

SFSP PROCUREMENT

How it Works
Allowable Costs
Local Procurement
Tips



HOW TO PLAN FOR PROCUREMENT

Things to consider:

- How much did you spend on food last year?
- Do you have a cycle menu?
- Forecasting: consider the past, present and future.
- Do you know what products you want? Could you write a specification?



BUY AMERICAN

Buy American

Domestic commodity or product:

- An agricultural commodity produced in the United States; and
- A food product that is processed in the United States substantially using agricultural commodities that are produced in the United States.

***Requirement.** School food authorities must purchase, to the maximum extent practicable, domestic commodities or products.

HOW ARE YOU PROCURING FOOD?

What are your options? Do you have options? Group Purchasing Organizations?

What are you already doing?

Document- write down reasoning for deciding how to purchase food.

Better planning leads to better procurement!

OPI COOPERATIVE PURCHASE PROGRAM IS NOW SOUTHWEST MONTANA COOPERATIVE SERVICES



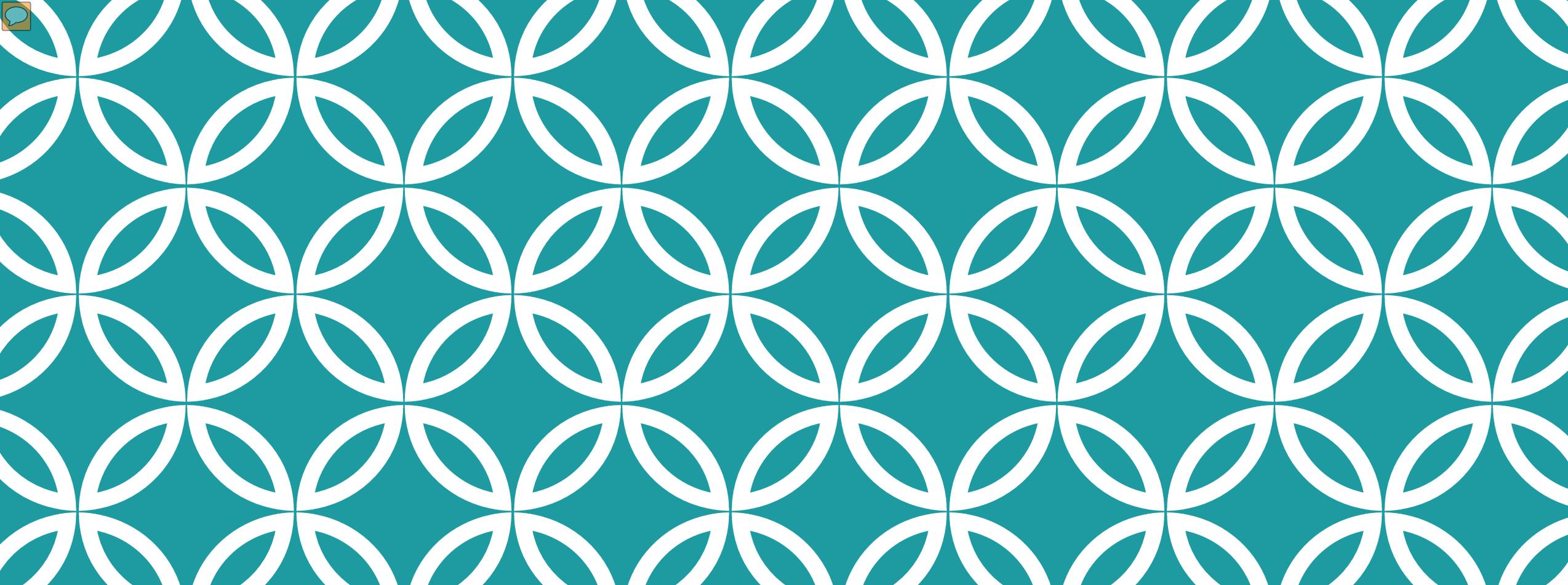
OPI COOPERATIVE
PURCHASE PROGRAM



Southwest Montana



School Services



Activity 1

Forecasting and Specifications



Forecasting Questions: Past, Present, and Future Worksheet

Instructions: Establishing valid forecasts requires reflection on the past, consideration of present conditions, and speculation as to the future. When forecasting procurement needs, what are questions you might ask? Write your questions in the space below.

