

# Procuring Local Foods

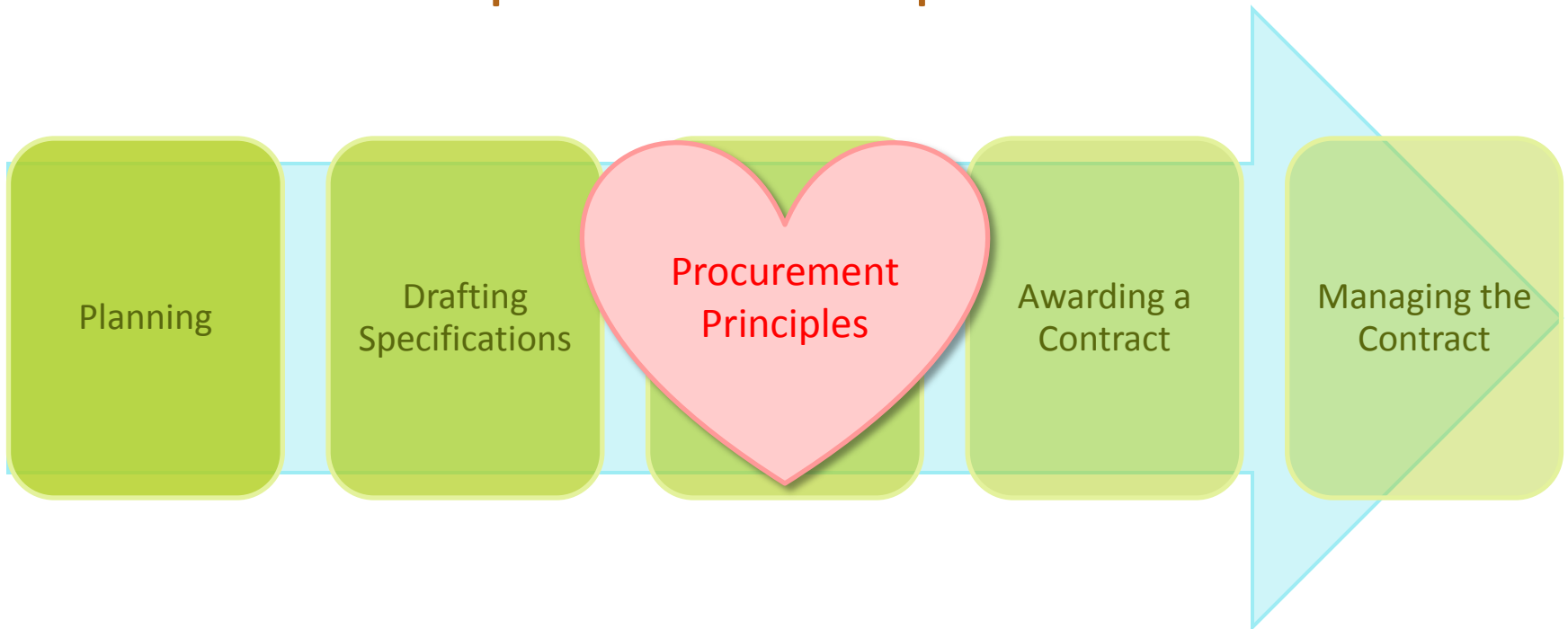
for Child Nutrition Programs

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- » Procurement principles
- » Procurement methods
- » Sourcing locally, and correctly!
- » The Geographic Preference option
- » Discussion

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



**What is procurement?**

» Competition is essential to ensure low cost and good quality of goods and services.

**≤ \$83,400 >**  
(Small Purchase Threshold)

**Informal  
Small Purchase**  
(Requires price quotes from  
at least 3 bidders)

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

- » 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

**Responsive and responsible**



- » SFAs cannot arbitrarily divide purchases to fall below the small purchase threshold.
- » In some instances, however, characteristics of a product or market justify the need to separate it from the overall food procurement.

