

# Finding and Buying Local Foods

Introduction to Procurement

*February 5, 2015*



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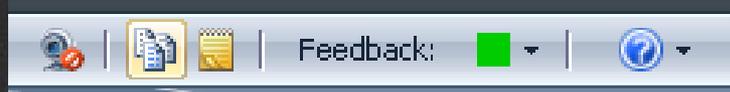


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# Housekeeping

- To download handouts:



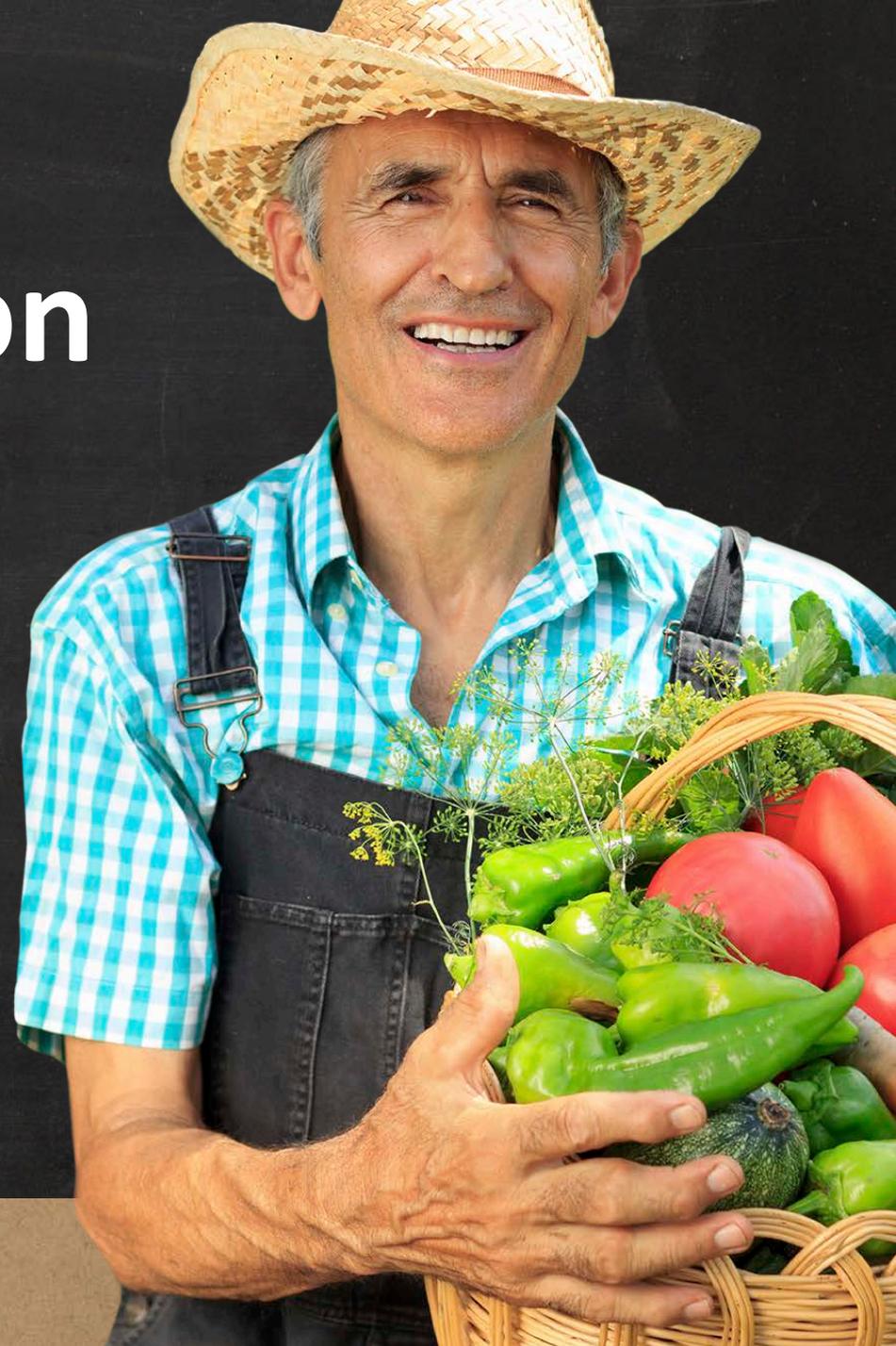
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  - » Ask your question or comment on the phone at the end of the webinar by pressing \*1
- Please turn off your computer microphone, all audio will be through the phone.
  - The webinar will be recorded and available on the USDA Farm to School website: <http://www.fns.usda.gov/farmentoschool/webinars>



