

Procuring Local Foods for Child Nutrition Programs

CT Pilot Meeting | Feb 4, 2015



Welcome!



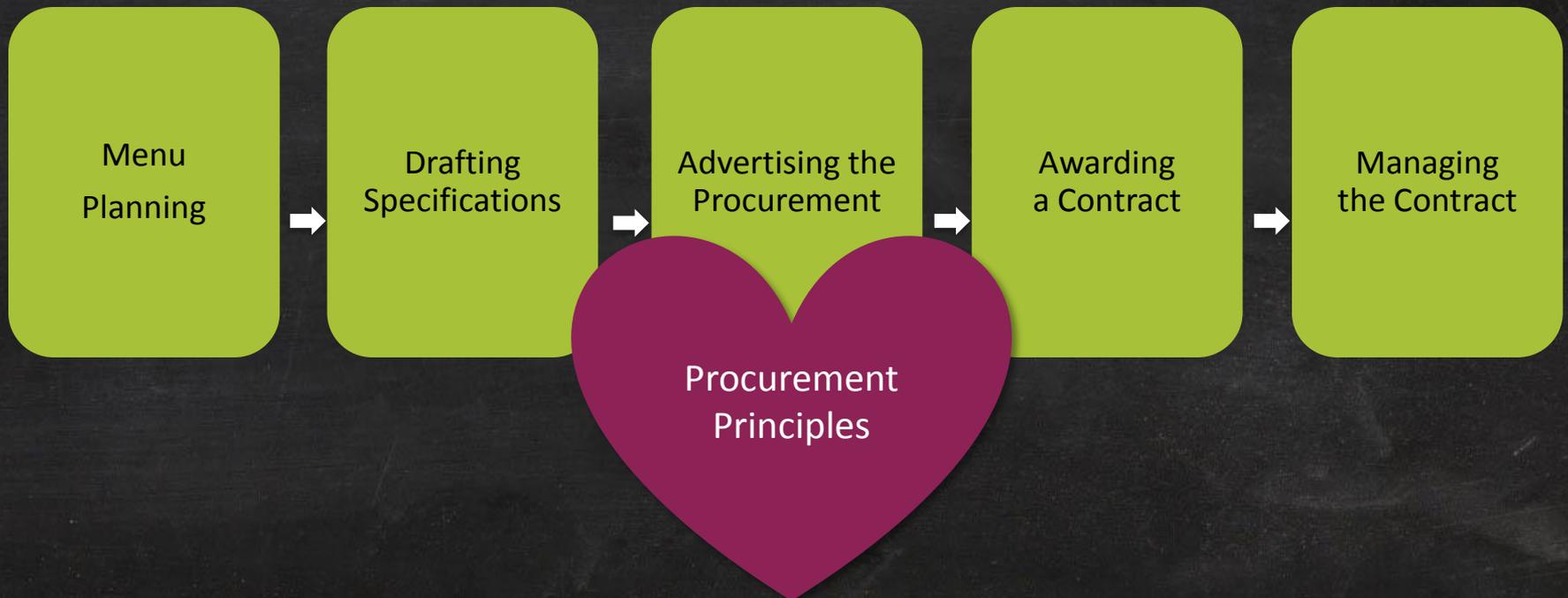
Overview

- Procurement Basics:
 - » Principles and key concepts
 - » Two different methods
- Procuring Local Foods:
 - » How School Food Authorities (SFAs) define local
 - » Ways to find and target local foods
- Resources and questions

