

CONTRACT SUPPLEMENT
RFP-37 Rev. 11/22/16
Prev. Rev. 4/28/14

Lynn Peccerillo-Hills
Contract Specialist

860-713-5255
Telephone Number

STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES

PROCUREMENT DIVISION

450 Columbus Boulevard, Hartford, CT 06103

CONTRACT AWARD NO.:

9PSX0330

Contract Award Date:

30 September 2010

Proposal Due Date:

27 May 2010

SUPPLEMENT DATE:

16 December 2016

CONTRACT AWARD SUPPLEMENT #4

IMPORTANT: THIS IS NOT A PURCHASE ORDER. Do NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.

DESCRIPTION: Food Distribution - U.S.D.A. Warehousing Program

FOR: All Using State Agencies and Political Subdivisions

TERM OF CONTRACT: 4 October 2010 through 31 December 2017

AGENCY REQUISITION NUMBER: 0

CHANGE TO IN STATE (NON-SB) CONTRACT VALUE	CHANGE TO DAS-CERTIFIED SMALL BUSINESS CONTRACT VALUE	CHANGE TO OUT OF STATE CONTRACT VALUE	CHANGE TO TOTAL CONTRACT AWARD VALUE
\$19,500,000.00 (annual est.)			\$19,500,000.00 (annual est.)

NOTICE TO CONTRACTORS: This notice is not an order to ship. Purchase Orders against contracts will be furnished by the using agency or agencies on whose behalf the contract is made. INVOICE SHALL BE RENDERED DIRECT TO THE ORDERING AGENCY.

NOTE: Dollar amounts listed next to each contractor are possible award amounts, however, they do not reflect any expected purchase amounts (actual or implied). They are for CHRO use only.

NOTICE TO AGENCIES: A complete explanatory report shall be furnished promptly to the Procurement Manager concerning items delivered and/or services rendered on orders placed against awards listed herein which are found not to comply with the specifications or which are otherwise unsatisfactory from the agency's viewpoint, as well as failure of the contractor to deliver within a reasonable period of time specified. Please issue orders and process invoices promptly.

CASH DISCOUNTS: Cash discounts, if any, shall be given SPECIAL ATTENTION, but such cash discount shall not be taken unless payment is made within the discount period.

PRICE BASIS: Unless otherwise noted, prices include delivery and transportation charges fully prepaid f.o.b. agency. No extra charge is to be made for packing or packages.

PLEASE NOTE: Per Contract Award Document, Section (2) Term of Contract: Contract Extension: This contract has been extended through December 31, 2017. All terms and conditions not otherwise affected by this supplement remain unchanged and in full force and effect.

APPROVED _____

MELODY A. CURREY

Commissioner

(Original Signature on Document in Procurement Files)

CONTRACTOR INFORMATION:

REFER TO THE CONTRACT ON THE DAS PROCUREMENT WEB PAGE FOR THE MOST CURRENT CONTRACTOR INFORMATION. (<http://das.ct.gov/mp1.aspx?page=8>)

Company Name: <i>Sysco Connecticut, LLC</i>		
Company Address: <i>100 Inwood Road, Rocky Hill, CT 06067</i>		
Tel. No.: <i>(800) 385-5610 x 5174 (C. Albert)</i> <i>(800) 385-5610 x 5664 (A. Faneuf)</i> Customer service: <i>(800) 385-5610 x 5212</i> <i>(M-F 8:00 a.m. – 5:00 p.m.) E. Higgins</i>	Fax No.: <i>(860) 571-5778</i>	Contract Value: <i>\$ 97,500,000.00 (total est)</i>
Contact Person: <i>Allan Faneuf</i>		Delivery: <i>as required</i>
Contact Person Address: <i>same</i>		
Company E-mail Address and/or Company Web Site Faneuf.allan@ct.sysco.com www.syscoct.com		
Remittance Address: <i>same</i>		
Certification Type (SBE, MBE, WBE or None): <i>None</i>	Terms: <i>*Net 45 Days</i> <i>*Discounts Apply</i>	<i>Agrees to Supply Political SubDivisions: Yes</i>

CONTRACT SUPPLEMENT
RFP-37 Rev. 4/28/14
Prev. Rev. 3/12/14

Lynn Peccerillo-Hills
Contract Specialist

860-713-5255
Telephone Number

STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES

PROCUREMENT DIVISION
165 Capitol Avenue, 5th Floor South

HARTFORD, CT 06106-1659

CONTRACT AWARD NO.:

09PSX0330

Contract Award Date:

30 September 2010

Proposal Due Date:

27 May 2010

SUPPLEMENT DATE:

26 August 2015

CONTRACT AWARD SUPPLEMENT #3

IMPORTANT: THIS IS NOT A PURCHASE ORDER. DO NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.

DESCRIPTION: Food Distribution - U.S.D.A. Warehousing Program

FOR:
All Using State Agencies and Political Subdivisions

TERM OF CONTRACT:
4 October 2010 through 31 December 2016

AGENCY REQUISITION NUMBER: 0

CHANGE TO IN STATE (NON-SB) CONTRACT VALUE	CHANGE TO DAS-CERTIFIED SMALL BUSINESS CONTRACT VALUE	CHANGE TO OUT OF STATE CONTRACT VALUE	CHANGE TO TOTAL CONTRACT AWARD VALUE
\$19,500,000.00 (annual est.)			\$19,500,000.00 (annual est.)

NOTICE TO CONTRACTORS: This notice is not an order to ship. Purchase Orders against contracts will be furnished by the using agency or agencies on whose behalf the contract is made. INVOICE SHALL BE RENDERED DIRECT TO THE ORDERING AGENCY.

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NOTICE TO AGENCIES: A complete explanatory report shall be furnished promptly to the Procurement Manager concerning items delivered and/or services rendered on orders placed against awards listed herein which are found not to comply with the specifications or which are otherwise unsatisfactory from the agency's viewpoint, as well as failure of the contractor to deliver within a reasonable period of time specified. Please issue orders and process invoices promptly.

CASH DISCOUNTS: Cash discounts, if any, shall be given SPECIAL ATTENTION, but such cash discount shall not be taken unless payment is made within the discount period.

PRICE BASIS: Unless otherwise noted, prices include delivery and transportation charges fully prepaid f.o.b. agency. No extra charge is to be made for packing or packages.

PLEASE NOTE:

Per Contract Award Document, Section (2) Term of Contract: Contract Extension: This contract has been extended through December 31, 2016.

All terms and conditions not otherwise affected by this supplement remain unchanged and in full force and effect.

SEE BELOW FOR CONTRACTOR INFORMATION

APPROVED _____

MELODY A. CURREY

Commissioner

(Original Signature on Document in Procurement Files)

CONTRACTOR INFORMATION:

REFER TO THE CONTRACT ON THE DAS PROCUREMENT WEB PAGE FOR THE MOST CURRENT CONTRACTOR INFORMATION.

<http://das.ct.gov/mp1.aspx?page=8>

Company Name: Sysco Connecticut, LLC		
Company Address: 100 Inwood Road, Rocky Hill, CT 06067		
Tel. No.: (800) 385-5610 x 5174 (C. Albert) (800) 385-5610 x 5664 (A. Faneuf) Customer service: (800) 385-5610 x 5212 (M-F 8:00 a.m. – 5:00 p.m.) E. Higgins	Fax No.: (860) 571-5778	Contract Value: \$ 97,500,000.00 (total est)
Contact Person: Allan Faneuf		Delivery: as required
Contact Person Address: same		
Company E-mail Address and/or Company Web Site Faneuf.allan@ct.sysco.com www.syscoct.com		
Remittance Address: same		
Certification Type (SBE, MBE, WBE or None): None	Terms: *Net 45 Days *Discounts Apply	Agrees to Supply Political SubDivisions: Yes

STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES

PROCUREMENT DIVISION

165 Capitol Avenue, 5th Floor South
HARTFORD, CT 06106-1659

Ann Simeone
Buyer Name
(860)713-5048
Buyer Phone Number

CONTRACT AWARD NO.:

09PSX0330

Contract Award Date:
30 September 2010

Proposal Due Date:
27 May 2010

SUPPLEMENT DATE:
2 October 2013

CONTRACT AWARD SUPPLEMENT #2

IMPORTANT: THIS IS NOT A PURCHASE ORDER. Do NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.

DESCRIPTION: Food Distribution - U.S.D.A. Warehousing Program

FOR: For All Using State Agencies, Political Subdivisions and Not for Profit Organizations

TERM OF CONTRACT / DELIVERY DATE REQUIRED:
October 4, 2010 through October 3, 2015
(Original term through October 3, 2013)

AGENCY REQUISITION NUMBER: 0

CHANGE TO IN STATE (NON-SB) CONTRACT VALUE	CHANGE TO DAS-CERTIFIED SMALL BUSINESS CONTRACT VALUE	CHANGE TO OUT OF STATE CONTRACT VALUE	CHANGE TO TOTAL CONTRACT AWARD VALUE
			\$19,500,000.00 (annual est)

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NOTE: Dollar amounts listed next to each contractor are possible award amounts, however, they do not reflect any expected purchase amounts (actual or implied). They are for CHRO use only.

NOTICE TO AGENCIES: A complete explanatory report shall be furnished promptly to the Procurement Manager concerning items delivered and/or services rendered on orders placed against awards listed herein which are found not to comply with the specifications or which are otherwise unsatisfactory from the agency's viewpoint, as well as failure of the contractor to deliver within a reasonable period of time specified. Please issue orders and process invoices promptly.

CASH DISCOUNTS: Cash discounts, if any, shall be given SPECIAL ATTENTION, but such cash discount shall not be taken unless payment is made within the discount period.

PRICE BASIS: Unless otherwise noted, prices include delivery and transportation charges fully prepaid f.o.b. agency. No extra charge is to be made for packing or packages.

CONTRACTOR INFORMATION:

REFER TO THE CONTRACT ON THE DAS PROCUREMENT WEB PAGE FOR THE MOST CURRENT CONTRACTOR INFORMATION. (<http://das.ct.gov/mp1.aspx?page=8>)

Company Name: Sysco Connecticut, LLC		
Company Address: 100 Inwood Road, Rocky Hill, CT 06067		
Tel. No.: (800) 385-5610 x 5174 (C. Albert) (800) 385-5610 x 5664 (A. Faneuf) Customer service: (800) 385-5610 x 5212 (M-F 8:00 a.m. – 5:00 p.m.) E. Higgins	Fax No.: (860) 571-5778	Contract Value: \$ 97,500,000.00 (total est)
Contact Person: Allan Faneuf		Delivery: as required
Contact Person Address: same		
Company E-mail Address and/or Company Web Site Faneuf.allan@ct.sysco.com www.syscoct.com		
Remittance Address: same		
Certification Type (SBE, MBE, WBE or None): None	Terms: *Net 45 Days *Discounts Apply	Agrees to Supply Political SubDivisions: Yes

NOTE:

- Per Contract Award Document, Section (2) Term of Contract: Contract Extension: This contract has been extended for a period of two (2) years through October 3, 2015.
- All terms and conditions not otherwise affected by this supplement remain unchanged and in full force and effect.

APPROVED _____

Martin W. Anderson, PhD
Deputy Commissioner

(Original Signature on Document in Procurement Files)

STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES

PROCUREMENT DIVISION

165 Capitol Avenue, 5th Floor South
HARTFORD, CT 06106-1659

Ann Simeone
Buyer Name
(860)713-5051
Buyer Phone Number

CONTRACT AWARD NO.:

09PSX0330

Contract Award Date:

30 September 2010

Proposal Due Date:

27 May 2010

SUPPLEMENT DATE:

5 October 2010

CONTRACT AWARD SUPPLEMENT #1

IMPORTANT: THIS IS NOT A PURCHASE ORDER. Do NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.

DESCRIPTION: Food Distribution - U.S.D.A. Warehousing Program

FOR: For All Using State Agencies, Political Subdivisions and Not for Profit Organizations

TERM OF CONTRACT / DELIVERY DATE REQUIRED:

October 4, 2010 through October 3, 2013
(Contract Extension Language Applies)

AGENCY REQUISITION NUMBER: 0

CHANGE TO IN STATE (NON-SB) CONTRACT VALUE	CHANGE TO DAS-CERTIFIED SMALL BUSINESS CONTRACT VALUE	CHANGE TO OUT OF STATE CONTRACT VALUE	CHANGE TO TOTAL CONTRACT AWARD VALUE
\$19,500,000.00 (annual est.)			\$19,500,000.00 (annual est.)

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PRICE BASIS: Unless otherwise noted, prices include delivery and transportation charges fully prepaid f.o.b. agency. No extra charge is to be made for packing or packages.

CONTRACTOR INFORMATION:

REFER TO THE CONTRACT ON THE DAS PROCUREMENT WEB PAGE FOR THE MOST CURRENT CONTRACTOR INFORMATION.

(http://www.das.state.ct.us/Purchase/New_PurchHome/Busopp.asp)

Company Name: Sysco Connecticut, LLC		
Company Address: 100 Inwood Road, Rocky Hill, CT 06067		
Tel. No.: (800) 385-5610 x 5174 (C. Albert) (800) 385-5610 x 5664 (A. Faneuf) Customer service: (800) 385-5610 x 5212 (M-F 8:00 a.m. – 5:00 p.m.) E. Higgins	Fax No.: (860) 571-5778	Contract Value: \$ 19,500,000.00 (annual est.)
Contact Person: Allan Faneuf	Delivery: as required	
Contact Person Address: same		
Company E-mail Address and/or Company Web Site Faneuf.allan@ct.sysco.com www.syscoct.com		
Remittance Address: same		
Certification Type (SBE, MBE, WBE or None): None	Terms: Net 45 Days	Agrees to Supply Political SubDivisions: Yes

NOTE:

- Clarification to Contract Award page as follows: Contract Value to read \$19,500,000.00 annual estimate.
- All terms and conditions not otherwise affected by this supplement remain unchanged and in full force and effect.

APPROVED _____

Ann Simeone

Contract Specialist

(Original Signature on Document in Procurement Files)

STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES

PROCUREMENT DIVISION
165 Capitol Avenue, 5th Floor South

HARTFORD, CT 06106-1659

Ann Simeone
Contract Specialist

(860)713-5051
Telephone Number

CONTRACT AWARD NO.:

09PSX0330

Contract Award Date:

30 September 2010

RFP Due Date:

27 May 2010

CONTRACT AWARD

IMPORTANT: THIS IS NOT A PURCHASE ORDER. DO NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.

DESCRIPTION: Food Distribution - U.S.D.A. Warehousing Program

FOR: For All Using State Agencies, Political Subdivisions and Not for Profit Organizations

TERM OF CONTRACT / DELIVERY DATE REQUIRED:
October 4, 2010 through October 3, 2013
(Contract Extension Language Applies)

AGENCY REQUISITION NUMBER: 0

IN STATE (NON-SB) CONTRACT VALUE	DAS CERTIFIED SMALL BUSINESS CONTRACT VALUE	OUT OF STATE CONTRACT VALUE	TOTAL CONTRACT AWARD VALUE
\$19,500,000.00 (est)			\$19,500,000.00 (est)

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CONTRACTOR INFORMATION:

REFER TO THE CONTRACT ON THE DAS PROCUREMENT WEB PAGE FOR THE MOST CURRENT CONTRACTOR INFORMATION. (<http://www.das.state.ct.us/busopp.asp>)

Company Name: Sysco Connecticut, LLC		
Company Address: 100 Inwood Road, Rocky Hill, CT 06067		
Tel. No.: (800) 385-5610 x 5174 (C. Albert) (800) 385-5610 x 5664 (A. Faneuf) Customer service: (800) 385-5610 x 5212 (M-F 8:00 a.m. – 5:00 p.m.) E. Higgins	Fax No.: (860) 571-5778	Contract Value: \$ 19,500,000.00 (est)
Contact Person: Allan Faneuf		Delivery: as required
Contact Person Address: same		
Company E-mail Address and/or Company Web Site Faneuf.allan@ct.sysco.com www.syscoct.com		
Remittance Address: same		
Certification Type (SBE, MBE, WBE or None): None	Terms: Net 45 Days	Agrees to Supply Political SubDivisions: Yes

APPROVED _____

Martin Anderson Ph.D.

Commissioner

(Original Signature on Document in Procurement Files)

CONTRACT

09PSX0330

Between

THE STATE OF CONNECTICUT

Acting by its

DEPARTMENT OF ADMINISTRATIVE SERVICES

AND

Sysco Connecticut, LLC
Awarded Contractor

FOR THE PURCHASE AND SALE OF
FOOD DISTRIBUTION AND U.S.D.A. WAREHOUSING PROGRAM

September 30, 2010
Contract Award Date

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Contract # 09PSX0330

RFP Contract Rev. 7/09 – Prev. Rev. 6/09

This Contract (the “Contract”) is made as of the 30th day of September, in the year 2010 , by and between, Sysco Connecticut, LLC (the “Contractor,”) with a principal place of business at 100 Inwood Road, Rocky Hill, CT, acting by Kristin A. Kotler, its VP of Finance/CFO and the State of Connecticut, Department of Administrative Services (“DAS”), with a principal place of business at 165 Capitol Ave, Hartford, Connecticut 06106-1659, acting by Martin Anderson, its Commissioner, in accordance with Sections 4a-2 and 4a-51 of the Connecticut General Statutes.

Now therefore, in consideration of these presents, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the Contractor and the State agree as follows:

1. Definitions. Unless otherwise indicated, the following terms shall have the following corresponding definitions:
 - (a) Cancellation: An end to the Contract effected pursuant to a right which the Contract creates due to a breach.
 - (b) Claims: All actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.
 - (c) Client Agency: All Using State Agencies and Political Subdivisions
 - (d) Contract: The agreement, as of its effective date, between the Proposer and the State for any or all Goods or Services at the Proposal price.
 - (e) Contractor: A person or entity who submits a Proposal and who executes a Contract.
 - (f) Contractor Parties: A Contractor’s members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to Perform under the Contract in any capacity.
 - (g) Day: All calendar days other than Saturdays, Sundays and days designated as national or State of Connecticut holidays upon which banks in Connecticut are closed.
 - (h) Expiration: An end to the Contract due to the completion in full of the mutual performances of the parties or due to the Contract’s term being completed.
 - (i) Force Majeure: Events that materially affect the cost of the Goods or Services or the time schedule within which to Perform and are outside the control of the party asserting that such an event has occurred, including, but not limited to, labor troubles unrelated to the Contractor, failure of or inadequate permanent power, unavoidable casualties, fire not caused by the Contractor, extraordinary weather conditions, disasters, riots, acts of God, insurrection or war.
 - (j) Goods: For purposes of the Contract, all things which are movable at the time that the Contract is effective and which include, without limiting this definition, supplies, materials and equipment, as specified in the Request for Proposals and set forth in Exhibit A.
 - (k) Goods or Services: Goods, Services or both, as specified in the Request for Proposals and set forth in Exhibit A.

Contract # 09PSX0330

RFP Contract Rev. 7/09 – Prev. Rev. 6/09

- (l) Proposal: A Proposer’s submittal in response to a Request for Proposals.
 - (m) Proposer Parties: A Proposer’s members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Proposer is in privity of oral or written contract and the Proposer intends for such other person or entity to Perform under the Contract in any capacity.
 - (n) Records: All working papers and such other information and materials as may have been accumulated by the Contractor in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.
 - (o) Request for Proposals: A State request inviting proposals for Goods or Services. This Contract shall be governed by the statutes, regulations and procedures of the State of Connecticut, Department of Administrative Services.
 - (p) Services: The performance of labor or work, as specified in the Request for Proposals and set forth in Exhibit A.
 - (q) State: The State of Connecticut, including DAS, the Client Agency and any office, department, board, council, commission, institution or other agency of the State.
 - (r) Termination: An end to the Contract effected pursuant to a right which the Contract creates, other than for a breach.
 - (s) Title: all ownership, title, licenses, rights and interest, including, but not limited to, perpetual use, of and to the Goods or Services.
2. Term of Contract; Contract Extension. The Contract will be in effect from October 4, 2010 through October 3, 2013.
- The State may extend this Contract in its sole discretion, prior to Termination, Expiration or Cancellation, with the possible extension of two three (3) year additional terms totaling nine (9) years or portions thereof.
3. Description of Goods or Services. The Contractor shall perform as set forth in Exhibit A. For purposes of this Contract, to perform and the performance in Exhibit A is referred to as “Perform” and the “Performance.”
4. Price Schedule, Payment Terms and Billing, and Price Adjustments.
- (a) Price Schedule: Price Schedule under this Contract is set forth in Exhibit B.
 - (b) Payment Terms and Billing: Payment shall be made only after the Client Agency receives and accepts the Goods or Services and after it receives a properly completed invoice. Unless otherwise specified in the Contract, payment for all accepted Goods or Services shall be due within forty-five (45) days after acceptance of the Goods or Services, or thirty (30) days if the Contractor is a certified small contractor or minority business enterprise as defined in Conn. Gen. Stat. § 4a-60g. The Contractor shall submit an invoice to the Client Agency for the Performance. The invoice shall include detailed information for Goods or Services, delivered and performed, as applicable, and accepted. Any late payment charges shall be calculated in accordance with the Connecticut General Statutes.

Contract # 09PSX0330

RFP Contract Rev. 7/09 – Prev. Rev. 6/09

- (c) If applicable to and during the term of this Contract, the Price Schedule will be adjusted to reflect any increase in the minimum wage rate that may occur, as mandated by state law. The Price Schedule will not be adjusted until the Contractor provides documentation, in the form of certified payroll or other documentation acceptable to the State, substantiating the increase in minimum wage rate.
- (d) Price Adjustments: The Price Schedule (Exhibit B) which lists The Cost Plus Percentage, Opportunity Buys, USDA Per Case Pricing and USDA Storage Fees (only assessed during July and August each year) shall not be increased during the term of this contract. Further it is agreed that the minimum purchase threshold for Sysco Brand incentives awards and Prompt Payment Discounts pricing may be amended by mutual agreement from both parties.

5. Rejected Items; Abandonment.

- (a) The Contractor may deliver, cause to be delivered, or, in any other way, bring or cause to be brought, to any State premises or other destination, Goods, as samples or otherwise, and other supplies, materials, equipment or other tangible personal property. The State may, by written notice and in accordance with the terms and conditions of the Contract, direct the Contractor to remove any or all such Goods (“the “Rejected Goods”) and any or all other supplies, materials, equipment or other tangible personal property (collectively, the “Contractor Property”) from and out of State premises and any other location which the State manages, leases or controls. The Contractor shall remove the Rejected Goods and the Contractor Property in accordance with the terms and conditions of the written notice. Failure to remove the Rejected Goods or the Contractor Property in accordance with the terms and conditions of the written notice shall mean, for itself and all Contractor Parties and Proposer Parties, that:

- (1) they have voluntarily, intentionally, unconditionally, unequivocally and absolutely abandoned and left unclaimed the Rejected Goods and Contractor Property and relinquished all ownership, title, licenses, rights, possession and interest of, in and to (collectively, “Title”) the Rejected Goods and Contractor Property with the specific and express intent of (A) terminating all of their Title to the Rejected Goods and Contractor Property, (B) vesting Title to the Rejected Goods and Contractor Property in the State of Connecticut and (C) not ever reclaiming Title or any future rights of any type in and to the Rejected Goods and Contractor Property;
- (2) there is no ignorance, inadvertence or unawareness to mitigate against the intent to abandon the Rejected Goods or Contractor Property;
- (3) they vest authority, without any further act required on their part or the State’s part, in the Client Agency and the State to use or dispose of the Rejected Goods and Contractor Property, in the State’s sole discretion, as if the Rejected Goods and Contractor Property were the State’s own property and in accordance with law, without incurring any liability or obligation to the Contractor or any other party;
- (4) if the State incurs any costs or expenses in connection with disposing of the Rejected Goods and Contractor Property, including, but not limited to, advertising, moving or storing the Rejected Goods and Contractor Property, auction and other activities, the State shall invoice the Contractor for all such cost and expenses and the Contractor shall reimburse the State no later than thirty (30) days after the date of invoice; and
- (5) they do remise, release and forever discharge the State and its employees, departments, commissions, boards, bureaus, agencies, instrumentalities or political subdivisions and their respective successors, heirs, executors and assigns (collectively, the “State and Its Agents”) of and from all Claims which they and their respective successors or assigns,

jointly or severally, ever had, now have or will have against the State and Its Agents arising from the use or disposition of the Rejected Goods and Contractor Property.

- (b) The Contractor shall secure from each Contractor Party or Proposer Party, as appropriate, such document or instrument as necessary or appropriate as will vest in the Contractor plenary authority to bind the Contractor Parties and Proposer Parties to the full extent necessary or appropriate to give full effect to all of the terms and conditions of this section. The Contractor shall provide, no later than fifteen (15) days after receiving a request from the State, such information as the State may require to evidence, in the State's sole determination, compliance with this section.
6. Order and Delivery. The Contract shall bind the Contractor to furnish and deliver the Goods or Services in accordance with Exhibit A and at the prices set forth in Exhibit B. Subject to the sections in this Contract concerning Force Majeure, Termination, Cancellation Expiration and Open Market Purchases, the Contract shall bind the Client Agency to order the Goods or Services from the Contractor, and to pay for the accepted Goods or Services in accordance with Exhibit B.
7. Contract Amendments. Except for extensions made in accordance with the section in this Contract concerning Term of Contract; Effective Date, no amendment to or modification or other alteration of the Contract shall be valid or binding upon the State unless made in writing, signed by both parties and, if applicable, approved by the Connecticut Attorney General.
8. Assignment. The Contractor shall not assign any of its rights or obligations under the Contract, voluntarily or otherwise, in any manner without the prior written consent of DAS. DAS may void any purported assignment in violation of this section and declare the Contractor in breach of Contract. Any Cancellation by DAS for a breach is without prejudice to DAS's or the State's rights or possible Claims.
9. Termination, Cancellation and Expiration.
 - (a) Notwithstanding any provisions in this Contract, DAS, through a duly authorized employee, may Terminate the Contract whenever DAS makes a written determination that such Termination is in the best interests of the State. DAS shall notify the Contractor in writing of Termination pursuant to this section, which notice shall specify the effective date of Termination and the extent to which the Contractor must complete Performance under the Contract prior to such date. The Contractor is not entitled to receive and the State is not obligated to tender to the Contractor any payments or reimbursements for anticipated or lost profits.
 - (b) Notwithstanding any provisions in this Contract, DAS, through a duly authorized employee, may, after making a written determination that the Contractor has breached the Contract, Cancel the Contract in accordance with the provisions in the Breach section of this Contract.
 - (c) DAS shall send the notice of Termination or Cancellation via certified mail, return receipt requested, to the Contractor at the most current address which the Contractor has furnished to DAS for purposes of correspondence, or by hand delivery. Upon receiving such notice from DAS, the Contractor shall immediately discontinue all services affected in accordance with the notice, undertake all commercially reasonable efforts to mitigate any losses or damages, and deliver to the Client Agency all Records. The Records are deemed to be the property of the Client Agency and the Contractor shall deliver them to the Client Agency no later than thirty (30) days after the Termination, Cancellation or Expiration of the Contract or fifteen (15) days after the Contractor receives a written request from DAS for the Records. The

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Contractor shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to, ASCII or .TXT.

- (d) Upon receipt of a written notice of Termination or Cancellation from DAS, the Contractor shall cease operations as directed by DAS in the notice, and take all actions that are necessary or appropriate, or that DAS may reasonably direct, for the protection and preservation of the Goods and any other property. Except for any work which DAS directs the Contractor to Perform in the notice prior to the effective date of Termination or Cancellation, and except as otherwise provided in the notice, the Contractor shall terminate or conclude all existing subcontracts and purchase orders and shall not enter into any further subcontracts, purchase orders or commitments.
 - (e) To the extent that the Client Agency has issued a purchase order prior to the notice of Termination and the Contractor has begun Performance against that purchase order in good faith, the Client Agency shall, within forty-five (45) days of having received an invoice from the Contractor for such Performance, pay or reimburse the Contractor for its Performance rendered and accepted by the Client Agency in accordance with Exhibit A. In addition, the Client Agency shall also pay or reimburse the Contractor for all actual and reasonable costs incurred after Termination in completing those portions of the Performance which the notice required the Contractor to complete. Upon and as requested by the Client Agency or DAS and after consent of the Contractor's subcontractors, if any, and if their consent is required, the Contractor shall (1) assign to the Client Agency, or any replacement contractor which the Client Agency or DAS designates, all subcontracts, purchase orders and other commitments, (2) deliver to the Client Agency all Records and other information pertaining to its Performance, and (3) remove from State premises, whether leased or owned, all such equipment, waste material and rubbish related to its Performance, all as the Client Agency or DAS may request.
 - (f) For breach or violation of any of the provisions in the section concerning Representations and Warranties, DAS may Cancel the Contract in accordance with its terms and revoke any consents to assignments given as if the assignments had never been requested or consented to, without liability to the Contractor or Contractor Parties or any third party.
 - (g) Upon Termination, Cancellation or Expiration of the Contract, all rights and obligations shall be null and void, so that no party shall have any further rights or obligations to any other party, except with respect to the sections which survive Termination, Cancellation or Expiration of the Contract. All representations, warranties, agreements and rights of the parties under the Contract shall survive such Termination, Cancellation or Expiration to the extent not otherwise limited in the Contract and without each one of them having to be specifically mentioned in the Contract.
 - (h) Termination or Cancellation of the Contract pursuant to this section shall not be deemed to be a breach of contract by DAS.
10. Cost Modifications. The parties may agree to a reduction in the cost of the Contract at any time during which the Contract is in effect. Without intending to impose a limitation on the nature of the reduction, the reduction may be to hourly, staffing or unit costs, the total cost of the Contract or the reduction may take such other form as the State deems to be necessary or appropriate.
11. Breach. If either party breaches the Contract in any respect, the non-breaching party shall provide written notice of such breach to the breaching party and afford the breaching party an opportunity to cure the breach within ten (10) days from the date that the breaching party receives such notice. Any other time provided for in the notice shall trump such ten (10) days. Such right to cure period shall be extended if the non-breaching party is satisfied that

the breaching party is making a good faith effort to cure but the nature of the breach is such that it cannot be cured within the right to cure period. The notice may include an effective Contract Cancellation date if the breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the Cancellation date, no further action shall be required of any party to effect the Cancellation as of the stated date. If the notice does not set forth an effective Contract Cancellation date, then the non-breaching party may Cancel the Contract by giving the breaching party no less than twenty four (24) hours' prior written notice. If DAS believes that the Contractor has not performed according to the Contract, the Client Agency may withhold payment in whole or in part pending resolution of the Performance issue, provided that DAS notifies the Contractor in writing prior to the date that the payment would have been due in accordance with Exhibit B.

12. Waiver.

- (a) No waiver of any breach of the Contract shall be interpreted or deemed to be a waiver of any other or subsequent breach. All remedies afforded in the Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided in the Contract or at law or in equity.
- (b) A party's failure to insist on strict performance of any provision of the Contract shall only be deemed to be a waiver of rights and remedies concerning that specific instance of Performance and shall not be deemed to be a waiver of any subsequent rights, remedies or breach.

13. Open Market Purchases. Except to the extent that the Contractor is performing within a right to cure period, failure of the Contractor to Perform within the time specified in the Contract, or failure to replace rejected or substandard Goods or fulfill unperformed Services when so requested and as the Contract provides or allows, constitutes a breach of the Contract and as a remedy for such breach, such failure shall constitute authority for DAS, if it deems it to be necessary or appropriate in its sole discretion, to Cancel the Contract and/or to purchase on the open market, Goods or Services to replace those which have been rejected, not delivered, or not performed. The Client Agency shall invoice the Contractor for all such purchases to the extent that they exceed the costs and expenses in Exhibit B and the Contractor shall pay the Client Agency's invoice immediately after receiving the invoice. If DAS does not Cancel the Contract, the Client Agency will deduct such open market purchases from the Contract quantities. However, if the Client Agency deems it to be in the best interest of the State, the Client Agency may accept and use the Goods or Services delivered which are substandard in quality, subject to an adjustment in price to be determined by the Client Agency.

14. Purchase Orders.

- (a) The Contract itself is not an authorization for the Contractor to ship Goods or begin Performance in any way. The Contractor may begin Performance only after it has received a duly issued purchase order against the Contract for Performance.
- (b) The Client Agency shall issue a purchase order against the Contract directly to the Contractor and to no other party.
- (c) All purchase orders shall be in written or electronic form, bear the Contract number (if any) and comply with all other State and Client Agency requirements, particularly the Client Agency's requirements concerning procurement. Purchase orders issued in compliance with such requirements shall be deemed to be duly issued.

- (d) A Contractor making delivery without a duly issued purchase order in accordance with this section does so at the Contractor's own risk.
- (e) The Client Agency may, in its sole discretion, deliver to the Contractor any or all duly issued purchase orders via electronic means only, such that the Client Agency shall not have any additional obligation to deliver to the Contractor a "hard copy" of the purchase order or a copy bearing any hand-written signature or other "original" marking.

15. Indemnification.

- (a) The Contractor shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) Claims arising, directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively, the "Acts") of the Contractor or Contractor Parties; and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this section. The Contractor's obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the Proposal or any Records, any intellectual property rights, other proprietary rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the Performance of the Contract.
- (b) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such Claims.
- (c) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.
- (d) The Contractor shall carry and maintain at all times during the term of the Contract, and during the time that any provisions survive the term of the Contract, sufficient general liability insurance to satisfy its obligations under this Contract. The Contractor shall name the State as an additional insured on the policy and shall provide a Certificate of Insurance to DAS, except that the Contractor shall not provide a copy to DAS if the Client Agency is the State Department of Transportation, prior to the effective date of the Contract. The Contractor shall not begin Performance until the delivery of the Certificate of Insurance to DAS. Upon request of the Client Agency, the Contractor shall provide a Certificate of Insurance to the Client Agency.
- (e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a Claim against a third party.
- (f) This section shall survive the Termination, Cancellation or Expiration of the Contract, and shall not be limited by reason of any insurance coverage.

