

Procurement, Local Foods, and Farm to School



**NYS DEPARTMENT OF EDUCATION
CHILD NUTRITION PROGRAM ADMINISTRATION**

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Professional Standards for State and Local Nutrition Program Personnel Final Rule



- Effective July 1, 2015
- This webinar will contribute **1.5 Training Hours** towards the Professional Standard training requirements
- Required to track the number of training hours earned each year and maintain documentation of the trainings attended
- SED prototype tracking excel document for School Food Service Directors is located on the CNKC

Regulatory Authority



- **7 CFR**

- Part 210– National School Lunch Program
- Part 215– Special Milk Program
- Part 220– School Breakfast Program
- Part 235– State Administrative Expense
- Part 245– Free and Reduced Price Eligibility
- Part 3052- Audit Requirements
- 2 CFR 200- Procurement



- **Public Law 111-296 (Healthy, Hunger-Free Kids Act of 2010)**

- **2 CFR 200 Procurement-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule**

- **All USDA, SED guidance, memos, and instructions**



PROCUREMENT

Procurement



- **Obtaining goods and/or services**
 - At the best possible price
 - Multi-step process
 - Proper planning is worthwhile and critical
 - Systematic approach



Principles of Good Procurement



- Free and open competition
- Fairness and integrity
- Responsive and responsible vendor



Restrictive Competition



- Procurement procedures may never unjustifiably restrict or eliminate competition
- Examples
 - Placing unreasonable requirements on distributors in order to qualify
 - Having organizational conflicts of interest
 - Having unnecessary bonding and experience requirements
 - Specifying only a brand name product instead of allowing a preapproved equal product to be offered

Procurement: A multi-step process



- Menu
- Procurement procedures
- Forecasting
- Selecting the proper procurement method
- Developing a solicitation
- Advertising the solicitation
- Evaluating proposals/offers
- Awarding the Contract
- Managing the Contract



Procurement Plan



- Required by regulations
- Helps to determine procurement methods to be used
- Identifies parties that will address issues raised
- Includes a written code of standards of conduct to prohibit conflicts of interest



What should I include in my procurement plan?



- Definitions
- Basic Organizational Concepts
- Source Selection
- Specifications
- Buy American
- Minority/Women-Owned Businesses
- Conflict of Interest / Code of Conduct policy



Buy American



- **Requirements**

- Purchase domestic commodities and products that are
 - ✦ produced in the US, or
 - ✦ processed using agricultural commodities produced in the US.
- Include in all solicitation and contract documents

- **Best Practices**

- Country of origin on all products and invoices
- Specification in solicitations and contracts that only 100% domestically grown and processed products are approved for purchase



