

P.I.N.C.O.

PARTNERS IN NUTRITION COOPERATIVE

**JOINT POWERS AGREEMENT FOR
THE OPERATION OF
SCHOOL FOOD SERVICE
PURCHASING COOPERATIVE**

SEPTEMBER 1, 1992

OCTOBER 21, 2010

DECEMBER 6, 2017

DECEMBER 5, 2018

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SCHOOL FOOD SERVICE PURCHASING COOPERATIVE

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Pursuant to the provision of Title 1, Division 7, Chapter 5, Article 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of common powers, Agreement is entered into among those public educational agencies which are or may hereafter become parties to this Agreement for the purposes set forth herein.

WITNESSETH

WHEREAS, the public interest requires and it is to the mutual benefit of the parties hereto to join together to establish and operate a cooperative program to be known as the Partners in Nutrition Cooperative (PINCO) (hereinafter referred to as the "cooperative" or "PINCO"), a separate legal entity, to purchase food service related materials, supplies, equipment, and services; and

WHEREAS, it is in the mutual interest of the parties to this Agreement to coordinate their acquisition of U.S.D.A. commodities and other related foodstuffs and to coordinate and cooperate in arranging and contracting for storage, processing and distribution of raw and processed commodities and foodstuffs; and

WHEREAS, each of the public educational agencies which is a party to this agreement has the power to purchase food service related to materials, supplies, equipment, and services pursuant to one or more of the following: Education Code Sections 35160, 35160.1, 39873, and 39644, and Public Contracts Code Sections 20111 et seq. 20118, and 20650, et seq; and

WHEREAS, Title 1, Division 7, Chapter 5 of the California Government Code (commencing with Section 6500) authorizes the joint exercise by two or more public agencies of any power which is common to each of them;

NOW, THEREFORE, for and in consideration of the mutual benefits, promises and agreements set forth herein, the parties hereto AGREE as follows:

SECTION 1. DEFINITIONS

Unless otherwise stated herein, the following shall have the meanings stated:

- A. "Fiscal Year" means the one year period of time commencing on July 1 and ending on the following June 30.
- B. "Party" means a public educational agency/school district which is a party to this Agreement.
- C. "Member District" means a party to this Agreement.
 - 1. "Administrative School District for PINCO" means the district designated as the assignee under the "Assignment of USDA Donated Food." The "Lead District" is designated as the Administrative School District for PINCO.
 - 2. "Assignment" means the "Assignment of USDA Donated Food" entered into between the Lead District and all member districts which assignments are required by the Food Distribution Program (FDP) of the California Department of Education (CDE). The Lead District is referred to as the "assignee". Member Districts are referred to as the "assignors".
- D. "Commodity" and "commodities" mean food items distributed to the Lead District for PINCO on behalf of the member districts under the terms of the "assignment" and Title 7 of the Code of Federal Regulations (CFR) parts 250 and 252 in conjunction with agreements between the CDE, Food and Nutrition Services Division (FNS) and FDP, and the Lead District for PINCO and Member Districts. Each member district's "Fair Share" of commodities is determined by CDE based on prior year Average Daily Participation (ADP). The total of the member district's ADP is PINCO's entitlement.
- E. "Agreement" means this Joint Powers Agreement (JPA) and any amendments thereto.
- F. "PINCO Governing Board" means the elected Board of Trustees of the Lead District. This is the Official PINCO Governing Board to take action and ratify all Board of Trustees items presented on behalf of the PINCO members.
- G. "Governing Board" means the Governing Board of a member district.
- H. "Advisory Committee" means the committee comprised of the representatives of each member district as designated by such member district's governing board.
- I. "Executive Committee" means the representative of the Lead District to the Advisory Committee and the representatives elected by the Advisory Committee pursuant to Section 7.B. of this Agreement.

- J. "Appendices I, II, and III" means the component parts of this Agreement which set forth the duties and responsibilities of the contractors for Management, Storage, and Distribution Services.
"Appendix IV" means the component part of this Agreement which lists the six geographic areas of the PINCO member districts.
"Appendix V" lists PINCO as the Management Services Contractor.
"Appendix VI" supercedes Section 7B to amend voting rights.
"Appendix VII" supercedes Section 5A to clarify who is the PINCO Governing Board.
"Appendix VIII" is the procedure of Execution of the JPA between member districts with the PINCO Governing Board.
"Appendix IX" supercedes Section 6 to designate the Lead District and govern the procedure to elect a Successor Lead District.
- K. List of State abbreviations:
Partner's in Nutrition Cooperative - PINCO
United States Department of Agriculture - USDA
California Department of Education – CDE
Food and Nutrition Services Division – FNS
Food Distribution Program – FDP
Average Daily Participation – ADP
Code of Federal Regulations – CFR
National School Lunch Program – NSLP
National School Breakfast Program – NSBP
California Retail Food Code - CalCode

SECTION 2. PURPOSE

The purpose of this Agreement is to exercise the powers to purchase food service related materials, supplies, equipment and services jointly by combining the purchasing requirements of each of the parties and thereby enabling them to order materials, supplies, and/or services from contracts awarded pursuant to this Agreement. This purpose will be accomplished and said common powers exercised in the manner set forth in this Agreement.

SECTION 3. TERM OF AGREEMENT

The term of this Agreement shall commence as of May 1, 1988, and shall continue from fiscal year to fiscal year thereafter, unless terminated by agreement of the parties pursuant to Section 10. A school district or public educational agency not a party to this Agreement may be added as a party to this agreement without affecting the term of this Agreement. In the event of a reorganization of any party, successors in interest to the obligations of any such reorganized district shall be substituted as a party or as parties to this Agreement.

SECTION 4. ASSIGNMENT OF USDA DONATED FOOD

The Lead District for PINCO and each member district shall enter into an Assignment as required by the FDP of the CDE. The Assignment shall assign to the Lead District the member district's entitlement to, and fair share of, the member district's USDA Donated Commodity Foods, based on the member district's Average Daily Participation (ADP).

A. RESPONSIBILITIES OF MEMBER DISTRICTS

Each member district shall:

1. Execute an Assignment assigning its entitlement to and fair share of USDA Donated Commodity Foods to the Lead District.
2. Remain eligible for the receipt of USDA Donated Commodity Foods as determined by the CDE, FNS and FDP.
3. Reimburse the Lead District, according to deadlines established by the Lead District, for any and all payments made by the Lead District on the member district's behalf for FDP charges for shipping, handling, and any other associated cost incurred for the delivery or diversion of USDA Donated commodity Foods.
4. Comply with all applicable USDA and CDE, FNS and FDP policies and regulations relating to USDA Donated Commodity Foods.

B. RESPONSIBILITIES OF LEAD DISTRICT

The Lead District for PINCO Shall:

1. Execute an Assignment with each member district.
2. Remain eligible for the receipt of USDA Donated Commodity Foods as determined by CDE, FNS and FDP.
3. Assume responsibility for the ordering, receiving, storing, and distribution of all USDA Donated Commodity Foods on behalf of the member districts, according to policy and regulation as designated by the CDE, FNS, FDP and the USDA.
4. Direct and supervise the Management Services contractor (PINCO) in the maintenance of an inventory management system that will fully account for all USDA Donated Commodity Foods, including all raw food items in storage and raw processed products held at a processor.

5. Be responsible to the FDP and/or USDA for the fair market value of any USDA Donated Foods lost due to theft, spoilage, or in any other manner. Nothing in this provision shall be construed to preclude the Lead District from requiring the member districts or PINCO contractors or subcontractors to pay the fair market value of any such USDA Donated foods lost due to that party's negligent acts, errors, or omissions, or to preclude the Lead District from seeking indemnification from the member districts or PINCO contractors or subcontractors for any payments made for any USDA Donated foods which are lost due to theft, spoilage, or any other manner. The Lead District shall have the responsibility of ensuring that the loss of any USDA Donated Commodity Foods is reported.
6. Enforce compliance with all applicable USDA, CDE, FNS and FDP policies and regulations.
7. Notify the FDP in writing in the event that any Assignment is terminated.

SECTION 5. SCOPE OF POWERS

- A. PINCO GOVERNING BOARD – Section 5A is revoked and superceded by Appendix VII attached hereto.

The official PINCO Governing Board shall be the Board of Trustees of the Lead District. PINCO Governing Board shall conduct a monthly meeting in conjunction with the Lead District's "Regular Meeting of the Board of Trustees". All PINCO meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950, et. seq.)

This is the Official PINCO Governing Board to take action and ratify all Board of Trustees items presented on behalf of the PINCO members.

- B. LEAD DISTRICT

There shall be a Lead District with the duties, powers and responsibilities set out below.

The Lead District shall be responsible for disseminating information and soliciting input from the PINCO Advisory Committee; coordinating the efforts of the member districts relative to this Agreement; the direction, monitoring, supervision and evaluation of the Management Services Contractor in such Contractor's responsibilities which are delineated in this Agreement, for the day-to-day operation of PINCO, PINCO recordkeeping and the maintenance of PINCO records, and the maintenance by the Management Services Contractor of necessary records for audit per CDE, FNS and FDP requirements. The Management Services Contractor shall be directly responsible for monitoring, directing, supervising and evaluating other PINCO contractors and subcontractors.

1. GENERAL RESPONSIBILITIES

The Lead District shall:

Receive each District's Board approved signature page approving the amendment "Appendix V" to the JPA clarifying that PINCO is the Management Services Contractor for the Partners In Nutrition Cooperative and will be administered by the Lead District. Appendix V is attached to this Agreement and hereby made a part of this Agreement.

- (a) Prepare specifications for the Management Services Contractor (PINCO) in the manner required by law. Direct the Management Services Contractor to prepare specifications for all other PINCO

contractors and subcontractors in the manner required by law. Such specifications are subject to review by the Executive Committee. A simple majority of the PINCO Advisory Committee shall be required to approve such specifications.

