

26. Approve Second Renewal for RFP-468B-99/GG – Snack Vending Services Agreement with Lance Inc., Charlotte, N.C. (April 18, 2003 through April 17, 2004) and approve a 5 cent increase in vending machine snack prices. (17% commissions received from sales).

RFP-468B-99/GG provides for snack vending services throughout the County. The contract provides for a 17% commission paid to the County on gross sales of snacks.

This project was publicly advertised, twenty (20) packages were solicited and the County received five (5) submittals. The contract was awarded on an item-by-item basis to Lance, Inc. based on the evaluation factors of quality, service, experience, and percent commission offered on the snack vending category.

Lance, Inc., Charlotte, N.C. has agreed to renew their agreement for the period of April 18, 2003 through April 17, 2004 at the commission rate, terms and conditions of the original contract and the First Renewal with the following exception.

Due to increased costs from their suppliers, they are requesting an increase of 5 cents on their snack machine items (Chips, Crackers, Candy, Cookies, Pastry, Gum and Mints). To support their request, Lance, Inc. submitted documentation substantiating their increased costs.

The Purchasing and Contracts Division recently completed an extensive analysis of snack item costs increases to substantiate a similar request from Snack Time Vending (RFP-4104-01/GG). Snack Time's request for a 5 cent increase was approved by the Board on 2/11/03. These are the identical items and that analysis still applies. The Purchasing and Contracts Division has determined the requested increase is fair and reasonable.

Fiscal Services /Purchasing & Contracts and Administrative Services/Support Services recommend the Board to approve the renewal with the price increase, and authorize the Purchasing and Contracts Division to notify the Contractor of such action.



VENDING ADMINISTRATION



Mike Wood – Kenny Bowers - Janice Poston

P. O. BOX 32368
Charlotte, NC 28232-2368

Office
800-438-1880
704-554-1421

Fax Number
704-643-8154

DATE: 2-7-03

FAX TO: *Pete Malvey*

FAX #: *407-665-7956*

We are sending a total of ⁽¹³⁾ pages. (Including this cover sheet)

If you do not receive all pages or there is a problem with this transmission, please advise.

Notes:

This fax is at the request of Bill Kungas and is intended to validate the need for our requested price adjustment.

Mike

Masterfoods USA

A Mars, Incorporated Company

800 High Street, Hackettstown, NJ 07840 Phone: 908-852-1000

7 December 2002

To Masterfoods USA Direct Buying Customers:

Effective Monday, 9 December 2002, Masterfoods USA – A Mars, Incorporated Company announces a pricing action on the following items:

Items	Old UNIT List Price	New UNIT List Price
Box Pack Singles on the following Brands:		
01101 MILKY WAY® Bar		
01202 SNICKERS® Bar		
11107 SNICKERS CRUNCHER™ Bar		
01103 3 MUSKETEERS Bar		
01104 MILKY WAY® Midnight Bar		
01105 SNICKERS® Almond Bar		
11121 TWIX® Peanut Butter Cookie Bars		
01123 TWIX® Caramel Cookie Bars		
01128 M&M's® Almond Chocolate Candies		
01231 M&M's® Milk Chocolate Candies		
01232 M&M's® Peanut Chocolate Candies		
11140 M&M's® Crispy Chocolate Candies		
01244 M&M's® Peanut Butter Chocolate Candies	\$0.325	\$0.360
03237 M&M's® MINIS® Milk Chocolate Candies Tubes		
01151 STARBURST® Original Fruit Chews		
01155 STARBURST® California Fruit Chews		
01248 STARBURST® Tropical Hard Candy		
01249 STARBURST® Original Hard Candy		
01158 STARBURST® Tropical Fruit Chews		
11154 STARBURST® Sour Fruit Chews		
01160 SKITTLES® Bite Size Candies		
01162 SKITTLES® Bite Size Candies Wild Berry		
01163 SKITTLES® Bite Size Candies Tropical		
01286 Sour SKITTLES® Bite Size Candy		
11110 SNICKERS® MUNCH® Bar		
01226 DOVE® Dark Chocolate		
11226 DOVE® Milk Chocolate		
Multi-Pack Six Packs on the following Brands:		
01601 MILKY WAY® Bar	\$1.95	\$2.16
01602 SNICKERS® Bar		
01603 3 MUSKETEERS Bar		
01605 SNICKERS® Almond Bar		
01623 TWIX® Caramel Cookie Bars		