16. Forum and Choice of Law. The Contract shall be deemed to have been made in the City of Hartford, State of Connecticut. Both Parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State

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of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

17. Contractor Guaranties. Contractor shall:

- (a) Perform fully under the Contract;
- (b) Guarantee the Goods or Services against defective material or workmanship and to repair any damage or marring occasioned in transit or, at the Client Agency's option, replace them;
- (c) Furnish adequate protection from damage for all work and to repair damage of any kind, for which its workers are responsible, to the premises, Goods, the Contractor's work or that of Contractor Parties;
- (d) With respect to the provision of Services, pay for all permits, licenses and fees and give all required or appropriate notices;
- (e) Adhere to all Contractual provisions ensuring the confidentiality of Records that the Contractor has access to and are exempt from disclosure under the State's Freedom of Information Act or other applicable law; and
- (f) Neither disclaim, exclude nor modify the implied warranties of fitness for a particular purpose or of merchantability.

18. Implied Warranties. DAS does not disclaim, exclude or modify the implied warranty of fitness for a particular purpose or the warranty of merchantability.

19. Goods, Standards and Appurtenances. Any Goods delivered must be standard new Goods, latest model, except as otherwise specifically stated in the Contract. Remanufactured, refurbished or reconditioned equipment may be accepted but only to the extent allowed under the Contract. Where the Contract does not specifically list or describe any part or nominal appurtenances of equipment for the Goods, it shall be understood that the Contractor shall deliver such parts and appurtenances as are usually provided with the manufacturer's stock model.

20. Delivery.

- (a) Delivery shall be made as ordered and in accordance with the Contract. Unless otherwise specified in the Contract, delivery shall be to a loading dock or receiving platform. The Contractor or Contractor's shipping designee shall be responsible for removal of Goods from the carrier and placement on the Client Agency loading dock or receiving platform. The receiving personnel of the Client Agency are not required to assist in this process. The decision of DAS as to reasonable compliance with delivery terms shall be final and binding. The burden of proof of proper receipt of the order shall rest with the Contractor.
- (b) In order for the time of delivery to be extended, the Client Agency must first approve a request for extension from the time specified in the Contract, such extension applying only to the particular item or shipment.

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- (c) Goods shall be securely and properly packed for shipment, according to accepted standard commercial practice, without extra charge for packing cases, baling or sacks. The containers shall remain the property of the Client Agency unless otherwise stated in the Proposal.
 - (d) All risk of loss and damage to the Goods transfers to the Client Agency upon Title vesting in the Client Agency.
21. Goods Inspection. The Client Agency shall determine the manner and prescribe the inspection of all Goods and the tests of all samples submitted to determine whether they comply with all of the specifications in the Contract. If any Goods fail in any way to meet the specifications in the Contract, the Client Agency may, in its sole discretion, either reject it and owe nothing or accept it and pay for it on an adjusted price basis, depending on the degree to which the Goods meet the specifications. Any decision pertaining to any such failure or rejection shall be final and binding.
22. Setoff. In addition to all other remedies that DAS may have, the State, in its sole discretion, may setoff (1) any costs or expenses that the State incurs resulting from the Contractor's unexcused nonperformance under the Contract and under any other agreement or arrangement that the Contractor has with the State and (2) any other amounts that are due or may become due from the State to the Contractor, against amounts otherwise due or that may become due to the Contractor under the Contract, or under any other agreement or arrangement that the Contractor has with the State. The State's right of setoff shall not be deemed to be the State's exclusive remedy for the Contractor's or Contractor Parties' breach of the Contract, all of which shall survive any setoffs by the State.
23. Force Majeure. The State and the Contractor shall not be excused from their obligation to Perform in accordance with the Contract except in the case of Force Majeure events and as otherwise provided for in the Contract. In the case of any such exception, the nonperforming party shall give immediate written notice to the other, explaining the cause and probable duration of any such nonperformance.
24. Advertising. The Contractor shall not refer to sales to the State for advertising or promotional purposes, including, but not limited to, posting any material or data on the Internet, without DAS's prior written approval.
25. Americans With Disabilities Act. The Contractor shall be and remain in compliance with the Americans with Disabilities Act of 1990 ("Act"), to the extent applicable, during the term of the Contract. DAS may Cancel the Contract if the Contractor fails to comply with the Act.
26. Representations and Warranties. The Contractor, and the Proposer, as appropriate, represent and warrant to DAS for itself, Contractor Parties and Proposer Parties, as appropriate, that:
- (a) if they are entities, they are duly and validly existing under the laws of their respective states of organization and authorized to conduct business in the State of Connecticut in the manner contemplated by the Contract. Further, as appropriate, they have taken all necessary action to authorize the execution, delivery and Performance of the Proposal and the Contract and have the power and authority to execute, deliver and Perform their obligations under the Contract;
 - (b) they will comply with all applicable State and Federal laws and municipal ordinances in satisfying their obligations to the State under and pursuant to the Contract, including, but not limited to (1) Connecticut General Statutes Title 1, Chapter 10, concerning the State's Codes of Ethics and (2) Title 4a concerning State purchasing, including, but not limited to 22a-194a concerning the use of polystyrene foam;

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- (c) the execution, delivery and Performance of the Contract will not violate, be in conflict with, result in a breach of or constitute (with or without due notice and/or lapse of time) a default under any of the following, as applicable: (1) any provision of law; (2) any order of any court or the State; or (3) any indenture, agreement, document or other instrument to which it is a party or by which it may be bound;
- (d) they are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any governmental entity;
- (e) as applicable, they have not, within the three years preceding the Contract, in any of their current or former jobs, been convicted of, or had a civil judgment rendered against them or against any person who would Perform under the Contract, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a transaction or contract with any governmental entity. This includes, but is not limited to, violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (f) they are not presently indicted for or otherwise criminally or civilly charged by any governmental entity with commission of any of the offenses listed above;
- (g) they have not within the three years preceding the Contract had one or more contracts with any governmental entity Cancelled;
- (h) they have not employed or retained any entity or person, other than a bona fide employee working solely for them, to solicit or secure the Contract and that they have not paid or agreed to pay any entity or person, other than a bona fide employee working solely for them, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of the Contract or any assignments made in accordance with the terms of the Contract;
- (i) to the best of their knowledge, there are no Claims involving the Proposer, Proposer Parties, Contractor or Contractor Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Contract;
- (j) they shall disclose, to the best of their knowledge, to DAS in writing any Claims involving them that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Contract, no later than ten (10) Days after becoming aware or after they should have become aware of any such Claims. For purposes of the Contractor's obligation to disclose any Claims to DAS, the ten (10) Days in the section of this Contract concerning Disclosure of Contractor Parties Litigation shall run consecutively with the ten (10) Days provided for in this representation and warranty;
- (k) their participation in the Request for Proposals process is not a conflict of interest or a breach of ethics under the provisions of Title 1, Chapter 10 of the Connecticut General Statutes concerning the State's Code of Ethics;
- (l) the Proposal was not made in connection or concert with any other person, entity or Proposer, including any affiliate (as defined in the Tangible Personal Property section of this Contract) of the Proposer, submitting a Proposal for the same Goods or Services, and is in all respects fair and without collusion or fraud;

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- (m) they are able to Perform under the Contract using their own resources or the resources of a party who is not a Proposer;
- (n) the Contractor shall obtain in a written contract all of the representations and warranties in this section from any Contractor Parties and to require that provision to be included in any contracts and purchase orders with Contractor Parties;
- (o) they have paid all applicable workers' compensation second injury fund assessments concerning all previous work done in Connecticut;
- (p) they have a record of compliance with Occupational Health and Safety Administration regulations without any unabated, willful or serious violations;
- (q) they owe no unemployment compensation contributions;
- (r) they are not delinquent in the payment of any taxes owed, or, that they have filed a sales tax security bond, and they have, if and as applicable, filed for motor carrier road tax stickers and have paid all outstanding road taxes;
- (s) all of their vehicles have current registrations and, unless such vehicles are no longer in service, they shall not allow any such registrations to lapse;
- (t) each Contractor Party has vested in the Contractor plenary authority to bind the Contractor Parties and Proposer Parties to the full extent necessary or appropriate to ensure full compliance with and Performance in accordance with all of the terms and conditions of the Contract and that all appropriate parties shall also provide to DAS, no later than fifteen (15) days after receiving a request from DAS, such information as DAS may require to evidence, in DAS's sole determination, compliance with this section;
- (u) except to the extent modified or abrogated in the Contract, all Title shall pass to the Client Agency upon complete installation, testing and acceptance of the Goods or Services and payment by the Client Agency;
- (v) if either party Terminates or Cancels the Contract, for any reason, they shall relinquish to the Client Agency all Title to the Goods delivered, accepted and paid for (except to the extent any invoiced amount is disputed) by the Client Agency;
- (w) with regard to third party products provided with the Goods, they shall transfer all licenses which they are permitted to transfer in accordance with the applicable third party license;
- (x) they shall not copyright, register, distribute or claim any rights in or to the Goods after the effective date of the Contract without DAS's prior written consent;
- (y) they either own or have the authority to use all Title of and to the Goods, and that such Title is not the subject of any encumbrances, liens or claims of ownership by any third party;
- (z) the Goods do not infringe or misappropriate any patent, trade secret or other intellectual property right of a third party;
- (aa) the Client Agency's use of any Goods shall not infringe or misappropriate any patent, trade secret or other intellectual property right of a third party;
- (bb) if they procure any Goods, they shall sub-license such Goods and that the Client Agency shall be afforded the full benefits of any manufacturer or subcontractor licenses for the use of the Goods; and

(cc) they shall assign or otherwise transfer to the Client Agency, or afford the Client Agency the full benefits of any manufacturer's warranty for the Goods, to the extent that such warranties are assignable or otherwise transferable to the Client Agency.

27. Representations and Warranties Concerning Motor Vehicles. If in the course of Performance or in any other way related to the Contract the Contractor at any time uses or operates “motor vehicles,” as that term is defined by Conn. Gen. Stat. §14-1(53) (including, but not limited to such services as snow plowing, sanding, hauling or delivery of materials, freight or merchandise, or the transportation of passengers), the Contractor, and the Proposer, as appropriate, represent and warrant for itself, the Contractor Parties and Proposer Parties, as appropriate, that:

- (a) It is the owner of record or lessee of record of each such motor vehicle used in the Performance of the Contract, and each such motor vehicle is duly registered with the Connecticut Department of Motor Vehicles (“ConnDMV”) in accordance with the provisions of Chapter 246 of the Connecticut General Statutes. Each such registration shall be in valid status, and shall not be expired, suspended or revoked by ConnDMV, for any reason or cause. If such motor vehicle is not registered with ConnDMV, then it shall be duly registered with another state or commonwealth in accordance with such other state’s or commonwealth’s applicable statutes. Each such registration shall be in valid status, and shall not be expired, suspended or revoked by such other state or commonwealth for any reason or cause.
- (b) Each such motor vehicle shall be fully insured in accordance with the provisions of Sections 14-12b, 14-112 and 38a-371 of the Connecticut General Statutes, as amended, in the amounts required by the said sections or in such higher amounts as have been specified by ConnDMV as a condition for the award of the Contract, or in accordance with all substantially similar provisions imposed by the law of the jurisdiction where the motor vehicle is registered.
- (c) Each Contractor Party who uses or operates a motor vehicle at any time in the Performance of the Contract shall have and maintain a motor vehicle operator’s license or commercial driver’s license of the appropriate class for the motor vehicle being used or operated. Each such license shall bear the endorsement or endorsements required by the provisions of Section 14-36a of the Connecticut General Statutes, as amended, to operate such motor vehicle, or required by substantially similar provisions imposed by the law of another jurisdiction in which the operator is licensed to operate such motor vehicle. The license shall be in valid status, and shall not be expired, suspended or revoked by ConnDMV or such other jurisdiction for any reason or cause.
- (d) Each motor vehicle shall be in full compliance with all of the terms and conditions of all provisions of the Connecticut General Statutes and regulations, or those of the jurisdiction where the motor vehicle is registered, pertaining to the mechanical condition, equipment, marking and operation of motor vehicles of such type, class and weight, including, but not limited to, requirements for motor vehicles having a gross vehicle weight rating of 18,000 pounds or more or motor vehicles otherwise described by the provisions of Conn. Gen. Stat. § 14-163c(a) and all applicable provisions of the Federal Motor Carrier Safety Regulations, as set forth in Title 49, Parts 382 to 399, inclusive, of the Code of Federal Regulations.

28. Disclosure of Contractor Parties Litigation. The Contractor shall require that all Contractor Parties, as appropriate, disclose to the Contractor, to the best of their knowledge, any Claims involving the Contractor Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Contract, no later than ten (10) Days after becoming aware or after they should have become aware of any such Claims. Disclosure shall be in writing.

29. Entirety of Contract. The Contract is the entire agreement between the parties with respect to its subject matter, and supersedes all prior agreements, proposals, offers, counteroffers and understandings of the parties, whether written or oral. The Contract has been entered into after full investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in the Contract.
30. Exhibits. All exhibits referred to in and attached to this Contract are incorporated in this Contract by such reference and shall be deemed to be a part of it as if they had been fully set forth in it.
31. Executive Orders. The Contract is subject to the provisions of Executive Order No. 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms, Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17th, 2006, concerning procurement of cleaning products and services, Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, all of which are incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Client Agency or DAS shall provide a copy of these orders to the Contractor.
32. Non-discrimination. References in this section to "contract" shall mean this Contract and references to "contractor" shall mean the Contractor.
 - (a) The following subsections are set forth here as required by section 4a-60 of the Connecticut General Statutes:
 - (1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;
 - (2) the contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;
 - (3) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

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- (4) the contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f;
 - (5) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56.
- (b) If the contract is a public works contract, the contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.
 - (c) "Minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons:
 - (1) Who are active in the daily affairs of the enterprise,
 - (2) who have the power to direct the management and policies of the enterprise and
 - (3) who are members of a minority, as such term is defined in subsection (a) of section 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.
 - (d) Determination of the contractor's good faith efforts shall include but shall not be limited to the following factors: The contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
 - (e) The contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.
 - (f) The contractor shall include the provisions of sections (a) and (b) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.
 - (g) The following subsections are set forth here as required by section 4a-60a of the Connecticut General Statutes:
 - (1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws

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of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

- (2) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 - (3) the contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56;
 - (4) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56.
- (h) The contractor shall include the provisions of section (g) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.
- (i) For the purposes of this entire Non-Discrimination section, "contract" includes any extension or modification of the contract, "contractor" includes any successors or assigns of the contractor, "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced, and "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders. For the purposes of this section, "contract" does not include a contract where each contractor is
1. a political subdivision of the state, including, but not limited to, a municipality,
 2. a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120,
 3. any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267,
 4. the federal government,
 5. a foreign government, or
 6. an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

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33. **Tangible Personal Property.** The Contractor on its behalf and on behalf of its Affiliates, as defined below, shall comply with the provisions of Conn. Gen. Stat. §12-411b, as follows:
- (a) For the term of the Contract, the Contractor and its Affiliates shall collect and remit to the State of Connecticut, Department of Revenue Services, any Connecticut use tax due under the provisions of Chapter 219 of the Connecticut General Statutes for items of tangible personal property sold by the Contractor or by any of its Affiliates in the same manner as if the Contractor and such Affiliates were engaged in the business of selling tangible personal property for use in Connecticut and had sufficient nexus under the provisions of Chapter 219 to be required to collect Connecticut use tax;
 - (b) A customer's payment of a use tax to the Contractor or its Affiliates relieves the customer of liability for the use tax;
 - (c) The Contractor and its Affiliates shall remit all use taxes they collect from customers on or before the due date specified in the Contract, which may not be later than the last day of the month next succeeding the end of a calendar quarter or other tax collection period during which the tax was collected;
 - (d) The Contractor and its Affiliates are not liable for use tax billed by them but not paid to them by a customer; and
 - (e) Any Contractor or Affiliate who fails to remit use taxes collected on behalf of its customers by the due date specified in the Contract shall be subject to the interest and penalties provided for persons required to collect sales tax under chapter 219 of the general statutes.

For purposes of this section of the Contract, the word "Affiliate" means any person, as defined in section 12-1 of the general statutes, that controls, is controlled by, or is under common control with another person. A person controls another person if the person owns, directly or indirectly, more than ten per cent of the voting securities of the other person. The word "voting security" means a security that confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business, or that is convertible into, or entitles the holder to receive, upon its exercise, a security that confers such a right to vote. "Voting security" includes a general partnership interest.

The Contractor represents and warrants that each of its Affiliates has vested in the Contractor plenary authority to so bind the Affiliates in any agreement with the State of Connecticut. The Contractor on its own behalf and on behalf of its Affiliates shall also provide, no later than 30 days after receiving a request by the State's contracting authority, such information as the State may require to ensure, in the State's sole determination, compliance with the provisions of the Act.

34. **Whistleblowing.** This Agreement is subject to the provisions of §4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state

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contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

35. **Notice.** All notices, demands, requests, consents, approvals or other communications required or permitted to be given or which are given with respect to this Contract (for the purpose of this section collectively called “Notices”) shall be deemed to have been effected at such time as the notice is placed in the U.S. mail, first class and postage pre-paid, return receipt requested or placed with a recognized, overnight express delivery service that provides for a return receipt. All such Notices shall be in writing and shall be addressed as follows:

If to DAS:

State of Connecticut, Department of Administrative Services
165 Capitol Ave, 5th Floor South
Hartford, CT 06106-1659
Attention: Ann Simeone

If to the Contractor:

COMPANY NAME: Sysco Connecticut, LLC

NAME: Allan Faneuf
ADDRESS Line 1: 100 Inwood Road
City: Rocky Hill State: CT Zip: 06067

Attention: Sysco Connecticut, LLC

Signatory Name: Kristin A. Kotler Title: VP of Finance/CFO

36. **Insurance.** Before commencing Performance, the Contractor shall obtain and maintain at its own cost and expense for the duration of the Contract, the following insurance as described in (a) through (h) below. Contractor shall assume any and all deductibles in the described insurance policies. The Contractor’s insurers shall have no right of recovery or subrogation against the State and the described Contractor’s insurance shall be primary coverage. Any failure to comply with the claim reporting provisions of the policy shall not affect coverage provided to the State.

(a) Reserved

(b) Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include, Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the project or the general aggregate limit shall be twice the occurrence limit.

(c) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the vendor/contractor does not own an automobile, but one is used in the execution of the contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of the contract then automobile coverage is not required.

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- (d) **Workers' Compensation and Employers Liability:** Statutory coverage in compliance with the Compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with minimum limits of \$100,000 each accident, \$500,000 Disease – Policy limit, \$100,000 each employee.
- (e) Reserved
- (f) **Umbrella Liability:** Excess/umbrella liability insurance may be included to meet minimum requirements. Umbrella coverage must indicate the existing underlying insurance coverage.
- (g) **Claims Made:** Not acceptable with the exception of Professional Liability when specified.
- (h) Reserved
- 37. **Headings.** The headings given to the sections in the Contract are inserted only for convenience and are in no way to be construed as part of the Contract or as a limitation of the scope of the particular section to which the heading refers.
- 38. **Number and Gender.** Whenever the context so requires, the plural or singular shall include each other and the use of any gender shall include all genders.
- 39. **Parties.** To the extent that any Contractor Party or Proposer Party is to participate or Perform in any way, directly or indirectly in connection with the Proposal or the Contract, any reference in the Request for Proposals and the Contract to "Contractor" or "Proposer" shall also be deemed to include "Contractor Parties" or "Proposer Parties," respectively, as if such reference had originally specifically included "Contractor Parties" or "Proposer Parties," since it is the parties' intent for the terms "Contractor Parties" and "Proposer Parties" to be vested with the same respective rights and obligations as the terms "Contractor" and "Proposer."
- 40. **Contractor Changes.** The Contractor shall notify DAS in writing no later than ten (10) Days from the effective date of any change in:
 - a) its certificate of incorporation or other organizational document;
 - b) more than a controlling interest in the ownership of the Contractor; or
 - c) the individual(s) in charge of the Performance.

This change shall not relieve the Contractor of any responsibility for the accuracy and completeness of the Performance. DAS, after receiving written notice by the Contractor of any such change, may require such agreements, releases and other instruments evidencing, to DAS's satisfaction, that any individuals retiring or otherwise separating from the Contractor have been compensated in full or that provision has been made for compensation in full, for all work performed under terms of the Contract. The Contractor shall deliver such documents to DAS in accordance with the terms of DAS's written request. DAS may also require, and the Contractor shall deliver, a financial statement showing that solvency of the Contractor is maintained. The death of any Contractor Party, as applicable, shall not release the Contractor from the obligation to Perform under the Contract; the surviving Contractor Parties, as appropriate, must continue to Perform under the Contract until Performance is fully completed.

- 41. **Further Assurances.** The parties shall provide such information, execute and deliver any instruments and documents and take such other actions as may be necessary or reasonably requested by the other party which are not inconsistent with the provisions of this Contract and which do not involve the vesting of rights or assumption of obligations other than those

provided for in the Contract, in order to give full effect to the Contract and to carry out the intent of the Contract.

42. **Audit and Inspection of Records.** The Contractor shall make all of its and the Contractor Parties' Records available at all reasonable hours for audit and inspection by the State, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents. Requests for any audit or inspection shall be in writing, at least ten (10) Days prior to the requested date. All audits and inspections shall be at the State's expense. The State may request an audit or inspection at any time during the Contract term and for three (3) years from Termination, Cancellation or Expiration of the Contract. The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.
43. **Background Checks.** The State may require that the Contractor and Contractor Parties undergo criminal background checks as provided for in the State of Connecticut Department of Public Safety Administration and Operations Manual or such other State document as governs procedures for background checks. The Contractor and Contractor Parties shall cooperate fully as necessary or reasonably requested with the State and its agents in connection with such background checks.
44. **Continued Performance.** The Contractor and Contractor Parties shall continue to Perform their obligations under the Contract while any dispute concerning the Contract is being resolved.
45. **Working and Labor Synergies.** The Contractor shall be responsible for maintaining a tranquil working relationship between the Contractor work force, the Contractor Parties and their work force, State employees, and any other contractors present at the work site. The Contractor shall quickly resolve all labor disputes which result from the Contractor's or Contractor Parties' presence at the work site, or other action under their control. Labor disputes shall not be deemed to be sufficient cause to allow the Contractor to make any claim for additional compensation for cost, expenses or any other loss or damage, nor shall those disputes be deemed to be sufficient reason to relieve the Contractor from any of its obligations under the Contract.
46. **Contractor Responsibility.**
 - (a) The Contractor shall be responsible for the entire Performance under the Contract regardless of whether the Contractor itself performs. The Contractor shall be the sole point of contact concerning the management of the Contract, including Performance and payment issues. The Contractor is solely and completely responsible for adherence by the Contractor Parties to all applicable provisions of the Contract.
 - (b) The Contractor shall exercise all reasonable care to avoid damage to the State's property or to property being made ready for the State's use, and to all property adjacent to any work site. The Contractor shall promptly report any damage, regardless of cause, to the State.
47. **Severability.** If any term or provision of the Contract or its application to any person, entity or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of the Contract or the application of such term or provision shall not be affected as to persons, entities or circumstances other than those as to whom or to which it is held to be invalid or unenforceable. Each remaining term and provision of the Contract shall be valid and enforced to the fullest extent possible by law.

48. Confidential Information. The State will afford due regard to the Proposer's and Contractor's request for the protection of proprietary or confidential information which the State receives. However, all materials associated with the Proposal and the Contract are subject to the terms of the Connecticut Freedom of Information Act ("FOIA") and all corresponding rules, regulations and interpretations. In making such a request, the Proposer or Contractor may not merely state generally that the materials are proprietary or confidential in nature and not, therefore, subject to release to third parties. Those particular sentences, paragraphs, pages or sections that the vendor believes are exempt from disclosure under the FOIA must be specifically identified as such. Convincing explanation and rationale sufficient to justify each exemption consistent with the FOIA must accompany the request. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the Proposer or Contractor that would result if the identified material were to be released and the reasons why the materials are legally exempt from release pursuant to the FOIA. To the extent that any other provision or part of the Contract, especially including the Proposal, the Records and the specifications, conflicts or is in any way inconsistent with this section, this section controls and shall apply and the conflicting provision or part shall not be given effect. If the Proposer or Contractor indicates that certain documentation is submitted in confidence, by specifically and clearly marking said documentation as CONFIDENTIAL, DAS will endeavor to keep said information confidential to the extent permitted by law. DAS, however, has no obligation to initiate, prosecute or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information that is sought pursuant to a FOIA request. The Contractor shall have the burden of establishing the availability of any FOIA exemption in any proceeding where it is an issue. In no event shall DAS or the State have any liability for the disclosure of any documents or information in its possession which the State or DAS believes are required to be disclosed pursuant to the FOIA or other requirements of law.
49. Interpretation. The Contract contains numerous references to statutes and regulations. For purposes of interpretation, conflict resolution and otherwise, the content of those statutes and regulations shall govern over the content of the reference in the Contract to those statutes and regulations.
50. Cross-Default.
- (a) If the Contractor or Contractor Parties breach, default or in any way fail to Perform satisfactorily under the Contract, then DAS may, in its sole discretion, without more and without any action whatsoever required of the State, treat any such event as a breach, default or failure to perform under any or all other agreements or arrangements ("Other Agreements") that the Contractor or Contractor Parties have with DAS. Accordingly, DAS may then exercise at its sole option any and all of its rights or remedies provided for in the Contract or Other Agreements, either selectively or collectively and without such election being deemed to prejudice any rights or remedies of DAS, as if the Contractor or Contractor Parties had suffered a breach, default or failure to perform under the Other Agreements.
- (b) If the Contractor or Contractor Parties breach, default or in any way fail to perform satisfactorily under any or all Other Agreements with DAS or the State, then DAS may, in its sole discretion, without more and without any action whatsoever required of the State, treat any such event as a breach, default or failure to Perform under the Contract. Accordingly, the State may then exercise at its sole option any and all of its rights or remedies provided for in the Other Agreements or the Contract, either selectively or collectively and without such election being deemed to prejudice any rights or remedies of DAS or the State, as if the Contractor or Contractor Parties had suffered a breach, default or failure to Perform under the Contract.

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51. Disclosure of Records. The Contract may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with this section, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to FOIA and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of sections 1-205 and 1-206 of the Connecticut General Statutes.
52. Summary of State Ethics Laws. Pursuant to the requirements of section 1-101qq of the Connecticut General Statutes, the summary of State ethics laws developed by the State Ethics Commission pursuant to section 1-81b of the Connecticut General Statutes is incorporated by reference into and made a part of the Contract as if the summary had been fully set forth in the Contract.
53. Sovereign Immunity. The parties acknowledge and agree that nothing in the Request for Proposals or the Contract shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Contract. To the extent that this section conflicts with any other section, this section shall govern.
54. Time of the Essence. Time is of the essence with respect to all provisions of this Agreement that specify a time for performance; provided, however, that this provision shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.
55. Reserved
56. Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Ban. With regard to a State contract as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this submission in response to the State's solicitation expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising prospective state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See Exhibit C, SEEC Form 11.
57. Health Care Portability and Accountability Act of 1996 ("HIPAA").
 - (a) If the Contactor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.
 - (b) The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance with all applicable federal and state law regarding confidentiality, which includes but is not

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limited to HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and

- (c) The State of Connecticut Agency named on page 1 of this Contract (hereinafter “Department”) is a “covered entity” as that term is defined in 45 C.F.R. § 160.103; and
- (d) The Contractor, on behalf of the Department, performs functions that involve the use or disclosure of “individually identifiable health information,” as that term is defined in 45 C.F.R. § 160.103; and
- (e) The Contractor is a “business associate” of the Department, as that term is defined in 45 C.F.R. § 160.103; and
- (f) The Contractor and the Department agree to the following in order to secure compliance with the HIPAA, the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the HITECH Act), (Pub. L. 111-5, sections 13400 to 13423), and more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.
- (g) Definitions.
 - (1) “Breach” shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. §17921(1)).’
 - (2) “Business Associate” shall mean the Contractor.
 - (3) “Covered Entity” shall mean the Department of the State of Connecticut named on page 1 of this Contract.
 - (4) “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 C.F.R. § 164.501.
 - (5) “Electronic Health Record” shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. §17921(5)).
 - (6) “Individual” shall have the same meaning as the term “individual” in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
 - (7) “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.
 - (8) “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 45 C.F.R. § 160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
 - (9) “Required by Law” shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.103.
 - (10) “Secretary” shall mean the Secretary of the Department of Health and Human Services or his designee.
 - (11) “More stringent” shall have the same meaning as the term “more stringent” in 45 C.F.R. § 160.202.

- (12) “This Section of the Contract” refers to the HIPAA Provisions stated herein, in their entirety.
- (13) “Security Incident” shall have the same meaning as the term “security incident” in 45 C.F.R. § 164.304.
- (14) “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. part 160 and part 164, subpart A and C.
- (15) “Unsecured protected health information” shall have the same meaning as the term as defined in § 13402(h)(1)(A) of HITECH. Act. (42 U.S.C. §17932(h)(1)(A)).

(h) Obligations and Activities of Business Associates.

- (1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.
- (2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
- (3) Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.
- (4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.
- (5) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.
- (6) Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
- (7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.
- (8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.
- (9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity’s compliance with the Privacy Rule.

- (10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with clause h. (10) of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder. Business Associate agrees that at the Covered Entity's direction to provide an accounting of disclosures of PHI directly to an individual in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (12) Business Associate agrees to comply with any state or federal law that is more stringent than the Privacy Rule.
- (13) Business Associate agrees to comply with the requirements of the HITECH Act relating to privacy and security that are applicable to the Covered Entity and with the requirements of 45 C.F.R. sections 164.504(e), 164.308, 164.310, 164.312, and 164.316.
- (14) In the event that an individual requests that the Business Associate (a) restrict disclosures of PHI; (b) provide an accounting of disclosures of the individual's PHI; or (c) provide a copy of the individual's PHI in an electronic health record, the Business Associate agrees to notify the covered entity, in writing, within two business days of the request.
- (15) Business Associate agrees that it shall not directly or indirectly receive any remuneration in exchange for PHI of an individual without (1) the written approval of the covered entity, unless receipt of remuneration in exchange for PHI is expressly authorized by this Contract and (2) the valid authorization of the individual, except for the purposes provided under section 13405(d)(2) of the HITECH Act,(42 U.S.C. § 17935(d)(2)) and in any accompanying regulations
- (16) Obligations in the Event of a Breach
 - (A) The Business Associate agrees that, following the discovery of a breach of unsecured protected health information, it shall notify the Covered Entity of such breach in accordance with the requirements of section 13402 of HITECH (42 U.S.C. § 17932(b) and the provisions of this section of the contract.
 - (B) Such notification shall be provided by the Business Associate to the Covered Entity without unreasonable delay, and in no case later than 30 days after the breach is discovered by the Business Associate, except as otherwise instructed in writing by a law enforcement official pursuant to section 13402 (g) of HITECH (42 U.S.C. § 17932(g)) . A breach is considered discovered as of the first day on which it is, or reasonably should have been, known to the Business Associate. The notification shall include the identification and last known address, phone number and email address of each individual (or the next of kin of the individual if the individual is deceased) whose unsecured protected health

information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during such breach.

- (C) The Business Associate agrees to include in the notification to the Covered Entity at least the following information:
1. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known.
 2. A description of the types of unsecured protected health information that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, or disability code).
 3. The steps the Business Associate recommends that individuals take to protect themselves from potential harm resulting from the breach.
 4. A detailed description of what the Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches.
 5. Whether a law enforcement official has advised either verbally or in writing the Business Associate that he or she has determined that notification or notice to individuals or the posting required under section 13402 of the HITECH Act would impede a criminal investigation or cause damage to national security and contact information for said official.
- (D) Business Associate agrees to provide appropriate staffing and have established procedures to ensure that individuals informed by the Covered Entity of a breach by the Business Associate have the opportunity to ask questions and contact the Business Associate for additional information regarding the breach. Such procedures shall include a toll-free telephone number, an e-mail address, a posting on its Web site and a postal address. Business Associate agrees to include in the notification of a breach by the Business Associate to the Covered Entity, a written description of the procedures that have been established to meet these requirements. Costs of such contact procedures will be borne by the Contractor.
- (E) Business Associate agrees that, in the event of a breach, it has the burden to demonstrate that it has complied with all notifications requirements set forth above, including evidence demonstrating the necessity of a delay in notification to the Covered Entity.

(i) Permitted Uses and Disclosure by Business Associate.

(1) **General Use and Disclosure Provisions** Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

(2) **Specific Use and Disclosure Provisions.**

(A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

(B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(j) Obligations of Covered Entity.

- (1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- (2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- (3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(k) Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

(l) Term and Termination.

- (1) Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when the information collected in accordance with clause h. (10) of this Section of the Contract is provided to the Covered Entity and all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- (2) Termination for Cause Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - (A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
 - (B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or

(C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(3) Effect of Termination.

(A) Except as provided in (1)(2) above, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall also provide the information collected in accordance with clause h. (10) of this Section of the Contract to the Covered Entity within ten business days of the notice of termination. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

(m) Miscellaneous Provisions.

(1) Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.

(2) Amendment. The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

(3) Survival. The respective rights and obligations of Business Associate shall survive the termination of this Contract.

(4) Effect on Contract. Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.

(5) Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.

(6) Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, civil or criminal penalty, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, contractors or agents, or any third party to whom Business Associate has disclosed PHI contrary to the provisions of this Contract or applicable law. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate

regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.

- (7) Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against any and all claims, liabilities, judgments, fines, assessments, penalties, awards and any statutory damages that may be imposed or assessed pursuant to HIPAA, as amended or the HITECH Act, including, without limitation, attorney's fees, expert witness fees, costs of investigation, litigation or dispute resolution, and costs awarded thereunder, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this section of the contract, under HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.

58. Encryption of Data.

- (a) Contractor and Contractor Parties, at its own expense, shall keep and maintain in an encrypted state any and all electronically stored data now or hereafter in its possession or control located on non-state owned or managed devices that the State, in accordance with its existing state policies classifies as confidential or restricted. The method of encryption shall be compliant with the State of Connecticut Enterprise Wide Technical Architecture (EWTA). This shall be a continuing obligation for compliance with the EWTA standard as it may be amended or supplemented from time to time.
- (b) In the event of a breach of security or loss of State data, the Contractor and Contractor Parties shall notify the Client Agency which owns the data, DAS, the Connecticut Department of Information Technology and the Connecticut Office of the Attorney General as soon as practical but no later than 24 hours after the discovery or reason to believe such breach or loss that such data has been compromised through breach or loss.

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IN WITNESS WHEREOF, the parties have executed this Contract by their duly authorized representatives with full knowledge of and agreement with its terms and conditions.

