



A Member of



Cost Proposal Narrative

Each product type (dry, cooler, frozen) has different costs associated for storage, handling, and delivery due to the refrigeration cost. The State acknowledges this in that separate rates are bid for each.

Dilgard has always bid the same rates for storage and handling by product type for all Regions bid. Since all products for all Regions are received and stored in the same warehouse, there is no reason, in our minds, that the handling and storage rates should differ by Region.

Delivery rate is a different story.

- The further distance a Region is from our warehouse, the greater the cost in time, miles, and fuel required for delivering to that Region.
- The delivery location “density” varies by Region. The more distance between delivery locations within a Region, the greater the delivery cost for that Region.
- Delivery locations vary in order frequency. Some will place fewer, larger orders while others may place more frequent, smaller orders.

Due to the reasons above, the cost to delivery will vary by Region. This is reflected in our bid.

- Region 2 is closest to our warehouse and therefore has the lowest delivery rate.
- Regions 1, 3 & 4 are further away from our warehouse and therefore have a higher delivery rate.
- Since the case numbers are lower this time than in previous RFP’s, we had to increase our bid amounts because our fixed costs are spread over fewer cases.