- (b) Select PINCO contractors and subcontractors in the manner prescribed by law and in accordance with Lead District policies and procedures and standard practices.
- (c) Prepare bids and bid specifications, for commodities, goods, and service contracts in the manner required by law and direct the Management Services Contractor to obtain quotes for goods, commodities, and services, and obtain quotes for the processing of goods and commodities.
- (d) Monitor, direct, supervise, and evaluate the Management Services Contractor.
 - (1) Monitor, direct, supervise, and evaluate the Management Services Contractor in the ordering, receiving, storing, and distribution of all USDA Donated Commodity Foods as provided by the Assignment and according to rules, regulations, and policies as designated by CDE, FNS, FDP and the USDA.
 - (2) Monitor, direct, supervise, and evaluate the Management Services Contractor in the maintenance of an inventory management system which will fully account for all USDA Donated Commodity Foods according to rules, regulations, and policies of the CDE, FNS, FDP and the USDA.
- (e) Monitor, direct, supervise, and evaluate the Management Services Contractor in its responsibility to monitor, direct, supervise, and evaluate the successful contractor/bidders for Storage and Distribution Services pursuant to Appendices I, II, and III, which Appendices are attached to this Agreement and hereby made a part of this Agreement.
- (f) Certify records, documents, and reports prepared by the Management Services Contractor on behalf of PINCO if such certification is required by law.
- (g) Maintain originals or copies of PINCO documents and records, as it may deem necessary and/or required by law.

- (h) Maintain liaison with CDE and forward reports on inter-district exchange of commodities to CDE, except as otherwise provided by law or regulation. At its discretion, the Lead District may direct the Management Services Contractor to maintain liaison with CDE and/or to forward reports on inter-district exchange to CDE.
- (i) Make such changes in the duties and responsibilities of the Management Services Contractor, and other PINCO contractors and subcontractors as it deems necessary for the efficient operation of PINCO.
- (j) No member district shall request that any PINCO contractor or subcontractor make any additions, changes, or modifications to the services provided to PINCO by any contractors or subcontractors under the terms of this JPA without prior written approval of the Lead District.

2. DISPUTES

The Lead District shall mediate any dispute which may arise between any of the member districts and any successful bidder or contractor and disputes that may arise between member districts. In addition, the Lead District shall notify member districts in writing of:

- (a) Actions of a member district which represent a member district's
 - (1) Failure or refusal to abide by this Agreement:
 - (2) Failure or refusal to pay any debts, obligations, liabilities, and/or assessments provided for in this Agreement.
- (b) Any actions needed on the part of the member district to remedy noted deficiencies.

3. MANUAL OF PROCEDURES

The Lead District Shall:

Direct the Management Services Contractor to prepare and submit to the Lead District for approval a manual outlining the accounting methods to be used in tracking USDA Donated Commodity Foods, including raw food items held in storage and raw and processed products held at a processor for PINCO. The accounting method so outlined shall conform with all applicable USDA and FDP requirements, rules and regulations for USDA Donated Commodity Foods, and shall provide for the tracking of commodities delineated by member districts and Fair Share.

Such manual shall include a description of the organizational and decision-making structure established to ensure a timely response to the FDP ordering process for direct shipment.

At the Lead District's direction, the Management Services Contractor shall prepare any other manuals deemed necessary by the Lead District.

The Management Services Contractor shall update the PINCO Manual of Procedures on all changes in procedure and on all changes in the JPA. Such updates shall be submitted to the PINCO Governing Board for approval before being sent to the member districts.

4. REVOLVING FUND/GENERAL FUND

- (a) The Lead District shall establish a Revolving Fund/General Fund in the County School Service Fund of Los Angeles County in which shall be placed all monies received pursuant to this Agreement. Only bona fide and appropriate costs in performing the purposes and services hereunder shall be charged to and expensed against such Revolving Fund/General Fund. The Lead District further agrees to make an annual accounting to each of the member districts of activity in and status of this Revolving Fund/General Fund and provide annually for an independent audit of the Revolving Fund/General Fund. If a successor to the initial Lead District operates in a county other than Los Angeles County, the Lead District agrees to transfer funds, upon the request of the successor Lead District, from the Revolving Fund/General Fund in the County School Service Fund of Los Angeles County to the corresponding Revolving Fund established in the Successor Lead District's county.
- (b) Under no circumstances shall the Revolving Fund/General Fund pay for the State service and handling charges for commodities ordered on behalf of the member districts by the Lead District; each member district is responsible for the payment of such charges and shall promptly reimburse the Lead District on the member district's behalf.
- (c) The Lead District shall determine the funding requirements for each member district, making adjustments on an annual basis. The Lead District may make adjustments and/or assessments at more frequent intervals if necessary to ensure sufficient and efficient cash flow in the Revolving Fund/General Fund.
- (d) Under no circumstances shall purchases be made for any member district if there are insufficient funds in the Revolving Fund/General Fund sub-account of such member district.

- (e) The Lead District shall process payment for all purchase orders issued by PINCO member districts from the Revolving Fund/General Fund, taking advantage of all discounts wherever possible.
- (f) The Lead District shall receive, deposit, and account for payments to and from the Revolving Fund/General Fund.

5. PINCO ADVISORY COMMITTEE AND ALTERNATE

The Representative of the Lead District shall serve as the President of the PINCO Advisory Committee and as President of the PINCO Executive Committee established pursuant to Section 7 herein below. The alternate representative designated by the Lead District shall participate in Advisory Committee and Executive Committee meetings in the absence of the Lead District's representative and shall have the right to vote as a member of said PINCO Executive and Advisory Committees.

6. APPLICABLE LAW

All purchasing under the terms of this agreement shall be carried out in compliance with the applicable provisions of the California Education Code and California Public Contract Codes, and in accordance with the Lead District policies and procedures and standard practices and any other applicable statutes, and shall be made only after competitive bidding, as required by law. Advertisement of such bids shall be inserted in a newspaper of general circulation in accordance with law.

Other acts which are required to be performed under this Agreement shall be carried out in compliance with applicable provisions of the California Education Code and California Public Contract Code and other statutes and laws of the State of California pertaining thereto and in accordance with Lead District policies and procedures and standard practices. The statutes and laws of the State of California shall govern and are controlling in the interpretation of this Agreement unless superseded by statutes of the United States of America.

7. MANAGEMENT SERVICES

The Lead District shall contract for, supervise, direct, monitor, and evaluate management services; develop specifications, solicit and evaluate candidates, and award such contract. However, management services specifications shall be approved by a simple majority of the Advisory Committee.

The Lead District shall enter into the Management Services contract in its name on behalf of all PINCO member districts and shall pay for such

services from the Revolving Fund/General Fund, taking advantage of all discounts possible. The Management Services Contractor shall prepare and issue invoices to each member district in order that the Lead District may obtain reimbursement from the Revolving Fund/General Fund for each member district's proportional cost of the services of management services. The formulas for allocation of costs are described in Section 5.C.2 (h).

C. PARTIES

1. GENERAL RESPONSIBILITIES

Each member district shall be responsible for actively participating as needed to promote the efforts of the Cooperative and secure the benefits thereto. They are required to:

- (a) Designate a representative and alternate to the PINCO Advisory Committee described in Section 6, each of whom shall be approved by the Governing Board of the respective member district, and shall be willing and able to attend PINCO Advisory Committee meetings, to vote as needed, and to inform the member district of relevant proceedings.
- (b) Place orders for all commodities according to deadlines established by the Lead District, and inform the Lead District and the Management Services Contractor of quantities and types of products which the member district wishes to purchase through bids advertised by the Lead District, or on its behalf.
- (c) Place orders for all commodities according to procedures established by the Management Services Contractor on behalf of the Lead District, including signing proper forms and returning forms per established schedules and deadlines to the Management Services Contractor and Lead District as required.
- (d) Submit payment for all purchases, debts, obligations, assessments, and liabilities according to deadlines established by the Lead District.
- (e) Engage in product testing to ensure that all goods purchased pursuant to this Agreement are acceptable to the member district.
- (f) Check and reconcile all shipping, receiving, inventory, and verification documents, invoices, purchase orders, and payment instruments relating to PINCO transactions involving the member district in a timely manner.

- (g) Cooperate with the Management Services Contractor and Lead District, in a timely manner, by providing requested documents and information, reviewing the operation of the contractors and/or successful bidders engaged pursuant to this Agreement, and initiating such action as may be needed to fully accomplish the purposes of this Agreement.
- (h) Execute necessary agreements, including the Assignment required by the CDE, to maintain participation in the NSLP, FDP, and where applicable, with the NSBP.
- (i) Verify ADP figures sent from CDE and if necessary, send a copy of any forms, such as the October State Reimbursement Claim for NSLP and NSBP, which are required by CDE to establish entitlement factors used in the Direct Shipment Program. Ensure that such forms are received by the Lead District within the time deadlines established by the Lead District.
- (j) It is understood and agreed by the Parties that the Lead District is not responsible or obligated to pay debts or obligations incurred by other parties to this Agreement or PINCO except to the extent expressly set forth in this Agreement. It is the intention and commitment of all parties that Lead District funds shall not be utilized to finance PINCO operations or underwrite the obligations or expenditures of other member districts. Consequently, each party covenants and agrees to maintain a sufficient balance each month in the Revolving Fund/General Fund to cover its commodity and other purchases for that month, and the member's proportional share of all fees, costs, and expenditures.
- (k) All payment vouchers authorizing payment for commodities ordered by a member district drawn on a member district's fund in the Revolving Fund/General Fund shall be executed by the Lead District and member district authorizing the draw.
 - (1) No member district shall request that any PINCO contractor or subcontractor make any additions, changes, or modifications to the services provided to PINCO by any contractors or subcontractors under the terms of this JPA without prior written approval of the Lead District.

2. COSTS AND EXPENSES

(a) Commodities

Each member district is responsible for paying FDP charges for shipping, handling, and any other associated costs incurred for the delivery or diversion of USDA Donated Commodity Foods to the

Lead District on its behalf. Each member district shall reimburse the Lead District, according to deadlines established by the Lead District, for any and all such payments made by the Lead District on the member district's behalf.