# Poll: Who is on the line?



# Our Presenter

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*Program Analyst*

Christina.conell@fns.usda.gov





# Overview

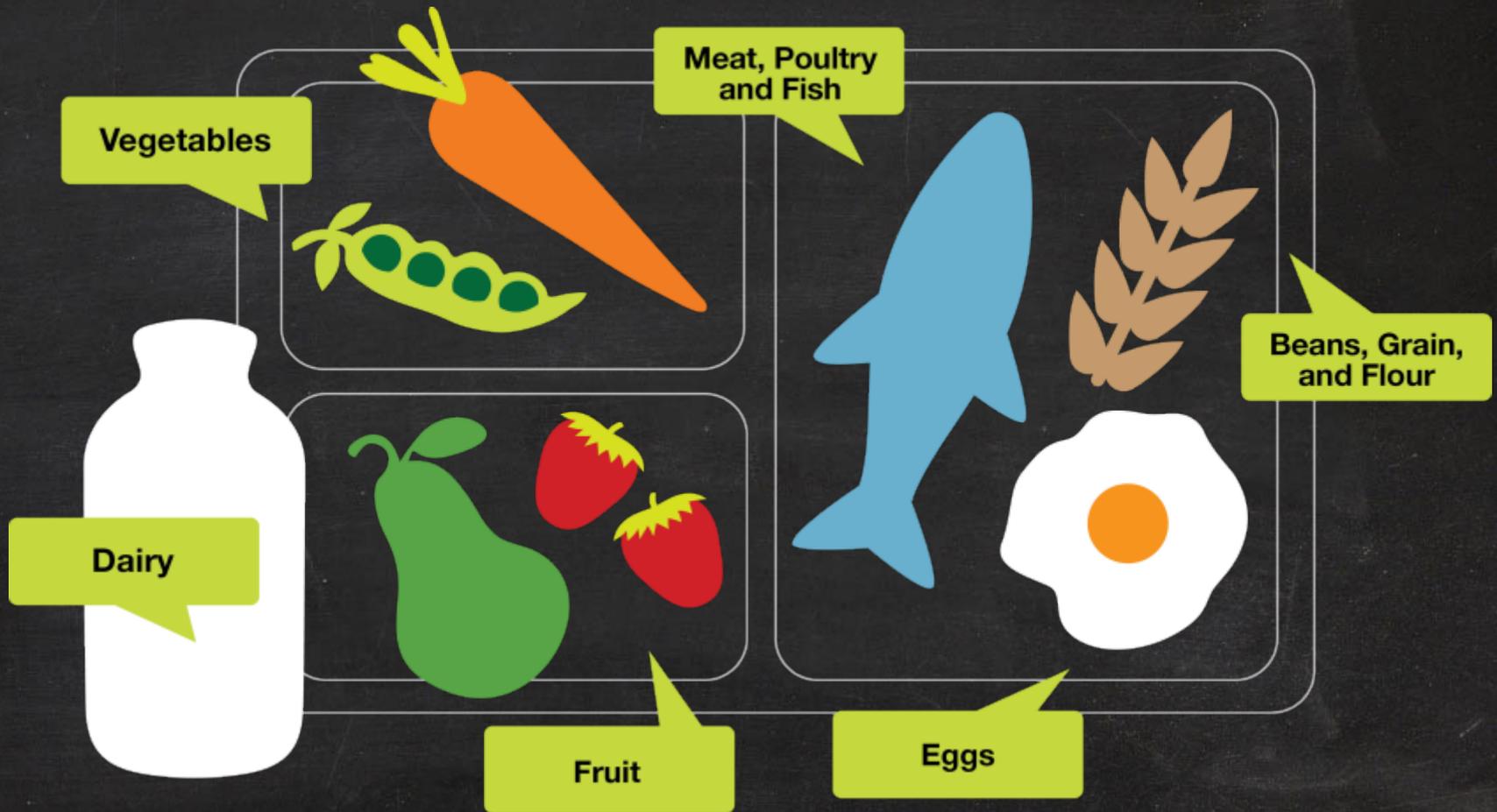
- What is local?
- Procurement principles and methods
- Opportunities for targeting local products
- Resources and Questions

# What is Local?



THE  
**FARM** *to* **SCHOOL**  
PROGRAM

# What Types of Products?



# What Does Local Mean?

## Who defines local?

- School food authorities

## What are you trying to accomplish?

- Is there state based legislation regarding local purchasing that you'd like to be aligned with?
- Do you want to bring as much local product as possible onto the menu as quickly as possible?
- Do you want to couple local purchases with farm visits and have personal relationships with suppliers?

# What Does Local Mean?

- Within a radius
- Within a county
- Within a state
- Within a region

A district's definition of local may change depending on the:

- Season
- Product
- Special events



# How to Buy Locally and Correctly!



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# Procurement Regulations

- Have a purpose, really!
- Help you get the best quality and price
- Leave room for flexibility and innovation



# Why are Procurement Rules Important?

- To ensure that program benefits (and taxpayer dollars!):
  - » Are received by eligible schools and children
  - » Are used effectively and efficiently, with no waste or abuse

# What Is Procurement?

Procurement is the purchasing of goods and services.