Items	Old UNIT List Price	New UNIT List Price
Palletized Displays of Singles on the following Brands:		
61102 SNICKERS® Bar 61107 SNICKERS CRUNCHER™ Bar 01323 TWIX® Caramel Cookie Bars 61131 M&M's® Milk Chocolate Candies 61132 M&M's® Peanut Chocolate Candies 61232 M&M's® Peanut Chocolate Candies 61351 STARBURST® Original Fruit Chews 61360 SKITTLES® Bite Size Candies	\$0.325	\$0.360
Palletized Displays of the following:		
61287 Chocolate Bar Variety Pack Singles 39889 Chocolate Bar Variety Pack 30 Count 82258 Sugar 30ct Singles Variety Pack	\$3,003.00 \$3,510.00 \$3,432.00	\$3,326.40 \$3,888.00 \$3,801.60
Box Pack Singles in Displayable Cases:		
12001 MILKY WAY® Bar 12003 3 MUSKETEERS Bar 12004 MILKY WAY® Midnight Bar 12005 SNICKERS® Almond Bar 12021 TWIX® Peanut Butter Cookie Bars 12028 M&M's® Almond Chocolate Candies 12040 M&M's® Crispy Chocolate Candies 12044 M&M's® Peanut Butter Chocolate Candies 12037 M&M's® MINIS® Milk Chocolate Candies Tubes 12055 STARBURST® California Fruit Chews 12049 STARBURST® Original Hard Candy 12058 STARBURST® Tropical Fruit Chews 12054 STARBURST® Sour Fruit Chews 12062 SKITTLES® Bite Size Candies Wild Berry 12063 SKITTLES® Bite Size Candies Tropical 12068 Sour SKITTLES® Bite Size Candy	\$0.325	\$0.360
COMBOS® Snacks Singles		
71471 COMBOS® Snacks Cheddar Cheese Pretzel 71472 COMBOS® Snacks Nacho Cheese Pretzel 71473 COMBOS® Snacks Pepperoni Pizza Cracker 71474 COMBOS® Snacks Cheddar Cheese Cracker 71475 COMBOS® Snacks Pizzeria Pretzel	\$0.325	\$0.360
21181 COMBOS® Snacks Variety Pack – 18 count	\$0.325	\$0.360
Box Pack Singles in Displayable Cases:		
13171 COMBOS® Snacks Cheddar Cheese Pretzel 13172 COMBOS® Snacks Nacho Cheese Pretzel 13174 COMBOS® Snacks Cheddar Cheese Cracker 13175 COMBOS® Snacks Pizzeria Pretzel	\$0.325	\$0.360
61381 COMBOS® Snacks Variety Pack Pallet	\$0.325	\$0.360

Prices of all other Masterfoods USA Snack Food Items will remain the same. All orders received or postmarked on or before Friday, 6 December 2002 calling for delivery on or before Saturday, 21 December 2002 will be invoiced at the old price. Orders received or postmarked on or before Friday, 6 December 2002 calling for delivery after Saturday, 21 December 2002 will be invoiced at the new higher price. All orders received after Friday 6 December 2002 will be invoiced at the new higher price.

Rationale:

Our last price increase on Confectionery Singles was December 1995. Since that time, we have incurred significant increases in our costs of doing business including raw materials, labor and transportation costs. During this same time period (1995-2002), costs of food, beverages and other consumer prices have risen by approximately 18%, as measured by the Consumer Price Index (CPI), a key economic indicator.

Masterfoods USA remains committed to producing the highest-quality, best-tasting snack food products that provide consumers with exceptional value for their money.

Consumer Price Index Percentage Change

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002*</u>
<u>Food & Beverages</u>							
Annual CPI Change	4.2%	1.6%	2.3%	2.0%	2.8%	2.8%	1.3%
Cumulative Change	4.2%	5.8%	8.3%	10.4%	13.5%	16.7%	18.3%
<u>All Items</u>							
Annual CPI Change	3.3%	1.7%	1.6%	2.7%	3.4%	1.6%	2.6%
Cumulative Change	3.3%	5.1%	6.7%	9.6%	13.3%	15.2%	18.2%

* Seasonally Adjusted Annual Average (9/02)

Source: U.S. Department of Labor; Bureau of Labor & Statistics

In addition, Masterfoods USA will move to rounded unit pricing on the above items to improve invoice matching.