The Past

The following are some example questions: _____

The Present

The following are some example questions: _____

The Future

The following are some example questions: _____



Mock Bean Burrito Product Description Sample Worksheet

Instructions: Create a product description for each of the characteristics in bold font for a bean burrito. Write your response in the space provided for each of the characteristics identified in bold font. Refer to Product Description Summary Chart.

Description of the Product: _____

Case Pack/Weight: _____

Minimum and Maximum Size and Pieces: _____

Main Ingredient(s): _____

Other Product Ingredients: _____

Prohibited Ingredients: _____

Nutritional Standards: _____

Meal Pattern Requirements/Child Nutrition (CN) Label: _____

Unit on Which Award Is Made: _____

Quality Indicators: _____

Mock Bean Burrito Product Description Sample Worksheet Answer Key

Instructions: Create a product description for each of the characteristics in bold font for a bean burrito. Write your response in the space provided for each of the characteristics identified in bold font. Refer to Product Specifications Summary Chart.

Description of the Product: two-bean burrito on a whole grain-rich tortilla

Case Pack/Weight: 72 to the case; paper between layer; individual bulk pack; IQF, bulk case cannot exceed 22 pounds in total weight.

Minimum and Maximum Size and Pieces: 3.9 ounces and cannot exceed 4.1 ounces

Main Ingredient(s): pinto beans, black beans, and an individual whole grain-rich tortilla

Other Product Ingredients: product may include spices, emulsifiers, vegetable purees, and thickening agents

Prohibited Ingredients: product cannot contain dairy, beef, chicken, pork, fish by-products, or monosodium glutamate (MSG)

Nutritional Standards: pinto beans and black beans combined must provide a 1.5 ounce equivalent for the Meat/Meat Alternate, and the whole grain-rich tortilla must provide a 1.5 ounce equivalent and must include 50% whole grains by weight or have whole grain as the first ingredient for the Grains component for the National School Lunch Program; product must contain between 300-350 calories, must have less than or equal 35% calories from total fat, less than 10% calories from saturated fat, zero *trans* fat, and may not exceed 230 mg sodium

Meal Pattern Requirements/Child Nutrition (CN) Label: CN Label preferred or product must meet 1.5 ounce equivalent for the Meat/Meat Alternate, and the whole grain-rich tortilla must provide a 1.5 ounce equivalent for the Grains component for the National School Lunch Program

Unit on Which Award is Made: based on unit price for acceptable products

Quality Indicators: private label or manufacturer's brands are subject to internal quality screening; golden brown color; ability to hold in warming cabinet for up to one hour



MICRO-PURCHASE

2 requirements to participate in Micro-purchasing:

1. \$0-\$3,500 per transaction
2. Distribute purchases equitably among qualified suppliers

*Required Documentation: Copies of receipts/invoices; procurement plan

- Example:
 - You live in a town with two grocery stores.
 - Try to purchase needed items equally between the two options. Could rotate weeks, menu cycles, seasonal menus, etc., that you purchase between the two.
 - Keep in mind- you still want to get the best price for the product without restricting free and open competition



SMALL PURCHASE

- \$3,500-\$80,000 per transaction
- ***Required Documentation:** price quotes from 2 or more vendors; product specifications; procurement plan
- Store advertisements may be considered as documentation

- **Example:**
 - You live in a town with a grocery store and Sysco will deliver to you as well.
 - If you only have 2 available sources to purchase from, that would be an “adequate number” to get price quotes from.
 - Can use store advertisement to document prices.
 - Keep in mind- you still want to get the best price for the product without restricting free and open competition