The procurement process involves:





## 4 Key Concepts

- 1) American Grown
- 2) Knowledge of State and Local Regulations
- 3) Competition
- 4) Responsive and Responsible



# 1

## The Buy American Provision

The National School Lunch Act requires schools to purchase domestically grown and processed foods to the maximum extent practicable.



## 2

# Procurement Rules

- Be familiar with all procurement requirements, at the federal, state and local levels
- Schools are responsible for complying with all levels of regulations.
  - » In some cases, state and federal regulations may be in conflict with each other.



# 3

## Competition

Competition is essential to ensure low cost and good quality of goods and services.



# Competition Killers

## Do not...

- Place unreasonable requirements on firms;
- Require unnecessary experience and excessive bonding;
- Give noncompetitive awards to consultants;
- Have organizational conflicts of interest;
- Specify only brand name products; or,
- Make arbitrary decisions in the procurement process.

## Local as a Specification

- “This RFP is restricted to producers within the state.”
- “This RFP is for Virginia grown products for Virginia grown week”
- We are soliciting bids from producers within a 150 mile radius.
- We are soliciting bids for Washington grown products.
- Only products grown within a 300 mile radius will be accepted.



# 4

## Responsive and Responsible

**Awards must be made to vendors that are responsive and responsible:**

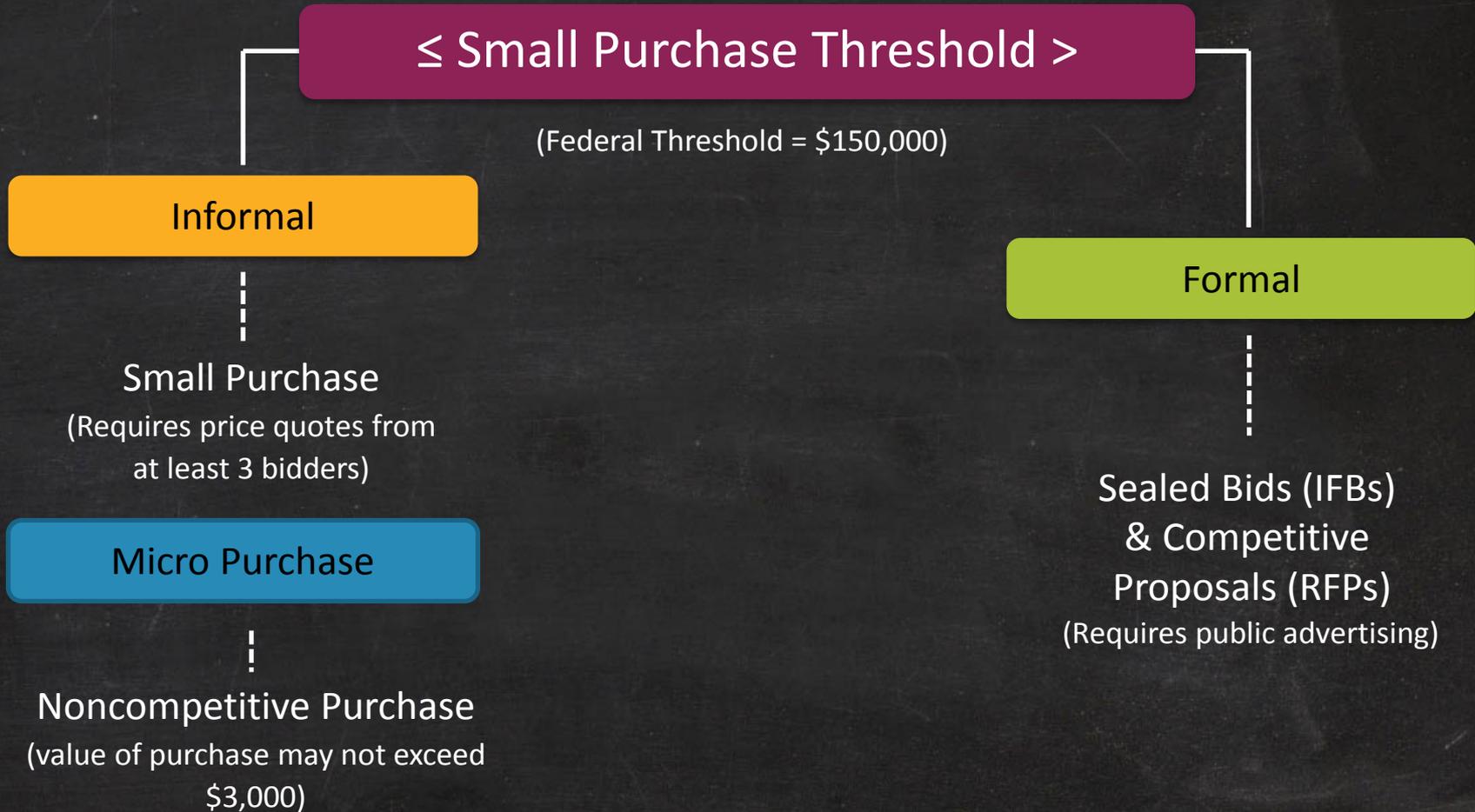
- Responsive means that the vendor submits a bid that conforms to all terms of the solicitation
- Responsible means that the vendor is capable of performing successfully under the terms of the contract

