



**State of Idaho Statewide Contract
SBPO#20268053 Price Agreement**

Parties

Agency	Contractor
Department of Administration 650 W. State St. Boise, ID 83702	DFA Dairy Brands Fluid LLC 1301 W Bannock St Boise, ID 83702

Contract Summary

Contract Description: Statewide Milk PA Original Effective Date: 9/1/2025 Current Expiration Date: 8/31/2027	Current Contract Value: \$1,500,000.00 Estimated Lifetime Value: \$3,000,000.00 Contract Usage Type: Statewide
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Agency Contacts

Contact Name	Contact Phone	Contact Email
Mack DeYoung	(208) 332-1608	contractadmin@adm.idaho.gov

Contractor Contacts

Contact Name	Contact Phone	Contact Email
Brandy Bengoechea	(208) 472-4005	brandy.bengoechea@meadowgolddairy.com

Statewide Blanket Purchase Order

1. PURPOSE

- 1.1. The purpose of this Price Agreement (Agreement) is to establish a source, including delivery as required by each ordering agency, for milk and other dairy products (Products) as required by various State Agencies.

2. TERM

- 2.1. The term of this Agreement is for two (2) years (September 1, 2025 – August 31, 2027). This Agreement is not renewable or extendable. The agreement may be terminated by either party upon written notice.

3. PUBLIC AGENCY CLAUSE

3.1 Contract prices shall be extended to other "Public agencies" as defined in Section #67-2327 of the Idaho Code, which reads as follows:

67-2327. DEFINITIONS. "Public agency" means any city or political subdivision of this state, including, but not limited to counties; school districts; highway districts; and port authorities; instrumentalities of counties, cities or any political subdivision created under the laws of the state of Idaho; any agency of the state government; and any city or political subdivision of another state.

"State" means a state of the United States and the District of Columbia.

3.2 It will be the responsibility of the Public agency (other than agencies of the state government) to independently contract with the Contractor for freight costs, logistics, and/or comply with any other applicable provisions of Idaho Code governing public contracts.

4. TERMS AND CONDITIONS

4.1. The current version of the State of Idaho Standard Contract Terms and Conditions is incorporated into this Agreement.

5. ADMINISTRATIVE FEE AND USAGE REPORT

5.1. Admin Fee - The prices to be paid by the State (the prices provided by Contractor) shall be inclusive of a one and one-quarter percent (1.25%) Administrative Fee. On a quarterly basis, Contractor will remit to State of Idaho, Attn: Division of Purchasing, PO Box 83720, Boise, Idaho 83720-0075 an amount equal to one and one-quarter percent (1.25%) of Contractor's net (sales minus credits) quarterly sales.

For Example: If the total Contractor's net sales to the Agency for one quarter= \$10,000, Contractor would remit $\$10,000 \times 0.0125 = \125 to the Division of Purchasing for that quarter, along with the required quarterly usage report.

5.2. Report – The Contractor shall furnish a detailed quarterly usage report, supplying to the State the agency (State or political subdivision), the product provided, and the cost of the product. The Contractor shall submit the quarterly usage report from the Agreement to the State to Purchasing@adm.idaho.gov in Excel format.

Reporting Timeline (Fiscal Year Quarters):

Fee and Report Date Due:

1st Quarter July 1 – September 30
2nd Quarter Oct. 1 – December 31
3rd Quarter Jan. 1 – March 31
4th Quarter April 1 – June 30

October 3
January 3
April 30
July 31

Mail your check, in the amount of the Quarterly Administrative Fee, to:

State of Idaho
Division of Purchasing
PO Box 83720
Boise, Idaho 83720-0075

- 5.3 If the Contractor fails to submit the required quarterly usage report or timely remit the Administrative Fee, as provided above, the State, at its discretion, may declare the Contractor in default and may be cause for disqualification of Contractor for future agreements or may include other action by the State.

6. GENERAL REQUIREMENTS

- 6.1. Contact Person - Contractor shall provide the name of the person who will work with DOP for the term of the Agreement. This person shall be authorized to coordinate with all agencies to correct pricing for products.

7. PRICING

The pricing in this Agreement is the maximum delivered price that an ordering State Agency will be required to pay. The Contractor and State agree that the Contractor must negotiate logistics and freight costs with Political Subdivisions; this negotiation will not affect the delivered product pricing to any State Agency.

- 7.1. Prices for milk and other dairy Products shall be based on the Federal Milk Orders 124 and 131, Announcement of Final Class and Component Prices. Pricing for the Contract must be firm for the remainder of the month in which the prices are locked in by the Contractor. Prices may be adjusted once per month thereafter. Any changes must be made based on the month to month changes in the Federal Milk Orders 124 and 131, Announcement of Final Class and Component Prices. All prices listed will be inclusive of the Administrative Fee (Section 5).

- 7.2. Contractor operational price adjustments may be considered after the twelve (12) months of the initial term of the Contract, and twelve (12) months thereafter on each anniversary date of the Contract award.

7.2.1. If a price increase is requested, it will be the responsibility of the Contractor to notify DOP sixty (60) calendar days in advance of the desired effective date and provide supporting documentation showing industry wide increases justifying the request.

7.2.2. DOP will notify Contractor whether the request is approved within thirty (30) calendar days of receipt of the request.

7.2.3. In no case will a retroactive price increase be allowed due to failure of the Contractor or manufacturer to provide pricing information.

8. INSURANCE

- 8.1. The Contractor shall carry all insurance which may be required by federal and state laws, state and city ordinances, charters, regulations, and codes. The required insurance shall be subject to the approval of the State, but any acceptance of insurance by the State shall in no way limit or relieve Contractor of the duties and responsibilities stipulated in the Agreement.

