

Buying Local Foods

For Child Nutrition Programs

Community Health Improvement Partners

April 10, 2015

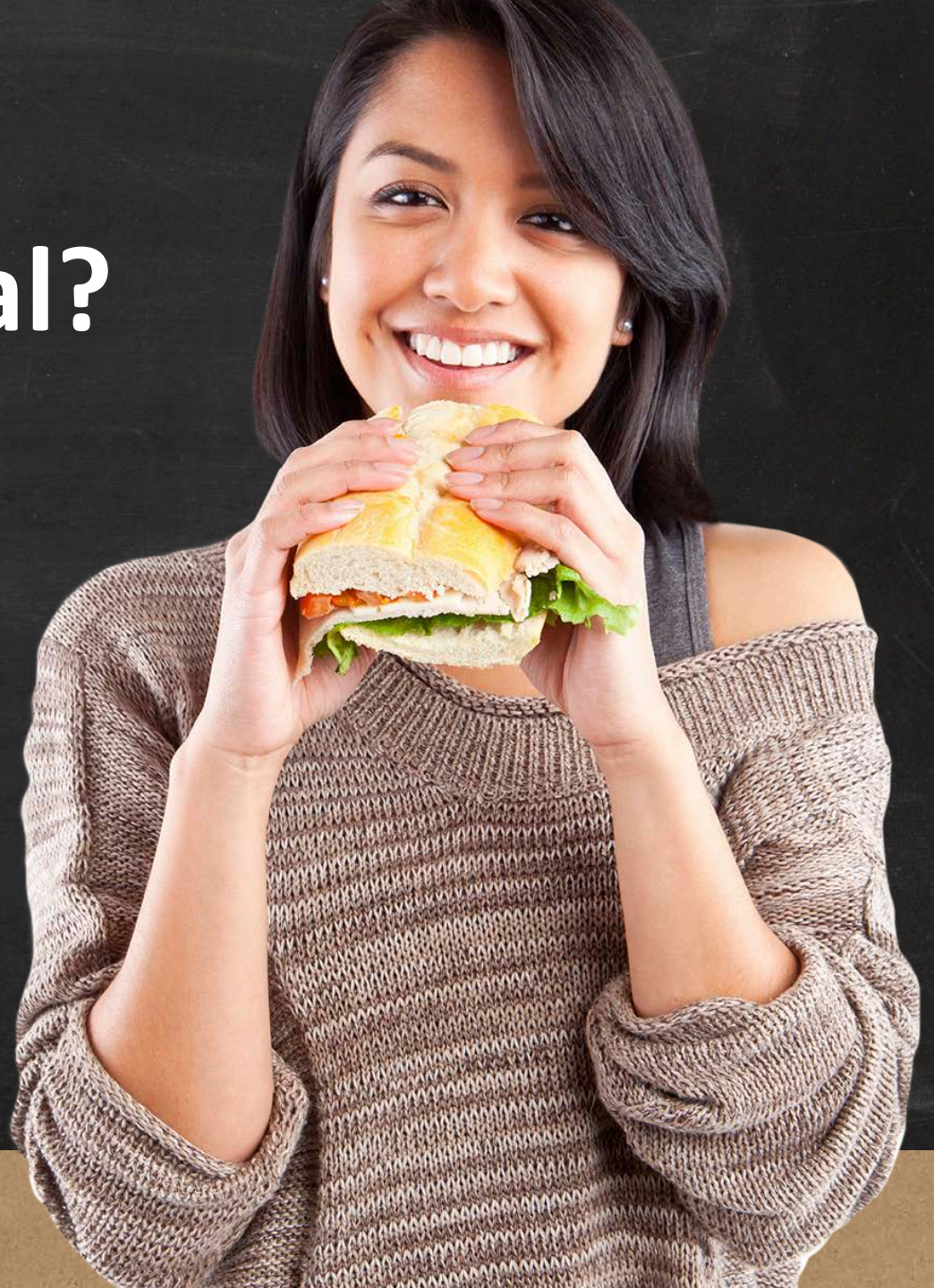
Welcome!