# Procurement Methods



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# Procurement Methods





# Micro Purchase

## Use it when:

The aggregate value of your purchase falls below the micro purchase threshold of \$3,000. Micro purchases enable schools:

- To purchase supplies or services without soliciting competitive quotations, if the school considers the price reasonable.

When using the micro purchase option, schools must:

- Distribute micro-purchases equitably among qualified suppliers;
- Develop written specifications and required terms, conditions, and contract provisions; and,
- Document all purchases.

# The Informal Procurement Process





# “Three Bids and a Buy”

## Develop a Specification

- Green apples, US. Fancy or No. 1, prefer 5 185 count boxes per week but willing to consider other pack sizes for Sept-Dec.

## Solicit Bids

- Contact [ONLY LOCAL](#) vendors (by phone, fax, email, in-person or via mail); provide them w specifications (or if calling, read same information to each vendor)

## Bid Documentation

- Write down each vendor’s bid and constraints; then file it.

Vendor	Art’s Apples	Olivia’s Orchard	Apple Crunch Inc.
Price/box	\$40	\$47	\$37

A woman with a red headband and a blue dress is smiling and holding a large bunch of fresh, bright orange carrots. The background is dark, making the carrots and the woman stand out. The text is overlaid on the left side of the image.

**Poll:** What is your applicable small purchase threshold?

# The Formal Procurement Process



# Competitive Sealed Bidding

Procurement by competitive sealed bidding is done by issuing an invitation for bid (IFB).

## Use it when:

- A complete, adequate, and realistic specification is available.
- The contract can be awarded on the basis of price.

# Competitive Proposals

Procurement by competitive proposal is done by issuing a request for proposal (RFP).

## Use it when:

- Conditions aren't appropriate for a sealed bid.
- Price won't necessarily be the sole basis for the award.

# Opportunities for Targeting Local Foods





## Sections of a Solicitation

- Contract Type
- Introduction/Scope
- General Descriptions of Goods and Services (AKA Specifications)
- Timelines and Procedures
- Technical Requirements
- Evaluation Criteria



# Sections of a Solicitation

- Contract Type
- Introduction/Scope
  - » Ex. Farm to school is a priority and want to include as much local as possible. Our goal is to serve 20% local products.
- General Descriptions of Goods and Services (AKA Specifications)
  - » Ex. Product specifications
- Timelines and Procedures
- Technical Requirements
  - » Ex. Determine responsive and responsible vendors
- Evaluation Criteria

*Geographic Preference*



## Include Your Desire for Local in the Introduction

- A school's interest in purchasing local (and the broader context of its farm to school program) can be expressed in the introduction to a solicitation.
  - » Remember: a school may not specify that it wants only local products
  - » A school may indicate its desire to serve local products and emphasize the importance of their farm to school program.



# Introduction Language

The Food Service Department (The Department) at the Cypress Creek District in Colorado works to provide the highest quality meals to its students. The Department views school meals as an essential component to student health, wellbeing and future success. Cypress Creek serves about 15,400 school lunches every day and the free and reduced price rate is 73%.





# Introduction Language with Local Emphasis

The Food Service Department (The Department) at the Cypress Creek District in Colorado works to provide the highest quality meals to its students. The Department views school meals as an essential component to student health, wellbeing and future success. Cypress Creek serves about 15,400 school lunches every day and the free and reduced price rate is 73%. **The Department works to connect K-12 schools and local food producers to improve student nutrition, provide agriculture and nutrition education opportunities and support local and regional farmers.**





## Use Product Specifications and Technical Requirements to Target Local Products

- A school's interest in purchasing local (and the broader context of its farm to school program) can be expressed in the introduction to a solicitation.
  - » Remember: a school may not specify that it wants only local products
  - » A school may indicate its desire to serve local products and emphasize the importance of their farm to school program.



## Example: San Diego Unified, CA

Vendors will provide products:

- Delivered directly to multiple SDUSD school sites (not a central warehouse). The number of drops is to be determined by the district on a case-by-case basis;
- Produce should be generally free from insect damage and decay; and,
- Product must be rinsed, cleaned and packed in appropriate commercial produce packaging, such as waxed cardboard boxes. Standard industry pack (case counts) is required and/or half packs are allowable when it comes to bundled greens.