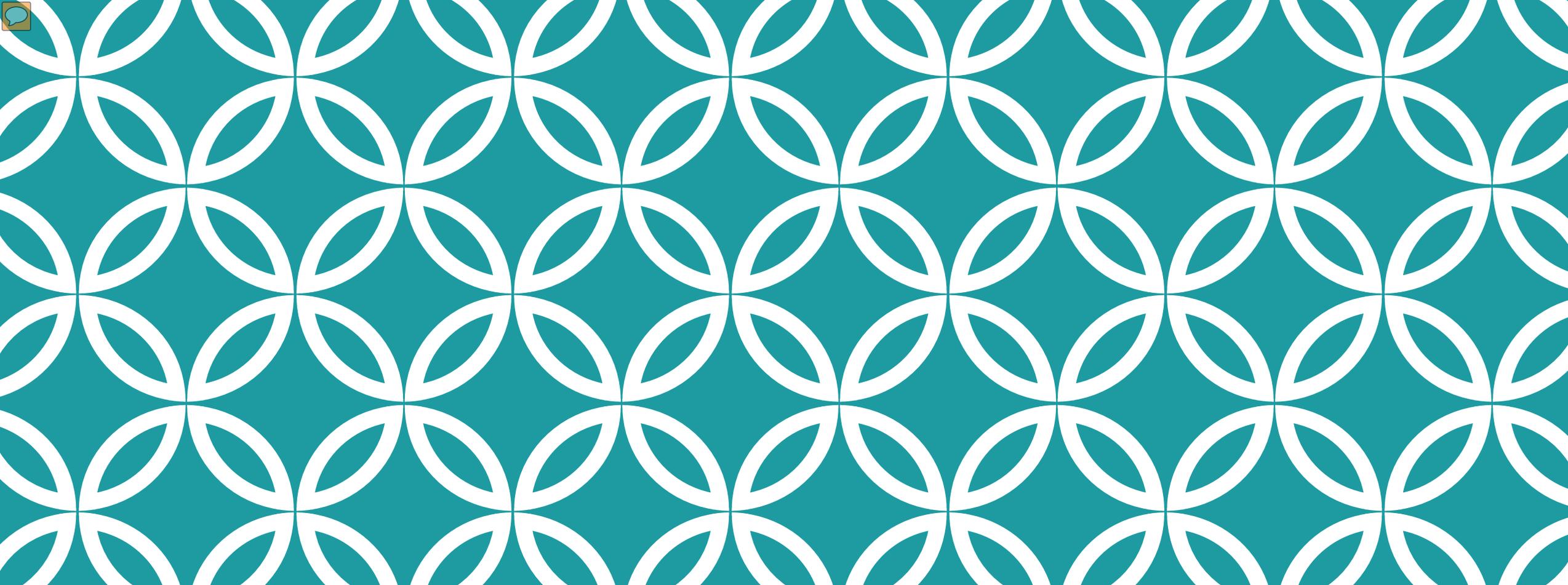


SMALL PURCHASE REQUIREMENTS

Procedures for procurement transactions required; solicitations must:

- Include clear and accurate descriptions of the items you want to buy.
- Identify all requirements.

*Be sure you are comparing apples to apples. Use the same language when asking prices from each vendor/producer.



ACTIVITY 2

Small Purchase Tool:
Excel is your friend!



Monday

Super Spaghetti with Meat Sauce
 Crispy Carrots
 Pleasing Pears
 Mighty Milk

Tuesday

Hearty Hamburgers
 Potato Wedges
 Appetizing Apple Salad
 Mighty Milk

Wednesday

Super Nachos
 Awesome Applesauce
 Whole Kernel Corn (optional)
 Mighty Milk

Thursday

Turkey & Cheese Sub Sandwich
 Terrific Tossed Salad
 Peachy Peaches
 Mighty Milk

Friday

Crazy Hot Dog on Bun
 Cuckoo Cucumbers
 Fantastic French Fries
 Far-out Fruit Cocktail
 Mighty Milk

(Optional Condiments: Ketchup, Mustard, Mayonnaise, Ranch Dressing)

