

Letter of understanding
(Lead agency), (SNP region)
Pursuant to the laws of the Province of Ontario
(Hereinafter called, “insert name”)

AND

(Distributor Name) a company incorporated
Pursuant to the laws of the Dominion of Canada
(Hereinafter called “insert name”)

This letter of understanding outlines the particulars of the collaboration between **(Lead Agency)** and (Distributor) to partner with industry stakeholders (including food wholesalers, producers, and retailers) and in providing nutritious food for purposes of the Student Nutrition Programs within the (insert region) service area at the best possible price while adhering to industry best practices related to food safety.

SHARED OBJECTIVES

1. Increase Student Nutrition Program (SNP) access to affordable, nutritious, and safe food.
2. Engage food manufacturers in providing volume-based rebates. ((**insert name**) will negotiate rebates; rebates will be available to (enter region) schools as point-of-sale discounts.)

GUIDELINES FOR PARTNERSHIP

(lead agency) and (distributor) recognize that by operating according to the following guidelines, both parties

benefit from working together towards achieving the above-mentioned shared objectives.

Branding & Marketing

- **(Lead Agency)** and **(Distributor)** will have their brands prominently displayed on the **distributor** procurement and distribution service promotional materials. (lead agency) reserves the right to approve all printed and electronic documents that include **(Lead**

agency) branding. No branding with “Student Nutrition” or “Student Nutrition Ontario” shall be used in any branding or marketing prior to Lead Agency review and approval.

- Under no circumstances is marketing directly to school coordinators, school staff and teachers permitted by (distributor). This includes all modes of marketing (printed, email, newsletters)

Revenue

- **(Lead Agency)** will facilitate a purchasing relationship between **(distributor)** and individual Student Nutrition Programs within (region), by inviting SNPs to participate with **(distributor)**.

Privacy

- **(LEAD AGENCY)** and **(DISTRIBUTOR)** will respect and keep confidential sensitive information / data shared in the process of collaboration. **(LEAD AGENCY)** and **(DISTRIBUTOR)** will identify clearly which information is to be treated as confidential at the time of sharing information / data.
- In accordance with **(LEAD AGENCY)’s** agreement with participating school boards, school names are to remain confidential, and may not be listed or otherwise identified on **(distributor’s)** electronic or print materials.

Flexibility

- This Letter of Understanding shall not limit the ability of either party to consider new directions or changes to the relationship between **(LEAD AGENCY)** and **(Distributor)**. Both organizations may propose revisions to this document provided adequate time is allowed for full consideration of the proposals prior to any recommendation for implementation. Adequate time is understood to be a mutually agreed upon timeline or a minimum of 60 days.
- Mutually agreed upon changes to this Letter of Understanding will be signed by management in both **(LEAD AGENCY)** and **(DISTRIBUTOR)** and attached to the original Letter of Understanding.

Termination

This Agreement shall terminate:

- at the end of the term hereof; or,
- upon 30 days written notice provided by (LEAD AGENCY) to (Distributor).
- upon 30 days written notice provided by (DISTRIBUTOR) to (LEAD AGENCY);
- Either party may terminate the contract at any time for negligence of duty, acts which may jeopardize the reputation of either party, or any acts deemed to be illegal pursuant to the law.

Mutual approval of partners and vendors

- **(LEAD AGENCY)** will review and approve all food items before they are added to the (Distributor's) - **(LEAD AGENCY)** approved product list / online ordering platform for the (insert region) region's school Student Nutrition Program purchases.
- **(LEAD AGENCY)** may introduce new products beneficial to (insert region) SNPs, in consultation with (Distributor).

Roles and Responsibilities – (LEAD AGENCY)

- **(LEAD AGENCY)** will facilitate relationships between **(DISTRIBUTOR)** and schools (SNPs) in (insert region) until such time as the Letter of Understanding is terminated.
- **(LEAD AGENCY)** will act as the liaison between SNPs in (insert region) and **(Distributor)**. Liaison responsibilities include identifying and recruiting participating SNPs, distribution of program registration and promotion, working with **(DISTRIBUTOR)** in adapting its product offer to best meet SNPs needs over time.
- **(LEAD AGENCY)** will conduct evaluations with the SNPs purchasing with **(DISTRIBUTOR)** to measure the impact of **(DISTRIBUTOR)** on SNPs within the (insert region) service area. (insert region) SNP surveys / evaluations of **(DISTRIBUTOR)** products and services will be designed and executed in collaboration between **(LEAD AGENCY)** and **(Distributor)**; all survey data will be available to both **(LEAD AGENCY)** and **(Distributor)**.
- **(LEAD AGENCY)** and individual SNPs reserve the right to refuse delivered products that do not meet the freshness and quality standards of SNPs, as judged by the SNP staff/volunteers at time of receiving **(DISTRIBUTOR)** orders.

Roles and Responsibilities

- **(DISTRIBUTOR)** and all its staff/contractors operating in the **(LEAD AGENCY)** partnership in (insert region) will obtain all necessary licenses and permits and will comply with all applicable federal, provincial, and municipal laws, codes, and regulations in connection with the provision of its services.