## Example: San Diego Unified, CA

Vendors will provide products:

- **Grown on farms that are less than 50 acres in size;**
- **Grown on farms that grow more than five food crops at one time;**
- **Grown on farms that utilize a majority of hand harvesting, hand packing or human labor power in growing, harvesting, and packing of food;**
- Delivered directly to multiple SDUSD school sites (not a central warehouse). The number of drops is to be determined by the district on a case-by-case basis;
- Produce should be generally free from insect damage and decay; and,
- Product must be rinsed, cleaned and packed in appropriate commercial produce packaging, such as waxed cardboard boxes. Standard industry pack (case counts) is required and/or half packs are allowable when it comes to bundled greens.



# Use Criteria to Evaluate Vendor Proposals

- Use those same criteria mentioned before, but assign weights to evaluate in an RFP.
- The amount of weight determines how important the criterion is.
- Think about including criteria such as:
  - » Able to provide farm visits
  - » State of origin or farm origin labeling
  - » Provide products grown on a particular size farm

## Example: Use Criteria in an RFP

### Product Specification

- Green apples, US. Fancy or No. 1, prefer five 185 count boxes per week but willing to consider other pack sizes for September - December

	Apple Lane	Great Granny's	Fred's Fuji's
Price = 60	30	40	60
Contractor able to meet all specifications Product quality = 15 Delivery = 10 Packaging and Labeling = 5	25	30	30
Three references, past history = 10	10	10	10
100 possible points	65	80	100



## Example: Use Criteria in an RFP

### Product Specification

- Green apples, US. Fancy or No. 1, prefer five 185 count boxes per week but willing to consider other pack sizes for September - December

	Apple Lane	Great Granny's	Fred's Fuji's
Price = 40	30	35	40
Contractor able to meet all specifications Product quality = 15 Delivery = 10 Packaging and Labeling = 5	25	30	30
Three references, past history = 10	10	10	10
<u>Able to provide farm/facility tour or classroom visits = 5</u>	0	5	0
<u>Able to provide state of origin on all products = 5</u>	0	5	5
<u>Delivered within 24 hours of harvest = 10</u>	0	10	7
100 possible points	65	95	92



# How to Incorporate a Geographic Preference

- 1) Define local.
- 2) Determine what type of procurement method to use.
- 3) Decide how much “preference” local products will receive.
- 4) Be sure your solicitation makes perfectly clear how the preference will be applied.

## Example 1: 1 Point = 1 Penny

	Owen's Orchard	Apple Lane Farms	Bob's Best
Price	\$1.97	\$2.05	\$2.03
Meets geographic preference? 10 points	No	Yes (10 points)	No
Price with preference points	\$1.97	\$1.95	\$2.03

10 points will be awarded to bids for apples grown within 100 miles of the school board office.



## Example 2: Tiered Preference

	Produce Express	Ray's Produce	F&V Distribution
Contract Price	\$31,000	\$35,000	\$34,000
Geographic Preference Points to Respondent able to meet definition local	No	Yes (10% pref.)	Yes (7% pref.)
Price for comparison	\$31,000	\$31,500	\$31,620

10% price preference will be awarded to any bidder that can source products from within 100 miles and 7% price preference will be awarded to any bidder able to source product from within the state.

# What are your options?

A large district wants to procure about 5,000 cases of tortillas made with locally grown corn for the whole year. They estimate that the product will cost about \$100,000. What are the SFA's options for procuring the tortillas?



# Farm to School Resources





## Resources

- Geographic Preference Q&As
- Federal procurement regulations
- State and local procurement rules and guidance
- Washington State Department of Agriculture Guide
- National Food Service Management Institute  
Online Training
- Finding, Buying and Serving Local Food Webinar Series

# www.fns.usda.gov/farmtoschool

The screenshot shows a web browser window displaying the USDA Farm to School website. The browser's address bar shows the URL [www.fns.usda.gov/farmtoschool/farm-school](http://www.fns.usda.gov/farmtoschool/farm-school). The website header includes the USDA logo and the text "United States Department of Agriculture Food and Nutrition Service". Navigation links include "About FNS", "Ask the Expert", "Contact Us", "Other Languages", and "En Español". A search bar is located in the top right. Below the header, there are tabs for "Programs", "Data", "Newsroom", "Research", and "Forms". A secondary navigation bar includes "Site Map", "Advanced Search", "Help", "Search Tips", and "A to Z Map". Social media icons for Facebook, Twitter, YouTube, Email, Flickr, and RSS are also present.