The Contractor will maintain, at its sole expense, the required insurance purchased from an insurer

licensed/authorized to transact business in the State of Idaho. Insurance carriers shall have an AM Best's Rating of A-VII or better. Policies shall provide a minimum of 30 days' advance written notice of cancellation, material change, or nonrenewal of policies required under the contract to the State. In situations where the insurance carrier does not provide notice to the State, the Contractor shall notify the State of any cancellation or reduction in coverage or limits of any insurance within seven (7) days of receipt of insurer's notifications to that effect.

The Contractor's insurance shall be issued on a primary basis, non-contributory with any other insurance coverages and or self-insurance carried by the State.

Self-insured retentions shall be declared to and approved by the State. The State may require the Contractor to provide proof of ability to pay losses and related investigations, claim, administration, and defense expenses within the retention.

- 8.1.1. Commercial General Liability Insurance (CGL) - Contractor shall maintain commercial general liability on an occurrence basis to include premises and operations, personal and advertising injury, products and completed operations, liability assumed under an insured contract, and independent contractors. The limits of liability shall not be less than:

- \$1,000,000 each occurrence bodily injury and property damage
 - \$1,000,000 personal and advertising injury
 - \$2,000,000 general aggregate
 - \$2,000,000 products/completed operations aggregate

- 8.1.2. Commercial Automobile Liability Insurance – The Contractor shall maintain commercial liability insurance with limits not less than \$1,000,000.00 combined single limit each accident for bodily injury and property damage including coverage for all owned, hired, and non-owned automobiles. Where applicable, coverage should include personal injury protection. Coverage shall include additional insured status in favor of the State, its officers, directors, employees, agents, and volunteers.

- 8.1.3. Worker's Compensation (Statutory) and Employer's Liability - The employer's liability shall have limits not less than \$1,000,000 each accident for bodily insurance by accident, \$1,000,000 disease policy limit, and \$1,000,000 disease, each employee. Coverage shall also include additional insured status and a waiver of subrogation in favor of the State, its officers, directors, employees, agents, and volunteers. Coverage shall include a waiver of subrogation in favor of the State, its officers, employees, agents, and volunteers.

- 8.1.4. Waiver of Subrogation: All policies shall contain waivers of subrogation. The Contractor waives all rights against the State and its officers, employees, and agents for recovery of damages to the extent these damages are covered by the required policies. Policies may contain deductibles but such deductibles will not be deducted from any damages due to the State

9. SPECIAL CONTRACT REQUIREMENTS

9.1. Idaho Department of Correction requires additional security checks and clearances for Contract Employees as shown in Attachment 1 of this document.

9.2. Order Fill Rate

9.2.1 For all items purchased under the Contract, fill rate must remain at ninety-eight percent (98%) or above for total items ordered per quarter, per individual account. Substitutions must be pre-approved by each Agency (the Agency may allow each of its Institutions to approve substitutions, and will identify this to the Contractor in writing). The Contractor must contact the Institution no later than twenty-four (24) hours prior to scheduled delivery if an order will not be completely filled. Contact shall be by email or phone call, at a minimum.

9.3 General Delivery Requirements

9.3.1 The Contractor must make deliveries to each Institution on days and times mutually agreed upon by the Contractor and the Institution. When items will not be delivered on a scheduled delivery day, the Institution reserves the right to cancel the order, or cancel part of the order, and purchase needed items (the same quantity as was ordered, and, if possible similar quality) from another source. The determination of what constitutes similar quality shall be in the sole discretion of the Institution.

10. PAYMENT METHOD

10.1. The Contractor shall accept payment under this Agreement in the form of a Purchase Order (PO) issued by an agency.

11. NON-EXCLUSIVITY

11.1. The Contractor and the State agree that this agreement does not imply an exclusive agreement for Products and services listed on this Agreement. State, public agencies, and political subdivisions may, at their option, choose to use this Agreement as they see fit and in their best interests. State, public agencies and political subdivisions may utilize additional or alternate Agreements and state contracts.

State of Idaho Contract Terms and Conditions

Article 1 – General Terms and Conditions

- 1.1. Definitions.** Except as defined otherwise in this Contract, the following terms shall have the following meanings, whether capitalized or not, unless the context requires otherwise. Terms not defined within this Contract shall have the meanings defined in Idaho Code section 67-9203 and in IDAPA 38, title 05, chapter 01, Rules of the Division of Purchasing.
- 1.1.1. “Agency” means the board, commission, department, agency, or office of the State receiving the Property provided by the Contractor pursuant to this Contract.
- 1.1.2. “Contract” means this written agreement between Contractor and the State for the acquisition of property, which may be the result of a solicitation, and which may include the Solicitation or specification document and the accepted portions of the bid or proposal and other documents as identified herein, unless the context means one or more agreements with other contractors or for the acquisition or other property.
- 1.1.1. “Contractor” means the offeror, bidder, or proposer selected under the Solicitation to enter a contract with the State and identified as the Contractor in the heading above in this Contract.
- 1.1.2. “Data Breach” means any unauthorized access to or acquisition of Non-Public State Data following a Security Incident that compromises the security, confidentiality, or integrity of the Non-Public State Data, or the ability of the State to access the Non-Public State Data.
- 1.1.3. “Non-Public State Data” means State Data that is not subject to distribution to the public as public information. It is deemed to be sensitive and confidential by the State because it contains information that is exempt by statute, ordinance or administrative rule from access by the general public as public information. Non-Public State Data includes, but is not limited to, Personal State Data.
- 1.1.4. “Personal State Data” means State Data, which alone or in combination with other data, includes information relating to an individual that identifies the individual by name, identifying number, mark, or description that can be readily associated with a particular individual and which is not a public record. Personal State Data includes but is not limited to the following personally identifiable information (PII): government-issued identification numbers (e.g., Social Security, driver’s license, passport); financial account information, including account number, credit or debit card numbers; Protected Health Information (PHI) relating to a person; or education records covered by the Family Educational Rights and Privacy Act (FERPA), as amended, 20 U.S.C. 1232g, records described at 20 U.S.C. 1232g(a)(4)(B)(iv).
- 1.1.5. “Property” means goods, services, parts, supplies, and equipment, both tangible and intangible, including but not limited to, designs, plans, programs, systems, techniques, and any rights or interests in such property.
- 1.1.6. “Protected Health Information (PHI)” means individually identifiable health information held or transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium. PHI also includes but may not be limited to information that is a subset of health information, including demographic information collected from an individual, and 1) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and 2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; and a) that identifies the individual; or b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

