Buying Local Foods
For Child Nutrition Programs

Community Health Improvement Partners
April 10, 2015

Welcome!
Overview

- What is local?
- Procurement principles and methods
- Opportunities for targeting local products
- Local Procurement in Action: San Diego Unified
- Discussion Groups/Hands-on Work
- Resources
What is Local?
What Types of Products?

- Vegetables
- Meat, Poultry, and Fish
- Beans, Grain, and Flour
- Dairy
- Fruit
- Eggs
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
Section Summary

• Local can span the school meal tray.
• Local is defined by the SFA.
• The definition of local can vary and should serve specific goals.
• Some products have characteristics that make them likely to be local (e.g. milk); many districts acquire local products with minimal effort.
How to Buy Locally and Correctly!
Which Part of the Dollar are We Talking About?

Cash Reimbursement  DoD Fresh  USDA Foods

USDA
THE FARM TO SCHOOL PROGRAM
Procurement Regulations

• Have a purpose, really!
• Help you get the best quality and price
• Ensure that program benefits (and taxpayer dollars!):
  » Are received by eligible schools and children
  » Are used effectively and efficiently, with no waste or abuse
• Leave room for flexibility and innovation
What Is Procurement?

Procurement is the purchasing of goods and services. The procurement process involves:

1. Planning
2. Drafting Specifications
3. Procurement Principles
4. Awarding a Contract
5. Managing the Contract
4 Key Concepts

1) American Grown
2) Knowledge of State and Local Regulations
3) Competition
4) Responsive and Responsible
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.
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;
• Give noncompetitive awards to consultants or vendors;
• Have organizational conflicts of interest;
• Specify only brand name products;
• Make arbitrary decisions in the procurement process;
• Write bid specifications that are too narrow and limit competition;
• Allow potential contractors to write or otherwise influence bid specifications; or,
• Provide insufficient time for vendors to submit bids.

• Use local as a product specification.
IMAGINARY PUBLIC SCHOOL DISTRICT
Purchasing Department

123 Lane
Not Real City, Not Real State 97215
Phone: 971.400.1234

RFP A9338-E
Locally Grown Fresh Fruits and Raw Vegetables

(200 mile radius from fake district,
including Wisconsin, Iowa and North Dakota)

Due by 2:00 PM, July 20, 2009
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.
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
Procurement Methods

\[ \leq \text{Small Purchase Threshold} > \]

(Federal Threshold = $150,000)

- **Informal**
  - Small Purchase
    - (Requires price quotes from at least 3 bidders)
  - Micro Purchase
    - Noncompetitive Purchase
      - (value of purchase may not exceed $3,000)

- **Formal**
  - Sealed Bids (IFBs)
  - & Competitive Proposals (RFPs)
    - (Requires public advertising)
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

1. Draft specifications in writing
2. Identify and notify at least 3 sources eligible, able, and willing to provide products
3. Evaluate bidders’ responses to your specifications
4. Determine most responsive and responsible bidder at lowest price and award contract
5. Manage the contract
“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 with specifications (or if calling, read same information to each vendor)

Bid Documentation
• Write down each vendor’s bid and constraints; then file it.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Art’s Apples</th>
<th>Olivia’s Orchard</th>
<th>Apple Crunch Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price/box</td>
<td>$40</td>
<td>$47</td>
<td>$37</td>
</tr>
</tbody>
</table>
The Formal Procurement Process

1. Develop solicitation
2. Publicly announce the IFB/RFP
3. Evaluate bidders’ responses to your specifications
4. Award the contract to the most responsive and responsible bidder at the lowest price
5. Manage the contract to ensure compliance
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.
Section Summary

• Products served through federal school meal programs must be grown in the United States.

• Schools must know and understand state and local rules.

• Full and open competition is essential.
  » Local cannot be a vendor or product specification.

• Vendors must be responsive and responsible.

• Know when and how to use the informal procurement method.

• Understand how to use the informal method to easily purchase local foods.
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**
Sections of a Solicitation

- Contract Type
- **Introduction/Scope**
  - Ex. Farm to school is a district priority and we want to include as many local products 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
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.
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 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 to Target a Local Item

Consider requesting:

- A variety that is unique to the region
- Product delivery within 24 or 48 hours of harvest
Example: Use Product Specifications

Product Specification

- Granny Smith,
- US. Fancy,
- Five 185 count boxes per week for September - December
Example: Use Product Specifications

Product Specification

- Granny Smith or local variety,
- US. Fancy or No. 1,
- Prefer five 185 count boxes per week but willing to consider other pack sizes for September – December
- Delivered within 48 hours of harvest
Sections of a Solicitation

• Contract Type
• Introduction/Scope
  » Ex. Farm to school is a district priority and we want to include as many local products 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
Remember that you must award to a vendor who is both responsive and responsible!

Evaluate responsiveness in any procurement method – IFB, RFP or Informal.