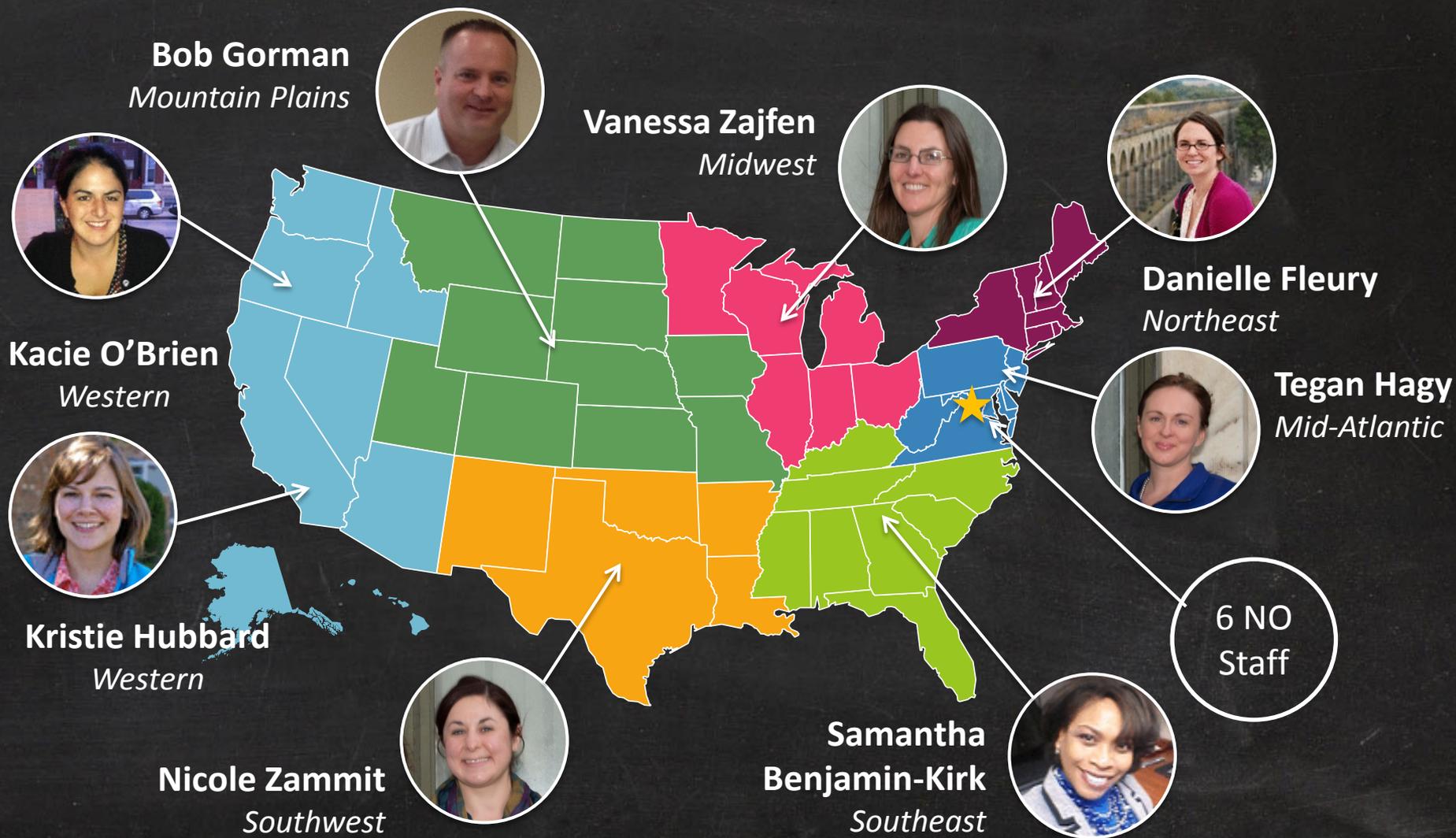
The main content area features a sidebar on the left with the following links:

- Farm to School
  - > Census
  - > Fact Sheets
  - > Farm to School Grants
  - > State Contacts
  - > USDA Farm to School Staff
  - > Webinars
  - > Resources
- See Also
  - > Agricultural Marketing Service
  - > Know Your Farmer, Know Your Food
  - > Cooperative Extension Offices
  - > USDA Food Hubs
  - > Food Environment Atlas

The main content area is titled "Farm To School" and features a large image of a school cafeteria tray with a variety of fresh foods, including a slice of bread, chips, blueberries, and vegetables. Below the image, the text reads: "On the Tray Local and regional products of all kinds are offered in school cafeterias. (Photo Credit: Courtesy of EcoTrust)". A "Print" button is located in the top right corner of the image area. Navigation arrows and the text "4 of 6" are visible at the bottom right of the image area.



# The USDA Farm to School Team



# USDA Farm to School Fact Sheets

- USDA Grants and Loans that Support Farm to School Activities **\*New\***
- Local Meat in Schools **\*New\***
- Farm to School Grant Program
- 10 Facts About Local Food in School Cafeterias



United States Department of Agriculture

## GETTING THE SUPPORT AND RESOURCES YOU NEED TO SUCCEED

WHETHER YOU ARE JUST STARTING OUT or fine tuning a program that has been in place for years, there are plenty of individuals and organizations ready to assist you in your farm to school efforts.

