## Beech Nut

Simply A Better Choice.™

## **Beech Nut Nutrition**

Request for Quotation Submission

BUYER: Roberta Wagner / File 22

RFQ No.: WIC90120

Bid Opening Date: 3/19/2009

Bid Opening Time: 1:30 PM

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WY PURCHASING DIVISION :

Fax: 518-595-6601

Contact: Tim Kennedy



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Beech Nut Nutrition

WIC Infant Foods Rebate Bid

Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania,

Puerto Rico, Virginia, Virgin Islands, West Virginia

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#### 1. Experience and Qualifications

Beech Nut Nutrition has been manufacturing and marketing high quality infant nutrition products since 1931. Located in upstate New York, Beech Nut Nutrition has two manufacturing facilities in addition to the corporate headquarters. The main facility in Canajoharie, NY produces the infant nutrition jars while the facility in Fort Plain, NY is dedicated to infant cereals. The Corporate headquarters are located in Latham, NY.

In the fall of 2009, Beech Nut Nutrition will open a new manufacturing facility and headquarters in Florida, NY (approximately 30 miles west of Albany, NY). This state of the art facility will combine the two manufacturing locations as well as the corporate headquarters into one location. This new LEEDS certified "Green" facility will provide increased capacity for the growth of new infant nutrition products as well as the current portfolio of products.

Beech Nut Nutrition is a privately held company owned by Hero, AG of Switzerland. Hero AG is a worldwide manufacturer of Infant Nutrition products in countries such as Switzerland, Sweden, England, Spain, and others. In addition, Hero worldwide has a significant position in jams, preserves, fruit and decorating products.

Beech Nut Nutrition has an extensive history of working with state WIC agencies with past winning bids for infant cereal in New York, California, Indiana and Mississippi. Beech Nut Nutrition is familiar with the processes and requirements of executing and complying with state requirements.

Further, Beech Nut Nutrition has the experience and qualifications to support the participating States' WIC programs with education and awareness programs to assist retailers on store execution and to assist participants through information on Beech Nut Nutrition's informational website.

Beech Nut Nutrition's business is supported by a sales management team that leads a comprehensive network of brokers, wholesalers and retailers throughout the bid geography. In addition, Beech Nut Nutrition has a complete team of professionals in the marketing, financial and logistics arena to support the manufacturing and distribution of the products sold under the bid program.

These personnel resources will be made available upon request to the States' WIC Infant Foods Rebate programs to assist the States in carrying out a successful effort.



#### 2. Financial Information

RFQ Section VII.f.(ii) requests "a copy of the bidder's latest annual financial report or other information to show the financial stability of the bidder."

Since its founding in 1931, Beech Nut Nutrition's annual sales have grown and are now in excess of \$200 million. The anticipated annual rebate offered by the company to the States is approximately \$1 million. Consequently, the contractual obligations the company will undertake if its bid is accepted are well within its financial capacity. Additional financial assurances are provided as well through the form of proposed contract.

Complete annual financial results of Beech Nut Nutrition are prepared on a consolidated basis together with other operations of the company's owner, Hero AG of Switzerland, and this information is deemed to be highly confidential by the company. Beech Nut Nutrition is prepared to share an income statement for 2008 with state officials through its legal counsel or accountants if conditions can be established to preserve its confidentiality. However, under West Virginia's competitive bidding statute, we are advised by counsel that detailed written financial information--even of a proprietary and highly sensitive nature--cannot be retained as confidential and must be made available to the public.



#### 3. Products Description

#### 1. Infant Fruits (according to requirements outlined in Section II.A.1)

Beech Nut Nutrition is respectfully submitting the four following Infant Fruits for consideration. All four items are sold in 4.0 oz glass jars. Per the requirements in the RFQ, the four items are without added sugars, starches, or salt. All products meet the USDA regulatory requirements for use in the WIC program. All four Infant Fruit items are certified Kosher.