Sysco Connecticut, LLC

STATE OF CONNECTICUT
Department of Administrative Services

By: _____

By: _____

Kristin A. Kotler

Martin Anderson Ph.D.

Print or Type Name

Print or Type Name

Title: VP of Finance/CFO

Title: Commissioner

Date: _____

Date: _____

EXHIBIT A

DESCRIPTION OF GOODS AND SERVICES

Contractor shall provide food products and services to Client Agencies for the term of this contract.

Product Demand Profile

The key sub-categories of Food used by Client Agencies include:

- Perishables (produce and fresh food)
- Dairy (excludes items on the dairy contract #08PSX0066
http://www.das.state.ct.us/Contracts/008_0066.pdf)
- Canned/Dried Goods
- Meat
- Poultry
- Seafood
- Frozen Foods
- Bakery (excludes items on the bakery contract)
#07PSX0018 (http://www.das.state.ct.us/Contracts/007_0018.pdf)

Contractor shall offer a wide variety of grocery and frozen food products in varying packages. Product information is clearly identified on product packaging. Contractor shall provide nutritional information and product specifications on all products, provided electronically or in hard copy.

Products with Recycled Content Specifications

Contractor shall comply with Guidelines surrounding recycled content. These guidelines can be found online at: <http://www.cga.ct.gov/2009/pub/chap058.htm#Sec4a-67a.htm> and www.das.state.ct.us/Purchase/Epp/Regulations.htm

The Contractor shall make best efforts to assist the State in meeting the goals of the recycling program (Public Act 09-02). The following link will assist in any questions regarding the CT Bottle Bill

http://www.ct.gov/dep/cwp/view.asp?a=2714&q=324836&depNav_GID=1645

Environmentally Preferable Products (EPP)

Environmentally Preferable means that such products have a lesser or reduced negative effect on human health and the environment when compared with competing products that serve the same function. "Environmentally Preferable Products" includes both recycled and recyclable products.

Contractor shall provide an environmentally preferable product line which includes "compostable" products that are produced from either recycled post consumer waste material or renewable resources; such as PLA corn starch resin, bamboo, sugar cane. Contractor shall contribute towards EPP goals by providing an Integrated Pest Control Program

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Standard Wage Rates

Contractors must comply with all provisions of the Connecticut General Statute 31-57f. Information regarding this Public Act and when it applies can be obtained from DOL's web site:

<http://www.ctdol.state.ct.us/wgwkstnd/prevailing-rates/service/rates-service.htm> . Questions concerning the provisions and implementation of this act should be referred to:

Gary W. Pechie, Director
Connecticut Department of Labor
Wage and Workplace Standards Division 200 Folly Brook Blvd.
Wethersfield, CT 06109-1114
(860) 263- 6790

During the term of the contract, the State will verify that these wage scales are being used, as outlined through Connecticut General Statute 31-57f. This statute mandates certified payrolls and a statement of compliance promptly be submitted on request by DAS.

Catch weights

The total pricing will be determined by the cost per pound multiplied by the total weight of the product. Catch weight products such as pork chops, roasts etc. are ordered by the pound only.

Performance Monitoring

Throughout the term of this Contract the State shall monitor the performance of Contractor. After receipt of a Vendor Performance Report (VPR), each specific incident which affects the performance of Contractor or Contractor Parties and which is caused solely by the Contractor or Contractor Parties shall be addressed as follows:

After receipt of the first incident report the DAS-Procurement Contract Specialist shall investigate contractual breaches or poor performance issues caused solely by Contractor or Contractor Parties for the purpose of validating such complaints. Contractor shall be given a reasonable opportunity to cure the performance and compliance issues.

A second validated incident report of poor performance or noncompliance within 12 months of the previous report shall result in a conference involving Contractor, Client Agency and DAS. Contractor shall then be given a second opportunity to cure poor performance and compliance issues.

A third validated incident report of poor performance or noncompliance complaint within 12 months of the previous validated incident report may result in Termination or Cancellation of the Contract in accordance with Section 9 of Contract. Permanent removal of Contractor's equipment shall be accomplished by Contractor or Contractor Parties within 30 days of the date of written notification of Termination or Cancellation by the State or within 30 days of the Contract expiration.

Vendor Performance Reports are executed online. Contractor shall create an account on the DAS Business Network within 10 days of contract award in order to review and respond to VPR's. The link for this process is as follows: <https://www.biznet.ct.gov/AccountMaint/Login.aspx>

Tax Exemption

Products and services covered by this Contract are exempt from all Federal and State Taxes. Such taxes shall not be included in prices quoted, nor added to any invoice associated with a purchase made under the Contract.

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The following specifications reflect requirements for ALL Client Agencies. USDA Warehousing Program specifications follow under separate section entitled "U.S.D.A. Warehousing Program" :

Quality Assurance Program

Contractor's Quality Assurance Program shall include service and reporting commitments, together with communications, planning and performance review.

Contractor shall provide various tracking systems in order to provide automatic detailed monitoring of daily operations.

Client Agencies may log on and view detailed product information and photographs. Client Agencies may use the site to obtain recipes and valuable tips that have been developed to help them increase savings.

Contractor's on-line ordering system, eSysco, is an Internet browser interface that offers the most accurate pricing and warehouse inventory data available. An inventory management and menu-planning module is also available as an option. eSysco allows customer access to products, pricing and inventory data.

Emergency Plan

The Contractor shall have an emergency backup plan in place in the event of power outages, work stoppages, computer failures, shortages, or any other emergency situation. The Contractor's emergency plan shall comply with the Department of Homeland Security guidelines. Contractor's Disaster/Emergency Plan is detailed in accordance with Exhibit F of this Contract. In addition, the following shall apply:

- A. For those items that the State deems to be "non-critical" Sysco CT will ship the correct products or acceptable substitutes within a period of 24 business hours.
- B. For items that the State identifies as "critical Items" Sysco CT will
 - 1. Arrange overnight shipment via FedEx direct from the vendor, or
 - 2. Ship product via a Contractor delivery vehicle, or
 - 3. If product is a non Hazard Analysis Critical Control Points (HACCP) regulated product, delivered by a Contractor Associate, or
 - 4. Delivered to the State by a Contractor approved courier service.
 - 5. It is agreed that "Emergency Orders" submitted/requested by the State, will be delivered within 4 hours.

Civil Preparedness Emergency:

In the event of serious disaster, enemy attack, sabotage or other hostile action or in the event of the imminence thereof, the Governor may proclaim that a state of civil preparedness emergency exists, in which event s/he may personally take direct operational control of any or all parts of the civil preparedness forces and functions in the state. Additional information available as follows:

<http://www.cga.ct.gov/2009/pub/chap031.htm#Sec3-6a.htm> [See Exhibit F Disaster/Emergency Plans]

Quality Control

United States Department of Agriculture, Food Safety Inspection Service, Office of Program Evaluation, Enforcement and Review may target federally inspected meat and poultry products for; fat content, added substances, added water, species (such as pork being labeled as veal, pork labeled as lamb, etc.) nitrates, sulfides etc. Additional information available as follows: http://www.fsis.usda.gov/about_fsis/opeer/index.asp Contractor is subject to inspection by local, state and Federal agencies. It is Contractor's policy and practice to maintain compliance with all applicable laws and regulations. Contractor is prepared to properly handle inspections when they occur.

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HACCP Program

Contractor shall be rated by an outside audit firm's Hazard Analysis Critical Control Points (HACCP) inspection. Such inspection shall demonstrate the Contractor's overall food safety level remains at a minimum of a superior rating. Website information available as follows for criterion of those programs:

<http://www.fda.gov/Food/FoodSafety/HazardAnalysisCriticalControlPointsHACCP/default.htm> See Exhibit F for HACCP Certificate of Compliance.

Secure Facilities

Some Client Agencies that have sites to be serviced are secure facilities. An example of this includes the Department of Correction (DOC). All of the Contractor's employees who work at these locations will, therefore, be subject to a background check. Prior to commencing work, the Contractor must provide the necessary information required for this purpose, including but not limited to Department of Motor Vehicle (DMV) driver's license number. Only Contractor's employees whose names are on the approved list submitted and approved by that agency will be allowed on the sites. Any Contractor employee who is not on the Client Agencies-approved list will be escorted off the grounds. The Contractor must replace the removed employee with approved personnel within one hour of being notified. Additional Contractor employees can be added with no less than 72 hours of advance notice. The Contractor must notify the Contract User in writing within 24 hours when any approved employee is no longer employed by the Contractor.

Emergency Contact(s)

Emergency telephone numbers and contact personnel that are available 24 hours, 7 days per week, including holidays shall be distributed to State key personnel and are available to Client Agencies via <http://www.syscoct.com> . Any changes to this list shall be provided within 24 hours to DAS.

Recalled Items

When an item is recalled, immediate notification must be given to the State. Notification to each Client Agency must occur. The State shall provide a list of those Client Agency designated contacts to Contractor. The notification list must be kept by the Contractor. If changes are made, the Client Agency must notify the Contractor within 24 hours as to the changes and when they are to occur. The Contractor will notify only the specified person(s) on the notification list of the recall. The items will be held by the Client Agency until the process as to how to handle the recalled items is transmitted to the agency.

In addition Contractor shall comply with requirements established by the U.S. Department of Agriculture (USDA) or the U.S. Food and Drug Administration (FDA), including without limitation, applicable requirements under the Hazard Analysis Critical Control Point programs (HACCP) promulgated by USDA or FDA. Product Recall Procedure is incorporated into Exhibit F of this Contract.

Food Advisory Committee

DAS will facilitate maintain a Food Advisory Committee ("Committee") on product standards for items covered by this Contract. The Committee generally meets on the first Thursday of every month to discuss and set standards and specifications. The Committee shall also evaluate food and related items and view presentations by brokers, manufacturer's representatives, etc. that pertain to the contract (example, top sellers and new or comparable items that may positively affect pricing).

The Contractor's designated Contact Person (the Senior Account Executive (SAE) shall be required to attend all Committee meetings. This person will also discuss new items, standards, current industry trends, etc., but shall have no voting privileges. The dedicated Account Executive will meet with the appropriate members of the Food Advisory Committee on a monthly/as needed basis to schedule and assist contract administration, reporting, dispute resolution, assist in arranging broker meetings, coordinate business reviews and establish actions plans to correct and monitor results.

In conjunction with DAS, the SAE will be directly responsible for recommending product offerings to bring the latest ideas and culinary trends to the Food Advisory Committee. The SAE knowledge of products and brokers within the broker community will provide an in-depth variety of product offerings and special programs designed to meet the needs of the State of Connecticut dining needs.

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Non-Pricing Related Cost Reductions During Contract Term

Contractor shall initiate and support value-engineering programs. Examples of value engineering savings include, but are not limited to:

- Brand/label standardization
- Process and productivity improvements (KanBan, Point-of-Use, e-Commerce, etc)

Contractor shall assign a dedicated Senior Account Executive with significant contract management consulting experience to manage all aspects of the Food Distribution and USDA Warehousing Program.

The dedicated Senior Account Executive shall work closely with Client Agencies to ensure products are available for programs, special events, vacation periods, or weekend functions.

Additionally, a dedicated team of Senior National Account Executives in supporting roles shall be available to assist the assigned Senior Account Executive in meeting the needs of the State.

Contractor shall provide a business review process and provide one-on-one customer assistance to provide cost-effective product options for product standardization and cost reduction, while reviewing program return maximization. Some topics covered are as follows:

- Purchasing analysis and trends
- Cost Effective Product Selection
- Incentive analysis and DSO trend (payment) – earned vs. potential
- Manufacturer analysis/savings impact report (line item detail available)
- Service level reporting

Contractor shall provide a “Culinary Salon” program providing one-on-one consultation to Client Agencies in conjunction with suppliers and brokers to review purchase history and identify cost saving opportunities. The following are examples of what is covered in a culinary salon:

- Menu ideas – Garnishing/Plate Presentation
- Focus on Center of the Plate – proteins
- Product selection/consolidation (specs)
- Identify products and services to reduce labor, control cost, and increase profitability
- Industry trends/Regulatory Compliance
- Operations factors (labor, space, equipment)
- Specialty products (sugar-free, etc.)

Product Availability

There will be no cancellation of products without an equal and acceptable replacement of products or credit to the State or the Food Advisory Committee, approved by the designated State representative during the term of the contract without written notification. Either a Contractor's decision or a manufacturer/processor's decision to discontinue any products/items that are regularly being ordered by Client Agencies must be communicated to the Client Agencies by the Contractor in writing. In such instances, Contractors agree to work with the Client Agencies to identify and implement alternative options that maintain or reduce costs associated with the replacements. In addition, samples for testing any suggested alternative may be required by the State to ascertain suggested alternative product quality and acceptability before final approval for use.

The Contractor shall notify the Client Agencies purchasing the product being discontinued with a weekly Discontinued Item Report and/or if a replacement item is available. This report will be a 30 day lead time for discontinued items.

Contractor may be required to purchase brand items that meet the specific needs of the Client Agency.

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Split(s) packaging/case(s) may also be needed for smaller agencies.

Contractor shall ship "single pack" items at no additional charge. However, the added handling, and damage cost associated with handling less than full cases of product not normally shipped in splits will be assessed a 3% up-charge. Split quantity items can be ordered by selecting the split quantity located directly beneath the full case quantity on the Contractor's order entry page.

Not-in-Stock (NIS) Items

The State shall have the right to choose an alternate source or provider, should the Contractor have an item or product that is NIS. It will be at the Client Agency's discretion whether a NIS is backordered or re-ordered. The NIS item(s) shall be equal to or better than the original ordered product and shall be pre-approved by the agency designee at least 24-48 hours prior to delivery.

The dedicated State of Connecticut Customer Service Representative, shall communicate on a daily basis with Client Agencies personnel regarding any potential "stock outs."

In the event of an item being out of stock, the dedicated Custom Service Representative will discuss optional alternate items to substitute as agreed upon. Contractor may potentially have to fill in from another supplier. It is the intention of Contractor to provide the Client Agencies 100% of their items and will work diligently with Merchandising and the Food Advisory Committee to forecast usage to increase purchasing par levels in an effort to keep NIS to a minimal.

Substitutions/Ordering

The Contractor shall not make any unauthorized substitutions, unless or until the Contractor has successfully contacted the requesting agency and has received the agency's approval for substituting the contract product for another product. If a substitution is to be made due to the contractor or manufacturer(s) error or shortage, the receiving agency shall not have to pay an increase or any adverse delivery charge(s) for the substitution. The established contract price is to be paid. In the event the substitute item is lower in cost the lower cost will prevail.

The approver will be sent an email with any potential substitutions 24 hours prior to delivery. The approver can choose to accept the substitute or shop online, or discuss live with our Customer Service Representative another product at this time.

Contractor shall provide confirmed negotiated pricing with specific manufacturers for Client Agencies based on estimated requirements to assure pricing will be secured for the time period authorized by the Contractor.

Pricing on orders shall be guaranteed for 7 days from requisition date.

Payment Options

The Client Agencies pay by check or electronic funds transfer (EFT). For information on EFT account set up, contact: <http://www.osc.state.ct.us/apd/eftprogram/index.html>

Customer Service/Contract Information

Contractor shall provide a Distributor Sales Representative (DSR). The DSR shall not be responsible for more than two (2) major accounts and a consistent alternate must be assigned to handle these duties in the absence of the regularly assigned DSR: Responsibilities include but are not limited to the following:

- 1 Devote as much time as necessary to maintain a smooth and efficient relationship.
- 2 Coordinate or conduct daily communications with the States representatives to discuss and shortages and needed substitutions.
- 3 Coordinate credits and returns of any deficient or mis-shipped products.

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- 4 Coordinate the replacement of all food items that are short on day of delivery by purchasing from other sources and delivering to the State.
- 5 Convey resolutions any problems with the delivery schedule.
- 6 Coordinate all special or proprietary orders.
- 7 Coordinate all direct order entry processes and daily checking of orders.

The Senior Account Executive (SAE) will provide back up and will be responsible for planning and facilitating quarterly reviews to include customer service to ensure satisfactory service to all the State.

In addition, the SAE shall provide these services:

Senior Account Executive (SAE): The SAE shall oversee the entire Contract and devote as much time as necessary to improve and maintain the administration, sales, placement of orders, computer support, transportation, marketing, and customer service. This SAE shall not handle more than two major accounts and be readily accessible by telephone available during normal business hours (8 a.m. to 5 p.m.) as well as be available after standard hours when an emergency occurs. The SAE shall have the ability to handle themselves or delegate any late add-on orders (3:00 p.m. for next day delivery). A consistent alternate shall be assigned to handle these duties in the absence of the SAE.

The SAE shall be responsible for, but not limited to, the following duties:

1. Identify and coordinate the contractor's resources to ensure that the State receives the maximum value in products and services. This includes
 - (i) the coordination of deviations/discounts/rebates/incentives, etc. with State and vendors/brokers/manufacturers
 - (ii) introduce and/or demonstrate any new product samples/promotions evaluations and training opportunities in addition to printed material such as Market Update, Fresh Point, etc.
 - (iii) assist with product research for new concepts and menus as they are introduced
 - (iv) introduce and/or demonstrate special programs, promotions and new product ideas that would benefit the State
 - (v) Coordinate or conduct daily communications with the State
 - (vi) representatives to discuss any shortages and needed substitutions
2. Supervise and, if needed, correct issues in regards to credits and returns of any deficient or mis-shipped products.
3. Supervise and if needed correct the replacement of all food items that are short on day of delivery by purchasing from other sources and delivering to the State.
4. Resolve any problems with the delivery schedule.
5. As needed, attend meetings with State personnel to discuss areas of concern.
6. Coordinate all special or proprietary orders.
7. Coordinate the distribution of all needed reports and communications between the State and Sysco.
8. Handle all State concerns or inquiries about any products and/or services.

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9. Respond to all requests for action and information in a complete and timely manner.

Discrepancies

The Contractor shall resolve all other discrepancies (i.e., shortages, overages, breakage, incorrect items) within five (5) business days from notification. If the discrepancies cannot be resolved in that time, then the Contractor shall take all steps which DAS or Client Agencies deems necessary or appropriate, to resolve the discrepancies. Contractor proposes to handle this situation in the following manner should an error occur:

- A. For those items that the State deems to be "non-critical" Contractor will ship the correct products or acceptable substitutes within a period of 24 business hours.
- B. For items that the State identifies as "critical Items" Sysco CT will:
 1. Arrange overnight shipment via FedEx direct from the vendor, or
 2. Ship product via a Sysco delivery vehicle, or
 3. If product is a non HACCP regulated product, delivered by a Sysco Associate, or
 4. Delivered to the State by a Sysco CT approved courier service.
 5. It is agreed that "Emergency Orders" submitted/requested by the State, will be delivered within 4 hours.

Returns

Products returned because of quality problems, duplicated or erroneous shipments, outdated product, etc. shall be picked up by the Contractor after Client Agency notification and replaced with the specified products or the Client Agency shall be credited/refunded for the full purchase price. Perishables (including fresh produce), meat, poultry, seafood, and dairy items must be replaced within 24 hours.

Products ordered in error by agencies must be returned for credit within 48 hours from receipt. Drivers must accept product returns due to Client Agency error. Products must be in re-sellable condition (original container unused). The Contractor may not charge for such returns.

Credit Memos due on invoices shall be received by the State Agency no later than five (5) business days after the corresponding invoice.

There shall be no Restocking Fees to Client Agencies.

Contractor to assure all product is wholesome and that complies with requirements established by the U.S. Department of Agriculture (USDA) or the U.S. Food and Drug Administration (FDA), including without limitation, applicable requirements under the Hazard Analysis Critical Control Point (HACCP) programs promulgated by USDA or FDA.

Contractor will accept returns of product upon delivery for any of the above stated conditions in accordance with Exhibit F "Customer Return Policy" section of the Contract.

Testing New Items

Some products may be lab tested as part of the evaluation process. In such cases, the broker or manufacturer's representatives shall pay the laboratory costs for any required test. The Contractor shall be responsible for laboratory costs necessitated by complaint (i.e., determination of wholesomeness, etc.). The State will choose and use an independent laboratory for all testing resulting from this contract.

Ability to Provide Connecticut-Based Products (CT Grown): An Act Concerning the Preservation of the Family Farm

Sec. 4a-51 (Formerly Sec. 4-110) Duties of Administrative Services Commissioner on Purchases. ... (b) The Commissioner of Administrative Services, when purchasing or contracting for the purchase of dairy products, poultry, eggs, fruits or vegetables pursuant to subsection (a) of this section, shall give preference to dairy products, poultry, eggs, fruits or vegetables grown or produced in this state, when such products, poultry, eggs, fruits or vegetables are comparable in cost to other dairy products, poultry, eggs, fruits or vegetables being considered for purchase by the Commissioner that have not been grown or produced

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in this state.

Contractor shall provide State of Connecticut with Connecticut grown product items as available. All other produce items will fall into Non-State grown. The State shall purchase the item that best meets their quality and cost effectiveness criteria. Tracking shall be provided to the State showing their purchases from State of Connecticut producers on a mutually agreed upon timeframe (weekly, monthly, quarterly, etc.) The Contractor will try to provide Connecticut grown on the invoice to the units.

Contractor shall provide weekly market updates including a CT Grown update to Client Agencies. This document will include a forward looking report indicating when particular items will both start and end harvest from CT farms. This forward looking part of the report will allow customers to effectively menu plan for these Connecticut Grown items.

Contractor shall provide flyers and marketing materials, as requested by Client Agencies, to help promote CT grown within state agencies.

Reporting

The Contractor(s) shall submit activity reports in Microsoft Excel to DAS and each Client Agency, on a monthly, quarterly and annual basis. The reports shall contain the following information:

- Sales by volume for each State Agency; reports shall list each item sold, including manufacturer and stock number, description, unit of issue, average unit price, quantity sold
- Consolidated sales reports summarizing the sales to all State agencies and separate consolidated sales reports summarizing the sales to all CT (political subdivisions and not-for-profit organizations) with the same information as listed above.
- Purchases by sales of Small and Minority Business Partners
Supplier Diversity.
- Fill Rate Reports
- Deviation Reports (report to contain percentages, duration of those timeframes and agency)
- CT Grown Purchases
- Opportunity Buys
- Increase/Decrease by Dollar Amount Price Reports
- Market Trend Analysis Reports (weekly)
- Other Reports, as requested by DAS

These reports shall be in the format approved in advance in writing by the DAS contact responsible for this contract.

Partnering Efforts with Small Business Entities/Minority Business Entities (SBE/MBE)

Contractor shall continue to develop a list of CT Minority owned and CT Women owned businesses. Contractor shall make a good faith effort to provide to the State of Connecticut products from such minority and women owned businesses.

Training Sessions Provided by Contractor:

Contractor shall provide training sessions to the State of Connecticut at no cost either at the Contractor's location or a State location. Below are suggested topics/examples and other specific training needs or wants shall be communicated with the SAE:

- Proper Produce Storage
- Contractor Connecticut Site Tour
- Value Added Produce Training
- Seafood Training
- How to navigate eNutrition and other Sysco Websites
- K-12 School Specialist "CT Approved Products"
- General Mills "How to make MORE with LESS"

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Audits

The Contractor shall allow for the state to audit contractor items monthly or as needed. The audit will be based upon a review of Cost Plus items and high-volume contract list items as determined by the State. Typically, the audit shall consist of ten (10) items at a minimum; however, the State reserves the right to audit any number of contracted items. Proposer will be notified in advance, whenever possible in order to have back up documentation ready for the audit.

The audit will be performed at 100 Inwood Road, Rocky Hill, Connecticut. In addition, all pertinent records will be made available at this same address.

The audit shall consist of, but not limited to, a review of product cost at a time of receipt of proposer, contractually agreed upon mark-up and final delivered cost to the end user. Final end user cost shall not exceed 4.5% of product cost and shall be determined by multiplying the vendors cost by 1.045.

The Contractor shall retain confidential documentation which shall not be removed from that location.

Lock Out Items

Contractor has the ability to lock out (restrict) Client Agencies from purchasing items that are not approved for purchasing. This Lock Out can be adjusted by account to accommodate varying needs of products by location. Contractor will work with Client Agencies requesting such restrictions.

Standards for Storage and Warehouse Facilities

Contractor Receiving, Storage and Shipping methods shall be conducted and performed in accordance with HACCP guidelines. Contractor's distribution facility shall be inspected annually by an independent auditing firm that conducts un-announced inspections to perform inspection of records and standard operating procedures.

Contractor shall contract with American Institute of Baking International (AIB) to perform un-announced inspections of Contractor's distribution center. All warehouse personnel shall be trained in food safety and proper handling, storing and shipping of food and food related products. Contractor shall vigorously inspect products upon receiving for damage, dated product, cross contamination, and infestation. This information is documented or recorded for review upon inspection by AIB. Contractor receivers have the autonomy to reject any load in violation of our HACCP plan. Contractor follows up the HACCP plan with a comprehensive Product Recall Program to efficiently notify our operators of various levels of product recalls.

Contractor shall be equipped with monitoring systems to control and record storage facility temperatures and to electronically alert on call staff in the event our system detects temperatures outside our set parameters. Additionally, this facility is inspected daily by our warehouse sanitarian to visually inspect and record storage facility temperatures.

Contractor shall allow Client Agencies to tour Contractor's facility at any time during the term of the proposed contract term.

Sanitation

Federal, state and local health regulatory agencies shall routinely inspect warehouses. Contractor shall participate in a voluntary sanitation program. Contractor must annually provide a copy of its most recent health inspection certificate and sanitation policy in accordance with Exhibit F of the Contract.

Pest Control

Contractor and their assigns shall have an integrated pest management (IPM) program in place at their establishment, including but not limited to delivery trucks, that is consistent with the requirements of Connecticut General Statutes Section 22a-66l, Application of pesticides by state agencies, and Regulations of Connecticut State Agencies Section 21a-101-5(h), General sanitary requirements.

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Contractor, their subcontractors and pest control service providers must remain in place and will be subject to periodic review throughout the term of this contract in accordance with Exhibit F of the Contract.

Delivery

- The Contractor is required to service all Client Agencies within Connecticut. There may be multiple drop points within each delivery location.
- Delivery points shall be designated by the ordering entity and may be by specific location(s), storeroom or dock or food preparation/storage area. Contractors should be aware that there might be multiple locations within a facility as well as dock delivery for the same grounds.
- All orders shall be delivered to the specified destination within 24 - 48 hours after receipt of order, (contractor insures a 99.55%) fill rate, or in accordance with the pre-scheduled delivery schedule agreed upon between Contractor and Agency.
- Delivery points will be designated by the ordering agency, which includes placement in the specific food preparation and/or storage area.
- All orders/pieces shall be FOB destination, freight included . There shall be no additional pallet charges or additional charges for inside delivery.
- All orders/pieces shall be labeled and packaged adequately to assure safe handling and proper delivery.
- All invoices/delivery tickets must be signed by authorized agency representative upon receipt.

E-Commerce: CORE-CT - PeopleSoft ERP System

On July 1, 2003, the State of Connecticut began utilizing an internet-based E-Procurement ordering system (PeopleSoft), known as Core-CT. With Core-CT, purchase orders will be electronically transmitted or faxed to the Contractor.

Ordering System: Contractor shall maintain its internet based ordering system that the Client Agencies can access during normal working hours of operation, available 24/7. The internet ordering system must be capable of electronic order approval and must have an e-mail based notification functionality. The internet ordering system must also contain a field where the State of Connecticut personnel can enter PeopleSoft/Oracle purchase order number. This number contains a 5 character business unit designation followed by a 10 digit purchase order number.

Contractor is currently set up for this Core Data system.

The following features describe the Contractor's functions as they pertain to their ordering system:

Contractor's Internet ordering and reporting system, eSysco, is an Internet browser that offers the accurate pricing and warehouse inventory data. An inventory management and menu-planning module is also available as a customer option. eSysco allows customer access to products, pricing, inventory data, custom product lists, order guides and history orders. Items can be added by a "quick add" utilizing the SUPC product code or search by description, category, and brand.

eSysco is an integrated suite of applications designed to support the sales process of the supply chain allowing Contractor's customers to order, report, track, and control inventory in a secure, real-time Internet system.

Contractor offers an internal ordering system that has an approval process generated by e-mail to appropriate

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agency approvers. A Purchase Order is generated after the approval process and is entered into the Contractor ordering system prior to encumbering the funds and dispatching the order to the Contractor. Currently the purchaser submits an order. This order goes to an approver who has the opportunity to make changes to the order or send the order as approved.

Contractor's order entry system provides customers with easy access to complete the order entry process by simply clicking on "check out" or "review order" to review the order items and quantities. In this same screen the purchaser can make changes, delete or submit the order.

Client Agency can click on "check out" or "review order" to review the ordered items and quantities. In this same screen the purchaser can make changes, delete or submit the order. Once the order is submitted, changes can be made by contacting our Customer Service department.

Client Agency has a projected delivery date display which can provide one user access to as many accounts as necessary with what we refer to as a Multi-buyer function.

Contractor's order entry system can show delivery date, estimated delivery time and invoice number for orders in process of delivery. Also, customers are provided with United Parcel Service (UPS) tracking number for drop ship deliveries.

Contractor's order entry system can generate reports by customer for purchases made by month, week, annualized on demand; to include brand, pack size, product description, quantity purchased, manufacturer and spend. Reporting can be customized to run reporting on purchase data.

Contractor shall provide for "single pack" or "split" quantity sold items as requested by Client Agency ship "single pack" items at no additional charge. However, the added handling, and damage cost associated with handling less than full cases of product not normally shipped in splits will be assessed a 3% up-charge. Split quantity items can be ordered by selecting the split quantity located directly beneath the full case quantity on the order entry page.

Current network requirements are conducive with all operator systems with The State of Connecticut.

Access to the system is available 24/7 from any PC with access to the internet. Order Entry Cut off time for next day delivery is 3:00 PM.

Current maintenance is scheduled Monday through Saturday from 4:00 AM – 5:30 AM eastern time and Sunday from 2:00 AM through 6:00 AM eastern time.

Customer support center is available between 8:00 AM to 5:00 PM at a toll-free number .

There is a help icon on the website or the phone hot line available.: 1-800-385-5666. SAE is also able to walk most help desk questions through for the customer

Operators can access special notes within the "systems messages" page. This function is utilized to alert customers of any pending schedule changes or general notice messages. Order entry time for next day delivery is 3:00 PM. However, orders can be entered at any time in advance of 24 hours prior to date of delivery.

The Contractor will be required to establish/offer a training program as part of the Contract Award to be in compliance with the CORE-CT-compatible system program. In addition, any required training for staff, site location administration for those trainings and any other requirements (ex., equipment, manuals, etc.) to adequately instruct all users to the CORE-CT-compatible system expenses shall be borne by the Contractor.

Contractor to provide ongoing training as requested.

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Purchase Orders

Purchase Orders will be issued by each specific Client Agency for products and services related to this Contract. Contractors are cautioned not to perform services without receiving a purchase order. Questions regarding purchase orders should be directed to the issuing Contract User.

Invoicing

Contractor to issue a single invoice per purchase order to each Client Agency on for products delivered to the State and Client Agencies. Invoice is to be itemized with dollar amount, date, and type of products and services provided to each Client Agency for the billing period. Invoice MUST also include Client Agency name, product description, quantity purchased, unit price, extended price, invoice number, and purchase order number.

Pricing - Cost Plus

Cost Plus is defined as the most recent cost price on an item as shown on the last manufacturer's (i.e. mill) or redistribution center's invoice received by the Contractor excluding any additional charges (i.e. freight, etc., see paragraph below) plus a markup percentage. The Contractor(s) will be allowed to keep any cash discounts offered by the manufacturer for the Contractor's prompt payment.

Cost plus shall not include any Contractor group monthly assessment charges, invoices from redistribution centers, processing, and handling or transportation costs from the Contractor. If these types of costs are incurred, they should be part of the Contractor's overhead, not the Cost Plus. Mark-up Percentages will not change for any item in this section during the term of the contract. The State and Client Agencies reserve the right to add items to be stocked by the Contractor at cost plus markup during the contract period.

Contractor will sell all products under this agreement based on a percentage "Mark Up" (cost plus) per "Category". The cost of product will be multiplied by the mark up percentage for the designated category (see example). Vendors that provide confirmed negotiated pricing with specific manufacturers for The State of Connecticut based on estimated requirements to assure pricing will be secured for the time period authorized by the vendor.

The cost plus mark-up percentage for all food items will be 4.5%, based on the three year agreement with the potential for two (2), three (3) year extensions. The example below details how the Cost Plus percentage is calculated:

1)	Delivered invoice price to the Contractor:	\$25.00
2)	Freight to Contractor	+2.00
	Total Cost	\$27.00
3)	Cost Plus mark-up (4.5%): ($\$1.045 \times \27.00)	<u>\$ 1.22</u>
4)	Total delivered price to the Contract User:	\$28.22

Definition of Cost: Cost may be defined as the cost of the product to the Contractor as shown on the Last Invoice Price, plus Applicable Freight charges to the Contractor. Last Invoice Price is defined as the cost of the product as shown on the last invoice for such product issued to the Contractor by the product vendor, BSCC * or any Sysco subsidiary. **

Applicable Freight Charges may include the following:

- Common or contract carrier charges by product vendor or a third party.
- Charges billed by Almark. Freight for any product will not exceed the rate charged by nationally recognized carriers operating in the same market for the same type of freight service.
- Charges billed by Almark for shipments back hauled on trucks owned or leased by Contractor.
- Transfer charges for movement of product from any of Contractor's forward warehouses.
- Fuel Surcharges.
- Cross-dock charges and similar charges necessary to ship and receive product to the Contractor.

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* BSCC stands for Baugh Supply Chain Co-operative. It is another name for SYSCO's purchasing system and is named after the founder of the Company, John Baugh.

** 145 locations are considered Sysco subsidiaries

Freight Definition:

Freight charges are handled in one of the following manners:

1. Delivered Cost – Product manufacturer delivers product to the Contractor and invoices Contractor one price that includes the freight charge to move the product from the manufacturer's facility to the Contractor's warehouse. In some instances, the manufacturer may include a fuel adjustment which may appear as a separate line item. (Delivered Cost.)
2. FOB/Freight Charge Cost – In some instances, a manufacturer either does not have the ability to deliver products that they produce, or a situation might arise that requires the Contractor to make arrangements for pickup and delivery of product with an alternative freight service. Should this be the case, the Contractor will survey alternatives to determine the most competitive method of transporting the product from the manufacturer's warehouse to the Contractor's warehouse.

