



# PURCHASING AND SUPPLY SERVICES

Keith Stewart, Director | keith.stewart@pgcps.org  
13300 Old Marlboro Pike | Upper Marlboro, MD 20772 | 301-952-6560

## Extension No. 1

July 19, 2022

**Peterson Farms Fresh, Inc.**  
3104 W. Baseline Road  
P.O. Box 95, Shelby , MI 49455  
Telephone No.: 231.861.7101  
Contact: [Jriegle@petersonfarmsinc.com](mailto:Jriegle@petersonfarmsinc.com)

**Buyer: Ann Harrison**  
**Telephone: 301.780.2519**  
**Fax: 301.952.6605**  
**Email: [ann.harrison@pgcps.org](mailto:ann.harrison@pgcps.org)**

### SUBJECT: IFB 016-18 USDA Food Processing of Products

The Board of Education of Prince George’s County would like to exercise its option to extend the current above mentioned contract award for **one (1) year**. The contract will extend with the same Terms and Conditions as set forth in the original contract. Any request to increase pricing must include the manufactures price increase to your organization, on the manufacturer’s letterhead. Upon acceptance of the extension, please provide the Board with a current copy of your Certificate of Insurance. If the extension is accepted or declined, please check the appropriate box and sign below. Please email this letter with your decision to Ann Harrison, [ann.harrison@pgcps.org](mailto:ann.harrison@pgcps.org) and Diane Forde, [diane.forde@pgcps.org](mailto:diane.forde@pgcps.org).

The new extension expiration date will be **August 31, 2023**.

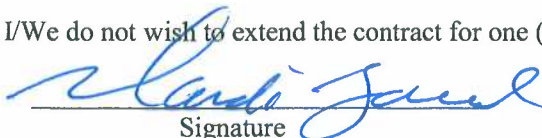
A contract extension will be emailed to you if the extension is accepted. Thank you for your cooperation. We look forward to continued business with you.

Sincerely,

*Diane Forde*

I/We agree to extend for one (1) year on the current above-mentioned contract.

I/We do not wish to extend the contract for one (1) year.

  
Signature

7/21/2022  
Date

Mandi Zaverl  
Print Name

USDA Commodity/Sales Specialist  
Title



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/20/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|                                                                                                                                                   |  |                                                                                                                                                                                                                                                        |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>PRODUCER</b><br>HNI Risk Services<br>140 Monroe Center St NW, Suite 200<br><br>Grand Rapids MI 49503                                           |  | <b>CONTACT NAME:</b><br>PHONE (A/C, No, Ext):<br>E-MAIL ADDRESS: certs@hni.com<br>FAX (A/C, No):                                                                                                                                                       |  |
| <b>INSURED</b><br>Peterson Farms Inc.<br>Appeeling Fruit Holdings LLC; Lakewood Organics LLC<br>3104 W Baseline Rd; PO Box 115<br>Shelby MI 49455 |  | <b>INSURER(S) AFFORDING COVERAGE</b><br>INSURER A: Amerisure Mutual Insurance Company NAIC # 23396<br>INSURER B: Amerisure Insurance Company 19488<br>INSURER C: Starstone Specialty Insurance Company 44776<br>INSURER D:<br>INSURER E:<br>INSURER F: |  |

COVERAGES CERTIFICATE NUMBER: 22/23 Peterson Farms REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