Price Transition Program:

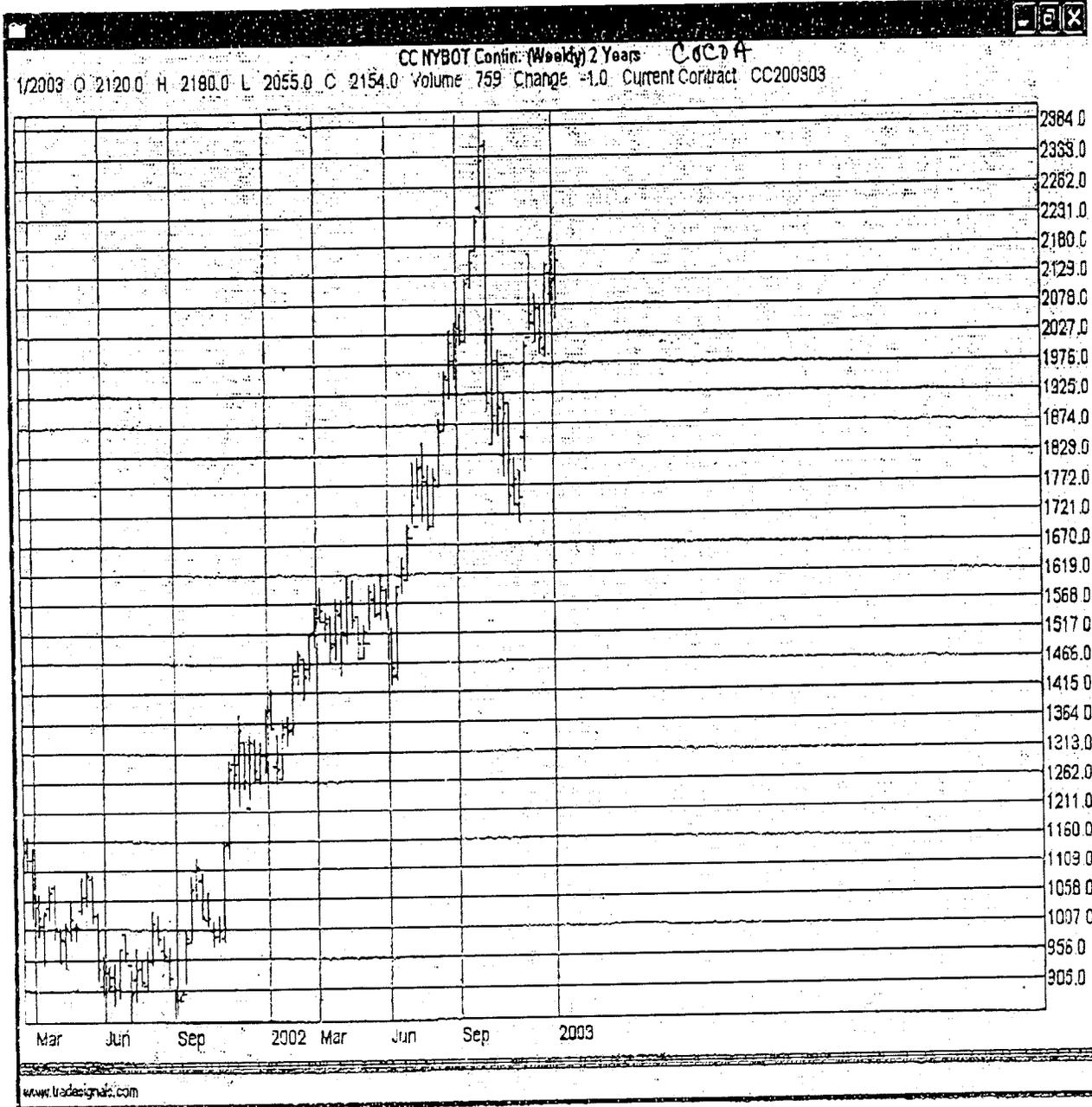
For all direct shipments from Masterfoods USA on the above-identified items, Direct Buying Customers will qualify for our Price Transition Program. Price Transition will be provided via credit memo. A credit memo for the difference between the old price and new price will be available in two distinct performance windows:

