



February 2009

Lunch Line

A Newsletter of the Food Distribution Program

Department of Administrative Services

Say it isn't so, ECOS is going away?

Web-based Supply-Chain Management (WEBSCM) is the new system USDA plans to rollout to states and recipient agencies by December 31, 2009. It will replace the Electronic Commodity Ordering System (ECOS). Still in the design phase, the new paperless system is bound to be a dramatic change.

What does this mean for us here in Connecticut? Well, it means that USDA, further processes, our office, Sysco, and the schools will all be learning the new system at the same time. We will keep you posted on the progress of this project.

Here's a link to the USDA website with more information about the WEBSCM project: <http://www.fns.usda.gov/fdd/pcims/WBSCM/FNS-WBSCMNewsletterJanuary2009.pdf>

Sysco Contract Under Review

On January 12, 2009, Governor Rell announced additional measures to reduce government costs including the review of all existing state contracts. The Governor announced that a "SWAT" team comprised of staff from the Department of Administrative Services Procurement Division and Office of Policy and Management officials will conduct a review of contracts by state agency, quasi-public agency and higher education constituent units. **The goal of this review is to sharply curtail the dollar value of these contracts – in many cases, by terminating them altogether, seek to renegotiate the rates paid by the state, or by terminating the existing agreement and rebidding the contract.**

The DAS/OPM review team is to report back to the Governor within 10 days on potential cost savings. Examples of spending on goods and services that will be eliminated altogether include all subscriptions; window cleaning and landscaping services; promotional items such as hats, calendars, magnets and other giveaways; athletic, exercise and recreational equipment; and other non-essential purchases. The state will seek lower rates for such goods and services as architectural and other professional services; certain health care services; and office supplies.

The Sysco contract is still under review and as soon as FDP knows if there are any changes, we'll let you know.

Beef, Fruits and Vegetables

The USDA has released the second half of the SY09-10 cheese survey and other commodities. Yes, in addition to cheese, you'll see fruits, vegetables, poultry, beef and other commodities. Cheese requests are for the second half of SY09-10 ONLY (January thru June).

All commodity requests being sent to processors should be entered in ECOS for the entire SY09-10 using the first half of the school year spreadsheet. The FDP Office will compile the total pounds requested and spread your requests out for the entire school year.

On the **MarketPlace**, under Spreadsheets, you will find the "Cheese for the second half of SY09-10 and other Commodities" spreadsheet. This sheet is to be used as a guide ONLY - your official requests must be made directly on ECOS. Here is a link to the spreadsheet: http://www.das.state.ct.us/FedFood/Proc_Spread.asp

Select ONLY the delivery dates offered on the spreadsheet - any other dates will be denied. **You will have until close of business on March 17, 2009 to place your requests.**

This & That

Important Reminder regarding Net Off Invoice:

If you are participating in Net Off Invoice (NOI) please remember, sales verification is required by the federal government.

Rebates:

Federal regulation 250.30 states, refund applications shall be submitted within 30 days from the end of the purchase month.

Tri-Agency Conference and SNACT Food & Commodity Food Show:

The Department of Administrative Services, Department of Education, and Department of Agriculture will be having a Tri Agency conference along with the SNACT Food & Commodity Food Show. **The date is set for September 24, 2009 at the Crowne Plaza Hotel in Cromwell.** Stay tuned for more details.

Food Communication Emails:

Please read Food Communication emails for any changes or additional survey and commodity offerings throughout the school year. **Emails that we send to all of the schools or to the processors will be posted on the MarketPlace and can be found under "Special Notices" on the homepage.**

DOD Also Has Some Changes

DOD is implementing a new requirement on all of their website ordering systems, which requires everyone who currently has access to the FFAVORS website to purchase a security clearance certificate. DOD has provided the names of three authorized vendors who would need to be contacted for the purchase of the certificates, at a cost of between \$125 and \$175 per user, per year.

USDA views this proposed requirement as onerous, and one that puts the future of the program in jeopardy. DOD recognizes this fact, and has secured a waiver of this requirement for the 2009-2010 school year, with a plan to work with FDP on finding an alternative solution. **In addition, the FFAVORS ordering system will be transitioned to the STORES ordering system beginning school year 2009-2010.** USDA and DOD will make additional information available on this subject soon. FDP is working with American Commodity Distribution Association and SNA to send a joint letter to USDA in protest of these new requirements and the changes effecting the on-line ordering system.

USDA Final Rule

Management of Donated Foods in Child Nutrition Programs, the Nutrition Services Incentive Program, and Charitable Institutions

There are many questions about the final rule and FDP is working with USDA to get answers. FDP will send something out to everyone once we have clarification and guidance. If you have any questions about this, contact Linda Hubeny directly at 860-256-2910 or via email at Linda.Hubeny@ct.gov.

Cheese and other commodity requests due in ECOS no later than Close of Business February 14, 2009

It's that time of year again – time to start entering your commodity requests for SY09-10. However, this year you'll see more than just cheese being offered for the February deadline. (*We may even have to change our "cheesey holiday" catch phrase...which, you have to admit, was kind of cheesey to begin with*).

Yes, in addition to cheese, you'll see fruits, vegetables, poultry and B commodities, such as pasta, peanut butter, rice and oil. Better yet, we're also going to offer those "low interest" commodities like long grain rice and sunflower butter. Our goal is to return your declined PAL dollars earlier so you'll have monies to spend at a later date. This will also give FDP the opportunity to reallocate the unused carry over balances that were transferred to the state's account back in November. We'll be sure to use those excess carry over balances, first, so you'll have more PAL dollars to use when USDA opens the surveys for the rest of commodities in February.

Keep in mind, cheese requests are for the first half of SY09-10 ONLY (July thru December). All other commodities are for the entire school year. Remember to reserve some of your PAL in order to place cheese requests for the second half of SY09-10 (January thru June) and other commodities such as beef patties that will be offered in February. On the **MarketPlace** - under Spreadsheets - you will find the "Cheese for the first half of SY09-10 and other Commodities" spreadsheet. This sheet is to be used as a guide ONLY - your official requests must be made directly on ECOS. Here is a link to the spreadsheet: http://www.das.state.ct.us/Fed-Food/Proc_Spread.asp. Select ONLY the delivery dates offered on the spreadsheet - any other dates will be denied. **You will have until close of business on February 14, 2009 to place your requests.** If you have any questions, please call the FDP Office at 860-256-2910 or 1-866-551-1985.

Processing

Check out the **MarketPlace** under "Pertinent Processing Information" for procurement guidance material, processors contact info, and the value-pass-through they are approved for. If you need end-product pricing information, you need to contact the processor or broker directly.

In November 2004, the USDA eliminated pricing information on the End Product Data Schedules (EPDS) which states, "because the pricing information on EPDS is misleading, many recipients believe that the State has sought competitive pricing in compliance with procurement regulations, when in reality, the processing agreement and instructions state the pricing represents the maximum amount a processor could charge. Not understanding this, many recipients could determine that processing donated foods is prohibitively expensive."

To read the USDA Policy Memo in it's entirety, click on http://www.fns.usda.gov/fdd/policymemo/pmfd038_SP-EPDS-PricingInfo.pdf

The MarketPlace has many useful documents including the RA Processing Handbook from the Bidding Seminar held last year. Here's a link to the website: http://www.das.state.ct.us/FedFood/bidding_seminar.htm