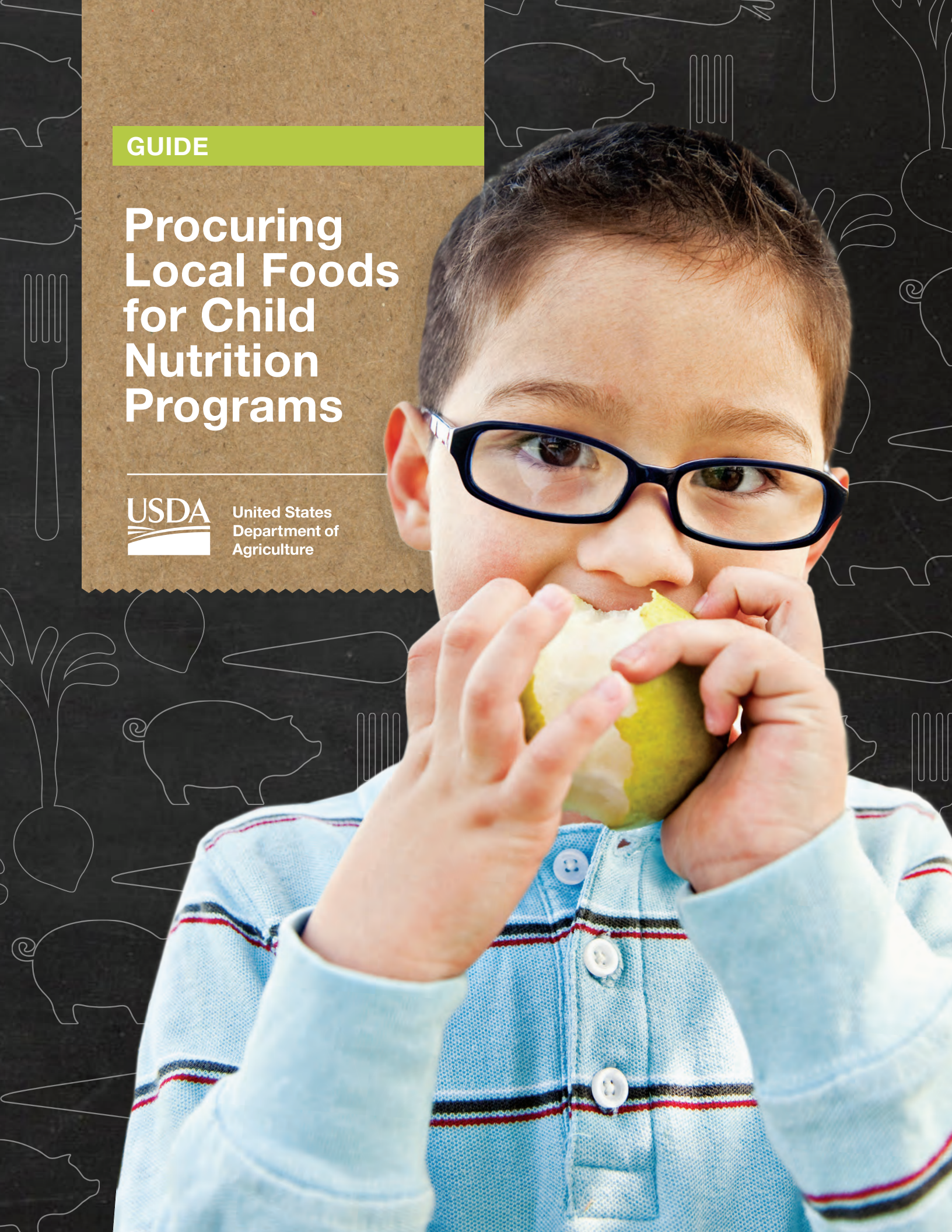


GUIDE

Procuring Local Foods for Child Nutrition Programs



United States
Department of
Agriculture



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AUTHORS

The author of this guide, Christina Conell, is a Program Analyst with the United States Department of Agriculture's Food and Nutrition Service (USDA's FNS). Christina is excited to help make purchasing local food accessible to all schools. Maggie Gosselin, Program Analyst, provided extensive help throughout the process. Maggie organized and simplified the language in this guide to make it as user-friendly as possible. Deborah Kane, National Director, also a key editor and contributor, provided helpful guidance to ensure that the guide is relevant to all schools.

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We are indebted to the school districts and State agencies that shared their local procurement experiences with us. The guide comes to life with the examples you shared!

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The image features two ears of yellow corn. One ear is positioned diagonally across the upper right, with its green husk partially peeled back to reveal the bright yellow kernels. The second ear is located below and to the left of the first, also showing its kernels. The corn is set against a dark, almost black background, and the bottom portion of the image shows a textured, brown surface, likely a piece of cardboard. A solid blue rectangular box is overlaid on the left side of the image, containing the word "Introduction" in white, bold, sans-serif font.

Introduction

Across the country, an increasing number of school nutrition departments are sourcing local foods, while schools have begun providing complementary educational activities that emphasize food, agriculture, and nutrition.

In the U.S. Department of Agriculture’s vision, school cafeterias championing U.S. agriculture and proudly promoting regionally sourced foods that meet or exceed school nutrition standards are the norm, not the exception. Regional offerings, and therefore economic opportunities for U.S. food producers, span the school meal tray and include everything from the salad bar and fresh fruit and vegetable servings to the wheat in the pizza crust, beans in the chili, rice in the stir fry, turkey in the sandwiches, and cheese in the quesadillas. As routinely requested in bid

specifications as the requirement to adhere to nutrition standards, activities related to sourcing regional foods are integrated into everyday workflows.

The authorizing legislation for this work, Section 243 of the 2010 Healthy Hunger-Free Kids Act (HHFKA), tasked USDA with helping schools participating in the National School Lunch Program (NSLP) or School Breakfast Program to “improve access to local foods.”



Purpose of the Guide

This resource is designed to guide schools in identifying and procuring locally grown and produced food for school nutrition programs. It includes many details vital to a successful, open, fair, and competitive process. The goal of this guide is to illustrate the many opportunities schools have to buy local products.

Procurement in the 21st Century available on the National Food Service Management Institute (NFSMI) website, provides a detailed explanation of the procurement regulations governing the school meal programs. For additional information, consider registering for the online course *State Agency Guidance on Procurement* available through the NFSMI website. For more information on these resources and other procurement resources, see *Appendix A: Procurement Resources* and *Appendix B: Federal Procurement Regulations*.

While interest and enthusiasm for local procurement has grown across the country, uncertainty about the rules for purchasing locally grown foods persists. School nutrition professionals are aware of a range of policies at the local, State and Federal levels that apply to procurement, but navigating these rules correctly can be confusing and timeconsuming. In this guide, we present the information that K-12 schools and districts, operating one or more of the Federal Child Nutrition Programs¹ (CNP), need to purchase local products for the school cafeteria. This information includes menu planning basics, the fundamental principles of procurement, the many potential sources of local products, and the variety of mechanisms that can be used to procure these products.

The first part of the guide introduces the idea of menu planning, since deciding what to serve drives the procurement process. The second section addresses the fundamentals of procurement and the two basic procurement methods: informal and formal. The third part of the guide focuses on potential sources of local foods and discusses the mechanisms by which schools and districts can source and procure local foods while remaining in compliance with Federal procurement regulations, including by applying a geographic preference.

State agencies, school food authorities (SFA), school districts, procurement agents, food service management companies, or purchasing cooperatives (co-ops) are all able to buy products for the school meal programs. Throughout this guide, we use the term “school” to refer to any entity that is purchasing food for use in the school meal programs. Procurement rules, regulations, and recommended practices are consistent regardless of which type of entity is purchasing food for school meal programs.

The end of this document provides a myriad of resources for anyone seeking to procure local food. Terms and definitions are spelled out in *Appendix D: Terms and Definitions*. There is also a fact sheet in *Appendix E: 10 Facts About Local Food in School Cafeterias*, that describes the basics of local food in school meals. Please see *Appendix F: Local Purchasing Step-by-Step* for a quick guide to purchasing local.

¹ The Federal Child Nutrition Programs include the National School Lunch Program (NSLP), School Breakfast Program (SBP), Fresh Fruit and Vegetable Program (FFVP), Special Milk Program (SMP), Child and Adult Care Food Program (CACFP), and Summer Food Service Program (SFSP).



Menu Planning

The school meal menu is the driving force in the procurement process. School nutrition staff are tasked with the tricky job of creating a menu that meets all nutrition requirements, appeals to students, and stays within a limited budget.

Where Does Local Fit?

As with any procurement process, purchasing local products requires planning. Schools often start thinking about their procurement plan a year in advance. In larger districts, the procurement specialist may be a different person than the menu planner and it may be advantageous for these two individuals to work together as the local purchasing plan is developed and implemented. Schools can begin with simple, easy changes like replacing non-local ingredients with local products.

1. Creating Menus

Some districts do not use a cycle menu and create menus for each week as they go. More commonly, districts use cycle menus with standardized recipes; cycle menus have many benefits, including consistency in cost, quality, and portion sizes. Increasingly, schools are choosing to create cycle menus by season in order to take advantage of local, seasonal produce. Working with locally grown or produced food may also spur innovation and encourage schools to tap into the variety of products that are available year round.

For districts that are looking to develop or adapt a cycle menu, check first with your State agency. Some States have developed cycle menus that meet the new meal pattern regulations *and* include local foods. For example, the Ohio Department of Education created a toolkit called *Menus that Move*, which includes five weekly menus for each season, along with 50 standardized recipes. In Minnesota, schools have incorporated local foods throughout the year as far north as Minneapolis. For more menu planning ideas, see *Appendix C: Menu Planning Resources*.

In many areas of the country, the height of harvest season happens when most schools are not in session. In most areas, there are at least a handful of local items that are available year-round. Examples

of such items include milk and other dairy products, meat and poultry, grains, and maple syrup. Before planning to procure local foods, schools should start by finding out what is grown locally, and then conduct a menu audit to determine which current foods on the menu can be replaced with local items. Planning for menu changes should start by analyzing current and historical data to determine future needs.

FIGURE 1

The Five Step Menu Planning Cycle



2. Budgeting and Forecasting

Procurement planning and forecasting will drive your procurement timeline. Although forecasting is vital in all procurements, the analysis is even more important when schools intend to purchase regionally produced items. Forecasting data may have a direct effect on a producer's yearly schedule. For instance, forecasts can help a local farmer estimate how many acres of carrots to plant or what quantity of grain to harvest. Budgeting and forecasting is an important step in identifying how many students schools are feeding, the quantity of food schools will need to order, how much schools can spend on food and how much schools might be able to budget for local products.

Careful forecasting is critical to ensuring that schools have the right amount of food. Districts can also use invoices and production records from the previous year to identify their average food cost. Identifying how much schools are currently spending on food components is a good starting point for developing next year's budget for food. Districts are often surprised that they are able to bring in local products close to the same cost or in some cases at an even lower cost than non-local products. The Food Buying Guide for School Meal Programs can assist schools in calculating the quantity of food schools need to purchase. See *Appendix C: Menu Planning Resources* for this document and other menu planning resources.

Forecasting: Questions to Ask

How many students am I feeding?

How much food do I need?

How much can I spend total?

How much can I spend on local products?

3. Purchasing and Integrating Local Foods

Before identifying which local items to add to the menu, find out if there are local items already on the menu. For example, because milk is very costly to ship, many districts already serve milk from their local dairies. Some of the items schools purchase through distributors might also be from local sources, so schools should check with their distributors to see where items are coming from. If schools identify local items they are already serving, it is an easy first step to start marketing those items by renaming recipes, or identifying the local source on the menu or in the cafeteria.

If a school finds that it is not currently serving any local products, the school may want to start by featuring a "harvest of the month" item. This can be accomplished by adding just one item to each monthly menu cycle from a local source. A school might substitute an item into an existing recipe such as local rice in a burrito bowl, or cheese from a local dairy on the pizza. A school might also consider developing new recipes with the specific intent of featuring local foods—like a "Rocky Mountain Pizza Pie" made with a local whole grain crust, or fish tacos with locally caught fish. The salad bar is another cost effective way schools might be able to offer a variety of canned, frozen, and fresh seasonal local fruits and vegetables.

Schools with well-established local buying programs often develop entirely new recipes and menus based on local products and food traditions. Others use the summer months to preserve the local abundance. If you are new to local procurement, do not be discouraged by starting on a small scale. Reach out to other districts or partners that have been successful in purchasing local products.

Five Ways to Integrate Local Foods



Photo Credit: Leanne Dubois, Virginia Department of Agriculture and Consumer Services

1

Discover what is local on the current menu

Conduct a menu audit and find out what products the school is already purchasing locally.

2

Substitute ingredients

Explore what products are available locally and substitute a non-local item with a local one. For example, a school in Pennsylvania might think about replacing bananas with apples in the fall.

3

Serve local products on the salad bar

Salad bars offer the perfect opportunity to serve local fruits and vegetables. The offerings can easily be modified as seasons change and most ingredients need minimal preparation.

4

Start a “harvest of the month” program

Consider highlighting one local ingredient every month or each season. Schools may serve the item just once, or may prepare the food in several different ways throughout the month to highlight how it can be used.

5

Develop new recipes

Perhaps the school discovered that there is a local flour mill and it has the capacity to bake fresh rolls once per week.

4. Assessing and Adjusting

Once the menu is planned and local foods are incorporated, it is important to make sure customers are happy with the foods in the cafeteria. A great method for assessing which food items kids like is to conduct a survey. Some districts have found it helpful to conduct a survey right in the lunch line. By handing out age appropriate score sheets in the lunch line, schools can assess student preferences to new and existing menu items. Schools might also consider allowing students the opportunity to rate new recipes or cooking methods so they feel included in the recipe planning process.

Plate waste audits are another method to identify what foods kids are actually eating. Sometimes students need time to adjust to and be exposed to new foods, so do not be discouraged if students are not excited about the new foods right away. It is important to offer taste tests, get feedback and keep offering new items until the school finds the ways in which students enjoy them. For example, perhaps none of the students would touch steamed Brussels sprouts, but it turns out they love Brussels sprouts when they are oven roasted. The more involved students are in choosing the foods they see in the cafeteria, the more receptive they will be; students typically love opportunities to voice their opinion, and often have valuable insights to share!

5. Marketing

There are numerous ways to market local foods. As mentioned earlier, school nutrition staff should consider conducting taste tests in the cafeteria, partnering with a teacher to introduce new foods during a nutrition class, or collaborating with an after school club or the school garden coordinator. Highlighting local products on menus will ensure that parents, staff and students know when local foods will be served. For example, the Gunnison Watershed School District menu in Figure 2 prominently features the school's local "harvest of the month" item, and indicates which products are local with an "L".

For more information about menu planning, see *Appendix C: Menu Planning Resources*.

FIGURE 2

Menu from Gunnison Watershed School District in Colorado

Harvest of the Month ~ Pears ~				
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<p> Menus provided by Mountain Roots Food Project and Colorado Dept. of Education</p> <p>All Meals Served with Milk.</p> <p>We've made the switch to LOCAL BEEF! With the exception of hamburger patties, all beef served in Gunnison and Crested Butte Schools is now locally sourced and chemical-free.</p>				
<p>AUGUST 26 Chicken Patty/Bun Baked Beans Sweet Potato Fries Shredded Lettuce Peaches</p>	<p>27 Baked Potato/Diced Ham and Cheese Broccoli Roll (H,L) Pineapple</p>	<p>28 Italian Pasta Bake (H) Salad Greens Carrot Sticks Bread Slice Fresh Pear* (L)</p>	<p>29 Cheese Pizza (H) Cucumber Slices Celery Sticks Mandarin Oranges</p>	<p>30 Chicken Quesadilla (H) Pinto Beans Diced Tomatoes Shredded Lettuce Melon (L)</p>
<p>SEPTEMBER 2 NO SCHOOL LABOR DAY</p>	<p>3 Hot Ham and Cheese on a Bagel Pasta Salad Cucumber Slices Fruit Cocktail</p>	<p>4 Chicken Alfredo (H) Broccoli Carrot Sticks Roll (H,L) Applesauce</p>	<p>5 Hamburger/Bun Potato Wedges Cherry Tomatoes Fresh Pear* (L)</p>	<p>6 Hard Sh. Tacos (H) Beans/Rice Shredded Lettuce Sugar Cookie W/G Grapes (L)</p>
<p>9 Chef Salad Carrot Sticks Roll (H,L) Peaches</p>	<p>10 Baked Chicken (H) Couscous Edamame Cucumbers Berries</p>	<p>11 Meat Ball Sub Potato Wedges Celery Sticks Fresh Pear* (L)</p>	<p>12 Pepperoni Pizza (H) Cherry Tomatoes Salad Greens Pineapple</p>	<p>13 Beef Nachos (H) Black Beans Shredded Lettuce Diced Tomatoes Applesauce</p>
<p>16 Buffalo Chicken Salad Roll (H,L) Fresh Broccoli Florets Mandarin Oranges</p>	<p>17 Turkey & Cheese Rollup Sweet Potato Fries Baked Beans Pineapple</p>	<p>18 Colorado Proud Day! Local Beef Lasagna (H) Salad Greens Fresh Carrot Sticks Roll (H,L) Melon (L)</p>	<p>19 Hot Dog /Bun Potato Wedges Cherry Tomatoes Fruit Cocktail</p>	<p>20 Cowboy Cavatini (H) Roll Pinto Beans Salad Greens Fresh Pear* (L) Chocolate Chip Cookie W/G</p>
<p>23 Sloppy Joe/ Bun (H) Baked Beans Potato Wedges Applesauce</p>	<p>24 Macaroni and Cheese (H) Broccoli Cherry Tomatoes Fruit Cocktail</p>	<p>25 Chicken Parmesan/ Spaghetti (H) Salad Greens Cucumber Slices Fresh Pear* (L)</p>	<p>26 Cheese Pizza (H) Green Beans Carrot Sticks Peaches</p>	<p>27 NO SCHOOL DISTRICT PROFESSIONAL DEVELOPMENT DAY</p>
<p>30 Chicken Nuggets Potatoes & Gravy Edamame Cucumber Slices Pineapple</p>		<p><i>Support for purchasing locally sourced foods comes from the Community Foundation of the Gunnison Valley, the Gunnison Farmers Market, and Mountain Roots Food Project.</i></p>	<p>Look for our fresh, local and homemade items.</p>	<p>(H) Homemade (L) Local Foods Harvest of the Month items in bold.*</p>

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**Gunnison Community / Lake Schools
Crested Butte Community School**

menus provided by Mountain Roots Food Project and subsidized by the Colorado Dept. of Education

Integrating Local Foods: The Story of Strawberry Fields School District

Strawberry Fields is a fictional, medium-sized suburban district located in the western United States. The district, which is known for its exemplary school meal programs, was one of the first to implement the nutrition guidelines that went into effect in 2012. The menu below illustrates what a typical week of Strawberry Fields' lunches looked like at the beginning of SY 2012-2013.