- 1.1.7. "Purchasing Administrator" means the administrator of the Department of Administration, Division of Purchasing.
- 1.1.8. "Purchasing Authority" means the state entity authorized to enter into the Contract, which shall be either the Department of Administration, Division of Purchasing, or the Agency.
- 1.1.9. "Security Incident" means the unauthorized access to Contractor's network that the Contractor or the State believes could reasonably result in the use, disclosure, or theft of the State's Non-Public State Data within the possession or control of Contractor. A Security Incident also includes a security breach to Contractor's system, regardless of if Contractor is aware of unauthorized access to the State's Non-Public State Data. A Security Incident may or may not turn into a Data Breach.
- 1.1.10. "Software" means a series of instructions or statements in a form acceptable to a machine that processes data and is designed to cause the machine to execute an operation or operations. Software includes, but is not limited to operating systems, assemblers, compilers, interpreters, data management systems, utility programs, and Automatic Data Processing Equipment Maintenance/Diagnostics programs.
- 1.1.11. "State" means the state of Idaho including each board, commission, department, agency, or office of the state of Idaho, unless the context means one or more other states of the United States.
- 1.1.12. "State Data" means all information and data developed, documented, derived, stored, installed, or furnished by the State under the Contract, including all data related to records owned by the state of Idaho.
- 1.1.13. "Solicitation" means an invitation to bid (ITB), request for quotes (RFQ), or request for proposals (RFP) issued by the State for the purpose of soliciting bids, proposals, or quotes resulting in the Contract.

1.2. Term

- 1.2.1. Initial Term. The initial term of the Contract shall commence on the Effective Date and expire on the Service End Date identified in the header of this Contract.
- 1.2.2. Renewal Options. Upon mutual, written agreement by the parties, the Contract may be extended under the same terms and conditions for the time interval equal to the initial term, or for such period of time as agreed to by the parties. The Contract is not anticipated to exceed five (5) years, including all renewals.

1.3. Price

- 1.3.1. Price. The pricing for the Contract is included in Section 7 of this Contract.
- 1.3.2. Price Increases. Except as set forth in this section, prices shall not increase during the initial term or during any renewal or extension term. Unless accepted by the Purchasing Authority in writing or provided for in the Contract, prices shall not increase between the prior term and a renewal term. The Purchasing Authority may accept a price increase during a term or upon renewal as provided in Contract or upon submission of evidence by Contractor that Contractor's costs have increased by causes beyond the control and without the fault or negligence of Contractor, and that Contractor could not have included in its offered price because they were unforeseeable or because the Solicitation did not contemplate future pricing.

1.4. Termination and Remedies

1.4.1. Termination for Contractor Default. The State may terminate the Contract, any order issued pursuant to the Contract, or both when the Contractor has been provided written notice of default or non-compliance and has failed to cure the default or non-compliance within a reasonable time, which time shall be determined in the sole discretion of the Purchasing Authority. If the default or non-compliance is not capable of cure or if the cure requires more than thirty (30) calendar days, the Purchasing Authority may provide notice of termination without a cure period. The State shall not be required to provide advance written notice or a cure period and may immediately terminate this Contract in whole or in part if the State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure shall not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Contract.

1.4.2. Effect of Termination

1.4.2.1. If the Contract is terminated for default or non-compliance, the Contractor will be liable for any costs resulting from the State's award of a new contract and any damages incurred by the State. The State, upon termination for default or non-compliance, reserves the right to take any legal action it may deem necessary including, without limitation, offset of damages against payment due.

1.4.2.2. Unless provided otherwise in the Contract, upon termination by the Purchasing Authority for default or non-compliance, Contractor shall: a) promptly discontinue all work, unless the termination notice directs otherwise; b) promptly return to the State any Property provided by the State pursuant to this Contract; and c) deliver or otherwise make available to the State all data, reports, estimates, summaries and such other information and materials as may have been accumulated by Contractor in performing this Contract, whether completed or in process, which the Contractor is obligated by the Contract or law to provide to the State upon completion.

1.4.3. Remedies. In addition to any remedies available to the State under law or equity, the State may, at its sole discretion, take or require one (1) or more of the following remedial actions if the Contractor's performance is deficient and does not comply with the Contract requirements: 1) require the Contractor to take corrective action to ensure that performance conforms to Contract requirements; 2) reduce payment to reflect the reduced value of the performance received; 3) require the Contractor to subcontract all or part of the service at no additional cost to the State; 4) withhold payment or require payment of actual damages caused by the deficiency; 5) withhold payment or require payment of liquidated damages, if liquidated damages are provided for in the Contract; 6) secure the deficient products or services and deduct the costs of products or services from payments to the Contractor under the Contract; 7) require Contractor to remove, at its sole expense, any non-conforming or deficient Property from the State's premises; or 8) terminate the Contract pursuant to any termination provisions within the Contract. These remedies are cumulative to the extent the remedies are not inconsistent, and the State may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.

1.5. Changes and Modifications

1.5.1. Amendments. Except as provided herein for ministerial changes, the Contract may be modified or amended only upon written consent of the Purchasing Authority and Contractor. The Contract may not be released, discharged, changed, extended, modified, subcontracted or assigned in whole or in part (collectively, an "Amendment") except to the extent provided by a written instrument signed by the Contractor and the Purchasing Authority. The Purchasing Authority is authorized to execute any

Amendment. The Agency is authorized to execute Amendments consisting solely of plans required by the Contract and ministerial or administrative documents that further define the day-to-day responsibilities of the Contractor and the Agency. The Agency is not authorized to execute Amendments directly or indirectly increasing monetary obligations of the State, expanding the scope of the Contract or extending the Contract term. An Amendment not executed in compliance with this section is voidable, at the option of the Purchasing Administrator.