Entire UPC Code, inc check digit (12 digits)	Brand Name	Infant Fruits and Vegetables Name	Container Size (glass jar)	Ingredients	Kosher
0 52200 00502 6	Beech-Nut®	Applesauce	4.0 oz	Apples, water, ascorbic acid (Vitamin C).	Yes
0 52200 00507 1	Beech-Nut®	Chiquita® Bananas	4.0 oz	Chiquita® bananas, citric acid, ascorbic acid (Vitamin C).	Yes
0 52200 00706 8	Beech-Nut®	Peaches	4.0 oz	Peaches, citric acid, ascorbic acid (Vitamin C).	Yes
0 52200 00705 1	Beech-Nut®	Pears	4.0 oz	Pears, water, ascorbic acid (Vitamin C).	Yes

#### 2. Infant Vegetables (according to requirements outlined in Section II.A.2)

Beech Nut Nutrition is respectfully submitting the five following Infant Vegetables for consideration. All five items are sold in 4.0 oz glass jars. Per the requirements in the RFQ, the five items are without added sugars, starches, or salt. All products meet the USDA regulatory requirements for use in the WIC program. Four of the five Infant Vegetable items are certified Kosher.

Entire UPC Code, inc. heck digit (12 digits)	Brand Name	Infant Fruits and Vegetables Name	Container Size (glass jar)	Ingredients	Kosher
0 52200 00589 7	Beech-Nut®	Tender Golden Sweet Potatoes	4.0 oz	Sweet potatoes, water.	Yes
0 52200 00712 9	Beech-Nut®	Butternut Squash	4.0 oz	Butternut squash, water.	Yes
0 52200 00716 7	Beech-Nut®	Tender Sweet Peas	4.0 oz	Peas, water.	Yes
0 52200 00715 0	Beech-Nut®	Tender Young Green Beans	4.0 oz	Green beans, water.	
0 52200 00714 3	Beech-Nut®	Tender Sweet Carrots	4.0 oz	Carrots, water.	Yes

#### 3. Infant Meats (according to requirements outlined in Section II.A.3)

Beech Nut Nutrition is respectfully submitting the three following Infant Meats for consideration. All three items are sold in 2.5 oz glass jars. Per the requirements in the RFQ, the three items do not contain added sugars or salt. All products meet the USDA regulatory requirements for use in the WIC program.

Entire UPC Code, Inc. check digit (12 digits)	Brand Name	Infant Meat or Poultry Name	Container Size (glass jar)	Ingredients	Kosher
0 52200 00797 6	Beech-Nut®	Beef & Beef Broth	2.5 oz	Beef, beef broth.	
0 52200 00795 2	Beech-Nut®	Chicken & Chicken Broth	2.5 oz	Finely ground chicken, chicken broth.	
0 52200 00792 1	Beech-Nut®	Turkey & Turkey Broth	2.5 oz	Finely ground turkey, turkey broth.	



#### 4. Distribution Network

Beech Nut Nutrition utilizes an extensive network of retailers, brokers and wholesalers throughout the states of Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Puerto Rico, Virginia, Virgin Islands, and West Virginia to ensure that consumers have access to infant food and cereals.

Our company supplies infant foods and cereals to the following number of stores within each state:

Delaware: 81

District of Columbia: 52

Maryland: 515 New Jersey: 783 Pennsylvania: 934

Puerto Rico: approximately 540

Virginia: 819

Virgin Islands: approximately 64

West Virginia: 180

**TOTAL: 3,968** 

Due to the number of stores in which Beech Nut Nutrition products are distributed, a detailed store listing will be provided upon request.



#### 5. Additional Information

If Beech Nut Nutrition is the successful bidder, it will commit the necessary resources to work with the each of the States' WIC program administrators, if requested, to ensure a successful rebate program. The company's marketing group is available for targeted consumer education by leveraging its established consumer programs and communication vehicles, including its website. Company resources are also available to assist in informing retailers about the rebate program through our extensive distribution network.

In addition, Beech Nut Nutrition has reviewed the services requested under this Request for Quotation as well as the form of contract to be executed by the successful bidder. The company finds the contract provisions acceptable and its capacity to supply the requested services sufficient.

