 17, 2017

NOTICE OF INTENT TO AMEND

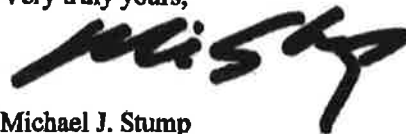
TO: PARTNERS IN NUTRITION COOPERATIVE ("PINCO") MEMBERS:

PLEASE TAKE NOTICE, that on May 18, 2017 at 10:00 a.m. at the PINCO Service Center located at 3019 16th Street, Bakersfield, California 93301, PINCO, by a vote of the members, will seek to amend Appendix VI of the *Joint Powers Agreement for the Operation of School Food Service Purchasing Cooperative* dated October 21, 2010.

The proposed amendment to Appendix VI is attached hereto as Exhibit "A" and reflected in both redlined and proposed final formats.

Questions concerning the proposed amendment should be directed to Joe Cook, Director, Food Services-PINCO Chairman Antelope Valley Union High School District. PINCO encourages every member to attend the May 18, 2017 meeting for the purpose of voting on the proposed amendment.

Very truly yours,



Michael J. Stump
Counsel for PINCO

APPENDIX VI SECTION 7B. VOTING RIGHTS

VOTING RIGHTS

1. A district's representative or alternate shall be entitled to cast one vote per member district for business conducted by the PINCO Advisory Committee. A vote may be cast only by the duly appointed representative who is personally present at the meeting or in his/her absence by his/her alternate who is personally present at the meeting. There shall be no proxy votes and no absentee voting. Except as provided in Paragraph 2. below:
2. In the event a vote is required and a meeting is not scheduled, the alternative method of voting, governed by "Appendix VI" to this Agreement, will be by e-mail from the Lead District with each district's representative or alternate responding with their district's vote. Appendix VI is attached to this Agreement and hereby made a part of this Agreement.
 - a. The Ballot shall be returned directly to the Lead District.
 - b. All questions regarding the vote shall be forwarded via e-mail to all member districts to provide an open discussion.
 - c. The Lead District shall send the final voting results to all districts by e-mail. The tally sheet produced by the Lead District and a copy of each Ballot Form shall be filed in the office of the Lead District as a document of record.
 - d. The Ballot Forms shall be submitted within 2 business days, by 2 o'clock in the afternoon, unless specifically stated otherwise.
 - e. If e-mail communication is unavailable, then it is the member district's responsibility to contact its Regional Representative for the specific Ballot Form and to fax back the Ballot Form to the Lead District.

3. A quorum of the PINCO Advisory Committee shall consist of ~~a simple majority~~ forty percent (40%) or more of the representatives or their alternates. For all Advisory Committee actions, except Amendments, Involuntary Terminations and Terminations pursuant to Sections 10, 11 and 14, a vote of a majority of the representatives or alternates of all member districts shall be required for approval. This is inclusive of e-mail voting; a majority of the PINCO Advisory Committee must respond for the vote to be considered final.

ATTACHED BELOW IS A GENERIC BLANK COPY OF THE EMAIL BALLOT FORM.

APPENDIX VI SECTION 7B. VOTING RIGHTS

VOTING RIGHTS

1. A district's representative or alternate shall be entitled to cast one vote per member district for business conducted by the PINCO Advisory Committee. A vote may be cast only by the duly appointed representative who is personally present at the meeting or in his/her absence by his/her alternate who is personally present at the meeting. There shall be no proxy votes and no absentee voting. Except as provided in Paragraph 2. below:

2. In the event a vote is required and a meeting is not scheduled, the alternative method of voting, governed by "Appendix VI" to this Agreement, will be by e-mail from the Lead District with each district's representative or alternate responding with their district's vote. Appendix VI is attached to this Agreement and hereby made a part of this Agreement.
 - a. The Ballot shall be returned directly to the Lead District.
 - b. All questions regarding the vote shall be forwarded via e-mail to all member districts to provide an open discussion.
 - c. The Lead District shall send the final voting results to all districts by e-mail. The tally sheet produced by the Lead District and a copy of each Ballot Form shall be filed in the office of the Lead District as a document of record.
 - d. The Ballot Forms shall be submitted within 2 business days, by 2 o'clock in the afternoon, unless specifically stated otherwise.
 - e. If e-mail communication is unavailable, then it is the member district's responsibility to contact its Regional Representative for the specific Ballot Form and to fax back the Ballot Form to the Lead District.

3. A quorum of the PINCO Advisory Committee shall consist of forty percent (40%) or more of the representatives or their alternates. For all Advisory Committee actions, except Amendments, Involuntary Terminations and Terminations pursuant to Sections 10, 11 and 14, a vote of a majority of the representatives or alternates of all member districts shall be required for approval. This is inclusive of e-mail voting; a majority of the PINCO Advisory Committee must respond for the vote to be considered final.

ATTACHED BELOW IS A GENERIC BLANK COPY OF THE EMAIL BALLOT FORM.

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 31st and May 30th, there will be an internal sweep of commodities ~~not under-utilized by each district~~. On January 31st, 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 30th, 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 Swept 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.