1.5.2.Ministerial Changes. In the event the State discovers or is notified of a typographical or other ministerial or clerical error in the Contract, the Purchasing Authority may correct such error after providing notice to the Contractor of its intent to make the correction and an opportunity for the Contractor to object that the proposed correction is not ministerial or clerical. The Purchasing Authority will make a copy of the corrected Contract available to the Contractor upon the effectiveness of the correction.

1.5.3.Material Changes. Amendments to the Contract shall be in compliance with the State Procurement Act, Idaho Code title 67, chapter 92. The Purchasing Authority may accept material changes with an amendment if such changes could not reasonably be anticipated by the parties at the time of the Solicitation and do not frustrate the competitive process or provide the Contractor with an unfair advantage, as determined by the Purchasing Administrator in his or her sole discretion.

1.6. No Personal Liability. Contractor specifically understands and agrees that in no event shall any official, officer, employee or agent of the State be personally liable or responsible for any representation, statement, covenant, warranty or obligation contained in, or made in connection with, this Contract, express or implied.

1.7. Contract Relationship; Workers' Compensation Insurance

1.7.1.Independent Contractor. Contractor's status under the Contract shall be that of an independent contractor, and not that of an agent or employee. Contractor is solely liable for all labor, taxes, insurance, required bonding, and other expenses, except as specifically stated herein. Contractor shall exonerate, indemnify and hold the State harmless from and against and assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security, workman's compensation and income tax laws with respect to Contractor or Contractor's employees engaged in performance under the Contract.

1.7.2.Workers' Compensation Insurance. Contractor shall maintain worker's compensation insurance as required by law and shall provide certificate of same if requested by the State. Failure to provide a certificate of worker's compensation insurance may result in termination of the Contract. Provision of workers' compensation insurance by the State under this provision shall be in the name of the Contractor as employer and shall not alter the independent contractor status of Contractor under the Contract. Contractor must provide either a certificate of worker's compensation insurance issued by a surety licensed to write worker's compensation insurance in the state of Idaho, as evidence that the Contractor has in effect a current Idaho worker's compensation insurance policy, or an extraterritorial certificate approved by the Idaho Industrial Commission from a state that has a current reciprocity agreement with the Idaho Industrial Commission.

1.8. Taxes. The State is generally exempt from payment of state sales and use taxes and from personal property tax for Property purchased for its use. The State is generally exempt from payment of federal excise tax under a permanent authority from the District Director of the Internal Revenue Service (Chapter 32 Internal Revenue Code). The State will furnish exemption certificates upon written request by Contractor. If Contractor is

required to pay any taxes incurred as a result of doing business with the State, Contractor shall be solely responsible for the payment of those taxes.

1.9. General Indemnification and Insurance

1.9.1. Contractor's Indemnification. Contractor shall indemnify, defend, and save harmless the State, its officers, agents, employees, and volunteers from and against any and all liability, claims, damages, losses, expenses, actions, settlements, attorneys' fees, and suits whatsoever caused by, arising out of, or in connection with Contractor's acts or omissions under this Contract or Contractor's failure to comply with any state or federal statute, law, regulation, or rule during performance or applicable to the performance of the Contract.

1.9.2. Actions on Tender; Limitation. Upon receipt of the State's tender of indemnity and defense, Contractor shall immediately take all reasonable actions necessary, including, but not limited to, providing a legal defense for the State, to begin fulfilling its obligation to indemnify, defend, and save harmless the State. Contractor's indemnification and defense liabilities described herein shall apply regardless of any allegations that a claim or suit is attributable in whole or in part to any act or omission of the State under the Contract. Contractor shall not be required to hold the State harmless for damages attributed to the State in a final order issued by a court of competent jurisdiction. If it is determined by a final judgment that the State's negligent act or omission is the sole proximate cause of a suit or claim, the State, to the extent funds are legally available therefore, shall reimburse Contractor for reasonable defense costs attributable to the defense provided by any Special Deputy Attorney General appointed pursuant to section 9.3.

1.9.3. Requirements of Defense. Any legal defense provided by Contractor to the State under this section must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the Attorney General of the State of Idaho as a Special Deputy Attorney General pursuant to Idaho Code Sections 67-1401(13) and 67-1409(1).

1.9.4. Insurance. Contractor shall furnish and maintain insurance coverages as set forth in Section 8 of this Contract.

1.10. Patent and Copyright Indemnity

1.10.1. Indemnity. Contractor shall indemnify and hold the State harmless and shall defend at its own expense any action brought against the State based upon a claim of infringement of a United States' patent, copyright, trade secret, or trademark for Property purchased under the Contract. Contractor shall pay all damages and costs finally awarded and attributable to such claim, but such defense and payments are conditioned on the following: 1) that Contractor shall be notified promptly in writing by the State of any notice of such claim; 2) that Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise and State may select at its own expense advisory counsel; and 3) that the State shall cooperate with Contractor in a reasonable way to facilitate settlement or defense of any claim or suit.

1.10.2. Limitation. Contractor shall have no liability to the State under any provision of this clause with respect to any claim of infringement that is based upon: 1) the combination or utilization of the Property with machines or devices not provided by the Contractor other than in accordance with Contractor's previously established specifications unless such combination or utilization was disclosed in the Solicitation or the specifications; 2) the modification of the Property unless such modification was

disclosed in the Solicitation or the specifications; or 3) the use of the Property not in accordance with Contractor's previously established specifications unless such use was disclosed in the Solicitation or the specifications.