In above case, the Contractor would have an invoice from the product manufacturer for the cost of producing the product (FOB cost) and another invoice for the cost of delivering the product to the Contractor (Freight Charges.)

Lumping charges will not be levied in either of the above options.

There shall be no fuel adjustments/surcharges for products delivered from the Contractor's warehouse to the Client Agencies.

The State reserves the right to insure reasonableness of freight charges based upon common carriers published rates charged for similar deliveries. The Contractor may be required to demonstrate the method of freight chosen, either direct or backhaul, is the best value for the state.

Pricing adjustments will be based on product landed cost and contractually agreed upon mark-up. Contractor must show documented proof of price adjustments for both increases and decreases. The reporting mechanism for verification of price adjustments between the State and the Contractor will be the audit clause referenced in this contract.

Price Adjustments: To effect a price change, the Contractor must notify DAS in writing of any increase of 10% or more. The letter of notice shall indicate an effective date for the price increase which will allow DAS sufficient time (at least 15 calendar days) to notify Client Agencies of the price changes. The letter of notice shall be accompanied by proof of cost changes on the manufacturer's letterhead or in a reporting newsletter such as the Market Trend Analysis Report.

Pricing - Incentives, Discounts, and Rebates

Connecticut recognizes the potential to realize additional savings by partnering with the Contractor to work with the State to offer additional contract incentives, discounts, rebates, coupons, deviations and other programs to gain additional savings that benefit both parties.

Contractor rebates and discounts that will be extended to the State based on the following criteria:

Added Value/Advantages Programs

Merchandising Services – Contractor and its affiliates, including the Baugh Supply Chain Cooperative (BSCC), perform value-added services for suppliers of Sysco-brand and other products over and above procurement activities typically provided. These value-added services include regional and national marketing, freight management, consolidated warehousing, distribution, quality assurance and performance-based product

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marketing. Contractor and its Affiliates may recover the costs of providing these services and may also be compensated for these services and consider this cost recovery and compensation to be earned income. Receipt of such cost recovery or earned income does not reduce cost and does not diminish Contractor's commitment to provide competitive prices to its customers. Such cost recovery and compensation for value added services will be solely from the contractors' manufacturers and will not be billed to the State of Connecticut and its Client Agencies.

Deviations and GPO (Group Purchasing Organizations) Initiatives

Contractor shall be actively involved with key personnel from the State of Connecticut. Contractor will hold vendor meetings with key suppliers that the State purchases high volume items from and work with the State and the supplier and Contractor to negotiate deviations to help lower the cost of goods for the State. Reporting initiatives will be mutually agreed upon such as expiration notification of present deviation (discounted or adjusted) prices from manufacturer or broker 45-60 days prior to expiration date.

The contractor shall be responsible to provide a report of all items that have deviations (discounted or adjusted) prices from manufacturer or broker.

One report shall contain a listing all items which contain deviations, the amount of the deviation, the new price. This report is to be sent to DAS. Another report separately detailing each agency deviations must also be provided. This report must include the item, the original cost, the total discounted price, the new price, the starting date, the expiration date of the deal. This must be sent to DAS and a separate copy to each the state agency receiving the deviation.

The contractor shall be proactive in negotiating the deal pricing with manufacture or broker 45-60 days prior to expiration date (dependent on the timeframe of the deal – details can be worked out). The contractor will negotiate the deviations with one of the State's designees when it is requested by one of the State's agencies.

If a negotiation is initiated by the contractor and the deviation runs out the contractor will be obligated to continue the deal price for a period of not less than 60 days. If the deviation is discontinued, the contractor shall notify the agency 30 days prior to the end of the established time frame.

Contractor will also utilize the GPO and their deals to seek alternative items to present to the State that could help to lower the cost of goods. This service will be a value add and shall be a free service the State of Connecticut.

Payment Terms:

While the standard payment terms are net 45 days after receipt of invoice to the Contract User, the Contractor offers the Client Agencies a prompt payment discount based on Exhibit B

The additional discount would reduce the standard cost plus mark-up percentage of 4.5% by the discount based on the payment term (qualifying units).

Contractor Branded Products

Contractor shall provide the State and its Client Agencies an incentive to use the Contractor's branded products (i.e. SYSCO private label products) as a percentage of total food purchases based on Exhibit B.

NOTE: Invoices not paid within the 45 day terms will be ineligible for this incentive. Incentive awards shall be paid quarterly in form of a credit. In order to qualify for the various incentives offered by the Contractor, the Client Agency must meet the minimum criteria to be awarded the incentive as shown in Exhibit B.

Pricing - Opportunity Buys

The state may utilize drop shipment, spot or opportunity buy, or trailer load incentives when a Client Agency is able to benefit from either the Contractor or third party food vendor. To qualify for the drop shipment, spot buy, or trailer load incentive, the order must be greater than \$2,500. Contractor shall have the right of first refusal to fulfill the Client Agency request. The Contractor will have 48 hours, from when a Client Agency initiates a drop shipment, spot buy, or trailer load request. Should the Contractor be

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unable to fulfill the request, the Client Agency shall be able to initiate a drop shipment, spot or opportunity buy or trailer load order with a third party vendor. The third party vendor will transport the food order directly to the Client Agency location, bypassing the Contractor from physically handling the food order. The Contractor will not be responsible for the actual receiving the drop shipment at its warehouse or transporting it to the Client Agency facility. The Contractor's responsibility is to process the administration and billing of the drop shipment order and in the event it occurs, any recall processes.

To process the drop shipment, spot buy, or trailer load, the Contractor shall add 2.5% (see Exhibit B) to the delivered invoiced price of the order, which is added to the third-party food vendor's delivered invoiced price.

U.S.D.A. Warehousing Program

Program Overview

The USDA Food Distribution Program provides for the warehousing and distribution of food commodities to certain organizations, primarily public schools. In Connecticut, this program is administered by the DAS Food Distribution Program (FDP). This organization is responsible for overall management, customer support and supplier relations, and has operational duties including order processing.

FDP participates in the federal government's Electronic Commodity Ordering System (ECOS). ECOS allows Recipient Agencies (RAs) to use the Department of Agriculture's electronic ordering system to shop online for food. Both FDP, and the RAs, can view the availability of commodities, place orders, check order status, and track shipments online.

On or about November 30, 2010, ECOS will be replaced with Web Based Supply Chain Management (WBSCM). WBSCM is the project that will implement a modern Web Based Supply Chain Management system using Systems, Application, and Products in Data Processing (SAP) commercial off-the-shelf (COTS) enterprise resource planning (ERP) technology. This new system will replace the 25 year old Processed Commodity Inventory Management System (PCIMS) and related systems such as ECOS. ECOS will shut down on the WBSCM implementation date, which is anticipated to be June 30, 2010. ECOS terminology will be changed to comply with WBSCM terminology, specifically; Commodity Code and Delivery Order will now be referred to as Material Number and Sales Order, respectively.

Using ECOS and later WBSCM, customers are required to forecast their commodity usage for an entire year, on a monthly basis. The bulk of their orders will be placed in December, with additional commodities being offered occasionally throughout the year.

RAs will send raw commodities directly to their preferred processors, from which they can pick and choose a variety of end products. The RAs will work independently with the processor to set up deliveries.

As stated, the contractor shall utilize the Multi Unit Sales Manager/USDA and USDA Customer Coordinator as contacts.

To support FDP in the USDA commodity program, the Contractor shall electronically receive, process, and transmit data files. Since references to various files will be made throughout the document, a brief description of each follows:

Receiving file - Receivers (Inbound Shipments)

Shipping file - Shipments (of customer orders), Credits & Adjustments

On Hand file – Commodity balances used in the Perpetual Balance Reports Available file – Customer unshipped balances

Changes

On an operational basis the requesting, ordering, and delivery of food products will work as follows:

Responsible	Process Step Details
FDP	<ul style="list-style-type: none">• Enters customer orders into ECOS (WBSCM)• Rolls up individual orders and submits food requisitions for the State
ECOS	<ul style="list-style-type: none">• Submits orders to Kansas City

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Trucker	<ul style="list-style-type: none">• Sends Forwarding Notice to FDP and Contractor• Sets up appointment with Contractor• Sends truck
Contractor	<ul style="list-style-type: none">• Receives truck• Electronically sends Receiving file to FDP via ftp site
FDP	<ul style="list-style-type: none">• Processes warehouse Receiving file• Updates internal tracking system with Contractor car arrival data• Compares quantity shipped on truck with quantity ordered• Adjusts selected customer quantities in ECOS and ECAFS as needed• Sends e-mail notification to warehouse stating that arrival records have been processed and customer allocation records are attached.
Contractor	<ul style="list-style-type: none">• Imports customer orders from ECAFS to make available for on line ordering through eSysco• Sends e-mail notification to customer with order and storage information
Customer (Recipient Agency)	<ul style="list-style-type: none">• Electronically submits USDA orders for their individual schools to the contractor through eSysco.
Contractor	<ul style="list-style-type: none">• Sends email confirmation to customers who have placed orders through eSysco• Ships commodities to RA• Transmits shipping file to FDP
FDP	<ul style="list-style-type: none">• Processes shipping file and resolves any shipping errors with the Contractor

WBSCM may change these processes since the “go-live” date is tentatively scheduled for sometime in July, 2010. Contractor shall be flexible with process/commencement.

Much of the process and warehousing is controlled and regulated by the USDA. Contractors are advised that the receipt, storage and delivery of commodities must be in accordance with all Federal laws and USDA rules, policies and regulations.

Contractor shall comply with the requirements of (1) USDA/FNS Instructions 709-5, regarding the shipment and receipt of foods. http://www.fns.usda.gov/fdd/instructions/709-5_ShipmentsReceipts.pdf; (2) Title 7 Code of Federal Regulations, 7 CFR Part 250 http://www.fns.usda.gov/fdd/regs/final/7cfr250_03-fdp.pdf, and 7 CFR Parts 210 and 250 <http://www.fns.usda.gov/cnd/Governance/regulations/7cfrpart210.pdf>, (3) Receipting for USDA Commodities (Appendix 1), (4) Connecticut Food Distribution Program Business Rules to be written with the Contractor after contract is in place. (5) USDA Forwarding Notice (Appendix 2), (6) FDP Car Arrival Report (Appendix 3), (7) Report of Shipment Received Over, Short and Damaged, (OS&D Report) USDA FNS-57 <http://www.fns.usda.gov/fdd/forms/fns-57.pdf>

Warehouse facilities and warehousing practices must be in compliance with the United States Food, Drug and Cosmetic Act and any applicable Connecticut Statutes.

Types of Commodities

There are two types of items to be warehoused:

- Basic Commodities: All basic commodities purchased and/or made available by the USDA are for shipment directly to the Contractor’s warehouse. The FDP anticipates ordering up to approximately 80 different commodities. The USDA distinguishes between two types of commodities:

Group A: Fruits, meats, poultry and vegetables.

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Group B: Grains and dairy, peanut and oil products.

- Further Processed Commodities: Items that are “manufactured” from basic commodities. Some basic commodities are shipped directly from USDA sources to processors and others are transferred to processors (back-haul process) after arrival at the Contractor’s warehouse. In either instance, processors may ship finished products to the Contractor for distribution to RAs. For Fee for Service finished end products, the processor may not ship less than 30 cases per finished end product number.

Anticipated Annual Volumes

It is anticipated that up to 183,000 cases of USDA donated food will be available to RAs for distribution to schools and institutions during the 2008/2009 school year. It is further anticipated that this volume will be divided as follows:

▪	Dry Groceries:	70,000
▪	Frozen Foods	93,000
▪	Refrigerated Foods:	<u>20,000</u>
▪	Total:	183,000

These volumes are an estimated quantity based on 2008/09 actual shipment data. This quantity could change. Raw commodities may be shipped directly to processors, allowing the RAs to purchase end-products from the process. The timing of and the number of donated food shipments are contingent upon market conditions and USDA’s ability to purchase.

Delivery Volume to RA’s

The Contractor shall have adequate delivery vehicles to satisfy the terms of the contract. Frequency and volume of incoming shipments of donated food may vary from one month to another. Usually, the greatest number of deliveries is made from October 1st to March 31st.

Inbound Shipments

The USDA requires that Shipments and Receipts of Foods be in accordance with the provisions contained in “FNS Instruction 709-5, Shipment and Receipt of Foods.” http://www.fns.usda.gov/fdd/instructions/709-5_ShipmentsReceipts.pdf. The USDA has specific rules governing the Contractor’s responsibilities when merchandise is damaged. These may be found in FNS Instruction 709-5 http://www.fns.usda.gov/fdd/instructions/709-5_ShipmentsReceipts.pdf.

Upon receipt of an inbound shipment, the Contractor must log into ECOS and “Receive” the truck and report Over, Short, and Damaged electronically on ECOS OS&D Report <http://www.fns.usda.gov/fdd/forms/fns-57.pdf>.

The Contractor shall adhere to the following:

- Each Car Arrival (inbound shipment) received into the Contractor’s warehouse has been given an assigned disposition number, e.g. B032109F001 (B032- commodity code, 109 – USDA’s designated number for the State of Connecticut, F – USDA’s federal fiscal year letter designation, 001 – Truck sequence number. Each RA unit of a shipment is linked to a particular disposition number. Although customary warehouse practices support a first in, first out (FIFO) distribution process, FDP tracks shipments by disposition number. Since these two methods are difficult to reconcile, the tracking of these commodities can be discussed with the Contractor and an agreed upon method of tracking will be determined. FDP and the Contractor must be able to locate shipped commodities for reasons of emergency (e.g. a recall).
- Receiving shipments Monday through Friday during normal business hours of at least 8 hours per day.
- Approximately 90% or more of all incoming shipments will be palletized. However, Contractors must provide all labor and equipment for unloading including the few non-palletized loads. Over-the-road truck drivers (not drivers delivering piggyback trailers) may be requested to assist with unloading non-palletized loads by palletizing or placing units on the tailgate. Drivers are not required to re-palletize loads to meet

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Contractor's individual storage requirements which include but are not limited to: pallet size, height, type of tie.

- Contractors shall unload trucks on the day of arrival when the shipper or trucker makes an appointment at least 24 hours in advance (per USDA/FNS instructions 709-5, XIII [appointments] #1). When no advance appointment is made, Contractor must attempt to unload trucks within 24 hours of arrival. In all cases, trucks must be unloaded within 48 hours of arrival unless specifically exempted by FDP.
- Contractors must positively identify incoming shipments using the Notice to Deliver matched against the Consignee Report and only unload loads or portions of loads so identified. Contractors must call FDP for assistance before unloading if positive identification is not possible.
- Clean and repackage, as required, any damaged merchandise so that all foods suitable for human consumption are salvaged for program use.
- Pay for all freight storage, demurrage and detention charges, which occur due to unloading delays, unless specifically exempted by FDP. Brace or level stop-off shipments for further movement to other destinations.
- Contractor shall be liable for claims levied by USDA against Contractor or FDP as a result of Contractor's failure to properly secure, handle, or account for shipments.

Notification of Shipment Arrivals:

Notify schools and institutions of shipments received during each week by e-mail and if possible, make available on the internet. Each RA's notice must include the Trucker's name, the agency name, and the data shown below for each shipment in which the agency is included:

- (ECOS)Commodity Code/ (WBSCM) Material Number
- (ECOS)Disposition Number/ (WBSCM)Sales Order
- Quantity
- Date Received
- Pack Date

- Transmit Shipping record on Shipping file

Recipient Agency Deliveries

Deliveries must be made between 6 AM and 2 PM, Monday through Friday, to accommodate the school schedule, except on RA holidays or at other times when the RAs are closed, such as for inclement weather. Special arrangements are to be made for schools that have security issues and cannot open until 6:30 AM. This arrangement must be in writing from the school to the Contractor. Should the delivery be after normal business hours, the Contractor must receive approval from the RA. Food shall not be delivered to the school if the school is not open, unless the school provides the Contractor with written authorization to do so. The Contractor will be responsible for contacting customers 48 hours in advance with delivery confirmation and a target delivery time frame of either AM or PM when scheduling the delivery. The Contractor must call the RA if the delivery will not arrive before the targeted time frame. Deliveries missed due to inclement weather, breakdowns or other unforeseen conditions shall be rescheduled within five (5) working days, unless the RA and FDP agree to a later delivery date. The FDP reserves the right to add or delete RAs during the term of this contract. The Contractor also agrees to service any new agencies that have been approved to receive donated foods.

Drivers are not required to stow commodities on shelves or to assist in rotating stock at drop sites, but must deliver the food to the RAs designated area for frozen, refrigerated and dry commodities. Special deliveries are only required if the Contractor fails to deliver an ordered product that is in stock. The Contractor is expected to make deliveries to complete an order or correct delivery errors on makeup days within a reasonable time frame agreed upon by the Contractor, FDP, and RA. The Contractor must utilize adequate delivery vehicles to accommodate the delivery of dry, refrigerated or frozen commodities. The Contractor's delivery vehicles must be able to accommodate unloading at school sites and small institutions.

Contractor is expected to instruct drivers not to deliver any greater quantities than allotted to a customer.

Contractor must deliver donated foods in straight loads containing donated foods only, or in mixed loads with commercially purchased foods, as long as other terms of the contract are satisfied. Foods must not be stored or delivered with chemicals or other products, which may be harmful to the quality or safety of the foods.

Contract # 09PSX0330

RFP Contract - Exhibit A - Description of Goods and Services-NEW 1/09

RA should inspect load/delivery for condition on arrival and immediately notify FDP by telephone at (860) 713-5147 of any problems with condition, quality, or quantity. Verify accuracy of count. Notify carrier's agent of any overages, shortages, or damages before releasing the delivery vehicle.

Reporting and Physical Inventory Requirements

Because the food in the Contractor's warehouse is the property of the United States Government, the USDA has mandatory rules concerning the inventory. The Contractor must submit certain inventory reports monthly to the FDP. Daily Shipping files will provide data that FDP will use to maintain its own perpetual balance which will be reconciled with the Contractor's perpetual balance on an as needed basis.

A physical inventory must be performed twice annually - July and December. The Contractor, as well as, representatives of FDP and the USDA, will jointly conduct this scheduled inventory. FDP and USDA representatives may also periodically check/count the inventory, with 48-hour prior notice, to verify the inventory and the quality of the facilities. In addition, FDP reserves the right to make unannounced visits without prior notice.

Inventory Reports shall be available for RAs either through an electronic file or on the World Wide Web. The reports shall contain the following information.

- Quantity on hand at the end of the monthly period, by commodity, and by delivery order number.
- Product and quantity stored.

Prior to the start of a new school year, the warehouse must provide FDP with a file of all customer beginning allocation balances. The warehouse balances must reconcile with FDP balances before shipments begin.

Any losses of USDA donated food including but not limited to damages, infestation/mold, spoilage, over-shipment, or other factors must be reported to FDP. An inventory report listing the quantities of each commodity, by RA, must accompany the monthly loss report. The Contractor may settle these losses in the form of cash payments or by replacements with an equal quantity of an equal quality product, at the option of FDP officials. The settlement will be made to the appropriate agency and will be executed within sixty (60) days of the initiation of the claim.

Should overages and shortage discrepancies between physical inventory and book inventory exist, such discrepancies shall be reconciled by a like-kind commodity. Like-kind offsets shall only be allowed once per annum (July inventory only). No offsets against unlike commodities will be acceptable. Irreconcilable overages and shortages (unlike commodities) will be settled as follows: The Contractor will be required to pay the value of shortages and if an inventory overage exists, the inventory remains the property of DAS/FDP.

Storage

The warehouse facility must be able to store up to 35,000 cases in total of the following at any particular time:

- Dry Commodities in an area with forced ventilation and temperatures should be between 50 degrees and 70 degrees Fahrenheit.
- Frozen Commodities at temperatures of 0 degrees Fahrenheit or below.
- Refrigerated Commodities: Normally 36 F (35 F to 41F, depending on the item).
- Food and chemicals must be delivered on separate trucks and stored in separate areas.
- The USDA recommends that all USDA commodities must be stored in a designated area and separate from the Proposer's commercial inventory.
-

Recall of Commodities

In the event that the USDA recalls any commodity, the Contractor will follow its standard operating procedure for recall of commodities and shall assist the State Agency(ies) and affected RAs as soon as possible. The Contractor shall track and pick up the recalled commodity and notify the Agency/FDP after the commodities have been retrieved. The Agency/FDP shall then inform the Contractor of any additional required actions that must be taken. In the case of USDA commodities, RAs are responsible and State Agencies require the Food Service Director for tracking and consolidating commodities that have been delivered to other facilities subsequent to the

Contract # 09PSX0330

RFP Contract - Exhibit A - Description of Goods and Services-NEW 1/09

Contractor's original delivery of the product. Both shall provide this information to the Contractor as soon as it is available.

Contractor expected to adhere to all Federal, State, and local regulations and Statutes governing Food Distribution.

Records and Reviews

The Contractor shall maintain records fully accounting for receipt and disposition of all USDA donated foods. Such records must be maintained for a period of five (5) years following the close of the federal fiscal year to which they pertain and must be available for review at any reasonable time upon request of either the USDA or State officials, provided forty-eight (48) hours notice is given to the Contractor. The Contractor's facilities, equipment and procedures shall be subject to review by State and Federal authorities at any reasonable time and place. Representatives of DAS, the State Auditors of Public Accounts, the State Department of Consumer Protection, USDA and the General Accounting Office (GAO) shall have the right to inspect the USDA foods in storage at the Contractor's facility and any other facilities used in handling, storing and transporting of the USDA commodities. Said parties shall also have the right to inspect the methods and procedures, records and substantiating documentation used by the Contractor in meeting the requirements of this contract.

Computer System Requirements

The Contractor must have the capability to maintain computer information systems to interface with ECOS, and after the conversion, WBSCM, and current FDP systems, and to provide inventory tracking, report generation and upload/download capabilities. The Contractor must be capable of exchanging all data electronically. The Contractor will be expected to receive and send daily electronic files that contain RA orders, confirmation, and delivery information to FDP in a format agreed upon by FDP and the Contractor.

The Contractor must be the sole owner of the software product it uses, and if not the owner, must have received all proper authorizations from the owner to license the software product, and the full right and power to grant the rights contained in any Agreement entered into with the FDP. The Contractor must further warrant that the software product is of original development and that the package and its use will not violate or infringe upon any patent, copyright, trade secret or other property right of any other person or company.

Method of Payment

The Contractor shall submit invoices to the RAs monthly, or at other intervals, on mutually agreed upon dates. Each invoice shall include a summary of delivery or pickup tickets for the period. Each referenced ticket shall be listed in numerical sequence and show the total number of cases, bags or other such items delivered. Charges for pickup by RAs shall be listed separately on invoices.

Payment Options

The Client Agencies pay by check, or EFT and payment shall be net 45 days.

RFP Pricing U.S.D.A. Warehousing Program

Pricing Criteria

Prices for the USDA Food Distribution Program are on a per case basis. A 12 case minimum delivery order shall apply (ex. 12 cases or less order shall be charged as if 12 cases were ordered). The per case charge shall include any charges for receipt, handling, distribution, and storage. A separate per case fee for storage is listed separately for dry, refrigerated, and frozen, the expense for storage is the responsibility of the RA who owns the commodities. Another per case fee is listed for pickup by RAs, or RAs designee, at the Contractor's warehouse. The agreed upon price per case for delivery and pick-up (at the Contractor's warehouse) are for the term of this contract.

There shall be no additional delivery charge for short shipments.

Contract # 09PSX0330

RFP Contract - Exhibit A - Description of Goods and Services-NEW 1/09

Pricing – Incentives, Discounts and Payment Options

Contractor will provide incentive savings whereby no storage fees during the school year (September – June) shall be assessed. Contractor has listed pricing structure in Exhibit B.

STATE OF CONNECTICUT

PROCUREMENT DIVISION

EXHIBIT B

CONTRACT NO.:
09PSX0330

Ann Simeone
Contract Specialist

(860)713-5051
Telephone Number

	PRICE SCHEDULE for # 09PSX0330	DELIVERY:	
Page 1 OF 2	TERMS: NET 45 DAYS	CASH DISCOUNT: See in Item #2 below and #5 next page for USDA % Days	
ITEM #	DESCRIPTION OF COMMODITY AND/OR SERVICES	TOTAL PRICE	

FOR ALL USING CLIENT AGENCIES

1.	Cost Plus Percentage	_____ 4.5 _____ %								
2.	Pricing Incentives, Discounts, and Rebates as follows:									
	a. Prompt Payment Discounts	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Payment Terms</th> <th style="width: 30%;">Discount %</th> </tr> </thead> <tbody> <tr> <td>Invoice Paid in 5 days</td> <td style="text-align: center;">0.60%</td> </tr> <tr> <td>Invoice Paid in 10 days</td> <td style="text-align: center;">0.50%</td> </tr> <tr> <td>Invoice Paid in 15 days</td> <td style="text-align: center;">0.25%</td> </tr> </tbody> </table>	Payment Terms	Discount %	Invoice Paid in 5 days	0.60%	Invoice Paid in 10 days	0.50%	Invoice Paid in 15 days	0.25%
Payment Terms	Discount %									
Invoice Paid in 5 days	0.60%									
Invoice Paid in 10 days	0.50%									
Invoice Paid in 15 days	0.25%									
	b. Other potential deviations/discounts/rebates (see Exhibit A for additional savings, deviations, GPO, etc.)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">SYSCO Brand Incentive as a Percentage of Total Food Purchases</th> <th style="width: 40%;">Credit Percentage Applied to SYSCO Branded Purchases</th> </tr> </thead> <tbody> <tr> <td>40.00 – 50.00%</td> <td style="text-align: center;">0.35%</td> </tr> <tr> <td>50.01 – 60.00%</td> <td style="text-align: center;">0.60%</td> </tr> <tr> <td>60.01+%</td> <td style="text-align: center;">0.85%</td> </tr> </tbody> </table>	SYSCO Brand Incentive as a Percentage of Total Food Purchases	Credit Percentage Applied to SYSCO Branded Purchases	40.00 – 50.00%	0.35%	50.01 – 60.00%	0.60%	60.01+%	0.85%
SYSCO Brand Incentive as a Percentage of Total Food Purchases	Credit Percentage Applied to SYSCO Branded Purchases									
40.00 – 50.00%	0.35%									
50.01 – 60.00%	0.60%									
60.01+%	0.85%									
3.	Opportunity Buys Incentives	_____ 2.5 _____ %								

STATE OF CONNECTICUT

PROCUREMENT DIVISION

CONTRACT NO.:

10PSX0330

Ann Simone
Contract Specialist

Page 2 OF 2

ITEM #	DESCRIPTION OF COMMODITY AND/OR SERVICES	TOTAL PRICE
USDA WAREHOUSING PROGRAM		
1.	Delivered Pricing Per Case as Follows:	
	<ul style="list-style-type: none"> • Monthly Delivered 	\$ 3.50 Per Case
2.	Pick Up Pricing Per Case	\$ 2.50 Per Case
3.	Term of Storage	Fees are only assessed in calendar months July & August each year
4.	Storage Fees for the Following:	
	<ul style="list-style-type: none"> • Frozen 	\$.90 Per Case
	<ul style="list-style-type: none"> • Refrigerated 	\$.80 Per Case
	<ul style="list-style-type: none"> • Dry 	\$.70 Per Case
5.	Prompt Payment Discounts (see box in header under CASH DISCOUNT)	N/A Per Days

EXHIBIT C

SEEC FORM 11

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

Campaign Contribution and Solicitation Ban

No state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A 07-1 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to “State Contractor Contribution Ban.”

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political

Contract # 09PSX0330

RFP Contract – Exhibit C – SEEC Form 11 - NEW 1/09

subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv)

Contract # 09PSX0330

RFP Contract – Exhibit C – SEEC Form 11 - NEW 1/09

serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

EXHIBIT D

Federal Wage Scales

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EXHIBIT E

See Attached Standard Wage Rates

See Next Page

Project: Food Distribution And U.S.D.A. Warehousing Program

**Standard Wage Rates Determination
for Certain Service**

S 13497

**Connecticut Department of Labor
Wage and Workplace Standards Division**

By virtue of the authority vested in the Labor Commissioner under provisions of Connecticut General Statutes, Section 31-57f, as amended by Public Act 09-183 the following have been determined to be the minimum rates for each classification adopted from the federal Register of Wage Determinations under the Service Contract Act, Title 29, Part 4 plus benefit rate to cover the cost of any health, welfare, and retirement plans.

Project Number: 09PSX0330 Town: Statewide
Project Food Distribution And U.S.D.A. Warehousing Program

OCCUPATIONAL TITLE	Minimum Hourly Rate	Benefit Rate
Assembler	\$10.08	3.03
Baker	\$13.58	4.08
Bartender	\$9.52	2.86
Boiler Tender	\$27.09	8.13
Carpenter, Maintenance	\$22.21	6.67
Cashier	\$10.14	3.05
Cleaner, Heavy** Hired after July 1, 2009	\$12.80	4.32 + a
Cleaner, Light** Hired after July 1, 2009	\$12.50	4.32 + a
Cleaner, Vehicles	\$11.34	3.40
Cook I	\$14.13	4.24

As of: Monday, April 12, 2010

Project: Food Distribution And U.S.D.A. Warehousing Program

Cook II	\$15.39	4.62
Counter Attendant	\$10.08	3.03
Dry Cleaner	\$12.86	3.86
Electrician, Maintenance	\$26.01	7.80
Elevator Operator	\$12.12	3.64
Fast Food Shift Leader	\$8.87	2.67
Fast Food Worker	\$8.25	2.48
Food Service Worker	\$11.14	3.35
Furniture Handler ~ Hired prior to July 1, 2009	\$13.89	4.32 + a
Furniture Handler**Hired after July 1, 2009	\$12.90	4.32 + a
Gardner	\$16.98	5.10
General Maintenance Worker	\$19.56	5.87
Housekeeping Aide	\$12.12	3.64
HVAC	\$23.58	7.07
Janitor* ~ Hired prior to July 1, 2009	\$14.48	4.32 + a
Janitor** Hired after July 1, 2009		N/A

As of: Monday, April 12, 2010

Project: Food Distribution And U.S.D.A. Warehousing Program

Laborer**Hired after July 1, 2009		N/A
Laborer*Hired prior to July 1, 2009		N/A
Laborer, Grounds Maintenance* Hired prior to July 1, 2009		N/A
Laborer, Grounds Maintenance** Hired after July 1, 2009		N/A
Locksmith	\$23.17	6.96
Maid or Houseman	\$11.71	3.52
Meat Cutter	\$19.36	5.81
Painter, Maintenance	\$20.27	6.08
Parking Lot Attendant	\$10.64	3.20
Pest Controller	\$15.45	4.63
Pipefitter, Maintenance	\$26.49	7.95
Plumber, Maintenance	\$25.00	7.50
Presser, Hand	\$10.08	3.03
Presser, Machine, Drycleaning	\$10.08	3.03
Presser, Machine, Shirts	\$10.08	3.03
Presser, Machine, Wearing Apparel, Laundry	\$10.08	3.03

As of: Monday, April 12, 2010

Project: Food Distribution And U.S.D.A. Warehousing Program

Refuse Collector	\$14.67	4.41
Sheet Metal Worker, Maintenance	\$25.58	7.68
Stationary Engineer	\$27.09	8.13
Tractor Operator	\$15.97	4.80
Truck Driver and Snowplow Driver, Heavy Truck - Straight truck, over 4 tons, usually 10 wheels	\$22.21	6.67
Truck Driver and Snowplow Driver, Light Truck - Straight truck, under 1 1/2 tons, usually 4 wheels	\$14.97	4.50
Truck Driver and Snowplow Driver, Medium Truck - Straight truck, 1 1/2 to 4 tons inclusive, usually 6 wheels	\$18.94	5.68
Vending Machine Attendant	\$14.42	4.33
Ventilation Equipment Tender	\$21.78	6.54
Waiter/Waitress	\$10.49	3.15
Washer, Machine	\$10.97	3.30
Window Cleaner ~ Hired prior to July 1, 2009	\$14.62	4.32 + a
Window Cleaner** Hired after July 1, 2009	\$16.83	4.32 + a

As of: Monday, April 12, 2010

Project: Food Distribution And U.S.D.A. Warehousing Program

* Pursuant to Public Act 09-183 any grounds maintenance laborer or laborer hired prior to July 1, 2009 shall be classified as a janitor.

** Pursuant to Public Act 09-183, any grounds maintenance laborer, laborer or janitor hired after July 1, 2009 shall be classified as a light cleaner, heavy cleaner, furniture handler or window cleaner as appropriate.

~FOOTNOTES~

Health and Welfare to be \$4.11 per hour on July 1, 2009 and increases to \$4.32 per hour on January 1, 2010.

a. Vacation, holiday, and personal days to be determined by seniority based on the collective bargaining agreement covering the largest member of hourly non-supervisor employees employed within Hartford County (estimated to be an average of \$1.08 per hour and \$1.10 per hour on January 1, 2010).

Please direct any questions which you may have pertaining to this matter to the Wage and Workplace Standards Division, telephone (860)263-6790.

As of: Monday, April 12, 2010

Contract # 09PSX0330

RFP Contract - Exhibit A - Description of Goods and Services-NEW 1/09

EXHIBIT F

The following documents are part of this Exhibit:

Emergency/Disaster Preparedness Plan

HACCP

Credits & Returns

Recall Policy & Procedure

Sanitation Procedure/License

Integrated Pest Management Procedure



1390 Enclave Parkway
Houston, TX 77077

Sysco.com

Date: February 2009

Dear Valued Sysco Customer:

Sysco has taken many steps to be prepared for and deal with natural disaster, bioterrorism, disease pandemic and other catastrophic events. The devastating hurricane seasons of 2005 and more recently 2008 are still probably fresh in your mind and remain high in the public's perception. Given the concerns those events might have on the economy, it is no surprise that we are all interested in preparedness as a critical element of our businesses. This letter is designed to respond to those concerns and let you know Sysco continues to prepare. In the attached document, you will learn more about our enhanced Crisis Management (including Incident Management Teams, the Tactical Support Team, and the Crisis Management Team), our Emergency Preparedness Plans, our contingency plans for Technology and Communication Functions, and our commitments as a critical infrastructure/key resource.

Just as we have prepared for possible disasters or emergencies, Sysco has made plans for business disruptions in the event of a chemical release, bomb threat, product/food defense, etc. These plans contain elements of resource management and logistics; human capital and succession planning; delegation of authority; structured incident management and planning guidelines; and training and exercising our plans to identify corrective actions based on our learning.