- Performance Window 1: 08 December 2002 – 28 December 2002 (three weeks inclusive)
- Performance Window 2: 29 December 2002 – 25 January 2003 (four weeks inclusive)

Direct Buying Customers will be eligible to purchase and call for delivery of up to four (4) weeks average weekly case shipments in each performance window based on their fifty-two (52) week moving annual total shipments. These performance window quantities must be used in their respective timeframes. NO CARRY FORWARD IS ALLOWED. Orders for Performance Window 1 must be shipped by 28 December 2002. Orders for Performance Window 2 must be shipped by 25 January 2003. Your respective MASTERFOODS USA Sales Representative or Broker Account Executive will review the Price Transition Program with you in more detail.

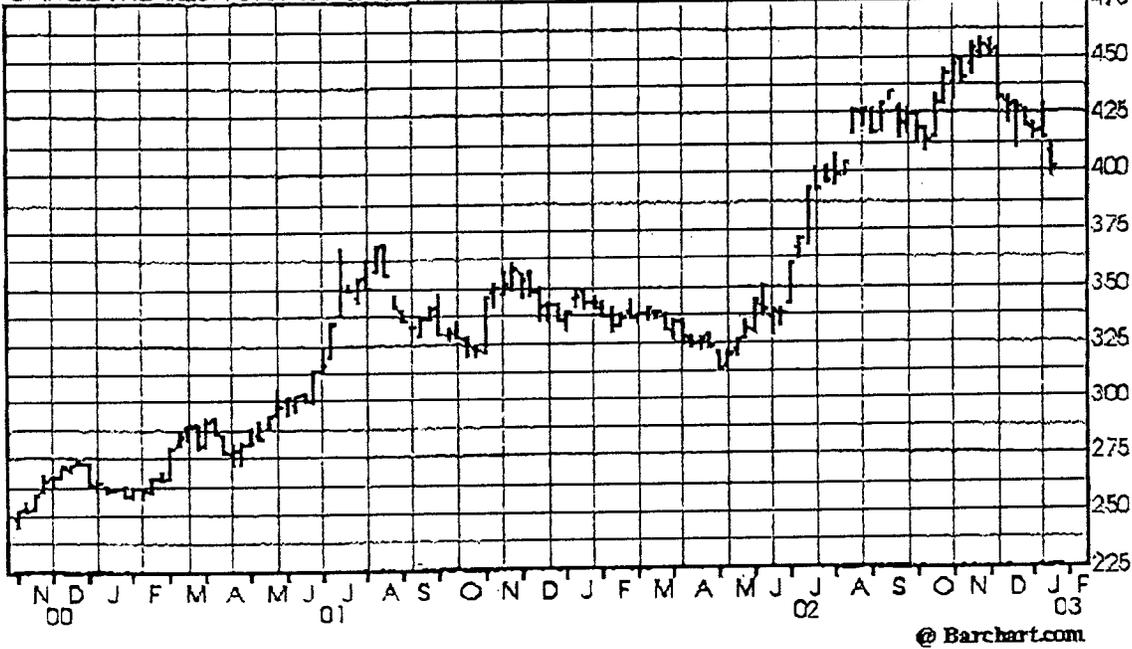
Thank you for your continued support and understanding in this matter.