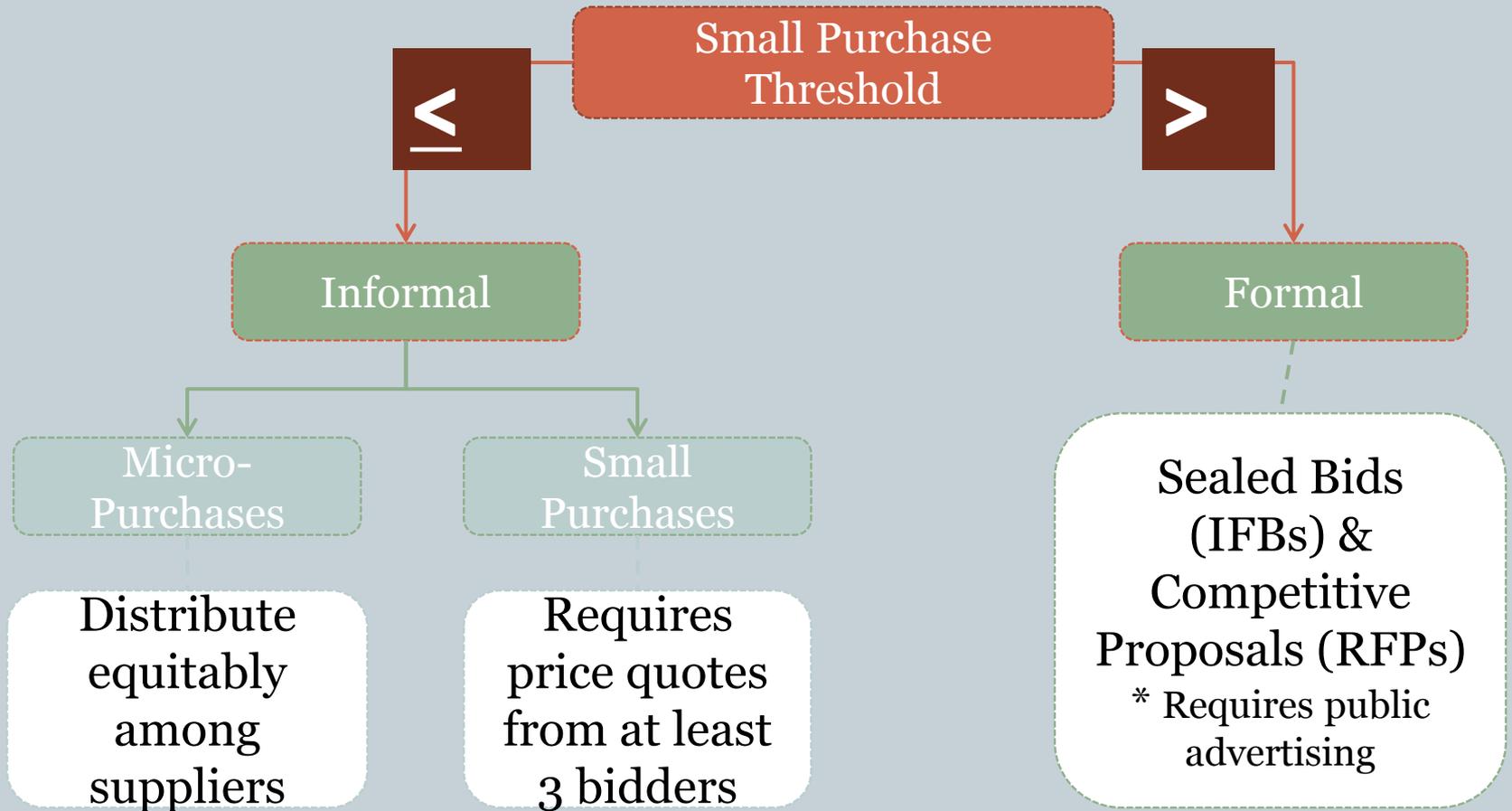
Geographic Preference



- Encourages the purchase of unprocessed agricultural products locally grown and raised
- Optional



Procurement Methods



Which Regulation Applies?



- **Non-public Schools and Charter Schools**
 - Federal Small Purchase threshold \$150,000 unless your governing board has a more restrictive threshold.
- **Public Schools**
 - GML § 103 small purchase threshold \$20,000
 - Exceptions
 - Emergency
 - Sole Source
 - Exemptions
 - GML 103(9): NYS Eggs, livestock, fish, dairy products (excluding milk), juice, grains, and fresh fruit & vegetables purchases using $$.20 \times \text{Days} \times \text{Enrollment}$, up to \$150,000
 - GML 103(10): Milk purchases $$.25 \times \text{Days} \times \text{Enrollment}$ up to \$150,000
 - GML 104: “Piggybacking” <http://www.ogs.ny.gov/PNS/default.asp>

Micro-Purchase



- Aggregate dollar amount \$3,500 or less
- Distribute equitably among qualified suppliers
- Quotes not required if SFA considers the price to be reasonable
- Buy American in effect



Micro-Purchase: Examples



- A small SFA is making purchases for food at local grocery stores and does not have adequate storage. The total cost per week is well under \$3,500
- A SFA wants to procure fresh produce on a monthly basis due to fluctuating prices in the produce market.
- A SFA's dishwasher breaks mid-week. The repairs will cost less than \$3,500.

Micro Purchase: Implementation



- Maximize purchasing during a single transaction
- Do NOT deliberately buy smaller quantities to stay under the micro-purchase threshold
- Avoid choosing the same vendor/supplier for each purchase
- Verify the reasonableness of a price
- Maintain documentation



Small Purchases



- Purchases equal to or under small purchase threshold
- Informal procurement methods
- Competition must still occur
- Develop written specifications
- Request the same information from all prospective vendors
- Obtain three sources that are eligible, able, and willing

Formal Procurement Methods

- Value of purchase **exceeds** Federal, State, or local small purchase threshold
- More rigorous and prescriptive:
 - Competitive Sealed Bidding (IFB)
 - Competitive Negotiation (RFP)



Invitation For Bid



- Bids that are publicly solicited and a firm fixed price contract is awarded to the lowest responsive and responsible bidder
- A complete, adequate, and realistic specification or purchase description is available
- Two or more responsible bidders are willing and able to compete effectively for the business
- Rebates discounts and credits do not have to be returned to the nonprofit food service account as the vendor factors this into their price

Request for Proposal (RFP)



- Proposal that explains how the prospective vendor will meet the objectives of the solicitation document
- Includes a cost element that identifies the costs to accomplish the proposal
- Identify goods, products, and/or services needed
- Publicize
- Used to solicit proposals