- **(DISTRIBUTOR)** will maintain a valid Ontario Non-Shopkeeper Distributor License
- **(DISTRIBUTOR)** will maintain equal pricing consistently throughout the service area for **(LEAD AGENCY)**, which does not include a delivery surcharge.
- **(DISTRIBUTOR)** will negotiate and manage supplier rebates and inform **(LEAD AGENCY)** of all rebate agreements and the value of the rebate.
- **(DISTRIBUTOR)** will manage supplier rebates in the following way:
 - **(DISTRIBUTOR)** will make supplier rebates available to schools through point-of-sale discounts, which will be indicated to program coordinators when ordering, and reflected on invoice
 - **(DISTRIBUTOR)** will invoice suppliers to recover the discounted amounts
 - **(DISTRIBUTOR)** will provide **(LEAD AGENCY)** with full, on demand access to all data (including discounts related to supplier rebates) via Excel spreadsheets
- **(DISTRIBUTOR)** will ensure delivery of ordered product (both quantity and type) to the correct location on the agreed upon delivery date, provided the order has been placed by the deadline stipulated on the ordering platform.
- **(DISTRIBUTOR)** will notify a representative from the SNP or approved school representative when a delivery is made and provide an invoice for the order to the SNP.
- **(DISTRIBUTOR)** will take all steps necessary to recall products in case of food recall or cross-contamination, including, but not limited to, notifying **(LEAD AGENCY)** of any recall, contacting the SNPs that ordered the product, and issuing refunds.
- **(DISTRIBUTOR)** will ensure consistent service delivery standards are upheld across all subcontractors as outlined in **Appendix A; Appendix A will be included with any binding contract (service agreement) between (DISTRIBUTOR) and their subcontractor.**
- **(DISTRIBUTOR)** and **(LEAD AGENCY)** will review *Pricing Structure* (outlined in **Appendix B**) at the end of each school year and finalize any changes prior to the roll-out of the following school year. Any changes to the pricing structure will be shared with **(LEAD AGENCY)** by the second week of August each year.
- In the event of supplier price increases and/ or change, **(DISTRIBUTOR)** will notify **(LEAD AGENCY)** prior to implementing increased pricing on the ordering platform.
- **(DISTRIBUTOR)** will list donated and/or discounted products on its online ordering platform, and will facilitate warehousing and distribution of said product with the partner distributor as per the terms outlined in **Appendix C**

Conflict Resolution

- If a dispute arises out of, or in connection with this agreement, **(DISTRIBUTOR)** and **(LEAD AGENCY)** agree to meet to pursue resolution through negotiation or other appropriate dispute resolution process.

Insurance

- **(DISTRIBUTOR)** shall obtain and maintain during the term of the agreement comprehensive/commercial general liability insurance, which shall be subject to limits of not less than two million dollars (\$2,000,000) inclusive per occurrence and annual aggregate for bodily injury, death and damage to property including loss of use thereof.
- The comprehensive/commercial general liability insurance policies shall be in the name of the **(DISTRIBUTOR)** and shall name the (Lead Agency) & (Applicable School Boards) as additional insured there under.
- The liability insurance policies shall contain an endorsement to provide all named insured and additional insured parties with 30 days prior written notice of cancellation.
- Evidence of insurance satisfactory to **(LEAD AGENCY)** shall be provided prior to the commencement of this agreement.

Upon signing, **(LEAD AGENCY)** and **(DISTRIBUTOR)** agree to use this document as a basis and guideline for a cooperative working relationship. The Letter of Understanding is not legally binding and places no legal obligation on the participants. The Letter of Understanding will be in effect until (insert date), commencing (insert date), **and** may be renewed by mutual consent on or before (insert date), or at a later date mutually agreed upon.

on behalf of (LEAD AGENCY)

Date:

[NAME, TITLE] on behalf of (DISTRIBUTOR)

Date

Appendix A

Service Delivery Standards of (Distributor)

These Service Delivery Standards are required (in the service delivery of (DISTRIBUTOR) to select SNPs in (Insert Region)) and are included in the binding contract between (DISTRIBUTOR) and the (Lead Agency).

Communication

- All communication with **SNPs** shall be friendly, professional, and solutions focused customer service.
- Communications from **SNPs** pertaining to **(DISTRIBUTOR)** shall be responded to by **(DISTRIBUTOR)** within one working day during the school year.
- Communication between **(DISTRIBUTOR)** and **SNPs** shall be limited to service delivery communication, unless specific circumstances arise, and alternate arrangements are made with **(LEAD AGENCY)**.

Registration Process (in order of procedure)

- a. **(LEAD AGENCY)** facilitates program registration with **(distributor)**.
- b. **(DISTRIBUTOR)** maintains and communicates to **(LEAD AGENCY)** up to date program registration information.
- c. **(DISTRIBUTOR)** sends welcome email to SNPs. The welcome email will be developed in collaboration between **(DISTRIBUTOR)** and **(LEAD AGENCY)** (containing order process information, contact information and delivery schedule)
- d. **(DISTRIBUTOR)** contacts programs to coordinate delivery details upon registration at the beginning of the school year.

