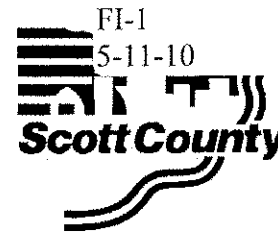


SCOTT COUNTY JUVENILE DETENTION CENTER
518 West 4th Street
Davenport, Iowa 52801

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MEMO

Date: 04/28/2010

To: Dee Bruemmer, Scott County Administrator

From: Jeremy Kaiser, Scott County Juvenile Detention Center Director

Re: Food supplier for Juvenile Detention

The Scott County Juvenile Detention management team has met with Health Enterprises (Premier) representatives to discuss their service and the possibility of contracting with them as our main food supplier. Health Enterprises is a Group Purchasing Organization (GPO) which primarily serves Health Care Providers. They are the largest, non-profit G.P.O. in the United States. They are able to buy and sell food at a largely discounted price due to their size and buying power.

We have reviewed their "market basket" proposal, in which we were able to compare their product prices directly with the product prices we are currently receiving from Thoms Prosetler (TPC). Most products were the exact same products and some were supplied from different food companies. After reviewing their proposal, we noted Health Enterprises product prices are on average 20% less expensive than TPC and the service would be comparable.

Health Enterprises requires the County to enter into a three (3) year contract in order to become our food supplier. Health Enterprises has agreed to waive their initial contract fee if we do so. The contract's primary stipulation requires us to purchase 80% or more of our groceries from them over the next three (3) years.

Currently the Juvenile Detention grocery budget is \$29,500 per year. This fiscal year after making some adjustments in food ordering and preparing, we are projecting to spend a total of \$26,000 on groceries. If we change our food supplier to Health Enterprises, we believe the center could save up to an additional \$5,000 per year on grocery cost.

If we change vendors to Health Enterprises, we intend on continuing to purchase commodities through KECK, Inc. Commodities are a source of food surplus which are sold to us at a fraction of the retail cost. Currently KECK supplies the Detention Center with approximately 10% of its groceries, which is well within Health Enterprises 80% requirement.

After reviewing their proposal and getting a chance to speak with their representatives directly, we believe it is in the best interest of the Juvenile Detention Center and Scott County to enter into a three year contract with Health Enterprises. We believe their service will be comparable and they provide the most fiscally responsible option to the center. Please contact me directly if you have any questions or concerns. Thank you.

Jeremy Kaiser, Director
Scott County Juvenile Detention

AFFILIATE AGREEMENT

This Affiliate Agreement ("Agreement") is made and entered into as of May 1, 2010 by and between Health Enterprises Cooperative, an Iowa cooperative association, having its principal offices at 4250 Glass Road, N.E., Suite 200, Cedar Rapids, Iowa 52402 ("HEc") and Scott County Juvenile Detention Center, a correctional facility having its principal offices at 500 West 4th St., Davenport, IA 52801 ("Affiliate").

RECITALS

WHEREAS, Affiliate is a health care provider or health care support organization and wishes to obtain low-priced medical supplies, services, and other items through HEc in order to provide lower-cost health care services; and

WHEREAS, HEc, a cooperative association owned and governed by its Board of Members ("Board") who are primarily hospitals, provides services as a health care group purchasing organization ("GPO") and a member of Premier, Inc.; and

WHEREAS, Affiliate desires to obtain the benefits of HEc services, including access to Premier contracts.

NOW, THEREFORE, in consideration of the mutual rights and responsibilities contained herein, the parties hereto agree as follows:

1. Affiliate will maintain active status as an affiliate of Health Enterprises Cooperative in order to be eligible for pricing under this Agreement.
2. Affiliate may be eligible for attendance at Roundtables, as determined by HEc. Affiliate will not have voting rights at Roundtables.
3. Affiliate agrees to utilize HEc Services and Contracts to the greatest extent feasible.
4. Affiliate will have access to certain benefits of Premier's purchasing program, including Premier Group Purchasing Contracts and HEc's Committed Contracts but not Provider Select programs. Affiliate may participate in Premier's Food Service, Pharmacy or Med/Surg programs within guidelines set by Premier. Affiliate agrees it will be in full compliance with the terms of the HEc Committed Contracts and Premier Group Purchasing Contracts.
5. Affiliate understands and agrees that HEc may be paid an administrative fee, not to exceed 3% of the total dollar volume of products purchased by HEc Members and Affiliates, by contracted manufacturers and vendors in consideration of HEc's services in developing, monitoring and facilitating the arrangement between vendors and HEc Members and Affiliates.
6. Affiliate agrees that HEc may contact vendors for data regarding Affiliate's purchases.
7. Affiliate agrees and warrants that supplies purchased under this Agreement are for Affiliate's own use as such use is a part of and promotes the Affiliate's intended institutional operation ("Own Use").
8. Affiliate agrees and warrants that it will comply at all times with all applicable state, local and federal regulations relating to the subject matter of this Agreement.
9. HEc agrees to provide services in a timely manner and in the most cost effective manner feasible.

10. HEC agrees to notify Affiliate of new services as they are developed.

11. This Agreement is not assignable by either party, in whole or in part, except upon the prior written consent of the other party.

12. The term of this Agreement is three (3) years from the date of its execution by the parties ("Initial Term"). Upon completion of the Initial Term, the Agreement shall continue in effect on a year to year basis beginning January 1 of each following year unless terminated by written notice to the other party at least 90 days prior to January 1. In the event that a Member desires to terminate this Agreement following the Initial Term, it may do so upon ninety (90) days prior written notice (no later than October 1) to HEC.

13. This Agreement shall be deemed to be made under and shall be construed according to the laws of the State of Iowa.

IN WITNESS WHEREOF, duly authorized representatives of HEC and Facility have executed this Agreement as of the date and year first above written.

Health Enterprises Cooperative

By: _____

Name: Jeanie Brown

Title: Vice President

Scott County Juvenile Detention Center

By: _____

Name: Jeremy Kaiser

Title: Director

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

RESOLUTION

SCOTT COUNTY BOARD OF SUPERVISORS

May 13, 2010

Approval of a three year agreement with Health Enterprises Cooperative for the Juvenile Detention Center food product and services

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the Juvenile Detention Center Director on behalf of the Board of Supervisors will enter into a three year agreement with Health Enterprises Cooperative an Iowa association to provide food vender services.

Section 2. This resolution shall take effect immediately.