Overview

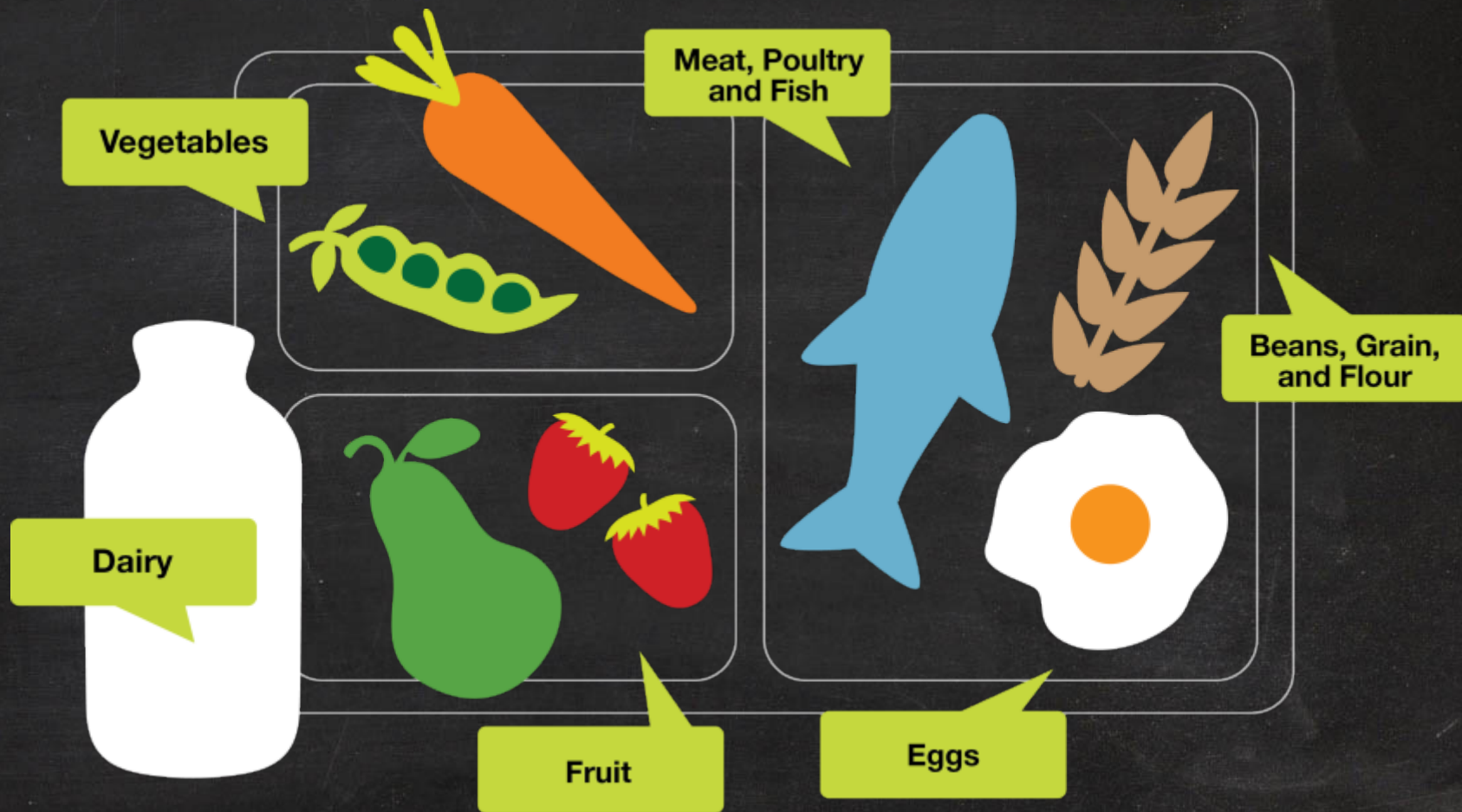
- What is local?
- Procurement principles and methods
- Opportunities for targeting local products
- Local Procurement in Action: San Diego Unified
- Discussion Groups/Hands-on Work
- Resources

What is Local?



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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



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!



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Which Part of the Dollar are We Talking About?



Cash Reimbursement

DoD Fresh USDA Foods



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:





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.