Beech Nut Nutrition would also like to call attention to the fact that it believes the Wholesale Price term "highest cost per ounce" used in the Equation for Evaluation of Bids (referenced in Section VII.A.1.o.i. on p. 19 of the RFQ) should more properly read "lowest cost per ounce." For your information, attached is Addendum 1, issued by the State of Maine's WIC Infant Food and Cereal Rebate Program, from the recent New England states' Invitation for Bids ("IFB"), for which bids were submitted on March 13, 2009. This addendum addresses this situation, and demonstrates how the New England states corrected the IFB accordingly.

On the Bid Sheet included with this Response, Beech Nut Nutrition has responded with its "highest wholesale cost" as required by this RFQ, but also included its lowest wholesale cost in an effort to conform with both the requirements of this RFQ and what counsel has advised are the requirements of the underlying federal regulations for this program, currently codified in 7 C.F.R. § 246.16a(c)(3).

## WIC Infant Food and Cereal Rebate Program

Invitation for Bid (IFB) – IFB # 200800340

#### Amendment 1

The Department of Health and Human Services (DHHS) of the State of Maine, on behalf of the states of Maine, New Hampshire, Connecticut, Rhode Island, and the Commonwealth of Massachusetts (hereinafter "State" or "States"), a cooperative of states represented by the National Association of State Procurement Officials (NASPO), hereby amends subject IFB, posted on January 6, 2009, as follows:

#### Paragraph 1

The bid opening date has been extended, the date for bid openings is now 2:00 p.m. Eastern Standard Time on Friday, February 27, 2009.

### Paragraph 2

Section I., first paragraph, is amended to read: The Special Supplemental Nutrition Programs for Women, Infants and Children (WIC) of Maine, Massachusetts, New Hampshire, Connecticut, and Rhode Island (referred to herein as the States) is seeking a way to comply with 7 C.F.R. § 246.16a (g) and to contain the cost of infant foods in order to increase the number of women, infants, and children served by the States' WIC Programs. The States have joined together to solicit bids for rebates on infant foods and infant cereal and are requesting proposals for rebates from a single source for each of these products. After award of the contract sought in this solicitation, other members of the NASPO Cooperative may, with the concurrence of the awarded contractor, participate in this contract. Such additional participation will not expand the actual infants served beyond 150,000. This might include, but is not limited to, the States of Delaware, Maryland, New Jersey, and West Virginia, the Commonwealths of Pennsylvania, Puerto Rico, Virginia and the District of Columbia.

### WIC Infant Food and Cereal Rebate Program

Invitation for Bid (IFB) – IFB # 200800340

#### Amendment 1

#### Paragraph 3

Section II.A.1 is amended: to REQUIRE, in addition to at least one original signed copy of the bid package, submission at the same time of an electronic copy of the bid package (in the State standard Microsoft Word 2003) on either a CD or a flash drive.

#### Paragraph 4

Section II.B.4 as published is stricken and replaced with the following:

## **Invoices and Billing**

States will designate one of the following methods of invoicing and billing for rebates. States may change the option chosen with 120 days notice to contractor, unless a shorter period is required by either state law or federal rule.

For purposes of this Section: "State(s)" means States or Commonwealths or Tribes; "product" means the appropriate infant food or cereal being considered; "unit" means an individual package of the appropriate infant food or cereal being considered; "food instrument/EBT" means the voucher, check, draft, coupon, or other document issued by the States for a Participant to obtain the product from a vendor; "vendor" means the actual business where the transaction took place; and "manufacturer" means the contractor whose product was a part of the transaction.

A. Each State shall prepare an invoice for the MANUFACTURER'S monthly rebate payment; the invoice shall contain the methodology and data used to calculate the monthly rebate payment. The invoice shall be FAXED or electronically submitted by e-mail (per

### WIC Infant Food and Cereal Rebate Program

Invitation for Bid (IFB) – IFB # 200800340

#### Amendment 1

each State's preference) by each State to the MANUFACTURER, to be followed with a hard copy by mail.

- B. The number of units for each type and size of product included in this AGREEMENT and issued to participants on the food instrument/EBT redeemed by WIC participants shall be calculated monthly. Each State shall select a billing strategy from the menu of options below (Subsections 1 through 5) to take into account the number of units of product for which food instruments were issued but not redeemed.
- 1. Retail Quantity Capture Method: (based on retailer capture of the number of units purchased per food instrument and the State's capability to analyze the retailer information)

For each issued and redeemed contract food instrument/EBT, the State shall make adjustments for partial redemptions based on the number of units recorded on cash register or EBT receipts accompanying each food instrument/EBT presented for payment.