Sincerely,
Masterfoods USA



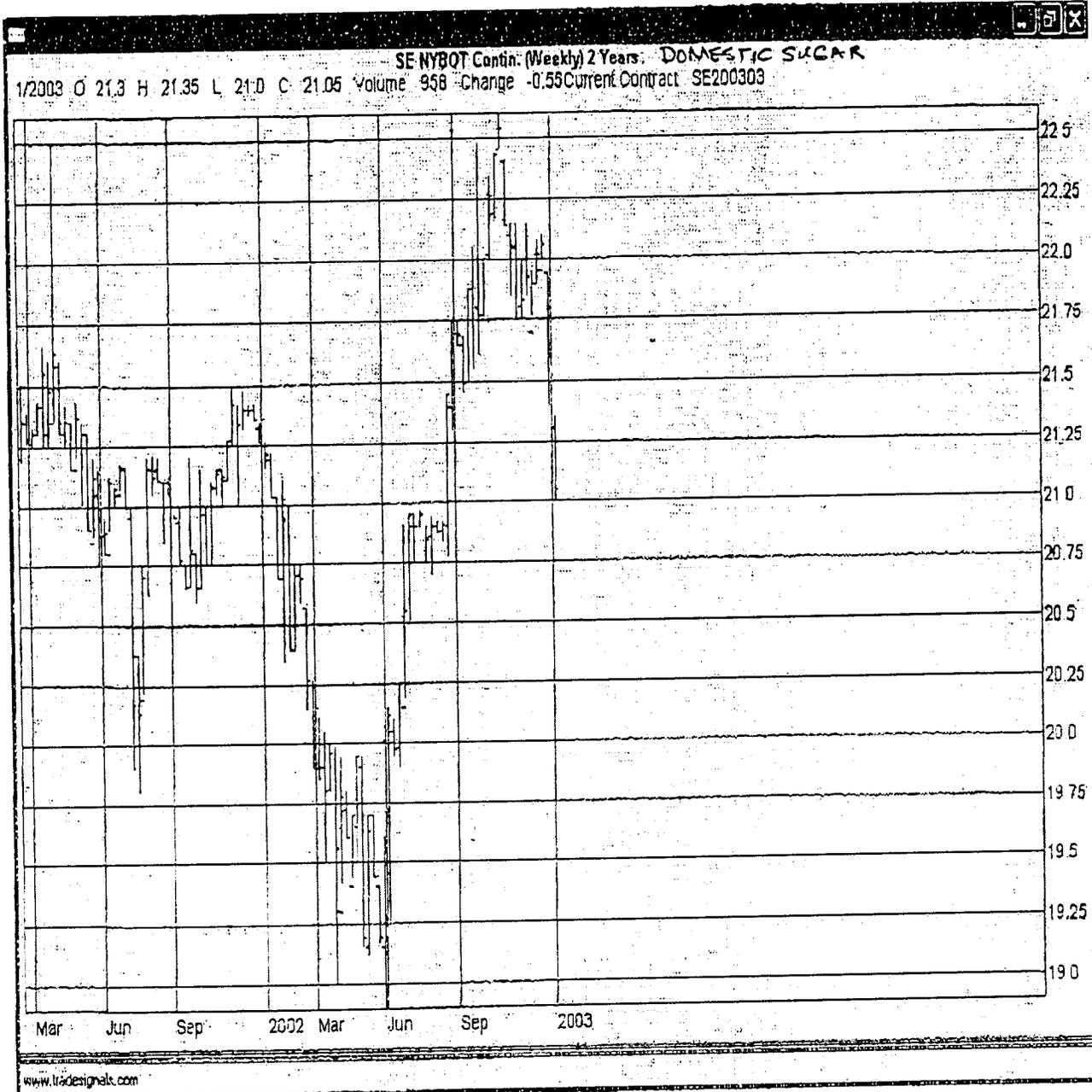
08/27/01 U01 o/h/l/c = 3395 3395 3355 3355 -6.0