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;
- 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

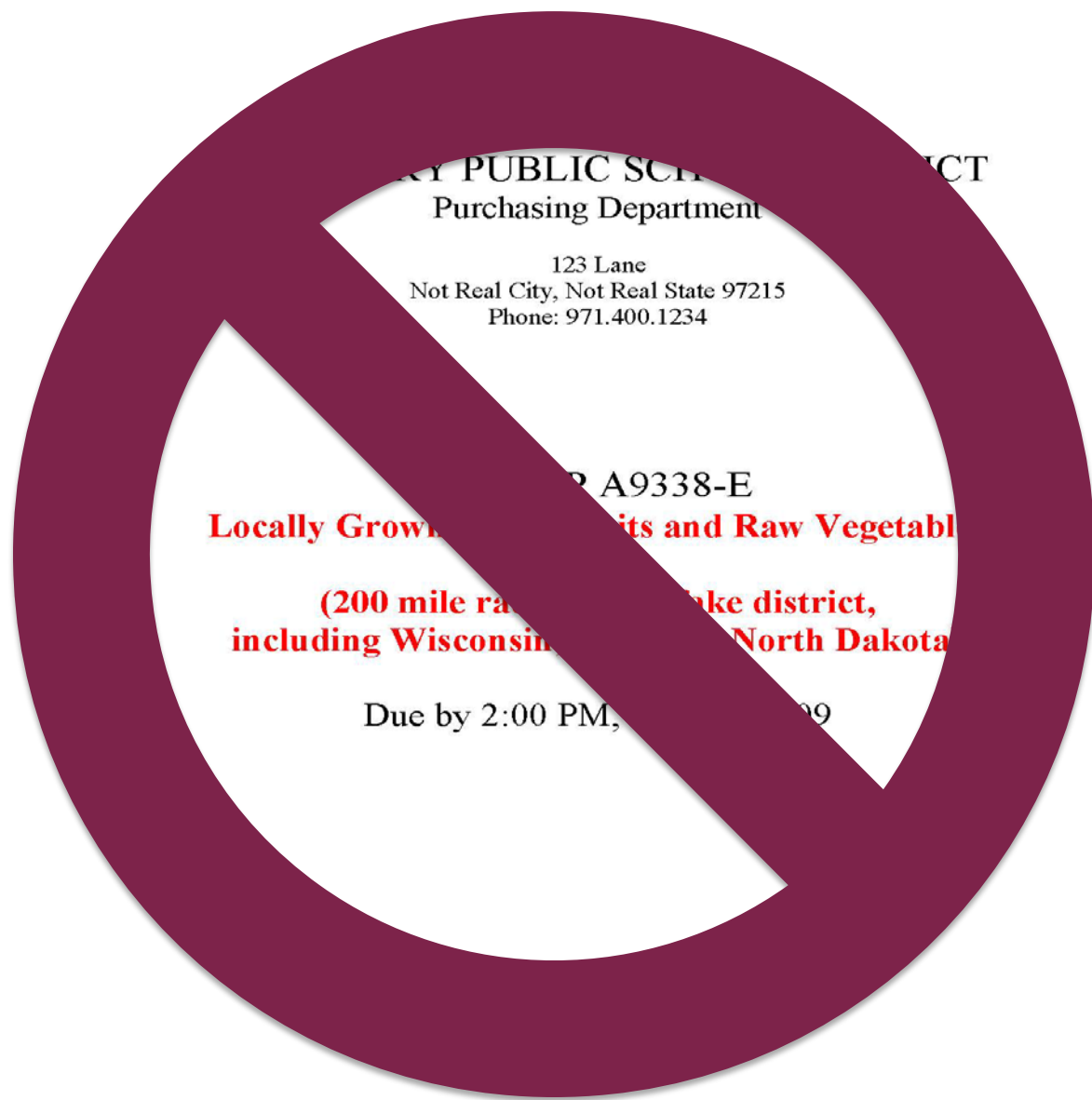
123 Lane
Not Real City, Not Real State 97215
Phone: 971.400.1234

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





NOT A REAL CITY PUBLIC SCHOOL DISTRICT
Purchasing Department

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

RFQ A9338-E

Locally Grown Fruits and Raw Vegetables

**(200 mile radius of Lake district,
including Wisconsin and North Dakota)**

Due by 2:00 PM, 11/19/09

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



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Procurement Methods

\leq 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





“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 |

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.

