

## MEMORANDUM

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**TO:** KCS Board of Education and Board of Mayor and Alderman

**FROM:** Jennifer Walker, RD, Supervisor of School Nutrition Services

**DATE:** 04/28/2023

**RE:** Dairy Bid Renewal

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Recommendation: To renew bid with Prairie Farms Dairy to Kingsport City School Nutrition for use in the 2032-24 school year.

A new agreement with Prairie Farms Dairy began on January 8, 2022, and extended thru June 30, 2023. The agreement is to maintain a continuous supply of dairy products throughout the school year and is renewable for the following four years, providing pricing and quality of service is acceptable to the City of Kingsport. Due to increased cost, Prairie Farms is raising cost by 10% effective 7/1/2023. Additionally milk prices adjust monthly based on Federal Milk Market Order Announcements for Class I Skim and Butterfat. The new contract spends amount is \$280,000.

The School Nutrition Services budget fully funds all expenditures from this contract. School Nutrition is a self-supporting department within the Kingsport City Schools. We receive funding from federal reimbursements, revenue generated by meal fees, a la carte items sold, and catering.