All vendors must be able to provide the products you need to be considered responsive. Vendor requirements may include the ability to provide:

» Farm visits
» State, county, farm of origin labeling
» Products grown on a certain size farm
**Example: Use Criteria to Determine Responsiveness**

**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

<table>
<thead>
<tr>
<th>Contractor able to meet all specifications</th>
<th>Apple Lane</th>
<th>Great Granny’s</th>
<th>Fred’s Fuji’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product quality</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Delivery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packaging and Labeling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three references, past history</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Example: Use Criteria to Determine if a Vendor is Responsive & Responsible

<table>
<thead>
<tr>
<th></th>
<th>Apple Lane</th>
<th>Great Granny’s</th>
<th>Fred’s Fuji’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractor able to meet all specifications</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Product quality</td>
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<tr>
<td>Delivery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packaging and Labeling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three references, past history</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Able to provide 3 school district references</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Able to provide state of origin on all products</strong></td>
<td>--</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Delivered within 24 hours of harvest</strong></td>
<td>--</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Successful track record of working with local producers</strong></td>
<td>--</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Sections of a Solicitation

• Contract Type

• Introduction/Scope
  » Ex. Farm to school is a district priority and we want to include as many local products 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
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
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

<table>
<thead>
<tr>
<th></th>
<th>Apple Lane</th>
<th>Great Granny’s</th>
<th>Fred’s Fuji’s</th>
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</thead>
<tbody>
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<td>Price = 60</td>
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<td>Contractor able to meet all specifications</td>
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<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Product quality = 15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery = 10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packaging and Labeling = 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three references, past history = 10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>100 possible points</td>
<td>65</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>
**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

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<th>Apple Lane</th>
<th>Great Granny’s</th>
<th>Fred’s Fuji’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price = 40</td>
<td>30</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>Contractor able to meet all specifications</td>
<td>25</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Product quality = 15</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Packaging and Labeling = 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three references, past history = 10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Able to provide classroom visits = 5</strong></td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td><strong>Able to provide state of origin on all products = 5</strong></td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Delivered within 24 hours of harvest = 10</strong></td>
<td>0</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td><strong>100 possible points</strong></td>
<td>65</td>
<td>95</td>
<td>92</td>
</tr>
</tbody>
</table>
Sections of a Solicitation

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

What the rule does:

1. Grants authority to school food authorities to define local.
2. Defines unprocessed agricultural products.
3. Clarifies that a preference is a preference, not a specification.
What Is “Unprocessed”? 

“Unprocessed” agricultural products retain their inherent character. These are the allowed food handling and preservation techniques:

- Cooling, refrigerating, and freezing
- Peeling, slicing, dicing, cutting, chopping, shucking, and grinding
- Forming ground products into patties
- Drying and dehydrating
- Washing, packaging, vacuum packing, and bagging
- Adding preservatives to prevent oxidation
- Butchering livestock or poultry
- Pasteurizing milk
10 points will be awarded to bids for apples grown within 100 miles of the school board office.
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.
# Geo. Preference Sliding Scale

<table>
<thead>
<tr>
<th>Sliding scale – percentage of local products</th>
<th>Preference points</th>
</tr>
</thead>
<tbody>
<tr>
<td>70% and more</td>
<td>10</td>
</tr>
<tr>
<td>50-69%</td>
<td>7</td>
</tr>
<tr>
<td>25-49%</td>
<td>5</td>
</tr>
</tbody>
</table>

10 preference points will be awarded to vendors able to provide over 70% local, 7 points for 50-69% and 5 points for 25-49%.
### Example 3: Geo Pref. in an RFP

<table>
<thead>
<tr>
<th></th>
<th>Laurie’s Legumes</th>
<th>Paula’s Pulses</th>
<th>Gary’s Grains</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price = 40</td>
<td>30</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>Contractor able to meet all specs</td>
<td>25</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Product quality = 15</td>
<td></td>
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<td></td>
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<tr>
<td>Packaging and Labeling = 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three references, past history = 10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Able to provide farm/facility tour or classroom visits = 5</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Able to provide state of origin on all products = 5</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Able to provide products from within the state = 10</td>
<td>0</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>100 possible points</td>
<td>65</td>
<td>95</td>
<td>97</td>
</tr>
</tbody>
</table>
Section Summary

• There are two ways to structure a solicitation under the formal procurement method.

• The desire for local can be included in several different places of a solicitation.

• Geographic preference can be applied in many different ways.

• Geographic preference is just one tool schools can use to purchase local products.
Questions?
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 2008 FARM BILL directed the Secretary of Agriculture to encourage schools to purchase locally grown and locally raised products "to the maximum extent practicable and appropriate."

Further, the Secretary was instructed to allow schools to use a "geographic preference" when procuring locally grown and locally raised unprocessed agricultural products.

There are many ways for schools to buy local products for use in federal school meals programs (see USDA's 10 Facts About Local Food in School Cafeterias). While using geographic preference is not the only option for local food procurement, it is a powerful tool, and particularly useful in formal solicitations where respondents are ranked and scored.

Types of products

The ability to apply a preference for local products applies only to unprocessed or minimally processed items. The geographic preference rule does not apply to any products that have been cooked, heated, canned, or otherwise processed or altered. It can be applied to a wide array of products that meet the definition of unprocessed or minimally processed such as various forms of fruits, vegetables, meats, fish, poultry, dairy, eggs, and grains.

How to define local?

Definitions for local vary widely depending on the unique geography and climate where a school is located and on the abundance of local food producers and manufacturers. Many schools define local as within a certain number of miles from the school, within the county, or within the state. Alternatively, definitions might include more than one state (e.g., Georgia, Alabama, and Florida) or discrete parts of several states (i.e., specific counties in southwest Washington, northeast Oregon, and Idaho). In addition, many schools use different definitions of local depending on the product or season. Also, please note that when applying geographic preference, origin is tied to the agricultural product, not the location of the respondent.

Who defines local?

Schools define what they mean by local. While many state and local governments have adopted definitions of local such as "within the state" or "within the county," schools using a geographic preference when sourcing food for the federal school meal programs are under no obligation to adopt any definition for local that might be in existence in local areas.
Local Procurement Guide

Available on the Procuring Local Foods page of 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/farmtoschool
Questions?