- 1.10.3. Option to Replace, Modify, or Refund. Should the Property become, or in Contractor's opinion be likely to become, the subject of a claim of infringement of a United States' patent, the Contractor shall, at its option and expense, either procure for the State the right to continue using the Property, to replace or modify the Property so that it becomes non-infringing, or to grant the State a full refund for the purchase price of the Property and accept its return.

1.11. Billing

- 1.11.1. Contract Numbers on all Documentation. Contractor shall clearly show the State's Contract number or Purchase Order number on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.
- 1.11.2. Invoices. Contractor shall submit all invoices directly to the Agency.
- 1.11.3. Payment Processing. Invoices shall be accepted and processed for payment in accordance with Idaho Code sections 67-2302 and 67-9218.

1.12. Assignment, Merger, Consolidation, or Change of Contractor

- 1.12.1. Application of Idaho Statutes. Assignments, mergers, consolidations, and changes of the Contractor under this Agreement are subject to the provisions of Idaho Code sections 67-1027 and 67-9230.
- 1.12.2. Consent to Assign. Contractor shall not assign this Contract, or its rights, obligations, or any other interest arising from the Contract, or delegate any of its performance obligations, without the express written consent of the Purchasing Administrator and the Idaho Board of Examiners.
- 1.12.3. Consent to Change of Contractor. Any entity into which Contractor may be merged or with which it may be consolidated, any entity resulting from any merger or consolidation to which Contractor is a party, or any entity succeeding to the business of Contractor shall not become the successor of Contractor without first obtaining the prior written approval of the Purchasing Administrator and the Idaho State Board of Examiners.
- 1.12.4. Effect of Non-Compliance. At the option of the Purchasing Administrator, transfer without approval required by this section shall cause the annulment of the Contract. All rights of action for any breach of the Contract are reserved to the State notwithstanding such annulment. As provided in Idaho Code section 67-1027, the State shall not be obligated to pay the assignee until the assignment is recognized by the Idaho Board of Examiners and no damages shall accrue to Contractor or the assignee arising from the State's assignment and payment processes pursuant to Idaho Code sections 67-1027 and 67-9230.

- 1.13. **Subcontracting.** Unless otherwise allowed by the State in this Contract, Contractor shall not, without written approval from the State, enter into any subcontract relating to the performance of this Contract or any part thereof. Approval by the State of Contractor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve the Contractor of any obligation under this Contract. The Contractor shall be and remain liable for all damages to the State caused by negligent performance or non-performance of work under the Contract by Contractor's subcontractor or its sub-subcontractor. Except where the State has approved in writing a Contractor subcontract with other

insurance provisions, Contractor must require all of its subcontractors under this Contract to purchase and maintain the insurance coverage set forth in the Contract for the Contractor in connection with the performance of work by the approved subcontractor.

1.14. Compliance with Law, Licensing, and Certifications. Contractor shall comply with all requirements of federal, state and local laws and regulations applicable to Contractor or to the Property provided by Contractor pursuant to the Contract. For the duration of the Contract, Contractor shall maintain in effect and have in its possession all licenses and certifications required by federal, state and local laws and rules.

1.15. State's Confidential Information

1.15.1. Collection and Ownership. Pursuant to the Contract, Contractor may collect, or the State may disclose to Contractor, financial, personnel or other information that the State regards as proprietary or confidential ("Confidential Information"). Such Confidential Information shall belong solely to the State. The State may require that Contractor's officers, employees, agents or subcontractors agree in writing to the obligations contained in this section. The Agency may require that Confidential Information be returned to the Agency upon termination of this Contract subject to Contractor's document retention procedures as required by law.

1.15.2. Use. Contractor shall use such Confidential Information only in the performance of its services under the Contract and shall not disclose Confidential Information or any advice given by it to the State to any third party, except for the following:

1.15.2.1. With the State's prior written consent;

1.15.2.2. Under a valid order of a court or governmental agency of competent jurisdiction and then only upon timely notice to the State unless prohibited by such order; or

1.15.2.3. In response to any electronic discovery, litigation holds, discovery searches and expert testimonies related to the State's data under the Contract, or which in any way might reasonably require access to the State's data and then only upon timely notice to the State, unless prohibited by law from making such contact.

1.15.3. Limitation. Confidential Information shall not include data or information that:

1.15.3.1. Is or was in the possession of Contractor before being furnished by the State, provided that such information or other data is not known by Contractor to be subject to another confidentiality agreement with or other obligation of secrecy to the State;

1.15.3.2. Becomes generally available to the public other than as a result of disclosure by Contractor; or

1.15.3.3. Becomes available to Contractor on a non-confidential basis from a source other than the State, provided that such source is not known by Contractor to be subject to a confidentiality agreement with or other obligation of secrecy to the State.

1.16. Public Records. Pursuant to the Idaho Public Records Act, Idaho Code title 74, chapter 1, records, including documents in all forms, received from the Contractor may be open to public inspection and copying unless exempt from disclosure. The Contractor shall clearly designate individual portions of records as "exempt" on each page of the record containing exempt portions and shall indicate the basis in the Idaho Public Records Act for such exemption. The State will not accept the marking of an entire record as exempt. In addition, the

State will not accept a legend or statement on one (1) page that all, or substantially all, of the record is exempt from disclosure. Contractor shall indemnify and defend the State against all liability, claims, damages, losses, expenses, actions, attorney fees and suits whatsoever for honoring Contractor's designation of exemption or for Contractor's failure to designate a record as exempt. Contractor's failure to designate as exempt any record or portion of a record that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any such release. If the State honors a claim of exemption by Contractor, Contractor shall provide the legal defense for such claim.

1.17. Use of the State of Idaho's Name. Contractor shall not, prior to, in the course of, or after performance under the Contract, use the State's name in any advertising or promotional media, including press releases, as a customer or client of Contractor without the prior written consent of the State.

1.18. Fiscal Necessity and Non-Appropriation. The State is a government entity and it is understood and agreed that the State's payments herein provided for shall be paid from Idaho State Legislative appropriations. The Legislature is under no legal obligation to make appropriations to fulfill this Contract. This Contract shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State's Legislature as may exist from time to time.