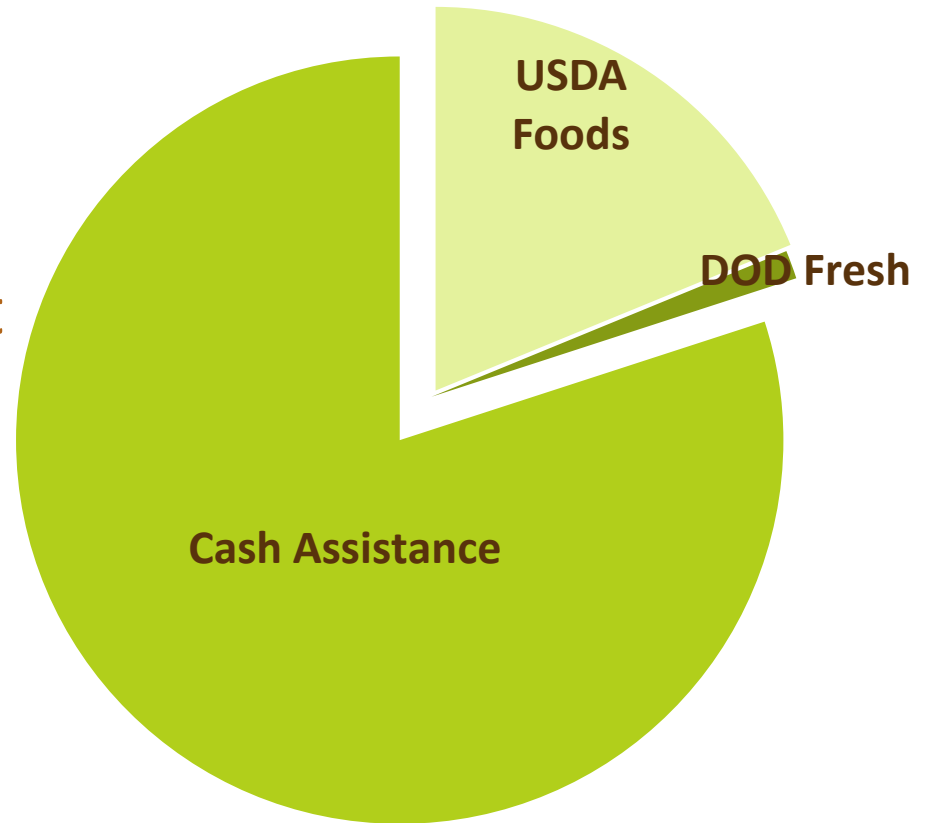
- » 2008 Food, Conservation, and Energy Act (AKA the Farm Bill)
- » Final Rule (published April, 2011)

The Geographic Preference option





» Geographic preference can be applied to most school food purchases for unprocessed agricultural products.



**Bringing local into the lunchroom**



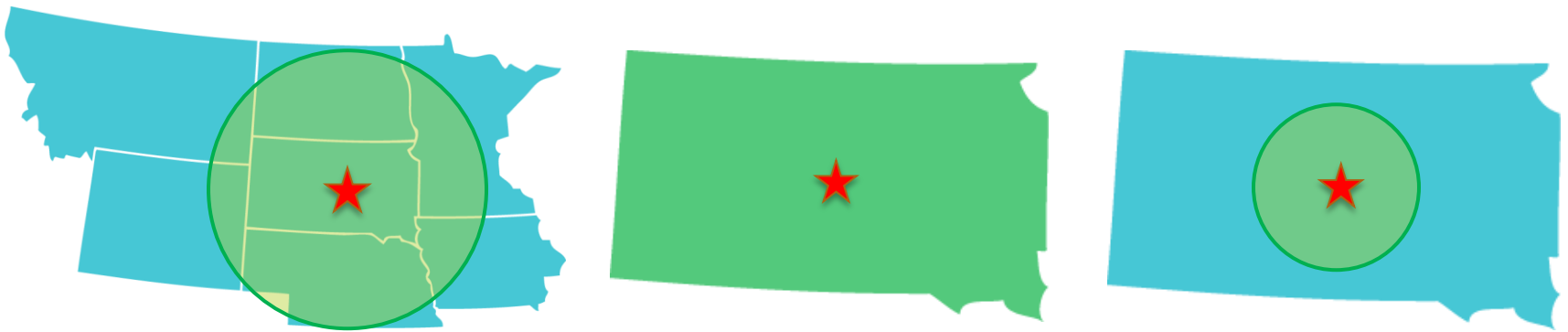
“Unprocessed” agricultural products retain their inherent character. These are the allowed food handling and preservation techniques:

- » 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

What is “unprocessed”?