(b) Commodity Processing

Each member district shall provide an initial start-up payment to the Revolving Fund/General Fund pursuant to Section 5.C.2. (g) and subsequently reimburse the Revolving Fund/General Fund for purchases made within 30 calendar days after invoice has been received.

(c) Purchased Non-Commodity Items

Each member district participating in purchased items shall reimburse the Revolving Fund/General Fund for purchases made from the Revolving Fund/General Fund, within 30 calendar days after invoice has been received.

(d) Storage Services

Each member district shall provide an initial start-up payment to the Revolving Fund/General Fund for purchases made, pursuant to Section 5.C.2. (g) and subsequently reimburse the Revolving Fund/General Fund for purchases made, pursuant to Section 5.C.2. (h), within 30 calendar days after invoice has been received.

(e) Management Services and Distribution Services

Each member district shall provide an initial start-up payment to the Revolving Fund/General Fund pursuant to Section 5.C.2 (g) and subsequently reimburse the Revolving Fund/General Fund for purchases made, pursuant to Section 5.C.2 (h), within 30 calendar days after invoice has been received.

(f) Lead District Costs

(1) The costs of PINCO advertising, bidding, the letting of contracts, legal consultations, litigation proceedings, the Lead District's overhead and expenses and the salary and benefits of Lead District employees assigned to perform PINCO related duties, and any other costs incidental to the operation of PINCO not covered by another provision of this agreement shall be divided equally among the parties based on the formulas attached to Section 5.C.2. (h). The Lead District may delegate work to be done to one or more member agencies upon mutual agreement of the Lead

District and such member agencies. In such case, the costs or work performed under mutual agreement shall be divided among the parties based on the formulas attached in Section 5.C.2 (h)

- (2) In each fiscal year, the member districts agree to reimburse the Lead District for the salary and benefits of personnel retained to carry out and maintain the operations and recordkeeping of PINCO. Such costs shall be divided among the member districts based on the formulas attached to Section 5.C.2 (h).
- (3) The member districts agree to reimburse the Lead District for expenses in excess of approved budget incurred in operating PINCO, but such expenses shall not exceed 10% of approved budget without prior approval of the Advisory Committee.
- (4) The PINCO Executive Committee shall develop and submit the annual budget to the Lead District Board of Trustees by May 1.

(g) Revolving Fund

- (1) Each member district shall provide initial funding for its anticipated purchases equal to:
 - (a) Two and one-half (2.5) times the anticipated average monthly purchases through PINCO commodity processed items and other PINCO purchases not including services, plus
 - (b) One anticipated average monthly purchase for Storage, Management, and Distribution Services, plus
 - (c) Any amount required under Section 5.C.2. (i).
- (2) The amount required to be in each member district's sub-account at the beginning of each fiscal year shall be adjusted annually based on the previous fiscal year's purchases, plus additional amounts required due to anticipated growth.
- (3) Any interest earned by the Revolving Fund/General Fund and/or any income from subcontracted storage deposited in the Revolving Fund/General Fund will be prorated and credited to each member district's sub-account based on the Average Daily Balance in the PINCO Revolving

Fund/General Fund held at the county office. Interest shall be disbursed as received, quarterly.

(h) Formulas for Allocating Costs

Costs shall be allocated to member districts for services secured by the Lead District pursuant to this JPA. The total cost shall be prorated according to a combination of factors and percentages as follows:

- (1) One-half of distribution cost will be allocated on the basis of the percentage of cases delivered. The remaining half of distribution costs will be allocated based on the percentage of stops times a mileage factor.
- (2) Management service cost will be allocated on the basis of the percentage of cases handled. Cases handled will include number of cases received plus number of cases delivered plus number of cases on hand.
- (3) Storage services expense will be the same as No.2 above, management service cost allocation.
- (4) Administrative cost (Lead District): Administration cost shall be allocated based on the percentage of the total distribution, Management and storage expense as outlined in No.1, 2, and 3 above.
- (5) Cost allocations will be revised quarterly and take effect on the second quarter after the base quarter.

- (i) Member districts hereby agree to pay for and/or adjust payments already made for costs of storage, management, and distribution by PINCO and costs of Cooperative administration and coordination by the Lead District on behalf of member districts encumbered during the current fiscal year but prior to the effective date of this Agreement, according to the total cost of such goods and services as prorated and allocated according to the formulas in Section 5.C.2. (h). The total of any payments not made for such costs prior to May 1, 1988, will be added to start-up funding required in Section 5.C.2. (g).

Should the contract for Storage Services described in Appendix II and/or the contracts for Management Services and Distribution Services described in Appendices I and III not be let as of May 1, 1988, member districts hereby agree to continue to pay for storage, management, and distribution services provided by PINCO according to the formulas in Section 5.C.2. (h), but with invoices to be issued by PINCO.

3. DEBTS, LIABILITIES, AND OBLIGATIONS; INDEMNIFICATION AND HOLD HARMLESS

- (a) Except to the extent insured against in accordance with Section 15, each member district hereby indemnifies and holds harmless the Lead District for all loss and damages, of any kind or nature, which may occur as a result of the negligence of the Lead District in the administration of this Agreement. PINCO shall maintain a minimum of one million dollars (\$1,000,000) liability insurance to cover damages resulting from loss, destruction or injury to persons or property including the property of the Parties to this Agreement, resulting from the negligent acts, errors, or omissions of officers, employees and agents of the Lead District while performing the services required under this Agreement. PINCO shall maintain at all times a minimum of one hundred thousand dollars (\$100,000) of fidelity coverage for Lead District officer, agent and employee dishonesty which results in loss, destruction or injury to property or persons. Certificates of insurance shall be kept on file with the Lead District and PINCO.
- (b) Each member district shall issue its respective purchase orders for commodity processing and related foodstuffs, and shall forward them to the Management Services Contractor, who shall transmit the purchase orders to the Lead District for review and approval. Member districts participating in a purchase shall be billed and shall make payment directly to the Revolving Fund/General Fund through the Lead District as specified in Section 5.C.2. for their respective portion of joint purchases made hereunder. Each member district shall be responsible for any losses assumed under deductibles for insurance to be provided pursuant to Section 5.C.3.

SECTION 6. LEAD DISTRICT AND SUCCESSOR LEAD DISTRICT – Section 6 is revoked and superceded by Appendix IX attached hereto.

Pursuant to Government Code Section 6506, the Antelope Valley Union High School District is hereby designated as the Lead District which shall administer the Agreement and exercise the powers authorized by this Agreement.

- A. In the event that the Lead District elects to withdraw as Lead District, the successor Lead District shall be the Palmdale School District. The Lead District shall give notice of its intent to withdraw as the Lead District not less than 120 days before the effective date of the withdrawal. The Antelope Valley Union High School District shall be obligated to continue as Lead District to the end of the fiscal year in which the intent to withdraw is given unless the Palmdale School District submits a copy of a resolution by its Governing Board agreeing to assume the duties of the Lead District before the end of the fiscal year, and such resolution is accepted by the PINCO Advisory Committee.
- B. Subsequently, the Palmdale School District, and any succeeding Lead District thereof, shall be obligated to continue as the Lead District to the end of the fiscal year in which the notice of intent to withdraw is given, such notice to be given not less than 120 days before the end of that fiscal year, unless a Successor Lead District is accepted and a copy of a resolution by the Governing Board of the Successor District agreeing to assume the duties of Lead District before the end of the fiscal year is received and accepted by the PINCO Advisory Committee.
- C. A withdrawing Lead District shall forward all records required for audit to the successor Lead District. Each Lead District shall meet or exceed all State and Federal recordkeeping requirements.
- D. If at any time no member district is willing and able to serve as Lead District, PINCO will dissolve at the end of the fiscal year in which the last Lead District withdraws as Lead District.

SECTION 7. PINCO EXECUTIVE AND ADVISORY COMMITTEES

There shall be an Advisory Committee composed of one representative from each of the member districts the purpose of which is to advise the Lead District and the member districts. The Committee shall be known as the PINCO Advisory Committee (hereinafter "committee"). The names of the representative and an alternate shall be so designated by the Governing Board of the respective member district. A copy of such designation shall be forwarded to the Lead District, which shall be received by the Lead District before the representative or alternate may vote, pursuant to Section 7.B.

The PINCO Advisory Committee shall perform the following services:

A. MEETINGS

Meetings of the PINCO Advisory Committee shall be held at least every one hundred twenty (120) days, at a time and place to be designated by the PINCO Advisory Committee. Notices of meetings shall be sent via e-mail to each member district and posted on the PINCO website. The PINCO Advisory Committee shall meet in order to:

1. Solicit and approve a Successor Lead District pursuant to Appendix IX.
2. Periodically review the performance of the Lead District with respect to the exercise of its responsibilities pursuant to this Agreement and recommend appropriate changes. The PINCO Advisory Committee may act to remove the Lead District and replace it with another member district through the amendment process pursuant to Section 14 of this Agreement.
3. Elect representatives to the PINCO Executive Committee pursuant to Section 7.B of this Agreement
4. Consider recommendations for involuntary termination pursuant to Section 10.
5. Consider amendments pursuant to Section 14.
6. Consider termination of this Agreement pursuant to Section 11.
7. Consider application from districts who wish to become a member district pursuant to Section 8.C, or designated successors pursuant to Section 8.D.
8. Review the projected and actual number of staff needed by the Lead District to perform its duties pursuant to this Agreement.
9. Review and approve the level of monthly service fee to be paid by each member district to the Lead District, pursuant to Section 5.C.2. (f) (4), above.

10. Consider any other matter relating to or arising from this Agreement.
11. Notwithstanding any other provision of this Agreement, should the PINCO Advisory Committee not agree with the Lead District's proposed staffing requirements, or should the Advisory Committee take action to reduce the Lead District's staffing requirements, or disagree with any of the Lead District's PINCO related administrative expenses, fees, costs or other costs or expenses, the Lead District, at its discretion, may resign as Lead District on 120 days written notice to all member districts. The resignation becomes effective at the end of the fiscal year in which the action is taken or upon such other date as the PINCO Advisory Committee may specify.