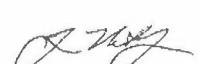
| INSR LTR | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                                                                                 | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                         |              |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|---------------|-------------------------|-------------------------|--------------------------------------------------------------------------------|--------------|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> BI Deductible: \$5,000<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC<br>OTHER: |           |          | GL20881791201 | 07/01/2022              | 07/01/2023              | EACH OCCURRENCE                                                                | \$ 1,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | DAMAGE TO RENTED PREMISES (Ea occurrence)                                      | \$ 300,000   |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | MED EXP (Any one person)                                                       | \$ 10,000    |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | PERSONAL & ADV INJURY                                                          | \$ 1,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | GENERAL AGGREGATE                                                              | \$ 2,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | PRODUCTS - COMP/OP AGG                                                         | \$ 2,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         |                                                                                | \$           |
| A        | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY<br><input checked="" type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY<br><input type="checkbox"/> OTHER:                                |           |          | CA21124410302 | 07/01/2022              | 07/01/2023              | COMBINED SINGLE LIMIT (Ea accident)                                            | \$ 1,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | BODILY INJURY (Per person)                                                     | \$           |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | BODILY INJURY (Per accident)                                                   | \$           |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | PROPERTY DAMAGE (Per accident)                                                 | \$           |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         |                                                                                | \$           |
| A        | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br><input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br><input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0                                                                                                                       |           |          | CU21124420302 | 07/01/2022              | 07/01/2023              | EACH OCCURRENCE                                                                | \$ 5,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | AGGREGATE                                                                      | \$ 5,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         |                                                                                | \$           |
| B        | <input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                                                                                        |           | N/A      | WC208818207   | 07/01/2022              | 07/01/2023              | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER |              |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | E.L. EACH ACCIDENT                                                             | \$ 1,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | E.L. DISEASE - EA EMPLOYEE                                                     | \$ 1,000,000 |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | E.L. DISEASE - POLICY LIMIT                                                    | \$ 1,000,000 |
| C        | Excess Liability                                                                                                                                                                                                                                                                                                                                                                  |           |          | 83822F221ALI  | 07/01/2022              | 07/01/2023              | Limit                                                                          | \$5,000,000  |
|          |                                                                                                                                                                                                                                                                                                                                                                                   |           |          |               |                         |                         | Retention                                                                      | \$0          |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Named Insured Includes: Peterson Farms Fresh Inc., Oceana County Freezer Storage Inc., PFI Holdco, LLC;

### CERTIFICATE HOLDER

### CANCELLATION

|                                                                                                        |                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Prince George's County Public Schools<br>13300 Old Marlboro Pike<br>Room 20<br>Upper Marlboro MD 20772 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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July 21,2022

Reference: Prince George’s County PS – IFB# 016-18 USDA Food Processing of Products

To Whom It May Concern,

Peterson Farms Fresh, LLC is granting guaranteed delivered pricing for Prince George to: Bowie Produce and Eastern Foods for SY22-23 (7/1/22 thru 6/30/23)

| Distributor      | Description/<br>MFG #                                                                                                                                                  | DF Lbs<br>per<br>case | Commercial<br>Price | USDA<br>Rebate<br>(PTV)<br>per case<br>SY22/23 | Commodity<br>Price |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|------------------------------------------------|--------------------|
| Bowie<br>Produce | 100 x 2 oz Red Sliced<br>Apples #203102                                                                                                                                | 19.23                 | \$ 26.64            | \$7.47                                         | \$ 19.17           |
| Eastern<br>Foods | 96 x 4.5 oz.<br>Applesauce cups (ALL<br>Flavors)<br>ASA10001-Plain<br>ASA10013-Cinn<br>ASA10014-Strw<br>ASA10015-Strw/Ban<br>ASA10017 -Peach<br>ASA10020- Mxd<br>Berry | 30.00                 | \$ 32.50            | \$11.65                                        | \$ 20.85           |

Sincerely,

Mandi Zaverl

*Effective 3-8-2022*

*Peterson Farms Fresh shall not be liable for its failure to perform hereunder if said performance is made impracticable due to any occurrence beyond its reasonable control, including, without limitation, the following force majeure events ("Force Majeure Event(s)"): acts of God, fires, floods, epidemics or pandemics, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, a material change or shortage in the Michigan apple crop and other causes, whether similar or dissimilar to those specified which cannot reasonably be controlled by Peterson Farms Fresh. Furthermore, if such Force Majeure Event occurs the prices of the goods shall be equitably adjusted by Peterson Farms Fresh. Purchaser has an option to accept the price increase or cancel the contract with Peterson Farms Fresh by August 31, 2022 or within 30 days of notification date.*





January 3, 2022

Reference: Commodity Bid Renewal for 22/23 – Price Change Documents

To Whom It May Concern,

Due to unexpected increases of various cost components in our finished goods pricing, Peterson Farms Fresh is unable to renew the commodity bid for 22/23 at current 21/22 contracted case prices. Please find below explanation of the cost adjustments. Requested documentation to substantiate the explanation is attached:

Apples –

- A. Per USDA award information for apple product purchases, the price for the quality and varieties of apples utilized for fresh-cut apples increased 48% and 27% for apples utilized in 4.5 ounce applesauce cups in 2021 compared to 2020.<sup>1</sup> The purchasing specification utilized by Peterson Farms for raw apples used for fresh-cut and applesauce aligns with that of the USDA purchases.