FIGURE 3

Sample Beginning Menu

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Submarine Sandwich on a Whole Wheat Roll	Whole Wheat Spaghetti with Meat Sauce	Chef Salad	Oven-Baked Fish Nuggets	Whole Wheat Cheese Pizza
Refried Beans	Whole Wheat Roll	Whole Wheat Soft Pretzel	Whole Wheat Roll	Baked Sweet Potato Fries
Jicama	Green Beans	Corn	Mashed Potatoes	Grape Tomatoes
Green Pepper Strips	Broccoli & Cauliflower	Baby Carrots	Steamed Broccoli	Applesauce
Cantaloupe Wedges	Kiwi Halves	Banana	Canned Peaches	Low-fat Milk
Skim Milk	Low-fat Milk	Skim Milk	Skim Milk	

With the transition to the new meal pattern under her belt, the school nutrition director at Strawberry Fields decided to convene a group of district administrators, teachers, students, community members, and farmers to determine how the district might begin incorporating more local items into the menu.

In the spring, after several months of planning, Strawberry Fields launched a "harvest of the month" program. The first featured food was strawberries, of course, and the district purchased three different types from a local farmer. One day during the lunch hour, school nutrition staff, teachers, and lots of

community volunteers offered two strawberries of each variety for students to try, and students voted on the one they liked the best. In the classroom, kids learned how strawberries are grown and harvested, and "harvest of the month" materials produced by the State department of education were given to parents, teachers, and the community. After the first month, the strawberries were so well received that the school started sourcing strawberries from two different local farmers through their main produce distributor and added local strawberries to the menu for the two months that they are in season while school is in session.

At the same time the district, which had also settled on a definition of “local,” did some research to determine that all of the milk and other dairy products it had been purchasing came from its local area. The district contacted the local dairy to ask if it was open to field trips, and the dairy was thrilled to accept all fourth graders for a half-day tour of its operations. Through its baseline assessment, the district also realized that it could source local foods through the Department of Defense Fresh Fruit and Vegetable Program (DoD Fresh), and that all local fruits and vegetables are labeled as such in the online DoD Fresh catalog, FFAVORS. The district started replacing some non-local carrots and greens with local ones.

School nutrition staff also reached out to local agricultural Extension agents and a cooperative of









beef producers to figure out how they could source local beef the following year. An Extension agent also helped connect the district with local wheat producers, and soon a local baker was producing a custom whole grain roll made from regionally produced wheat and oats.

The school then began replacing some of its standard items with seasonally available foods, and the school even began using a non-profit food processing facility to preserve some of the local harvest.

Next year, Strawberry Fields will begin serving custom hot menu items developed with locally available ingredients. Before they know it, school nutrition staff will be serving local foods every day of the week.

FIGURE 4

Sample Final Menu that Integrates Local Foods

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
 Local Lentil Patty on a Whole Grain Roll Refried Beans Jicama  Fresh Peas Cantaloupe Wedges  Skim Milk	 Whole Wheat Spaghetti with Meat Sauce Whole Wheat Roll Green Beans Broccoli & Cauliflower Kiwi Halves Low-fat Milk	Chef Salad Local Spanish Rice with Corn  Carrots Banana Skim Milk	 Oven-Baked Local Fish Sandwich on a Whole Grain Roll Mashed Potatoes Steamed Broccoli  Canned Pears Skim Milk	Whole Wheat Cheese Pizza Baked Sweet Potato Fries Grape Tomatoes  Strawberries Low-fat Milk

Local purchasing often happens step-by-step and one of the most offered pieces of advice is to start small. This scenario illustrates how one school might start small with a “harvest of the month” program and then scale up to include more and more local foods into its menu. This scenario may take several years to achieve, but the point is that there are a variety of ways to offer and source local products.



Procurement Fundamentals

“Procurement” means buying goods and services. Procurement rules ensure that program benefits are received by eligible schools and children, and that taxpayer dollars are used effectively and efficiently, with no waste or abuse. There are four fundamental concepts related to procuring goods and services for the Child Nutrition Programs using Federal funds: full and open competition, responsible and responsive vendors, the Buy American provision, and the role of State and local regulations.

Full and Open Competition

The most important principle of a sound procurement is competition. The regulations² use the term “full and open competition,” which essentially means all potential suppliers are on a level playing field. **Competition is essential to ensure low cost and good quality of goods and services.** In a competitive environment, sellers may accept a smaller margin of return on a given sale rather than make no sale at all. Schools may receive more goods or services at a lower price than in a non-competitive environment. Additionally in a competitive environment, businesses seek to differentiate themselves in terms of quality and innovation. Each procurement offers an opportunity to consider new and/or higher quality products and services.

In order to ensure full and open competition, schools cannot:

- Place unreasonable requirements on firms in order for them to qualify to do business (e.g., a school cannot require that a vendor have at least 100 people on staff);
 - Require unnecessary experience or excessive bonding (e.g., a school cannot require that vendors have at least 50 years’ experience serving schools);
 - Award contracts to or order from one vendor without competition;
 - Have organizational conflicts of interest (e.g., a school cannot award a contract to a school board member);
 - Specify only a brand name product instead of allowing an equal product to be offered;
 - Make any arbitrary decisions in the procurement process (e.g., a school cannot grant a contract because it liked one company’s branding);
 - Write bid specifications that are too narrow and limit competition;
- Allow potential contractors to write or otherwise influence bid specifications; or,
 - Provide insufficient time for vendors to submit bids.

In short, schools must do everything possible to restrict competition. The goal is to have as many suppliers as possible (with a minimum of three) respond to every solicitation.

The following are examples of reasonable terms and conditions that a school might include in a bid solicitation:

- Respondents must meet the minimum requirements for liability insurance and worker’s compensation coverage as stated in this document;
- Respondents shall provide documentation with sufficient evidence of at least five years’ experience;
- District reserves the right to require a performance bond upon award; or
- Response is due four weeks from bid release.

²“Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” Title 7 Code of Federal Regulations, Pt. 3016.36. 2013 ed. (For more information about Federal procurement regulations, see *Appendix B: Federal Procurement Regulations*.)

Responsive and Responsible Vendors

In order to win a contract, vendors must be considered both responsive and responsible.³

To be considered “responsive,” vendors must conform to all of the school’s stated terms and conditions. For example, if a school issues a solicitation for apples and the vendor responds with a bid for peaches, the vendor is not responsive. Likewise, if a school specifies that it needs delivery to five sites and the vendor can only service two of the five sites, the vendor is not responsive. Respondents that require a minimum ship quantity or dollar value that is not included in the bid document may be deemed nonresponsive. Respondents requiring prepayment may be deemed nonresponsive.

To be considered “responsible,” vendors must be capable of performing successfully under the terms and conditions of the contract. For example, if a school requires that responders provide evidence of past success meeting delivery times and upon calling the responder’s references learns that the vendor has a poor track record regarding on-time

deliveries, the vendor would not be considered responsible. Similarly, schools can use reputation as a factor when evaluating responsible vendors. The school may call other schools that have used the vendor to verify reputation.

A supplier who is responsible and submits a responsive offer is one that clearly complies with the solicitation’s terms and conditions, and that possesses, at the time of contract award, the experience, facilities, reputation, financial resources, and other factors necessary to successfully fulfill the terms of the contract. While price is an important factor, other elements must also be considered when making an award. Schools must ensure they are working with a reputable vendor and receiving a useful product. Regardless of which procurement method is used, awards must always be made only to bidders that are both responsive and responsible.

In order to win a contract, vendors must be considered both responsive and responsible.³

³“Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” Title 7 Code of Federal Regulations, Pt. 3016.36. 2013 ed. (For more information about Federal procurement regulations, see *Appendix B: Federal Procurement Regulations*.)

Buy American Provision

The Buy American provision⁴ requires schools to purchase domestically grown and processed foods to the maximum extent practicable. Domestic products are defined as agricultural commodities that are produced in the United States. Domestically processed foods are defined as those food products that are processed in the United States using at least 51 percent domestic agricultural commodities. Schools should include a Buy American clause in all product specifications, solicitations, purchase orders, and any other procurement documents to ensure contractors are aware of this requirement. For example, schools can simply write:

“By submitting and signing this proposal/bid, the bidder acknowledges and certifies that his/her company complies with the Buy American provision that the food delivered is of domestic origin or the product is substantially produced in the United States. For these purposes, substantially means over 51 percent of the processed food is from

American-produced products. If the bidder is unable to certify compliance with the Buy American provision, the bidder shall state this in his/her response and provide an explanation as to why it cannot certify compliance.”

Two situations may warrant a waiver to permit purchases of foreign food products:

1. The product is not produced or manufactured in the U.S. in sufficient and reasonably available quantities of a satisfactory quality; bananas or pineapples are good examples.
2. Competitive bids reveal that a U.S. product costs significantly more than a foreign product.

For additional information, review the April 17, 2006, USDA Policy Memo Code: SP 20-2006, “Procurement Questions Relevant to the Buy American provision,” available in *Appendix A*.



⁴ “William F. Goodling Child Nutrition Reauthorization Act of 1998” (PL 105-336, Section 104(d) 31 October 1998).

State and Local Procurement Policies

Each level of government, from school boards to the U.S. Congress, can make regulations and policies about the use of school meal funds, the purchasing process and bidding requirements, and the goals and practices for using locally grown foods. These laws and policies provide the framework by which each school procures food.

State and local rules may be more restrictive than Federal policies, or may provide specific support

(including funding) for local sourcing. For example, some districts require that schools only purchase from Good Agricultural Practices (GAP) certified farms; others may require vendors hold a certain amount of liability or worker's compensation insurance. Schools must follow all applicable Federal, State and local procurement rules. Table 1 illustrates the different levels of policy that govern the Child Nutrition Programs.



TABLE 1

Federal, State and Local Procurement Policy

FEDERAL	
<p>Policy</p> <ul style="list-style-type: none"> • United States Congress • Directs the activities of USDA and other Government departments in relation to the National School Lunch Program and other Child Nutrition Programs, such as School Breakfast Program and Child and Adult Care Food Program • Allocates funding for the NSLP and other Child Nutrition Programs 	<p>Implementation</p> <ul style="list-style-type: none"> • USDA – FNS • Administers the National School Lunch Program and other Child Nutrition Programs at the Federal level and provides cash subsidies and USDA Foods to school districts and independent schools • Sets procurement process requirements for use of NSLP and other Child Nutrition Program funds
STATE	
<p>Policy</p> <ul style="list-style-type: none"> • State Legislature • Sets the procurement process requirements for all State entities, including school districts • Incorporates into law in State code 	<p>Implementation</p> <ul style="list-style-type: none"> • State Department of _____ • Administers the NSLP and other Child Nutrition Programs at the State level • Monitors Child Nutrition Program implementation
LOCAL	
<p>Policy</p> <ul style="list-style-type: none"> • School Districts • Adopt policies to guide food and nutrition services practice at district level • Develop wellness policies at school level • May allocate funding from district funds for food or farm to school projects 	<p>Implementation</p> <ul style="list-style-type: none"> • School Districts • Implement NSLP and other Child Nutrition Programs, including procurement and contracting relating to school food • May provide meals directly or contract with a meal provider

Adapted from *A School's Guide to Purchasing Washington-Grown Food*, developed by the Washington State Department of Agriculture. Accessed April 2013. <http://www.wafarmtoschool.org/Content/Documents/SchoolGuideFLowResGuideNoResources-1.pdf>.



Informal and Formal Procurement

Under Federal rules, the “simplified acquisition” or “small-purchase” threshold determines whether procurements must be conducted informally or formally.⁵ This is a key distinction when purchasing food for the Child Nutrition Programs.

⁵Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” Title 7 Code of Federal Regulations, Pt. 3016.36. 2013 ed. [For more information about Federal procurement regulations, see *Appendix B: Federal Procurement Regulations*.]

The current Federal small-purchase threshold is \$150,000. This means that schools must use the formal procedure to procure anything that costs more than \$150,000. Any more lenient (e.g., higher) small-purchase thresholds set at the State or local level do not apply to the expenditure of Federal funds. States or localities may set lower small-purchase thresholds, and many do.

If a State or local threshold is more restrictive, it always trumps the Federal threshold. Small-purchase thresholds vary widely across States and localities. For example, Delaware’s threshold is \$20,000, while California adjusts its threshold every year; in 2013, California’s threshold was \$83,400. Local governments and school districts may set even more restrictive thresholds. If a school district’s small-purchase threshold is \$10,000, then purchases greater than this amount must be procured using the formal method while all purchases under \$10,000 may be made using the informal purchasing method.

When preparing a solicitation, a school must first consider the terms of the procurement and the estimated value of the purchase; this will determine whether the procurement should be solicited informally or formally.

Regardless of which method is used, at least three bids are required when schools are spending Federal funds. Some States and localities have established micro purchase thresholds under which competition is not required; such thresholds do not apply when using funds from the non-profit food service account.

Some States and localities have established micro purchase thresholds under which competition is not required; such thresholds do not apply when using funds from the non-profit food service account.

FIGURE 5

Informal and Formal Procurement

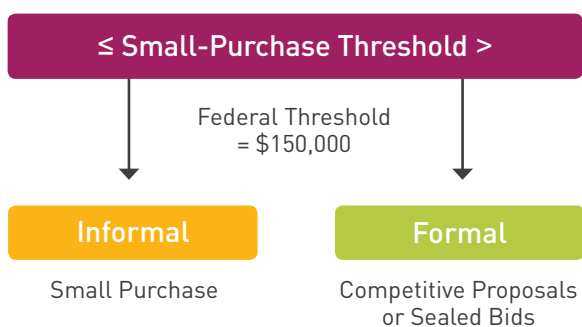


TABLE 2

Example of Hierarchy of Small-Purchase Thresholds; Schools Must Use the Lowest

Level	Amount
Federal small-purchase threshold	\$150,000
State small-purchase threshold	\$60,000
Local small-purchase threshold	\$7,000

In the example illustrated above, the district would use the formal procurement method for any purchase over \$7,000.

The Informal Procurement Process

Schools may use the informal process when the estimated amount of the purchase falls below the applicable small-purchase threshold (the lowest of the Federal, State and local thresholds). The Federal \$150,000 threshold applies to the same vendor during a one-year period, meaning that if a school plans to purchase \$150,000 or more worth of products in one year from the same vendor then the school must use the formal procurement method. Schools cannot arbitrarily split purchases, whether the product is coming from the same vendor or not, if the only justification is to keep the price below the small-purchase threshold. For more information on splitting procurements, see the Special Topics section on page 61. If the value of

a procurement falls below the applicable threshold, schools may choose whether to use the informal or the formal procurement method.

Even though the informal procurement method is less rigorous, it is important to note that competition is still required, and the regulations must be followed. Schools must develop and provide written specifications to the vendor(s), and acquire bids from at least three vendors. Although bids might be received over the phone or face-to-face at a market, schools should document all bids. The award is made to the responsive and responsible bidder with the lowest price.

FIGURE 6

Five Basic Steps of Informal Procurement



As detailed in Figure 6, there are five basic steps in the informal procurement process:

- 1. Develop specifications:** Detail the requirements of the intended agreement, including delivery and packing conditions.
- 2. Identify sources:** Contact potential vendors in a variety of ways (e.g., visiting a farmer’s market, calling on the phone, or emailing) and collect at least three bids.
- 3. Evaluate responses:** Ensure that responders are responsible and responsive—in accordance with all aspects of the specifications. Document each bid even if it was offered in a face-to-face meeting.
- 4. Award the contract:** Determine which bidder offers the best value and award the contract to the bidder that is most responsive and responsible with the lowest price.
- 5. Manage the contract:** Ensure the school receives everything from the vendor that the contract stipulates.

Writing specifications is a vital step as the specifications outline all the school’s requirements for the product, its delivery, the providers, and more. Helpful information about specifications can be found in *Appendix G: Writing Clear, Thorough Specifications*. Also, keep in mind that products cannot be purchased until the school knows the exact specifications that it needs.

Schools should be sure not to include unnecessary requirements that may increase the price and/or decrease the number of local producers that can meet the conditions laid out in a solicitation. For example, if an item does not need to be refrigerated, then it is unnecessary to include “refrigeration after harvest” as a specification, since maintaining a specific temperature may require a refrigerated

truck, or refrigerated storage, and not all vendors may have this capability.

The second step of the procurement process is where informal and formal processes differ most. Formal procurement requires schools to publicly post a solicitation, while the informal method allows schools to solicit bids directly from vendors without advertising a solicitation. Although it is not necessary to publish a written solicitation when using the informal procurement method, it is very important to keep documentation on hand to ensure that each vendor contacted receives identical information. The issue of splitting procurements is addressed in detail later in this guide, but in general, the law prohibits breaking up solicitations into smaller pieces to avoid the formal procurement process unless specific circumstances exist to justify splitting the purchase.

Sometimes, schools are unable to find three sources that meet their specifications. In such cases, the school must document why it was unable to find three quotes and the efforts taken to broaden the specifications in order to get more bidders.

For example, a school district seeks to purchase grape tomatoes from local farmers. It develops written specifications that include quality, quantity, packaging, and delivery requirements. The specifications are then faxed, mailed, or emailed to several farmers before the purchase date. The school district receives informal quotes from only two farmers, and therefore must document its efforts to ensure full and open competition. Having recorded its attempts to obtain three quotes, the school may award the grape tomato contract to one of the two respondents.

The Formal Procurement Process

For any purchase above the applicable small-purchase threshold, schools must use the formal procurement process.

As detailed in Figure 7, there are five main steps to completing a formal procurement:

- 1. Develop a solicitation:** As with the informal process, detail requirements of the intended agreement, including delivery and packing conditions. Solicitations must also state the criteria by which the bids will be evaluated.
- 2. Publicly announce/advertise the solicitation:** Announce the solicitation in print or online as long as the information is made publicly available; the school may also contact known bidders.
- 3. Evaluate the bids:** Evaluate bids using criteria outlined in the solicitation. Objectively document the evaluation and score of every bid; this documentation may be needed if a school is required to demonstrate full and open competition in a court of law.
- 4. Award the contract:** Award the contract to the most responsive and responsible vendor who offers the best value.
- 5. Manage the contract:** Ensure the school receives everything that the contract stipulates from the vendor.