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
- Geographic Preference*



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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 to Target a Local Item

Consider requesting:

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

A decorative header featuring a repeating pattern of white line-art icons on a dark background. The icons include carrots, piggy banks, and stylized trees.

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

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Use Additional Requirements to Determine Vendor Responsiveness

- 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

| | Apple Lane | Great Granny's | Fred's Fuji's |
|--|------------|----------------|---------------|
| Contractor able to meet all specifications | ✓ | ✓ | ✓ |
| Product quality | | | |
| Delivery | | | |
| Packaging and Labeling | | | |
| Three references, past history | ✓ | ✓ | ✓ |



Example: Use Criteria to Determine if a Vendor is Responsive & Responsible

| | Apple Lane | Great Granny's | Fred's Fuji's |
|---|------------|----------------|---------------|
| Contractor able to meet all specifications Product quality Delivery Packaging and Labeling | ✓ | ✓ | ✓ |
| Three references, past history | ✓ | ✓ | ✓ |
| Able to provide 3 school district references | ✓ | ✓ | ✓ |
| <u>Able to provide state of origin on all products</u> | -- | ✓ | ✓ |
| <u>Delivered within 24 hours of harvest</u> | -- | ✓ | ✓ |
| <u>Successful track record of working with local producers</u> | -- | ✓ | ✓ |



Sections of a Solicitation

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 - » 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)
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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 | 25 | 30 | 30 |
| Product quality = 15 | | | |
| Delivery = 10 | | | |
| Packaging and Labeling = 5 | | | |
| 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 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 |



Sections of a Solicitation

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 - » Ex. Determine responsive and responsible vendors
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Geographic Preference



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

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.



Geo. Preference Sliding Scale

| Sliding scale – percentage of local products | Preference points |
|--|-------------------|
| 70% and more | 10 |
| 50-69% | 7 |
| 25-49% | 5 |

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

| | Laurie's Legumes | Paula's Pulses | Gary's Grains |
|---|------------------|----------------|---------------|
| 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 |
| Able to provide farm/facility tour or classroom visits = 5 | 0 | 5 | 5 |
| Able to provide state of origin on all products = 5 | 0 | 5 | 5 |
| Able to provide products from within the state = 10 | 0 | 10 | 7 |
| 100 possible points | 65 | 95 | 97 |

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?



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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 the USDA Farm to School website. The 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 present. Below the header, there are tabs for "Programs", "Data", "Newsroom", "Research", and "Forms". A sidebar on the left lists "Farm to School" resources: Census, Fact Sheets, Farm to School Grants, State Contacts, USDA Farm to School Staff, Webinars, and Resources. It also includes a "See Also" section with links to Agricultural Marketing Service, Know Your Farmer, Know Your Food, Cooperative Extension Offices, USDA Food Hubs, and Food Environment Atlas. The main content area features a large image of a school cafeteria tray with local products like cheese, chips, and fruit. 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 visible in the top right corner of the main content area.