- » School Food Authority defines local
- » Local can be defined by:
  - » Region
  - » State
  - » Mileage
- » Different definitions for different products

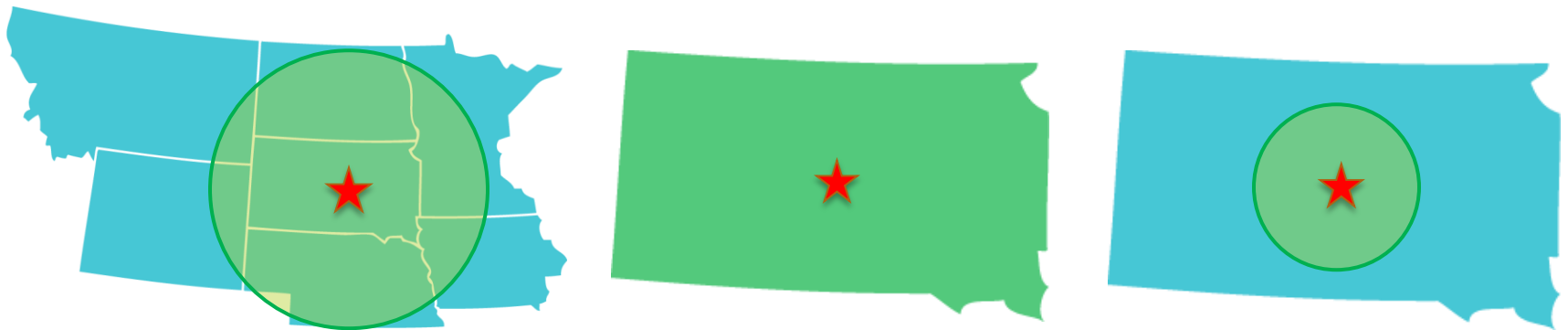


Who and how to define local?



# Ways to define local:

- » Miles
- » County
- » State
- » Tiered
- » Product-specific



Defining local



- » Define local.
- » Decide how much “preference” local products will receive.
- » Determine what type of procurement method to use.
- » Be sure your solicitation makes perfectly clear how the preference will be applied.

	Bidder 1	Bidder 2	Bidder 3
Price	\$1.97	\$2.05	\$2.03
Meets geographic preference?	No	Yes (- ¢10)	No
Price with preference points	\$1.97	<b>\$1.95</b>	\$2.03

**Example: 1 Penny = 1 Point**



Maximum Rating Points	Actual Points Awarded	Factor Description
100		Points awarded based on percentage of total listed products (up to the total of 100) that can be sourced from within the geographic preference area.
	If >50 points	5% price preference
	If >75 points	10% price preference

## Example two – Point chart



	Bidder 1	Bidder 2
<b>Price</b>	\$32,000	\$35,000
<b>Points for items w/in GP area (X% of 100%)</b>	20	80
<b>Points (50-74) – 5% price preference</b>	No	No
<b>Points ≥ 75 – 10% price preference</b>	No	Yes
<b>Price for comparison</b>	\$32,000	<b>\$31,500</b>

## Example two – Percent price system





# What are the ways that an SFA can source local foods and be in full compliance with federal procurement regulations?

- » Geographic preference.
- » Unintentionally
- » Including related characteristics in specifications.
- » Approaching only local sources under an informal procurement
- » By including your desire for local items in distributor or FSMC solicitations
- » By choosing local foods in the DoD Fresh catalog