FIGURE 7

Five Basic Steps of Formal Procurement



When developing a solicitation, a school may include the elements listed below:

- Minimum qualifications
- Bid process timeline
- Instructions, terms and conditions
- Insurance requirements
- Evaluation criteria
- Questionnaire about the respondents' years of experience
- Biographical information about the farmer or history of the farm
- Contact information for the farm
- Geographic preference
- Requirement to accept student groups for field trips
- Identification of the product's place of origin on invoices
- Requests for vendor references
- Produce quality standards and specifications
- Delivery and packing conditions
- Time allotted for inspection during delivery
- Other desired requirements

Within the formal procurement procedure, there are two types of solicitations: competitive sealed bidding and competitive proposals.

COMPETITIVE SEALED BIDDING

Competitive sealed bidding involves first sending out an Invitation for Bid (IFB). An IFB is issued after a complete and realistic specification has been written, and when the contract can be awarded based on price. Invitations must be publicly advertised and provide all necessary details. The public

announcement ensures that all potential vendors are aware of the solicitation and the procurement occurs on a competitive basis with all potential vendors on a level playing field. As mentioned in the steps above, bids are received, documented, and objectively evaluated. Note that with this procurement process, negotiation of price or terms is not permitted. A firm-fixed-price contract is awarded to the responsible and responsive bidder with the lowest price. A firm-fixed-price contract is one in which the award is made for a set amount of product at a specific price.

IFBs are often used for food products that require detailed specifications. For example, many districts use IFBs when purchasing fresh whole apples. The districts specify size and variety in detail along with requirements regarding quantities, delivery, or other desired conditions. Because many respondents easily meet the baseline requirements for variety, size, quantity, and delivery, price is the driving factor in the selection. When price will likely be the deciding factor, competitive sealed bidding is an appropriate procurement mechanism. Although price is the most important factor when awarding IFBs, the vendor still must be deemed responsive and responsible.

Often schools include a checklist to assess responsiveness, which may include the ability to provide farm visits, origin labeling or delivery to multiple locations.

With any type of procurement, the vendor must be responsive and responsible and be able to provide quality products that meet the specifications. Geographic preference is covered later in this manual, but note that geographic preference may be used in IFBs.



COMPETITIVE PROPOSALS

To procure using the competitive proposal method, a school issues a request for proposal (RFP). This formal method of procurement allows for consideration of factors other than price. It can result in either a fixed-price or cost-reimbursable contract (also known as cost plus fixed-fee). Examples of factors other than price that might be considered include technical expertise, past experience, and quality of proposed staffing. As with all methods, the award is made to the bidder who is able to provide the best overall value.

Similar to an IFB, an RFP must be publicized and include information about the required goods, products, and services, along with all evaluation factors and their relative importance. Listing the relative importance of all the factors is highly important for the sake of transparency with full and open competition. Negotiations may be conducted with one or more vendors submitting offers, and awards must be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered based on the criteria outlined in the RFP. Although other factors can be considered,

price remains the primary consideration when awarding a contract, meaning cost carries the most weight in evaluation.

Replies for RFPs often consist of two elements: a *technical* proposal that explains how the tasks will be accomplished, and a *cost* proposal that details the price for accomplishing the tasks outlined in the technical proposal.

Such a two-step process is recommended to evaluate responses to an RFP. The first step is evaluating variables in the technical proposal. The second step is negotiating the price. The RFP instructions should indicate how proposals are selected for negotiation. Since the budget portion of the RFP evaluation is objective, it offers an appropriate method to select vendors for negotiation. The instructions might read, “The two vendors offering the lowest cost proposals will be selected for negotiations.” Though geographic preference will be discussed in depth later in this guide, keep in mind that the geographic preference option can be applied in the technical or cost proposal sections of an RFP.

Documentation

Recordkeeping is essential when using either the informal or formal procurement method. Although issuing a written solicitation is not required when using the small-purchase procedures, it is important to write down specifications to ensure each potential vendor receives the same information.

With all bids and solicitations, ensure that communication with vendors is documented, regardless of how the communication took place (e.g. in person, via email, or over the phone). Some schools may operate completely via email and create an email folder with each quote. Others may prefer hard copies and keep physical files of all specifications and solicitations. Keep information for each procurement together in one place for easy reference.

Schools should also document each stage of the evaluation process. Although schools will not always be asked to prove that a vendor was best by providing documentation, they must still keep records showing their objective evaluation criteria and selection process. If a protest of the decision is filed, the school should be prepared to respond with this information within thirty days.

For an informal procurement, bid documentation can be as simple as filling out a chart shown in Table 3.

Managing Contracts

Once a contract is awarded, the work is not done! Schools must manage all contracts to ensure that vendors stay accountable and compliant. If the school's needs change, an evaluation of the contract must be made to determine if a material change to the contract is necessary. A material change is a change made to a contract after the contract has been awarded that alters the terms and conditions of the contract substantially enough that, had other respondents known of these changes in advance, they may have bid differently and more competitively. Contract modifications can be made, as long as these changes do not result in material changes. If the vendor is unable to fulfill the contract, termination must be made as outlined in the terms and conditions of the contract. It would be unfair to allow the vendor to make a significant change to the bid without allowing all vendors an opportunity to bid on the new requirements.

TABLE 3

Bid Documentation Chart

Vendor	Date Received	Responsive and Responsible	Price per Pound
Tom's Toms	July 1	Yes	\$2.20
Vickie's Vines	July 1	Yes	\$2.05
Fresh Network	July 10	No, can only deliver 5 months of year	\$2.75



Procuring Local Food

Local procurement options differ greatly across communities depending on district and school size, proximity to agricultural areas, growing season, and demographics. Thus, there are many pathways to local procurement; using geographic preference is just one of the pathways. This section explores defining “local” and identifying what foods can be bought locally; how to start introducing new foods to a menu; exploring which vendors can provide local foods; the mechanics of sourcing locally; how to use the geographic preference option; and other topics that arise when procuring local foods.

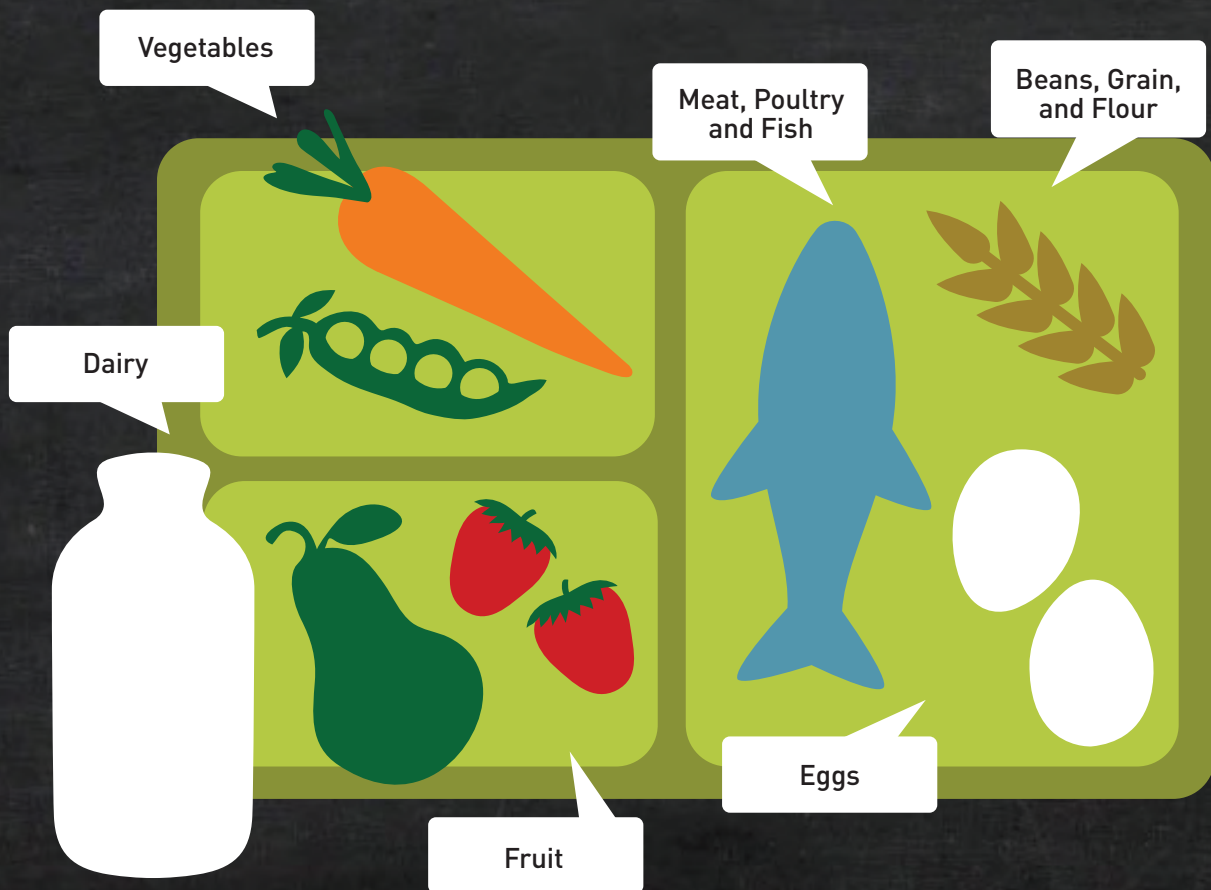
Local What?

Local and regional foods can span the meal tray!

Local foods may include fruits, vegetables, beans, grains and flour, meat, poultry, fish, condiments, herbs, eggs, processed products, and dairy; these products can come from local farmers, ranchers, dairies, fishermen, food processors, and distributors of all sizes. Fresh fruits and vegetables are a common and logical starting place for local procurement, however, the most comprehensive local buying programs incorporate local products in all of the food categories.

To begin sourcing local products, schools often start by answering the questions:

- What is local in our area and when are these items in season?
- Which local foods will be most popular among students?
- Which local foods are already on our school menu?



Assessing Local Availability

Finding what products are available locally and when they are in season is essential to purchasing local foods. Here are just a few ideas for exploring what local foods are produced in your area:

OUTREACH TO COOPERATIVE EXTENSION AGENTS

Across the country is a network of Cooperative Extension agents who are experts in many agricultural topics, including local food systems. Each State-level Cooperative Extension website lists contact information for agents within the State.

USDA CENSUS OF AGRICULTURE

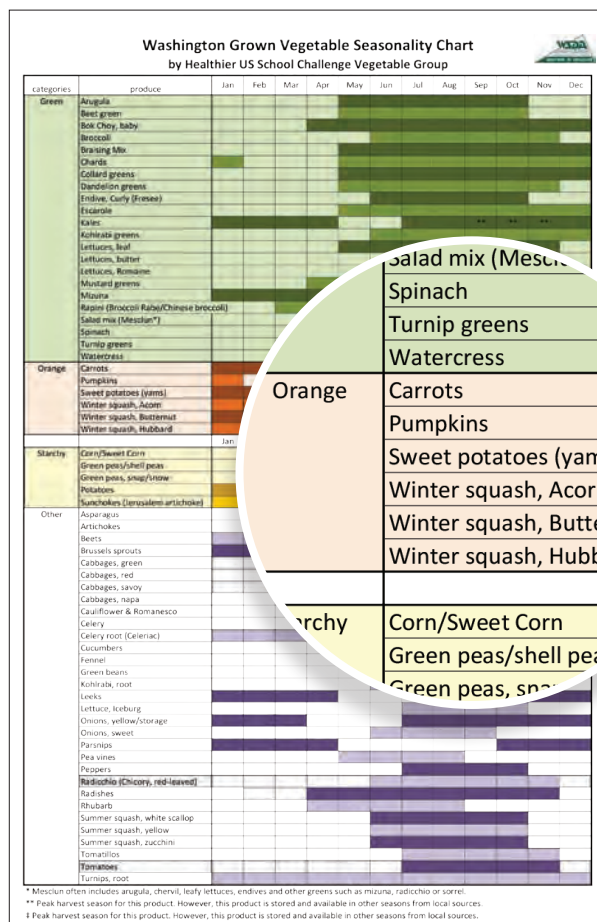
Every five years, USDA's National Agricultural Statistics Service (NASS) surveys all U.S. farmers and maintains an online searchable database with detailed information about agricultural production in each State and county. Use the Census to get a sense of what types of crops, and what volumes, are being produced in an area of interest.

THE FARM TO SCHOOL CENSUS

USDA surveyed more than 13,000 school districts across the country about their farm to school efforts, and local procurement in particular. Use the Farm to School Census to determine which nearby districts are purchasing local foods and what they are buying.

SEASONALITY CHARTS

Many State departments of agriculture or non-profit organizations produce visual representations of what's local and seasonal in a state or specific region. Some include just fruits and vegetables, while others include grains, dairy, meat, and other products as well.



Washington State Department of Agriculture

For more information about these resources, see *Appendix C: Menu Planning Resources*.

Requests for Information

Issuing a request for information (RFI) is another tool schools can use to design bid documents, assess local availability and decide what products to buy locally. Usually, an RFI outlines the types of products the school is looking for and seeks information from potential suppliers.

An RFI is not used to procure products, but rather to gather market information about the availability of local products to inform future menus and procurement activities. Schools or community partners may issue an RFI with a list of products and estimated volumes needed and ask for information about what products and how much volume suppliers can deliver.

Because this is not a procurement tool, a school *can* explicitly require information about local products in an RFI, such as stating that the school is seeking information strictly about products available within the State or 100 miles. Once the school receives responses, depending on the outcome of the RFI and the estimated value of the procurement, the school will decide what procurement method to use and whether to use geographic preference. For example, a school may not issue an RFP for peaches grown within 100 miles, but it can send out an RFI for peaches grown within 100 miles.

The responses from the RFI will give the school a list of potential vendors. From this information, the school can write an RFP for peaches with a preference for those grown within 100 miles and ensure that local peach growers within 100 miles are aware of the RFP. An RFI can help connect schools with local growers, ensure that schools are requesting local products when they are available, and help schools structure the geographic preference section of their solicitations.

An RFI can be as simple as listing which products the school wants, and asking suppliers to respond

with the quantities they may be able to produce and a timeframe for potential delivery. More complex RFIs may ask producers to respond with an estimated price, food safety practices, detailed specifications, and delivery capacity.

Example: School Food FOCUS

In 2013, School Food FOCUS, a national collaborative of large school districts, issued an RFI on behalf of five large urban school districts in the Midwest. The RFI was a way for FOCUS to explore the potential to expand offerings of locally grown and processed fresh and frozen fruits and vegetables for school meal programs. The RFI clearly stated that any responses were non-binding and that the information collected would be used to identify local products which might be purchased in the future. While issuing an RFI may be beyond the capacity of a school district, this is a great example of how community partners can help districts work together to determine what local products are available. For more details about the RFI issued by School Food FOCUS, see *Appendix S: Excerpt from School Food FOCUS RFI to Supply Locally Grown Fresh and Frozen Fruits and Vegetables*.

Because this is not a procurement tool, a school *can* explicitly require information about local products in an RFI, such as stating that the school is seeking information strictly about products available within the State or 100 miles.

Defining Local

There are many options for defining “local,” and definitions vary widely depending on the unique geography and climate where a school is located, and on the abundance of local food producers and manufacturers. Many schools define local as within a certain number of miles, within the county, or within the state. Alternatively, definitions might include more than one State (e.g., Georgia, Alabama, and Florida) or discrete parts of several States (e.g., specific counties in Washington, Oregon, and Idaho). There is no Federal definition of local.

Some schools opt to define local differently for different types of products or for different seasons. For example, a school might decide that because there are so many fruit and vegetable producers within its county, local fruits and vegetables must come from within county lines. However, if the county has only one dairy, then local milk, cheese,

and yogurt specifications must be expanded to allow these products to come from additional sources, for example from anywhere in the State. Involving school nutrition staff, local growers, food distributors, and others in helping to define local ensures that the definition best meets the school’s needs and encourages competition among vendors. See Table 4 for other ideas about how to define local.

TABLE 4

Various Definitions of “Local”

Level	Definition of “Local”
Federal definition of local	There is no Federal definition
State definition of local	Within the State
Local definition of local	Within 100 miles for produce and within 500 miles for beef and poultry

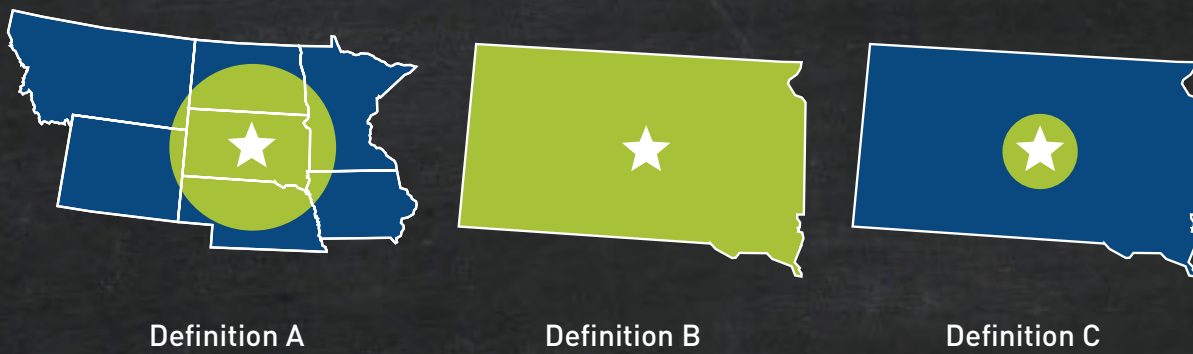
There is no Federal definition of local.



FIGURE 8

Potential Definitions of Local for Pierre, South Dakota

A school district in Pierre may define local as including portions of South Dakota and other nearby states (see *Definition A*), as just the state of South Dakota (see *Definition B*), or as a smaller region around Pierre (see *Definition C*). If using political borders does not make sense, distance can be measured as a radius from the school, district, or city. Keep in mind these are not the only options for defining local.