The State reserves the right to terminate this Contract in whole or in part (or any order placed under it) if, in its sole judgment, the Legislature of the State of Idaho fails, neglects, or refuses to appropriate sufficient funds as may be required for the State to continue such payments, or requires any return or "give-back" of funds required for the State to continue payments, or if the Executive Branch mandates any cuts or holdbacks in spending, or if funds are not budgeted or otherwise available, or if the State discontinues or makes a material alteration of the program under which funds were provided. The State shall not be required to transfer funds between accounts in the event that funds are reduced or unavailable.

All affected future rights and liabilities of the parties shall thereupon cease within ten (10) calendar days after notice to the Contractor. Further, in the event of non-appropriation, the State shall not be liable for any penalty, expense, or liability, or for general, special, incidental, consequential or other damages resulting therefrom.

1.19. Notices. Any notice given in connection with the Contract shall be given in writing and shall be delivered either by hand to the other party or by certified mail, return receipt requested, to the other party at the other party's address provided in the header of this Contract. Either party may change its address by giving notice of the change in accordance with this paragraph.

1.20. Authority to Conduct Business in Idaho; Service of Process. Contractor must independently determine whether Contractor is required to register with the Idaho Secretary of State, and, if so, must register and remain in good standing for the term of this Contract. If Contractor is not registered with the Idaho Secretary of State, Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested, at its address for notices under this Contract. Service shall be completed upon Contractor's actual receipt of process, or upon the State's receipt of the return thereof by the United States Postal Service, or a reasonable delivery service if Contractor's address is outside the United States, as refused or undeliverable.

1.21. Required Certifications.

- 1.21.1. Boycott of Israel. Pursuant to Idaho Code section 67-2346 (effective July 1, 2021), if payments under the Contract exceed one hundred thousand dollars (\$100,000) and Contractor employs ten (10) or more persons, Contractor certifies that it is not currently engaged in, and will not for the duration of the Contract engage in, a boycott of goods or services from Israel or territories under its control. The terms in this section defined in Idaho Code section 67-2346 shall have the meaning defined therein.
- 1.21.2. Ownership or Operation by China. Pursuant to Idaho Code section 67-2359, Contractor certifies that it is not currently owned or operated by the government of China and will not for the duration of the Contract be owned or operated by the government of China. The terms in this section defined in Idaho Code section 67-2359 shall have the meaning defined therein.
- 1.21.3. Boycott of Various Industries. Pursuant to Idaho Code section 67-2347A (effective July 1, 2024), if payments under the Contract exceed one hundred thousand dollars (\$100,000) and Contractor employs ten (10) or more persons, Contractor certifies that it is not currently engaged in, and will not for the duration of the Contract engage in, a boycott of any individual or company because the individual or company: a) engages in or supports the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, minerals, hydroelectric power, nuclear energy, or agriculture; or b) engages in or supports the manufacture, distribution, sale, or use of firearms. The terms in this section defined in Idaho Code section 67-2347A shall have the meaning defined therein, including through reference to another section of Idaho Code.
- 1.21.4. Disclosure of Abortion Related Matters. The State is subject to the No Public Funds for Abortion Act, Idaho Code title 18, chapter 87 (the "Act") and State employees who intentionally violate the provisions of the Act are subject to criminal prosecution. This provision is included in this letter to aid in compliance with the Act. The state of Idaho (State) requests that Contractor disclose, unless Contractor is within one of the exemptions provided in the Act, if it or an affiliate is or becomes, during the term of the Contract, an abortion provider and if it will use State facilities or public funds to provide, perform, participate in, promote or induce, assist, counsel in favor, refer or train a person for an abortion related activity. Please refer to the Act for definitions of the terms used in this section.

1.22. Non-waiver. The failure of any party, at any time, to enforce a provision of the Contract shall in no way constitute a waiver of that provision, nor in any way affect the validity of the Contract, any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

1.23. Attorney Fees. Notwithstanding any statute to the contrary, in the event suit is brought by any party to this Contract to enforce the terms of this Contract or to collect any moneys due hereunder, the prevailing party shall be entitled to recover reimbursement for reasonable attorneys' fees and costs, in the amount determined by the court, in addition to any other available remedies.

1.24. Force Majeure. Neither Contractor nor the State shall be liable for or deemed to be in default for any delay or failure to perform under the Contract if such delay or failure to perform results from unforeseeable causes including, but not restricted to, acts of God or the public enemy, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, or unusually severe weather. The unforeseeable cause must be beyond the control and without the fault or negligence of the party asserting it. Matters of the Contractor's finances shall not be a force majeure. The excused party is obligated to promptly perform in accordance with the terms of this Contract after the unforeseeable cause ceases. Unless otherwise agreed in writing by the

parties, the period for the performance shall be extended for a period equivalent to the period of the force majeure delay.

1.25. Entire Agreement; Headings

- 1.25.1. Complete Statement of Terms. The Contract constitutes the entire agreement between the State and Contractor and shall supersede all previous proposals, oral or written, negotiations, representations commitments, and all other communications between the parties.
- 1.25.2. Conflicting and Supplemental Terms. Unless specifically accepted by the Purchasing Authority in writing, terms in documents outside of this Contract shall be of no force and effect.
- 1.25.3. Headings. All headings in this agreement are for convenience only and shall not affect the meaning of any provision hereof.

1.26. Governing Law. The Contract shall be construed in accordance with and governed by the laws of the state of Idaho. Any action to enforce the provisions of the Contract shall be brought in State district court in Ada County, Boise, Idaho.

1.27. Severability; Survival

- 1.27.1. Severability. If any part of this Contract is declared invalid or becomes inoperative for any reason, such invalidity or failure shall not affect the validity and enforceability of any other provision.
- 1.27.2. Survival. Any termination, cancellation, or expiration of the Contract notwithstanding, provisions which are intended to survive and continue shall survive and continue.