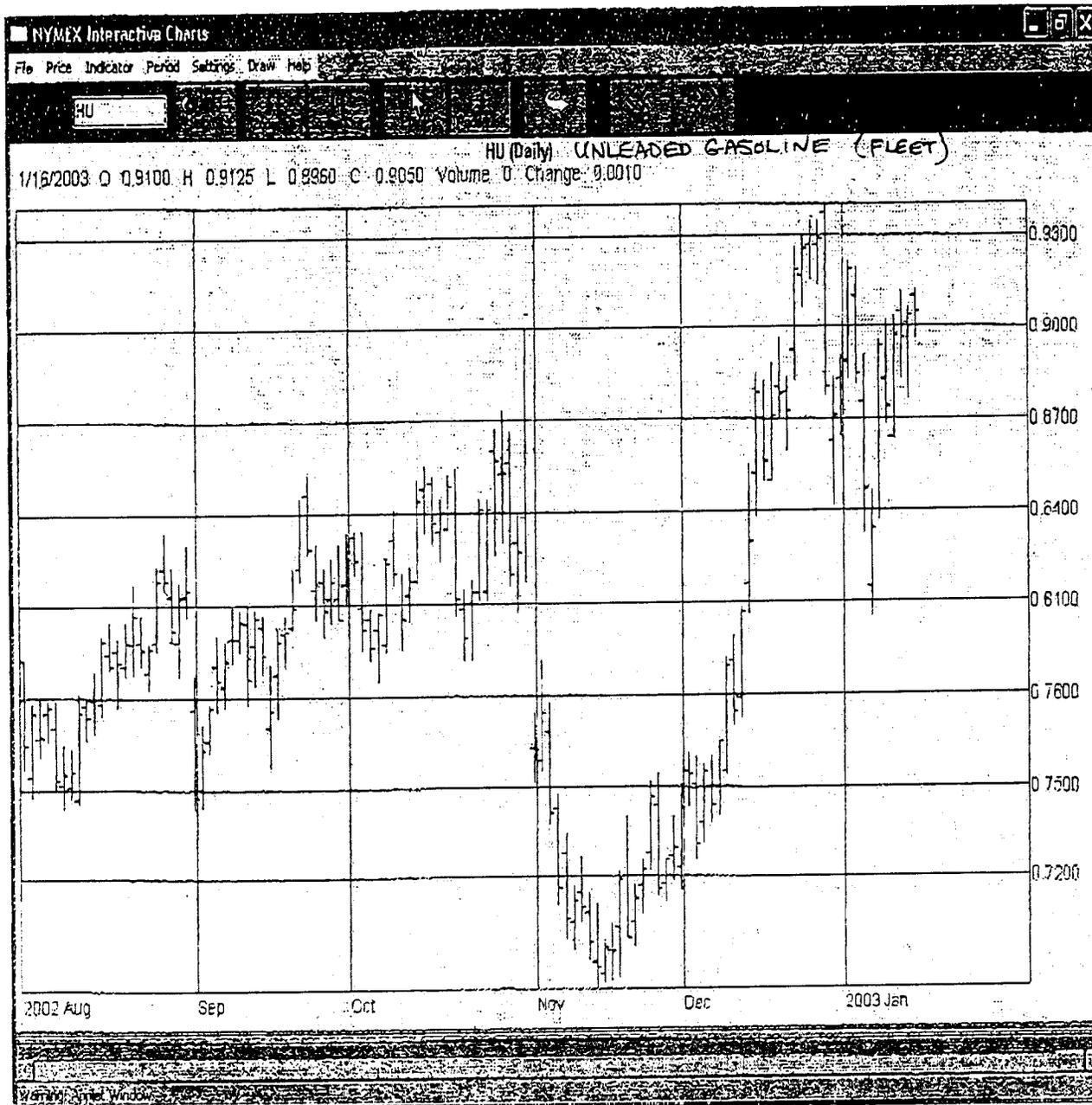
CANOLA NEAREST FUTURES, weekly OHLC plot