### USDA Farm to School Program staff

The USDA Farm to School Program is operated by the Department's Food and Nutrition Service (FNS), which has seven regional offices around the country. In each is a Farm to School Regional Lead who is available to provide farm to school related support to state agencies and other entities in their region.

Names and contact information for regional and national USDA Farm to School Program staff can be found on our website [www.fns.usda.gov/farmtoschool](http://www.fns.usda.gov/farmtoschool).



- Mid-Atlantic Regional Office
- Northwest Regional Office
- Southwest Regional Office
- Southwest Regional Office
- Northwest Regional Office
- Northwest Regional Office

For more information, and to sign up to receive USDA's bi-weekly Farm to School E-Alert, please visit [www.fns.usda.gov/farmtoschool](http://www.fns.usda.gov/farmtoschool). Questions? Email us at [farmtoschool@fns.usda.gov](mailto:farmtoschool@fns.usda.gov).

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## LOCAL FOOD IN CAFETERIAS

Encourages the procurement of locally sourced products.

4. Food distributors and food service management companies can be great partners for local sourcing.

Increasingly schools are including specifications regarding local sourcing in their contracts with food service management companies and/or distributors. Even without contractual obligations regarding local, many distributors already offer local products so all a school needs to do is find out what items on the contracted list are local and order those products. This approach is a very easy way to bring local products into schools without creating separate distribution channels.

5. Locally sourced fruits and vegetables are available through the DoD Fresh Program.

Schools can elect to spend a portion of their USDA Foods entitlement money on fresh fruits and vegetables through the DoD Fresh Fruit and Vegetable Program, operated by the Department of Defense. To supply fresh fruits and vegetables to schools, DoD contracts with all 48 producing vendors across the country. DoD Fresh vendors offer a wide range of local products and they identify them as such in the FAVORIS catalogue.





## RESOURCE

### Champions American Agriculture

USDA Foods are all produced in the United States, thus it is possible to order foods through the USDA Foods catalog that are produced in your region. For example, Mississippi is the only state that produces significant, commercial quantities of catfish. If a school is located in the Southeast, USDA Foods catfish could be local to that school. Likewise, apricots offered through USDA Foods normally come from California, and pears usually originate in the Pacific Northwest.

### Supports Local Processors

Most states send a portion of their USDA Foods to processors to be turned into end products like burritos, burgers or rice bowls. Check to see if your state has agreements with processors located close to home.

### Promotes Local Fruit and Vegetable Producers

The DoD Fresh program allows schools to use their USDA Foods entitlement dollars to buy fresh, and often local, produce. DoD contracts with over 47 produce distributors across the country, who are encouraged to provide local produce whenever possible and identify locally-sourced items in the ordering catalog. Several states rely on DoD produce as an integral part of farm to school efforts.

reaching goals, I often shift my entitlement to products that are not roast chicken, that USDA Foods is able to offer at a lower price point.





## FOOD TO SCHOOLS: PRODUCERS

regulations, schools are required to follow competitive procurement guidelines. That means that schools cannot purchase directly from a farm or vendor without getting multiple price quotes, regardless of the dollar or volume amount to be purchased. Schools can also use a host of specifications to target local products such as farm size, freshness and native varieties.

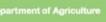
### 2) Setting to distributors that work with schools

Just as described above, schools must follow federal procurement regulations, but are able to include a geographic preference for unprocessed agricultural products when purchasing distribution services. Districts often competitively procure distributors and ask them to provide local products when available, putting the responsibility on the distributor to find and purchase local items. In this scenario, the child nutrition director or state agency may connect you with their distributor, who can choose to purchase directly from you.

### 3) Working with the Department of Defense Fresh Fruit and Vegetable Program (DoD Fresh)

DoD Fresh is a program that helps schools buy fresh produce. The program is operated by the Defense Logistics Agency (DLA) at the Department of Defense, which contracts with produce suppliers (mostly small businesses) to distribute fresh products to schools. Producers wishing to sell fresh fruits and vegetables to schools through the DoD Fresh program are encouraged to work directly with the DoD vendor in their state.





## OPERATIVE EXTENSION PROFESSIONALS CAN SUPPORT SCHOOL PROGRAMS

Increasing number of schools are sourcing more foods locally and educational activities to students, and nutrition. If you are a local, this means there are a lot of people who are interested in helping connect local food to school meals and support students about the importance of nutrition.

