

Department of Public Instruction

600 E Boulevard Ave., Dept. 201, Bismarck, ND 58505-0440 (701) 328-2260 Fax - (701) 328-2461 http://www.dpi.state.nd.us

Dr. Wayne G. Sanstead State Superintendent

March 15, 2007

Nancy Theodore, Program Analyst USDA, Food and Nutrition Service Food Distribution Division 3101 Park Center Drive, Room 506 Alexandria, Virginia 22302

Dear Ms. Theodore:

This letter is in response to the Food Distribution Program on Indian Reservations (FDPIR) Funding Methodology Work Group's request for comments on the proposal for a new methodology to allocate federal administrative funds for the FDPIR. This letter specifically addresses Attachment E of the proposal, the proposed recommendation to terminate current arrangements under which seven ITOs not administered by the North Dakota or Montana State agencies receive commodities through warehouses maintained by those State agencies. We believe that implementation of this part of the proposal will have a negative impact not only on the seven ITOs, but the FDPIR program as a whole in the states affected.

The current arrangement for the seven ITOs is an efficient and effective means of addressing the geographic challenges inherent to North Dakota and Montana. The attached spreadsheet compares current rates and mileage to those from Paris Brothers and Americold. Based on data received from the work group and other sources, we have determined that the proposed changes would increase the warehousing and transportation costs for Standing Rock, Cheyenne River and Spirit Lake by over \$225,000 from current rates. The current system in North Dakota provides the same type of service that is currently implemented in the alternative systems, for one-third of the cost. Our contracted warehouse is a new "state of the art" food storage facility and transportation is direct to the recipients with no interline deliveries.

The Work Group's Guidelines for developing a funding methodology support the continued arrangement. Guideline number 2, "Considers operational differences among the ITOs and State agencies" acknowledges that different regions will have different needs and the methodology should allow for that. The current warehouse and transportation arrangement for the seven ITOs not only reduces administrative costs for those programs, it ensures lower costs for the other FDPIR programs that are administered by the state agencies. Due to the large land base and sparse population, the states must consider the administration of all Food Distribution Programs when planning for warehousing and transportation. To obtain a reasonable bid from a reliable contractor, the entire volume of USDA commodity foods must be included in the bid specs. Reduction in the volume of foods to be warehoused and distributed will certainly result in an increase in rates overall.

School for the Deaf Devils Lake, ND (701) 662-9000 School for the Blind Grand Forks, ND (701) 795-2700 State Library Bismarck, ND (701) 328-2492 That's assuming the contractor will bid on the contract again; North Dakota received only one bid during the most recent bid period.

We appreciate the Work Group's efforts in developing a funding methodology that meets their established guidelines and is acceptable to all parties involved. However, changes made for the sake of conformity with no proof of savings, such as those proposed in Attachment E, will not only harm the FDPIR programs in our state but will tarnish the trust of the people for which it is intended.

Thank you for the opportunity to provide comment on this issue. Our agency would be honored to assist the Work Group in working towards a funding methodology that is acceptable to all.

Sincerely,

Linda Glaser. Director

Child Nutrition and Food Distribution Programs
North Dakota Department of Public Instruction

2/0X 1

Cc: Darlene Sanchez, MPRO

Charles "Red" Gates, Standing Rock Sioux Tribe Theresa Lofton, Cheyenne River Sioux Tribe Mary Trottier, Spirit Lake Sioux Nation Forrest Farris, Montana DHS

Cost Comparrison - Warehouse and Transportation Charges

ote: Weights for the noted programs are actual. Truckloads are actual and include loads lighter than 40,000 lbs. Milage and transit times are taken from Mapquest Round Trip Hrs Per Trip In Transit Round Trip Hrs Per Trip Round Trip Miles from Hrs Per Trip In Transit Booth Carthage Paris

18,223 9,235 17,011 44,468 Standing Rock, Spirit Lake and Cheyenne River would cost \$ 228,993.03 more than it now costs to ship from Fargo Note: To store and ship product from Carthage 141,201 117,831 3,595,410 117,815 \$ 59,324.27 \$

Projection

row Creek

185.4 637.4 668.2 364 141.8

14hrs. 22 min. 15 hrs. 22min.

3 hrs 46 min.