Periodically, we will provide you additional insight into our preparedness plans at the operating company and corporate level. In addition, we will inform you should events occur that would set these plans in motion.

We trust you will find this letter useful; however, should you have need for additional information, please feel free to contact your local Sysco Sales Representative.

Sincerely,

Sandra Carson

Vice President, Safety and Crisis Management

Sysco Corporation

CUSTOMER EMERGENCY PREPAREDNESS LETTER

Date: February 2009

Enhanced Crisis Management

Sysco has established a corporate goal to have a world class crisis management program. As part of this effort, the company is in the process of implementing **Incident Management Teams** based on the National Incident Management System (NIMS) at key field offices operating companies. The effort began at the corporate campus and will continue with follow-on training throughout the year for other offices.

Sysco decided to base its program on the NIMS model for several key reasons. First and foremost, NIMS is the gold standard for incident management throughout the US. As part of the National Response Plan, the Department of Homeland Security (DHS) has designated Sysco and the food industry as one of the 17 national Critical Infrastructure/Key Resources (CI/KR). DHS has endorsed the implementation of NIMS by CI/KR sectors. We expect that to become mandatory. Second, implementation of an incident management system like NIMS is a requirement of the Private Sector Preparedness Act (Title IX, PL 110-53) as well as NFPA 1600, the current US standard for business continuity/emergency management. Most importantly, implementing NIMS is the best approach to reach our corporate objectives for a world class crisis management program throughout Sysco.

Although most day-to-day incidents are handled by our operating companies and their respective incident management teams, a small percentage of incidents have the potential to become a major, company-wide crisis. A bioterrorism event and an avian flu outbreak are good examples of the type of events that could become a crisis for both Sysco and all of North America.

With that in mind, Sysco has also taken steps to strengthen and enhance its internal crisis management structure with the implementation of two corporate-level teams.

- The first is the **Tactical Support Team** comprised of corporate level functional leadership. This team works directly with the field office and operating company incident management teams in those few instances where corporate level support may be required to make sure our operating companies are meeting the needs of our customers.
- The second is the **Crisis Management Group** established at Sysco's corporate headquarters. The Crisis Management Group is comprised of select corporate officers and senior managers of Sysco. The Crisis Management Group has a strategic focus to help guide our overall response and work with the Incident Management and Tactical Support Teams to develop business strategies to address any potential company-wide business consequences.

Our crisis management strategy centralizes communication, control and command with the team best positioned to prepare for, prevent, manage, mitigate and recover from issues and adverse events that threaten our people, value, brand, finances, operations, business objectives and, of course our reputation.

Emergency Preparedness Plans

For many years, each Sysco broadband, specialty meat, specialty produce, international food group and Sygma operating company has been charged with preparing and updating a Sysco emergency preparedness plan using a format provided by the Sysco corporate office. These plans:

- Address anticipated problems such as natural and manmade emergencies, including earthquakes, hurricanes, fires, bioterrorism acts and other events, and provides a process to prepare for, respond to and recover from such events and the impact they may have on the company and its associates, our customers and our suppliers.
- Are reviewed at our operating companies on a recurring basis by our Operations Review Department as well as during regular visits to the operating companies by our Regional Safety Professionals to assure that a plan is in place and up to date for each location. Our operating company incident management teams also maintain close contact and communication with local emergency response and law enforcement authorities, as their assistance can be crucial during an emergency.

Technology and Communication Functions

In addition to extensive preparation at the operating company level, Sysco has established a process to provide centralized technology and communication functions with all of its operating companies in the event of an emergency.

- This process is supplemented by remotely maintained information systems. These systems, located in redundant, hardened, and geographically diverse areas, minimize risk that an event such as fire, severe weather, or earthquake could cause a computer system outage. This protects our access to data necessary for the operating companies to continue to service our customers.
- An excellent example of the effectiveness of this process occurred when Hurricane Katrina triggered catastrophic flooding in New Orleans. Our New Orleans operating company was unable to service many of its customers located in communities surrounding the city because of the high water and impassable roads. By quickly implementing the plans developed by the operating companies and using our remotely maintained information systems, our operating companies in Houston and Dallas, Texas; Jacksonville, Florida; Jackson, Mississippi and Calera, Alabama stepped into the breach and were able to service our customers in the outlying areas surrounding New Orleans.

Critical Infrastructure/Key Resources (CI/KR)

While Sysco is a part of the Department of Homeland Security private sector critical infrastructure as a key resource for food, we also have customers in critical infrastructure such as hospitals, long term care facilities, and first responder agencies that supply meals in disasters. Our programs for business continuity are built on the NIPP (National Infrastructure Protection Plan) and NRF (National Response Framework) which gives us commonality in structure, terminology, procedures, and processes with all key agencies.

- In the event of a natural disaster, Sysco Corporation, without putting our employees in harm's way, will deliver emergency product and supplies, including bottled water, **(depending upon availability)** to critical infrastructure customers as our first priority.
- Following the obligation to our critical infrastructure healthcare accounts, Sysco Corporation will

make every effort to give priority deliveries to our customers with primary vendor relationships. Furthermore, should any of our customer's facilities be disabled and incapable of storing food products, our operating companies will attempt to make arrangements for trailers to offer frozen, refrigerated, and dry storage. The use of Sysco Corporation trailers will depend upon availability, and there will be charges associated with the lease or rental of these trailers. If trailers owned by Sysco are not available, information on other trailer sources will be supplied to the facility.

- While Sysco will make every effort to fulfill these obligations, we cannot be held liable in the event of circumstances out of our control that prevent the company from performing this plan.



Sysco Connecticut, LLC

Date: May 10, 2010

Dear Valued Customer:

In the continuing effort to provide excellent customer service, Sysco Connecticut, LLC has established a two phase Disaster Planning Policy. This program is separated to make the task of planning your facility's response a little easier and to help Sysco serve all of prime vendor customers in the event of a natural disaster or man made disaster.

The key to the Disaster Planning Program is *planning*. The Management Team and our Associates at SYSCO feel strongly that we can accommodate all prime vendor requests. However, in order to accomplish this we need certain customer information to be available at our facility. This information is in a secure area and is held in complete confidence. Included in this packet are several forms that describe the 2010 SYSCO Disaster Planning Policy. It is essential that you review all of the information, then please complete the last three (3) pages and fax to our facility at 860-571-5788 on or before June 25, 2010.

SYSCO wishes to thank you for the business your company affords us, and we look forward to working closely together in the future. We will endeavor to overcome any, and all obstacles that might possibly cross our path during these potential disasters.

If you should have any questions or concerns regarding this matter, please feel free to contact your SYSCO Food Service Account Executive or call my office for further explanation.

Yours sincerely,

Allan J. Faneuf
Vice President, Multi-Unit Sales

Cc

Good things
come from
SyscoTM

Sysco Connecticut, LLC

**DISASTER PLAN
2010**

**100 Inwood Road, Rocky Hill, CT
860-571-5600**

2010 Disaster Planning Policy

Sysco Connecticut has designed a two-phase program that we feel will effectively fulfill your requests. Phase one begins at the customer level. At this time we are asking our customers to review and satisfy the suggestions and guidelines listed below. Also, to complete and return the following enclosed forms:

Account Disaster Profile
and Supplemental Order Form.

Phase I -- Customer

1. Review your current disaster stock levels to ensure adequate product is on hand. If necessary, replenish stock levels to meet census needs. (See Summary of Foodservice Disaster Requirements).
2. Make arrangements for water supplies. Sysco **does not** have the stock available to meet all of your water requirements.
3. Establish and submit to Sysco a standing disaster order to include **only** additional stock needed for staff and items to compliment the menu. For example, snack foods, nutritional supplements, cleaning supplies, fruit juices and paper supplies. Complete and submit your order on the Supplemental Order Form included in this packet. **Orders will not be sent without communicating with the customer.**
4. Make sure your emergency order is reasonable. **We cannot take product back.**

Phase one of this program becomes complete, when the Account Disaster Profile and Supplemental Order forms are received. It is imperative to fax all forms to our facility no later than May 25, 2010.

Hurricanes

Phase II – Sysco Connecticut

1. The disaster program begins when the United States Weather Service declares a Hurricane Watch, approximately five days before expected landfall.
2. Prearranged orders will be shipped at the time a Hurricane Warning is issued with the approval of the customer. This may vary based on the severity of the storm, but all emergency supplies should be in your facility 72 hours prior to landfall. **We cannot guarantee shipment after that time.**
3. Customers with **primary vendor** relationships will receive **priority** service.
4. Customers will be called in advance to review their standing order for supplemental items as stated above in Point #3.
5. Customers must be available to receive orders on a 24-hour basis. This will be determined by the traffic conditions and expected landfall.
6. In consideration of the welfare of our employees and their families, we may well not distribute within 48 hours of an anticipated landfall, depending on the severity of the storm.

Please be advised that in the aftermath of a natural disaster, Sysco Connecticut will be in communication to inform you of any changes that may alter routine scheduled deliveries.

Your cooperation in this most important preparedness process is greatly appreciated. We look forward to assisting you but hopefully, this will only be an exercise of good faith.

Disaster Recommendations:

- Develop a disaster plan that is clear and easy to read.
- Keep the Disaster Plan in a designated place where employees can locate it quickly.
- Keep a list of phone numbers, emergency phone numbers, and addresses for your employees, and other essential people in the community e.g.; The Red Cross, National Guard, Security Companies that you deal with and keep this list with the disaster plan, as well as other locations in the facility and at home.
- Map out where your employees live so that you have an idea of when, or if, they will be able to arrive.
- Contact resources that will be able to assist you during an emergency, (e.g. primary vendor, grocery stores and drug stores nearby, restaurants, and any other facilities that may provide assistance). Keep a list of contact names and telephone numbers for those resources.
- When prioritizing work, think of patients or residents first. Hydration is most important. Consider how much bottled water and distilled water will be needed and keep a supply on hand.
- Meal preparation needs to be simple.

Keep the following items on hand:

- Convenience items (canned chili, soups, fruits, vegetables, meats and bread, etc.)
- Ready to use items (juice, pudding, gravy, etc.)
- Individually wrapped items (portion pack condiments, granola bars, cookies, etc.)
- Nutritional products (high calorie, high protein, snacks and shakes)
- Food items for pureed diets (canned puree meats, fruits, and vegetables, shelf-stable thickened liquids, food thickener, nutritional supplements)

Remember to:

- First – Use all of the edible foods in your refrigerator.
- Second - Use as many freezer foods as possible before spoilage sets in.
- Third – Start on your supply of non-perishable foods.
- Remember you may not have power.
 - Make sure you have manual can openers.
 - Make a plan for transporting meals to floors without the use of elevators.
 - Have flashlights and batteries available throughout the facility.
 - An outside grill with charcoal and lighter fluid may be necessary.
 - Have at least two or three chaffers available, and a supply of sterno.
- Keep a supply of paper and disposables.
 - Foam laminated plates, bowls, and cups
 - Plastic forks, spoons, and knives
 - Napkins, moist towelettes, etc.
- Keep a supply of janitorial products such as trash liners, bleach, disinfectant, and hand sanitizer on hand.
- Bolt chemical storage shelves to the wall.
- Do not store ammonia and bleach in the same area.
- Do not store chemicals near or around food items.
- Remember you will be managing people's feelings. Be sensitive, understanding, and try to remain calm

Date: _____

To: Sysco Connecticut
100 Inwood Road, Rocky Hill, Conn. 06067
Phone: 860-571-5600

From: _____

Account Number: _____

Please be advised that our facility has enough inventories on hand that, in the event of a natural disaster, we are only in need of the supplemental items on the enclosed order form from Sysco Connecticut **72 hours prior to expected landfall.**

However, in the aftermath of a natural disaster, we understand that Sysco Connecticut will resume routine, scheduled distribution to the best of their ability.

I understand and agree to the above statement.

(Print Name)

(Title)

(Signature)

(Date)

**IMPORTANT: THIS FORM MUST BE FAXED BACK TO OUR OFFICES
NO LATER THAN May 25, 2010
Sysco Connecticut, Fax 860-571-5788**

GUIDELINES FOR CALCULATING QUANTITIES NEEDED

To calculate number of cans needed:

1. Refer to serving size after menu item.
2. Determine number of servings per can for that serving size according to the chart below.
3. Divide the number of servings needed (patient or resident census or number of meals to be served) by the number of servings per can.

Example: Sloppy Joe

Serving Size = ½ c (4 oz)

Number of 4 oz servings per #10 can = 26

Patient census = 120

120 divided by 26 = 4.6 (5 cans needed)

Guidelines for calculating servings per can:

<u>Size of Can</u>	<u>Net Wt.</u>	4 oz (½ c)	6 oz (¾ c)	8 oz (1 c)
#10	104 oz	26	18	13
#5	46 oz	11-12	7-8	6
#303	16-17 oz	4	3	2
#300	14-16 oz	3-4	2-3	2

* Required daily servings per patient/resident:

Protein:	6 oz
Vegetables:	3-5 – 4 oz servings
Fruit:	2-4 – 4 oz servings
Bread/Starch:	6-11 servings
Milk or Milk Equivalent:	2 — 8 oz servings

* Revised 4/96, Agency for HealthCare Administration

Customer To Do List

- Disaster Inventory On Hand Commitment
- Account Profile / Emergency Contact List
- Supplemental Order Form, if needed

Account Name: _____
Account Number: _____
Business Address: _____
City, State, Zip: _____
Office Telephone: _____
Alternate Phone: _____ Fax: _____

Primary Contact: _____
Title: _____
Home Phone: _____ Pager: _____
Cell Phone: _____ Email: _____

CONTACT 2:
Title: _____
Home Phone: _____ Pager: _____
Cell Phone: _____ Email: _____

CONTACT 3:
Title: _____
Home Phone: _____ Pager: _____
Cell Phone: _____ Email: _____

In case the phone lines are down, please include one contact unlikely to be affected by the emergency i.e. someone in your corporate office. Please fax back to 860-571-5788 by May 25, 2010

SUGGESTED DISASTER MENU

	BREAKFAST	LUNCH	DINNER
DAY 1	Orange Juice, 3/4 c Dry Cereal, 3/4 c Milk, 1 c Sugar, 2 pks	Chicken or Tuna Salad, 1/2 c Bread, 2 slice Pickled Beef Salad, 1/2 c Apricots, 1/2 c Cookies, 2 Beverage, 1 c	Beef Stew w/ potatoes, 1 c Green Peas, 1/2 c Applesauce, 1/2 c Bread or Crackers 1 slice/2 pks Milk, 1 c * Snack
DAY 2	Apple Juice, 3/4 c Dry Cereal, 3/4 c Milk 1 c Sugar, 2 pks	Macaroni & Cheese, 1 c 4 Bean Salad, 1/2 c Crackers, 2 pks Peaches, 1/2 c Beverage, 1 c	Sloppy Joe, 1/2 c on Bread (2) or Taco Shell (2) Corn, 1/2 c Tropical Fruit, 1/2 c Milk, 1 c * Snack
DAY 3	Orange or Blended Juice, 3/4 c Dry Cereal, 3/4 c Milk, 1 c Sugar, 2 pks	Bean or Split Pea Soup, 1 c Peanut Butter (2 T) & Jelly Bread (2) Graham Crackers (6) Apple Raisin Salad, 1/2 c Pudding, 1/2 c Beverage, 1 c	Chicken & Dumplings, 1 c Carrots, 1/2 c Bread or Crackers 1 slice/2 pks Fruit Cocktail, 1/2 c Milk, 1 c * Snack
DAY 4	Apple or Blended Juice, 3/4 c Dry Cereal, 3/4 c Milk, 1 c Sugar, 2 pks	Tuna Salad, 1/2 c Potato Salad, 1/2 c Bread or Crackers 1 slice/2 pks Pineapple, 1/2 c Tomato Juice, 1/2 c Beverage, 1 c	Beef Ravioli, 1 c Parmesan Cheese, 2 T Green Beans, 1/2 c Bread or Crackers 1 slice/2 pks Pears, 1/2 c Milk, 1 c * Snack
DAY 5	Pineapple or Blended Juice, 3/4 c Dry Cereal, 3/4 c Milk, 1 c Sugar, 2 pks	Beef Cubes w/BBQ Sauce, 1/2 c Baked Beans, 1/2 c Bread, 2 slices Tropical Fruit, 1/2 c Beverage, 1 c	Corned Beef Hash, 1 c Mixed Vegetables, 1/2 c Bread or Crackers 1 slice/2 pks Applesauce, 1/2 c Milk, 1 c * Snack
DAY 6	Cranberry or Blended Juice, 3/4 c Dry Cereal, 3/4 c Milk, 1 c Sugar, 2 pks	Chicken or Tuna Salad, 1/2 c Crackers, 4 pks Mandarin Oranges, 1/2 c Tomato Juice, 1/2 c Cookies, 2 Beverage, 1 c	Chili Con Carne, 1 c Peas & Carrots, 1/2 c Bread or Crackers 1 slice/2 pks Mixed Fruit, 1/2 c Milk, 1 c * Snack
DAY 7	Orange or Blended Juice, 3/4 c Dry Cereal, 3/4 c Milk, 1 c Sugar, 2 pks	Peanut Butter (2T) & Jelly Graham Crackers, 6 Peaches, 1/2 c Pudding, 1/2 c Beverage, 1 c	Cream Chip Beef, 3/4 c Diced or Mashed Potatoes, 1/2 c 4 Bean Salad, 1/2 c Crackers, 2 pks Mixed Fruit, 1/2 c

* One snack per day included in daily menu. Snack should provide one additional bread/starch serving (example: 1 pkg. peanut butter crackers) and one vegetable serving (ex: 4 oz tomato or V-8 juice).

B Breakfast Bar may be substituted for dry cereal at Breakfast.

Sysco Connecticut

Memorandum

DATE: May 4, 2010
TO: All Customers
FROM: ALLAN J. FANEUF
RE: DISASTER PREPAREDNESS - WATER REQUIREMENTS

With the onset of the hurricane season, many of you are checking your disaster supplies, rotating stock and replenishing your water and shelf stable food items.

If SYSCO is your primary vendor, we provide your facility with a "Letter of Intent" with regard to delivering groceries prior to or during disaster conditions. Unfortunately, we do not keep large quantities of water in stock and cannot be considered your water supplier in the event of a disaster situation.

My suggestion to all of you is to contact a water company directly and make arrangements with them to keep your water inventory at the required par level based on your patient capacity. They are better equipped to service you in the event of a disaster for your water needs.

We can special order large quantities of water; however, this could be a 2-3 week wait time and cannot be relied upon in the event of an emergency situation as during Hurricane Katrina, FEMA took over the responsibility and distribution of all bottled water, and our supply chain was heavily disrupted by this action.

Thank you for your continued patronage. We want to also thank you, in advance, for your cooperation and understanding of our position regarding your disaster related water needs.

GENERAL CUSTOMER LETTER

Date: May 2010

Dear Valued SYSCO Customer:



Sysco Connecticut
100 Inwood Road
Rocky Hill, Ct 06067
T 860-571-5600
F 860-571-5621

sysco.com

SYSCO has taken many steps to deal with and be prepared for a natural disaster, disease pandemic and other catastrophic events. The devastating hurricane season of 2005 is still probably fresh in your mind and remains high in the public's perception. Given those events and the concerns over the impact that a possible avian flu pandemic might have on the economy, it is no surprise that we are all interested in preparedness as a critical element of our businesses. This letter is designed to respond to those concerns and let you know how we are continuing to prepare.

Enhanced Crisis Management

Although most day-to-day incidents are handled by our operating companies and their respective response teams, a small percentage of incidents have the potential to become a company-wide crisis. The potential impact of an avian flu outbreak is a good example of the type of event that could become a crisis for SYSCO and all of North America.

With that in mind, SYSCO has taken steps to strengthen and enhance its crisis management structure with the implementation of two Corporate-level teams.

- The first is the **Tactical Support Team** comprised of corporate level functional leadership. This team will work directly with the operating companies in those few instances where corporate level support may be required to make sure our operating companies are meeting the needs of our customers.

- The second team is the **Crisis Management Team** established at SYSCO's corporate headquarters. The Crisis Management Team is comprised of select corporate officers and senior managers of SYSCO. The Crisis Management

Team is a strategic team that will guide our overall response and work with the Tactical Support Team to develop business strategies to address any potential company-wide business consequences.

Emergency Preparedness Plans

For many years, each SYSCO broadline, specialty meat, specialty produce or SYGMA operating company has been charged with preparing and updating a SYSCO emergency preparedness plan using a format provided by the SYSCO corporate office. These plans:

- Address anticipated problems such as natural and manmade emergencies, including earthquakes, hurricanes, fires, bio terrorism acts and other events, and provide a process to prepare for, respond to and recover from such events and the impact they may have on the company and its associates, our customers and our suppliers.

- Are reviewed at our operating companies on a periodic basis by our Operations Review Department as well as by regular visits to the operating companies by our Regional Safety Professionals to assure that a plan is in place and up to date for each location. Our operating companies also maintain close contact and communication with local emergency response and law enforcement authorities, as their assistance can be crucial during an emergency.

Command and Communication Functions

In addition to extensive preparation at the operating company level, SYSCO has established a process to provide command and communication functions with all of its operating companies in the event of an emergency.

- This process is supplemented by remotely maintained information systems. These systems, located in redundant, hardened and geographically diverse areas, minimize risk that an event such as fire, windstorm or earthquake could

cause a computer system outage. This protects our access to data necessary for the operating companies to continue to service our customers.

- An excellent example of the effectiveness of this process occurred when Hurricane Katrina triggered catastrophic flooding in New Orleans. Our New Orleans operating company was unable to service many of its customers located in communities surrounding the city because of the high water and impassable roads. Quickly implementing the plans developed by the operating companies and using our remotely maintained information systems, our operating companies in Houston and Dallas, Texas; Jacksonville, Florida; Jackson, Mississippi and Calera, Alabama stepped into the breach and were able to service our customers in the outlying areas surrounding New Orleans.

Rest assured that just as we have prepared for other possible disasters or emergencies, we are now making preparations for business disruptions in the event of an avian flu pandemic. Periodically, we will be providing you with additional insight into our plans at the operating company and corporate level. We will keep you informed should events occur that would set these plans in motion.

We trust this letter will be useful to you; however, should you have need for additional information, please feel free to contact your local SYSCO Sales Representative.

Sincerely,

Sandra Carson

Assistant Vice President, Safety and Crisis Management

SYSCO Corporation



Sysco Connecticut, LLC.
100 Inwood Road
Rocky Hill, Ct 06067
T 860-571-5600
F 860-571-5621
sysco.com

Company Overview

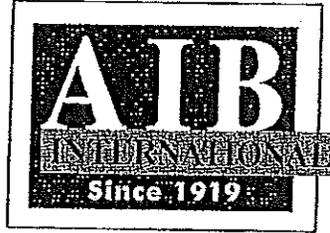
Sysco Connecticut, LLC is a wholly owned subsidiary of Sysco Corporation. The Sysco corporate office is located at 1390 Enclave Parkway Houston, TX 77077.

Sysco Connecticut, LLC, located at 100 Inwood Road Rocky Hill, CT 06067 is a warehouse facility that receives, stores and distributes food, paper supplies, equipment and chemicals to restaurants, health care facilities, institutions and schools. We are considered a full service distribution company because we currently warehouse over 10,000 items. Our warehouse is 267,000 sq. ft. and consists of office, dry, refrigerated and frozen storage areas. We distribute product throughout Connecticut, Western Massachusetts, Rhode Island and New York.

Sysco Connecticut, LLC distributes a variety of different fish species in various product forms (whole, gutted, fillets, steak, loins, etc.) both fresh and frozen. In addition, we distribute fresh and frozen shellfish and fresh, frozen and dry items containing seafood.

Validity unknown

2
Digitally signed by AIB CMS
Date: 2010.05.10 13:15:52 -0500
Reason: Prepared for SYSCO Connecticut, LLC, no access to the
audit history and history of PIS of 2009
Loraine Manhattan, KS



FOOD SAFETY INSPECTION REPORT

For
SYSCO

AMENDED REPORT

#SYS-D-116
SYSCO Connecticut, LLC
100 Inwood Rd
Rocky Hill, CT 06067-3434

TYPE OF AUDIT
UNANNOUNCED

INSPECTION DATE

April 12, 2010

REVISED DATE

May 10, 2010

AIB International Inc.

1213 Bakers Way • PO Box 3999 • Manhattan, KS 66505-3999
(785-537-4750) • (800-633-5137) • Fax (785-537-1493)

<http://www.aibonline.org>

RATING

A Food Safety inspection was conducted at this facility on April 12, 2010.

The writer was accompanied throughout the inspection by Carlos Gomez, Safety Manager; Micahel Lombardi, Safety Analyst; Scott Bedard, Vice President of Warehouse.

At the conclusion of the inspection, a meeting was held with Carlos Gomez, Safety Manager; Micahel Lombardi, Safety Analyst; Scott Bedard, Vice President of Warehouse to discuss the observations, recommendations, and rating.

Based on the observations made, the information obtained, and the criteria set forth in the *AIB International Inc. Consolidated Standards for Inspection: Food Distribution Centers*, the overall food safety level of this facility was considered to be:

SUPERIOR

(965)

AIB International Inc. states that this report as dated and provided herein is to be construed as its findings and recommendations, category scores, total score, and rating. A passing score of 700 and above is not a certification of the facility, products or programs. AIB International Inc. does not accept or assume responsibility for the Prerequisite and Food Safety Programs in effect with (customer). AIB International Inc. is only reporting the food safety conditions of (customer) as of the date of this report and assumes no responsibility or liability as to whether (customer) does or does not carry out the recommendations as contained in this report.

RATING ANALYSIS

DATE OF INSPECTION: April 12, 2010

TYPE OF INSPECTION: Unannounced

OVERALL RATING: SUPERIOR

OPERATIONAL METHODS AND PERSONNEL PRACTICES	195
MAINTENANCE FOR FOOD SAFETY	175
CLEANING PRACTICES	200
INTEGRATED PEST MANAGEMENT	200
ADEQUACY OF FOOD SAFETY PROGRAMS	<u>195</u>
TOTAL:	965

Rating Guidance for HACCP - VERIFICATION:

Rating of HACCP Verification:

SECTION I

For each missing element subtract 5 points from 200 down to a minimum rating of 175.

Exceptions:

- HACCP manual could not be located - Unsatisfactory
- No HACCP Coordinator identified - Unsatisfactory
- No supporting evidence that HACCP Coordinator has been trained or has been scheduled for training - Unsatisfactory

Section I Rating: 200 _____

SECTION II

Each purchase order is to be considered as a single element for purposes of rating. Any missing information or deficiencies from one to multiple omissions on a single purchase order results in a 20 point deduction for a rating of 180 (MINOR IMPROVEMENT).

If a second purchase order is missing any information or has deficiencies, deduct another 25 points for a score of 155 (SERIOUS).

If three or more purchase orders are missing information or have deficiencies, rate as 135 (Unsatisfactory).

Section II Rating: 200 _____

SECTION III

Each question is considered as a separate element. One missing or deficient element is rated as 180 (MINOR IMPROVEMENT).

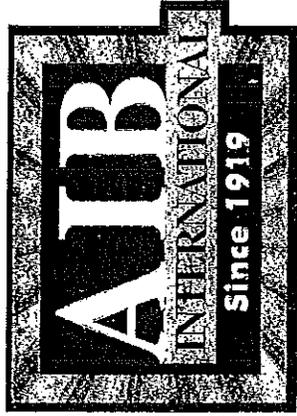
Two missing elements are rated as 155 (SERIOUS).

Three or more missing or deficient elements are rated as 135 (UNSATISFACTORY).

Section III Rating: 200 _____

OVERALL HACCP VERIFICATION RATING: 200 _____
(Overall rating is the lowest of the three scores.)

RECOGNITION OF ACHIEVEMENT



Unannounced

SYSCO Connecticut, LLC
Rocky Hill, Connecticut

Was inspected by a qualified AIB International Inspector on

April 12, 2010

and at that time was found to have fulfilled the requirements of the
AIB International Consolidated Standards for Prerequisites and Food Safety Programs.

James R. Mangera
 President and CEO

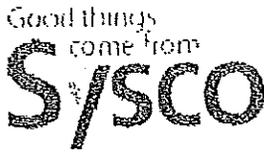
William A. ...
 VP, Food Safety Education

Daniel P. ...
 Chairman of the Board

Margaret C. ...
 VP, Audit/Technical Services

SUPERIOR

965

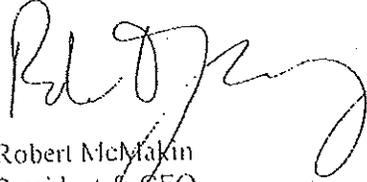


April 16, 2010

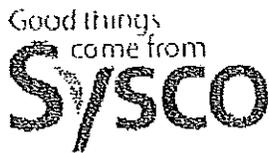
CERTIFICATE OF COMPLIANCE

This document certifies that as of November 1, 1997, Sysco Food Services of Connecticut has been operating under the U.S. Food and Drug Administration federally mandated HACCP regulations for the safe and sanitary procedures for fish and fishery products.

Sysco Food Services of Connecticut has conducted a hazard analysis for all fish and fishery products: Defined as *"Any human food product in which fish is the characterizing ingredients. Fish means fresh or saltwater finfish, crustaceans, other forms of aquatic life (including, but not limited to alligator, frog, aquatic turtle, jellyfish, sea cucumber, sea urchin) and all mollusks (including abalone, sea and land snails, conch), where such animal life is intended for human consumption"*, and constructed a HACCP Plan where applicable, written and implemented standard sanitation operating procedures and follow good manufacturing practices as outlined by the U.S. Food and Drug Administration.



Robert McMakin
President & CEO
SFS of Connecticut



To Our Valued Customer:

Sysco Connecticut LLC is in compliance with the USDA Food Safety and Inspection Service HACCP requirements for specific applicable products. HACCP stands for Hazard Analysis and Critical Control Point systems. As a process control system, HACCP is used to prevent hazards to the food supply and a tool in the control, reduction, and prevention for unsafe pathogens. Government views HACCP as one of the tools in its regulatory approach to protect public health.

Government agencies are responsible for setting appropriate food safety standards. The HACCP rule is the centerpiece of the new regulatory approach because it mandates HACCP, sets certain food safety performance standards, establishes testing programs to ensure those standards are met, and assigns new tasks to inspectors to enable them to ensure regulatory performance standards are met.

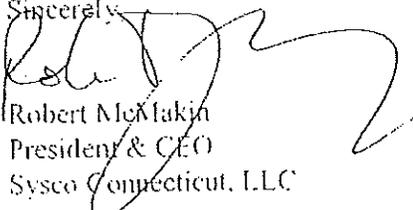
Under HACCP, a plant analyzes its process to determine at what points hazards might exist that could affect the safety of its products.

Please be assured that we at Sysco Connecticut LLC meet or exceed all applicable government standards and inspection requirements as issued by the USDA, USDC, FDA, and other regulatory agencies that apply to us.

Unannounced throughout the year, we at Sysco Connecticut, LLC regularly are required to participate in Food Safety inspections. We have always passed these inspections above the regulatory criteria that are used for our industry. We have in place strict product and process requirements to provide the most wholesome, safe and consistent products to our customers.

If you have any further questions, please feel free to call on our VP of Human Resources-Risk Management, Maryann Rafferty at 860-571-5735 or myself.

Sincerely,



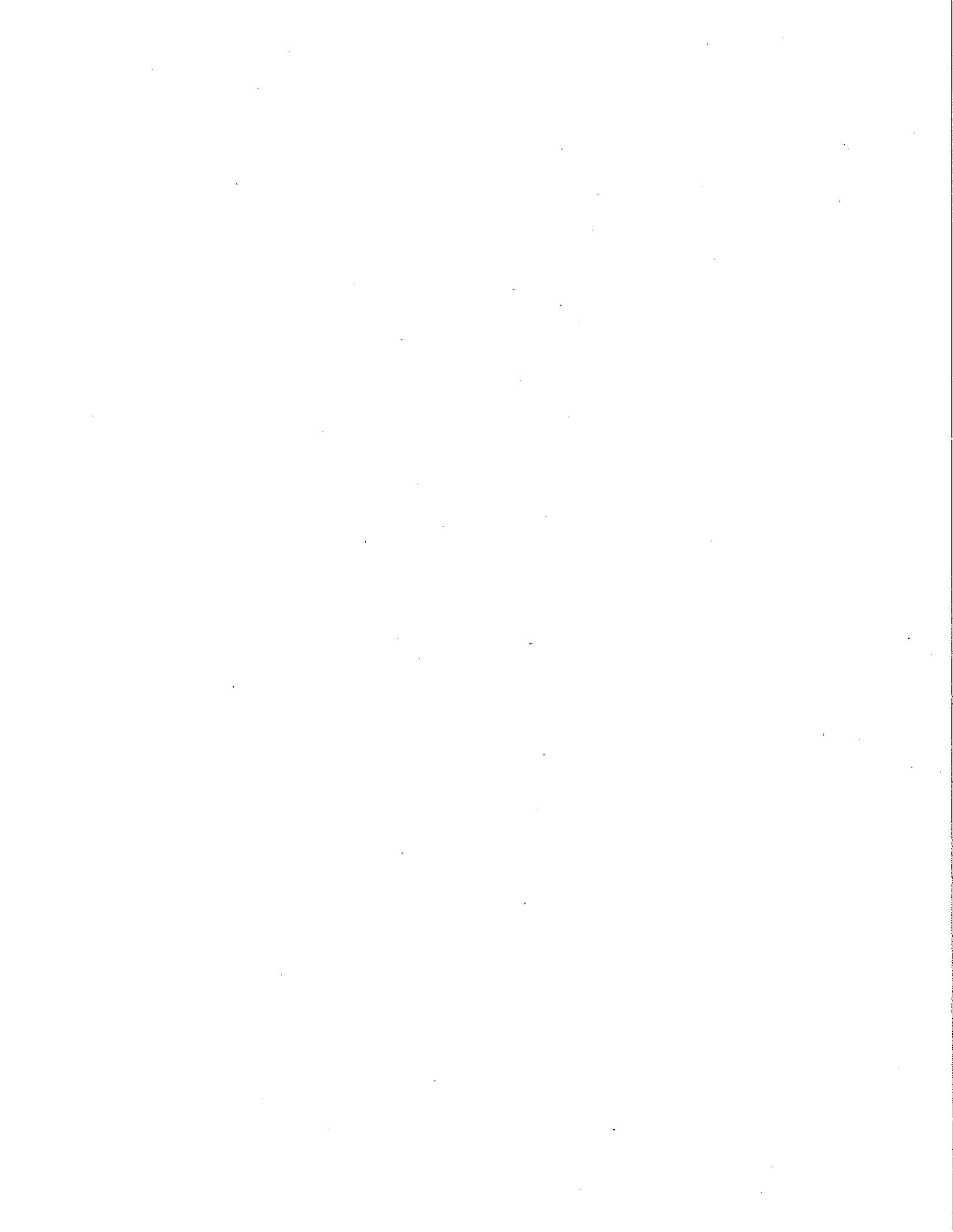
Robert McMakin
President & CEO
Sysco Connecticut, LLC

RECALL POLICY
AND
PROCEDURES

Sysco Connecticut, LLC.