OTHER DEFINITIONS OF LOCAL IN VIRGINIA, CALIFORNIA AND OKLAHOMA

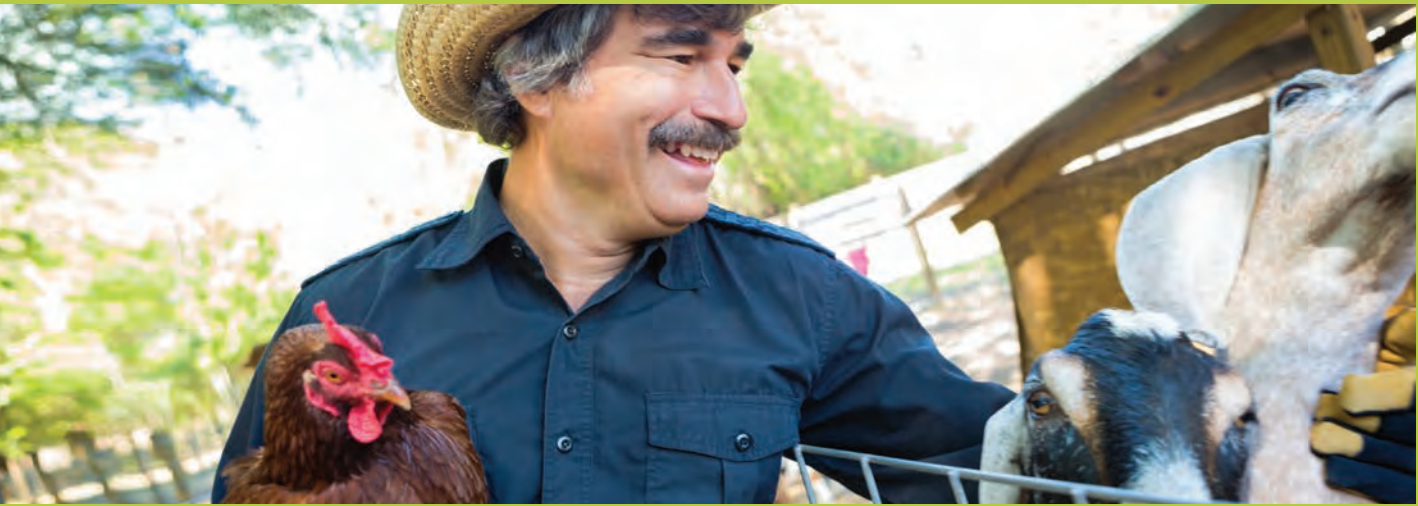
Page County Public Schools, in Virginia, defines local using three-tiers.

- Within the County
- Within the Region (within 90 miles of Luray, VA)
- Within the State

While a product that meets the first tier definition is preferred, a product that falls within any of the three tiers would be considered a local product.

Oakland Unified School District, in California, defines local within a 250 mile radius of Oakland.

Hinton Public Schools, in Oklahoma, defines local as within Oklahoma.



Local from Whom?

While the phrase “local procurement” might conjure images of a farmer delivering produce straight to the backdoor of a school cafeteria, local foods do not always travel straight from the field, pasture, or water to the school meal tray. Some schools buy directly from producers. Other schools rely on third-parties to source, process, and deliver local foods. Local foods can be purchased directly from producers, through producer co-ops and food hubs, through distributors and food service management companies, from food processors, and even from school gardens. There are many models for providing local foods to school cafeterias. Keep in mind that the methods described below are not necessarily exclusive of one another.

DIRECTLY FROM PRODUCERS

Some schools purchase foods directly from local farmers, ranchers, and/or fishermen. However, there are multiple procurement possibilities, even when purchasing directly from the source. Some schools set up contracts with producers well in advance of the growing season, establishing a specific volume of product they intend to buy at a specific price. Since many school districts plan menus months in advance, knowing which products are already contracted for or available helps the menu planner. Other schools solicit bids for products month-to-month based on what is affordable and available.

With regard to receipt of product, some schools require farmers to deliver straight to schools or a central warehouse, while others pick up products at the farm or from a farmers' market, or even harvest foods themselves at pick-your-own produce farms.

THROUGH PRODUCE AUCTIONS

Produce auctions play an especially important role in rural areas and can be a great source for buying local produce and connecting with local farmers. Schools also are less likely to have problems getting the quantities of food they are seeking from a produce auction. The competitive bidding style helps keep prices reasonable without compromising product quality. Produce auctions can be a convenient, central meeting place to find and get in touch with local producers. In some areas, auctions are one of the only markets for local produce.

THROUGH PRODUCER CO-OPS AND FOOD HUBS

In some regions, producers have organized into cooperatives (co-ops), aggregating their products and combining their marketing efforts. Compared to a single producer, these groups are more likely

able to fulfill large orders, deliver directly to schools, and provide some minimal processing. Some, but not all of these efforts to pool products are known as food hubs. Some food hubs act in the same manner as a distributor, meaning schools are able to order multiple products directly from the hub, which may come from several different producers in the area. Buying from a co-op, regardless of how the collaboration is structured, may cut down on some of the administrative burdens of working directly with a different producer for every different kind of local product.

FROM FOOD SERVICE MANAGEMENT COMPANIES

Some schools competitively solicit for a contract with an outside company, called a food service management company (FSMC), to manage any aspect of their food service operations. As with a school that manages its own meal service operations, the company must follow Federal, State and local procurement rules if the FSMC is operating under a cost-reimbursable contract. If the management company is contracted to provide meals under a fixed-price contract, then the FSMC may procure food based on its own procurement procedures, however there are still many regulations to which the company must adhere (such as the Buy American provision). Under both types of contracts, FSMCs must meet the USDA meal patterns using the quality of foods described in the contract. If a school wants to include use of local products as part of the contract, it should include details about its preference for local products when soliciting bids for the FSMC contract.

THROUGH DISTRIBUTORS

Many schools competitively solicit contracts with a broad line distributor and/or a produce, dairy or bread distributor to procure local food for the school's food service operations. Working through



distributors to bring local products into the cafeteria can sometimes be easier than local sourcing foods directly. In fact, schools are often surprised to learn that their current distributors are *already* working with local producers.

FROM FOOD PROCESSORS

Schools may also opt to purchase locally processed items or processed items that contain local ingredients as part of their local buying efforts. Processors are a good option when kitchen storage capacity, quantity of food production equipment (e.g., manual or mechanical food processors) or staff time is limited in individual schools.

FROM SCHOOL GARDENS AND FARMS

School gardens and farms rarely produce enough food to make up a *large* portion of school meals. However, fruits, vegetables, eggs, honey and other products grown at the school can enhance the educational process, supplement meals, provide visual appeal on salad bars, serve as snacks or be offered as part of a taste testing. A school may sell food grown in its garden for use in the Child Nutrition Programs. The garden-grown foods may also raise

funds by being sold through the meal programs or to parents and other community members. Schools may use funds from the non-profit school nutrition program's account to competitively purchase seeds, fertilizer, rakes, watering cans and other items for the school garden, as long as the garden is used within the context of the program (e.g., served through a taste test or as part of a school meal).

Before operating a school garden or using garden-grown foods in school meals, schools should become familiar with all applicable Federal, State and local health and sanitation requirements. For more information, please see *Appendix A: Procurement Resources* for a guidance memo on school gardens.

THROUGH USDA FOODS

About 15 to 20 percent of the food served through the NSLP comes from USDA Foods. USDA sources these foods through competitive procurements for which a local preference is not possible. However, 100 percent of USDA Foods are of domestic origin and it is possible to procure local items through the USDA Foods catalog.

For example, Mississippi is the only State that produces significant, commercial quantities of catfish. This means that, USDA Foods catfish might be considered local or regional to Southeast schools. Likewise, apricots offered through USDA Foods normally come from California and pears usually originate in the Pacific Northwest.

Understanding what food is produced in the school's area is not the only way to support the regional economy through USDA Foods. Most States send a portion of their USDA Foods to processors to be turned into products like burritos, burgers or rice bowls. Schools can research the processors they are currently working with and determine if the State has agreements with other companies located closer to home.

For more information about USDA Foods as a resource for buying local see *Appendix H: USDA Foods: A Resource for Buying Local*.

THROUGH THE DEPARTMENT OF DEFENSE FRESH FRUIT AND VEGETABLE PROGRAM (DOD FRESH)

States and districts can opt to spend a portion of their USDA Foods entitlement money to buy produce through DoD Fresh. The program identifies local products as such in the Fresh Fruits and Vegetables Order Receipt System (FFAVORS) catalog.





Local How?

In addition to the many sources of local foods, there are also many ways to source local products and stay in compliance with procurement regulations. The key, as with any procurement, is to adhere to the basic regulations and procurement principles. Schools can use both the informal and formal procurement methods to purchase local products.

Unintentionally

Some products, because of their characteristics, are more likely to be local. For example, fluid milk is produced in almost every State and, because fluids are expensive to transport, local milk is likely to be cheaper; therefore, most milk in schools is relatively local. Likewise, if a school in California chooses to purchase avocados, chances are they will be from Southern California. If a Florida school chooses to purchase oranges in winter, they will likely be from Florida.

The point is that oftentimes, schools are buying local foods without even knowing it. Working with distributors to find out where food is coming from will allow schools to include these “unintentionally local” foods in the tally of local purchases. Making these connections can lead to important educational opportunities, too. For example, if a school realizes that its cheese is coming from a producer 20 miles away, the school might be able to invite the cheese maker to give a classroom talk or participate in another school event.

Example: Eugene, Oregon

The Eugene School District 4J receives the majority of its produce through Duck Produce located in Portland, Oregon. Though Eugene 4J uses other mechanisms to source local products, the district does not specifically request local products from this distributor. Depending on the season and the product, Duck often delivers Oregon-grown product to Eugene 4J with the district’s typical produce order, without any specific request to do so. Duck identifies all Oregon-grown products on invoices.

Example: Bozeman, Montana

At Bozeman Public Schools, students feast on Montana-produced potatoes and pasta. The school nutrition director decided to ask the distributor to label which products were produced in Montana. Soon the school was able to include potatoes and pasta in the district’s locally grown tally.



Including Local Characteristics in Specifications and Solicitations

Specifications may be written for a wide variety of qualitative characteristics that are likely to be met by local products. A specification that foods are fresh (harvested within a 24 to 48 hours of delivery) is one way to increase the likelihood that a local vendor will win the contract. Another way is for a school to specify particular varieties or species. For example a school might specify a certain type of seafood caught in waters off the coast of its State (or a freshwater fish that is only available in local lakes and rivers) or a type of apple that is only grown by farmers in the school's region.

If a school chooses to use qualitative factors to potentially increase local purchases, it should first survey the market to ensure that it will receive enough bids at an acceptable price and is not unreasonably limiting competition. Similarly, schools should not include unnecessary specifications because they may increase the price and/or decrease the number of local producers that can meet the specification.

“Local” can be a preference but never a requirement; therefore it should never be used as a specification. So, while it is not acceptable to require that respondents be located within 50 miles of the school, it is acceptable to require products be harvested within 48 hours of delivery. Likewise, while it is not acceptable to restrict responses to only those vendors located within a certain area, it is acceptable to award extra points or price preference if vendors can meet criteria such as grown within 100 miles or grown within a specific State or region.

“Local” can be a preference but never a requirement; therefore it should never be used as a specification.

In addition to specifications related to the product, a school can also detail requirements related to the vendor that might target local suppliers. Such requirements are usually included in a checklist used to evaluate vendor responsiveness. For example, a school might require that farmers make themselves

available for farm field trips, or that they conduct classroom visits and participate in taste tests with cafeteria staff. A local farmer could likely accommodate these requests while a producer on the other side of the country could not. Checklists may also include items such as being able to identify the State of origin for all products on invoices or providing biographical and contact information about the farm or farmer producing local products.

A school may decide require to include any one or several of these criteria as a requirement for a bidder to be considered responsive as long as these criteria do not restrict competition. If a school includes these types of criteria as additional evaluation elements in a request for proposal, it should be sure to indicate how much weight each element will carry.



Example: Harrisonburg, Virginia

Harrisonburg City Public Schools (HCPS) uses a detailed list of specifications that make it likely that a nearby vendor will be the most competitive. The district specifies that ground beef must be:

- From cattle specifically raised for beef production (culled dairy cows are not acceptable);
- From cattle raised without the use of hormones or sub-therapeutic antibiotics;
- From cattle that are grass-fed or grass-fed and grain-finished;
- Slaughtered and processed in a USDA-inspected facility;
- Contain a ratio of lean to fat of 85/15 or leaner; and,
- Labeled with the name of the company, product type, and a unique indicator which can be used to trace the product back to the animal and/or date of slaughter.

While it is not obvious that these specifications are targeting a local product, the specificity and high quality requirements make it more likely that a local producer would have a more competitive price than a vendor from afar that would need to meet the quality standards and include transportation in the bid. While

HCPS does publicly announce the solicitation, the school nutrition director also ensures that potential local producers are aware of the solicitation.

Example: San Diego, California

San Diego Unified School District (SDUSD) uses detailed specifications to target local produce when using the informal procurement method. Among other elements, San Diego's specifications include that foods must be:

- Grown on farms that are smaller than 50 acres and grow more than five food crops at once;
- Grown on farms that utilize a majority of hand harvesting, hand packing or human labor in growing, harvesting, and packing of food;
- Delivered within 24 to 48 hours of harvest; and,
- Delivered directly to multiple SDUSD school sites (not a central warehouse).

In some areas, including even one of these specifications could restrict competition. San Diego is a unique area with many local producers that can meet all of these specifications. See *Appendix I: Excerpt from San Diego Unified School District Informal Produce Solicitation* for San Diego's solicitation language.

Approaching Only Local Sources

If a school is making a purchase that falls under its small-purchase threshold, it can choose three (or more) local producers and request quotes without issuing a formal IFB or RFP. This can be done by calling local producers, going to the farmers' market and talking to potential vendors, or posting specifications on a local email list or on a flier in a place where producers will see it. This method represents another potential way to procure local products without using geographic preference.

Example: Tulsa, Oklahoma

Union Public Schools in Tulsa, Oklahoma writes specifications for tomatoes. Then, the school nutrition director calls several tomato growers in the State and emails the request to a list of producers that she has developed, rather than posting it publicly. Union Public Schools always documents each bid received. Here are Union Public School's specifications for tomatoes:

- Available at least ten months out of the year
- Greenhouse-grown, hydroponically grown, or grown outside
- Grade No. 1 quality
- Fully ripe
- Red color stage
- Ten-day shelf life
- Pesticide free and organic
- GAP and Good Handling Practices certified, preferred
- Transported to a school warehouse or to eighteen individual schools

- Must be delivered two days before service
- Must be able to provide an estimated quantity of 36 cases per week

Since the value of the product Union Public Schools needs falls below the small-purchase threshold, this district does not need to formally advertise the solicitation; the district simply calls or emails producers it knows can supply the product and meet the district's definition of local.

Example: Harrisonburg, Virginia

Harrisonburg City Public Schools is located within a few miles of a semi-weekly produce auction in the Shenandoah Valley. During the spring and fall months, the district gathers a list of products that are available through the auction and useful to the meal programs. The district sends a buyer to the auction every Tuesday and the buyer conducts an informal procurement for the produce items. The buyer compares prices and quality and is able to obtain three quotes from different vendors all in one place.

Using Distributors

Distributors are an integral part of school food service operations. Many schools rely on distributors to deliver the majority of their food since distributors provide a one-stop shop, deliver directly, and hold liability insurance. Schools that want to build local procurement into their contracts with distributors should develop a solicitation that indicates which products they would like to receive from local sources, the quantities desired, and whether local products are preferred at all times, only in certain months, or as available. Schools also need to include a clear definition of “local.” In the solicitation, schools may request that distributors provide both local and non-local varieties of a product, to ensure local products are provided when available and that a non-local product is on hand when a local variety is not in season.

Once a distributor has been competitively procured, a school may select any product from the contracted list. Often, distributors already offer local products even when local is not specified in the contract, and all a school needs to do is order the product. Additionally, once the contract is established, the school can suggest specific producers for the distributor to consider working with to procure locally.

Example: Knoxville, Tennessee

In Tennessee, Knox County Schools works closely with its distributor to procure local products. In the produce solicitation, the school lists both local and non-local products and asks that local be provided when available. Including both local and non-local varieties enables the distributor to offer two different prices for the items and affords the school the flexibility to make a decision between the local and non-local items. The distributor provides price sheets on a monthly basis and lists local items and the point

of origin for each local item. With the price sheets in hand, the district makes ordering decisions based on the recipes for the upcoming week’s menu, the source of the products, and the price.

Distributors often provide product lists to customers on a weekly or monthly basis that highlight local items. Some distributors offer the State of origin, while others will note the specific producer from which the product is coming. See *Appendix J: The Local List from Royal Food Service* based in Georgia.



Using a Co-op or Food Hub

Some farmers work together to share in the distribution, marketing, processing, selling, or billing of their products and create cooperatives or food hubs, which are a type of distributor. Food hubs range in size and the services they provide, but frequently offer a viable distribution network to supply local food to schools. A cooperative or food hub may allow producers to aggregate their harvests of one type of product to meet the large demand of a school. Working with a co-op also allows schools to work with one entity to supply multiple items instead of working with several individual farmers. Schools should ensure that aggregation operations hold the amount of liability insurance required by the district. For more information, see *Appendix A: Procurement Resources* for the AMS Food Hub website.

Example: Washington State

With support from the Washington State Department of Agriculture (WSDA), Auburn, Kent and Renton School Districts formed the South King County Farm to School Collaborative. These three districts work closely to develop common specifications and issue request for proposals for seasonal produce that include all three districts' needs. By combining demand and sharing the work of the solicitation and review process, the schools have greater buying power and have had success working not only with individual producers, but also with a food hub called Viva Farms. Viva Farms is a farm incubator which provides land, credit, training, and marketing and distribution support to new farmers to grow fruits and vegetables. The South King County Farm to School

Collaborative and Viva Farms are a great match, as Viva is able to aggregate product from several growers, offering a consistent supply and multiple products with convenient order and delivery. The schools have purchased items like strawberries and radishes from the food hub. The Collaborative issues a request for proposals each season for fruits and vegetables and Viva Farms, along with other individual producers, bids on the products its producers are able to supply. Going forward, WSDA is working with the Collaborative to facilitate a bid process for forward contracting to assist farms in planting products schools want, and to obtain prices that work for schools.

Using a Food Service Management Company

As with a distributor, a school may include preferences for local products in the solicitation for an FSMC. That way, the company's responsiveness to the request for local products can be considered in the school's selection. Schools must include in their solicitation the details about how and when they wish to have local foods purchased and how local foods should be used in the provided meals.

Example: San Francisco Bay Area, California

Several districts in the south Bay Area in California contract with Sodexo for their food services. Sodexo uses Fresh Point San Francisco as its produce distributor. Fresh Point works closely with the Community Alliance for Family Farmers (CAFF) to identify local producers and source product from within 125 miles of Union City, California. Through this relationship,

CAFF has identified small- and medium-sized producers that are able to drop product off at a larger farm site. Fresh Point San Francisco is able to pick up a variety of producers' items from one location. The company also issues monthly "Hot Sheets" that showcase important information about local products, list all of the local products available, and indicate where each provider is located.



