

**AMENDMENTS TO THE PERMANENT AGREEMENT FOR PARTICIPATION
IN THE COMMODITY SCHOOL LUNCH PROGRAM
07-08**

Delete all instances where KY-FD-1 and KY-FD-2 are used; replace with "notification by the Electronic Commodity Ordering System (ECOS)

Replaces Section F - Improper Use, Loss or Damage of USDA foods:

Change to:

Loss of foods occurs through many ways, such as: theft, pilferage, damage, contamination, improper storage and /or handling, infestation, spoilage, etc. When authorized by the Department or the Health Department, please use the following guidelines when disposing of USDA Commodities:

1. Destroy carton labels and remove product from USDA packaging.
2. Destroy food and ensure that it cannot be eaten. For example, remove it from the USDA container and pour bleach or other substance on it.
4. Some products may have to be taken to a landfill for proper disposal.
Agencies that are bleach-free should consider destroying product through disposal unit or landfill.
5. When in doubt about proper disposal contact your local health department or the Department.

Page 6 Section K.1 – Delivery Schedules

Paragraph 1

Delete last sentence of Paragraph 1
Replace with the following statement:

"There shall be a minimum of fifteen (15) cases per delivery drop. In the event that the Second Party request delivery of less than 15 cases per drop the Distributor may change the cost of a 15 case delivery drop"

Paragraph 2 – Updated 2/14/07

The Second Party must complete the electronic KY-FD-3 form and send it by email to the contracted distributor.

Paragraph 3 – First sentence

Page 6 – Section M – Special Deliveries

Delete Paragraph 1
Replace Paragraph 1 with the following statement:

"The Second Party may request delivery from the Contractor within 24 hours if the Contractor fails to delivery at least 50% of each item requested. No extra charge shall be assessed. The remainder of the shipment shall be delivered on the next scheduled delivery date, unless the Second Party request delivery at a later date".

Page 6 – Section O – Commodity Complaints

Delete Section O
Replace Section O with the following:

To file a complaint about a particular USDA product, complete the electronic Food Complaint (KY-FD-21) form and email it to the Department. The Department will enter the information in the ECO System and forward to USDA.

To process a Second Party complaint more quickly, the Second Party should provide the following information:

- A description of the problem
- Date the product was received
- Location of the product
- How much product is involved
- Contract number (may be stenciled on the outer carton)
- Delivery order number (D/O) Available on the Electronic Commodity Ordering System (ECOS) or on the delivery invoice.

When the Second Party has a complaint about a product that is received in a commercial label, the Second Party has the option of contacting the company directly to request a resolution to the Second Party's problem. This may be the easiest option for the Second Party, if the Second Party has purchased other foods from this company and already has a relationship established with the company.

If the Second Party is seeking a replacement, the Second Party should keep the product separated from other products until the Second Party has been notified what to do with the damaged or unsuitable product.

Page 7 – Section S – Audit Exceptions

Delete Section S

Replace Section S with the following:

“Any Second Party, who received \$500,000 or more in total Federal awards/expenditures shall have a single audit conducted for that year in accordance with OMB Circular Number A-133, pursuant to the Single Audit Act of 1984, P.L. 98-502; and must submit a copy of the audit report, separately identifying CFDA 10.550, to the Division of Food Distribution.

The Second Party agrees to assume responsibility for any and all audit exceptions resulting from the Second Party's failure to comply with the terms of this Agreement or Federal Laws and Regulations governing this program.”

Page 12 – Section 14 – Department of Defense

Section 14.1 – Ordering – Section A

Delete Section A

Replace with the following:

“Place orders for fresh produce directly with the Defense Subsistence Office (DSO) using a DOD customized program “TAP-IT”.”

Delete Section D

Replace with the following statement:

“Delivery period will be September 1 – June 30 each year.”