

## MEMORANDUM

**TO:** Sean Carroll  
**FROM:** Margaret Armenia  
**DATE:** March 6, 2026  
**RE:** Award Justification – Solicitation No. 24COR-059 Commercial Food

CoreTrust issued a solicitation for Commercial Food for the lead agency, Delight (AK). This memo provides an overview of the evaluation and scoring process conducted for the above-referenced solicitation, which is currently proceeding toward award.

### **Non-Participation of Vendor Community:**

Entegra Procurement Services, LLC was the only bidder who submitted a proposal.

Sean Carroll collaborated with CoreTrust to receive responses from the vendor community for the no-bid reasons.

CoreTrust conducted outreach pre-solicitation release with seven (7) vendors.

One vendor cited lack of time to prepare a response.

One vendor cited their business is not prepared for public sector services.

One vendor, Sysco, stated their partner organization prepared the response. Sysco is Entegra's distributor partner.

Other vendors did not respond to the RFP or outreach requests.

Please refer to the Food Sourcing Workbook [EXCEL] document.

### **Award Justification and Conclusion:**

The recommended awardee for this solicitation is Entegra Procurement Services, LLC.

They received a final composite Technical Score of 62.45/70.

The evaluation team attempted to complete a Financial Analysis against similar scope contracts. A similar national food distribution contract was not found on NASPO.

Information for similar contract pricing is unavailable through Omnia and Choice Partners as either a membership is required or the contract points to contact the vendor directly.

Sourcewell does not show the Cost Plus % markup for their vendor, US Foods.

Entegra Procurement Services, LLC distributes through their partner, [Sysco](#). Sysco's pricing is accessible only by membership. Entegra Procurement Services, LLC's EPRO (P2P platform) is accessible only by membership.

The Financial Analysis to determine whether the recommended awardee's pricing is justified and competitive for the purpose of the resulting cooperative Contract was driven by reviewing the NYS Office of General Services (OGS) state contract and researching supply chain distributor markup and profit margins in the industry.

Vendavo article: Vendavo is a reputable, well-established provider of B2B pricing, selling, and profit optimization software, particularly suited for large, complex enterprises. Users consistently rate it highly for its robust analytics (Profit Analyzer) and, when properly implemented, as a "single source of truth" for pricing strategy, with generally high customer satisfaction scores. It is noted for strong analytics to identify margin leakage and solid integration with ERP systems like SAP. It is highly regarded for handling complex, large-scale B2B pricing scenarios. The article posted on November 26, 2024, *Supply Chain Distributor Markups and Profit Margins: How to Optimize Both*, references that, "Markups typically range from 15-20% when manufacturers sell to distributors, while distributors add another 20-40%, depending on the industry and market conditions. These percentages reflect the value added at each stage, supporting the smooth movement of goods through intricate distribution networks."

Entegra proposed a not to exceed markup % for three categories of purchases:

- For annual purchases per location <\$7.5M, the markup % is not to exceed 11.60%
- For annual purchases per location >\$7.5M, the markup % is not to exceed 9.22%
- For annual purchases per location in education K-12, the markup % is not to exceed 11.60%

Additionally:

- In circumstances where a location is unable to utilize the supplier's designated prime distributor, and where Entegra contracted items are stocked by an approved regional distributor, such items shall be subject to a markup not to exceed -twenty-five percent (25%). Under this exception, the <\$7.5M and >\$7.5M spend thresholds shall not apply. The approved regional distributor shall retain sole discretion to establish- alternative spend thresholds and corresponding markup percentages for such transactions.

NYS OGS Food Contract: The NYS commercial and retail food contract is divided into regional lots. The awarded Contractors include US Foods, SYSCO Albany LLC, SYSCO Long Island LLC, SYSCO Syracuse LLC, H. Schrier & Co. Inc, and Metropolitan Foods Inc (dba Driscoll Foods). Quarterly price lists for each region and Contractor include markup percentages ranging from 6.20% to 22.00% but the update dates for the quarterly price lists

range from 2021 to 2026. Most of the quarterly price lists are 2021 and 2022. Monthly price lists markup percentages range from 6.20% to 22.00%; monthly price lists appear current and kept up-to-date.

Given these contexts, Entegra's proposed not-to-exceed markup % appear to be reasonable. There are also additional incentives offering markup percentage reductions based on volumes, new customer incentives, brand incentives, and rebate incentives.

The evaluation team agrees that the bidder has also demonstrated their expertise in the industry; satisfactorily demonstrated a broad product offering and distribution capacity; proven to meet industry standards; shown to be financially robust and a responsible entity.

The evaluation team recommends bidder for award assuming sufficient clarification and negotiation of three items flagged in technical review and clarification:

Entegra's EPRO system - they note a Basic Tier 1 and what is included in Tier 1 of the EPRO system. We should clarify if the pricing varies by tier. Pricing needs to be transparent on this contract.

Section O - Cost Proposal Clarification 1 – Agree to flag attention on the approved final price list for end users awareness about the potential markup jump NTE 25% when not using the primary supplier distributor.

Section O - Cost Proposal Clarification 4 – Attempt to negotiate the "per location" response as a "per billing entity" basis, if possible.

All scoring documentation and evaluation notes are maintained on file for audit and transparency purposes.