Using a Forward Contract

Forward contracts, also known as contract growing, allow schools to solicit for a product before it is harvested. Forward contracting allows producers to plan for large demand and plant and pack according to school districts' needs and potentially provides schools with a more reliable supply. Although contract growing offers a guaranteed market for a farmer's crop, this method does pose some risk to schools. To mitigate this risk, schools generally incorporate contingency plan language into the contract. Schools can require product substitutions in the case of crop failure or reserve the right to source product elsewhere. A forward contract could be put in place through an informal or formal procurement directly with a grower or between a distributor and producer. Distributors are well-versed in forward contracting and are accustomed to finding ways to guarantee supply before a product is available.

Example: North Carolina

In North Carolina, the Department of Agriculture and Consumer Services (NCDACS) solicits forward contracts for a variety of local produce. Working with an advisory board made up of school districts, each spring the department develops a list of products desired for the next school year. North Carolina started by only issuing one solicitation every year, but has found that they can get better pricing and more stable supply by contracting with select growers each quarter. Contracting four to six months prior to delivery allows the districts to plan menus with confidence and provides growers a guaranteed market for their product.

Watermelon provides a perfect case study for how forward contracting can benefit both schools and producers. Traditionally, watermelon season in North Carolina ends in August, however, as schools are not in session in August, the North Carolina Department of Agriculture contracted with growers to plant watermelons later than they normally would. By waiting a few weeks to plant, growers extend their production season, and the children in North Carolina schools enjoy watermelons in September when the academic year has resumed.

Example: Oregon and Oklahoma

In both Oregon and Oklahoma, the State farm to school coordinators work directly with producers and produce distributors to develop forward contracts for products that will go to schools. In these cases, the districts have already competitively procured the produce distributor and the farm to school coordinators help the distributors find local producers and set up forward contracts.

See *Appendix K: Two Sample Forward Contracts* for two examples: one that a competitively procured distributor might use with a producer and another that a school may use to contract with a farmer.

Using the Department of Defense Fresh Fruit and Vegetable Program (DoD Fresh)

Participating States and schools can elect to spend a portion of their USDA Foods entitlement money on fresh fruits and vegetables through DoD Fresh. To supply fresh fruits and vegetables, DoD contracts with over 45 produce vendors across the country. Although these vendors are not required to purchase local produce, they are strongly encouraged to do so. Each DoD Fresh produce vendor updates the online FFAVORS catalog for its region of service on a weekly basis and marks locally procured products. “Local” in DoD Fresh signifies that the product is from within the State, the contract award zone, or a State adjacent to the contract award zone. If a school would like to purchase additional local products through DoD Fresh, it should work with the DoD produce vendor to request additional local options, and/or to suggest specific producers or producer groups that the vendor might work with to secure locally grown produce. For more information about how schools can connect with the DoD Fresh vendor in their area, see *Appendix L: Using DoD Fresh to Purchase Local Produce*.

Example: North Carolina

The North Carolina Department of Agriculture and Consumer Services (NCDACS) helps facilitate relationships between the DoD vendor, local producers, and school districts. The department surveys school districts to determine which local products they are interested in receiving throughout the year through the program and commercial channels and provides the compiled information to the vendor. The State then works to connect interested local growers with the DoD vendor so that purchasing relationships can be established. NCDACS contracts with many of the same growers that supply commercially purchased products to schools, as such the State facilitates distribution, picking up product at the farm and delivering it to the DoD vendor or the State’s warehouse.

Example: Connecticut

In Connecticut, the State Department of Administration Services hosts an annual meet-and-greet event that brings together farmers, schools, and the DoD vendor. As a result of this meeting, the vendor has developed several relationships with local producers and now offers many local products in the DoD catalog.

Example: Texas

In Texas, schools rely on DoD Fresh distributors to provide Texas products year-round. Due to the size of the State, Texas has three vendors that provide produce to schools through DoD Fresh. The State agency works closely with the distributors and develops a calendar of Texas-grown produce items that will be available to all schools that participate in DoD Fresh. In school year 2012–2013, the DoD vendors offered Texas-grown watermelons, red potatoes, ruby red grapefruit, gala apples and early seeded oranges. The State agency and the vendors send the calendar of seasonal items to schools and schools are able to order at their convenience. See *Appendix M: Texas Farm to School through DoD Calendar SY2014 Overview*.



Geographic Preference

The 2008 Farm Bill directed the Secretary of Agriculture to encourage schools operating Child Nutrition Programs to purchase “unprocessed agricultural products, both locally grown and locally raised, to the maximum extent practicable and appropriate,” and to “allow institutions to use a geographic preference for the procurement of unprocessed agricultural products, both locally grown and locally raised.”⁶

⁶ “The Food, Conservation and Energy Act of 2008, Subtitle C - Child Nutrition and Related Programs, Section 4302 - Purchases of Locally Produced Foods” (Public Law 110-246, 18 June 2008).

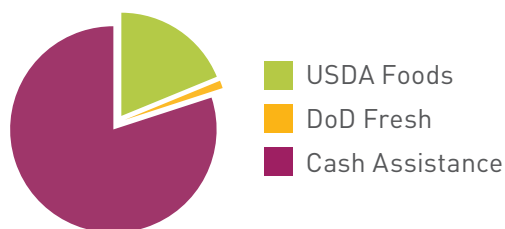
The geographic preference option applies to operators of all of the Federal Child Nutrition Programs. It enables schools to state a preference for local products both in formal and in informal procurements, but does not require local purchasing.

As shown in Figure 9, about 80 percent of all foods for school meal programs are sourced with cash assistance, including Federal reimbursement, student payments, and, in some cases, State and/or local funding. The geographic preference option can be used for purchasing unprocessed agricultural products with the cash assistance portion of school food funds. Thus it is an option that can be applied to a large piece of the overall school food budget. As discussed earlier, USDA Foods comprise about 15 to 20 percent of the food served in school lunch and USDA cannot apply a geographic preference to these procurements.

In 2011, the Food and Nutrition Service published the Final Rule titled, “Geographic Preference Option for the Procurement of Unprocessed Agricultural Products in the Child Nutrition Programs.”⁷ This rule achieves two major objectives. The rule clarifies who can define local and defines the term “unprocessed.”

FIGURE 9

Percentages of Cash Assistance, USDA Foods and DoD Fresh



Unprocessed Foods

Geographic preference applies only to unprocessed locally grown or raised agricultural products. Unprocessed products are those that retain their inherent character. The following food handling and preservation techniques are not considered to change a product’s character and thus are allowable:

- Refrigerating
- Freezing
- Size adjustment made by
 - Peeling
 - Slicing
 - Dicing
 - Cutting
 - Chopping
 - Shucking
 - Grinding
 - Forming ground products into patties without any additives or fillers
- Drying or dehydration
- Washing
- Packaging (such as placing eggs in cartons)
- Vacuum packing and bagging (such as placing vegetables in bags or combining two or more types of vegetables or fruits in a single package)
- Adding of ascorbic acid or other preservatives to prevent oxidation
- Butchering livestock and poultry
- Cleaning fish
- Pasteurizing milk

⁷ Geographic Preference Option for the Procurement of Unprocessed Agricultural Products in the Child Nutrition Programs; Final Rule, “76 Federal Register 78” (22 April 2011), 22603-22608.

Unallowable food handling and preservation techniques include heating and canning. A school can use the geographic preference procurement option to procure local tomatoes and onions for tomato sauce, but not to procure the tomato sauce itself since the sauce would have been heated.

Types of Products

Geographic preference can be applied to a wide array of products provided those products meet the definition of unprocessed or minimally processed.⁸ Allowable products include, but are not limited to the products outlined in Table 5.

TABLE 5

Unprocessed Products for Which Schools Can Use the Geographic Preference Option

Product	Included	Not included
Fruits	Sliced, diced, whole raw, dried or frozen products	Does not apply to any canned products
Vegetables	Sliced, diced, whole raw, dried or frozen products	Does not apply to tomato sauce, canned products and vegetable patties
Meats	Unprocessed frozen products and formed products, such as patties	Does not apply to any meat products that have been cooked, heated, or canned or that have any additives or fillers
Fish	Whole, form fillets or nuggets	Does not apply to any seafood products that have been cooked, heated, or canned or that have any additives. It does apply to fresh and frozen fish, including fillets that contain no additives or fillers
Poultry	Whole, form or various cuts	Does not apply to any poultry products that have been cooked, heated, canned or that have any additives or fillers
Dairy	Unflavored milk	Does not apply to fluid milk products that contain additives, such as chocolate or strawberry flavored milks, nor any processed dairy products such as cheese, yogurt, etc.
Eggs	Whole, shell eggs	Does not apply to liquid eggs
Grains	Quinoa, rice, barley, etc. in whole form and other grains in ground form such as flour	Does not apply to any products that have been baked or cooked

⁸"Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," Title 7 Code of Federal Regulations, Pt. 210.21(g)(2). 2013 ed. (For more information about Federal procurement regulations, see *Appendix B: Federal Procurement Regulations*.)



Defining “Local”

There are a variety of ways to define local and, sometimes, the school’s definition changes depending on the product or season. Note that geographic preference follows the agricultural product, not the location of the respondent, so it is irrelevant where the respondent’s business is incorporated or maintains a principal place of business.

The geographic preference rule confers the authority to define local directly to school food authorities (SFAs). Many State and local governments have adopted definitions of local such as “within the State” or “within the county.” A school electing to use its federally conferred option to indicate a geographic preference when sourcing food for the meal programs is under no obligation to adopt any definition of local that might be in existence in its local areas. Only the SFA can determine the definition of local. Thus, any attempted restriction by a local or State government to make decisions regarding how to define local for purposes of the geographic preference procurement option would be inconsistent with Federal law and unallowable.

Maintaining Competition

Any price preference, by its very nature, may reduce competition; however, geographic preference may have a greater or lesser impact depending on the characteristics of the market, such as the number of vendors and quantity of product available. The school’s application of the geographic preference option must leave an appropriate number of qualified firms, given the nature and size of the procurement, to compete for the contract. It is imperative that the school does not unnecessarily restrict full and open competition. For example, indicating a preference for products grown within five miles, when only one farm meets that definition, would be considered an unreasonable limit on competition. However, if 100 farms meet that definition, the preference would not result in an unreasonable limit on competition.

Schools should do everything possible to obtain three quotes, including broadening specifications (e.g., changing the requested delivery date, variety or delivery requirements) if necessary. Though it is not recommended, if a district is unable to find three quotes even after altering specifications, it may purchase the product if only two bids were received. The school must document all efforts to obtain three quotes and why it was unable to find other bidders.



Photo Credit: Community Alliance with Family Farmers

Creating a Solicitation

Federal regulations do not prescribe the precise way that geographic preference should be applied, or how much preference can be given to local products. There are a variety of ways to apply geographic preference, and one way is not necessarily better or more effective than another. One approach is to award local products a percent preference or a certain number of points for products produced within the State or another area the school defines as local during evaluation. Another way is to use a tiered approach for awarding preference. Regardless of the approach used, the solicitation document must clearly outline how all bids will be evaluated, including the application of geographic preference in the scoring criteria.

For instance, vendors with products grown within the State might be awarded five extra points, while vendors with products grown within 150 miles of the district might be given eight extra points. Furthermore, a school could indicate that vendors who are able to supply 80 percent or greater local products will receive a five-percent advantage, and those with 50–79 percent will receive a three-percent advantage. There are many ways a school can structure a tiered preference depending on its goals.

Federal regulations do not prescribe the precise way that geographic preference should be applied, or how much preference can be given to local products.

Applying Geographic Preference

Listed here are several examples of how a district might use the geographic preference option.

Example: One Penny = One Point

A school district issues an IFB for apples and includes a preference for apples grown within 100 miles of the school. The solicitation makes it clear that any respondent able to provide local apples will be awarded ten points in the selection process. In this example, the ten preference points are equivalent to a ten-cent reduction in price for the purposes of evaluating the lowest bidder.

As shown in Table 6, Apple Lane Farms meets the stated preference for local products and is awarded ten additional points, which translates into deducting ten cents from Apple Lane Farm's price. This makes Apple Lane Farms the "lowest bidder." The school still pays Apple Lane Farms \$2.05 for its product. Deducting ten cents from the price of responsive bidders that meet the geographic preference only applies to determining the winning respondent.

Geographic preference would not affect the actual price paid to the respondent. This scenario could apply to an informal and formal procurement.

To apply this example to a real purchasing and cost comparison scenario, calculate the cost per serving by dividing the cost per pound by the number of half-cup servings per pound. According to the *USDA Food Buying Guide for School Meal Programs*, there are approximately seven half-cup servings per pound of 125- to 138-count apples. Therefore, Apple Lane Farm's apples would cost the district \$0.25 per serving, while apples from the lowest bidder, Owen's Orchard, would cost the district \$0.24 per serving.

When considering applying a geographic preference, the school should determine the maximum amount it is willing and able to pay.

TABLE 6

One Penny = One Point Geographic Preference Evaluation

	Owen's Orchard	Apple Lane Farms	Zoe's Best
Cost per Pound	\$1.97	\$2.05	\$2.03
Was the Geographic Preference Met? (Award 10 points)	No	Yes	No
Preference Price Adjustment (one penny per point)	\$0.00	\$0.10	\$0.00
Price Adjusted with Preference Points	\$1.97	\$1.95	\$2.03
Actual Cost of the Product	\$1.97	\$2.05	\$2.03

Example: Percentage Local

In this example, a school district issues an RFP for a produce contract and indicates a preference for fresh fruits and vegetables produced within the State. For the purposes of evaluating bids, the school will award a ten-percent price preference to any respondent that can provide at least 60 percent of the requested items from within the State.

Matt’s Produce is the only firm that is able to supply greater than 60 percent of the requested items from the local area, thus Matt’s Produce receives a ten-percent reduction in price for the purposes of evaluating bids. Even with the reduction, Matt’s Produce is not the lowest bidder. If price alone were the determining factor for this district, Christina’s Crops would receive the contract.

There is a difference when applying geographic preference points (i.e., as “pennies” in the previous example) versus geographic preference percentages, especially for a line item bid. For example, 25 points where one point is one penny applied to a case price of \$25 would reduce the bid comparison price to \$24.75. Those same points would also be applied to a case price of \$50, providing a bid comparison price of \$49.75.

Now, if that were to change to a one-percent geographic preference percentage, it would reduce the bid comparison price of the \$25 case to the same amount (\$24.75) as the 25 preference points. However, the bid comparison price of the \$50 case is reduced to \$49.50.

TABLE 7

Percentage Local and Geographic Preference Evaluation

	Christina’s Crops	Matt’s Produce	F&V Distribution
Bid Price	\$31,000	\$35,000	\$34,000
Percentage of In-State Product	20%	80%	50%
Was the Geographical Preference Met?	No	Yes	No
Preference Price Adjustment (-10%)	\$0.00	\$3,500	\$0.00
Adjusted Price with Percentage Preference	\$31,000	\$31,500	\$34,000
Actual Cost of the Product	\$31,000	\$35,000	\$34,000



Example: Using a Sliding Scale

A preference for local products does not necessarily have to be calculated with absolute values; sliding scales may be appropriate. Table 8 assigns a certain number of points depending on how many items on the product list can be sourced from within the stated geographic preference area. Points are awarded based on the percentage of local products, as defined by the geographic preference area. Based on responses from potential vendors, assign and calculate the number of points

the vendor receives. Using this chart ensures points are not assigned arbitrarily. If a school were to use this evaluation scale, it would be included with a description in the solicitation.

As shown in Table 8, ten preference points will be awarded to vendors able to provide equal to or greater than 70 percent of the requested items from within the State, seven points for 50–69 percent, and four points for 25–49 percent. Points for local sourcing will be included along with other evaluation factors.

TABLE 8

Sliding Scale for Geographic Preference Evaluations

Percentage of Local Product	Preference Points
≥70% Percent of the Total is Local	10
50-69% Percent of the Total is Local	7
25-49% Percent of the Total is Local	4
<25% Percent of the Total is Local	0

Example: Preference in an RFP

RFPs may include evaluation criteria that allow for consideration of factors in addition to price, and can result in either a fixed-price or cost-reimbursable contract, also referred to as cost plus fixed-fee. Thus, reductions in price are not the only way to confer preference to local products. Some of the factors in addition to price might include technical expertise, past experience, years in business, marketing capabilities, etc. School districts may include elements such as farm visits, showing the State or farm of origin on the invoice, or providing farm information for education in the cafeteria as part of the selection criteria. Where factors other than price are included in the selection criteria, awards still must be made to the responsible firm whose proposal is most advantageous to the program.

A school district issues an RFP for beans and grains and makes it clear that bids will be evaluated using a 100-point system. Using Table 8, ten preference points will be awarded to vendors able to provide greater than or equal to 70 percent of the requested items from within the State, seven points for 50–69 percent, and four points for 25–49 percent. Points for local sourcing will be included along with other evaluation factors.

In Table 9, Maggie's Pulses is able to source 75 percent of its products from within the State, earning ten points in the local product category in the scoring process. Gary's Grains can source 55 percent, earning it seven points, and Laura's Legumes is unable to guarantee any products from within the State so it receives zero points in the local preference category. Gary's Grains wins the contract based on the highest number of points received.

Example: Omaha, Nebraska

In Omaha Public Schools, the school nutrition director includes geographic preference in the requests for proposals for chicken drumsticks and produce. The district defines "local" as within 240 miles, and the RFP includes a general statement of philosophy regarding the district's preference for local products. Remember geographic preference follows the product rather than the location of the business.

When the program began, the district originally awarded preference based on 25 geographic preference points, but it has since decided that a one-percent price preference streamlines evaluation. The district also reserves the right to award to multiple vendors in the solicitation. For more specific information about Omaha's solicitation, see *Appendix P: Excerpt from Omaha Public Schools' Solicitation for Chicken Drumsticks*.

Example: Harrisonburg, Virginia

Harrisonburg City Public Schools (HCPS) in Virginia uses a more qualitative approach to geographic preference. The district does not offer a price preference or a percentage discount on the bid price. Instead, the district awards points to vendors who are committed to providing Virginia-grown product. The vendors must be able to offer a list of farms with which the company works, mark local products on weekly price lists, and communicate with the school nutrition director on a monthly basis about the availability of Virginia-grown produce.

In the solicitation, HCPS writes, "HCPS is an active participant in Virginia's Farm to School program. Virginia grown produce should be sold to schools when available. Firms should be making an effort to procure and offer Virginia grown produce to schools.

Firms should indicate these products on weekly price lists. Please submit a list of Virginia Farms used by your company with this proposal.” The district will award up to ten points for meeting this criterion. The school also includes language about reserving the right to source from other vendors to meet the district’s farm to school goals. In the RFP, the school writes, “Please note that HCPS reserves

the right to competitively procure Virginia Grown fresh produce direct from farmers, food hubs, auctions, and other small scale aggregators when product is available in support of the division’s Farm to School efforts.” See *Appendix Q: Excerpt from Harrisonburg City Public Schools’ Solicitation for Fresh Produce* for Harrisonburg’s full list of evaluation criteria.

TABLE 9

Evaluating Geographic Preference in an RFP

Total Points	Evaluation Criteria	Laura’s Legumes	Maggie’s Pulses	Gary’s Grains
51	Price	40	45	51
15	Product Quality Specifications	10	15	15
5	Delivery Specifications	5	5	5
5	Packaging and Labeling	5	5	5
4	Three References/Past History	4	4	4
5	Farm/Facility Tours or Classroom Visits	0	5	5
5	Provide State of Origin on All Products	0	5	5
(10/10)	≥70% of All Products Are State-Grown	0	10	7
(7/10)	50-69% of All Products Are State-Grown			
(4/10)	29-49% of All Products Are State-Grown			
(0/10)	<29% of All Products Are State-Grown			
100	Total Points	64	94	97

Example: Oakland, California

At Oakland Unified School District (OUSD), the school takes a tiered approach. In the district’s RFP for produce, the school defines local as grown within 250 miles of Oakland, California. The district awards twenty points to the vendor best able to meet this definition of local, fifteen points to the second best, and ten points to the third best.

These geographic preference points are not the only way the district targets local products; OUSD also includes a criterion for traceability. The RFP asks that vendors, “Provide information regarding the farm of origin of locally and non-locally grown products (whole and processed produce) including: a list of farms and products sourced from each farm; unique product identification numbers for locally grown products from aggregated products; and farm of origin information clearly marked on each case

delivered to cafeterias. If produce is not purchased directly from a farm, then please provide as much information as available regarding the source of produce.” The district ranks bidder’s responses to these criteria the same way as for the geographic preference points. To see Oakland’s RFP, please refer to *Appendix R: Excerpt from Oakland Unified School District’s RFP for Fresh Produce*.

For more information about the geographic preference option, see *Appendix N: Geographic Preference: What It Is and How to Use It* and *Appendix A: Procurement Resources* for two Q&A guidance memos on geographic preference. For specific ideas on how to implement geographic preference and sample language, see *Appendix O: Using Geographic Preference in Four Steps*.

Using Geographic Preference in 4 Steps

1

Define Local

2

Determine whether the procurement is informal or formal

3

Decide how much preference to give

4

Determine how the preference will be applied

For more tips and sample language for using geographic preference, see *Appendix O: Using Geographic Preference in Four Steps*.



Special Topics



Donated Foods

Schools may receive donated foods from a variety of sources. For example, suppliers may donate extra or damaged produce at the end of a harvest, or the school may partner with a company that donates food for a special breakfast or lunch day. Because these foods are not purchased, Federal procurement regulations do not apply, but schools should keep in mind that they must be held to the same food safety standards as purchased products.

Before accepting donated product, schools should inquire about the freshness, shelf life, safe handling procedures, and required storage temperatures. The school should also be sure to record the amount of donated food in its accounts to ensure transparency. The value of donated products may be assessed through *AMS Market News* website. (See *Appendix A*.)

The same principles apply to gleaned produce. Some producers collect leftover crops after the fields have been harvested; this process is referred to as gleaning. Frequently, gleaned produce is donated to food banks or other organizations. Although the product might not meet commercial specifications,

it is usually safe to eat. Schools can use acceptable gleaned products at their discretion. It is strongly recommended that schools review and document food safety practices, as well as Good Agricultural Practices (GAPs) of producers, before accepting gleaned products.

Splitting Procurements

Schools cannot intentionally divide purchases if the only justification is to keep the price below the Federal, State or local small-purchase threshold. For example, if a school needs to purchase \$200,000 worth of spinach for the year, the school cannot arbitrarily split the purchase in half to circumvent the small-purchase threshold. In addition, a school may not split bids if it intends to purchase the same item from two vendors, but did not previously inform the original vendor of its intention to split the bid. To avoid this scenario, schools should simply include the language, “{School district name} reserves the right to award to multiple vendors” or “{School district name} reserves the right to purchase from different vendors throughout the year,” in all applicable contracts.

If a school will be purchasing \$150,000 worth of lettuce for the salad bar, the procurement cannot be split into two purchases of \$75,000 each. However, the school can specify different varieties of lettuce that must be provided and can make the award to more than one supplier. If the school releases two informal bid solicitations for different types of dark, leafy greens: baby spinach and romaine, and the local small-purchase threshold is \$100,000 for this example and each bid is less than \$75,000, the procurement can be segmented into two purchases because two different products are being requested.

There are many legitimate reasons to issue separate bid solicitations. It is typical for a school to divide purchases based on inherent differences in foods such as shelf life, delivery methods, seasonality, and other characteristics. In the case of local procurement programs, if the school has a special menu offering such as “harvest of the month” or a “seasonal special” that justifies a separate bid to receive the best price (i.e., because products are cheaper when they are in season), that is acceptable. This type of purchasing practice might improve the quality and/or economic feasibility of a program. In this instance, the split would not be considered an intentional or arbitrary action.

Another approach, when an adequate number of suppliers exist, is for the school to conduct a procurement action for a specific item. For example, when purchasing apples, a school could release a specific bid solicitation to target locally grown apples instead of conducting a procurement to obtain a single supplier for all fruits and vegetables for the school year. This approach could allow local apple growers to compete for the school’s apple contract. If a school is not sure about the appropriateness of issuing a separate solicitation, it should contact its

State agency. If a school ever finds itself struggling to justify the division of a purchase, the purchase should most likely not be split.

Example: Oakland, California

In Oakland, California, the school district divides its produce bid into four separate procurements to meet the needs of different programs: Childcare, K-12, Fresh Fruit and Vegetable Program, and “harvest of the month”. While schools should not split procurements to skirt the small-purchase threshold, each of these programs pose unique requirements and warrant separate solicitations. Conducting four procurements allows the district to work with a variety of produce suppliers that cater to the specific needs of each program. A dietitian manages the Fresh Fruit and Vegetable Program, paying particular attention to the nutrients available in each product served through the program, while the “harvest of the month” program is designed to highlight the area’s seasonal products.

Targeting Small Businesses

Regulations say, “Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women’s business enterprises whenever possible.”⁹ This means that schools may find ways to structure solicitations in order to target these types of businesses. For example, if a district is conducting an informal procurement, it may decide only to request bids from minority- or women-owned businesses. If a formal RFP is issued, the school may choose to award additional points to small businesses.

Example: Oakland, California

In its produce bid, Oakland Unified School District includes a preference for distributors that work with small businesses and local residents. The district awards points based on the percentage of small

⁹“Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” Title 7 Code of Federal Regulations, Pt. 3016.36. 2013 ed. (For more information about Federal procurement regulations, see *Appendix B: Federal Procurement Regulations*.)

business participation. For more information on Oakland's RFP, see *Appendix R: Excerpt from Oakland Unified School District's RFP for Fresh Produce*.

Cost of Local Products

Schools are responsible for operating fiscally sound school nutrition programs and cannot sacrifice their bottom lines to purchase local foods. Starting out slowly by purchasing just one local item per month is a perfect way for schools to test the waters and evaluate food costs. Taking full advantage of USDA Foods entitlement dollars is also a great way to keep the cost of a meal down and afford the purchase of local items.

Being aware of the seasonality of local products can help schools purchase the best product at the best price. At the height of their harvest season, local items can be less expensive due to lower transportation costs and to producers' need to move perishable product quickly. Schools are also often able to offer a market for products that growers would not be able to sell on the commercial or direct-to-consumer markets. Instead of trying to buy first-of-the-season, rare, or limited-volume product, look instead for local items that are abundant and available through mainline distributors, which are often more cost competitive.

As with anything new, buying local may take some adjustments, but with a little bit of creativity, local products can become a mainstay in school meal programs.

Example: Minneapolis, Minnesota

Minneapolis Public Schools (MPS) works with growers who are able to supply imperfect seconds to the school meal programs. For example, one producer who grows chemical-free butternut squash is often left with large, oddly shaped squash; since the direct-to-consumer market demands only small and

unblemished squashes, MPS purchases the imperfect product at a low price and has it shipped to their processor to be diced and frozen for soups and roasting.

While MPS does set up contracts through an RFP process, the district also conducts bids every two weeks that target local products. This setup allows MPS to take advantage of what is on the market and available at a good price.

Purchasing Cooperatives

Cooperative purchasing occurs when school districts collaborate to purchase products. Some districts are members of relatively informal cooperatives that come together to purchase a few items, and other schools are part of more formal or extensive arrangements in which cooperative purchasing accounts for the majority of their food purchases. When a group of school districts joins forces to procure local foods, the districts may reduce their food costs and administrative burdens, while accessing markets or producers they would not be able to access alone. Larger purchases can make local producers aware that schools are a significant market with the potential to contribute substantially to their bottom line. For more information on purchasing cooperatives, NFSMI's *Procurement in the 21st Century* has an extensive section on this topic.

Comparing Procurement Methods

Though informal and formal IFBs and RFPs are used for different purposes, the fundamental principle of full and open competition is maintained in all procurement methods. Table 10 summarizes the differences and similarities between these methods.

TABLE 10

Comparing Procurement Methods

	Formal: IFB	Formal: RFP	Informal
When To Use	A complete, adequate, and realistic specification is available and the contract can be awarded on the basis of price	Factors other than price will be considered in the contract evaluation criteria	The value of the purchase falls below the applicable small-purchase threshold.
How to Get Bids	Publicly advertise	Publicly advertise	Advertise or solicit quotes by phone, email, fax, etc.
Type of Contract	Firm fixed-price contract; no price negotiation	Fixed-price or cost-reimbursable; cost negotiations possible	Fixed-price contract
Geographic Preference	Allowed	Allowed	Allowed
Other Ways to Target Local Products	Include checklist for responsiveness and include elements such as able to offer farm visits, farm of origin labeling or taste testing; use specifications	Include other evaluation criteria such as ability to offer farm visits, source identification or taste testing; use specifications	Approach only local sources; use specifications

A young woman with dark hair, smiling broadly, is holding a sandwich with both hands. The sandwich is filled with lettuce, tomato, and meat. She is wearing a grey off-the-shoulder top and a brown textured cardigan. The background is dark.

Putting it all Together

Every school pieces together a unique procurement puzzle based on its budget, kitchen capacity and infrastructure, staffing situation, local policies, student preferences, access to vendors and farmers and other factors that contribute to the purchasing environment. This guide has described many ways that schools and districts can make local purchasing part of that puzzle. The mechanisms for local purchasing and sources of local foods can be combined in countless ways to the same effect: delicious school meals that fortify children as well as communities. With a bit of patience and a touch of ingenuity, schools can make local purchasing a routine part of their procurement process.



This guide provides an overview of local purchasing options available to schools, but there is a host of other resources about local sourcing. Schools may wish to start by reading the regulations and FNS guidance memos on geographic preference, but it will also be beneficial to contact the State agency or a neighboring school district for additional guidance on purchasing local products. Finally, please do refer to the resource pages in *Appendix A: Procurement Resources*.

The USDA Farm to School Program is operated by the Department's Food and Nutrition Service (FNS), which has seven regional offices around the country. Each region houses a Farm to School Regional Lead, who is available to provide support to State agencies and other entities regarding local procurement. A list of regions, along with names and contact information for regional and national staff members is available at: <http://www.fns.usda.gov/farmtoschool/usda-farm-school-staff>.

In addition to USDA staff, a number of States have farm to school coordinators in their departments of agriculture or education. Throughout the country numerous public and private organizations, universities, agricultural extension offices, trade associations, public health organizations, and other entities support local buying efforts by offering training, technical assistance, funding, and other support services. For a complete list of State agency contacts, please visit <http://www.fns.usda.gov/farmtoschool/>.

Appendices

Appendix A: Procurement Resources

Appendix B: Federal Procurement Regulations

Appendix C: Menu Planning Resources

Appendix D: Terms and Definitions

Appendix E: 10 Facts About Local Food in School Cafeterias

Appendix F: Local Purchasing Step-by-Step

Appendix G: Writing Clear, Thorough Specifications

Appendix H: USDA Foods: A Resource for Buying Local

Appendix I: Excerpt from San Diego Unified School District Informal Produce Solicitation

Appendix J: The Local List from Royal Food Service

Appendix K: Two Sample Forward Contracts

Appendix L: Using DoD Fresh to Purchase Local Produce

Appendix M: Texas Farm to School through DoD Calendar SY2014 Overview

Appendix N: Geographic Preference: What It Is and How to Use It

Appendix O: Using Geographic Preference in Four Steps

Appendix P: Excerpt from Omaha Public Schools' Solicitation for Chicken Drumsticks

Appendix Q: Excerpt from Harrisonburg City Public Schools' Solicitation for Fresh Produce

Appendix R: Excerpt from Oakland Unified School District's RFP for Fresh Produce

Appendix S: Excerpt from School Food FOCUS RFI to Supply Locally Grown Fresh and Frozen Fruits and Vegetables

Appendix T: Pecks to Pounds

Appendix A: Procurement Resources

- **Program-specific Procurement Regulations** (http://www.fns.usda.gov/cnd/f2s/USDA_procurement_reg.htm), from USDA's Food and Nutrition Service (FNS) – Links to regulations governing each major Child Nutrition Program from Title 7 of the Code of Federal Regulations.
- **Final Rule: Geographic Preference Option** (<http://www.fns.usda.gov/cnd/Governance/regulations/2011-04-22.pdf>), from FNS – The final rule, published in the Federal Register, includes a summary, background, and final regulatory language, by program, for the geographic preference option.
- **Procurement Geographic Preference Q&As Part I** (http://www.fns.usda.gov/cnd/Governance/Policy-Memos/2011/SP18-2011_os.pdf), from FNS's Child Nutrition Division – A memo published in February 2011 addressing questions regarding application of the geographic preference option.
- **Procurement Geographic Preference Q&As Part II** (<http://www.fns.usda.gov/cnd/Governance/Policy-Memos/2013/SP03-2013os.pdf>), from FNS's Child Nutrition Division – A memo published in October 2012 addressing additional questions regarding application of the geographic preference option and other mechanisms for local procurement.
- **State Agency Guidance on Procurement** (<http://www.nfsmi.org/Templates/TemplateDefault.aspx?q=cELEPTIzOA==>), from FNS in partnership with the National Food Service Management Institute – An online procurement training geared towards State agencies that focuses on Federal procurement requirements.
- **Procurement in the 21st Century** (<http://www.nfsmi.org/ResourceOverview.aspx?ID=475>) from the National Food Service Management Institute – Covers all the basics of school nutrition procurement and includes a section on local foods.
- **Procurement Questions Relevant to the Buy American Provision** (<http://www.fns.usda.gov/sites/default/files/SP14-2012os.pdf>), from FNS's Child Nutrition Division – A memo published in 2012 addressing questions regarding the Buy American Provision.
- **Market News** (<http://www.ams.usda.gov/AMSV1.0/marketnews>), from the Agricultural Marketing Service (AMS) – Market News provides current, unbiased price and sales information. Reports include information on prices, volume and condition of farm products in specific markets.
- **Food Hubs: Building Stronger Infrastructure for Small and Mid-Size Producers** (www.ams.usda.gov/foodhubs), from the Agricultural Marketing Service – This site houses a working list of food hubs around the country and the Regional Food Hub Resource Guide, which describes the concept, regional impacts and economic viability of food hubs.

- **A School's Guide to Purchasing Washington-Grown Food** (<http://www.wafarmtoschool.org/Page/74/procurement-guide>), from the Washington State Department of Agriculture, Washington Sustainable Food & Farming Network and Washington Environmental Council – This straightforward, clearly worded, resource-filled guide provides information on using the geographic preference option to source local foods in Washington State; however, much of the content is broadly applicable.
- **Geographic Preference Primer** (http://www.fns.usda.gov/sites/default/files/FOCUS_GP_Primer.pdf), from School Food FOCUS – This primer summarizes State and Federal law and provides guidance for setting a preference that complies with both. It also provides step-by-step guidance on how a school district can implement a geographic preference policy starting with articulating the legal authority and rationale for buying local.
- **School Garden Q&As** (http://www.fns.usda.gov/sites/default/files/SP_32-2009_os.pdf), from FNS's Child Nutrition Division – A memo published in July 2009 addressing questions regarding food safety in school gardens and purchasing products from and for school gardens.
- **10 Facts About Local Food in School Cafeterias** (http://www.fns.usda.gov/sites/default/files/F2S_10_facts.pdf), from FNS – A fact sheet that provides basic information about buying local products for the school meal programs.
- **Geographic Preference: What It Is and How to Use It** (http://www.fns.usda.gov/sites/default/files/F2S_geo_pref.pdf), from FNS – A fact sheet that introduces geographic preference and offers three examples for how to use it.
- **Using DoD Fresh to Purchase Local Produce** (http://www.fns.usda.gov/sites/default/files/F2S_using_dod.pdf), from FNS – A fact sheet that provides basic information about DoD Fresh and how to connect with DoD vendors around the country.
- **USDA Foods: A Resource for Buying Local** (<http://www.fns.usda.gov/farmtoschool/fact-sheets>), from FNS – A fact sheet that describes the ways USDA Foods supports local purchasing.

Appendix B: Federal Procurement Regulations

The Federal procurement regulations are found in 7 CFR Part 3016 for public SFAs and 7 CFR Part 3019 for non-profit SFAs. These regulations address four main areas of procurement: general, contractual responsibilities, procurement procedures, and Buy American.

Part 3016 of Title 7 of the U.S. Code of Regulations contains uniform administrative requirements for State and local governments, and Part 3019 contains requirements for grants and agreements with non-profits, institutions of higher education, and hospitals. These parts lay out the basic procurement requirements that school food authorities must comply with for the procurement of food, and other goods and services, when using school food service funds. Program-specific rules can be found in the regulations governing each Federal nutrition program.

Having a strong understanding of these regulations is key to being able to procure goods and services for the Child Nutrition Programs with confidence that SFAs are in compliance and, equally important, that they are getting the best products at the best prices.

In general, school food authorities are expected to comply with all requirements in 7 CFR Part 3016 or 7 CFR Part 3019. The regulations state that the State agency or school food authority is the responsible party for all contractual and administrative issues concerning procurements for the Child Nutrition Programs.

Uniform Administrative Requirements for Procurement

- 7 CFR 3016.36 (<http://www.gpo.gov/fdsys/pkg/CFR-2006-title7-vol15/pdf/CFR-2006-title7-vol15-sec3016-36.pdf>)
(State and local governments)
- 7 CFR 3019.44 (<http://www.gpo.gov/fdsys/pkg/CFR-2012-title7-vol15/pdf/CFR-2012-title7-vol15-sec3019-44.pdf>)
(Non-profit organizations)

Program Regulations for Procurement

- 7 CFR 210.21 (<http://www.gpo.gov/fdsys/pkg/CFR-2013-title7-vol4/xml/CFR-2013-title7-vol4-sec210-21.xml>)
(National School Lunch Program)
- 7 CFR 220.16 (<http://www.gpo.gov/fdsys/pkg/CFR-2011-title7-vol4/xml/CFR-2011-title7-vol4-sec220-16.xml>)
(School Breakfast Program)
- 7 CFR 225.17 (<http://www.gpo.gov/fdsys/pkg/CFR-2011-title7-vol4/xml/CFR-2011-title7-vol4-sec225-17.xml>)
(Summer Food Service Program)
- 7 CFR 226.22 (<http://www.gpo.gov/fdsys/pkg/CFR-1999-title7-vol4/xml/CFR-1999-title7-vol4-sec226-22.xml>)
(Child and Adult Care Food Program)

Appendix C: Menu Planning Resources

Assessing Production and Seasonality

- **Census of Agriculture** (<http://www.agcensus.usda.gov/index.php>), from USDA's National Agricultural Statistics Service (NASS) – NASS surveys all U.S. farmers every five years and produces county profiles that detail agricultural production in every county. Think about using this data to find out what is produced in your area.
- **The Farm to School Census** (<http://www.fns.usda.gov/farmentoschool/census#/>), from USDA's Food and Nutrition Service – The Census surveyed over 13,000 school districts about their farm to school efforts. Think about using this data to find out what districts nearby are sourcing locally.
- **Cooperative Extension** (<http://www.csrees.usda.gov/Extension/>), from USDA's National Institute of Food and Agriculture – Cooperative Extension agents staff offices in each state and are experts in many agricultural topics, including local food systems. Most counties have an Extension office and these agents can help connect you with producers in your region.

Seasonal Menu Tools and Examples

- **Current Menus** (http://nutritionservices.mpls.k12.mn.us/current_menus), from Minneapolis Public Schools – These beautiful menus and information-rich promotional pages show that local foods can be incorporated into delicious menus throughout the year, even as far north as Minneapolis.
- **Healthy Cycle Menu Booklet** (<http://healthymeals.nal.usda.gov/hsmrs/Idaho/NSLP%20Healthy%20menus%20Booklet%20Final.pdf>), from the Idaho State Department of Education – Guidance on creating exceptional cycle menus that adhere to nutrition standards, including sample menus.
- **Menus that Move** (<http://education.ohio.gov/Topics/Other-Resources/Food-and-Nutrition/Resources-and-Tools-for-Food-and-Nutrition/Menus-that-Move>), from the Ohio Department of Education – Seasonal menus that meet USDA's new meal requirements.
- **The Lunchbox** (<http://www.thelunchbox.org/>), from the Food Family Farming Foundation – Recipes, tips, tools, and tutorials on incorporating healthful foods into school meals.

Seasonality Chart Examples

- **Washington Grown Vegetable Seasonality Chart** (<http://agr.wa.gov/AgInWa/docs/SeasonalityChartHUSSCVegetablefinal.pdf>), from the Washington State Department of Agriculture.
- **What's Growing Around Here?** (<http://go.usa.gov/BVkk>), from the Office of the State Superintendent in the District of Columbia.
- **Pride from A(pples) to Z(ucchini)** (<http://www.agriculture.ny.gov/f2s/documents/HarvestChart.pdf>), from the New York State Department of Agriculture.

Integrating Local Foods

- **Pecks to Pounds** (http://www.fns.usda.gov/sites/default/files/Pecks_for_Pounds.pdf), from the Maryland Department of Agriculture – Translates the typical farm measurements (pecks, bushels, crates, etc.) to pounds. This chart is useful for both farmers and school food service staff to communicate effectively with each other and enables school food service staff to convert farm measurements into serving sizes.
- **Great Trays™ Toolkit for School Foodservice** (<http://www.extension.umn.edu/family/health-and-nutrition/school-foodservice-training-and-resources/great-trays/menu-planning/>), from Great Trays™ partnership in Minnesota – A host of menu planning resources including worksheets, sample menus, and recipes.

Menu Planning and Forecasting

- **The Food Buying Guide for Child Nutrition Programs** (<http://www.fns.usda.gov/tn/foodbuying-guide-child-nutrition-programs>), from USDA's Food and Nutrition Service – A guide (updated to reflect the new meal patterns) meant to help SFAs determine how much food to purchase and how to prepare it.
- **Menu Planning Resources** (<http://healthymeals.nal.usda.gov/menu-planning/menu-planning-tools>), from the Food and Nutrition Service's Healthy Meals Resource System – A compilation of menu planning tools, fact sheets, guides, and more.
- **Kidchen Expedition** (<http://www.kidchenexpedition.com/>), from the Oklahoma Farm to School Program – Full of time and cost efficient, healthful, and local recipes that use Oklahoma-grown produce; recipes are relevant wherever similar foods are grown!

Appendix D: Terms and Definitions

Aggregate Award

An aggregate award is the process of awarding a contract by categories for like items. Examples include awarding all the canned foods, staples, frozen foods, milk, other dairy products, or bakery items for a specific period of time.

Average Daily Participation (ADP)

The Average Daily Participation for the National School Lunch and School Breakfast Program is based on attendance rather than enrollment. Calculating ADP in this manner is considered to be fairer to schools as it does not include children who do not eat lunch/breakfast (e.g., part-day kindergarteners) in the calculation.

Bond

A bond is an insurance agreement pledging surety for financial loss caused in connection with the contract. Essentially, a bond provides assurance to the school district that, if a loss occurs in connection with a contract related to its school nutrition operations, the loss will be covered to the extent agreed upon in the bond.

Brokers

Brokers are independent sales agents who negotiate sales for manufacturers by working with food distributors and school nutrition operations.

Buy American

The Buy American provision (in section 12(n) of the National School Lunch Act) requires schools to purchase, to the maximum extent practicable, domestic commodities and products. A domestic commodity or product means an agricultural commodity that is processed in the United States, and/or a food product that is processed in the United States substantially using agricultural commodities that are produced in the United States. Purchases made in accordance with the Buy American provision must still follow the applicable procurement rules calling for full and open competition. Any entity that purchases food or food products on behalf of the school food authority must follow the same Buy American provisions that the SFA is required to follow.

Competitive Proposals (previously known as Competitive Negotiation)

Competitive proposals (i.e., a request for proposal (RFP)) solicit a technical proposal that explains how the prospective vendor will meet the objectives of the solicitation and a cost element that identifies the costs to accomplish the technical proposal. While price alone is not the sole basis for award, price remains the primary consideration when awarding a contract under the competitive proposal method.

Competitive Sealed Bidding

Competitive Sealed Bidding is a formal method of procurement in which sealed bids are publicly solicited (i.e., through an Invitation for Bid (IFB)), resulting in the award of a fixed-price contract to the responsible vendor/bidder whose solicitation is responsive to the IFB, conforms to all the material terms and conditions of the IFB, and is lowest in price. In this case, the IFB must be publicly advertised, and solicitations must be solicited from an adequate number of known suppliers, providing them with sufficient time to respond before the date set for opening the solicitations.

Conflict of Interest

A conflict of interest is any action that allows a person to benefit at the expense of the public interest or the expense of his or her employer.

Contract

A contract is a formal, legally enforceable agreement between a buyer (client) and a seller (vendor) that establishes a legally binding obligation for the seller to furnish goods and/or services and for the buyer to compensate the seller. A contract must clearly and accurately describe the goods, products and/or services to be delivered or performed and the terms and conditions of the agreement. In the case of School Nutrition Programs, a contract is executed by the authorized representatives of the SFA and the vendor that calls for the provision of services, materials, supplies and/or equipment by the vendor in accordance with all conditions and specifications in the solicitation/proposal documents for a price to be paid by the SFA before execution.

Contract Administration System

The contract administration system refers to the policies and procedures the school food authority has in place to ensure that vendors perform in accordance with the terms, conditions and specifications of its contracts or purchase orders.

Cooperative Purchasing

Cooperative purchasing occurs when a group of schools join together to accomplish all or part of the steps in the purchasing task. Cooperative purchasing allows schools to leverage buying power and, potentially, to reduce costs and increase the quality of products and services available to members.

Cost Index

A cost index is a price adjustment based on increases or decreases in labor or material cost standards or indexes that are specifically identified in a fixed-price contract. When using this type of contract, it is important to clearly state that price adjustments should reflect both increases and decreases in the identified index.

Cost-Reimbursable Contract

A cost-reimbursable contract is formal, legally enforceable contract that reimburses the vendor for costs incurred under the contract but does not provide for any other payment to the vendor, with or without a fixed fee. In a cost-reimbursable contract, allowable costs will be paid from the non-profit school nutrition account to the vendor net of all discounts, rebates and other applicable credits accruing to or received by the vendor.

Distributor

A distributor is a commercial food company that purchases, receives and/or stores commercial food products. Distributors sell, deliver and bill the recipient agency for goods and/or services provided. A distributor sells the products made by manufacturers.

Escalator/De-escalator Clause or Market-Based Pricing

An escalator/de-escalator clause or market-based pricing are predetermined provisions in a contract stipulating specific conditions for an increase or decrease in price.

Fixed-Fee

A fixed-fee is an agreed upon amount of money that is fixed at the inception of a cost-reimbursable contract. In a cost-reimbursable contract, the fixed fee includes the vendor's direct and indirect administrative costs and profit allocable to the contract.

Food Hub¹⁰

A food hub is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand. The use of a food hub may cut down on administrative burdens as it does not require the school to procure every food item from a distinct distributor – each of which would require their own specifications, contract, and procurement methods.

Food Service Management Company (FSMC)

A food service management company is defined as any organization, whether commercial or non-profit, that contracts with a school food authority to manage any aspect of the school nutrition program.

Full and Open Competition

Full and open competition means that all suppliers are playing on a level playing field and have the same opportunity to compete. Procurement procedures may never unduly restrict or eliminate competition.

¹⁰ Barham, James, Debra Tropp, Kathleen Enterline, Jeff Farbman, John Fisk, and Stacia Kiraly. Regional Food Hub Resource Guide. U.S. Dept. of Agriculture, Agricultural Marketing Service. Washington, DC. April 2012.

Grade Standards

Grade standards are USDA quality standards and are based on measurable attributes that describe the value and utility of the products. U.S. Grade Standards provide a uniform language for describing the quality and condition for meat, poultry, fresh fruits and vegetables, and processed fruits and vegetables. While safety inspections are mandatory, the Federal government does not require that all food products are graded.

Group Buying Service

A Group Buying Service (GBS) is a commonly used term to refer to an organization that buys on behalf of other entities in larger quantities. GBS could also refer to a purchasing cooperative, purchasing consortium, group buying/purchasing organization, etc. A GBS can call itself many different names. A GBS may be for profit or not-for-profit. All principles regarding full and open competition apply to purchases made through a GBS.

Invitation for Bid

An Invitation for Bid (IFB) is a type of solicitation document used in competitive sealed bidding in which the primary consideration is cost; the expectation is that competitive bids will be received and an acceptance (also called an award) will be made to the responsive and responsible vendor/bidder whose bid is lowest in price. An IFB is a formal method of procurement that uses sealed bidding and results in a fixed-price contract with or without adjustment factors. The IFB must be publicly advertised, and bids shall be solicited from an adequate number of known suppliers, providing them with sufficient time to respond prior to the date set for opening the bids. In addition, the IFB should describe the minimum standards expected of a responsible vendor/bidder in measurable terms.

Material Change

A material change is a change made to a contract after the contract has been awarded that alters the terms and conditions of the contract substantially enough that, had other respondents (vendor/bidder) known of these changes in advance, they may have bid differently and more competitively.

National Food Service Management Institute

The National Food Service Management Institute (NFSMI) is located at The University of Mississippi, Oxford campus. The mission of NFSMI is to provide information and services that promote the continuous improvement of Child Nutrition Programs.

Noncompetitive Proposal

Noncompetitive proposal is a procurement method used when competition is deemed inadequate. Procurement by noncompetitive proposal may be used only when the award of a contract is infeasible under small-purchase procedures, sealed bids or competitive proposals, and one of the following circumstances applies:

- The item is available only from a single source.
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
- The awarding agency authorizes noncompetitive proposals.
- After solicitation of a number of sources, competition is determined inadequate.

Negotiations must include both price and terms using the same procedures that would be followed for competitive proposals.

The Non-profit School Nutrition Account

The non-profit school nutrition account is the restricted account in which all of the revenue from the school nutrition operations conducted by the school food authority principally for the benefit of school children is retained. This account is used only for the operation or improvement of the non-profit school nutrition operation. Additionally, any money earned from the school nutrition operation can be used only to operate or improve the program.

Procurement Agent

An agent is a person who is authorized to act for another through employment, contract or apparent authority. A school food authority can contract with a food service management company to manage its food services and act as its procurement agent for acquiring its goods and services. The SFA must ensure that its procurement solicitation and contract used to hire the vendor identifies the scope of duties the FSMC must fulfill and the FSMC's responsibilities as the agent of the SFA.

Request for Proposal

A Request for Proposal (RFP) is a type of solicitation document used for the formal procurement method of competitive proposals. The RFP identifies the goods and services needed and all significant evaluation factors. The RFP is publicized and is used to solicit proposals from a number of sources. Negotiations are conducted with more than one of the sources submitting proposals, and either a fixed-price or cost-reimbursable contract is awarded. Competitive proposals may be used if conditions are not appropriate for the use of competitive sealed bids.

Responsive and Responsible Vendor

To be considered responsive, a respondent must submit a response to the solicitation that conforms to all material terms and conditions of the solicitation. To be considered responsible, a respondent must be capable of performing successfully under the terms and conditions of the contract. In order to be awarded a contract, a respondent must be responsive and responsible.

School Food Authority

The school food authority (SFA) is the governing body responsible for the administration of one or more schools, and has legal authority to operate the National School Lunch Program and/or School Breakfast Program.

Small-Purchase Procedures

Small-purchase procedures, also known as informal procurement, are those relatively simple and informal procurement methods for securing services, supplies, or property that may be used when the anticipated acquisition will fall below the small-purchase threshold. The Federal small-purchase threshold has been changed from \$100,000 to \$150,000 as of October 2012. State and local regulations often set lower small-purchase thresholds that are more restrictive than the Federal level. In applying the small-purchase threshold, the school food authority must adhere to the most restrictive, lowest limit set. If small-purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

Sole-Source Procurement

Sole-source procurements in the school nutrition program occur only when the goods or services are available from only one manufacturer and/or through only one distributor or supplier. Sole source describes a condition of the procurement environment. In a true sole source situation, conducting a traditional solicitation (sealed bid, competitive proposal or small purchase) is a meaningless act because the element of competition will not exist. When faced with an actual sole source situation, a school food authority must first obtain State agency approval, and then go directly to the one source of supply to negotiate terms, conditions and prices.

Solicitations

A solicitation is a document used by the school food authority to acquire goods, products and/or services. Solicitations must incorporate a clear and accurate description of the technical requirements for the material, product and/or service to be procured. Solicitations must also identify all the requirements that the respondents (offerors) must fulfill and all other factors to be used in evaluating the solicitations or proposals.

Specification

A specification is a concise statement of requirements to be satisfied by a product, material and/or process.

State Agency

The State Agency (SA) is responsible for administering the Child Nutrition Programs.

Transparent

Transparent means that everything done by the school food authority must be clear, forthright, and open.

Vendor

A vendor/bidder, also referred to as a respondent, is a commercial enterprise, public or non-profit private organization or individual that enters into a contract with a school food authority.

Appendix E: 10 Facts about Local Food in School Cafeterias



United States Department of Agriculture



10 FACTS ABOUT LOCAL FOOD IN SCHOOL CAFETERIAS

* * * * *

1. USDA supports and encourages the procurement of local foods.

In USDA's vision, school cafeterias championing U.S. agriculture and proudly promoting locally sourced foods are the norm, not the exception.

2. The definition of "local" is different from school to school.

Definitions for local vary widely depending on the unique geography and climate where a school is located and on the abundance of local food producers and manufacturers. Many schools define local as within a certain number of miles from the school, within the county, or within the state. Alternatively, definitions might include more than one state (i.e., Georgia, Alabama, and Florida) or discrete parts of several states (i.e., specific counties in southwest Washington, northeast Oregon, and Idaho). In addition, many schools use different definitions of local depending on the product or season.

3. Many local products are easy to find and source.

Some products are more likely to be local than others. For example, fluid milk is produced in almost every state. Since milk is perishable and expensive to transport, most milk on school menus is relatively local. Similarly, schools in California serving avocado are likely using local avocados, while schools in Florida probably serve local citrus. Local products that are unique and/or abundant in a region are generally easier to find and source.

4. Food distributors and food service management companies can be great partners for local sourcing.

Increasingly schools are including expectations regarding local sourcing in their contracts with food service management companies and/or distributors. Even without contractual obligations regarding local, many distributors already offer local products so all a school needs to do is find out what items on the contracted list are local and order those products. This approach is a very easy way to bring local products into schools without creating separate distribution channels.

5. Locally sourced fruits and vegetables are available through the DoD Fresh Program.

Schools can elect to spend a portion of their USDA Foods entitlement money on fresh fruits and vegetables through the DoD Fresh Fruit and Vegetable Program, operated by the Department of Defense. To supply fresh fruits and vegetables to schools, DoD contracts with over 45 produce vendors across the country. DoD Fresh vendors often have local products and they identify them as such in the FFAVORS catalogue.





6. The small purchase threshold determines whether to use a formal or informal procurement method and is key to understanding options for buying local.

The federal small purchase threshold is \$150,000, however, state and local regulations often set lower small purchase thresholds and schools must follow the most restrictive threshold. If the value of a procurement is over the small purchase threshold, schools must use one of the formal procurement methods (invitation for bid (IFB) or request for proposal (RFP)). If the value of the procurement falls below the small purchase threshold, schools can use the informal procurement method when buying local products.

7. Schools are free to choose from three or more local vendors in an informal procurement.

When the value of a purchase falls below the small purchase threshold, schools can get quotes exclusively from local producers instead of issuing a formal IFB or RFP.

8. Certain product specifications can help when sourcing local foods.

Product specifications, either required or preferred, may be written for a wide variety of qualitative factors designed to complement a preference for local products. For example, including a specification that foods be fresh (harvested within a day or two of delivery) may increase the likelihood that a local vendor will win the contract. Similarly, specifications related to specific varieties can have the same effect. For example, schools can opt to purchase a type of seafood unique to the region or a variety of apple only grown by local farmers.

9. In any solicitation for unprocessed agricultural products, schools can indicate (and put a monetary value on) a preference for local foods.