USDA United States Department of Agriculture Food and Nutrition Service

Programs Data Newsroom Research Forms

Home » Other Resources

Farm To School

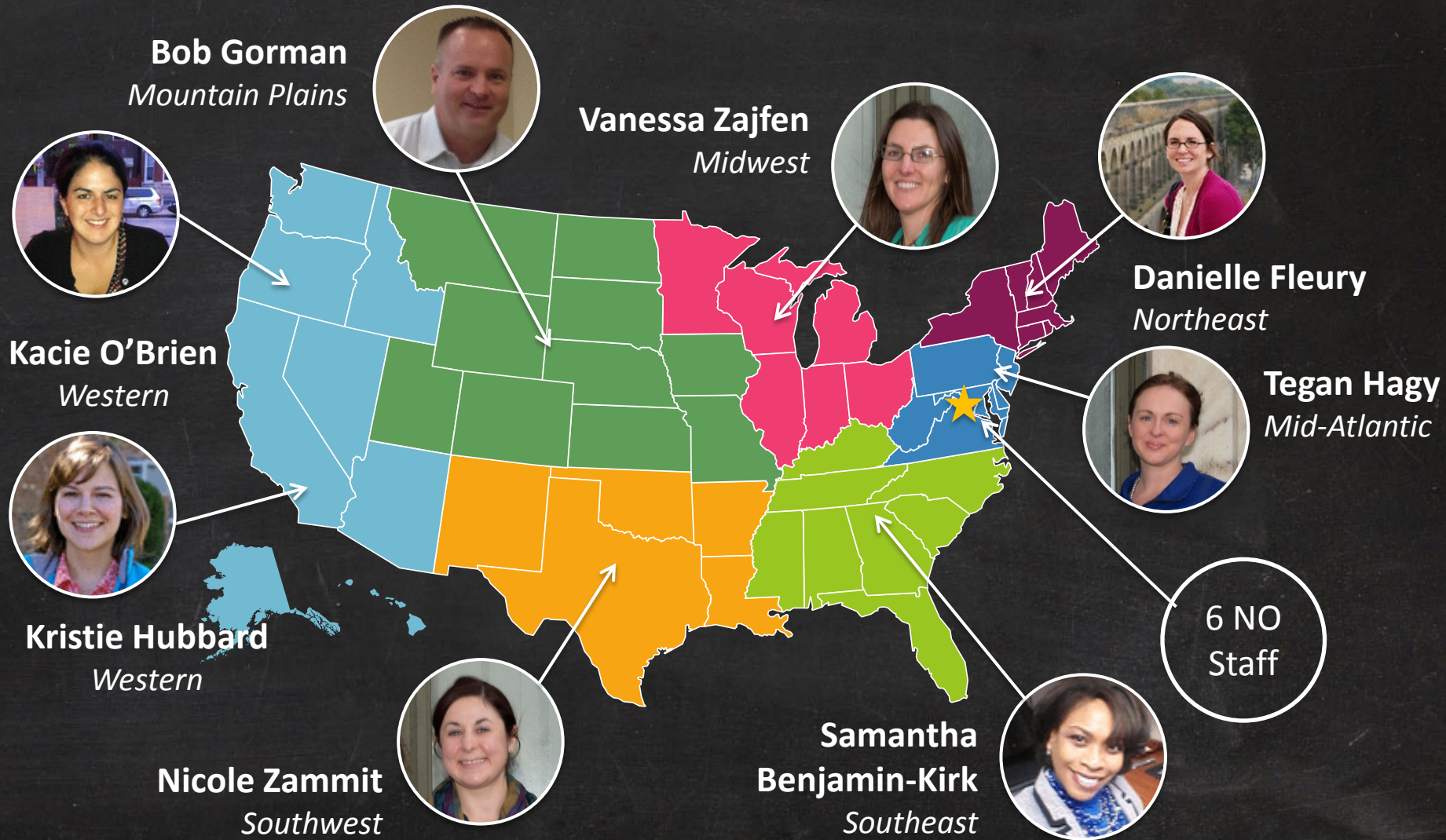
Print

On the Tray
Local and regional products of all kinds are offered in school cafeterias. (Photo Credit: Courtesy of Ecotrust)

4 of 6



The USDA Farm to School Team



10 FACTS ABOUT SCHOOL LUNCHES

1. USDA supports local food

In USDA's vision of agriculture and the norm, not the exception.

2. The definition of local food

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 (i.e., 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.

3. Many local products

Some products, such as fluid milk, are perishable and must be purchased on school menus. California serves fluid milk while schools in other states serve products that are generally easier to store.

SELLING TO SCHOOLS

ACROSS THE COUNTRY, school districts have turned to USDA to provide opportunities for students that are a local food processor, baker, or farmer. USDA's role in providing breakfast, lunch, and students about food.

Selling to Schools

School food service is tight budgets, but of revenue and a source of income. Schools buy local products through channels. Some pick up orders at products through Fresh vendors. Some have been turned into products while others seek or use for scratch. Explore to partner.

1) Selling directly

Districts receive a weekly, or daily, delivery of products for administration and federal child nutrition.

USDA PURCHASING

THE DEPARTMENT OF AGRICULTURE has 47 states, territories, and the District of Columbia received more than \$1 billion in USDA purchases.

How Do We Buy?