2. <u>Vendor Price Table Method</u>: (based on the actual purchase price as captured by each vendor for each product, resulting in the development of a price reference table)

For each issued and redeemed contract food instrument/EBT, the State shall identify the type of product listed on the food instrument/EBT, the number of units issued, and the name and address of the vendor where the food instruments were redeemed. The redemption amount for each food instrument will be divided by the vendor's price per unit that was in effect at the time of the redemption for the relevant type of product. The resulting number of units to be submitted to the MANUFACTURER for rebates will be rounded either up or down to the nearest whole number. The rounded number of units will represent the quantity of units redeemed. The quantity of units

### WIC Infant Food and Cereal Rebate Program

Invitation for Bid (IFB) – IFB # 200800340

#### Amendment 1

redeemed will never exceed the number of units issued on the food instrument. The vendor's price for each type of product will be obtained from the vendor's price surveys which will be updated at least annually.

3. <u>Vendor Class Price Table Method I</u>: (based on average retail prices for rebated product by vendor peer group obtained from annual price surveys)

For each issued and redeemed contract food instrument, the State shall identify the number of units issued by type, and shall identify the relevant vendor peer groups from which purchases were made. The total redemption amount for the food instrument as reported by the vendor will be divided by the average retail price of the relevant type of product charged by the vendors in the relevant peer group. The resulting number of units will be rounded both up and down to the nearest whole number. The rounded number of units will represent the quantity of units redeemed for rebates. The quantity of units redeemed will never exceed the number of units issued on the food instruments. The vendor's price for each type of product will be obtained from the vendor's price surveys which will be updated at least annually.

4. <u>Vendor Class Price Table Method II</u>: (based on average retail prices for rebated product by vendor peer group obtained from statistically valid samples of annual price surveys)

For each issued and redeemed contract food instrument, the State shall identify the number of units issued by type, and shall identify the relevant vendor peer groups from which purchases were made. The sum of redemption amount for the food instrument will be divided by the average retail price of the relevant type of product and the relevant peer group. The resulting number of units will be rounded either up or down to the nearest whole number. The rounded number of units will represent the quantity of units redeemed for rebates. The

### WIC Infant Food and Cereal Rebate Program

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#### Amendment 1

quantity of units redeemed will never exceed the number of units issued on the food instruments. The average price for each type of product and vendor peer group will be calculated annually from a statistically valid sample of vendors within each peer group. The States will provide copies of the information contained in the surveys constituting the statistically valid sample vendors, including the statistical analysis.

5. <u>Calculated Discount Based on Vendor Price Tables Method</u>: (based on annual determination of partial redemption rate)

The State shall use individual vendor price tables to annually compare actual purchase amounts for food instruments (one month volume) against the average price for the type and size of product specified on those food instruments. The average price for each type and size of product for each vendor will be obtained from the vendor price surveys. This data will be used to calculate a partial redemption rate to be used as a calculated discount to all units of product present for rebate reimbursement. The rounded number of units will be used as the quantity of units redeemed for rebates.

### Paragraph 5

Section II.C.2 is amended: The LOWEST wholesale price list cost per ounce less proposed rebate will give us the lowest net cost.

## Paragraph 6

Section III.A. Subsections 1-3 are stricken and replaced with the following language. Modifications to the language in the original IFB are <u>underlined</u>. The contracts to be signed under the IFB will be modified to include the requirements in the amended subsections 1, 2, and 3.

1. Infant Fruits – Due to current cost differences, organic or foods with DHA added cannot be bid on. Any variety of single

### WIC Infant Food and Cereal Rebate Program

Invitation for Bid (IFB) - IFB # 200800340

#### Amendment 1

ingredient commercial infant food fruit without added sugars, starches, or salt in 4 ounce containers is allowed. Mixtures with cereal or infant food desserts (e.g. peach cobbler) are not authorized; however, combinations of single ingredients (e.g., apple-banana) are allowed. The bidder must provide at least three single ingredient varieties/types of fruits. The three single ingredient fruits must include (at a minimum) Applesauce, Banana, and Pear. All varieties must meet United States Department of Agriculture (USDA) regulatory requirements for use in the WIC Program. If the winning bidder cannot supply such a product, then it shall allow the states to issue to participants, drafts/checks/vouchers for another manufacturer's comparable product(s) with no state agency breach of Contract occurring. Some special cases may require fruits with further restrictions for documented dietary or religious reasons, e.g. kosher foods. At least one kosher infant fruit product must be offered. If the Contractor does not produce a kosher infant fruit, the Contractor shall pay a rebate, at the same percentage discount under the terms of this Contract, on another kosher brand of similar infant fruit issued to the participants. Any other infant fruit produced by the Contractor and authorized by the State WIC agency during the contract including any extensions shall receive rebate.

2. Infant Vegetables: Due to current cost differences, organic or foods with DHA added cannot be bid on. Any variety of single ingredient commercial infant food vegetables without added sugars, starches, or salt in 4 ounce containers is allowed. Combinations of single ingredients (e.g., peas and carrots) are allowed. The bidder must provide at least five varieties/types of single ingredient vegetables. The five single ingredient

### WIC Infant Food and Cereal Rebate Program

Invitation for Bid (IFB) - IFB # 200800340

#### Amendment 1

vegetables must include (at a minimum) Sweet Potato, Squash, Peas, Green Beans, and Carrots. All varieties must meet USDA regulatory requirements for use in the WIC Program. If the winning bidder cannot supply such a product, then it shall allow the states to issue to participants, drafts/checks/vouchers for another manufacturer's comparable product(s) with no state agency breach of Contract occurring. Some special cases may require vegetables with further restrictions for documented dietary or religious reasons, e.g. kosher foods. At least one kosher vegetable product must be offered. If the Contractor does not produce a kosher infant vegetable, the Contractor shall pay a rebate, at the same percentage discount under the terms of this Contract, on another kosher brand of similar infant vegetable issued to the participants. Any other infant vegetable produced by the Contractor and authorized by the State WIC agency during the contract including any extensions shall receive rebate.

3. Infant Meats: Due to current cost differences, organic or foods with DHA added cannot be bid on. Any variety of commercial infant food meat or poultry, as a single major ingredient, with added broth or gravy in 2.5 ounce containers are allowed. Added sugars or salt (i.e. sodium) are not allowed. The bidder must provide at least three varieties/types of meats. The three single major ingredient meats must include (at a minimum) Beef, Chicken, and Turkey. No infant food combinations (e.g. meat and vegetables) or dinners (e.g. spaghetti and meatballs), graduate or toddler foods are allowed. All varieties must meet USDA regulatory requirements for use in the WIC Program. If the winning bidder cannot supply such a product,

## WIC Infant Food and Cereal Rebate Program

Invitation for Bid (IFB) – IFB # 200800340

#### Amendment 1

then it shall allow the states to issue to participants, drafts/checks/vouchers for another manufacturer's comparable product(s) with no state agency breach of Contract occurring. Some special cases may require meats with further restrictions for documented dietary or religious reasons, e.g. kosher foods. At least one kosher infant meat product must be offered. If the bidder does not produce a kosher meat product, the Contractor shall pay a rebate, at the same percentage discount under the terms of this Contract, on another kosher brand of similar infant meat issued to the participants. Any other infant meat produced by the Contractor and authorized by the State WIC agency during the contract including any extensions shall receive rebate.

This amendment is effective on February 13, 2009.

February 13, 2009



6. Bid Sheet - Infant Foods

Bid Sheet
Due: 3/19/23009 1:30 PM EST
Infant Foods Rebate System

Bidder's Name: Hero Group, Inc DBA Beech Nut Nutrition
Address: 13 British American Blvd, Latham, NY 12110
Contact Person and Telephone Number: Tim Kennedy 518-595-6612
SECTION I CERTIFICATION
This certifies that this company or companies is (are) able to supply the infant foods as required by this Request for Quotes. That the person signing this document is authorized to bind the company or companies to the bid. And that all requirements and conditions of the Contract and amendment are acceptable.
SECTION II REBATE AMOUNT (carried to three decimal places)
A. Infant Foods – Fruits, Vegetables & Meats – Seven Mainland States
<ol> <li>The highest wholesale cost of the offered infant fruits/vegetables/meats for the seven (7) mainland States participating is \$ 0.160 * per ounce.</li> <li>The rebate amount for infant fruits/vegetables/meats for these states is \$ 0.049 per ounce authorized.</li> </ol>
B. Infant Foods - Fruits, Vegetables & Meats - Puerto Rico & Virgin Islands
1. The highest wholesale cost of the offered infant fruits/vegetables/meats, for Puerto Rico and Virgin Islands, is \$\( \) 0.160 * per ounce.  2. The rebate amount for infant fruits/vegetables/meats for Puerto Rico & Virgin Islands is \$\( \) 0.049 per ounce authorized.
Bidder's Representative Name and Title Date

\*Note that in order to conform to the specific requirements of this RFQ #WIC90120, Beech Nut Nutrition has provided the "highest wholesale cost" of this product, calculated at a weighted average of 93% fruits/vegetables and 7% meats. However, Beech Nut Nutrition has been informed of the possibility that in order for this RFQ bid to generate the proper rebate calculation intended by 7 C.F.R. §246.16a, the amount to be entered here should be the "lowest wholesale cost" for these products. Beech Nut Nutrition's lowest wholesale cost for fruits/vegetables/meats is: \$ 0.149 , calculated using the same weighted average as above. This amount is applicable to both the Seven Mainland States and Puerto Rico & Virgin Islands. See Note in Section 5, Additional Information.



#### 7. Wholesale Price List

The Beech Nut Nutrition Price List, effective as of the bid date.

Beech Nut Nutrition  National Price List for WIC bid items									
							PRICE	IN US \$	
BEECH-NUT - PRODUCT NAME	Case Pack	Size	GTIN / UPC Case Code (14 Digit)	Unit UPC Code (12 Digit)	Suppressed UPC	40,000 & Over	30,000 - 39,999	5,000 - 29,999	500 - 4,999
4.0 oz infant Fruits		U.Ajoudia vivido					Tanton Santa		zwanyowe (saje
Applesauce	12	4 oz	1 00 52200 02502 1	0 52200 00502 6	0-525022-6	\$6.48	\$6.61	\$6.74	\$6.99
Chiquita <sup>®</sup> Bananas	12	4 oz	1 00 52200 02507 6	0 52200 00507 1	0-525072-1	\$6.48 .	\$6.61	\$6.74	\$6.99
Peaches	12	4 oz	1 00 52200 02706 3	0 52200 00706 8	0-527062-8	\$6.48	\$6.61	\$6.74	\$6.99
Pears	12	4 oz	1 00 52200 02705 6	0 52200 00705 1	0-527052-1	\$6.48	\$6.61	\$6.74	\$6.99
4.0 oz Infant Vegetables				idadi kuta saniatang mga mga tabung naka m		Yellah (Mareh Nesara besara) Salah Salah S			
Tender Golden Sweet Potatoes	12	4 oz	1 00 52200 02589 2	0 52200 00589 7	0-525892-7	\$6.48	\$6.61	\$6.74	\$6.99
Buttemut Squash	12	4 oz	1 00 52200 02712 4	0 52200 00712 9	0-527122-9	\$6.48	\$6.61	\$6.74	\$6.99
Tender Sweet Peas	12	4 oz	1 00 52200 02716 2	0 52200 00716 7	0-527162-7	\$6.48	\$6.61	\$6.74	\$6.99
Tender Young Green Beans	12	4 oz	1 00 52200 02715 5	0 52200 00715 0	0-527152-0	\$6.48	\$6.61	\$6.74	\$6.99
Tender Sweet Carrots	12	4 oz	1 00 52200 02714 8	0 52200 00714 3	0-527142-3	\$6.48	\$6.61	\$6.74	\$6.99
2.5 oz infant Meats									ówasy neusyn
Beef and Broth	12	2.5 oz	1 00 52200 02797 1	0 52200 00797 6	0-527972-6	\$10.20	\$10.32	\$10.44	\$10.56
Chicken and Broth	12	2.5 oz	1 00 52200 02795 7	0 52200 00795 2	0-527952-2	\$10.20	\$10.32	\$10.44	\$10.56
Turkey and Broth	12	2.5 oz	1 00 52200 02792 6	0 52200 00792 1	0-527922-1	\$10.20	\$10.32	\$10.44	\$10.56



#### 8. Services to be Performed / Scope of Work

As indicated in Section VII.A.1.g of this RFQ, Beech Nut Nutrition is committed to performing all the general requirements and tasks required of this RFQ. The following provides the Beech Nut Nutrition response as required in Section VII.A.1.f (which in turn references the "Services to be Performed and "Scope of Work/Tasks" sections) of the RFQ.

#### Section II: Services to be Performed

#### II.A.1 Infant Fruits

Beech Nut Nutrition is fully capable of meeting the requirements expressed in this section of the RFQ. Please see "3. Products Description; 1. Infant Fruits" of this RFQ response for a more detailed description of the products provided in response to this RFQ.

Should additional requirements be issued by the state, Beech Nut Nutrition respectfully requests a Right of First Refusal to produce a product that would meet such requirements.

#### II.A.2 Infant Vegetables

Beech Nut Nutrition is fully capable of meeting the requirements expressed in this section of the RFQ. Please see "3. Products Description; 2. Infant Vegetables" of this RFQ response for a more detailed description of the products provided in response to this RFQ.

Should additional requirements be issued by the state, Beech Nut Nutrition respectfully requests a Right of First Refusal to produce a product that would meet such requirements.

#### II.A.3 Infant Meats

Beech Nut Nutrition is fully capable of meeting the requirements expressed in this section of the RFQ. Please see "3. Products Description; 3. Infant Meats" of this RFQ response for a more detailed description of the products provided in response to this RFQ.



Beech Nut Nutrition is fully able and capable of providing to the needs expressed in this section of the RFQ.

Should additional requirements be issued by the state, Beech Nut Nutrition respectfully requests a Right of First Refusal to produce a product that would meet such requirements.

#### **II.A.4**

Beech Nut Nutrition fully understands the current federal programs' maximum allowances of Infant Foods that may be prescribed on a monthly basis, and further understands that the states do not guarantee that this same amount will be purchased.

Beech Nut Nutrition is fully capable of providing infant food to meet the requirements as expressed throughout RFQ #90120.

Beech Nut Nutrition recognizes that there is no guarantee that this amount will be purchased.

Beech Nut Nutrition recognizes each state's right to determine the authorized package sizing and product variety.

#### II.B. Scope of Work

#### Task 1

Should Beech Nut Nutrition be awarded the contract, it guarantees provision of infant foods meeting the specifications outlined in Section II.A of the RFQ. The ability and capability to provide as such is explained in detail in Sections 1 (Experience and Qualifications), 3 (Products Description), 4 (Distribution Network), and 5 (Additional Information).

Were Beech Nut Nutrition awarded the contract for this program, it would respectfully request that the states each provide a list of all authorized WIC retailers within their respective states to Beech Nut Nutrition to assist it with the facilitation of this task.

#### Task 2

Should Beech Nut Nutrition be awarded the contract, it will engage major wholesalers and authorized WIC retail outlets to assure adequate on-shelf supplies as well as sufficient quantities of infant foods to the number of infants requiring these foods as



outlined in the RFQ. Beech Nut Nutrition's capability to execute this task is further detailed in Sections 1 (Experience and Qualifications) and 4 (Distribution Network).

#### Task 3

Should Beech Nut Nutrition be awarded the contract, it will comply with the requirements outlined in this task. These requirements are similar to those of Infant Cereal rebate programs that Beech Nut Nutrition has supported in the past (as outlined in Section 1. Experience and Qualifications, of this RFQ response).

#### Task 4

Should Beech Nut Nutrition be awarded the contract, it will comply with this requirement. Beech Nut Nutrition's experience with WIC rebate programs (as outlined in Section 1. Experience and Qualifications of this RFQ response) attests to its ability and capability to comply with this requirement.