**Sourcing locally, and correctly!**

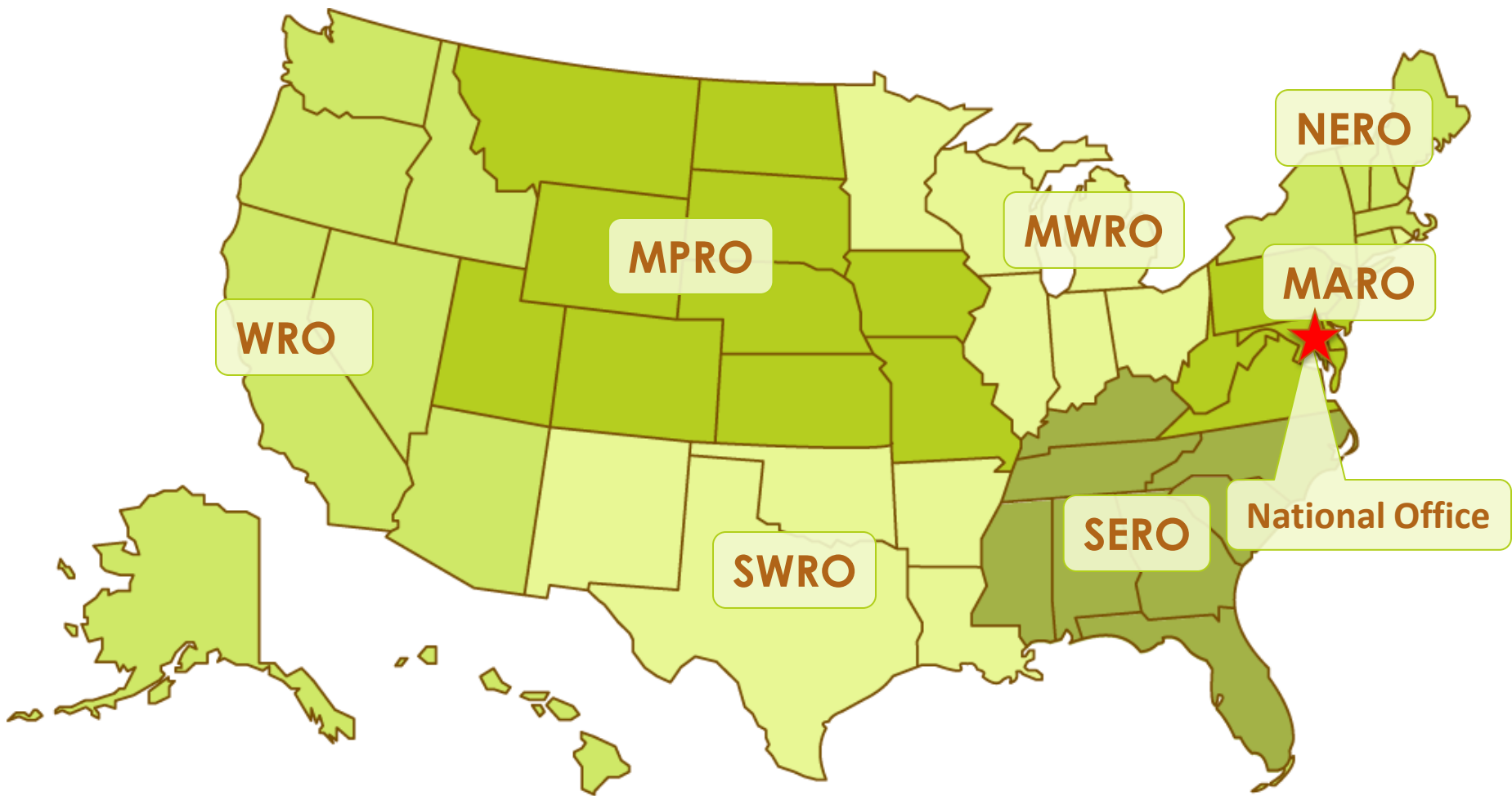


- » When purchasing local foods, consider specifying:
  - » Degree of ripeness or maturity
  - » Freshness (age)
  - » Condition upon receipt of product
  - » Temperature
  - » Size uniformity
  - » Other quality standards (such as “organic,” “no-till,” “no-spray,” etc.)

**Other potential specifications**



- » Are you receiving the product you contracted for?
- » Is the product of good quality?
- » Is the vendor delivering on time?



**FNS staff are here to help!**





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Thank you! Questions?