1.28. Sovereign Immunity. Nothing contained herein shall be deemed to constitute a waiver of the State's sovereign immunity, which immunity is hereby expressly reserved.

1.29. Electronic Signature; Counterparts

- 1.29.1. This Contract may be electronically signed. Any electronic signatures appearing on this Contract are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.
- 1.29.2. This Contract may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Article 2 – Terms Applicable to the Purchase of Goods

The following terms apply to the purchase of goods, which generally means the purchase of physical property that is delivered to the State. In the event of uncertainty as to the applicability of these terms, they shall be deemed applicable unless the State has explicitly stated that they do not apply.

2.1. Property – Goods

- 2.1.1. Specifications. Contractor shall deliver all Property in accordance with Appendix C – Specifications. Contractor’s failure to deliver the Property as provided in this Contract is a material breach of this Contract.
- 2.1.2. New and Unused Property. Unless otherwise provided in the Specifications, all Property delivered by Contractor shall be new, unused, not previously installed or demonstrated, and shall be within current production inventory of the manufacturer or actively being marketed by the Contractor.
- 2.1.3. Components. Unless otherwise provided in the Specifications, all Property delivered by Contractor shall:
 - 2.1.3.1. Include all components and accessories that the manufacturer identifies or lists as “standard.”
 - 2.1.3.2. Include all components, hardware and parts necessary for complete and proper assembly, installation and operation of the Property.

2.2. Acceptance. Where an acceptance procedure is not set forth in the specifications the following shall apply. If no procedure is set forth in the specifications, the State may, in its sole discretion, conduct such testing and inspection as the State deems necessary.

- 2.2.1. No Installation of Property. When the Contract does not require installation, Acceptance shall occur fourteen (14) calendar days after delivery, unless the State has notified the Contractor in writing that the Property does not meet the specifications.
- 2.2.2. Installed Property. When the Contract requires installation, acceptance shall occur fourteen (14) calendar days after completion of installation, unless the State has notified the Contractor in writing that the products(s) delivered does not meet the specifications or that the Property is not installed correctly.
- 2.2.3. Revocation of Acceptance. The State may revoke acceptance as provided by Idaho Code section 28-2-608 and as provided in Paragraph 2.3 of this Article 2. Upon revocation, the State shall deliver written notice of revocation to Contractor specifying the defect or nonconformance, whether the Contractor is permitted to cure the defect or nonconformance and the time period for cure, if permitted.

2.2.4. Effect of Rejection or Revocation of Acceptance. If the State rejects the Property or revokes acceptance of the Property, Contractor shall refund all payments the State made to the Contractor for the Property and shall, at no cost to the State, remove the Property in the State's possession as provided in the notice of rejection or revocation. If no date of removal is specified, Contractor shall remove the Property within fourteen (14) calendar days of the notice.

2.3. Non-compliance, Recall, and Regulatory Compliance. If all or a portion of the Property is recalled by a regulatory body or the manufacturer, or is known or reasonably suspected by Contractor not to comply with applicable regulatory standards, Contractor shall immediately notify the State and shall provide a copy of any notice received by Contractor concerning the Property. Notwithstanding prior acceptance under the Contract, the State may reject or revoke acceptance of Property recalled by a regulatory body or the manufacturer, or that is known or reasonably should be known by Contractor not to comply with applicable regulatory standards, in whole or in part. If the State rejects or revokes acceptance of the Property, Contractor shall remove the Property as provided in Paragraph 2.2.4 of this Article 2 at no cost to the State and shall reimburse the State for all payments made for such Property.

2.4. Warranty. Contractor warrants that the Property shall conform to or exceed the specifications and shall be fit for ordinary use, of good quality, with no material defects. Contractor's warranty shall include replacement, repair, and any associated labor for the period of time required by the specifications or by the standard manufacturer or Contractor provided warranty, whichever is longer. If Contractor is not the manufacturer of the Property, Contractor shall ensure that the full, unadulterated, and undiminished manufacturer warranty is provided by the manufacturer to the State at no additional cost to the State. If a conflict or inconsistency exists between the manufacturer's warranty and Contractor's warranty, the warranty that provides the greatest benefit and protection to the State shall prevail.

2.5. Shipping and Delivery. All Property delivered under this Contract shall be shipped directly to the Agency that placed the order at the location specified by the State, on an F.O.B. Destination freight prepaid and allowed basis with all transportation, unloading, uncrating, drayage, or other associated delivery and handling charges paid by the Contractor. Unless otherwise specified in the Contract, deliveries shall be made to the Agency's receiving dock or inside delivery point, such as the Agency's reception desk. The Contractor shall deliver all orders and complete installation, if required, within the time specified in the Contract. Time for delivery commences at the time the order is received by the Contractor.

2.6. Risk of Loss. Risk of loss and responsibility and liability for loss or damage remains with Contractor until acceptance by the State under the terms of this Contract. Upon acceptance, risk of loss shall pass to the State unless otherwise provided in the Contract and with the exceptions of latent defects, fraud and Contractor's warranty obligations. Loss, injury or destruction prior to acceptance by the State shall not release the Contractor from any obligation under the Contract.

Article 3 – Terms Applicable to the Purchase of Services [RESERVED]

Article 4 – Terms Applicable to the Purchase of Technology [RESERVED]

Article 5 - Terms Applicable to Statewide Contracts [RESERVED]

SIGNATURE PAGE FOLLOWS

Department of Administration

Signature:  _____

Name: Mack De Young

Title: Buyer, State of Idaho Division of Purchasing

Date: 08/25/2025

CONTRACTOR NAME

Signature:  _____

Name: Brandy Benoitchea

Title: General Manager

Date: 8.25.25

Attachments Referenced:

- 1. Attachment 1 - IDOC Security Requirements
- 2. Attachment 2 - Idaho State Agencies Milk Delivery Location Map

ATTACHMENT 1 - IDAHO DEPARTMENT OF CORRECTION SECURITY REQUIREMENTS

Background Checks: The Contractor must submit a list of all staff that will be providing services on location at any IDOC institution (including, but not limited to product deliveries, software training for staff, and contract site visits and meetings) upon notification of contract award. These individuals must pass a background check and fingerprinting assessment no later than the latter of forty-five (45) calendar days prior to commencement of the contract or upon notification of contract award.