100 INWOOD ROAD
ROCKY HILL, CT 06067

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RECALL POLICY-OPERATING COMPANY

Stock Recovery: This is a situation involving a firm's removal or correction of a product that has not been marketed or that has not left the direct control of the company (i.e., the product is located on premises owned by or under the control of the firm and no portion of the lot has been released for sale).

Recall Number: The number assigned to the recall by the FDA or FSIS, regardless of package size, lot numbers, and private labels. If a manufacturer requests a wholesaler, distributor, or retailer to extend the recall to a lower level (assuming no change of the product has occurred), the same recall number assigned to the manufacturer will be used. If the product has been changed, a separate recall number will be assigned by the FDA or FSIS. A separate recall number will also be assigned by the FDA or FSIS, if a recalled product has been reprocessed or used in manufacturing another product and an extension of the recall is needed to cover the reprocessed or manufactured material.

Depth of Recall: The depth of recall is the distribution chain level at which the recall will be aimed. If a product is not hazardous, a recall directed only at wholesale purchasers may suffice. For more serious defects, a firm normally will conduct a recall to the retail level. And if the public health could be seriously affected, the recall may be designed to reach the individual consumer level. The depth of recall categories are as follows:

Consumer or User Level of Recall: Recall to the final customer or user of the product, such as the individual consumer, restaurant or school.

Retail Level of Recall: Recall to the level immediately preceding the consumer or user level such as warehouse stores, grocery stores, and cash and carry stores.

Wholesale Level of Recall: Recall to the level or levels between the manufacturer and retailer. This level includes SYSCO Operating Companies.

Effectiveness Checks: A firm is responsible for conducting “effectiveness checks” to verify that everyone at the chosen recall depth has been notified and has taken the necessary action. An alphabetic letter represents the extent to which these verifications are made. These are as follows:

Level A Effectiveness Checks: 100% of known recipients of the product to be contacted. Level A effectiveness checks will be warranted in Class I Recalls.

Level B Effectiveness Checks: Some percentage of the total number of recipients of the product to be contacted, which percentage is determined on a case-by-case basis (greater than 10%, but less than 100%). Level B effectiveness checks will be warranted in Class I or II Recalls, dependent upon the circumstances.

Level C Effectiveness Checks: 10% of the total number of recipients of the product to be contacted. Level C effectiveness checks will be warranted in Class II or III Recalls and in Market Withdrawals.

Level D Effectiveness Checks: 2% of the total number of recipients of the product to be contacted. Level D effectiveness checks will be warranted in Class III Recalls and in Market Withdrawals.

Level E Effectiveness Checks: No effectiveness checks will be conducted when this level is designated.

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Recall Communications: A recalling firm is responsible for promptly notifying each of its affected direct accounts about the recall. A recall communication should be brief and to the point.

- It should clearly identify the product being recalled and its size, lot numbers, product codes, and any other pertinent descriptive information to enable accurate and immediate identification of the product.
- It should indicate that further distribution or use of any remaining product should cease immediately.
- It should explain concisely the reason for the recall and the hazard involved, if any.
- It should provide specific instructions on what should be done with the recalled products. It must provide a ready means for the recipient of the communication to report to the recalling firm whether it has any of the product (e.g., by returning a preprinted form to a designated fax number).

A recall communication can be accomplished by Fax, telegrams, mailgrams, or overnight mailings, conspicuously marked, preferably in bold red type, on the letter and the envelope: "ATTN: FOOD SERVICE ". Telephone calls or other personal contact should ordinarily be confirmed by one of the above methods and/or documented in an appropriate manner. Suggested forms of communication are contained in VII Exhibits.

The recall communication should not contain irrelevant qualifications, promotional materials or any other statement that may detract from the message. Where necessary, follow-up communications should be sent to those who fail to respond to the initial recall communication.

Termination of Recall: A recall will be terminated when all reasonable efforts have been made to remove or correct the product in accordance with the recall strategy, and when it is reasonable to assume that the product subject to the recall has been removed and proper disposition or correction has been made commensurate with the degree of hazard presented. Written notification that a recall is terminated will be issued by FDA or FSIS to the recalling firm.

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III. RECALL RESPONSIBILITIES

- A. The decision to initiate a recall is the responsibility of the President of Foodservice Operations or, in that person's absence, the Executive Vice President of Merchandising Services. The decision to assume the responsibility for a recall activity previously initiated by a supplier/regulatory agency will be made by the Recall Coordinator. The proper execution of a recall depends on the Recall Coordinator and the Recall Team, a standby group of personnel that is vital to the success of the recall action plan.
- B. The Recall Coordinator directs all activities of the Recall Team, which is composed of the Recall Coordinator, and representatives of the following SYSCO departments:

- Corporate Communications
- Legal
- Insurance
- Quality Assurance
- Merchandising Services

The personnel and alternates assigned to the Recall Team are set forth in Section I.

The major responsibilities of the Recall Team are to:

1. Evaluate pertinent facts, information and reports to confirm (or, in the event of SYSCO-initiated action, to determine) the degree of the hazard, the recall class, recall depth, and appropriate regulatory agency notification.
2. Create the form of written notification of the recall decision to all affected customers.
3. Notify ALL SYSCO Operating Company executives with instructions for the recall, including all product information and directives to stop shipments. Specifically indicate in notification which SYSCO operating companies are the affected companies.

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4. Develop a recovery force, which will prepare recall forms, conduct supplier notification and customer notification.
 5. Establish lines of communication within the company, with the media, the insurance carrier, and with the appropriate regulatory agencies.
 6. Prepare recall letters and press releases. Clear all press releases through the Director, Investor & Media Relations at corporate.
 7. Implement effectiveness checks to verify receipt of all recall communications.
 8. Maintain a log of all recall events.
 9. Evaluate recall facts to assist in correcting errant manufacturing or distribution practices.
 10. Identify and implement procedures for terminating the recall.
 11. Evaluate the recall process to seek improvement in performing future recalls.
- C. The responsibility of individuals and alternates on the Recall Team are as follows:

Recall Coordinator Responsibilities

1. Evaluate preliminary information from Merchandising Services, Quality Assurance, SYSCO Operating Companies, operator-customers, end-user-customers, SYSCO in-transit warehouses, regulatory agencies, or suppliers concerning suspected health hazards, quality defects, or product adulteration, and obtain product samples, if necessary.
2. Coordinate efforts with Quality Assurance staff and supplier technical personnel to make a preliminary analysis of the hazard.
3. If a health hazard is confirmed and the President of Foodservice Operations decides to recall, call an immediate Recall Team meeting; coordinate and direct all activities of the recall procedure.
4. Coordinate and direct all activities involved in the disposition of recalled product.

5. Coordinate and direct all activities necessary to correct errant distribution practices.
6. Coordinate and direct internal communications.
7. In the event of regulatory agency involvement, participate in all discussions and maintain records. Prepare final report to regulatory agency if required.
8. Implement effectiveness checks.
9. Maintain a log of all recall events.

Corporate Communications Responsibilities

1. In conjunction with the Recall Coordinator and Recall Team, prepare all external communications and function as media contact.

Legal Department Responsibilities

1. In conjunction with the Recall Coordinator and Recall Team, participate in the health hazard evaluation presented by the product in question.
2. Ensure that a recall of product meets all applicable legal requirements.
3. Advise Recall Coordinator on appropriate actions to be taken to protect the rights of the company and its officials.
4. Review all communications with regulatory agencies.
5. Assist Corporate Communications in final drafting of information for release to the public.

Insurance Department Responsibilities

1. Advise Recall Coordinator of the status and extent of the supplier's insurance coverage and hold harmless agreement.
2. Notify Company product liability carrier of the recall situation and keep carrier advised as necessary.

Quality Assurance Responsibilities

1. Receive complaint information and document on a SYSCO Brand Product Discrepancy Notice form (see Exhibit A).
2. Assist Recall Coordinator in making preliminary analysis of potential hazard.
3. Notify supplier of initiation of recall action and advise supplier to stop production and distribution of suspect product.
4. Obtain all analytical lot information, lot records, product codes, ship dates, code dates, etc., to trace destination of suspect product.
5. Obtain suspect product sample when possible and arrange for shipment to designated laboratory for analysis. Provide product-specific shipping instructions to customer.
6. Isolate documents and impound product at distribution outlets, including customers' and suppliers' warehouses.
7. If hazard is confirmed and product has reached customer level, immediately notify, by facsimile or e-mail, ALL SYSCO Operating Company Presidents, Chief Financial Officers, and Vice Presidents/Directors of Merchandising of all pertinent information regarding the recall (see Exhibit B). Specifically identify affected SYSCO operating companies in this notification.
8. Supervise and document the retrieval of suspect product from the customer (see Exhibit C).
9. Assist at the supplier level in isolating and impounding any raw materials or packaging components responsible for the product deficiency.
10. Confirm and document destruction of returned product if final disposition requires destruction.
11. Retain and provide security for any product samples or materials as requested by the Legal Department.
12. Execute quarterly a mock recall to assess effectiveness of procedures.

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Merchandising Services Responsibilities

1. Receive complaint information and document on approved SYSCO Brand Product Discrepancy Notice form (see Exhibit A).
2. Assist Quality Assurance in obtaining product or having product shipped to designated laboratories for analysis.
3. Assist Quality Assurance in coordinating recall notification (see Exhibit B).
4. Document the dollar amounts payable to the customer.
5. Coordinate replacement of suspect product.

Accounting Responsibilities

1. Ensure that operating companies have assessed and accounted for all costs associated with recall.
2. Ensure that operating companies have initiated a timely recovery of all recall costs.

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IV. ORGANIZATION AND COMMUNICATION GUIDELINES

- A. Complaints: Notification of any physical illness or of any potentially serious product defect or complaint developed through SYSCO's complaint-handling procedure is to be communicated directly to the Recall Coordinator (or designee) Legal Department, and the Insurance Department.
- B. Preliminary Analysis of Hazard: If the Recall Coordinator, with the advice of the Quality Assurance and Legal Departments, determines that the complaint is an isolated instance, invalid, or does not involve any substantial hazard or quality defect, it is to be handled as a normal product quality complaint.
- C. Product Recalls and Withdrawals: When there is reasonable evidence that a potential problem that could warrant a SYSCO-initiated recall may exist, the findings are to be communicated by the Recall Coordinator to the President of Foodservice Operations and the Recall Team. In consultation with legal counsel, the Recall Coordinator will recommend to the President of Foodservice Operations actions to be taken, including what, if any, additional information needs to be developed and whether the appropriate regulatory agencies should be notified. The Recall Coordinator will continue to investigate the complaint to confirm the presence or absence of hazards or defects, utilizing all information available.

Decisions not to withdraw or recall a product are to be communicated internally to the Recall Team and to the regulatory agency involved (if such agency was previously informed of the possibility of recall or withdrawal). Subsequent activity would then be the same as in handling a normal product quality complaint.

Decisions to recall will be communicated immediately to the Recall Team and to the appropriate regulatory agency. The Recall Coordinator will direct all recall activities as detailed in Section II, Recall Responsibilities, of this manual.

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In the event of a recall initiated by a supplier or regulatory agency, the Recall Coordinator will immediately notify the Recall Team, and will direct all recall activities as specified in Section II, Recall Responsibilities, of this manual.

- D. Communication: In the event of a recall, external communications with customers and the news media are critical to recalling the product and avoiding damaging publicity. Therefore, all communication with the media will be handled by the Corporate Communications Department. All communications with customers will be approved by the Recall Team. Where emergency situations exist, telephone or facsimile transmission will be used in notifying customers and in locating product for return. To demonstrate that the company is acting in the customer's best interest, and to avoid publication of erroneous information, position statements will be prepared by the Corporate Communications Department for response to news media inquiries. Such information will be coordinated with the regulatory agency involved and given to the news media voluntarily. Accurate, timely communications with regulatory agencies is important; contact with the agency and release of information to the press will be made only when solid facts are available.

All internal communications regarding a recall and its progress are to be made by the Recall Coordinator and Corporate Communications Department. Their statements will describe the situation as it then exists. All calls from the media or the general public must be referred to the Corporate Communications Department.

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V. RECALL PROCEDURES

(Process flow chart - Exhibit E)

- A. Receive Complaint: Customer complaints are normally directed to the Merchandising Services, Quality Assurance, or Insurance Departments for handling. If a potentially serious complaint is brought to the attention of these departments, the Recall Coordinator and the Legal Department must be notified immediately. Document all pertinent information as required on a SYSCO Brand Product Discrepancy Notice form (see Exhibit A). When available, suspect product will be obtained for shipment to designated laboratories.
- B. Assessment of Public Health Significance: Based upon evidence and advice supplied by Quality Assurance and other departments, the Recall Coordinator or the President of Foodservice Operations will determine the need to initiate immediate recall. In the event of any recall, the Recall Coordinator will order that all inventories of the product be impounded. The speed with which a product recall is put into effect is critical. Regulatory agencies require assurance that a recall will be carried out effectively and quickly.
- C. Formal Notification of Regulatory Agency: The Recall Coordinator will notify the Recall Team when it becomes necessary to initiate a product recall. The Recall Coordinator will consult with legal counsel to ensure compliance with government regulations, and to determine company liability for seizures, injunctions, and prosecutions. When a decision to recall is made, the Recall Coordinator will communicate directly with the appropriate regulatory agency. The notice to regulatory agencies must include:
1. Identity of the product
 2. Reason for the removal or correction, and the date and circumstances under which the product deficiency, or possible deficiency, was discovered
 3. Evaluation of the risk

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4. Total amount of suspected product produced and/or time span of the production
 5. Total amount of suspect product estimated to be in distribution channels
 6. Distribution information
 7. Copies of actual or proposed communications
 8. Proposed recall strategy
 9. Name, title and telephone number of responsible firm official
- D. Classification and Recall Depth: After formal notification that the company has initiated a voluntary recall, the regulatory agency involved will assign a Recall Classification. The classification assigned is dependent upon the degree of health hazard associated with consumer use of the suspect product. Thus, it is extremely important to have conducted a thorough investigation of the degree of hazard in any product complaint prior to notification of regulatory agencies in order to provide the necessary facts. Regulatory agencies assign classifications of I, II, or III, as described in Section I.C. of this manual. The depth of recall (i.e., the level of the distribution chain to which the recall is to extend) is directly dependent upon the classification assigned. The regulatory agencies will determine, based on facts supplied, if suspect product should be retrieved from the wholesale, retail, and/or consumer level. Class I Recalls require removal from the consumer level.
- E. Formal Communication/Public Notice: The Recall Coordinator will direct communications to customers and regulatory agencies. The format, content, and extent of a recall communication should be commensurate with the hazard presented by the product being recalled and the strategy developed for that recall. The Recall Coordinator will order immediate notification of the customers by BSCC Department to locate and withhold from sale all suspect products. The depth of recall will be clearly identified to the BSCC Department to achieve the necessary level of communication. If the recall involves a potential health hazard, communication must be made by the quickest means possible (i.e., facsimile transmission).

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In the event of a serious hazard, customers will be advised to return suspect product to a designated location.

Only the Corporate Communications Department will release communications to the media after receiving advice from the Legal Department and other members of the Recall Team.

If it is likely that a product recall will be covered by the news media, the Corporate Communications Department will inform SYSCO employees of pertinent information via special bulletins.

- F. Product Recovery and Disposition: Quality Assurance will immediately contact the supplier and request that any suspect product remaining in their control be impounded. Quality Assurance will obtain from the supplier a complete inventory of suspect product. BSCC will identify customers' inventories of suspect product through Operating Company merchandising executives, as indicated by the depth of the recall designated. Information regarding suspect product inventories will be transmitted immediately to the Recall Coordinator.

BSCC personnel will alert Operating Company merchandising executives to clearly identify all suspect product and place it on hold. BSCC will assist in arranging transportation of product to a designated location, and, where possible, document pick-up at the customers' location. Quality Assurance will confirm that personnel at the designated location document receipt of returned product and segregate suspect product. Quality Assurance will maintain a continuing inventory of suspect product.

Quality Assurance will ensure that the necessary analysis of suspect product is performed and advise what disposition is to be made of returned goods. If destruction of returned product is necessary, Quality Assurance will provide security for and retain any product samples or material as requested by the Legal Department.

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VI. Monitoring Recalls/Effectiveness Checks

After a product recall has been initiated, the Recall Team will maintain an updated inventory of all suspect product by location (i.e., customer location, in-transit warehouse, and supplier).

The Recall Team is responsible for conducting effectiveness checks. If necessary, the appropriate regulatory agency will assist in this task. The Recall Coordinator will designate a member of the Recall Team to verify receipt of recall communications by appropriate parties to the degree required by the regulatory agency involved. The individual designated may perform this task by telephone, facsimile, or written communication. Effectiveness checks are required by the regulatory agency to verify that all consignees at the recall depth specified have received notification about the recall and have taken appropriate action. The regulatory agency will specify the percentage of consignees that must be contacted, which may vary from 0-100%, depending on the severity and type of hazard involved. The Recall Coordinator will submit periodic status reports to the appropriate regulatory agency so that the agency may determine the progress of the recall. The frequency of submitting reports will be determined by the agency depending on the relative depth of the recall. The recall status report must contain the following information:

1. Number of customers notified about the recall; date and method of notification
2. Number of customers that responded to the recall communication and quantity of products on-hand at the time it was received
3. Number of customers that did not respond to the communication
4. Amount of product returned or collected by each customer contacted and the quantity of products accounted for
5. Number and results of effectiveness checks made
6. Estimated time frame for completion of the recall
7. Disposal of the recalled products

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VII. Recall Termination

Termination of a SYSCO-initiated recall may be requested by SYSCO Corporation through submittal of written correspondence to the appropriate regulatory agency stating that the recall has been effective as outlined in the recall strategy. Official notification that the recall has been terminated will be issued in writing by the regulatory agency.

Termination of a supplier-initiated recall may be requested by the supplier through submittal of written correspondence to the appropriate regulatory agency. A copy of the request, along with official termination notifications from the appropriate regulatory agency, will become part of the recall record.

If there is no FDA or USDA participation in a product recall, the authority to terminate the recall rests with the recalling firm.

When the recall has been completed, the Recall Team will prepare a detailed report of the recall to SYSCO Corporation management. This report shall include the nature, extent and cause of the recall, and any resulting remedial action necessary.

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VIII. EXHIBITS

The exhibits attached hereto include schematic diagrams of recall organization and communications, procedures, and examples of communication notices to SYSCO in-transit warehouses and customers. In the event of a recall, the Recall Team will alter these forms to apply to each situation.

Exhibit A - SYSCO Brand Product Discrepancy Notice
(This is a computer form.)

Exhibit B - Example of Recall Letter

Exhibit B (cont'd) - Recall Return Information Form

Exhibit C - Recall Reconciliation Form

Exhibit D - Flow Charts: Organization and Communication Plan
for a Product Recall (3 pages)

Exhibit E – Model Recall Notification Form

Exhibit E (cont'd) – Model Recall Notification Form additional notes

Exhibit F – Model Return Form

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EXHIBIT A

SYSKO BRAND PRODUCT DISCREPANCY NOTICE - FOOD ONLY

NOTE: THIS FORM IS FOR SYSKO BRAND COMPLAINTS ONLY!!

INSTRUCTIONS:

Please address this form to the BSCC Product Manager and QA Department.
If you have any questions regarding this form, contact Maureen Wilson @
281-584-2826

ORIGIN

Date of Complaint:
Name of Complainant:
Contact Phone Number:
SYSKO Operating Company:
Report Submitted By:

PRODUCT INFORMATION

SUPC#:
Brand:
Product Description:
Supplier Name:
Source/Inspection Est#:
Product Code Date/Can Code:
Total Number of Cases:
Multi-Unit Account Customer? YES NO
Company?

Is this a Multi-Unit Account Customer? YES NO
If YES: Is it an Aramark Account? YES NO
Is it a Sodexho-Marriott Account? YES NO

COMPLAINT

Detailed Description:

COMPLAINT CATEGORY - Please check ()

Food Borne Illness:
Foreign material:
Defect:
Net Weight:

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EXHIBIT A (cont'd)

Packaging:
Spoilage:
Other (Please Explain):

CONTACT INFORMATION

Was the Supplier Contacted?

Supplier Contact Name:

Contact Phone Number:

End User Contact Requested? YES NO

If YES, provide the following information:

Account Name:

Contact Name:

Address:

City: State: Zip:

Phone Number:

BSCC Dept. Member Contacted:

QA Dept. Member Contacted:

QUALITY ASSURANCE ACTION PLAN

- Contact appropriate personnel at supplier location.
- SYSCO QA and Supplier investigation of complaint.
- Corrective action and/or results will be forwarded to appropriate personnel.

COMMENTS:

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EXHIBIT B

URGENT! CLASS ___ RECALL

TO: _____, President & CEO
_____, Chief Financial Officer
_____, V.P./Director of Merchandising

RE:

Vendor Name EST # SUPC Brand Pk/Size Description Can Code

SYSCO Corporation requests _____ to immediately examine existing inventory, segregate and hold the above-mentioned product.

We have discovered that the subject product has a deficiency; specifically.

To fulfill our mutual responsibility to provide a safe and wholesome food product, we require your assistance in the removal of the subject product from distribution. This is a Class ___ Recall. The appropriate regulatory agency has been notified.

First, identify, segregate and hold all products matching the information included in this notice.

Second, complete the attached Recall Return Information Form to provide the requested information. Fax a copy of the completed form to (281) 584-_____.

Then send the form via US. Mail to _____, SYSCO Corporation, 1390 Enclave Parkway, Houston, TX, 77077-2099

Third, call each affected customer immediately, notifying them of the recall with specific code dates, batch/lot numbers, case quantities and the reason for the recall and the hazard involved. Convey specific instructions on what should be done with the product. Ask customer to report case quantities on hand to your company. Confirm this telephone conversation in writing.

Fourth, a representative will contact you to arrange for retrieval of the products. Arrangements will be made to ship replacement product as soon as possible.

Thank you for your cooperation.

Sincerely,

Enclosures
Recall Definitions
Recall Form

NOTE: This correspondence may be sent via e-mail
to utilize most effective means of rapid communications

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EXHIBIT B (Continued)

RECALL RETURN INFORMATION FORM

We do _____ do not _____ have any stock of recalled product.

Vendor Name: _____ Vendor Code /Est #:

SUPC:

Brand: _____ Pk/Size: _____ Description:

Pack Date/Can Code:

QUANTITY

Quantity Received: _____

Quantity On Hand: _____

By signature below, please confirm quantity on hand has been segregated and placed on hold:

Name (Identify):

Operating Company/In-Transit Warehouse: _____

Phone Number: () _____

Signature: _____

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EXHIBIT E

MODEL RECALL NOTIFICATION FORM

[On Operating Company LETTERHEAD]

[Date]

URGENT! (Type of product and/or Class) RECALL
re: Name of product, product code # and lot code

(Name of company) has been notified by the manufacturer of a (type of product) Recall, and requests you to immediately examine existing inventory and segregate the following product(s):

Name of Product	Pack/Size	Item Code #	Date Code	Shipping Date to User

We have recently been informed by (name of manufacturer) that (name of product) may show a deficiency; specifically [include a brief description of the reason for the Recall].

To fulfill our responsibility to consumers to provide a quality and wholesome food product, we request your assistance in the removal of this product from distribution.

First, we request that you review our products in your inventory and segregate, and hold all products meeting the size and code description in this notice.

Second, a representative will contact you to arrange for retrieval of the merchandise and to issue a credit to you. Arrangements are being made to ship replacement products to you as soon as possible.

Third, please return the completed "Return Form" immediately providing the requested information.

Thank you for your cooperation.

Operating Company Recall Coordinator Name and Title

EXHIBIT E [Continued]
MODEL RECALL NOTIFICATION FORM
ADDITIONAL NOTES

In the area where you are to provide an explanation of the reason for the Recall, describe the precise nature of the alleged contamination or defect and the potential risk the product poses to the consuming public. Specific and detailed information should be provided only if the health hazard is substantial and such information is useful to the consumer. SYSCO Corporate and the manufacturer will provide an explanation of the reason for the Recall in their notices to the operating companies.

If you are requesting that the affected accounts destroy the product rather than return the product for credit, the first, second, and third steps outlined in the communication could be modified to reflect that direction. It remains very important that a completed form indicating that the product was destroyed is requested and obtained.

MODEL RETURN FORM

[On Operating Company LETTERHEAD]

[Date]

Please fill out and return.

(Your company name) does does not
have any stock of (name of product, product number, lot number) on hand.

We currently have (amount) of the product on hand.

* We have destroyed (amount of product) as directed in the Recall communication.

Customer name:

Customer address:

Customer signature:

Return this form to (Recall Coordinators Name)
 SYSCO operating company address
 or FAX to: (Recall Coordinators Name)
 (FAX number)

Thank you for your cooperation.

***If the manufacturer has authorized destruction of the product, this line could appear on the Return Form.**



SYSCO Food Services of Connecticut, LLC

Standard Operating Procedures: Supplier Initiated Recall

PURPOSE

In the event of a supplier initiated recall or withdrawal, these guidelines are intended to facilitate prompt (i) management of in-house inventory, (ii) communication to customers and (iii) retrieval of product from the field. A recall (which is used in this document for both recalls and withdrawals unless the context clearly demonstrates otherwise) can be disruptive to Sysco Connecticut, LLC operations and business. This plan should minimize disruption and describe the procedure to follow in the event of a recall. If a Supplier fails to act in a manner appropriate to the situation, Sysco Connecticut, LLC may determine that product be held from further distribution. This plan envisions close cooperation with SYSCO Corporation's Quality Assurance Department in connection with any recall.

All SYSCO intra-company communications regarding a recall and its progress are to be made by the SYSCO Quality Assurance Department. All calls from the media or the general public must be referred to the Investor Relations Department of SYSCO Corporation. All inquiries from regulatory agencies must be directed to the CFO/Recall Coordinator of Sysco Connecticut, LLC.

RECEIPT OF RECALL NOTIFICATION

Sysco Connecticut, LLC] is alerted to potential recalls. Sources of alert may be the Supplier, Baugh Supply Chain Cooperative, Inc. (BSCC), Customers, USDA or FDA Press Release or other news source. Under no circumstances should Sysco Connecticut, LLC initiate recall activities solely based on a phone call or a verbal request from a brokerage firm, street customer, or multi-unit account customer.

Recall communications from a supplier may be directed to various individuals at Sysco Connecticut, LLC and may be delivered in person, via fax, mail or e-mail. Official notification will consist of either a notice from a Regulatory Agency or be received on recalling firm's company letterhead from a senior management level employee.

If an Official Notification has not been received, SYSCO Quality Assurance must be notified so that they can work with the supplier to obtain appropriate written recall notification.

CONVENE RECALL TEAM

Once an Official Notification is received the CFO/Recall Coordinator must be notified immediately. The CFO/Recall Coordinator will convene the Recall Team and they will review the Official Notification to ensure that the directions provided are clear and to determine the next steps to be taken. The [CFO/Recall Coordinator/designee] initializes a recall log and file. All information regarding the recall must be recorded in this log. This will include but not be limited to date, time, contact name and content of pertinent phone calls, and communications with the recalling firm, customers and any regulatory agencies.

INVENTORY ASSESSMENT

The [CFO/Recall Coordinator/designee] will provide information on the product(s) being recalled, including, code date information and when possible case quantities, to the [Operating Company specific Operations/Distribution Services designee]. The [Operating Company

specific Operations/Distribution Services designee] will review all suspect product(s) in-house and place affected product on hold. A report of findings, including case quantities on hold will be provided back to the [CFO/Recall Coordinator/designee].

CUSTOMER ASSESSMENT

If notification of customers is indicated in the Official Notification or if the Recall Team determines that it is in their customers' best interest to be notified, the [CFO/Recall Coordinator/designee] will provide information on the product(s) being recalled, including, code date information, case quantities and when possible purchase order information, to the [Operating Company specific Merchandising/Sales/Customer Service designee]. The [Operating Company specific Merchandising/Sales/Customer Service designee] will run a Sa-track Report to determine the customers that may have received affected product. The Business Objects Report must be provided to the Recall Team.

CUSTOMER NOTIFICATION

Recall communication can be accomplished by telephone, facsimile transmission, e-mail, or special delivery letters conspicuously marked, preferably in bold red type, on the letter and envelope "URGENT - FOOD RECALL." If communication to customers is made by telephone calls or other personal contacts, follow up to this communication should be made in some written form (e.g., letter, e-mail message, or fax).

The Recall Team will review the customer list to determine the most expedient way to notify customers and to establish a specified timeframe for the communications to be completed. The timeframe will be established based on the particular situation (e.g., a Class I recall would receive priority). The recall communication must be developed utilizing the guidelines provided in the Sysco Connecticut, LLC Recall Policy.

When necessary, follow-up communications should be sent to those customers who fail to respond to the initial product removal communication within a specified timeframe. Once contact has been made with all customers the staff charged with this responsibility will provide documentation of these contacts (e.g. call logs, fax logs, recall return information forms signed by customers, or mail confirmation slips) to the Recall Team. This status report must be issued within the time frame specified by the Recall Team.

The Recall Coordinator will check on progress of the recall communication with those customers that have purchased the recalled product within two (2) business days of the initiation of the recall communications to those customers. The Recall Coordinator will take appropriate steps to be sure the customer communications relating to the recall are completed promptly, and will enlist the help of the President of Sysco Connecticut, LLC as needed.

DISPOSITION

The disposition of any affected product must be provided in writing by the supplier conducting the recall and may include return to the supplier, re-labeling or destroying the product.

SUPPLIER NOTIFICATION

Once all in-house affected product is on hold and all customers have been notified (if required) the Merchandiser will provide a summary report to the Supplier indicating the number of cases that have been accounted for and confirmation of product disposition.

EFFECTIVENESS CHECKS

I. INTRODUCTION

A. Effectiveness checks constitute a process by which FSIS program personnel verify that the recalling firm has been diligent and successful in notifying and advising the consignees of the need to retrieve and control recalled product and that the consignees have responded accordingly. Subsequent consignees are then expected to notify their consignees or customers of the recall. FSIS will conduct effectiveness checks throughout the distribution chain.

B. FSIS will verify that:

- i. Adequate notice about the recall has been provided to all consignees by the firm conducting the recall; and
- ii. Consignees have located and are controlling products and are following the recalling firm's instruction.

Note: If the firm's recall strategy includes destroying product on site, the District Recall Officer (DRO) must be notified. The DRO may assign FSIS inspection program personnel to witness destruction of the product in accordance with 9 CFR 329 and 381 Subpart U.

C. Roles and Responsibilities:

- i. Industry – The recalling firm has the responsibility for conducting the recall and for ensuring that its actions have been effective in removing the product from the marketplace.
- ii. FSIS – FSIS verifies the effectiveness of the recalling firm in conducting its recall. Using a statistical sampling plan, FSIS identifies a sample of consignees to verify the effectiveness of the recall. If FSIS determines that the recalling firm has not been successful in conducting an effective recall, it will take appropriate actions to ensure the health and welfare of the consumer.

A DRO is assigned to coordinate effectiveness checks. A Deputy District Manager (DDM) is the district that covers the recalling plant serves as the DRO. The DRO will coordinate recall activities and will be the primary point of contact with the recalling firm. The DRO will prepare the sampling plan and direct the activities of inspection program personnel. Inspection program personnel will assist the DRO in identifying consignees, selecting consignees in accordance with the sampling plan, conducting effectiveness checks, and taking appropriate corrective actions.

- iii. Under 9 CFR 390.9, FSIS may have Memoranda of Understanding (MOU) with one or more states. The specifics of the MOU will vary from State to State. In general, when states and FSIS have MOU's regarding effectiveness checks, the agencies will collaborate in sharing resources and information whenever possible.

FSIS will work with states to ensure that effectiveness checks are conducted in a manner, consistent with FSIS procedures. FSIS will conduct effectiveness checks based on the number of consignees outside the states with an MOU.

D. Effectiveness checks:

- i. Are risk based and dependent on the class of the recall (the hazard and any associated illnesses) and the number of consignees (the exposure). FSIS inspection program personnel will make a statistically-based number of effectiveness checks to verify that the firm is locating, retrieving, and controlling the product, and that product that is recalled does not remain available to consumers. The checks will verify that the firm is handling the product in accordance with regulatory requirements and instructions provided by the recalling firm including those for product destruction or return.
- ii. Are performed by on-site verification and by phone. FSIS inspection program personnel will visit the consignees of the firm conducting the recall to verify that they have received appropriate notification of the recall and that they are acting on the basis of that notification. Recall effectiveness checks will be conducted based on resource considerations and knowledge of the recalling firm's and consignee's practices.
- iii. May disclose that product remains available to consumers and in commerce. FSIS inspection program personnel will immediately notify the DDM in their district for further instructions and may detain product.

II. VERIFICATION PROCESS

A. The number of effectiveness checks inspection program personnel will conduct will be determined according to risk. Risk is characterized by the class of the recall and the exposure of the product to consumers.

- i. Determine the class of the recall. The class of recall is assigned by the FSIS recall committee based on the hazard the product presents. The discussion of assigning recall classes is presented in FSIS Directive 8080.1 Revision 4.
- ii. Determine the exposure based on number of consignees.
 - a. Upon notice of a recall, the DRO will immediately request information and records in accordance with 9 CFR 320.1 of the recalling firm and subsequent consignees regarding the distribution of recalled product. The information should contain sufficient details to allow SFIS personnel to understand the distribution patterns and make contacts without further delay.

b. The DRO should sort the information according to geographical regions and by type of consignees. The type of consignee may include retailers, hospitals, chains, independent retailers, restaurants, and food service institutions, as well as distributors. The DRO will coordinate inspection personnel to contact these consignees without further delay.

c. The DRO should attempt to determine the distribution information regarding the recalled product within the timeframe recommended in Table 1.