B. VOTING RIGHTS

1. A district's representative or alternate shall be entitled to cast one vote per member district for business conducted by the PINCO Advisory Committee. A vote may be cast only by the duly appointed representative who is personally present at the meeting or in his/her absence by his/her alternate who is personally present at the meeting. There shall be no proxy votes and no absentee voting.
2. A quorum of the PINCO Advisory Committee shall consist of 40% of the representatives or their alternates. For all Advisory Committee actions, except Amendments, Involuntary Terminations and Terminations pursuant to Sections 10, 11, and 14 a vote of a majority of the representatives or alternates of all member districts shall be required for approval.

C. PINCO Executive Committee

The representative of the Lead District to the Advisory committee shall serve as President of the PINCO Advisory Committee and Executive Committee.

The PINCO Advisory Committee shall elect a representative to the PINCO Executive Committee from each of the active PINCO regions set forth in Appendix IV to this Agreement, which is attached to this Agreement and made a part thereof.

The annual term of office for the elected members of the Executive Committee shall be on a fiscal year basis. Elections shall be held within 120 days before the end of the fiscal year, except for elections necessary to fill a vacant office.

The term of office of an elected representative on the Executive Committee shall be two years. The representative may be re-elected to the Executive Committee for successive terms.

The officers of the PINCO Executive Committee shall serve as officers of the PINCO Advisory Committee.

D. EXECUTIVE COMMITTEE

There shall be an Executive Committee, composed of the representative of the Lead District to the Advisory Committee and a duly elected representative from each of the active geographic regions of PINCO set forth in Appendix IV to this Agreement.

The Executive Committee shall have the duties, rights, and powers set forth below.

1. General Responsibilities

a. The Executive Committee shall:

- (1) Review and make recommendations to the Lead District on bid specifications for all contractors and subcontractors.
- (2) Review bid specifications for all food and supplies.
- (3) Review changes recommended by the Lead District in responsibilities or duties of the Management Services Contractor - PINCO.
- (4) Review and make recommendations to the Lead District on the following:
 - (a) Disputes between member district, successful bidders or contractors.
 - (b) Any changes in the operations of PINCO and changes in the PINCO manual of procedures.
 - (c) All services of PINCO Advisory Committee pursuant to Section 7.A.1. through 7.A.11., prior to presentation to PINCO Advisory Committee for vote.
 - (d) Applications from public agencies to become parties to this agreement.
- (5) Review and make recommendations to the Lead District on the operating costs of PINCO, including:
 - (a) Management Services
 - (b) Storage Services
 - (c) Distribution Services
 - (d) Lead District Expenses
 - (1) Lead District Staffing Proposals
 - (e) Operational Costs
 - (f) Cost Overruns

- (6) Periodically review the Lead District's performance and recommend to the Advisory Committee appropriate changes.
- (7) Review and make recommendations to the Advisory Committee on Involuntary Termination pursuant to Section 10 of this Agreement.
- (8) Review and make recommendations to the Advisory Committee on the Termination of this Agreement pursuant to Section 11 of this Agreement.
- (9) Review and make recommendations to the Advisory Committee on Amendments pursuant to Section 14 of this Agreement.
- (10) Review and make recommendations to the Lead District on taste testing plans.

2. Officers of the Executive Committee

The Officers of the Executive Committee shall serve as officers of the Advisory Committee.

3. President of the Executive Committee

The representative of the Lead District to the Advisory Committee shall serve as the President of the Executive Committee. The duties and responsibilities of the President shall include:

- (a) Calling and conducting PINCO Executive and Advisory Committee meetings; appointing an Executive Committee officer to take and forward minutes in the Secretary's absence;
- (b) Providing advice and assistance in employment or transfer of all personnel required to perform duties of the Lead District required under this Agreement.

4. Other Officers

The following officers of the Executive Committee shall be elected by the members of the Executive Committee by majority vote:

- (a) First Vice President

The First Vice President's term of office shall be two years. The First Vice President shall assume the duties of the President in the absence of the President and the designated alternate representative of the Lead District.

(b) Second Vice President

The Second Vice President's term of office shall be two years. The Second Vice President shall assume the duties of the First Vice President during PINCO Advisory Committee meetings if the First Vice President leaves office.

(c) Secretary

The Secretary's term of office shall be two years. The Secretary shall keep minutes of all meetings of the PINCO Advisory Committee and Executive Committee and, within ten (10) days after each meeting, submit a copy of the minutes to the President for review. PINCO shall then forward a copy of the reviewed minutes to each member district's representative by having a final copy of the minutes placed on the PINCO website for all districts to review.

SECTION 8. PARTIES TO THIS AGREEMENT

A. Eligibility

Any and all public educational agencies within the State of California may become parties to this Agreement as hereinafter provided.

B. Initial Parties

Those public educational agencies who authorized the participation in and who execute this Agreement on or before May 1, 1988, shall be the initial parties hereto. A counterpart original copy of this JPA shall be filed with the Lead District which shall forward a copy to the CDE. The initial parties participation shall be deemed effective May 1, 1988.

C. Other Parties

After this JPA becomes effective for all purposes, public education agencies may become parties to this Agreement upon application to the Executive Committee and an affirmative vote of a majority of the PINCO Advisory Committee. Each new party shall execute a counterpart original copy of this Agreement and unless otherwise provided, said new party's participation shall become effective upon the filing of the same with the PINCO Executive Committee and the CDE. The PINCO Advisory Committee shall consider the feasibility, economic, geographic, and otherwise of expanding PINCO services to each applying district.

D. Successors

Should a party to this Agreement reorganize in accordance with state law, the successor or successors in interest to such party may be substituted as a party or parties to this Agreement, and such substitution shall become effective upon the filing with the PINCO Advisory Committee of an assignment by such party to its successor or successors in interest of all of said party's rights and obligations hereunder, provided such assignment is fully executed by the party to this Agreement and its successor or successors in interest.

SECTION 9. WITHDRAWAL OF A PARTY

A party to this Agreement may cease to be a party hereto and may withdraw as a party in the manner herein provided.

A. Intention to Withdraw

To effect withdrawal from this Agreement, a party by its governing board shall adopt a resolution of intention to withdraw.

B. Notice of Intention to Withdraw

A party that intends to withdraw shall cause to be sent to all parties to this Agreement a true copy of the resolution of its governing board stating its intention to withdraw.

C. Time of Notice of Intention to Withdraw

Not later than the first day of October before the close of the fiscal year, a party that intends to withdraw shall serve its notice of intention to withdraw upon all parties to this Agreement, in the manner provided herein for the giving of such notice.

D. Effective Date of Withdrawal

Except as provided in subparagraph E, the effective date of a party's withdrawal shall be at the end of the fiscal year in which it gave the notice of intention to withdraw.

E. No Withdrawal during First Two Fiscal Years of Membership

No party may withdraw during the first two fiscal years that the Agreement is in effect. Example: The earliest effective date of withdrawal for an initial party to this Agreement is July 1, 1990, provided the withdrawing party filed its notice of intention to withdraw by October 1, 1989.

F. Liability for Obligations Incurred Prior to Withdrawal

A withdrawing party shall remain liable for any debts, liabilities or obligations incurred by that party while it was a party to this Agreement, which shall include, but not be limited to costs of storage, management, and distribution of commodities, goods containing commodities, and purchased goods remaining at the PINCO-contracted storage facilities prior to withdrawal.

Storage costs after the effective date of withdrawal shall be at market commercial storage and draw rates in effect at such time. Such debts, liabilities, or obligations described in this subsection shall be paid out of the withdrawing party's portion of the Revolving Fund/General Fund. Said funds shall remain in

the Revolving Fund/General Fund until all debts, liabilities, or obligations of the withdrawing party are paid.

The Lead District shall assess the withdrawing district for additional funds should the remaining balance in the withdrawing district's portion of the Revolving Fund/General Fund be insufficient to meet all obligations incurred by the district.

SECTION 10. INVOLUNTARY TERMINATION

A party to this Agreement may be involuntarily terminated from this Agreement at any time upon recommendation of a majority of the PINCO Executive Committee and the vote of two-thirds (2/3) of the PINCO Advisory Committee. Before the PINCO Advisory Committee votes to consider involuntary termination, the Executive Committee must first notify the district being considered for involuntary termination in writing, of the following:

- A. Grounds for consideration of involuntary termination.
- B. Actions which must be taken to remedy the deficiencies noted.
- C. The date of the PINCO Advisory Committee meeting at which the Executive Committee plans to make a recommendation to the PINCO Advisory Committee regarding involuntary termination.
- D. Reference to Sections 9 and 10 of this Agreement.
- E. Opportunity for the member district to address the Executive Committee.

The Executive Committee shall then make a recommendation, upon a majority vote of the Executive Committee, at the specified PINCO Advisory Committee meeting regarding action to be taken. If the recommendation is to proceed with involuntary termination, the PINCO Advisory Committee shall then immediately notify the member district involved, and the PINCO Governing Board, in writing, of the following:

- 1. Grounds for proceeding with involuntary termination.
- 2. Actions which must be taken to remedy the deficiencies noted.
- 3. The date of the meeting at which the PINCO Advisory Committee plans to vote on the involuntary termination.
- 4. Reference to Sections 9 and 10 of this Agreement.
- 5. Opportunity for the member district to address the Executive Committee.

If the PINCO Advisory Committee Votes to proceed with involuntary termination, the PINCO Advisory Committee shall obtain a written resolution from all member Governing Boards, directing the Lead District to implement involuntary termination of the member district involved, and shall send a copy to the withdrawing district in writing.

Grounds for involuntary termination include, but are not limited to the following:

1. Failure or refusal of a member district to abide by this Agreement.
2. Failure or refusal to pay debts, obligations, liabilities, and/or assessments provided for in this Agreement.

No member district shall be terminated involuntarily except by a two-thirds (2/3) vote of the PINCO Advisory Committee.