Components of the RFP



- State purchasing agency's need
- Specify anticipated terms and conditions
- Provide information that the respondent must include in their proposal
- Identify factors for evaluation and award
- Describe how technical and cost factors will be considered
- Award will be made to the firm most advantageous to purchasing agency



Noncompetitive Proposal



- Use when competition is deemed inadequate due to emergency
- Item is available only from a single source
- Competition is determined inadequate
- Negotiations must include same procedures as competitive proposals

Best Practices



- Consult your school's attorney for questions regarding local procurement laws
- Always ensure enough time for the entire procurement process
- Advertise for bids in the official newspaper(s) or newspapers designated for such purpose



SFA Procurement Review



- Procurement table
 - SFA staff
 - Vendor names
 - Goods/services provided
 - Total amount paid and number of purchases to vendor
 - Number of bids received
- Procurement Policy/Standards
- Code of Conduct
- Summary of Expenditures
- In-depth review of selected procurements
- Review of written procurement procedures





**FARM TO SCHOOL AND
PROCURING LOCAL
FOODS**

Farm to School



- The opportunities for serving local foods in Child Nutrition Programs are abundant
- Farm to School Programs stimulate local and regional economies, improve children's health and nutrition and create widespread school and community benefit



Defining Local



- **Who defines local?**
- School Food Authorities
- How?
- Within a mile radius
- Within a county or state
- Within a region



Sources of Local Foods



- Distributors
- Food Service Management Companies
- Food Processors
- Individual Producers/Farmers
- Producer Co-Ops/
Food Hubs



Getting Started



- **Harvest of the month program:**
 - Pick one seasonal item to highlight each month your program is in operation. Feature special menu items, taste tests, or educational activities to showcase local products.
- **Ingredient substitution:**
 - Look for ways to trade out items in recipes to highlight local foods when they are available in your area.



Getting Started



- **Seasonal cycle menus:**

- Plan what to serve based on the season as an excellent way to keep menus fresh and to find local foods at an affordable price

- **Salad Bar:**

- Kids love to help themselves! Feature local foods on salad bars in order to highlight local produce and allow kids to choose new foods on their own.

- **Themed menus for special events:**

Celebrate the season! Include local items to compliment special events, such as summer kick-offs, back to school BBQs, holiday harvest meals, or spring flings.



Developing a Plan



- 1) Consider capacity
- 2) Think about scope
- 3) Identifying sources



Purchasing Local Foods



- Source more foods locally
- Provides complementary educational activities
- Enriches the students' bodies and minds
- Supports local economies

Local Foods-Free and Open Competition



- Allows significant planning time
- Ensures free and open competition
- Check with local and state health departments



Local Definition



- There are many ways that an SFA may decide to define the term local depending on the unique geography and climate where it is located and on the abundance of local food producers
- Examples:
 - Within a certain number of miles from the school
 - Within the state
 - Within the county
 - Surrounding states



Purchasing Local Foods-Sources



- Buy directly from producers
- Obtain from third parties to source, process, and deliver local foods



Directly from the Producer



- Contracts in advance of the growing season
- Farmers' markets
- Produce Auctions
- Directly from individual producers



From Food Processers



- Local foods prepared into ready-to-eat items
- Convenient when kitchen capacity or staff time is limited



Purchasing Local Unintentionally



- Work with distributors to identify origin of food
- Include foods in tally of local purchases
- Reach out to local suppliers
- Invite suppliers to classrooms



Purchasing Local



- Related characteristics in specifications
- Approaching only local sources
- Using food service management companies
- Using competitively procured distributors
- Using the DoD Fresh Program
- Applying a Geographic Preference



Purchasing Local by Including Related Characteristics in Specifications



- Freshness
- Ripeness
- Time elapsed between harvest and delivery
- Local varieties



Purchasing Local by Approaching Only Local Sources



- Must always follow federal procurement rules
- Contact local producers
- Approach Vendors at farmers' markets
- Post specification on an email list to producers



Local by Working with a Food Service Management Company



- How and when they wish to have local food purchased
- How local foods are used in the meals
- Source local foods



Local Foods from a Competitively Procured Distributor



- Provide a definition of local to the distributor
- Include local and non-local products in contract list
- Suggest specific producers to distributor



USDA Resources



- Resources for all procurement, local foods, and farm to school needs available on FNS website.
 - <http://www.fns.usda.gov/farmentoschool/farm-school-resources>
- Grants, Webinars & Videos, Policy Memos, Fact Sheets, Lesson Plans, Recipes & Menus, etc.
 - USDA's Farm to School Planning Toolkit
 - ✦ Tips, examples, and insight from other professionals.
- Sign up for USDA's Community Food Systems E-letter!
 - *The Dirt*-delivered every other Tuesday
 - ✦ Contains updates, webinar info, relevant news, and field notes.





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