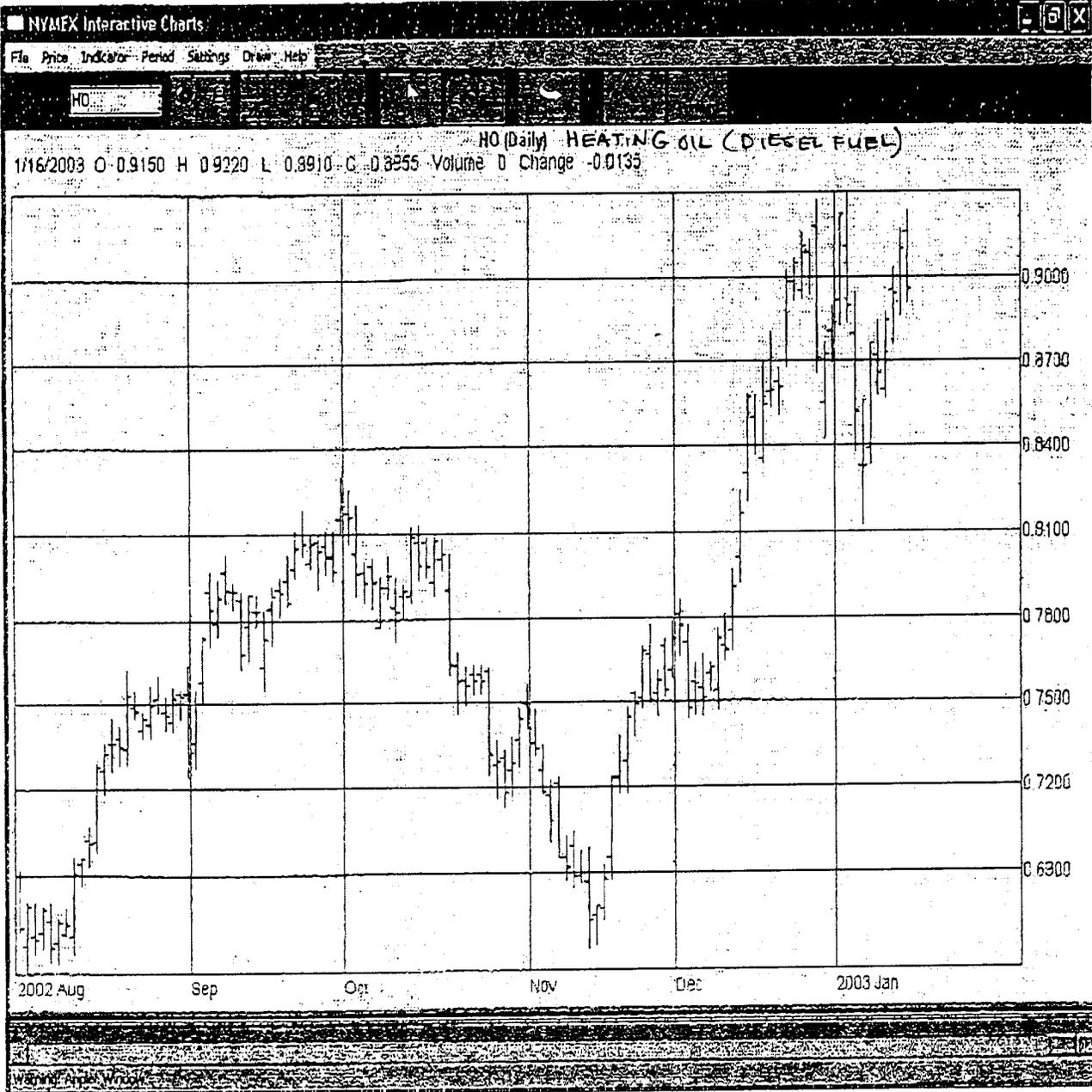


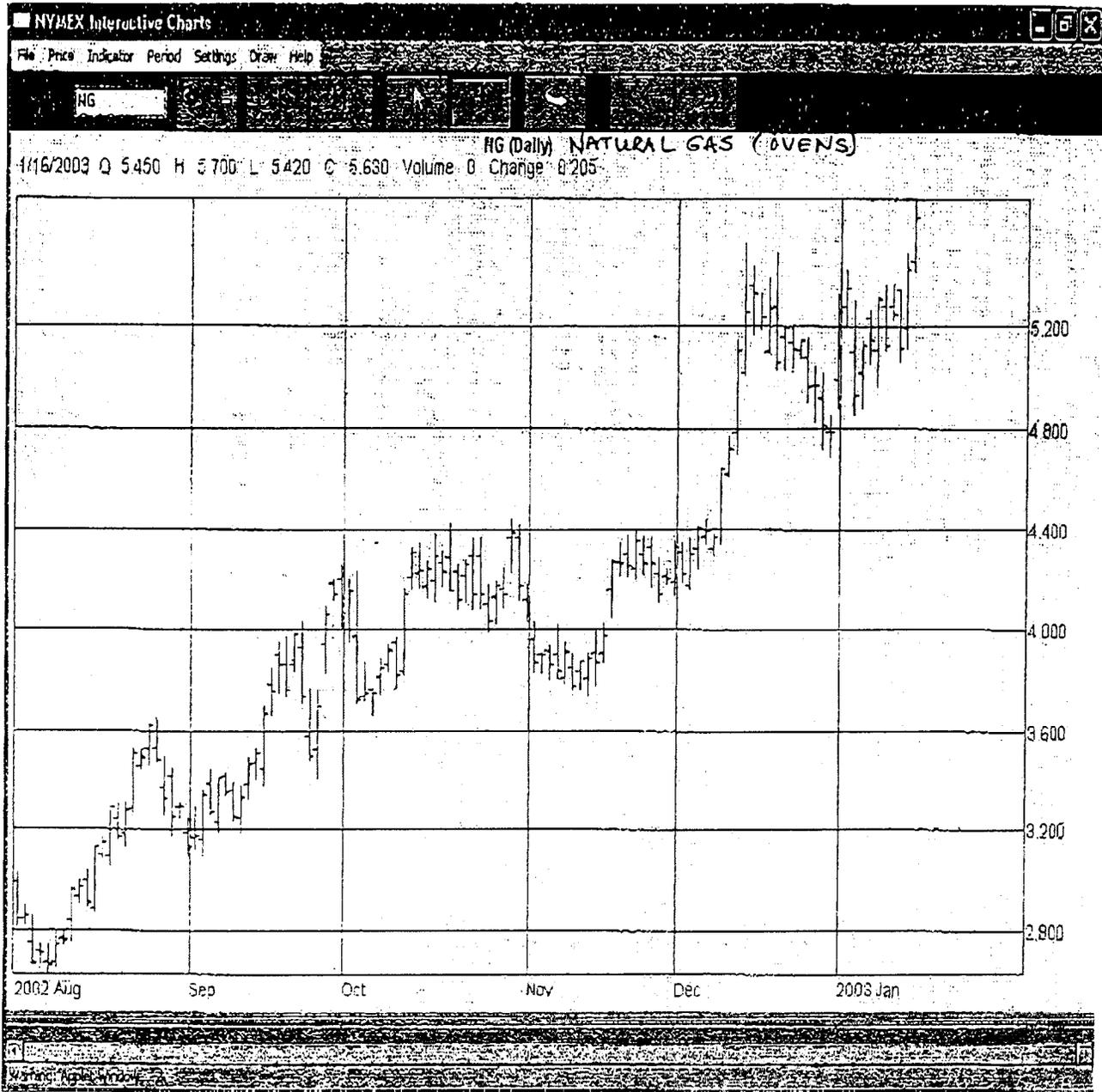
@ Barchart.com

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DEPARTMENT OF FISCAL SERVICES
PURCHASING AND CONTRACTS DIVISION



January 27, 2003

Mr. John Thompson
District Manager
Lance, Inc.
819 E Oak St.
Kissimmee, FL 32749

Subject: NOTICE OF SECOND RENEWAL
RFP-468B-99/GG Annual Bid Agreement
Snack Vending Services

Dear Mr. Thompson:

The above referenced contract is due to expire on April 17, 2003. In accordance with the terms and conditions, it may be renewed for an additional twelve (12) month period provided all commission rates, terms and conditions remain the same.

If your firm agrees to renew for the additional time period, please reply in writing as soon as possible. (Or you may Fax to 407-665-7956 and follow-up with original via mail.) You may use the comment section below for your response.

We appreciate your interest in doing business with Seminole County, and trust we may continue a mutually satisfactory business relationship.

Sincerely,

Gloria M. Garcia
Gloria M. Garcia, CPPB
Senior Procurement Analyst

<p>Comments: <input type="checkbox"/> Agree to renew <input type="checkbox"/> Disagree to renew</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	