Should a member district be involuntarily terminated from this Agreement, that District's funds remaining in the Revolving Fund/General Fund shall be treated as though the member district were voluntarily withdrawing, pursuant to Section 9.F, and the member district shall continue to be liable and responsible for the amount of any costs, liabilities, assessments, or contingencies incurred by such district which exceed the amount already in that account.

Involuntary termination shall have the effect of eliminating the member district as a signatory of this Agreement, effective at the end of the fiscal year in which the action is taken or upon such other date as the PINCO Advisory Committee may specify. The Lead District shall serve notice to the party which has been involuntarily terminated. The terminated district shall be entitled to recover any and all commodities, raw and processed, and related foodstuffs, stored at PINCO storage facilities.

SECTION 11. TERMINATION OF AGREEMENT

The PINCO Advisory Committee may determine that the public interest will not be served by the continuance of this Agreement. Upon the recommendation of the Executive Committee by a majority vote, the PINCO Advisory Committee may then vote on termination of this Agreement. Before a vote is taken by the PINCO Advisory Committee, the PINCO Advisory Committee shall notify each member district, in writing, of the following:

- A. Recommendations made by the Executive Committee.
- B. Reference to Sections 11 and 12 of this Agreement.
- C. The requirement and deadline for each Governing Board to forward a copy of a resolution directing the vote of its PINCO representative or alternate authorized pursuant to Section 5.C.I. (a), indicating the vote the

representative is directed by the Governing Board to make; the representative shall not be entitled to vote without a copy of such resolution on file with the PINCO Advisory Committee at the time of the vote.

- D. The date, time, and place of the meeting where the vote to terminate is to be taken. Notice of the meeting must be sent to each member district at least sixty (60) days prior to the date of the meeting.

The PINCO Advisory Committee may then, by a two-thirds (2/3) vote of the total membership of the Advisory Committee voting in favor of termination, thereby terminate this Agreement, to be effective at the end of the fiscal year following the fiscal year in which the vote is taken or at such shorter time as the committee decides, but in no case less than six (6) months before the end of the then-current fiscal year.

SECTION 12. DISPOSITION OF PROPERTY AND FUNDS

- A. In the event of the dissolution of PINCO or the complete rescission or other final termination of this Agreement by all parties, any property interest remaining in PINCO following a discharge of all obligations, shall be disposed of as the PINCO Advisory Committee shall then determine, with the objective of returning to each district its proportionate share of the contributions made to such properties by such district. The inclusion of additional parties to this Agreement or the withdrawal of some but not all of such parties to this Agreement shall not be deemed a dissolution of PINCO or of this Agreement.

- 1. Each member district assumes responsibility for the continued care and accountability of its portion of raw or processed USDA commodities shipped to PINCO.
- 2. If the FDP is required to pick up any commodities stored at PINCO storage facilities to return to state warehouses, all member districts shall share proportionately in any costs incurred by FDP, according to the member districts percentage of cases being returned by the FDP.

SECTION 13. TORT LIABILITY

Pursuant to Government Code section 895.2, whenever any public entities enter into an agreement, they are jointly and severally liable upon any liability which is imposed by any law for injury caused by a negligent or wrongful act or omission occurring in the performance of such agreement. As provided for in Government Code section 895.6, if a member is held liable upon any judgment for damages caused by a negligent or wrongful act or omission occurring in the performance of the agreement and pays in excess of its pro rata share in satisfaction of such judgment, such public entity is entitled to contribution from each of the other public entities that are parties to the agreement.

The pro rata share of each member is determined by dividing the total amount of the judgment by the number of members that are parties to the agreement. The right of contribution is limited to the amount paid in satisfaction of the judgment in excess of the pro rata share of the public entity so paying. No public entity may be compelled to make contribution beyond its own pro rata share of the entire judgment.

SECTION 14. AMENDMENTS

This Agreement may be amended by a vote of two-thirds (2/3) of the contracting parties then represented on said PINCO Advisory Committee according to the procedures of the Governing Board of such parties, provided that any amendment is to further carry out the purposes of the Agreement. Any such amendment shall be effective upon the date of final execution thereof by two-thirds (2/3) of the parties then represented on said PINCO Advisory Committee.

The PINCO Advisory Committee may determine that one or more amendments to this Agreement are needed. Upon the recommendation of the Executive Committee by a majority vote, the PINCO Advisory Committee may then vote on such amendments. Before a vote is taken by the PINCO Advisory Committee, the PINCO Advisory Committee shall notify each member district in writing, noting:

- A. Amendment(s) recommended by the Executive Committee.
- B. Reference to Section 14 of this Agreement.
- C. The requirement and deadline for each Governing Board to forward a copy of a resolution directing the vote of its PINCO representative or alternate authorized pursuant to Section 5.C.1.(a) indicating the vote on each amendment the representative is directed by the Governing Board to make; the representative shall not be entitled to vote without a copy of such resolution on file with the PINCO Advisory Committee at the time of the vote.
- D. The date, time, and place of the meeting where the vote to amend this Agreement is to be taken. Notice of the meeting must be sent to each member district at least sixty (60) days prior to the date of the meeting.

The PINCO Advisory Committee may then, by a two-thirds vote of the total membership of the Advisory Committee voting in favor of the amendment(s), amend this Agreement, to be effective at the time specified in the amendment(s).

SECTION 15. INSURANCE

- A. Each member district shall issue its respective purchase orders duly authorized by its Governing Board. Member districts participating in a purchase shall be billed and shall make payments directly to the Lead District for deposit in the Revolving Fund/General Fund as specified in this Agreement. Each member district hereby indemnifies and holds harmless all other parties for that member district's commodities purchases and the member district's payment of its proportional share of all costs, fees and expenses called for in this Agreement.
- B. Each member district, solely or in conjunction with other member districts, shall enter into and deliver to the Lead District a certificate of insurance in the sum of \$1,000,000 per member district, entering into an insurance contract, payable to the Lead District, conditioned for the faithful performance of this Agreement. Said insurance contract is for the purpose of protecting the Lead District against the failure or inability of any member district to pay its proportionate share of any PINCO contracts or other obligations arising under this Agreement.
- C. The Lead District shall enter into an insurance contract in the sum of \$1,000,000 payable to each member district, to indemnify the member districts and hold them harmless against all disbursements and applications of money or property and all obligations and liabilities incurred by the Lead District otherwise than as strictly provided in this Agreement. The purpose of the Lead District's insurance contract is to protect each and every member district against any and all obligations, debts and liabilities incurred by or caused by any negligence or misconduct of the Lead District in its performance under this Agreement. The cost to the Lead District of purchasing said bond shall be included as a reimbursable cost under Section 5.C.2. (f) above.

SECTION 16. SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

PARTY OF THE FIRST PART:

ANTELOPE VALLEY UNION HIGH SCHOOL DISTRICT
44811 SIERRA HIGHWAY, LANCASTER, CA 93534

BY: _____

Signature

NAME: David J. Vierra, Ph.D.

TITLE: Superintendent

DATED: _____

PARTY OF THE SECOND PART:

ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT
32248 CROWN VALLEY ROAD, ACTON, CA 93510

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

ALISAL UNION SCHOOL DISTRICT
1240 COOPER AVENUE, SALINAS, CA 93905

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

ANTELOPE VALLEY UNION HIGH SCHOOL DISTRICT
44811 SIERRA HIGHWAY, LANCASTER, CA 93534

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

ARVIN UNION SCHOOL DISTRICT
737 BEAR MOUNTAIN BLVD., CA 93203

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

BAKERSFIELD CITY SCHOOL DISTRICT
1300 BAKER STREET, BAKERSFIELD, CA 93305

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

BARSTOW UNIFIED SCHOOL DISTRICT
551 SOUTH AVENUE H, BARSTOW, CA 92311

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

BEARDSLEY SCHOOL DISTRICT
1001 ROBERTS LANE, BAKERSFIELD, CA 93308

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

BIG PINE UNIFIED SCHOOL DISTRICT
500 SOUTH MAIN STREET, BIG PINE, CA 93513

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

BISHOP UNIFIED SCHOOL DISTRICT
800 WEST ELM STREET, BISHOP, CA 93514

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

DELANO UNION SCHOOL DISTRICT
411 12TH AVENUE, DELANO, CA 93215

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

DELANO UNION HIGH SCHOOL DISTRICT
1331 CECIL AVENUE, DELANO, CA 93215

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

EARLIMART SCHOOL DISTRICT
192 S. CHURCH ROAD, EARLIMART, CA 93219

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

EASTSIDE UNION SCHOOL DISTRICT
45006 30TH STREET EAST, LANCASTER, CA 93535

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

EDISON SCHOOL DISTRICT
721 EDISON ROAD, BAKERSFIELD, CA 93307

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

EL TEJON UNIFIED SCHOOL DISTRICT
4337 LEBEC ROAD, LEBEC, CA 93243

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

FAIRFAX SCHOOL DISTRICT
1500 SOUTH FAIRFAX ROAD, BAKERSFIELD, CA 93307

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

GREENFIELD UNION SCHOOL DISTRICT
1624 FAIRVIEW ROAD, BAKERSFIELD, CA 93307

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

KEPPEL UNION SCHOOL DISTRICT
35118 NORTH 82ND STREET EAST, LITTLEROCK, CA 93543

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

KERN COUNTY SUPERINTENDENT OF SCHOOLS
1300 17TH STREET, CITY CENTER FLOOR 6, BAKERSFIELD, CA 93301

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

KERNVILLE UNION SCHOOL DISTRICT
3240 ERKSKINE CREEK ROAD, LAKE ISABELLA, CA 93240

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

LAMONT SCHOOL DISTRICT
7915 BURGUNDY AVENUE, LAMONT, CA 93241

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

LANCASTER SCHOOL DISTRICT
44711 N. CEDAR AVENUE, LANCASTER, CA 93534

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

LONE PINE UNIFIED SCHOOL DISTRICT
223 EAST LOCUST STREET, LONE PINE, CA 93545

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

McFARLAND UNIFIED SCHOOL DISTRICT
601 SECOND STREET, McFARLAND, CA 93250

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

MOJAVE UNIFIED SCHOOL DISTRICT
3500 DOUGLAS AVENUE, MOJAVE, CA 93501

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

NORRIS SCHOOL DISTRICT
6940 CALLOWAY DRIVE, BAKERSFIELD, CA 93312

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

PALMDALE SCHOOL DISTRICT
39139 10TH STREET EAST, PALMDALE, CA 93550

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
5901 SCHIRRA COURT, BAKERSFIELD, CA 93313