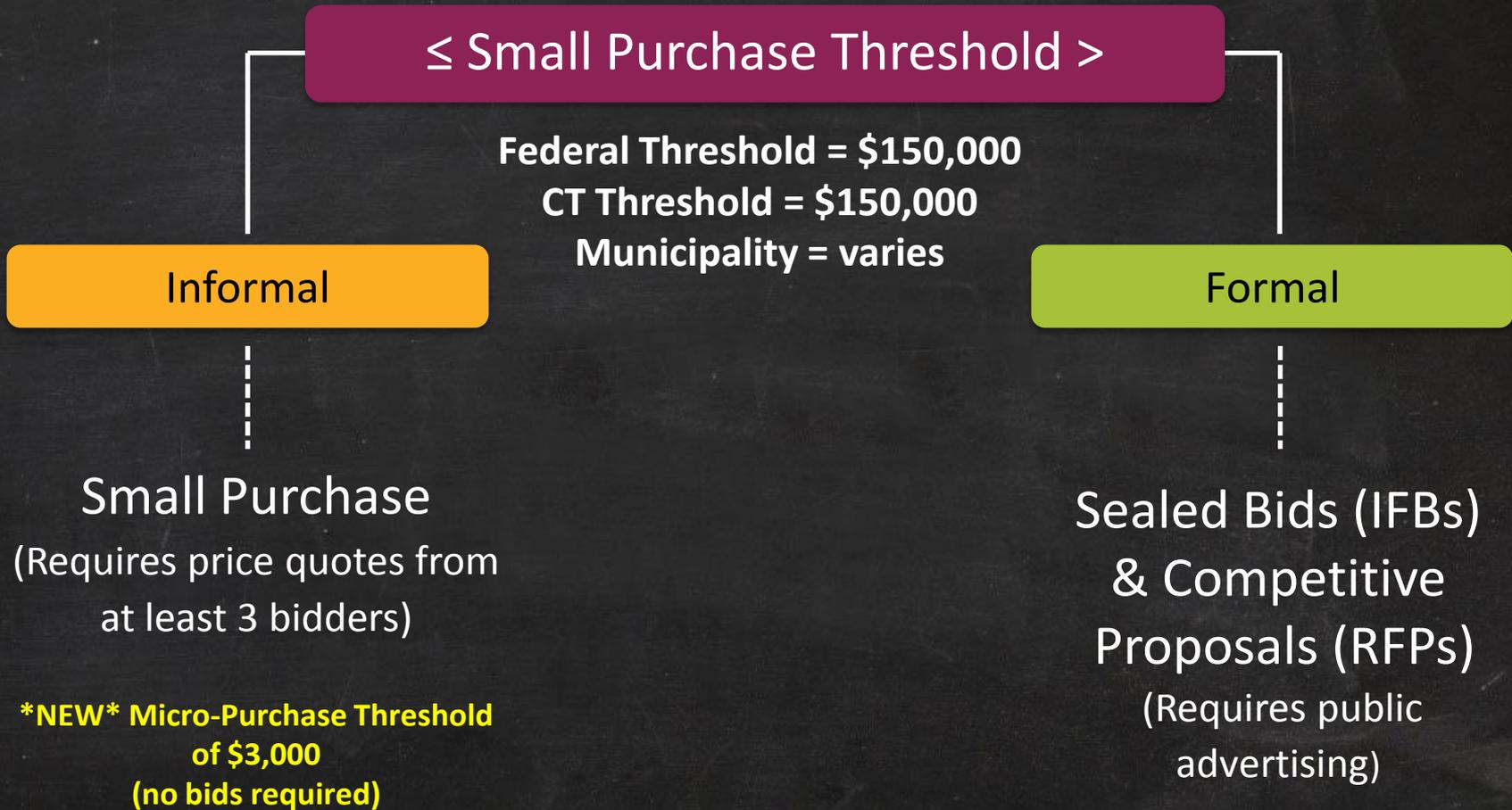
What Is Procurement?

Procurement is the purchasing of goods and services.

The procurement process involves:



