IMPORTANT UPDATE for existing Sysco and Gordon Food Service customers

Food contract rebid, awarded to Entegra Procurement Services

Our discount contracts available through the PurchasingPoint[SM] Program are managed by a large group purchasing organization through AdvantageTrust. One key benefit of this program is the regular rebidding of contracts every few years which maximizes savings.

PurchasingPoint's food contract with Sysco and Gordon Food Service was recently rebid and awarded to Entegra Procurement Services. Food will still be distributed by Sysco and Gordon Food Service, but will now come through Entegra. ***Invoice aggregate savings are estimated to be 3-10% lower than the current contract(s).***

Important changes come with the lower pricing:

Eligibility: Depending on the category in which your facility falls, changes to eligibility will vary:

A) *If you are a current customer and your facility is within 20 miles of an Authorized Prime Distributor:*

Your facility is not required to convert from the Sysco or GFS distributor and will be moved over to the new pricing schedule as published, effective 8/1/2010.

B) *If you are a current customer and your facility is not within a 20 mile radius of an Authorized Prime Distributor:*

Conversion may be required and your facility will be contacted by Entegra RAM's (Regional Account Managers) to initiate or discuss conversion to a new distributor. Current agreements with Sysco and GFS will expire 9/30/2010 and pricing will no longer be protected.

C) *If your facility is not currently using the Sysco or GFS contract:*

Eligibility to receive service and participate in the program requires that your facility be within a 20 mile radius of an an Authorized Prime Distributor. If your facility falls outside this radius, Entegra will review your participation request and determine whether your facility will be eligible. Notifications as to whether participation will be allowed will come from Entegra.

Delivery: Your facility is allowed one delivery per week as long as the drop size equals or exceeds $1,000. Orders between $750 and $1,000 will incur a $35 delivery charge.

Representatives: If your facility currently has a Marketing Associate or Representative, you can continue to have one provided but will pay a 3% fee applied to the overall cost. *(For example, the average Gross Markup % for delivery is only 12.25%. If a facility has or wants a Marketing Associate or Representative their Gross Markup % would be 15.25.)* Alternatively, orders can be placed online to maintain the lowest pricing.

Rebates: Manufacturer rebates previously distributed to customers of Sysco or Gordon Food Service through the current program will be discontinued. The additional savings in this new program will be evident at the invoice level.

Below are a few of the enhancements in the new Food Program with Entegra:

- Broadline distribution programs
- Over 400 manufacturer agreements for key product categories
- A nationwide network of strong regional programs for key product categories such as dairy, bakery & produce
- An aggressive capital equipment program
- More than 100 procurement personnel
- Competitive pricing resulting in cost savings for food and related supplies
- *Insights from Entegra®*: Entegra's portfolio of resources designed to help you maximize the benefits of the Entegra Program
- Drop Size Incentives
- Excellent supplier service and customer support

Further information about the Entegra food procurement program is located on your PurchasingPoint portal.

Questions should be directed to **AdvantageTrust Member Services** at memberservices@advantagetrustpg.com or 866-841-2992.
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