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

RICHLAND SCHOOL DISTRICT
331 SHAFTER AVENUE, SHAFTER, CA 93263

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

SOUTHERN KERN UNIFIED SCHOOL DISTRICT
3082 GLENDOWER STREET, ROSAMOND, CA 93560

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

SOUTH FORK UNION SCHOOL DISTRICT
5225 KELSO VALLEY ROAD, WELDON, CA 93283

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

STANDARD SCHOOL DISTRICT
1200 NORTH CHESTER AVENUE, BAKERSFIELD, CA 93308

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

TAFT CITY SCHOOL DISTRICT
820 NORTH SIXTH STREET, TAFT, CA 93268

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

TEHACHAPI UNIFIED SCHOOL DISTRICT
400 SOUTH SNYDER AVENUE, TAHACHAPI, CA 93561

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

VINELAND SCHOOL DISTRICT
14713 WEEDPATCH HWY., BAKERSFIELD, CA 93307

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

WASCO UNION HIGH SCHOOL DISTRICT
2100 7TH STREET, WASCO, CA 93280

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

WASCO UNION ELEMENTARY SCHOOL DISTRICT
639 BROADWAY, WASCO, CA 93280

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

WESTSIDE UNION SCHOOL DISTRICT
41914 NORTH 50TH STREET WEST, QUARTZ HILL, CA 93536

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
26255 W. VALENCIA BLVD, STEVENSON RANCH, CA 91381

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

WILSONA SCHOOL DISTRICT
18050 EAST AVENUE O, PALMDALE, CA 93551

PRINTED NAME: _____

SIGNATURE: _____

TITLE: _____

DATED: _____

APPENDIX I MANAGEMENT SERVICES CONTRACTOR

1. GENERAL RESPONSIBILITIES

The Management Services Contractor, refer to “Appendix V”, is PINCO. PINCO, as administered by the Lead District, will resume all duties listed under, or referring to the Management Services Contractor within this Agreement and hereby made a part of this Agreement.

Receive each District’s Board approved signature page approving the amendment Appendix V to the JPA clarifying that PINCO is the Management Services Contractor for the PINCO cooperative. Which the Appendix V is attached to this Agreement and hereby made a part of this Agreement.

The Management Services Contractor shall:

- (a) Coordinate cooperative purchasing activities and be responsible for the day-to-day operations and recordkeeping of PINCO.
- (b) Direct, supervise, monitor and evaluate the successful contractor/bidders for Storage and Distribution Services pursuant to Appendix II and Appendix III of this agreement.
- (c) Maintain all PINCO documents, records, and files and provide to the Lead District originals or copies of PINCO documents, records and files, at the Lead District's discretion when so requested by the Lead District.
- (d) At the direction of the Lead District, prepare bids and bid specifications for commodities, goods, and service contracts in the manner required by law; obtain quotes for goods, commodities, and services; obtain quotes for the processing of goods and commodities as directed by the Lead District.
- (e) Pay its own insurance costs and other operating costs and expenses directly to its own suppliers of goods and services, including employees.
- (f) Prepare and submit to the Lead District for approval a manual outlining the accounting methods to be used in tracking USDA Donated Commodity Foods, including raw food items held in storage and raw and processed products held at a processor for PINCO. The accounting method so outlined shall conform with all applicable USDA and FDP requirements, rules, and regulations for USDA Commodity Foods, and shall provide for tracking of commodities delineated by member district and its Fair Share.

Such manual shall include a description of the organizational and decision-making structure established to ensure a timely response to the FDP ordering process for direct shipment.

At the direction of the Lead District, the Management Services Contractor shall prepare any other procedural manuals deemed necessary by the Lead District.

The Management Services Contractor shall update the PINCO manual on all changes in procedure and all changes to the JPA. Such updates shall be submitted to the Lead District for approval before being sent to the member districts.

- (g) Upon the Lead District's request, permit the Lead District to inspect the premises, and inspect and audit PINCO related books, records, and documents in the Contractor's possession. Failure to do so shall be grounds for immediate termination of the contract, at the Lead District's discretion.
- (h) Transfer all PINCO documents, records, and files to the Lead District upon expiration or termination of the Management Services Contractor's contract.
- (i) At the Lead District's direction, develop proposed specifications for PINCO contractors and subcontractors in compliance with the applicable sections of the California Education Code and California Public Contracts Code and any other applicable statutes, rules, and regulations. Submit copies of the recommended bid specifications to the Lead District for approval, and handle the bidding process if required to do so by the Lead District.

2. COOPERATIVE ORDERING - USDA COMMODITIES

The Management Services Contractor shall:

- (a) Forward reports on inter-district exchange of commodities to the Lead District or CDE, FNS and FDP, if so requested by the Lead District. Maintain liaison with the CDE, FNS and FDP, as directed by the Lead District.
 - (1) Prepare order forms and information for ordering Category A, B, and Bonus Commodities by district and dollars per district; provide such forms and information to the Lead District which will forward such forms and information to the member districts.
 - (2) Ensure that commodity order forms are returned to the Management Services Contractor and Lead District within deadlines established by the Lead District.
 - (3) Compile orders and make appropriate adjustments to create full carload equivalents on each commodity item;

- (a) Provide the Lead District with a compilation report summary delineated by district and commodity, by truckload quantities, according to deadlines established by the Lead District.
- (4) Forward the completed spreadsheets to the CDE and FDP in the appropriate format, with a copy to Lead District and each member district.
- (5) Allocate commodities to member districts on an ADP basis by factors provided by the FDP.

3. COMMODITY PROCESSING AND PURCHASED NON-COMMODITY ITEMS

The Management Services Contractor shall:

- (a) Secure specifications and State approved End Product Data Schedules from each processor used by member districts.
- (b) Arrange product testing by member districts.
- (c) Determine types and quantities of products to be purchased based on member districts' purchase orders, or input.
- (d) Prepare and issue invoices to each member district in order that the Lead District may obtain reimbursement from the Revolving Fund/General Fund for all purchases made by a member district. The formulas for allocation of costs for services are described in Section 5.C.2. (h).
 - (1) Prepare vendor bid specifications and provide recommended bid specifications to the Lead District for approval. Provide Lead District with any evaluation requested on vendor bids.
- (e) Obtain quotes for the processing of goods and commodities, and services, as directed by the Lead District.
- (f) Assemble and forward approved purchase orders to food processors based on fund approved purchase orders from member districts.
- (g) Require member districts to submit purchase orders for items to be purchased from the PINCO Revolving Fund/General Fund. The Management Services Contractor shall submit all purchase orders to the Lead District for approval.
- (h) Issue consolidated purchase orders for processed items ordered in the name of the PINCO on behalf of the member districts, indicating each member district's share of that order.

- (i) Request written advisement by member districts so that the Lead District (or the Management Services Contractor, as authorized by the Lead District) may advertise bids for the items and quantities to be purchased.

4. PRODUCT TESTING

The Management Services Contractor shall:

- (a) Set up testing of products in which the PINCO members may be interested. Where feasible, student input shall be included. The Lead District may, at the request of the Management Services Contractor, assign supplementary testing to member districts to assure acceptability to PINCO as a whole.
- (b) Provide evaluation forms and discussion time on the testing of products and report the findings to the member districts.

5. STORAGE SERVICES

The Management Services Contractor shall:

- (a) Direct, supervise, monitor, and evaluate Storage Services.
- (b) Implement the ordering and storage of processed, purchased, and commodity goods of member districts and sub-contractor entities.
 - (1) Accept shipments of commodities, raw and processed and related foodstuffs by truckload lots; floor-loaded and/or pallet-loaded. Maintain adequate access to staging and receiving areas for multiple truckload deliveries. Product codes, quantities, etc. shall be verified against purchase orders and other shipping documents. Product which does not arrive in good condition shall be rejected. Assign a shelf life to all perishable goods and notify all districts of the dates assigned to all of that district's products. The Management Services Contractor may not discard the products of any district which were not used by their expiration date without the prior written authorization of that district. Send a list of all items discarded to the Lead District on a monthly basis.
 - (2) Assure the maintenance of proper storage conditions, temperatures, and relative humidity for frozen, refrigerated, and dry foods and supplies, according to the most current regulation of the USDA and Kern County Health Department. Anticipated temperature ranges are -10 to 0 degrees F. for frozen, 38-41 degrees F. for refrigerated, and 45-70 degrees F. for dry storage

items. Provide Lead District with a copy of the current pest control contract and current health department inspection reports.

- (3) Store all goods on pallets, a minimum of six inches above the floor and six inches from any wall for proper air circulation. Food in packages and working containers may be stored less than six inches above the floor on case lot handling equipment as specified under Section 11465, Article 5.(c) Food Storage, CalCode.
- (4) Maintain documents of all deliveries; supporting documents shall be signed and dated with correct amounts and types of products listed. Maintain journals for the Lead District of all deliveries to the warehouse from processors indicating the total amount and Fair Share per district. Identify and replace, at the Management Services Contractor's own cost and expense, any lost or stolen items, or items otherwise unaccounted for, and any damaged or spoiled goods.
 - (a) For each order received from a vendor, submit to the Lead District as a package: (1) a copy of each district's purchase order, (2) a copy of the PINCO purchase order, (3) two copies of each district's billing, and (4) copies of all receiving documents.
- (5) Perform a daily computerized inventory, and a semi-annual physical inventory, of all stock at the PINCO warehouse and all products at processors. Reconcile physical inventories with perpetual inventories on a semi-annual basis. Notify the Lead District a minimum of two weeks in advance of the date scheduled for the semi-annual physical inventory so that the Lead District may send a representative, at the Lead District's discretion.
- (6) Rotate stock on a first in - first out basis to maintain freshness.
- (7) Maintain a vendor file on all deliveries; notify each member district of all products that have arrived for such district. Provide the file to the Lead District when requested by the Lead District.
- (8) Notify member districts weekly of all items in their draw file. Before making a shipment to any district, ensure that the district has sufficient inventory so that the shipment will not cause a negative inventory for the district. Before any trades are made between districts, the Management Services Contractor must receive written authorization from the districts involved. Maintain records of the items in each member district's draw file and records of all trades between or among districts, and provide such records to the Lead District at the Lead District's request.