1,328.0 1,300.0

19 hrs 52 min 20 hrs 44 min 20 hrs 28 min

1,040.0

ech Lake ed Lake ower Bruel nite Earth

269

1 631.4

24 hrs 24 min 28 hrs 40 min 25 hrs 24 min

1,678.4 1,346.0

1,335.6 1,346.0 1,381.0 1,361.0 1,250.0

20 hrs 40 min 23 hrs 52 min 20 hrs 50 min

3,824 4,677 6,552 3,403 5,380

30,211 39,154

960,000

720,000 280,000 240,000

4,620 11,880 15,840 13,200

6,000.00 \$ 7,000.00 \$ 18,000.00 \$ 24,000.00 \$

44,744.40 58,363.20

\$ 39,840.00 \$ 29,880.00 \$ 11,620.00 \$ 9,960.00

29,600 35,520 78,134 92,229

29,600

280,801

66,531 79,240 238,735 35,520

45,000.00

16,959.60

14,424.37 67,392.00

\$ 59,760.00

156,318

138,845

800,000

26,400 31,680 \$ 23,760 7,920

20 hrs 44 min 15 hrs 22 min

36

6,674

47,808

37,440

1,440,000 47,520 \$

23,760 3,960

36,000.00

7,800 9,422

9,422 8,014

9,240

57 hrs 30 min 4 hrs. 20 min. 11 hrs 26 min 8 hrs 2 min

1,575.2 7,228

7,704

20 hrs 36 min

20 24 18

30,511

165,899

137,158 32,424 25,000 24,858

31,504

per trip

isseton

Spirit Lake

552.20 369.40 739.60

9 hrs 44 min 6 hrs 20 min 13 hrs 20 min

1,734.6 1,852.2 1,637.1

29 hrs 4 min 28 hrs 10 min 25 hrs 58 min

1,440.5 1,563.6 1,356.8

24 hrs 26 min 23 hrs 50 min 21 hrs 22 min

23 25

57,243 46,305 37,652

39,089 47,536

1,282,346 1,671,866

54,586 21,024 42,205

Fixed 5 years \$ 27,586.79 4 \$ 10,579.77 \$ 21,158.71

103,037.62 \$ 83,349.00 \$ 67,774.28 \$ 254,160.90 \$

\$ 73,562.11 \$ 164,896.66 \$ 147,423.55 \$ 28,212.71 \$ 107,073.33 \$ 94,084.53 \$ 56,423.22 \$ 115,221.09 \$ 103,617.49 \$ 156,198.04 \$ 387,191.07 \$ 345,125.57

212,095.40

Project Charge
1.80 per mile
\$ 85,564.51
\$ 70,360.20
\$ 66,170.69

Fixed 5 years

eyenne Rive

1,661.20

tanding Rock

Miles from

Miles from

In Transit

Paris

Deliveries

2006 2006

2006 Truck

Projected

Miles

Total 2006 641,198

> Cases 2006 Total

Charges 2006

Project Charge 1.80 per mile Transport Carthage

> Transport Paris

Whse/Trans 2,006 Booth

Whse/Trans Estimated Charge

> Whse/Trans Charge

Carthage

Paris

Total Charges

Fargo

Note: Booth total charges including warehousing are current The warehouse charges for Carthage and Paris Bros are estimates based upon 2003 cost data obtained through the

Freedom of Information Act.

4,440,000 146,520 Weight and costs are being projected at current participation and new 5 year firm warhouse and transportation charges 73,260.00 111,000.00 246,883.57 \$ 184,260.00 \$ 672,601.80

| Frozen- One Month Storage | e Month | Storage | Frozen- | Frozen- Two Month Storage | Three | Three Month Storage |
|---------------------------|---------|---|---------|---------------------------|---------------|---------------------|
| | Booth | Americold | Booth | Americold | Booth | Booth Americold |
| ee Schedule | \$2.76 | 2-3-3-4-4-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5 | \$2.75 | | \$2.75 | |
| Dry Storage | 0 | \$0.79 | | \$1.59 | | \$2.37 |
| n/Out Handling | 0 | \$1.33 | | \$1.33 | | \$1.33 |
| Cooler Storage | 0 | | | | | |
| In/Out Cooler | 0 | | | | Section 19 | |
| Freezer Storage | 0 | | | | and Technical | |
| n/Out Freezwer | 0 | A STATE STATE OF STATES | | | 1652 FOREST | |
| Shrink Wrap | 0 | 0.14 | | 0.14 | | 0.14 |
| Floor Unload | 0 | \$0.37 | | | | |
| | \$2.75 | \$2.63 | \$2.75 | \$3.06 | \$2.75 | \$3.84 |