Delivery Process

- **(DISTRIBUTOR)** shall deliver orders to SNPs on scheduled date.
- **(DISTRIBUTOR)** is responsible for placing orders in fridges, provided adequate space has been provided in the fridge. If adequate space is not available, **(DISTRIBUTOR)** will advise school administration that order has been delivered and requires refrigeration.
- SNP volunteers, school staff, or appropriate substitute shall receive order and ensure that product quantity and quality is as ordered, with the right to refuse product as outlined in LOU above.

Roles and Responsibilities – (DISTRIBUTOR)

- **(DISTRIBUTOR)** shall contact SNPs at the beginning of the school year, or upon program registration, whichever occurs earlier, with service details such as delivery days and order process.
- **(DISTRIBUTOR)** shall notify SNP contact before delivery, should any product ordered not be available for delivery as expected.
- **(DISTRIBUTOR)** shall suggest available alternative products to SNP contact, should any product be unavailable.
- **(DISTRIBUTOR)** shall issue refunds for erroneous / rejected products within one billing cycle.
- **(DISTRIBUTOR)** shall notify SNP contact at least 3 days before delivery, should the delivery date change, and provide alternate delivery date (except during unforeseen weather events)
- **(DISTRIBUTOR)** shall maintain an Ontario Non-Shopkeeper Distributor License and communicate to **(LEAD AGENCY)** of any changes to food safety certification.
- **(DISTRIBUTOR)** will ensure that their facilities, equipment, and product handling processes adhere to food safety best practices as outlined in the Canadian Food Inspection Agency "Guide to Food Safety."
- **(DISTRIBUTOR)** will notify **(LEAD AGENCY)** of any program challenges in a timely manner.
- **(DISTRIBUTOR)** and **(LEAD AGENCY)** collaborate to create product selection as outlined in LOU.
- **(DISTRIBUTOR)** sends weekly email updates of produce pricing to SNPs and **(LEAD AGENCY)**.
- **(DISTRIBUTOR)** shall maintain an up-to-date list of SNPs registered with **(DISTRIBUTOR)** and shall share that information with **(LEAD AGENCY)** whenever registration information changes.

on behalf of **(LEAD AGENCY)**

Date

[NAME, TITLE] on behalf of (distributor)

Date

Appendix B
(DISTRIBUTOR)Pricing Structure

The **(DISTRIBUTOR)** Pricing Structure for the (insert school year) school year is as follows:

(DISTRIBUTOR)Profit Margin: 20%

Profit Margin = (sell price – cost of product)/sell price

Mark-up Formula: Vendor Price x 1.25 = Sell Price

Profit/cost x 100%

Pricing structure will be reviewed annually and will be finalized by the second week of August each year.

Appendix C

(Distributor) Donated/Discounted Product Warehousing and Distribution Service Parameters

Communication

- **(LEAD AGENCY)** will advise **(DISTRIBUTOR)** of total product allotment in advance of receipt from donor
- **(DISTRIBUTOR)** will not represent themselves as product donors

Donor /Partnership recognition will be communicated to SNPs by **(LEAD AGENCY)**,

Registration

- **(DISTRIBUTOR)** will provide distribution service of donated and/or discounted products to SNPs that are currently registered with **(Distributor)**, as well as to SNPs not registered for **(DISTRIBUTOR)** deliveries (provided a minimum order value of (insert value) is met).
- Programs not registered with **(DISTRIBUTOR)** will be required to register online for a **(DISTRIBUTOR)** account.
- **(DISTRIBUTOR)** will not solicit non-**(DISTRIBUTOR)** donor recipient registrants that have not requested program information.

Ordering

- **(DISTRIBUTOR)** will make the full product allotment available to order on the ordering website
- Donated and/or discounted product orders will be processed, with items flagged as “Out of Stock” when the full allotment has been ordered

Delivery Charges

- **(LEAD AGENCY/Community Partner/SNP)** will assume any freight costs associated with delivery from the donor to **(Distributor)**, for unsold donated product which will be communicated prior to shipping
- **(DISTRIBUTOR)** will establish the delivery charge per case for each donated/discounted product, not to exceed the total procurement and distribution expense applicable to the same product format currently distributed by **(Distributor)**
- Where a comparable item is not distributed by **(distributor)**, **(DISTRIBUTOR)** will establish the delivery charge per case which will not exceed the total amount of 20% (profit margin) on product value.

- Donated and/or discounted product delivered to SNPs without a minimum **(DISTRIBUTOR)** order will be subject to a minimum delivery charge as established by **(distributor)**.

Administration

- **(DISTRIBUTOR)** will be liable for the full value of donated and/or discounted products received until receipt by SNPs
- **(DISTRIBUTOR)** will provide **(LEAD AGENCY)** with documents confirming proof of delivery to SNPs upon request
- **(DISTRIBUTOR)** will provide **(LEAD AGENCY)** with a reconciliation of monthly allocations by program upon request no later than the 15th day of the month following delivery