- (9) Compute and compile all orders for processing and purchasing.
 - (10) Compute the amount of raw to finished product on all items to be commodity processed.
 - (11) Compile the commodity processing bidders' list, including specifications and quantities used in the prior year; solicit input from member districts regarding the bidders' list; present bidders' list to Lead District for approval.
 - (12) Provide member districts with the information on all orders being accumulated and when the districts must submit their orders to meet deadlines for participation in such orders.
 - (13) Receive member district's orders for delivery to districts and schedule trucking appropriate for each district's needs, including multi-site delivery to be provided pursuant to the contract for Distribution Services as specified in Appendix III of this agreement.
 - (a) Notify the Lead District in writing of any product or receiving delays that could affect member district menu cycles;
 - (b) Notify the Lead District immediately of any unallocated stock in inventory;
 - (c) Notify the Lead District of all problems with companies dealing with PINCO. Provide Lead District with documentation of all problems to enable PINCO to track vendor performance;
 - (14) Schedule its staff to attend PINCO meetings when requested. The Management Services Contractor shall present an oral and written report at least twice yearly.
 - (15) Notify the Lead District of any problems which require attention.
-
- (c) Maintain computerized current inventory reports for the Lead District Review reflecting amounts on hand, deliveries, and shipment of goods in a format suitable for use in compiling the annual USDA inventory. Reconcile against semi-annual physical inventory and compute fair value of variances. For any items unaccounted for, replace or credit the cash fair value to the affected member district, at the Management Services Contractor's own cost and expense.
 - (d) Provide fiscal and inventory internal audit reports twice yearly. Secure an independent audit by a Certified Public Accountant at the close of each fiscal year, with results provided to member districts. The Lead District and

PINCO Advisory Committee shall be allowed to audit the inventory and fiscal management reports at any time.

- (e) Operate on July 1 to June 30 fiscal year, providing year round services.
- (f) Provide computerized, systematic services, to include accounting, inventory, bid specifications, commodity verification, and commodity tracking consistent with USDA, CDE and other applicable regulations. Update procedures, reports and computer programs according to federal, state and local regulatory and procedural changes. Maintain a perpetual record of all PINCO transactions related to commodities. Provide software to allow the Lead District, and member districts upon request, telephone line access to the Management Services Contractor's computers where PINCO data is stored and processed. The computerized services shall, at a minimum, do the following:
 - (1) Track raw material from point-of-origin to processor, processor production status, and from finished goods to PINCO storage facilities to member districts by item and by shipment of raw goods; pinpoint location of all goods at all times; be able to verify that each district is receiving its Fair Share;
 - (2) Track incoming raw commodities and put in each member district's draw file according to the FDP approved allocation and delivery to member districts, by item and by member district;
 - (3) Track inter-district exchange of commodity items; provide verification sheets for all districts and ensure that all member districts sign off and return; provide Lead District with monthly printout on inter-district exchange of commodities;
 - (4) Track fair value against entitlement dollars by item and by member district;
 - (5) Format reports in a manner acceptable to the Lead District and CDE.
- (g) Supply all operating equipment and supplies, including, but not limited to (all items must meet California Division of Industrial Safety guidelines):
 - (1) Computer hardware and software (including provisions for mailing list and envelope processing), clerical equipment, desks, telephones, fax machine, copy machine, telecommunications devices, etc.;
 - (2) Forklifts, handcarts, pallets, pallet jacks, shelving, and racks;

- (3) The Management Services Contractor shall keep backup copies of computer software, including maintaining copies in an off-premise security location;
- (h) Hire, train, supervise, evaluate, and terminate employees needed to perform management services. At minimum, contractor's staff shall consist of an on-site manager, warehouse personnel, and clerical/data processing staff, all of whom shall be bonded.
- (i) Issue itemized monthly billing statements to Lead District for contracted services.
- (j) Pay for utilities and phone, pest control, janitorial service, security and alarm system, insurance, office equipment and leasing, and other operating expenses, to be paid directly to suppliers of such goods and services.
- (k) Maintain at all times a minimum of two million dollars (\$2,000,000) of liability insurance to cover damage resulting from loss, destruction or injury to persons or property including the property of the parties to this Agreement, the Lead District and member districts of PINCO, resulting from the negligent acts or omissions of officers, employees and agents of the Management Services Contractor while performing the services required under this Agreement. Maintain at all times a minimum of one million dollars (\$1,000,000) fidelity coverage for Management Services officer, agent and employee dishonesty which results in loss, destruction or injury to property or persons. A faithful performance bond may be required of the Management Services Contractor at the discretion of the Lead District. File all necessary loss reports with the insurance company and other agencies as required. Provide copies of the certificates of insurance to the Lead District within five (5) days of entering into the Management Services Contract, and, thereafter, once every six (6) months. Immediately notify the Lead District if the required insurance is cancelled or the amount of coverage is decreased.

APPENDIX II STORAGE SERVICES CONTRACTOR

The Management Services Contractor shall prepare proposed specifications for storage services in compliance with all applicable law. The Lead District shall contract for storage services. The specifications for Storage Services Contractor shall be approved by a simple majority of the member districts. The Management Services Contractor shall direct, supervise, monitor, and evaluate the Storage Services Contractor.

The Management Services Contractor shall prepare for the Lead District invoices on behalf of PINCO member districts for payment of each member district's proportional share of the cost of storage services to take advantage of all discounts possible. Management Services Contractor shall issue invoices to each member district in order that the Lead District may obtain reimbursement from the Revolving Fund/General Fund for that district's share of the cost of storage services. The formulas for allocation of costs are described in Section 5.C.2(h).

The Storage Services Contractor shall provide for:

- (a) Adequate storage for any and all commodity and purchased food and supply items obtained by member districts which said districts elect to place in the contractor's storage facilities. The Lead District may subcontract unused storage space to other public entities, and shall receive, deposit, and account for income from such subcontracts in the PINCO Revolving Fund/General Fund.
- (b) Facilities capable of accepting shipments by truckload lots, floor-loaded and/or pallet-loaded, with adequate access to staging and receiving areas for multiple truckload deliveries.
- (c) Facilities capable of maintaining proper storage conditions, temperatures, and relative humidity for frozen, refrigerated, and dry foods and supplies, in accordance with the most current regulation of the USDA and the local County Health Department. Anticipated temperature ranges are -10 to 0 degrees F. for frozen, 38 to 41 degrees F. for refrigerated, and 45 to 70 degrees F. for dry food and supply items.
- (d) Facilities which allow easy access by forklifts in storing all goods on pallets, a minimum of six inches above the floor and six inches from any wall, for proper air circulation. Food in packages and working containers may be stored less than six inches above the floor on case lot handling equipment as specified under Section 11465, Article 5.(c) Food Storage, CalCode.
- (e) Facilities capable of being adequately secured against theft, loss, vandalism, spoilage, and temperature variations beyond approved ranges through the addition of a security and alarm system.

- (f) Office space for on-site management services as described in Appendix I.
- (g) Upon the Management Services Contractor or Lead District's request, permit the Management Services Contractor or Lead District to inspect the premises, and inspect and audit PINCO related books, records, and documents in the Contractor's possession. Failure to do so shall be grounds for immediate termination of the contract at the Lead District's discretion.
- (h) Maintain at all times a minimum of two million dollars (\$2,000,000) of liability insurance to cover damages resulting from loss, destruction or injury to persons or property, and any other insurance necessary to provide first party coverage for all physical loss, including the replacement value of all goods, including goods owned by subcontractors pursuant to Subsection 6. (a) of Appendix II. Coverage shall include office areas for on-site Management Services pursuant to Appendix I. Maintain at all times a minimum of one million dollars (\$1,000,000) of fidelity coverage for storage service officer, agent, and employee dishonesty which results in the loss, destruction or injury to property or persons. A faithful performance bond may be required of the Storage Services Contractor at the discretion of the Lead District. In case of loss, the insurer shall have the choice of replacement or cash settlement, at its discretion. File all necessary reports in case of loss of commodities and goods containing commodities. Provide copies of the certificate of insurance to the Management Services Contractor and Lead District within five (5) days of entering into the storage service agreement, and, thereafter, once every six (6) months. Immediately notify the Management Services Contractor and Lead District if the required insurance is cancelled or the amount of coverage is decreased.
- (i) The Contractor to pay for building and refrigeration maintenance and repair, water, trash collection, real estate taxes, and insurance. Such payments to be made directly to the suppliers of such services or invoicing agency. The Contractor to pay its own insurance costs and other operating costs and expenses directly to its own suppliers or goods and services.

APPENDIX III DISTRIBUTION SERVICES AND DISTRIBUTION SERVICES CONTRACTOR

The Management Services Contractor shall prepare proposed specifications for distribution services in compliance with all applicable law.

The Management Services Contractor shall prepare for the Lead District invoices on behalf of PINCO member districts for payment of each member district's share of the cost of distribution services to take advantage of all discounts possible. The Management Services Contractor shall issue invoices to each member district in order that the fund for the district's share of the costs of distribution services. The formulas for allocation of costs are described in Section 5.C.2 (i). The Management Services Contractor shall verify that the requirements of the storage services contracts are operations.

The Management Services Contractor shall then direct, monitor, supervise and evaluate the Distribution Services Contractor.