Packaging –

- A. Corrugated carton pricing was down 8% in 2019, increased in 2020 by 11% and increased in 2021 22% per the Pulp & Paper Weekly ‘Price Watch’ documentation provided by our vendor, Pratt Industries.<sup>2</sup>
- B. PFF polybag pricing was down 2-4% in 2019, increased 2-4% in 2020 and increased 14-26% in 2021 (depending upon item) per the pricing grids provided by our vendor, American Packaging Corporation.<sup>3</sup>

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<sup>1</sup> See U.S. Department of Agriculture, *AMS Purchases by Commodity FY18 YTD (pdf)*; *AMS Purchases by Commodity FY19 YTD (pdf)*; *AMS Purchases by Commodity FY20 YTD (pdf)*; *AMS Purchases by Commodity FY21 YTD (pdf)*.

<sup>2</sup> See Pratt Industries, Inc., *Corrugated Cartons*.

<sup>3</sup> See American Packaging Corporation, *Peterson Farms Price Grid*, for 2021 Polybag Pricing.



Labor –

- A. The Michigan minimum wage increased to \$9.87/hr for 2022 from \$9.45/hr in 2019.<sup>4</sup>
- B. Per the U.S. Bureau of Labor Statistics, compensation costs increased in 2021 by 4.1% with wage and salaries increased by 4.6%.<sup>5</sup>
- C. The medical insurance provided to employees by Peterson Farms, is increasing by 22.71% by our provider for 2022. Due to confidentiality, we are unable to forward to the detailed cost summary but, if required, can have a notary confirm and validate this cost increase.

Freight –

- A. Per DAT Trendlines, the rate increase for reefer load-to-trucks increase is 31.4% for the last 12 months ending in December, 2021.<sup>6</sup>

Apples, packaging, labor, and freight are the primary cost components incorporated into the finished goods pricing for both fresh sliced apples and applesauce. The costs detailed above account for the year-over-year per case price increase for each item for school year 22/23.

Sincerely,

Sarah Schlukebir  
Chief Sales & Marketing Officer

#### References

- "AMS Purchases by Commodity FY18 YTD (pdf)." *Agricultural Marketing Service*, U.S. Department of Agriculture, 30 Sept. 2018.
- "AMS Purchases by Commodity FY19 YTD (pdf)." *Agricultural Marketing Service*, U.S. Department of Agriculture, 30 Sept. 2019.
- "AMS Purchases by Commodity FY20 YTD (pdf)." *Agricultural Marketing Service*, U.S. Department of Agriculture, 30 Sept. 2020.
- "AMS Purchases by Commodity FY21 YTD (pdf)." *Agricultural Marketing Service*, U.S. Department of Agriculture, 30 Sept. 2021.
- "Corrugated Cartons." *Pulp & Paper Week 'Price Watch'*, Pratt Industries, Inc., Jan. 2018.
- "Employment Cost Index Summary." *Economic News Release*, U.S. Bureau of Labor Statistics, 29 Oct. 2021.
- Fox, Austin. "Michigan's Minimum Wage Set to Increase on January 1, 2022." *Labor and Economic Opportunity*, the Michigan Department of Labor and Economic Opportunity, 2 Dec. 2021.
- "Polybags 2021 Q1 & Q2." *Peterson Farms Price Grid*, American Packaging Corporation, 30 Nov. 2020.
- "Polybags 2021 Q3 & Q4." *Peterson Farms Price Grid*, American Packaging Corporation, 31 Aug. 2021.
- "Dec 2021 vs. Dec 2020." *Trucking Industry Trends - DAT*, DAT.com, 3 Jan. 2022.

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<sup>4</sup> See Fox, *Michigan's Minimum Wage Set to Increase on January 1, 2022*. Michigan's minimum wage rates are summarized in a historical grid available at [www.laborlawcenter.com/state-minimum-wage-rates](http://www.laborlawcenter.com/state-minimum-wage-rates).

<sup>5</sup> See U.S. Bureau of Labor Statistics, *Employment Cost Index Summary*, in the third paragraph for details.

<sup>6</sup> See DAT.com, *Dec 2021 vs. Dec 2020*, for industry trends.