Once the background check has been completed, IDOC Contract Services or the IDOC Statewide Food and Nutrition Services Manager (SFNSM) will notify the Contractor of each clearance or denial. All individuals who receive a background check approval must submit to a fingerprint check (completed by the IDOC and sent to Idaho State Police for a more thorough criminal history investigation) within two (2) weeks after notification of the background check approval. Fingerprints are obtained at specific IDOC Institutions and must be coordinated in advance with the IDOC Institution where the fingerprinting will take place. Any Contract employees who do not obtain fingerprinting within two (2) weeks of background clearance approval will have access privileges to IDOC Institutions revoked until such time as fingerprints are obtained.

All future and potential Contractor staff who will be providing services under the Contract on location at any IDOC Institution will be required to receive background check approval before being allowed to enter the secured perimeter of any IDOC Institution and must submit to fingerprinting within two (2) weeks of notification of background check approval. All required background information shall be provided on the then-current IDOC background questionnaire form and must be mailed, hand-delivered, or emailed at least forty-five (45) calendar days in advance of the need for access, to: Idaho Department of Correction, Attention: Statewide Food and Nutrition Services Manager, 1299 N Orchard St, Suite 110, Boise, ID 83706, bkay@idoc.idaho.gov and cmacarth@idoc.idaho.gov. Should the Contractor be unable to reach the SFNSM for completion of background checks for any reason, the required background information shall be submitted to IDOC Contract Services at contracts@idoc.idaho.gov.

If the Contractor becomes aware of the arrest of any of the Contractor's staff, the Contractor shall immediately notify the IDOC Special Investigations Unit (backgrounds@idoc.idaho.gov), providing as much detail and information as is available. The IDOC will review the situation and determine if the impacted individual can continue to enter IDOC Institutions and/or work with IDOC products in the Contractor's warehouse. The IDOC reserves the right to revoke security clearance approval for any individual for security-based reasons at any time.

The IDOC may change the requirements of this section during the term of the Contract, and the Contractor must comply with the changes. Changes shall become final upon execution of an amendment to the Contract by the Division of Purchasing.

Pursuant to 28 C.F.R. Page 8 of 10 § 20.33 the Contractor shall not be entitled to the dissemination of any criminal history record information obtained as part of the backgrounding process.

Ongoing Access: All Contractor staff are subject to re-backgrounding every three (3) years, or as otherwise deemed appropriate by the IDOC. Institution access requirements as set forth herein, and in applicable IDOC SOP, apply anytime personnel are on the premises of any IDOC Institution.

Background Check/Fingerprinting Fees: Should any costs be incurred while completing background checks, the Contractor will be invoiced monthly by the IDOC for the costs of all background checks and fingerprinting completed, payable net thirty (30) days of receipt of invoice, regardless of whether the person(s) investigated are approved or not. Payment can be made by check or by electronic transfer (e.g. ACH / EFT) as mutually agreed in writing between the IDOC and the Contractor.

Right to Bar Entry: The IDOC reserves the right to bar entry to any person. Employees of the Contractor entering IDOC property will adhere to all IDOC policy, rules, statutes and regulations and are subject to search if deemed necessary by the IDOC. The Contractor, upon written request by the IDOC, will remove and replace any employee providing services to the IDOC (including employees of any subcontractor) who has broken any of the rules or regulations of the IDOC, or who, in the judgment of the IDOC, poses a risk or threat to the security of the Institution(s). The written request will include the basis for the IDOC's request for removal. If the Contractor disagrees with the basis for removal of its employee from service to IDOC, the Contractor shall contact the IDOC contract monitor at bkay@idoc.idaho.gov and cmacarth@idoc.idaho.gov or contracts@idoc.idaho.gov within twenty-four (24) hours of receipt of the request to present its reasons for not removing the employee from service to the IDOC; however, the IDOC's final decision shall stand.

Delivery Vehicle Searches: All delivery vehicles are subject to search before entering and at any time while on IDOC property. At no point while the Contractor is on site and an IDOC Institution may a resident enter any portion of the Contractor vehicle.

Drug Testing Policy: No later than two (2) weeks after the award of Contract, the Contractor must provide IDOC a copy of its company drug-free policy that shows that the Contractor ensures that all potential drivers undergo testing for controlled substances and that the Contractor verifies negative test results prior to assigning safety-sensitive job functions to any employee. The policy must also show that the Contractor performs periodic retesting.

Disclosure: The Contractor shall require all Contract employees to disclose in writing any felony or misdemeanor convictions and all friends and family members who are current or previous residents, probationers, or parolees supervised by the IDOC. Disclosures are required in accordance with IDOC SOP 220.07.01.001. The Contractor shall maintain records of all Contract employee's signed disclosures. These records shall be made available to the IDOC upon request and must be updated annually. The Contractor must provide written notification to the IDOC Special Investigations Unit at backgrounds@idoc.idaho.gov of intent to hire a past resident of the IDOC or family member of the past resident, whether or not the past resident or family member of the past resident works directly or indirectly to provide any services under this contract. To ensure a safe and secure environment for staff, residents, visitors, and Contractor staff providing services at IDOC Institutions, the IDOC reserves the right to exclude those individuals from working on any IDOC portion of the Contract if it is deemed in the best interest of the IDOC to do so. A list of current employees that fall within the categories identified in this paragraph must be submitted to the IDOC within two (2) weeks of the award of the Contract.

MILK USAGE