(✓)	Items	Amount
Meat		
	Ground Beef for Patties	8 lb
	Ground Beef (80/20)	17 lb 8 oz (Spaghetti Meat Sauce and Super Nachos)
	Hot Dogs	50 – 2 oz ea
	Turkey, thin sliced, cooked	50 oz
Fruit		
	Apples	5 lb 4 oz
	Applesauce	2 #10 cans and 1 can – 15.5 oz (or 4 jars – 48 oz ea)
	Pears	2 #10 cans and 2 cans – 15 oz ea (or 14 cans – 15 oz ea)
	Raisins	1 lb
	Peaches, sliced	2 #10 cans (or 14 cans – 15 oz ea)
	Fruit Cocktail	1 #10 can and 1 can – 15½ oz (or 8 cans – 16 oz ea)
Vegetables		
	Carrots, baby	5 lb
	Corn	4 ½ lb, frozen
	Cucumbers	4 lb
	French Fries, frozen	4 lb
	Potato Wedges, frozen	8 ½ lb
	Refried Beans	1 #10 can (or 7 cans – 16 oz ea)
	Romaine Lettuce	1 lb 12 oz
	Spaghetti Sauce	1 ¾ #10 cans (or 4 ½ cans – 26 oz ea)
	Spinach	1 lb 12 oz
	Salsa	5 jars – 24 oz ea
Grains/Bread		
	Hamburger Buns	100 ea (Hamburger and Sub Sandwich)
	Hot Dog Buns	50 ea
	Spaghetti	4 lb 12 oz, dry
	Tortilla Chips	50 oz (or 4 bags – 13 oz ea)
Dairy		
	Milk	250 – ½ pints (or 15 gallon and 10 cups)
	Yogurt, vanilla, low-fat	1 lb 4 oz (1 carton – 32 oz ea or 4 cartons – 6 oz ea)
	American Cheese, sliced	50 oz (or 4 pkg – 16 oz ea)
	Cheese, shredded cheddar	1 lb 9 oz
Condiments / Spices		
	Ketchup	
	Mayonnaise	
	Mustard	
	Ranch Dressing	
	Taco Seasoning	
	Pepper	
	Salt	
	Vegetable Oil or Pan Release	

Small Purchase Cost Comparison Worksheet

School Name:										
Date:										
Number of Weeks in Menu Cycle:										
Number Menu Cycles Per Year:	#DIV/0!									
				(Store 1)		(Store 2)		(Store 3)		
Product Type ▼	Item Description/Specification (Detailed) ▼	Unit Size (i.e.. 5lb bag, each, #10 can etc....) ▼	Estimated # of Units Purchased (per cycle) ▼	Store 1 Price per purchase unit ▼	Cost of Units Purchased (per cycle) ▼	Store 2 Price per purchase unit ▼	Cost of Units Purchased (per cycle) ▼	Store 3 Price per purchase unit ▼	Cost of Units Purchased (per cycle) ▼	
Produce (fresh)										
Meats and Poultry										
				Sub Total	\$0.00		\$0.00		\$0.00	
	Enter Other Cost Factors/Considerations									
				Distance/Mileage Cost	\$15.00					
				Delivery Fees	\$0.00		\$2.00		\$0.00	
				Cost of Staff Time	\$8.00		\$8.00		\$8.00	
				Membership Fees	\$50.00		\$0.00		\$0.00	
				Credit for Fuel Reward Point	\$0.00		\$0.00		\$0.00	
				Other/Misc						
				Total	\$73.00		\$10.00		\$8.00	
				Estimated Annual Total	#DIV/0!		#DIV/0!		#DIV/0!	
Name of Selected Vendor:										
General Comments:										



Small Purchase Request Template Example

Small Purchase Request

Date of request: _____

Name of product, goods or services requested: _____

Description of product, goods or services: _____

Quantity requested: _____

Special conditions: _____

Vendor's Information

Price quote: _____

Company's name: _____

Individual submitting quote name, phone and contact information: _____

Date of price quote: _____

Duration of the price quote: _____

District's Information

Name of the district's official making the solicitation: _____

District's contact information: _____



FORMAL

- \$80,000 +
- Competitive Sealed Bids
 - Publicly solicited from 2+ bidders with a firm fixed-price contract or unit price awarded to the lowest price whose bid conforms with all contract specifications, terms, conditions, and required provisions. Public solicitation is an IFB. *Based on lowest price.*
- Competitive Proposals
 - Publicly solicited from adequate number of qualified sources with more than one source submitting an offer with either a fixed-price or cost-reimbursable type contract awarded. RFP is used to solicit responses in a competitive negotiation procurement method. *More flexibility to taste test products, have evaluation process with points- weighted evaluation process.*
- Food Service Management Company Contracts



WHAT ARE ALLOWABLE COSTS FOR SFSP?