Table 1. Recommended timeframes for initiating and reporting verification activities within FSIS.

Recall classification	Following the initiation of a recall, FSIS verification activities should begin as soon as possible within a period of:	Following their initiation, FSIS verification activities should be substantially completed within a period of:
<i>Class I</i>	3 days	10 days
<i>Class II</i>	5 days	12 days
<i>Class III</i>	10 days	17 days

*Working days: Working days may include Saturday and Sunday, depending upon the risk associated with a recalled product.

iii. The DRO should, in discussion with the recalling firm and as needed (if some of consignees are distributors) through other FSIS offices, determine the best estimate of the number of consignees (who received the recalled product or who will be notified of the recall).

Example: If the recalling firm has 50 retailers and 5 distributors and the 5 distributors in turn have 400, 200, 300, 100 and 150 retailers, the best estimate of the number of consignees is 1200. the effectiveness checks are done based on 1200 consignees.

iv. The best estimate is not the “customer” list of a recalling firm. It is rather the estimate of consignees, (e.g., retailers, restaurants and food service institutions), which would have received the recalled product. In order to expedite the verification process, the recalling firm should be able to provide their best estimate to FSIS by phone or E-mail before sending more detailed distribution information. However, care must be taken that the estimate would not significantly differ from the actual distribution information.

v. Where there is concern that the distribution information is not accurate or complete, (i.e., a generic list of chain stores is missing a few know stores), where necessary, the DRO will prepare a list identifying other potential

consignees and/or distributors who may carry the recalled products, but were not included in the distribution information given by the firm.

- vi. If States have an MOU with FSIS to conduct their own effectiveness checks, then the number of consignees is based on those consignees outside the states with and MOU.

Example: The recalling firm provides information on 1200 consignees who received the product, but 600 of these consignees are in two states that have an MOU with FSIS. The effectiveness checks will be done from the 600 consignees not in the two states with an MOU.

B. Determine the total number of effectiveness checks to be conducted

- i. The number of effectiveness checks is based on the risk determined in 2A. and is taken from values given in the sampling tables in this document.
- ii. FSIS encourages firms to have a recall plan (See Attachment 1). The number of effectiveness checks shown in each table may be increased if the recalling firm does not have a recall plan.
 - a. Table 2 is used to determine the number of checks for all Class 1 recalls when there has been an illness or outbreak, or school lunch implications.

Table 2. Effectiveness checks conduct and critical limits for all Class 1 recalls involving an illness or outbreak based on epidemiological evidence or with school lunch implications.

Number of Consignees	Number of Effectiveness Checks to Make	Recall Considered Ineffective If the Number of Consignees That Were Not Notified Exceeds:
1 to 200	100%	0
201 to 10,000	200	0
10,001 to 35,000	800	1
35,001 to 500,000	800	1
500,001 and over	1,250	2

- b. Table 3 is used to determine the number of checks for Class 1 recalls when there are no illnesses, outbreaks, or school lunch implementations.

Table 3. Effectiveness checks to conduct and critical limits for Class 1 recalls when there are no illnesses, outbreaks, or school lunch implications.

Number of Consignees	Number of Effectiveness Checks to Make	Recall Considered Ineffective If the Number of Consignees That Were Not Notified Exceeds:
1 to 20	100%	0
21 to 150	20	0
151 to 1,200	80	1
1,201 to 2,300	125	2
2,301 to 10,000	200	3
10,001 to 35,000	315	5
35,001 to 150,000	500	8
150,001 to 500,000	800	12
500,001 and over	1250	18

c. Table 4 and Table 5 are used for Class 11 and Class 111 recalls, respectively.

Table 4. Effectiveness checks to conduct and critical limits for Class 11 recalls or (optionally) for Class 111 recalls when a firm does not have a Recall Plan.

Number of Consignees	Number of Effectiveness Checks to Make	Recall Considered Ineffective If the Number of Consignees That Were Not Notified Exceeds:
1 to 5	100%	0
6 to 25	5	0
26 to 150	20	1
151 to 280	32	2
281 to 500	50	3
501 to 1,200	80	5
1,201 to 2,300	125	8
2,301 to 10,000	200	12
10,001 and over	315	18

Table 5. Effectiveness checks to conduct and critical limits for Class 111 recalls.

Number of Consignees	Number of Effectiveness Checks to Make	Recall Considered Ineffective If the Number of Consignees That Were Not Notified Exceeds:
1 to 8	100%	1
9 to 50	8	1
51 to 90	13	2
91 to 150	20	3
151 to 280	32	5
281 to 500	50	8
501 to 1,200	80	12
1,201 and over	125	18

iii. In special circumstances, to ensure protection of public health, FSIS retains the option to conduct effectiveness checks on a 100% basis. Such as when there is epidemiological evidence that indicates the product may have been implicated in human illnesses.

C. Determine the number of disposition verification checks to be conducted

The purpose of disposition verification checks is to verify the disposition of the recalled product. This is documented on FSIS Form 84000-4.

i. A subset of the total number of effectiveness checks will be selected for on-site visits to verify that consignees have retrieved and controlled recalled product according to the recall notification. All firms with the recalled products are expected to remove that product from commerce.

a. For Class 1 recalls involving illness, outbreaks, or school lunch implications for the DRO will consult with RMS on the number of on-site verifications.

b. For recalls other than Class 1, the same tables used to determine the total number of recall effectiveness checks will be used to determine the number of effectiveness checks that will be conducted on-site.

Example: If the number of consignees is estimated to be 600 for a Class 11 recall, Table 4 shows the total number of effectiveness checks to conduct is 80. using the same table, this time inserting 80, 20 of those 80 effectiveness checks will be conducted on-site. This is shown in the figure below.

Table 4: Effectiveness checks to conduct and critical limit for Class 11 recalls or (optionally) for Class 111 recalls when a firm does not have a recall plan.

Number of Consignees	Number of Effectiveness Checks to Make	Recall Considered Ineffective If the Number of Consignees That Were Not Notified Exceeds:
1 to 5	100%	0
6 to 25	5	0
26 to 150	20	1
151 to 280	32	2
281 to 500	50	3
501 to 1200	80	5
1201 to 2300	125	8
2301 to 10,000	200	12
10,001 to and over	315	18

- D. Conduct the effectiveness checks within established time frames
- i. If the recall spans across multiple districts, the DRO that has the jurisdiction over the recalling firm will coordinate activities, in consultation with the appropriate Executive Associate for Regulatory Operations, across the districts. Each of the districts should consider the recall verification activities for public health related recalls to be a high priority. Table 1 describes the recommended timeframes for the initiation of verification activities and for the substantial completion of these activities. However, when situations arise that may delay the verification or reporting activities or affect the timeframes presented in this table; it is the responsibility of each district to notify the DRO. The time standards presented in Table 1 are for FSIS verification activities. Recall activities by firms should start immediately upon deciding to do a recall or upon receiving notification of a recall. During this time, the DRO will also have an oversight function to assess whether the recalling firm has in fact initiated the recall activities.
 - ii. The DRO prepares a sampling plan in consultation with other Districts based on the percentage of distribution.
 - a. Using the appropriate table, determine the sampling rate.

Example, for a class 11 recall and 600 consignees, the appropriate table is Table 4 and the number of effectiveness checks to conduct is 80.

b. Alternatively, FSIS may decide to group effectiveness checks by special categories) e.g., schools, day care centers, hospital cafeterias, and retirement homes). If FSIS decides to separate groups by special categories, then each group of consignees is considered separately and the tables are used to determine the number of effectiveness checks to be conducted for each group. *If the example of 600 consignees represents 3 groups of 200 each, then Table 4 shows that each group would have 32 effectiveness checks conducted. This, the total sampling number of effectiveness checks for all three groups would be 96.*

- c. Grouping consignees into separate categories should always result in an increase in the number of effectiveness checks to be conducted.
- d. Determine a sampling interval by dividing the total number of actual or estimated consignees.

In this example, divide 600 by the minimum sample size (example 80). In this example, the sampling interval would be 7 ($600/80=7.5$ rounded to the lower whole number).

- e. Randomly select a number from 1 to the sampling interval to determine the starting point.

For this example, select number 3.

- f. Provide the sampling plan to inspection program personnel. The plan should contain the sampling interval and the random starting point, the recommended timeframes for completion, the related recall number and any other details which may help conduct the verification activities more effectively. Also, attached to the plan should be copies of the lists, product/carton labels, notice of recall, and copies of corrected labels and the news release (if applicable).

iii. Inspection program personnel conduct the effectiveness checks.

- a. Using the predetermined sampling interval and the random starting point, select the consignees for verification.
- b. List consignees in any order; count from the top until reaching the starting point. Then choose consignees according to the predetermined sampling interval.

In the example above, select 3rd consignee. Then select 10th, 17th, 24th ... and so on until enough consignees are identified for the effectiveness checks.

- c. Ensure that copies of the recalling firm letter to its consignees informing them of the recalling action, Recall Notification Report (RNR), and as applicable, copies of the news release and labels are on hand when conducting verification activities; these documents can then be referenced or left with consignees if required.
- d. Conduct checks to determine if consignees have received the recalling firm notification of the recall action and have taken the prescribed action regarding product such as returning it to the recalling firm, or identifying and holding it for pick-up. Conduct checks by on-site visits or phone based on resources and knowledge of the recalling

firm and consignee practices. Determine if any recalled product remains available to consumers.

e. Conduct checks to determine if the recalling firm or consignees have disposed of the recalled product according to the prescribed actions. Conduct checks by on-site observation, records review, or phone, based on resources and knowledge or the recalling firm and consignees practices.

f. Request the consignee immediately follow the instructions if the recalled product is being held for sale or used against directions provided in the recalling firm notification of the recall action.

g. In cases where consignees were not notified of the recall, ensure that the appropriate associated firm including distributor, chain store head office, or individual store, are notified and take action if necessary to detain product that is recalled.

h. Continue with all the assigned checks.

i. Submit verification results including findings of product in commerce and consignees that were not properly notified by the recalling firm to the DRO via the fastest possible means (E-mail, fax, phone) as soon as possible.

E. "Findings of Product in Commerce" is defined as those occurrences where recalled product remains available to the consumer.

- i. When the DDM's are notified by inspection program personnel in their district of findings of product in commerce, he or she will immediately inform the DRO.
- ii. Also, the DRO is to determine whether the findings follow a pattern or trend. During the evaluation, it is important to distinguish between isolated reasons (i.e., the product was removed in a store but was re-shelved by mistake), and widespread systemic reasons (i.e., breakdown in the notification process or delay caused by the schedule of sales personnel). This is important to do even if the recall itself is effective because there may be subgroups of consignees that have product available to consumers. As deemed appropriate and necessary, the DRO will notify the Director of Compliance and Investigation Division, OPEER or take other enforcement in accordance with the FMIA or PPIA.

F. DRO determines the effectiveness of the recall

- i. The objective of verification activities are to evaluate:

- a. The overall effectiveness of the recall
 - 1) For a recall to be deemed effective, the number of consignees found to have product in commerce must be equal to or less than the critical number in the sampling plan.
 - 2) The DRO should review the results of the recalling firms effectiveness checks to ensure completeness. This activity is likely to include a review of documentation such as confirmed recall notices, receipts re returned product, telephone calls reports, and E-mail confirmations.
 - b. The recalling firm's process – When a firm's recalling strategy is not adequate to remove product from commerce that is recalled, FSIS will take the appropriate measures, including detaining product to protect consumers.
 - c. The actions taken by the consignees when advised of the recall – When consignees (e.g., retailers, restaurants, food service institutions, and wholesalers) along the distribution chain were properly advised of the recall but have not taken the requested action to remove product. FSIS may detain product or take other appropriate measures to ensure the product is not in commerce.
- ii. Examples of Effective and Ineffective Recalls: The DRO makes the determination of whether a recall is effective or ineffective in consultation with RMS. Inspection personnel conducting checks would need to continue with all the assigned checks even though a recall may appear ineffective. Depending upon the actual sampling calculation, the final sample count would likely differ (generally be higher) from the count listed in tables. Therefore, caution should be used in the interpretation of the critical numbers. The recall activities should be classified as effective or ineffective, after considering both the number and the amount of product available in commerce.
 - iii. Using the example from II. C ii.a of 600 consignees of a list for a Class II recall, with the verification done at 80 randomly selected consignees; Tables 4 shows the critical number to be 5.
 - a. All consignees checked have received the Notice of Recall from the recalling firm and have removed the product from sale.

Action: none, recall is effective.
 - b. Nine consignees checked have not received the Notice of Recall from the recalling firm, or its subsequent consignees, but were notified of the recall through the media. Six of the nine consignees have removed the product from sale. The remaining three consignees have identified and segregated the product awaiting shipment to the recalling firm. No product is available to the consumer.

1) Action: recall is deemed ineffective. Nine consignees have not received a notice from a firm, exceeding the critical number.

2) Notify the DRO. (See section iv. of this part)

c. Inspection program personnel find that four consignees have not received the recall notice and are still offering the product for sale. Five more consignees received the notice but have not taken the requested product action. Therefore, the product remains available to the consumer at a total of 9 locations, exceeding the critical number.

1) Action: Recall is deemed ineffective.

2) Whenever recalled product is found in commerce during an on-site verification at a consignee (or sub-consignee), the EIAO will detain any of the products on hand.

3) The EIAO will ascertain whether the business received a recall notification and instructions from the recalling firm or one of its consignees.

4) The EIAO will notify the DRO of his/her findings at the business regarding the detained product, and whether or not adequate recall instructions were received.

a. If a recall notification and product instructions were not received, the DRO will proceed as discussed below in section iv.

b. If a recall notification was received, but the consignees did not respond appropriately to the instructions of the recalling firm, the consignee may have committed an act prohibited by the FMIA or PPIA. In such cases, the DRO will immediately notify the Compliance and Investigations Division, OPEER, and the OPEER Regional Office to investigate and for follow-up legal actions in accordance with the Acts.

5) The DRO will also notify any state or local food or health authority with jurisdiction over the business involved for its appropriate follow-up action in conjunction with the FSIS, OPEER.

iv. Responding to an ineffective recall –

a. If at any time during the verification of the recall, the DRO

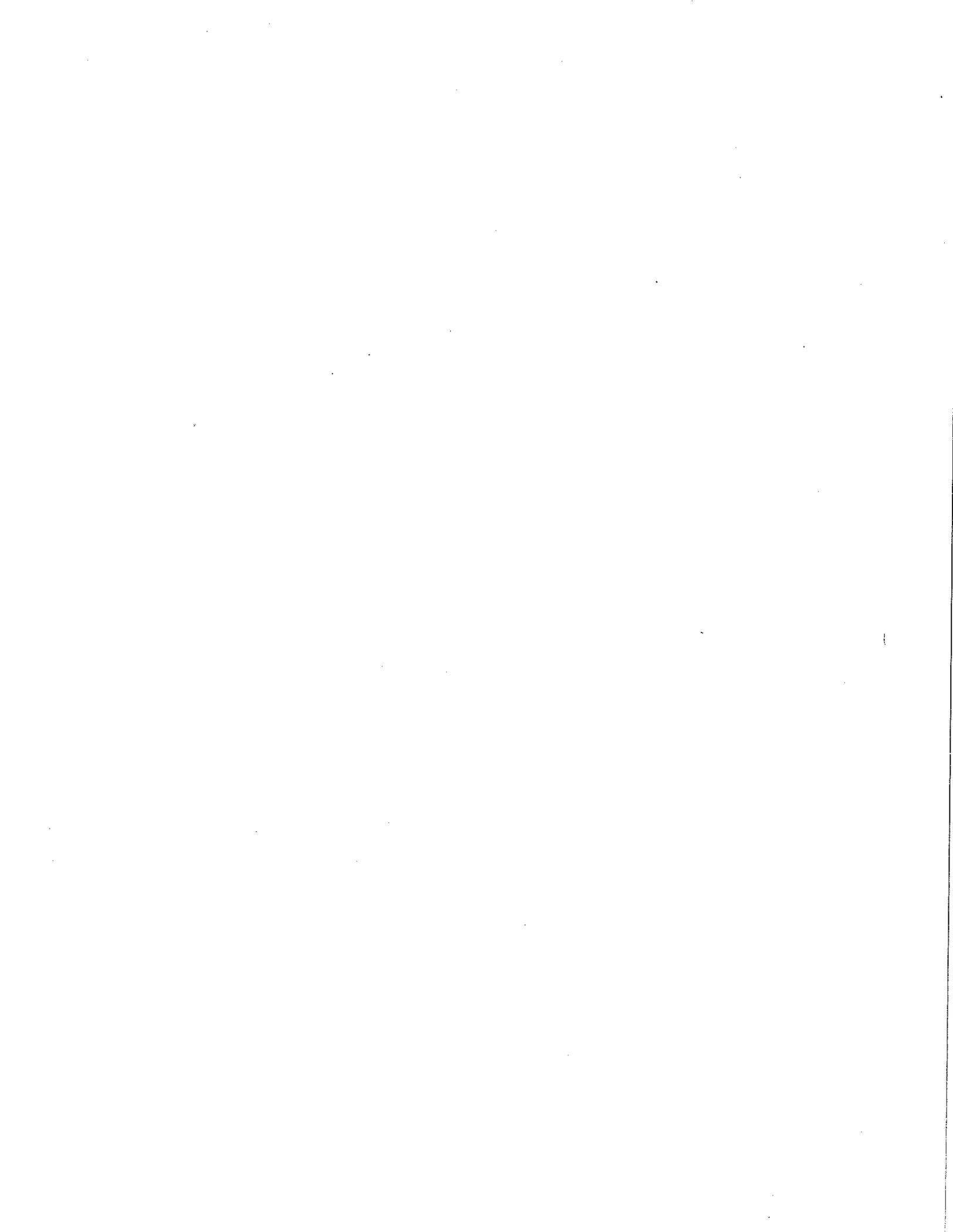
determines that the recall effort is ineffective, the DRO will notify the Director of RMS.

b. The DRO will write a letter to the recalling firm detailing the reasons why the recall has been found to be ineffective. The DRO should ask whether the recalling firm intends to act to address the situation

c. If, after having been formally notified by FSIS of the ineffectiveness of its recall, the recalling firm is unwilling or unable to extend or modify its recall strategy, FSIS will act to mitigate the risk to the public including issuing public warnings, product seizures, or other appropriate legal or compliance actions in accordance with the FMIA and PPIA.

G. Verification result summaries

- i. The DRO will prepare a summary of recall activities and provide it to the RMS. The focus of the summary should be to:
 - a. Declare the amount of product recovered, relative to the amount of product recalled, both in absolute (pounds) and relative (%) terms.
 - b. State, in specific terms, how the defect in the product was corrected or how the product was disposed of.
 - c. State the total number of effectiveness checks and disposition verification checks performed and the numbers conducted both on-site and by telephone.
 - d. Assign an overall effectiveness rating to the recalling firm's recall activities (effective or ineffective).
 - e. Determine how many consignees may still have product on sale.
 - f. Identify reasons for continued sale.
 - g. Identify other deficiencies in the firms recall process (if applicable).
 - h. Summarize actions taken by FSIS in the case.
- ii. The summary should include a description of the corrective actions taken to correct each identified deficiency, i.e. the product removed and segregated in shipping area, re-notification was issued for all convenience stores including names of affected distributors, as applicable. The DRO will send the memo to the Director of the Recall Management Staff.



II. PURPOSE OF PRODUCT RECALL

A. Purpose

The multiple purposes of this product recall policy for SYSCO Corporation are to:

1. Promote customer and consumer safety
2. Remove unacceptable or questionable products from the market at Minimum cost and inconvenience to the customer
3. Comply with applicable laws and government regulations
4. Protect the assets of the corporation

B. Objectives

The objectives of product recall and market withdrawal/stock recovery are to promptly and effectively:

1. Locate the product
2. Remove the product from the market
3. Provide accurate information to the customers when appropriate

C. Definitions of Terms Encountered in Recalls/Withdrawals

Product Recall: The manufacturers and distributors of a product carry out voluntarily most recalls of products regulated by the United States Food and Drug Administration (FDA) and the Food Safety Inspection Service of the United States Department of Agriculture (FSIS). In some instances a company discovers that one of its products is defective and recalls it entirely on its own. In others, FDA or FSIS informs a company of findings that one of its products is defective and suggests or requests a recall. Usually, the company will comply, but if it does not recall the product, then these government agencies can seek legal action, including seizure of the product, and/or injunction of the firm, including a request for a court-mandated recall of the product. A recall is an efficient and effective means of removing sizeable quantities of unsafe and defective products out of consumer hands as soon as possible.

RECALL POLICY-OPERATING COMPANY

Recall Classification

There are several classifications of recalls tailored to the relative degree of health hazard presented by the product being recalled. They are:

Class I Recall: This is an emergency situation involving dangerous or defective products that predictably could cause serious health problems or death. Examples of products that will fall into this category are a food containing botulinum toxin or food with undeclared allergens. In a Class I Recall, top priority must be given to the complete and immediate removal of the recalled products from all levels in the distribution chain all the way down to the consumer level.

Class II Recall: This is a priority situation in which a product deficiency may cause temporary or medically reversible adverse health consequences and where the probability of serious adverse health consequence is remote. An example of such a product is a food product containing Salmonella enteritidis. In a Class II Recall, products must be removed from all levels in the distribution chain.

Class III Recall: This is a situation in which the product is unlikely to cause any adverse health reaction but violates labeling or manufacturing requirements. . Examples of Class III Recalls might include a container defect (plastic material delaminating or a lid that does not seal), products with filth contamination, products with an off-taste or color, or products that lack required labeling information. In a Class III Recall, products must be removed from the wholesale levels of the distribution chain.

Market Withdrawal: This is a situation involving a firm's removal or correction of a distributed product, which involves a minor violation that would not be subject to legal action by FDA or FSIS, or which involves no violation (e.g., normal stock rotation practices).

Sysco Connecticut, LLC.

Customer

Credits & Returns

At Sysco, our approach to credits and returns has remained simple and aimed at unquestionable customer satisfaction. We ask, as part of our cooperative commitment and dedication to improving consumer food safety, that our customers work with Sysco to comply with our Customer Credit and Returns Policy. Sysco will return for credit any product, except Special Orders, not accepted at time of delivery. After delivery, our credit and return policy is limited within certain guidelines.

OUR PRODUCT RETURN & CREDIT POLICY DOES FIVE THINGS

- Ensures product wholesomeness and quality
- Reduces product loss
- Speeds the processing of credits
- Assures that all product handling is compliant with HACCP, USDA, FDA, OSHA, and HAZMAT requirements
- Reduces that risk that a tampered product could be redistributed to another customer

WHEN YOUR DELIVERY ARRIVES, YOU SHOULD KNOW...

- Your Sysco delivery associate will gladly help you verify that the items delivered agree with your invoice
- You can choose to return any delivered stock item for credit at time of delivery
- If a product is short on delivery, your Sysco delivery associate will make an adjustment on the invoice
- If a product is partially damaged, your delivery associate will make an immediate adjustment on your invoice
- Once you've OK'd your order (less any items you return), sign or pay the invoice, indicating you're satisfied with the delivery. And that's it.

OUR RETURN POLICY AFTER TIME OF DELIVERY IS LIMITED. AN ITEM MAY BE RETURNED, AFTER DELIVERY, ONLY IF ITEM MEETS THE FOLLOWING IMPORTANT FOOD SAFETY GUIDELINES:

TIME:

- Make all returns & credit requests within these time frames:

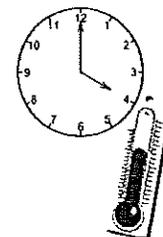
Fresh Meat

Items.....48 hours.

Frozen Items.....14 days.

All other items.....14 days.

(Except as specified below in Additional Food Safety Guidelines)



TEMPERATURE:

- Keep all perishable returns stored at proper temperature to maintain product integrity and wholesomeness.

Frozen items.....0-20 degrees

Fresh Meat & other perishable items...30-35 degrees.

PACKAGING:

- Products are returnable for full credit **only** when they are in the original package free of markings or damage, and within the specified return time frame.

Good things
come from
Sysco

How the
Policy Benefits
you the
CUSTOMER...



Should a return
Be requested
After the delivery
Has been made...

IMPORTANT ADDITIONAL FOOD SAFETY GUIDELINES:

FRESH AND FROZEN SEAFOOD

- Due to HACCP Regulations all seafood and frozen products are returnable at time of delivery only.

PRODUCE

- Please inspect all fresh produce products thoroughly at time of delivery. Due to product integrity and food safety concerns resulting from excessive handling, temperature control fluctuations, and other chain of product control quality issues, produce items are not returnable except at time of delivery.

DAIRY

- Please inspect all dairy products thoroughly at time of delivery. Due to product integrity and food safety concerns resulting from temperature control fluctuations, and other chain of product control quality issues, dairy items are not returnable except at time of delivery.

FRESH POULTRY

- Fresh poultry is returnable at time of delivery only.

FRESH MEAT

- Return fresh meat products in undamaged, original containers within 48 hours of delivery.
- A Sysco Sales Representative must inspect all fresh meat returns before a pickup can be authorized. All returned meat items are subject to reinspection by a Sysco Representative before the actual credit can be processed.
- To limit the risk of cross contamination with other food products, fresh meat with damaged packaging cannot be transported on a Sysco truck. Fresh meat must be returned in the original sealed container and stored at all times, prior to pickup, within the required temperature range. Delivery associates are not allowed to pickup fresh meat that does not comply with these product safety requirements.

FLOUR BASED OR CEREAL PRODUCTS

- All flour based or cereal items are returnable at time of delivery only, unless authorization is given by Sysco Merchandising Representatives.
- If authorized, product must be in original, unopened packaging for Sysco delivery associate to pick up and credit given.

CHEMICALS

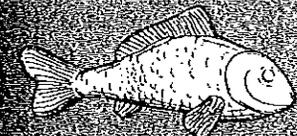
- Treat chemical returns with extra attention. Federal HAZMAT and OSHA regulations prohibit the transport of open-container chemicals, or chemical products not in the original packaging.
- A Sysco Sales Representative must inspect all chemical products for damage and /or leakage before a pickup and return can be processed.

NON-STOCK ORDER ITEMS

- Non-stock order items have been purchased especially for you. Because they can't be resold, they are not returnable except when damaged, or of questionable quality at time of delivery.
- To return non-stock items delivered on a Sysco truck after a delivery, due to damage or quality, you'll need authorization after an inspection by a Sysco representative.

DROP SHIPMENTS

- Drop shipments are made directly to you from our suppliers. Damaged products should be refused on delivery. Any discrepancies must be noted on the delivery receipt. Freight claims for damage must be submitted directly to the freight carrier within 48 hours.



CENTRAL CONNECTICUT HEALTH DISTRICT FOOD SERVICE ESTABLISHMENT LICENSE

This is to certify that: *Sysco Food Services of CT*

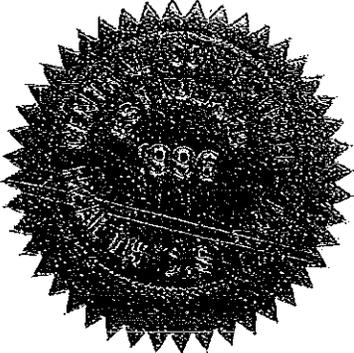
Located at: *100 Inwood Road, Rocky Hill*

is licensed as a FOOD SERVICE ESTABLISHMENT
in compliance with Chapter 2 of the
Sanitary Code of the Central Connecticut Health District

This license expires on June 30, 2011

6-9-2010

Date Issued



Paul Hitchcock

Director of Health

This license is NOT TRANSFERABLE

SANITATION ITEM REQUIRING MONITORING AND RECORDKEEPING AND RECOMMENDED FREQUENCIES

INCIDENT FORM

Records Required for Each Incident

Safety of Water

A private water supply. The dealer shall:

- o Demonstrate location and construction was approved, have the water supply sampled by an approved laboratory and sample results conform with required standards.
- o All plumbing shall be installed, repaired and maintained to prevent contamination of water supplies; prevent cross-connection between potable water and non-potable water.

Cross Contamination Prevention.

- o If product came in contact with any waters or incident involving cross contamination
- o Product coming in contact with the flood waters shall be destroyed or discarded in non-food use.

Maintenance of Hand Washing, Hand Sanitizing and Toilet Facilities.

Handwashing facilities shall be:

- o Convenient to work areas.
- o Directly plumbed to an approved sewage disposal system.
- o Sewage disposal in accordance with applicable federal and state laws and regulations.
- o Toilet room do not open directly into a processing area

Protection from Adulterants.

- o Plumbing and plumbing fixtures shall be installed, repaired and maintained to prevent contamination of food contact surfaces.
- o Drain or waste pipes shall not be installed over food processing or food storage areas or over areas in which containers are stored.
- o Conveyances or devices to transport product shall be constructed to prevent contamination of the product.

Control of Employees with Adverse Health Conditions.

- o All employees shall report any symptoms of illness to their supervisor
- o An employee with a communicable disease shall be excluded from the product processing facility until the employee receives clearance from a licensed physician.

***Incident** implies each situation that occurs infrequently and requires action such as when the equipment is constructed, repaired or installed.

Signature _____ Date _____

Plan of Action: _____

STANDARD SANITATION OPERATING PROCEDURES

Safety of Water.

- o The facility installed and maintains backflow prevention devices.

Prevention of Cross Contamination.

- o Sufficient space for equipment and materials.
- o Product is protected from contamination while in storage and at points of transfer, stored above the floor or on pallets.
- o All employees shall wash their hands with soap and water after each absence from the workstation; after each work interruption; and any time when their hands may have become soiled or contaminated.

Maintenance of Hand Washing, Hand Sanitizing and Toilet Facilities.

Handwashing facilities have:

- o Warm water (minimum temperature of 110 degrees Fahrenheit, 43 degrees Centigrade), from a mixing or combination faucet.
- o A supply of hand cleansing soap or detergent.
- o A supply of single service towels in a dispenser, and or electric hand dryers
- o An easily cleanable waste receptacle; and
- o Handwashing signs in a language understood by the employees.
- o Toilet room doors are tight fitting, self closing.
- o Each toilet facility is provided with an adequate supply of toilet paper in a suitable holder.
- o Sewage and liquid disposable wastes shall be properly removed from the facility.
- o Disposal of waste materials in accordance with appropriate federal and state laws and regulations.
- o All areas and receptacles used for the storage or conveyance of waste shall be operated and maintained to minimize odors, prevent attractions, harborage, or breeding places for insects and vermin; and avoid the creation of nuisance conditions.

Protection from Adulterants.

- o Product shall be protected from contamination while being transferred from one point to another during handling and storage.

- o Any glass suspended over food storage or areas where products are exposed shall be of the safety type or protected to prevent food contamination in case of breakage.
- o Maintenance and operation of ventilation, heating, or cooling systems to prevent conditions that may cause the product to become contaminated.
- o Dirt and other filth shall be excluded from the facility and activities.
- o Ice shall be stored to prevent contamination of the ice.
- o Ice which is not made on site is inspected upon receipt and rejected if not delivered protected from contamination.

Proper Labeling, Storage and Use of Toxic Compounds.

- o Only toxic substances necessary for plant activities are present in the facility,
- o Labeled and used only in accordance with the manufacturer's label directions, federal and state laws and regulations, and
- o In a manner to prevent the contamination of any product packaging materials.
- o Toxic substances shall not be stored above food product or food contact surfaces.
- o Each category of toxic substance shall be stored separately:
 - a. Insecticides and rodenticides.
 - b. Detergents, sanitizers, and related cleaning agents; and
 - c. Caustic acids, polishes and other chemicals.

Control of Employees with Adverse Health Conditions.

- o Employees with a communicable disease shall not be allowed to work where they may come in contact with the food or with food contact surfaces.
- o Supervisors shall observe employees daily, including the use of reasonable injuries when the employee exhibits signs of illness.

Exclusion of Pests.

- o Pests are excluded from the facility and activities.

Signature _____ Date _____

Plan of Action: _____

**SANITATION ITEMS REQUIRING MONITORING AND
RECORDKEEPING AND RECOMMENDED
FREQUENCIES**

Records Required Annually

Safety of Water.

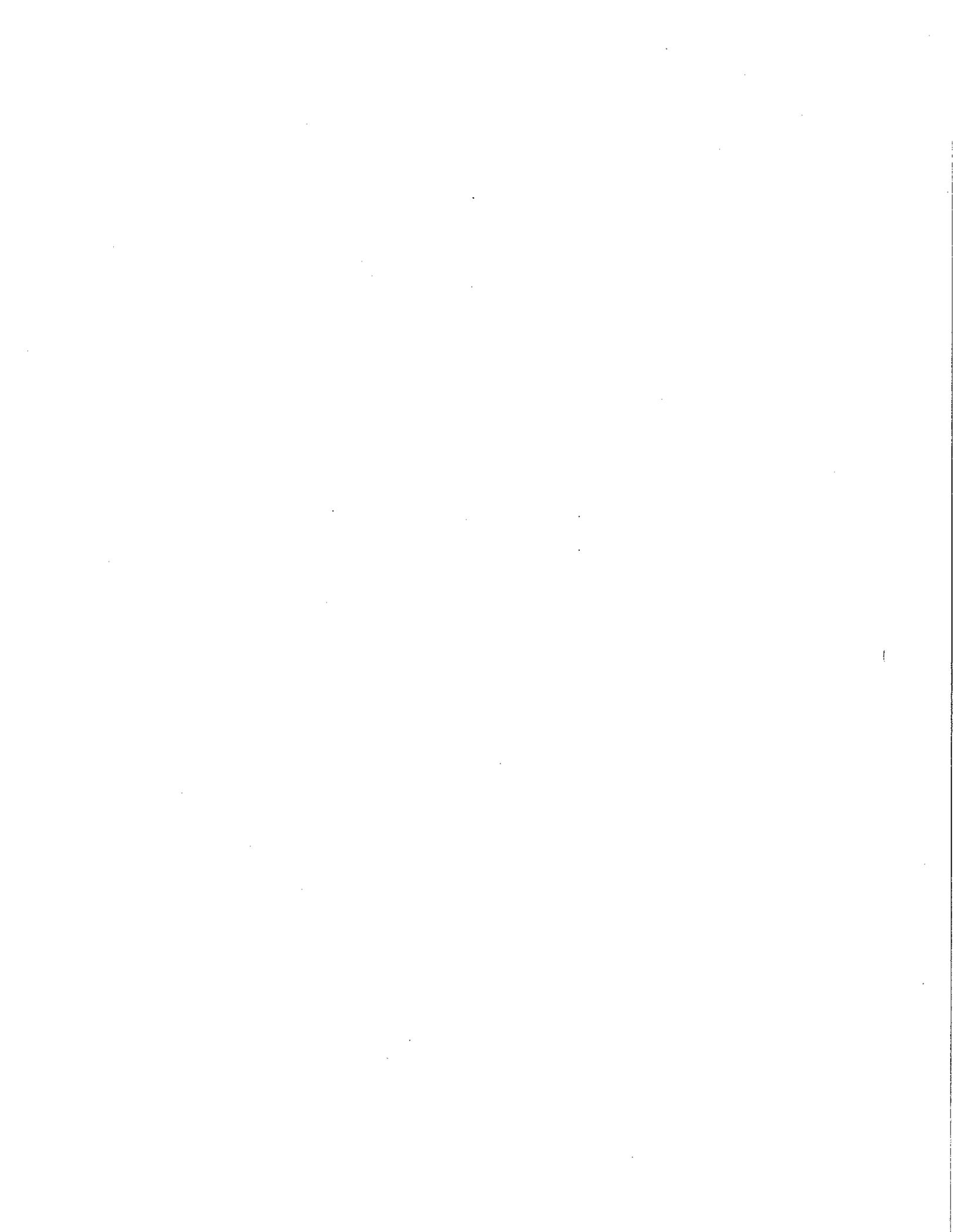
- o An approved potable water supply-name and water billing on file.
- o A private water supply.