### Assist Schools with Their School Gardens

School gardens provide an excellent opportunity for cross-programmatic collaborations among several. Extension professionals working on different program areas and have been shown to play an important role in improving students' knowledge of nutrition and preferences for some types of fruits and vegetables. Extension professionals can help with the planting, cultivation, and harvesting of school gardens, they can also help organize Master Gardener volunteers that may be excited about supporting school gardens.

### Participate in Experiential Education Programs or Activities

Delivering presentations in the classroom or cafeteria, or participating in school fieldtrips to nearby farms, is a great way for Extension professionals to support agricultural, food and nutrition-related education. Other educational activities may include conducting local food cooking demonstrations or taste tests, visiting a farmers market, providing in-school farmer

For Extension in southwest Iowa, the here asked Extension for help in meeting the needs. We saw it as an opportunity to create a friendly to Iowa green local.



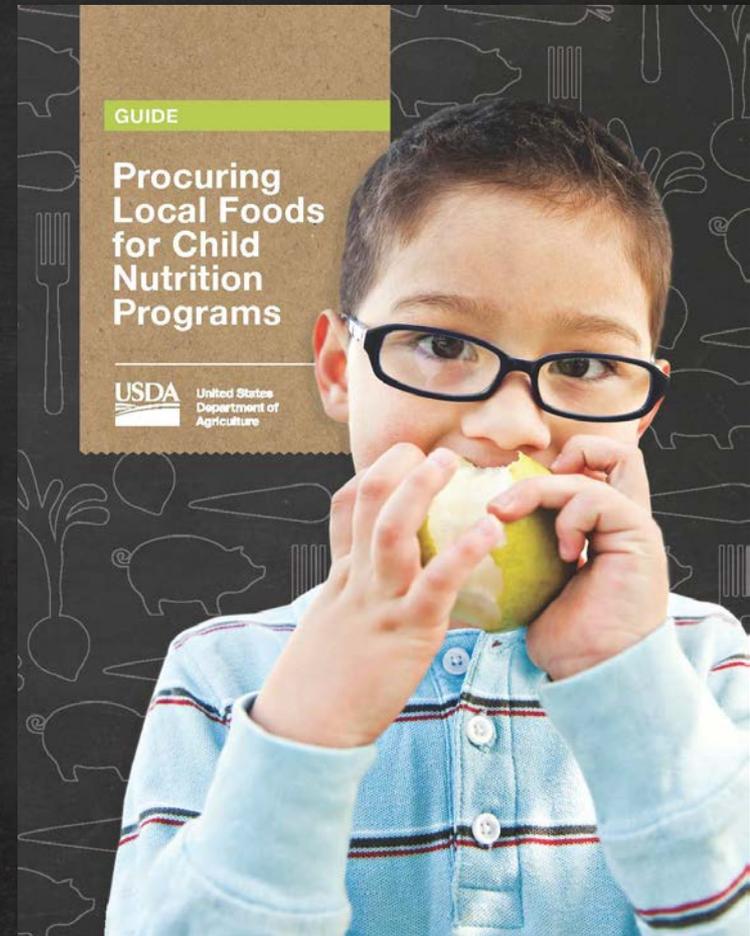


# Local Procurement Guide

Available at

[www.fns.usda.gov/farmentoschool/procuring-local-foods](http://www.fns.usda.gov/farmentoschool/procuring-local-foods)

(the Resources page on the USDA Farm to School website)



# The USDA Farm to School E-letter!

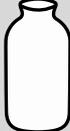
Delivered every other Tuesday, chock full of updates, webinar info, relevant news, and field notes!



Subscribe at [www.fns.usda.gov/farmentoschool](http://www.fns.usda.gov/farmentoschool)



# Upcoming Webinar on February 19: Farm to School Menu Planning

Monday	Tuesday	Wednesday	Thursday	Friday
 Submarine Sandwich on <b>Whole Grain Roll</b>	 Whole Wheat Spaghetti with <b>Meat Sauce</b>	Chef Salad  <b>Local Spanish Rice            with Corn</b>	 <b>Oven-Baked            Local Fish Sandwich            on a Whole Grain Roll</b>	Whole Wheat <b>Cheese</b> Pizza
Refried Beans	Whole Wheat Roll	 <b>Carrots</b>	Mashed Potatoes	Baked Sweet Potato Fries
Jicama	Green Beans	Banana	Steamed Broccoli	<b>Grape Tomatoes</b>
 <b>Fresh Peas</b>	<b>Broccoli &amp;            Cauliflower</b>	 <b>Skim Milk</b>	 <b>Canned Pears</b>	 <b>Strawberries</b>
Cantaloupe Wedges	Kiwi Halves		<b>Skim Milk</b>	<b>Low-fat Milk</b>
<b>Skim Milk</b>	<b>Low-fat Milk</b>			

# Thank You! Questions?

To Receive your SNA CEU certificate  
email Bob at:

[Robert.gorman@fns.usda.gov](mailto:Robert.gorman@fns.usda.gov)