Allowable

Creditable food items for child meals
Small Equipment
Marketing
Outreach

Unallowable

Food not meant for SFSP meals
Capital Equipment
Meals that do not meet meal requirements

PUTTING IT ALL TOGETHER: BUYING LOCAL



TIPS AND STRATEGIES

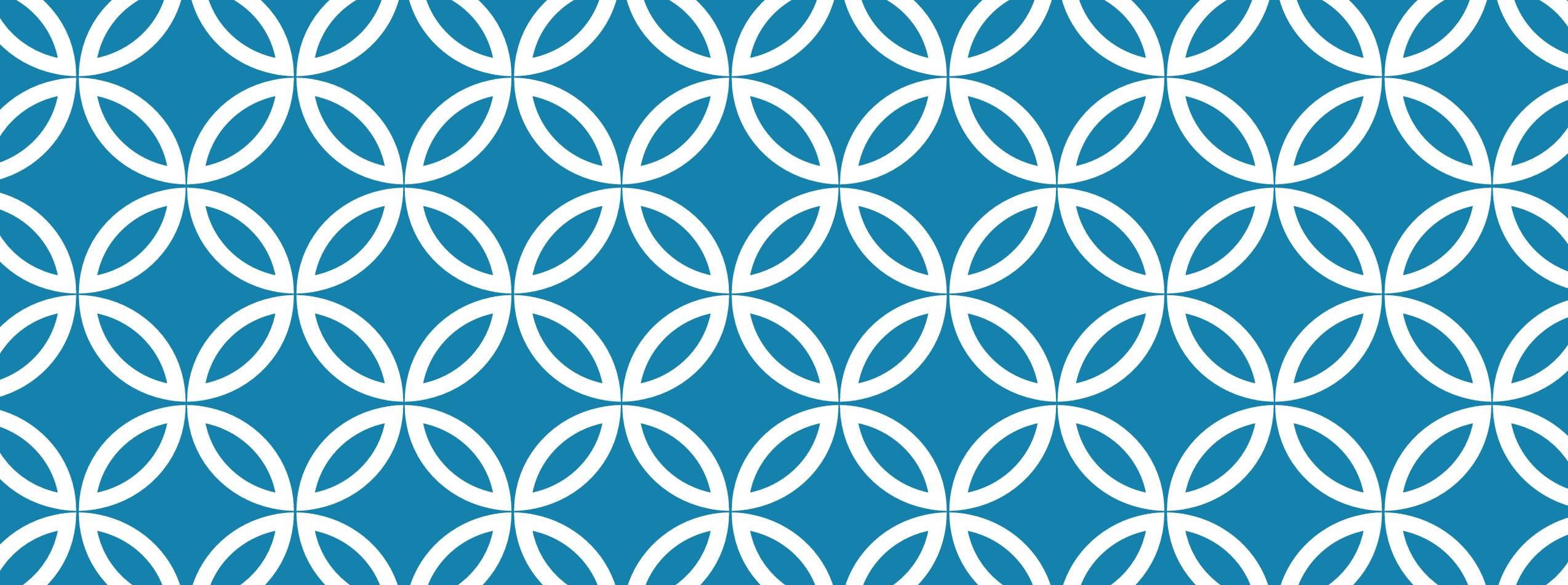
- Things to consider for your products:
 - Taste
 - Appearance
 - Brand Preference
 - Ethnic or cultural acceptability
 - Seasonality
 - Geographic origin
- Produce Safety University- food safety, specifications, SOP's
- Be a smart buyer!

RESOURCES

http://www.fns.usda.gov/sites/default/files/f2s/F2S_Procuring_Local_Foods_Child_Nutrition_Prog_Guide.pdf

<http://www.nfsmi.org/resourceoverview.aspx?ID=475>

<http://www.ams.usda.gov/AMSV1.0/standards>



THANK YOU!

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