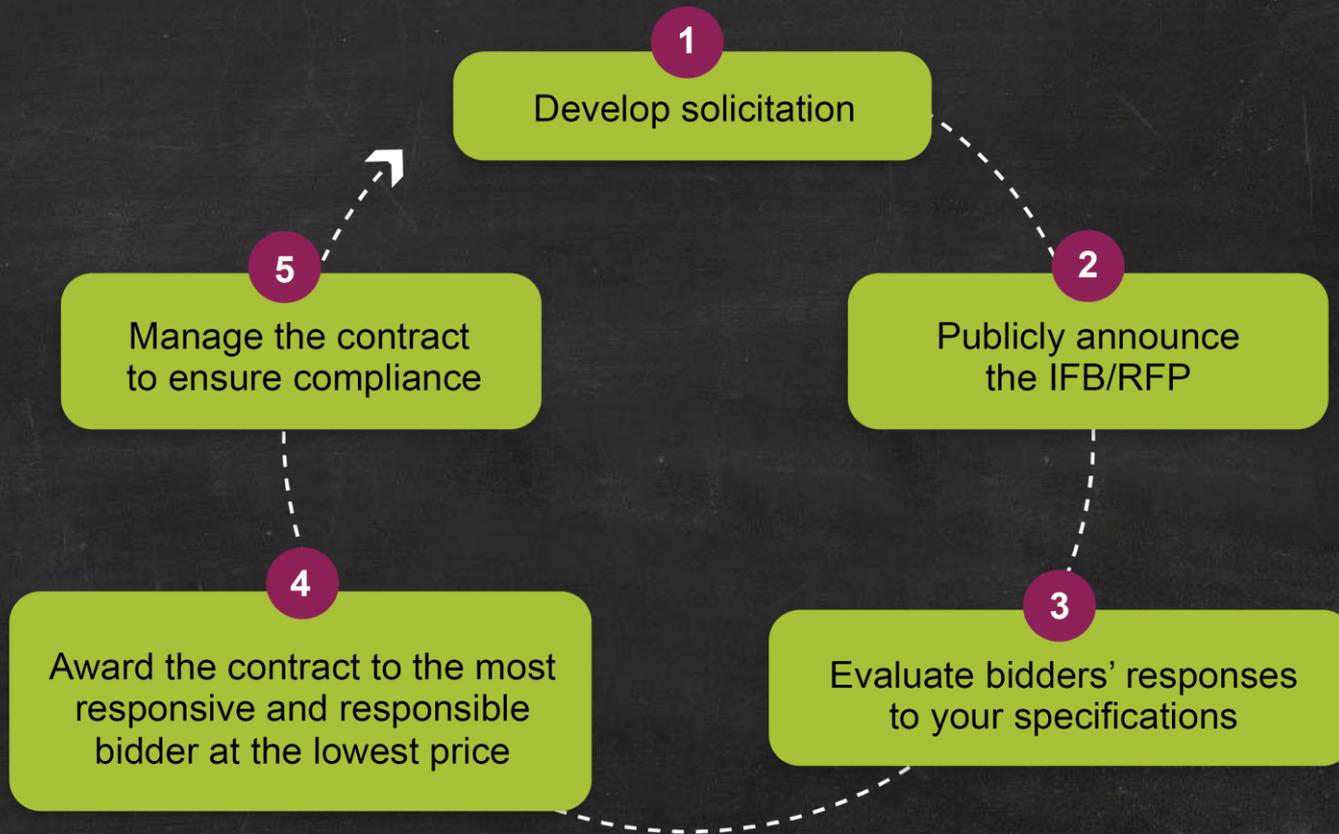
Procurement Methods



The Informal Procurement Process



The Formal Procurement Process



NEW in 2015: Micro-purchase Threshold

≤ \$3,000; Micro Purchase Threshold

- On February 27, 2015, FNS will issue a memorandum implementing the new Super Circular. (CFR 200.320)
- “Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.”



Splitting Procurements

- SFAs cannot arbitrarily divide purchases to fall below the small purchase threshold; they should bid out their full needs for the school-year
- In some instances, however, an SFA may justify the need to separate it from the overall food procurement.

...such as market conditions/seasonality, Harvest of the Month programs, taste tests, products for a Farm to School promotional event.



3 Key Concepts

- 1) Competition
- 2) Knowledge of Federal, State, and Local Regulations
- 3) Responsive and Responsible

1

Competition

Competition is essential to ensure the best cost and quality of goods and services.





2

State and Local Procurement Policies

- SFAs must be aware of and comply with federal, state, and local procurement regulations
- CT- Federal and state thresholds are the same; municipal may be more restrictive



3

Responsive and Responsible

In addition to considering price... SFA must be made award 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.

Why are these rules in place?

- School food must be purchased in a competitive environment to ensure that program benefits (and taxpayer dollars!):
 - » Are used effectively and efficiently, with no waste or abuse
 - » Are maximized for the benefit of eligible schools and children

When do procurement rules apply?

- SFAs must follow procurement rules for all purchases made with federal dollars (purchases made with federal reimbursement dollars, and purchases made through this pilot)

What is unique about the pilot?

- SFA conducts procurement > Vendor enters into contract with SFA > **payment comes from AMS**
- Greater flexibility in an SFA's use of **USDA Foods dollars** in addition to their use of federal reimbursement dollars





Section Summary

- Procurement is a process, not a one-time event
- Ensure competition
- Federal, State, and Local Procurement Policies
- Bidders are evaluated for price, but also for whether they are responsive and responsible
- Informal vs. Formal Methods and when each is used

How SFAs Define Local & Target Local Foods



What Does Local Mean?

Who defines local?

- School food authorities



How?

- Within a mile radius
- Within a county or state
- Within a region

Sources of Local Foods

- Through distributors
- Through food service management companies
- From food processors
- From individual producers
- From producer co-ops/
- food hubs
- From school gardens



Local as a Product Specification

- “X District is soliciting bids for Connecticut-grown products.”
- “This RFP is restricted to producers from within the state.”
- “We are soliciting bids from producers within a 100 mile radius.”
- “Only products grown within a 75 mile radius will be accepted.”

