

MEMORANDUM

Unit 5 School District • 2026–2027 Milk Bid

TO: Board of Education
FROM: JoAnna Rewerts, Director of School Nutrition
CC: Dr. Kristen Weikle, Superintendent
DATE: June 17, 2026
RE: 2026–2027 Milk Bid

Milk Bid

One vendor submitted a milk bid for the upcoming 2026-2027 school year, Prairie Farms Dairy, Inc. Summary of bid below:

DESCRIPTION	PRAIRIE FARMS DAIRY*, INC.			
	Escalator Price*		Firm Price	
	With Equipment*	Without Equipment	With Equipment	Without Equipment
	Paper Carton	Paper Carton	Paper Cartons	Paper Cartons
Price per half-pint, chocolate, 1%	0.4216	0.404	0.465	0.465
Price per half-pint, chocolate, skim	NA	NA	NA	NA
Price per half-pint, white, 1%	0.4058	0.3817	0.4314	0.4314
Price per half-pint, white, skim	0.3757	0.3697	0.3862	0.3862
Price per half pint, strawberry, cookies & cream, vanilla skim (List additional flavors available)	Strawberry 0.4206	Strawberry 0.3989	Strawberry 0.4647	Strawberry 0.4647
Price 4 oz. lowfat yogurt (list flavors available)	N/A	N/A	N/A	N/A
Price per 4 oz Cottage Cheese Cup	0.8235	0.8114	0.8625	0.8625
Price per half-pint, juice 4 oz., 100% apple, orange	0.353	0.3499	0.3868	0.3868
Price per 5# Vanilla, low fat Yogurt	8.0530	7.8730	8.2530	8.2530
Price per 5# Low Fat Cottage Cheese	11.7335	11.5535	11.9735	11.9735
Price per 5# Plain Yogurt	8.0530	7.8730	8.2530	8.2530
Price per 5# Sour Cream	10.5073	10.3573	10.7073	10.7073
Price per 1# Low Fat Sour Cream	N/A	N/A	N/A	N/A

School Nutrition Milk Bid Recommendation 2026-2027

Recommend awarding the dairy contract to Prairie Farms Dairy, Inc utilizing the Escalator Price with Equipment option.

Historical Costs:

During the 2025-2026 school year, the top three item quantities purchased by the district were:

- 779,085 chocolate milk half-pints
- 222,223 white milk half-pints
- 2,418 cases of yogurt

Total expenditures under the escalator contract were \$394,184.17.

Had the district been under the fixed-price contract, costs would have been approximately \$465,172.62, a difference of nearly \$71,000.

2026-2027 Cost Projections:

Option	Estimated Annual Cost
Escalator Pricing	\$438,112.48
Escalator Pricing with 4% Increase	\$455,586.83
Fixed Pricing	\$478,097.28

Even assuming a 4% increase in escalator pricing, projected costs remain approximately \$22,500 lower than the fixed-price option.

Equipment Value:

Prairie Farms also provides and maintains 22 Beverage-Air 16-crate milk coolers located throughout the district. The estimated replacement value of these coolers is approximately \$90,000-\$100,000, eliminating the need for the district to immediately purchase and maintain this equipment.

Recommendation

Approve the Prairie Farms Dairy bid utilizing the Escalator Price with Equipment option for the 2026-2027 school year.

Financial Impact:

- Estimated annual dairy expenditures: \$438,112
- Potential savings compared with fixed pricing: approximately \$40,000
- Savings remain approximately \$22,500 even if escalator prices increase by 4%
- Continued use and maintenance of milk coolers with an estimated equipment savings of \$100,000

Renewal Option:

This contract would be effective for a one-year period commencing July 1, 2026 through June 30, 2027, with options to renew (without Rebid) on an annual basis for the 2027-2028 and 2028-2029 school years. Renegotiation of the price charged to the District in subsequent (rollover) years of the agreement must not exceed the Consumer Price Index for all Urban Consumers. Before price increases can be implemented, the vendor shall document through cost analysis the need for such increase.