Ice shall:

- o Be made on-site from potable water in a commercial ice machine, or
- o Come from a sanctioned facility.

Signature _____ Date _____

Plan of Action: _____



2 Year Contract 1/1/2010

COPESAN STRATEGIC ACCOUNT CLIENT PROGRAM



A PARTNERSHIP IN PEST MANAGEMENT

proposal for



December 21, 2009



"Servicing North America with Local Care"

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II. NEEDS ANALYSIS

Location

This report is based on inspections performed by Robert Knowlton on multiple occasions.

SYSCO Foods

100 Inwood Road

Rocky Hill, CT 06067-3422

Inspection of your facilities considered and identified a number of past, present, and on-going concerns. This information is intended to provide you with the detail needed to compare and evaluate Signature Care™ with your existing pest management efforts.

Summary

The following summarizes our recommendations and findings based on our inspection and historical concerns for this general area.

Observations At The Distribution Center

Interior Rodent	Recommendations
Occasional mouse catch in traps	Add bar codes to verify service completion

Interior Insect	Recommendations
Occasional Fruit Fly activity, around the floor drain area at the end of the dock. IMM monitoring in place for stored product pests. Insect monitors in test kitchen.	Continue monitoring for presence of pests.

Exterior Rodent	Recommendations
Mouse activity in exterior stations from time to time.	Add bar codes to bait stations for service verification.

Exterior Insect	Recommendations
Occasional Invaders	Make preventative treatments around exits.

*NOTE: The primary concern in any such facility is to protect is to protect the products stored therein, against insect or rodent infestation and/or contamination.

Inspections and Regulatory Compliance

Copesan understands the regulations and requirements of the full range of regulatory and inspection agencies. Our service personnel will discharge their responsibilities so as to assure that your facility is in compliance. This facility is regulated and/or inspected by the following agencies:

FOOD & DRUG ADMINISTRATION (FDA)	[X]
US DEPARTMENT OF AGRICULTURE (USDA)	[]
AMERICAN INSTITUTE OF BAKING (AIB)	[X]
AMERICAN SANITATION INSTITUTE (ASI)	[]
TRICON	[]
CLIENT: _____	[]
HEALTH DEPT.: _____	[X]
OTHER: _____	[]

III. COPESAN'S IPM APPROACH

Signature Care™ pest management strategies have been tailored, based on the results of the thorough inspection of SYSCO's facilities. Our extensive knowledge of, and experience with biological, ecological, and environmental factors, are applied to identify the most effective service procedures.

The Specialists who will be administering your program have completed extensive training and testing to become designated IPM Specialists serving the food processing industry. All are certified by Copesan.

Copesan's Signature Care™ pest management program utilizes a variety of techniques, tools, and materials developed specifically for the food processing industry. Long-term solutions to pest activity are emphasized rather than the short-term quick fix. To do this, we have combined a variety of pest management practices, including sanitation, mechanical, and cultural controls. Practices selected for a given facility are determined to have the lowest impact on both the environment and non-target organisms.

Our Definition of IPM

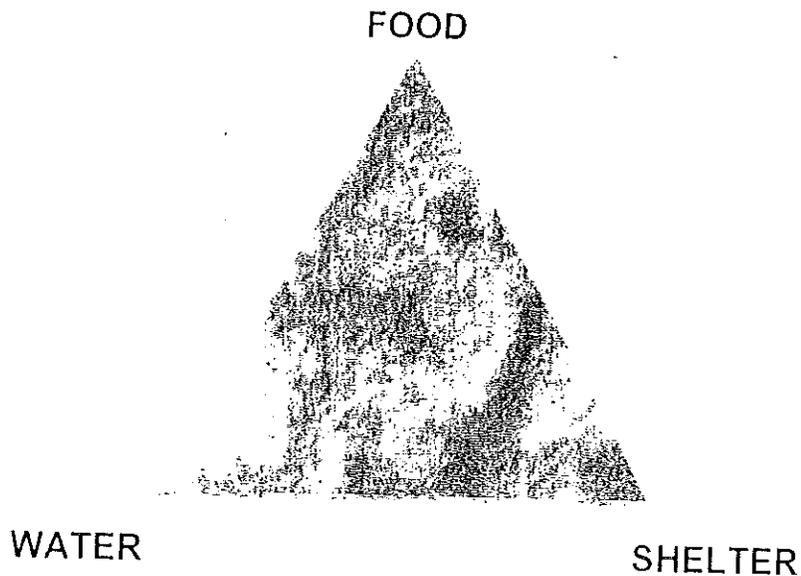
Almost everyone seems to have his or her own definition of what IPM means. The EPA defines IPM as:

"An effective and environmentally sensitive approach to pest management that relies on a combination of common-sense practices. IPM programs use current, comprehensive information on the life cycles of pests and their interactions with the environment. This information, in combination with available pest management methods, is used to manage pest damage by the most economical means, with the least possible hazard to people, property and the environment. IPM programs take advantage of ALL pest management options possible, including but not limited to, the judicious use of pesticides."

In simple terms, this means that many tactics are utilized together to form an effective strategy for the *management of pests*...an integrated approach.

All living things have three basic needs. These three items are called the *Triangle of Life*.

At the central core of sanitation and pest management, is the effective management of three basic components of life:

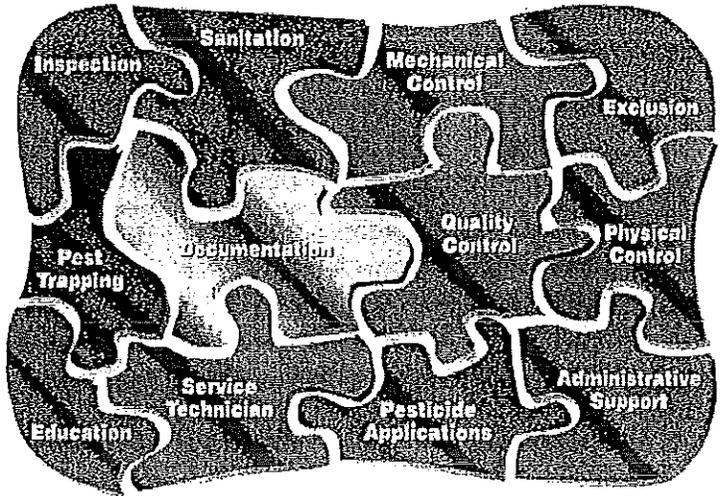


Putting the IPM Puzzle Together

A puzzle is used to help “visualize” the fact that IPM service work is not just dependent on one or two items, but depends on the interactions of many components or tactics to form a complete “picture”.

These include:

1. Education
2. Inspection
3. Exclusion
4. Cooperation or Administrative Support
5. Monitoring or Pest Trapping
6. Sanitation
7. Mechanical trapping
8. Physical controls
9. Service Specialist
10. Pesticide Applications
11. Quality Assurance
12. Documentation



Education

Education is the first cornerstone of our professional program.

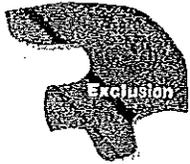
We realize the key to our client’s overall satisfaction is directly dependent upon the quality of the people who actually perform the service. Copesan Partner’s continually educate and train their Service Specialists in the most advanced pest management techniques. This provides our clients with the most qualified and experienced Service Specialists to service your facilities.

Sharing our knowledge with our clients is also a key to our success. Knowledgeable clients become a key part of IPM programs and enable a partnership to succeed. The more we all know, the more effective we all can be.



Inspection

Inspection is the second cornerstone of our IPM program. To conduct an effective inspection, one must know the "signs" of pests that are encountered and have sufficient education and experience to identify the pest. This effort should identify key factors which will directly influence all phases of a pest management program, such as: conducive conditions for pest infestations, pest entry routes, the need for improved sanitation, exact locations of needed repairs, pest trapping results and the need for physical controls. Inspectors must recognize a host of conducive conditions that can facilitate pest problems. Keeping the *Triangle of Life* in mind, the inspector looks for the food, water and shelter situations that are essential for the pests.



Exclusion

Exclusion is the third cornerstone and focuses on our efforts to keep pests outside. Pests that never get inside can never become an indoor problem.

Conducting external evaluations helps to identify factors that may attract pests to structures, such as:

- Light
- Heat
- Odors
- Improper landscape design
- Garbage

As pest management professionals, we focus on keeping pests out.



Cooperation or Administrative Support

Cooperation or Administrative Support is essential between client, staff and the IPM Specialist. We need to enlist the constant assistance of all people within facilities to identify pest situations and to keep pest conducive conditions at a minimum. Experience demonstrates that client input greatly assists in identifying some key areas where pests are active. Remember, just like in many sports activities, teams perform better than just individuals. Teamwork is indeed a winning combination.

A successful program should be built on these four key aspects of our industry leading IPM program!



Monitoring or Pest Trapping

Monitoring or Pest Trapping is a must for an effective IPM program. Since traps work 24 hours a day, they can provide us with valuable information regarding pest types and activity. Monitors or traps are like a "video" of what is going on at the facility, as contrasted to just a "snapshot" of seeing what is present during a visual, on-site inspection.



Sanitation

Sanitation, also known as habitat modification or cleaning, is a must for both the inside and outside of your facilities. Clients need to keep their facility as clean as possible. Eliminating food “stresses” the pests by taking away one of the three key items needed for life. Good cleaning and sanitation is pest management.



Mechanical Control

Mechanical focuses around effective repairs of structures and equipment. Such activities as caulking, general repairs, screens, door sweeps, plus mechanical repairs of equipment are included. We need to eliminate areas where pests live. It is an effective, long-term investment.



Physical Control

Physical control includes light, temperatures, relative humidity, or management of gas levels such as Oxygen (O₂). These are some essential environmental aspects that influence pest behavior and population growth. Modification of the environment immediately around pests will help to manage their populations. This approach is becoming more popular in the pest management industry.



Service Technician

Professional ability, experience, knowledge and positive presentation or image of the Service Specialist assigned to facilities and special areas of risk should meet a series of minimum qualifications and experience standards, including:

- A solid knowledge of pests, their sources and proper control tactics, including proper use of pesticides.
- Certification so that the individual is totally capable of conducting competent, general pest and rodent management work.
- Experience that is verifiable, full-time employment and documented training in aspects of general pest management.

In pest management, IPM Specialists are the key people who coordinate the programs for clients.



Pesticide Applications

Pesticides should be properly selected and applied with the proper equipment, in the right time and in the correct quantities. Chemical treatments should never be the "first line of defense," nor should they be applied just so the client thinks we are "doing something." Many excellent pest management products currently are on the market. Specialists must always use care and follow safety instructions indicated on the labels when using pesticides.



Quality Assurance

Quality Assurance is the process of evaluating how well the overall IPM program is working. To be most effective someone, other than the service Specialist, conducts quality control evaluations. These service reviews provide added insurance, verifying that the work is being done in an appropriate way. Most importantly, it's to insure client satisfaction. By having another person conducting these reviews, there is an extra pair of eyes that can review the work being done, with positive interaction between the service provider and the client.



Documentation

Documentation should include all information related to the specifics of the service work. Utilization of the Program Manual and Pest Management Reports Binders will be the on-site sources for the labels, MSDS or Material Safety Data Sheets, floor plans, site plans, service records, pest activity reported by the client and other reports that are completed. This series of documents provides for the collective "pest history" of the account.

Benefits of IPM

Everyone benefits from an integrated pest management (IPM) approach. *Clients and Specialists* all benefit from dependence on knowledge, lower pesticide use, and greater satisfaction through results. Although actual benefits will vary from location to location, a longer-term relationship develops between the client and the pest management service firm. "IPM is an effective management approach which integrates many tactics into a logical program to provide long-term solutions of key pest problems."

V. ACCOUNT MANAGEMENT STRUCTURE

Copesan has designated a Strategic Account Management Team comprised of operations, technical, quality assurance, client services and a dedicated account manager to be SYSCO's single point of contact. The Account Management Team's role will be to develop a strategic, long-term partnership between SYSCO and Copesan. In addition, the Account Management Team will be responsible for the following:

- Direct contact for SYSCO corporate
- Direct contact for SYSCO plant managers
- Program generation for additional facilities to ensure consistency
- Follow up with Copesan local service offices before during and after implementation
- Attending quarterly, annual and local plant meetings on an "as requested" basis

Copesan's Quality Assurance department will provide you with the certainty and security that we follow through with quality service that exceeds your standards. Our Quality Assurance personnel will:

- Coordinate Signature Care™ Quality Assurance surveys, which will be performed by Signature Care™ certified supervisory personnel
- In depth on-site inspections as needed
- Ensuring that only Signature Care™ Certified IPM Specialists are providing service for SYSCO

Copesan's Client Services department will support the Account Management Team. The client service team will be responsible for:

- Ensuring that all required service start up information and documentation is in the hands of the designated plant contact before service starts
- Working with SYSCO's Accounts Payable Department to establish a billing system specifically designed to integrate with your needs

Copesan's Technical Staff will be available to SYSCO at all times. Copesan's Technical Staff may provide:

- Up-to-date regulatory information
- Insect identification
- Training programs designed specifically for SYSCO



Account Management Team

The account management team listed below plays a crucial role in the Signature Care™ program as they have the assigned responsibility of ensuring your complete satisfaction. While the concept of “partnering” is often misused in today’s business world, the goal of the account management is to be accepted by your company as a true partner. An extension of your own company, dedicated to provide your company with the very best in pest management solutions and overall value.

Copesan’s account management team takes the long-term view of our relationship with our clients. Their ultimate goal of to establish and maintain client loyalty. We realize this doesn’t happen overnight. Our account management team has the goal of earning your respect during everyday of our relationship. More importantly, they’re there to earn your respect when things aren’t running as smoothly as possible.

Most companies don’t communicate their issue resolution plans to their clients because they perceive it as a sign of weakness. The reality is that there are going to be instances such as this during our relationship, due to a variety of factors. When this happens, our account management will take immediate action to address and correct the problems. This philosophy is based directly on our commitment to exceeding our client’s expectations.

Let us introduce you to your assigned Copesan Strategic Account Manager: Robert Selmer

You can reach him at 972-548-0407

Waltham Services Regional Manager: Bill Dittmar Telephone 800 811-5411

Waltham Services Service Manager: Robert Knowlton Telephone 800 752-1015

Operations

IPM Specialist Training and Certification

As a Signature Care™ client, the Copesan Specialist servicing your facility is specifically trained as a specialist in providing pest management to the food industry. Copesan’s training of Signature Care™ Certified IPM Specialists focuses on applying the concepts and strategies of Integrated Pest Management in the food-processing environment. Technical training combines classroom and on-the-job experience. In addition, we require continuing education well in excess of regulatory and industry standards. Our Signature Care™ certification program is a good example of our commitment to an educated staff. This ensures our IPM Specialists are knowledgeable in the most current tools and techniques to service your facilities.

Safety

In the interests of safety, training is provided to all of our personnel regarding:

- Hazardous material
- Spill response
- Application techniques
- Transportation of hazardous materials
- Respiratory protection
- Job site safety
- Personnel protective equipment
- Driving safety

Quality Assurance

When it comes to quality assurance, Copesan leads the industry. Management personnel review every service report to make certain your facilities are receiving service that is up to standard. Information from these reports is used to prepare trend reports and keep Copesan management abreast of the program's effectiveness. Dedicated Copesan Quality Control Inspectors continuously inspect the work of the local IPM Specialists. Their findings will be discussed with plant management and written reports will be provided to the Copesan Account Management Team along with the local Copesan Partner Branch Manager responsible for that location. Copesan Partner management personnel will conduct periodic reviews, as mutually agreed upon.

Quality Assurance Reviews

Quality Assurance Reviews play an important role in maintaining the effectiveness of the Signature Care™ program. These interactive meetings will provide a forum for discussing our results and any concerns you may have regarding the effectiveness of the program. From these meetings, we will cooperatively modify the program to meet your needs and objectives. Quality Assurance is provided as follows:

1. The **Local Quality Assurance Review** is a floor level evaluation of our pest management program and factors impacting its effectiveness.

Objective: to provide SYSCO with an assessment of structural and sanitation conditions affecting pest management and service quality. A copy of each review will be placed in the Program Manual.

Performed (2) times each year by Copesan and/or Partner management personnel.

2. The **Annual Management Review** is a face-to-face meeting between SYSCO plant management and Copesan's Account Management Team representatives.

Objective: To provide an assessment of the program's overall effectiveness, evaluate the past year's activities, discuss potential program modifications, and to map out the strategy for the upcoming year.

VI. DOCUMENTATION

Communication and Information Systems:

Signature Care™ Program Manual

Copesan will provide a Signature Care™ Program Manual and a Pest Management Report Binder for each service location. The manual and binder will include the following:

PROGRAM MANUAL

- Signature Care™ Agreement
- Locations Under Service (for multiple locs. only)
- Service Procedures
- Approved Materials
- Labels
- Licenses Certification Insurance
- Additional Services
- *IPM Update* Newsletters
- Technical Bulletins

PEST MANAGEMENT REPORTS

- Pesticide Usage Log
- Service Reports
- Equipment Location Map
- QA Review
- Material Safety Data Sheets
- Pest Activity Trend Report*
- Device Activity Summary
- Equipment Placement Reasoning

**Optional Services/Reports available at an additional cost*

Service Reports

Service Reports completed following every service provide full documentation of all IPM services performed, as well as the names, amounts and locations of all materials used. In addition, sanitation, structural deficiencies and other recommendations are included in the report. Copies of all Service Reports are left for insertion in the Signature Care™ Pest Management Reports Binder. The servicing office and Copesan Corporate also receive a copy of the Service Report.

Pest Sighting Memos

Prior to each service, the IPM Specialist will review a facility's Program Manual and Pest Management Reports Binder. Pest Sighting Memos are provided for SYSCO in each of the Pest Management Reports Binders. For Copesan to provide you with the most effective program that truly focuses on your needs, it will be SYSCO's responsibility to communicate any pest activity noted by your personnel to the IPM Specialist through these memos. A written reply will be given to each memo by the IPM Specialist. Notations will be made detailing the treatment given to solve the problem.

Toll-Free Client Services

Copesan's Client Services Department is prepared to respond to your concerns regarding special technical needs or services. Call 1-800-COPESAN (1-800-267-3726). You may also contact our Client Services team via e-mail at: clientservice@copesan.com.

Technical Newsletter

Each person responsible for your facilities' pest management program will receive our quarterly *IPM Update Newsletter*. Written by pest management industry consultant, C. Douglas Mampe, M.S., Ph.D. and Technical Editor, Dr. Jim Sargent, Copesan, the newsletter provides timely information on preventative pest management, alternative pest management techniques, pending government regulations, and related pest management and sanitation issues. Also included in this newsletter is the *IPM Extra!*, an insert written by one of Copesan's technical experts. Topics and writers change each quarter to highlight a timely subject of special interest to the food industry.

VII. COPESAN – THE RIGHT CHOICE

Bottom-line Results for Your Company

Some companies are driven by sales, others by operations...Copesan is truly a client-driven organization. We think it's important to communicate to you the account management philosophy that we subscribe to. Simply stated, Copesan is driven by two fundamental account management business values:

1. Everything we do is aimed at exceeding our client's expectations – always.
2. Being a privately held organization, rather than focusing on dividends for our public stockholders, Copesan's interests lie with our client's profitability and competitive positioning.

What that means for you and your business is that you can depend on Copesan to apply significant resources and innovative methods for managing pests, utilizing a comprehensive program that will result in cost effective pest management practices to deliver *bottom line results to your company*.

Food processing, warehousing and distribution facilities are prime targets for pests that:

- Contaminate product
- Carry disease
- Damage facilities
- Compromise critical environments
- Tarnish a company's reputation.

Prevention and management of pest infestations are essential elements of every comprehensive sanitation and housekeeping program.

Copesan: Your Least Risk, Lowest Total Cost Partner in Pest Management

Copesan offers you a unique perspective on pest management. It is our philosophy that sets us apart from our competitors. Copesan's philosophy is to provide you with a least-risk, lowest total cost service that will increase your competitive advantage and make your life and work easier. Gaining competitive advantages is how businesses such as yours succeed. We partner with you to reduce the direct, and indirect, costs associated with your pest management program over the long-term.

Signature Care™ minimizes the damage and loss caused by insect, rodent and bird pests to save you money, and it reduces the business risks associated with pest management.

Full Service Capabilities

Copesan is a specialist in the commercial, North American account marketplace. This is our sole reason for being. As such, we provide the most comprehensive list of services to meet your needs. These services include:

- Insect and rodent management
- Bird Management
- Weed Management
- Fumigation
- Sanitation consultations
- Pre-AIB/ASI inspections
- Video training modules for in-house training
- On-site educational seminars for your personnel

Complete North American Coverage

Copesan is an alliance of regional pest management companies that are united as a single entity for the sole purpose of providing quality pest solutions to businesses with locations throughout North America.

Our Service Partners pride themselves on providing quality service in their local communities. Many have been doing this for over half a century and have gained prominence in the pest management industry. Simply stated, Copesan has established the premier network of quality, established pest management experts to service your company.

Throughout North America, Copesan assures the quality of service through consistent application of an established set of Performance Standards. These standards make it possible for Copesan to guarantee consistent service to all of your facilities -- no matter what their location.

Copesan is the recognized leader in commercial pest management. Copesan's extensive, coast-to-coast coverage allows us to respond quickly to your local pest management needs. Our growing organization of service locations throughout the United States, Canada, Mexico, and the Caribbean is why many global food-processing companies choose Copesan as their primary pest management service provider.

Industry Leaders

Since 1958, Copesan Partners have been, and continue to be, pioneers and leaders within the pest management industry. They are active in the National Pest Management Association (NPMA) and other state associations. Copesan has spearheaded the development of laws, regulations, and industry standards with the needs and concerns of our clients in mind.

Skilled and Experienced Service Specialists

Successful pest management depends directly upon the quality of the people implementing the service. Copesan's Partners continually educate and train their Specialists in the most advanced products and pest management techniques. This has enabled Copesan to develop and retain a skilled force of personnel who assure our clients of receiving the highest quality service.

Unparalleled Experts

As a Copesan client, you have access to Copesan's team of more than 100 degreed technical specialists, many of who are internationally recognized. They hold advanced degrees in entomology, biology, and other pest-related disciplines and apply their expertise at the local level. Also at your disposal are the Copesan Development Committee (CDC) and Copesan Technical Committee (CTC), valuable resources of shared ideas and practical working knowledge made up of operation managers and technical personnel from throughout the Copesan organization.

Quality Assurance

Copesan's total quality management consists of internal report monitoring, client service auditing, a corporate system of back-up service providers, and on-going service performance evaluations to assure our quality standards are being met.

In addition to your local service contacts, Copesan corporate office in Brookfield, Wisconsin is open from 7:00 a.m. to 6 p.m. C.S.T. We also maintain a 24-hour toll-free number 1-800-COPESAN (1-800-267-3726) for your convenience.

VIII. SERVICE SPECIFICATIONS

Location(s)

SYSCO Foods

100 Inwood Road

Rocky Hill, CT. 06067-3422

CLIENT CONTACT Jeff Sault

Coverage

Covered Pests

Your customized Signature Care™ program will cover the following pests for the above listed location(s): **Ants, rats, mice, cockroaches, silverfish and fire ants (up to 3 feet from the structure as necessary).**

Crawling insect control for ants, crickets*, centipedes, millipedes, sow bugs, pillbugs, and other periodic, normal levels of arthropod invaders will be provided on the exterior of the facility

In addition to pests listed above, services for extraordinary pests, such as carpenter ants, fire ants, pharaoh ants, termites, Brown Recluse and Black Widow spiders, and grain insects are available on a cost per service basis.

Covered Areas

Covered areas will include the entire interior of the facility, immediate exterior as necessary (up to three feet away from the facility) for covered pests the fence line and trash areas.

On-going Service Program

Interior Insect Management for Covered Pests

Copesan will utilize an IPM approach to inspect, and if necessary, apply materials to the areas identified above to covered pests listed above.

Management for Covered Pests

Crawling insect management for ants, crickets*, centipedes, millipedes, sow bugs, pillbugs, and other periodic, normal levels of arthropod invaders will be provided. With each periodic visit, Copesan will inspect sensitive areas around the outside of the building and make spot and/crack and crevice treatments as necessary.

* Due to excessively high populations of crickets and a few other arthropod pests in certain areas of the country, field spraying of surrounding areas may be necessary. This service is provided at an additional fee.

Insect Light Trap Maintenance

<i>Area</i>	<i>Quantity</i>	<i>Brand and Model</i>
	None at this time	

Insect Monitoring Trap Locations

<i>Area</i>	<i>Quantity</i>	<i>Type [wall unit, hanging, sticky, etc]</i>
Test Kitchen	8	Sticky traps

Insect Monitoring Pheromone Trap Locations

<i>Area</i>	<i>Quantity</i>	<i>Species</i>
Dry goods, flour, rice	6	PT4 Pheromone

Property Perimeter Rodent Management

<i>Equipment Type</i>	<i>Quantity</i>	<i>Frequency</i>
Protecta Bait Stations	60	Once per month

Interior Rodent Management

<i>Equipment Type</i>	<i>Quantity</i>	<i>Frequency</i>
Multiple Catch Traps	122	Twice per month

Note: Alternate multiple-catch traps in warehouse contain sticky traps for insect monitoring

Fumigations

Copesan provides general and trailer fumigation as needed. Consult the Service Fee Schedule for pricing on trailer fumigations; general fumigation is quoted depending upon the application.

ULD (Ultra Low Dosage) Treatments (also known as ULV – Ultra Low Volume)

ULD fogging treatments are priced on a cost per cubic foot basis. We recommend utilizing the following ULD treatment formula: length times width times 10 feet of height. Airborne particles from fogging machines do not travel more than 10 feet high.

Time of Service

Service will be scheduled and performed on Wednesday, between the hours of 8 a.m. and 5 p.m., unless otherwise agreed upon in writing.

Pest Activity Trend Report

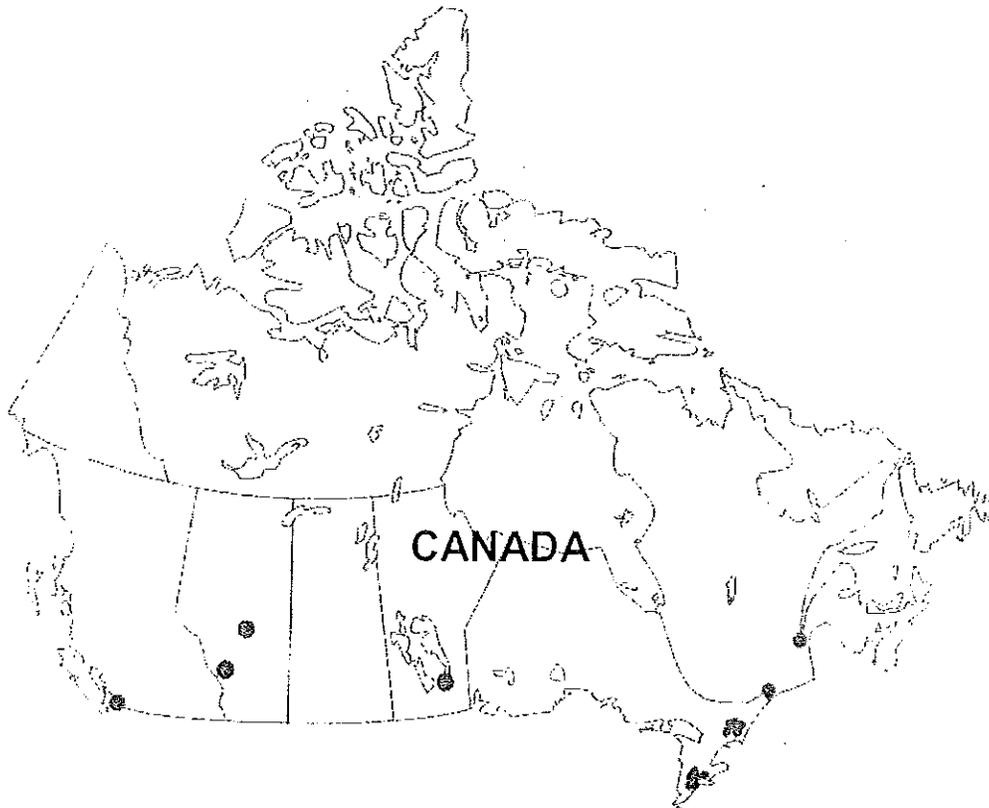
Pest Activity Trend Reports are tailored to meet your facility's unique circumstances. This data is useful in scheduling proactive management measures, monitoring effectiveness, and re-evaluating the program on a regular basis. There is an additional charge for these reports.

Pest Activity Trend Reports are a part of your Signature Care™ program. The following trend reports will be produced on the corresponding frequency. See Service Fee Schedule for associated fees.

IX. SERVICING LOCATIONS

UNITED STATES





X. PRICING/TERMS

Service Fee Schedule

Copesan shall provide service to SYSCO's location listed below according to the following schedule (plus tax, where applicable).

(All quoted pricing is in U.S. dollars unless otherwise stated.)

Pricing

Service	Copesan	
	Inspection Price per Unit per scheduled visit	Replacement Cost/each
Interior Tin CAT/Ketch-All	[REDACTED]	[REDACTED]
Exterior Bait Station	[REDACTED]	[REDACTED]
Pheromone Trap	[REDACTED]	[REDACTED]
Glue Trap	[REDACTED]	[REDACTED]
Insect Light Trap	[REDACTED]	[REDACTED]
Interior Insect Control - IPM Approach	0.0024 per sq ft. (1)	N/A
Exterior Insect Control	0.0024 per sq ft.	N/A

(1) Minimum of [REDACTED] with a maximum of [REDACTED] service charge.

On-going Service Program

<u>Location</u>	<u>Service</u>	<u>Frequency</u>	<u>Price Per Month</u>
Interior insect	Monitoring	Once per month	[REDACTED]
Interior rodent	Multiple catch traps	weekly	[REDACTED]
Exterior rodent	Protecta bait stations	Once per month	[REDACTED]

Monthly Investment: \$ [REDACTED] CT sales tax

Annual Investment: \$ [REDACTED] 6% CT sales tax

Pricing Terms

The above pricing is firm for two years.

Discounts

5% discount if services are paid annually upfront

Bar Code Scanner System

Provide to Sysco at no additional cost.

Provided Administrative Services

The following is a list of standard services that are contained in this program.

1. Complete and Maintain all Service Reports
2. Complete and maintain Pesticide Usage Logs
3. Complete and Maintain Equipment Location Maps
4. Perform at a minimum twice a year Quality Assurance Audits
5. Bar Code Monitoring at no cost, as soon as is available
6. Performance and service effectiveness guarantees
7. Programs to assist your customers through iCare

Fumigations and other services

ULD (ULV) Applications	1% pyrethrum	
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Due to regulatory and market pressures, these prices are subject to change.

Other types of fumigations, including: phosphine, sulfuryl fluoride, controlled atmosphere, heat or cold treatments, or a combination of the above are also available and will be priced on an individual basis.

Insurance

Copesan presently provides the following insurance coverage at this time.

Worker's Compensation	Statutory
General Liability	3,000,000/1,000,000
Automobile.....	1,000,000

A certificate of insurance will be issued to you upon request and submitted upon acceptance of this agreement.

XI. PURCHASE AGREEMENT

Agreement

This Agreement is effective for a period of 12 months and will automatically renew on each anniversary thereafter. Either party may cancel the Agreement in whole or in part upon 30-days written notice.

The specifications and pricing contained herein shall remain valid for 120 days from the original date printed on this document.

Presented by:

Copesan — Specialists in Pest Solutions

Robert Knowlton

National Accounts Representative

Signature

Date:

Robert Knowlton
12/21/2009

Accepted by:

SYSCO

Name:

Signature:

Jeff Sauer
[Signature]

Date:

Effective Date:

12/21/2009
01/01/2010

Scott Andrae

Strategic Account Manager

Signature _____

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XII. GUARANTEE

Guarantee of Service Specifically for Sysco Foods

Prevention of pest infestations in a food facility requires a cooperative effort, a partnership, between the client and pest management service provider. The stronger the partnership, the more effective the pest management program will be. Copesan guarantees that its Signature Care™ partnership will meet or exceed your expectations and provide Consistent, Accountable, Responsible, and Effective pest management.

In addition, Supplier will jointly develop a Pest Management Plan with the respective SYSCO location prior to beginning service. The Pest Management Plan, at a minimum, will be in compliance with all current AIB standards and requirements. Once the Pest Management Plan has been jointly agreed to and signed by the SYSCO location and Supplier, then service will commence.

Once the Pest Management Plan has been implemented, if at any time during the course of the agreement it is found that the Pest Management Plan has not been adhered to by the Supplier (i.e. the location does not achieve an AIB score of 185 or better), Supplier will immediately refund to the SYSCO location the previous month's service and correct the issue at Supplier's sole cost, provided that SYSCO has applied the written recommendations of Copesan.

Additional services that are required due to Sysco not implementing written recommendations from Supplier, will be paid for by Sysco: