

# Department of Veterans Affairs

## Subsistence Prime Vendor Contract (SPV-3)

**Contract #:** VA101(049A3)P-0154  
**Award Date:** March 8, 2007  
**Contract Period:** April 1, 2007-March 31, 2012 (Base year plus four option years)

**Contractor:** U.S. Foodservice  
**Corporate Office:** 9755 Patuxent Woods Dr.  
Columbia, MD 21046

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Rosemont, IL 60018  
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### BASIC CONTRACT INFORMATION

**Contract Type:** IDIQ Firm Fixed Price w/ Economic Price Adjustment  
Single Award, Full & Open Competition

**Contract Value:** \$645,000,000 (for all years)

**Order Min:** \$1000 per delivery  
**Order Max:** \$50,000 per single line item and \$750,000 for order of multiple products

**Ordering System:** Each facility by Internet [www.usfood.com](http://www.usfood.com)

**Payment Terms:** 15 Days EFT preferred.

**Business:** U.S. Foodservice is a large business.  
Commercial Small Business Plan & Goals provided.

**NAICS Code:** 424410

**D& B Number:** Corporate: # 79-514-0433

**Cage Code:** Corporate: # 33BA4  
See attached listing for Duns and cage codes for each distribution center

**Products:** All food and foodservice supplies except fresh bread, fresh milk,  
and produce, which should be purchased from local small  
businesses (SB) if available.  
If no SB available these products can be purchased from this SPV  
contractor or if fresh bread another large business.

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## ***SPV-3 Contract Overview & New Features***

### ***SPV-3 Goals***

- ✓ Reliable, Accurate Deliveries
- ✓ Broad variety of High Quality Products
- ✓ Consistent Product Availability
- ✓ Easy Electronic Ordering & Reporting System
- ✓ Reduced Procurement Costs
- ✓ Reduced Labor Time
- ✓ Reduced On-Hand Inventory
- ✓ Stabilize Product Prices
- ✓ Maximize Volume Purchasing
- ✓ Implement Procurement Plus (PPL) Program of Manufacturer Deviated Pricing Agreements
- ✓ Utilize Electronic Fund Transfers Whenever Possible
- ✓ No Credit Card Purchases

### ***SPV-3 Contract New Features***

- Weekly usage requirement for product stocking reduced to 3 cases per week.
- Fuel surcharge adjusted to manage risk.
  - U.S. Department of Energy's Average Weekly National Fuel Price Index (week of March 25, 2007) was used to establish a base diesel fuel price for the SPV-3 Contract.
  - PV can request relief from rising fuel costs only if average diesel fuel cost per gallon exceeds 15% of the established base price. If diesel fuel cost should drop 15% below the base price, the Government can request a credit from the PV.
  - Requests are limited to the beginning of each calendar quarter and will be based on cost the week prior to the beginning of new quarter.
  - Calculation of increase or decrease will be based on 10 cent incremental changes above allowed threshold with each 10 cent increment resulting in a one cent charge per delivered case.
  - Charge or credit will be separate line item at end of each invoice.
- Minimum charge of 75 cents per case for any item whose cost is so low that the applied margin would not equal 75 cents.

## ***SPV-3 Contract Overview & New Features, continued***

- Cost Saving Incentives
  - Incentives offered for increased drop sizes in excess of \$6000.
  - Increased incentives for increased purchases of US Foodservice Exclusive Brand products.
  - All incentives credited to facility on a quarterly basis.
  
- Enhanced Services
  - Strengthened Food Security Program
  - Quarterly Business reviews and credits
  - Additional Electronic ordering and management reporting capabilities.
  - Exclusive Brands under Monarch, enhanced product specifications and offerings.
  - Additional Value Added Services
  
- Enhanced PPL Program
  - New product offerings
    - Coffee programs for all types (ground, dried, liquid frozen and shelf stable) and flavors with equipment and service provided.
    - Expanded baking mixes and frozen dough programs.
    - Expanded PC juice program; including V-8 juice products, Gatorade, crystal light , sport drinks, etc.
    - New pureed products to enhance variety.
    - Expanded nutritional supplement/fortified products; fiber added, protein increased, calorie enhanced cereals, shakes, frozen treats, cookies, puddings, gelatin and custard.
    - New cookie manufacturers of frozen dough and ready to eat products.
    - Expanded yogurt program.
    - More meat alternatives as well as beef alternatives with turkey products.
    - Oils and baked products with reduced or zero trans fat.
  
  - New "Green" and "Sustainability" Initiatives
    - Increased availability of more biodegradable or recyclable products; paper/plastic cups, plates, trays, etc.
    - Packaging changes to reduce excess plastics and cans.
    - ECO friendly chemicals for sanitizing and washing surfaces, pots, pans, and dishes.
    - Some increased local farming procurements.

## ***SPV-3 Contract Upcoming Opportunity***

Local VISN SPV meetings for all SPV customers will be held to exchange ideas, review new products, establish sharing initiatives for everyday and emergency situations, and enhance understanding and use of SPV contract and PPL program. These will be held in conjunction with US Foodservice and may also include training on EOS, report generation, food safety initiatives and emergency preparedness.