<p style="text-align: center;">Authorized Signature</p>	<p style="text-align: center;">Date</p>

C: Dave Meyers – Account Representative
gmg

FACSIMILE TRANSMITTAL



SEMINOLE COUNTY GOVERNMENT

A Business doing Government Work

Date: 1/27/03

To: John Thompson
District Manager - Lake Lee.

FAX Number: 407 932-4149

From: Janis M. Price
Senior Procurement Analyst

FAX Number: 407 665-7956

Message: Please see attached and
review the price increase letter.
Please note that any increase in prices
must be approved by the County
separately. Call us with any
questions. Thanks!

THERE ARE 3 PAGES, INCLUDING THIS ONE, IN THIS
TRANSMITTAL. IF YOU EXPERIENCE ANY PROBLEMS
RECEIVING THIS FAX PLEASE CALL (407) 665-7123.



Angi Thompson

01/24/2003 04:38 PM

To: Gloria Garcia/Seminole@Seminole
cc: Meloney Lung/Seminole@Seminole
Subject: Lance price increase notification

Gloria,

Per our conversation, here it is.

Questions:

1. Can they do this without requesting permission from the County first?
2. They have already begun increasing prices. I don't believe they can do that, but I do not wish to contact anyone until I get determination on what the contract/bid states.

I will wait to hear back from you. Thank you.



Lance req.tif

Angi Thompson, Principal Analyst
Support Services
200 W. County Home Road
Sanford, FL 32773-6179
407/665-5250
407/665-5255 fax