The Distribution Services Contractor shall:

- (a) Provide trucking, drivers, and distribution services appropriate to each member district's needs including multi-site delivery; equip delivery trucks with hydraulic rear lift, a ramp and hand truck for unloading and delivery purposes. The Distribution Services Contractor shall replace, at his own cost and expense, all goods lost, thawed, spoiled, or otherwise damaged once they come under his/her dominion, custody or control. Deliveries shall be scheduled at the direction of the Manager of PINCO Warehouse and Operations.
- (b) Supply all operating equipment and supplies, including, but not limited to (all items must meet California Division of Industrial Safety guidelines)
 - (1) Protective clothing;
 - (2) Trucks with at least 900 case capacity each;
 - (3) Fuel, oil, and maintenance.
- (c) Verify product codes, quantities, etc. against purchase orders and other shipping documents.
- (d) Hire, train, supervise, evaluate, and terminate employees needed to perform distribution services. Delivery personnel shall be bonded and shall possess a current valid Class A California driver's license and good driving record. Provide a copy of such bonding and verification of driving records to the Lead District and Management Services Contractor. All delivery personnel must comply with the Contractor Department of Justice Clearance per AB1610 and AB1612.

- (e) Upon the Management Services Contractor or Lead District's request, permit the Management Services Contractor or Lead District to inspect the premises, and inspect and audit PINCO related books, records and documents in the Contractor's possession. Failure to do so shall be grounds for the immediate termination of the contract, at the Lead District's discretion.
- (f) Maintain a minimum of one million dollars (\$1,000,000) of liability insurance to cover damages resulting from loss, destruction or injury to persons or property including the property of the parties to this Agreement and the property of the Lead District and member districts of PINCO, resulting from the negligent acts or omissions of officers, employees and agents of the Distribution Services Contractor while performing the services required under this Agreement. Maintain insurance in an amount mutually agreeable to PINCO and the Distribution Services Contractor to provide first party coverage for all physical damage, destruction or loss of goods and commodities, covering delivery trucks and trailers to prevent loss of service and to cover the replacement value of all goods handled pursuant to this Agreement. Maintain at all times a minimum of fifty thousand dollars (\$50,000) of fidelity coverage per truck/trailer, driver combination for distribution services officer, agent and employee dishonesty which results in loss, destruction or injury to persons or property. A faithful performance bond may be required of the Storage Services Contractor at the discretion of the Lead District. File all necessary reports in case of loss of commodities and goods containing commodities and file all necessary reports with the appropriate insurer or agency in case of loss. Provide copies of the certificates of insurance to the Lead District within five (5) days of entering into the storage service agreement, and, thereafter, once every six (6) months. Immediately notify the Lead District if the required insurance is cancelled or the amount of coverage is decreased
- (g) Issue itemized monthly billing statements to the Management Services Contractor for contracted services.
- (h) Operate on a July 1 to June 30 fiscal year, providing year-round service.
- (i) Pay its own insurance costs and other operating costs and expenses - including employee costs - directly to its own suppliers of goods and services.

APPENDIX IV PINCO
REGION 1

-Bakersfield City School District
Big Pine Unified School District
Delano Joint Union High School District
Fairfax School District
Lost Hills Union School District
McFarland Unified School District
South Fork School District
Wilsona School District

REGION 3

Acton – Agua Dulce Unified School District
Beardsley School District
Eastside Union School District
El Tejon Union School District
Greenfield Union School District
Lancaster School District
Lone Pine School District
Mojave School District
Taft School District
Westside Union Elementary School District

REGION 5 - INACTIVE

REGIONS

REGION 2

Alisal Union School District
Antelope Valley Union High School District
Arvin Union School District
Bishop Union Elementary School District
Earlimart School District
Kern County Supt. of Schools
Panama Buena Vista Union School District
Richland School District
Vineland School District

REGION 4

Delano Union Elementary School District
Edison School District
Keppel Union School District
Kernville Union School District
Lamont School District
Norris School District
Palmdale School District
Standard School District
Tehachapi Unified School District

REGION 6 – INACTIVE

APPENDIX V MANAGEMENT SERVICES CONTRACTOR - AMENDMENT

The Management Services Contractor referred to in this Agreement is PINCO. PINCO, as administered by the Lead District, will resume all duties listed under, or referring to the Management Services Contractor within this Agreement and hereby made a part of this Agreement.

The PINCO warehouse is located at 3019 16th Street, Bakersfield, CA 93301, which includes the Storage Services outlined within this Agreement.

PINCO, as the Management Services Contractor, will also monitor and work with the Distribution Services Contractor for all deliveries to the districts.

PINCO will be responsible to follow all components of this Agreement as listed in "Appendices I, II, and III" which set forth the duties and responsibilities of the contractors for Management, Storage, and Distribution Services.

At no time in this Agreement, will an additional charge be paid by the districts for any services above the actual expenses incurred for PINCO as the Management Services Contractor.

Each member district will submit a letter with an approved signature page drawn by the Executive Committee to their District's Governing Board approving the amendment "Appendix V" to the JPA clarifying that PINCO is the Management Services Contractor for PINCO. The district will then submit their letter and the signed signature page with their Governing Board's date stamped Board action page to the Lead District.

APPENDIX VI SECTION 7B. VOTING RIGHTS

VOTING RIGHTS

1. A district's representative or alternate shall be entitled to cast one vote per member district for business conducted by the PINCO Advisory Committee. A vote may be cast only by the duly appointed representative who is personally present at the meeting or in his/her absence by his/her alternate who is personally present at the meeting. There shall be no proxy votes and no absentee voting.
2. A quorum of the PINCO Advisory Committee shall consist of forty percent (40%) or more of the representatives or their alternates. For all Advisory Committee actions, except Amendments, Involuntary Terminations and Terminations pursuant to Sections 10, 11 and 14, a vote of a majority of the representatives or alternates of all member districts shall be required for approval.

APPENDIX VII SECTION 5A. PINCO GOVERNING BOARD

The PINCO Governing Board shall be the Board of Trustees of the Lead District. PINCO Governing Board shall conduct a monthly meeting in conjunction with the Lead District's "Regular Meeting of the Board of Trustees". The PINCO Governing Board meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950, et. seq.)

This is the Official PINCO Governing Board to take action and ratify all Board of Trustees items presented on behalf of the PINCO members.

1. Execution and Cooperation
Each member district agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary to effectuate the purposes and intent of this Agreement.
2. Execution by Counterparts
This Agreement may be executed in any number of counterparts, and upon execution by all member districts, each executed counterpart shall have the same force and effect as an original instrument and as if all member districts had signed the same instrument.

APPENDIX IX SECTION 6 - LEAD DISTRICT AND SUCCESSOR LEAD DISTRICT – AMENDMENT

Pursuant to Government Code Section 6506, the Antelope Valley Union High School District is hereby designated as the Lead District which shall administer the Agreement and exercise the powers authorized by this Agreement.

- A. Successor Lead District - In the event that the Lead District elects to withdraw as Lead District, the successor Lead District shall be a School District elected by a vote of two-thirds (2/3) of the contracting parties then represented on the PINCO Advisory Committee according to the procedures of the Governing Board of such parties, with the final approval of the PINCO Governing Board.
- B. Within thirty (30) days of the initial notification by the Lead District of its intent to withdraw as the Lead District, the Executive Committee shall submit its recommendation for a Successor Lead District to the PINCO Advisory Committee for a vote. Upon the recommendation of the Executive Committee by a majority vote, the PINCO Advisory Committee may then vote on the Successor Lead District. Before a vote is taken by the PINCO Advisory Committee, the PINCO Advisory Committee shall notify each member district in writing, noting:
 - 1. The Successor Lead District candidate recommended by the Executive Committee.
 - 2. Reference to Section 6 of this Agreement.
 - 3. The requirement and deadline for each Governing Board to forward a copy of a resolution directing the vote of its PINCO representative or alternate authorized pursuant to Section 5.C.1(a) indicating the vote the representative is directed by the Governing Board to make; the representative shall not be entitled to vote without a copy of such resolution on file with the PINCO Advisory Committee at the time of the vote.
 - 4. The date, time, and place of the meeting where the vote to amend this Agreement is to be taken. Notice of the meeting must be sent to each member district at least thirty (30) days prior to the date of the meeting.
- C. The PINCO Advisory Committee may then, by a two-thirds vote of the total membership of the Advisory Committee voting in favor of the Successor Lead District, designate the Successor Lead District.
- D. The Lead District shall give notice of its intent to withdraw as the Lead District not less than 120 days before the effective date of the withdrawal. The Antelope Valley Union High School District shall be obligated to continue as Lead District to the end of the fiscal year in which the intent to withdraw is given unless the Successor Lead District submits a copy of a resolution by its Governing Board agreeing to assume

the duties of the Lead District before the end of the fiscal year, and such resolution is accepted by the PINCO Advisory Committee.

- E. Subsequently, the Successor Lead District shall be obligated to continue as the Lead District to the end of the fiscal year in which the notice of intent to withdraw is given, such notice to be given not less than 120 days before the end of that fiscal year, unless a Successor Lead District is accepted and a copy of a resolution by the Governing Board of the Successor District agreeing to assume the duties of Lead District before the end of the fiscal year is received and accepted by the PINCO Advisory Committee.
- F. The Successor Lead District shall assume all duties of the Lead District, including but not limited to, rights, interests, contracts, employees, and insurance, exercised by the Lead District. No Successor Lead District shall be liable or responsible for any act, omission or default of a predecessor Lead District, provided that such Successor Lead District does not have actual knowledge of facts which might reasonably be expected to put that Lead District on notice of such acts, omissions or defaults.
- G. A withdrawing Lead District shall forward all records required for audit to the successor Lead District. Each Lead District shall meet or exceed all State and Federal recordkeeping requirements.
- H. If at any time no member district is willing and able to serve as Lead District, PINCO will dissolve at the end of the fiscal year in which the last Lead District withdraws as Lead District.