What the Legislation Says

Section 2403 of the 2008 Farm Bill says:

*“The Secretary shall allow institutions receiving funds under this Act ... to use a geographic **preference** for the procurement of unprocessed agricultural products, both locally grown and locally raised.”*

Local as a Preference

- “X District operates a Farm to School Program, and prefers to support local and regional producers.”
- “We seek opportunities to incorporate local food into our program whenever possible.”
- “Preference will be given to vendors that can document source of origin, and procure product from within the state.”

Targeting Local in an Informal Procurement



THE
FARM *to* SCHOOL
PROGRAM



“Three Bids and a Buy”

Develop a Specification

- Apples, US. No. 1, five 185 count boxes per week 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

Targeting Local in a Formal Procurement



THE
FARM *to* SCHOOL
PROGRAM



1

Product Specifications to Target a Local Item

SFAs may request:

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



2

Additional Requirements to Determine Vendor Responsiveness

- SFAs will evaluate vendors for price, but also to determine that they are responsive and responsible.



SFAs can ask for:

- » Freshness (e.g. Delivered within 48 hours)
- » Specific size of farm
- » Harvest techniques
- » Crop diversity
- » Source of origin labeling
- » Ability to provide farm visits or class visits
- » Evaluate bids using a geographic preference (“bonus points” for bidders who meet an SFA’s definition of local)



Section Summary

- SFA defines local
- Local product can be targeted in both the informal and formal methods and through a product specification or additional vendor requirements or by applying a geographic preference
- Local must be cited as a **preference**, not a **requirement**

What now?

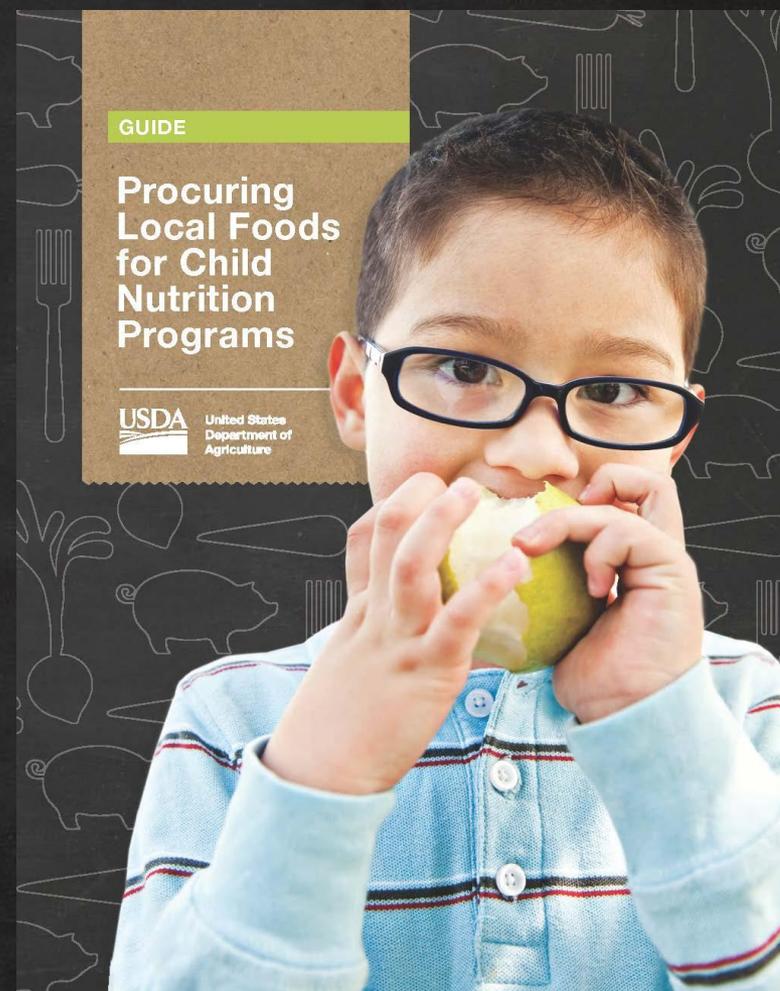
- In an existing contract? Amendments can be made to existing contracts once on the eligible vendor list to utilize pilot dollars, as long as there is no material change (scope, significant change in value, etc).
- New to the world of school food?
 - » Connect with your CT state agencies, National Farm to School Network state lead, and USDA Farm to School to learn about opportunities to sell product to schools
 - » Attend CT Farm to School Conference on March 20th
 - » Keep an eye out for “pre-bid conferences” where districts provide information about their intent to solicit products for the school year



FNS Procurement Resources

Local Procurement Guide and
Webinar Series:

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



Thank you! Questions?

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