The Department of Agriculture contracts with vendors to provide school lunches served in schools. Schools can purchase products from a vendor service that analyzes the market on a weekly basis.

What are the benefits?

- * Flexibility: on a monthly basis, schools can purchase products that are not available in the state.

* Consistent

weekly, or daily, delivery of products for administration and federal child nutrition.

USDA FOR B

USDA FOODS is a USDA program that offers agricultural products to schools. Offerings include dried fruits and vegetables, whole wheat grain, and more.

In order to access USDA Foods, a school must be a USDA Foods participant. The USDA Foods program is allocated \$1 billion in USDA Foods products to be used in the 10-15% of the value of the National School Lunch Program.

USDA Foods

Maximizes Food

In a time of tight budgets, schools would otherwise have to purchase products for local food products that are not available in the state.

“USDA is available to schools more than I could have imagined.”

- Andrea Harrison

GET RES

WHETHER you are a school district or a local food producer, there are many ways to get USDA Foods.

USDA F

The USDA Foods program is a USDA program that offers agricultural products to schools. Offerings include dried fruits and vegetables, whole wheat grain, and more.

Names and addresses of USDA Farm to School programs are available on the USDA website: www.usda.gov/farmtoschool



Mid-Atlantic
Midwest
Mountain
Northeast

For more information, visit www.usda.gov/farmtoschool or call 1-800-858-5858.

USDA is an equal opportunity provider.

GEOGRAPHIC PREFERENCE

What it is and how to use it



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 that have any additives or fillers. 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 (i.e., 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?

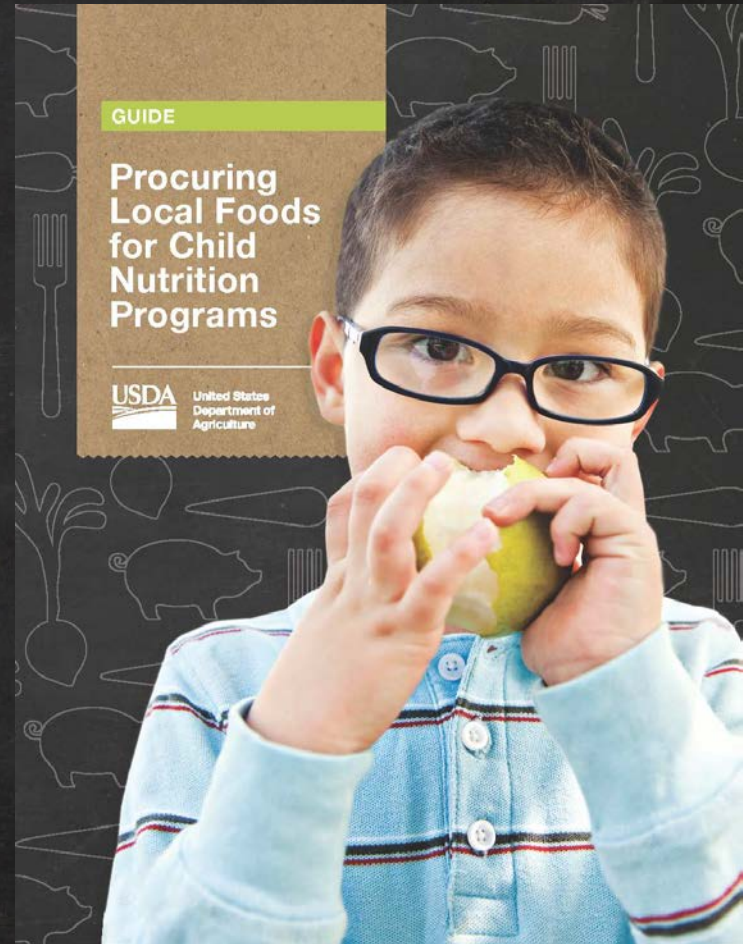
Schools define what they mean by local. While many state and/or local governments have adopted definitions of local such as “within the state” or “within the county,” schools using a geographic preference when sourcing food for the federal school meal programs are under no obligation to adopt any definition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

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Local Procurement Guide

Available on the Procuring
Local Foods page of the USDA
Farm to School website:

<http://www.fns.usda.gov/farmtoschool/procuring-local-foods>



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



Questions?



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