Schools are allowed to indicate a preference for local products when procuring unprocessed locally grown or locally raised agricultural products. The federal regulations do not prescribe the precise way that geographic preference should be applied, or how much preference can be given to local products. Many schools opt to assign extra points in the selection phase to vendors offering local products, making them more competitive. For more information, see USDA's guidance on the Geographic Preference Rule.

10. Buying local foods is about more than fruits and vegetables.

Local offerings can span the school meal tray and include everything from the salad bar and fresh fruit and vegetable servings to the wheat in the pizza crust, beans in the chili, rice in the stir fry, turkey in the sandwiches, and cheese in the quesadillas. Local buying includes all types of producers, such as farmers, ranchers, and fishermen, as well as many types of food businesses, including food processors, manufacturers, distributors and other value-added operations that enable school meals to showcase the full range of food products available in their respective regions.



* * * * *

For more information, and to sign up to receive USDA's bi-weekly Farm to School E-letter, please visit www.fns.usda.gov/farmtoschool. Questions? Email us at farmtoschool@fns.usda.gov.

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Appendix F: Local Purchasing Step-by-Step

Before You Start the Procurement Process

1. Budgeting: Calculate revenues, determine percentage of revenue to be spent on food, and identify maximum food cost per meal available.
2. Forecasting: Identify the products and quantities you will be purchasing, and estimate the total cost of the purchase.
3. Depending on the dollar amount of the purchase, determine whether to use a formal or informal procurement method.
4. Plan your procurement procedure, ensuring compliance with Federal, State and school district requirements.
5. Decide how you wish to define “local.”
6. As relevant, determine the criteria and method of evaluation for how you will apply a geographic preference.
7. Where appropriate, incorporate these decisions into school district policy to guide food purchases.

Putting Together the Procurement

1. Clearly communicate your intent to purchase local products and explain how you define local. As relevant, apply a geographic preference to your solicitations.
2. Clearly define and communicate the evaluation criteria that will be used to select successful vendors, regardless of which method you use.
3. Identify vendor qualifications that meet your needs.
4. Write specifications to clearly identify the products you want, the level of processing you require, and any other quality, customer service or performance criteria.
5. State preferences and how they will be weighted in the evaluation process.
6. Develop and commit to a plan for reviewing and selecting the successful bid, proposal or quote.

Implementing the Procurement Process

1. Publicize the procurement opportunity to ensure adequate competition and maximize the likelihood of reaching qualified vendors who can supply food from your geographic preference area.
2. Fairly evaluate based on the vendor qualifications, specifications and preferences in your procurement request, and award the contract.
3. Execute a contract that matches your specifications and preferences from the procurement request.
4. Manage the procurement. Monitor and keep documentation on service, product quality, price and compliance with the contract.

Adapted from A School's Guide to Purchasing Washington-Grown Food, developed by the Washington State Department of Agriculture. Accessed April 2013. <http://www.wafarmtoschool.org/Content/Documents/SchoolGuideFLowResGuideNoResources-1.pdf>

Appendix G: Writing Clear, Thorough Specifications

When drafting specifications for local food items, schools should consider many characteristics, including grade standard, size, quantity, quality, cleanliness, packaging, food safety and delivery. Remember, the more specific the request, the more schools may pay for the product. Consider conducting a pre-bid meeting to discuss with local vendors or producers the types of products the school is looking to purchase.

Characteristic	Description	Your Specification
Product Name and Variety	SFAs can be as specific as they want in terms of product and variety. If an SFA is procuring apples, they might specify a range of varieties or just one variety.	
Grade	Depending on the intended use for a product, it might be important to specify a U.S. Grade Standard. However, local producers may or may not be familiar with U.S. Grade Standards. The SFA should review the grade standard for desired quality and condition of the product that best fits its needs. Upon selecting the grade, include in the specification descriptive words such as “well-formed” or “well-colored” that explain the attributes desired. This will prevent the district from paying for higher quality product than necessary.	
Size	SFAs should include the approximate size of the product where applicable. Size may be expressed by count or number per standard case size, ounces per unit, diameter, etc. Size is also important relative to meal contribution, consistency, yield and labor cost. Note: If you are processing in house with manual or mechanical equipment, make sure the size of the product does not affect outcome.	
Quantity	Quantity should be included in a specification to inform seller how much product the SFA intends to purchase. Generally, the higher the quantity the better the price. Farmers and SFAs sometimes speak different languages. School districts order in cases or pounds, but farmers sell in bushels and pecks. SFAs should refer to conversion charts to help identify quantity needed. Further, stating a product in just pounds may lead to a larger quantity of smaller product, thus increasing labor.	

Characteristic	Description	Your Specification
Quality	Quality descriptors are included in U.S. Grade Standards. Again, the SFA should review desired attributes of quality and condition to include in specification. Also, specifying number of hours or days from harvest or ripeness of the product may improve the quality of the item received.	
Cleanliness	SFAs should indicate their expectations regarding the product's cleanliness. Consider stating product should be clean with no visible signs of dirt or pests.	
Packaging	SFAs should designate size and/or weight of packaged product. Large, heavy containers may be unsafe and unmanageable by employees. Inner packaging may not be necessary if the outer package is sufficient. The district should determine if new packaging is required, otherwise farmers may repack product in used containers. Some SFAs receive local products in reusable containers, also known as reusable plastic containers (RPCs). Be sure RPCs are cleaned and sanitized between uses.	
Food Safety	SFAs should always purchase food from reliable, reputable sources that follow GAPs and good handling practices (GHPs). USDA does not require school nutrition programs to purchase from GAP certified farms. In some instances, school districts or States may require schools purchase only from GAP certified farms. Food safety requirements should be clearly outlined in the bid proposal. Ultimately, it is up to the buyer to determine and document purchases are coming from a safe source.	
Farm Practices and Characteristics	SFAs are free to specify farm characteristics and practices, as long as they do not overly limit competition.	
Delivery	SFAs should establish delivery criteria. Allow flexibility in harvesting and delivery due to weather, where applicable. Product harvested in wet fields could lead to problems with product cleanliness.	

Appendix H: USDA Foods: A Resource for Buying Local



United States Department of Agriculture



USDA FOODS: A RESOURCE FOR BUYING LOCAL

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USDA FOODS has a dual mission of supporting domestic agriculture and providing healthy foods to schools. Offerings include a variety of fresh, frozen, canned and dried fruits and vegetables, lean meats, peanut butter, whole wheat grain products and cheeses. Visit the [USDA Foods website](http://www.fns.usda.gov/fdd/foods-expected-be-available) (www.fns.usda.gov/fdd/foods-expected-be-available) for a complete list of the foods available and for [fact sheets](http://www.fns.usda.gov/fdd/frequently-asked-questionsfact-sheets) (www.fns.usda.gov/fdd/frequently-asked-questionsfact-sheets) about each product.

In order to access these healthy options, each state in the country is allocated a certain amount of money, or "entitlement value," to spend on USDA Foods, based on the number of lunches served in the previous school year. In FY 2012, \$1.25 billion in USDA Foods went to schools; in any given year, about 10-15% of the value of food served through the National School Lunch Program comes from USDA Foods.

USDA Foods supports local purchasing in several ways:

Maximizes funds for local purchases

In a time of tightening budgets, every dollar's worth of USDA Foods delivered to a school frees up money that a school would otherwise have to spend commercially. By using USDA Foods products, schools can save cash reimbursement dollars for local purchases.

“USDA is a partner in meeting my local purchasing goals. I often shift my entitlement to products that are not available locally and to products, like the roast chicken, that USDA Foods is able to offer at a lower price point than I could get as an individual school district.”

- Andrea Early, Director of School Nutrition,
Harrisonburg City Public Schools

Champions American agriculture

USDA Foods are all produced in the United States, thus it is possible to order foods through the USDA Foods catalog that are produced in your region. For example, Mississippi is the only state that produces significant, commercial quantities of catfish. If a school is located in the Southeast, USDA Foods catfish could be local to that school. Likewise, apricots offered through USDA Foods normally come from California, and pears usually originate in the Pacific Northwest. To find USDA Foods' vendors local to you, reference the [Agricultural Marketing Service's and Farm Service Agency's eligible vendor lists](http://www.fns.usda.gov/fdd/food-purchase-resources) (www.fns.usda.gov/fdd/food-purchase-resources).

Supports local processors

Most states send a portion of their USDA Foods to processors to be turned into end products like burritos, burgers or rice bowls. Check to see if your state has agreements with processors located close to home. The [National Processing Agreements website](http://www.fns.usda.gov/fdd/npa-approved-processors) (www.fns.usda.gov/fdd/npa-approved-processors) provides a full list of eligible processors.

Promotes local fruit and vegetable producers

The DoD Fresh program allows schools to use their USDA Foods entitlement dollars to buy fresh, and often local, produce. DoD contracts with over 45 produce distributors across the country, who are encouraged to provide local produce whenever possible and identify locally-sourced items in the ordering catalog. Several states rely on DoD produce as an integral part of farm to school efforts. Check out the [Using DoD Fresh to Purchase Local Produce fact sheet](http://www.fns.usda.gov/sites/default/files/F2S_using_dod.pdf) (www.fns.usda.gov/sites/default/files/F2S_using_dod.pdf) for more information.





United States Department of Agriculture

Which USDA Foods are local to your region?

The [USDA Foods website](http://www.fns.usda.gov/fdd/food-purchase-resources) (www.fns.usda.gov/fdd/food-purchase-resources) provides state of origin information for all USDA Foods. Although USDA is unable to provide state of origin information prior to ordering due to the competitive nature of the procurements, the state of origin reports provide a good retrospective on where USDA Foods are typically processed and packed. To buy local with USDA Foods, identify which products USDA typically purchases from your state or region, keeping in mind that future procurements may not follow these trends. The lists to the right provide a snap shot of the state of origin data and highlight items that are typically purchased from each part of the country.

Northeast

Flour
Corn
Green Beans

Mid Atlantic

Corn
Pasta
Beans
Chicken

Mountain Plains

Beans
Beef
Flour
Pasta
Pork

Midwest

Apples
Cherries
Beef
Beans
Carrots
Cheese
Green Beans

Western

Pollack
Cheese
Apricots
Peaches
Tomatoes
Pears
Potatoes

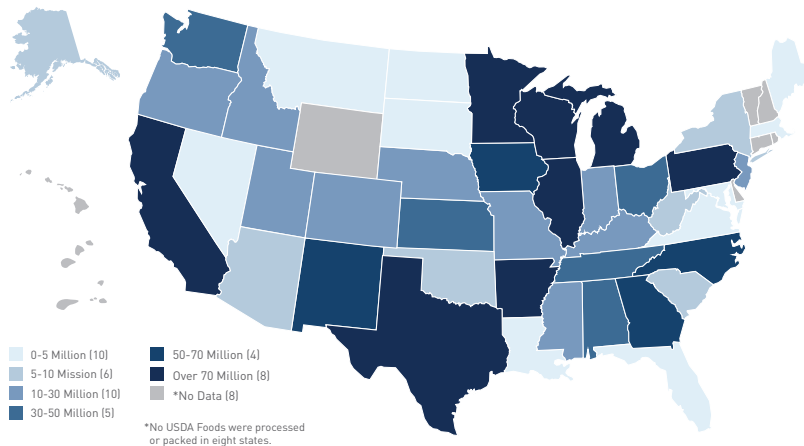
Southwest

Rice
Beans
Peanut Butter
Beef

Southeast

Chicken
Peanut Butter
Catfish
Turkey
Rice
Flour

Dollar value of food purchased from each state for the USDA Foods program in FY 2012



* * * * *

For more information, and to sign up to receive USDA's bi-weekly Farm to School E-letter, please visit www.fns.usda.gov/farmtoschool. Questions? Email us at farmtoschool@fns.usda.gov.

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Appendix I: Excerpt from San Diego Unified School District Informal Produce Solicitation

San Diego Farm to School Informal Procurement

Local Foods from Urban Agriculture Sites

San Diego Unified School District

April 2013

Purpose

The purpose of this document is to outline the informal procurement process for small-threshold purchases for food defined as San Diego Local Grown specifically on Urban Agricultural sites as part of our Farm to School program (FTS). San Diego Unified School District's (SDUSD) FTS program seeks to increase children's participation in the school meal program and consumption of fruits and vegetables, thereby improving childhood nutrition, reducing hunger, and preventing obesity and obesity-related diseases. We seek to do the above by enhancing the health of our school meals by decreasing the distance food travels between farmers and students to 25 miles from the San Diego County border and using our annual fresh fruit and vegetable budget for local fresh foods.

What is Farm to School?

Farm to school connects schools (K-12) and local farms with the objectives of serving healthy meals in school; improving student nutrition; providing agriculture, health, and nutrition education opportunities; and supporting local and regional farmers. FTS, at its core, is about establishing relationships between local foods and school children by way of including, but not limited, to:

Local Products in School Meals – breakfast, lunch, after-school snacks; and in classrooms: snacks, taste tests, educational tools.

Food systems curriculum and experiential learning opportunities such as school gardens, farm tours, farmer in the classroom sessions, culinary education, educational sessions for parents and community members, and visits to farmers' markets.

San Diego Unified School District's (SDUSD) Long-Term Farm to School Goals

1. Strive to purchase and use local fresh fruits and vegetables in our food service programs. These programs include, but are not limited to, the School Breakfast Program, National School Lunch Program, Afterschool Snacks, Childhood Development Centers, and Summer Lunch Programs.
2. Serve one "all local" lunch per month.

3. Use sustainably raised hormone and antibiotic-free meat and/or protein sources in school meals; use locally raised proteins when possible.
4. Develop supplemental FTS activities and experiential learning opportunities for students, such as:
 - a. School gardens,
 - b. Nutrition education,
 - c. Farm-based education activities, and
 - d. Cooking education.
5. Create community and vendor partnerships that support the goals of SDUSD's FTS program.

San Diego Local from Urban Agriculture is defined for the purpose of this informal bid as minimally processed agricultural products (as defined by the USDA rule 7 CFR 210.21; 220.16; 215.14a; 225.17; and 226.22) grown within 25 miles from the San Diego County border on urban agricultural sites.

These foods must be:

1. Grown on farms that are less than 50 acres in size and grow more than five food crops at one time;
2. Grown on farms that utilize a majority of hand harvesting, hand packing, or human labor power in growing, harvesting, and packing of food;
3. Delivered within 24 to 48 hours of harvest;
4. Delivered directly to multiple SDUSD school sites (not a central warehouse). The number of drops is to be determined by the district on a case-by-case basis;
5. Produce should be generally free from insect damage and decay, and
6. Product must be rinsed, cleaned, and packed in appropriate commercial produce packaging, such as waxed cardboard boxes. Standard industry pack (case counts) is required and/or half packs are allowable when it comes to bundled greens.

Evaluation

This is not a single lot award but a line-by-line award; we are asking that the urban farmers provide information for the items (highlighted in yellow only) within the list provided from pages 4 to 8. The school district retains the right to award multiple contracts to multiple vendors. Only the information in this document will be used to evaluate the bid. Bids will be awarded to the vendor who can provide the products sought in this solicitation at the lowest price. Experiential education is a critical part of SDUSD's FTS program; please outline any educational opportunities you might provide in the appropriate spaces provided below. If a tie in pricing occurs, farms that demonstrate the greatest educational benefit to SDUSD students will be awarded the contract.

Appendix J: The Local List from Royal Food Service



THE LOCAL LIST

Weekly Seasonal Produce for Georgia and Local States
February 9, 2014



Peak of Season








GEORGIA	FARM	LOCATION
CARROTS	<i>Coggins Farms</i>	<i>Lake Park, GA</i>
CHEESE, ASHER BLUE	<i>Sweet Grass Dairy</i>	<i>Thomasville, GA</i>
CHEESE, GREEN HILL	<i>Sweet Grass Dairy</i>	<i>Thomasville, GA</i>
CHEESE, THOMASVILLE TOMME	<i>Sweet Grass Dairy</i>	<i>Thomasville, GA</i>
EGGS, FRESH SHELL (white & brown)	<i>L & R Farms</i>	<i>Pendergrass, GA</i>
HONEY (blackberry, cotton & wildflower)	<i>Allison's Honey</i>	<i>Cleveland, GA</i>
GREENS, Collards, Turnip, Mustard, Kale	<i>Herndon Farms</i>	<i>Lyons, GA</i>
LETTUCE, GA GOURMET MIX	<i>Stone Creek Hydroponics</i>	<i>Hartwell, GA</i>
LETTUCE, HYDRO BIBB	<i>Stone Creek Hydroponics/Sweetwater</i>	<i>Hartwell, GA / Canton, GA</i>
ONIONS, GREEN VIDALIA	<i>Herndon Farms</i>	<i>Lyons, GA</i>
ROOT, TURNIP	<i>Herndon Farms</i>	<i>Lyons, GA</i>
TOFU	<i>The Soy Shoppe</i>	<i>Atlanta, GA</i>
WATERCRESS, HYDRO LIVING	<i>Stone Creek Hydroponics</i>	<i>Hartwell, GA</i>
YOGURT, GREEK ASSORTED	<i>Atlanta Fresh Artesian Creamery</i>	<i>Norcross, GA</i>
FLORIDA	FARM	LOCATION
ARUGULA, BABY	<i>B & W Growers</i>	<i>Feldsmere, FL</i>
BEANS, GREEN TIPPED	<i>Pera Family Farms</i>	<i>Delray Beach, FL</i>
CABBAGE, RED	<i>Wilksn-Cooper</i>	<i>Belle Glade, FL</i>
GRAPEFRUIT, RED	<i>DNE</i>	<i>Lake Hamilton, FL</i>
CORN	<i>Wilksn-Cooper</i>	<i>Belle Glade, FL</i>
JUICE, ORANGE & GRAPEFRUIT	<i>Orchid Island Juice Co.</i>	<i>Ft. Pierce, FL</i>
MUSHROOMS, WHITE (ALL)	<i>West Coast Mushroom Co.</i>	<i>Quincy, FL</i>
ORANGES	<i>DNE</i>	<i>Lake Hamilton, FL</i>
PEPPERS, GREEN BELL	<i>Goodson/Pexco/Fresh Start</i>	<i>Balm/Plant City/Delary Bch</i>
PEPPERS, VEGGIE SWEETS	<i>Goodson/Pexco/Fresh Start</i>	<i>Delray Beach, FL</i>
PEPPERS, STOPLIGHT MIX	<i>Goodson/Pexco/Fresh Start</i>	<i>Delray Beach, FL</i>
PICKLES, FRESH	<i>Chicago Pickle Company</i>	<i>Palmetto, FL</i>
SQUASH, YELLOW	<i>Pexco/Five Brothers</i>	<i>Plant City/Homestead, FL</i>
SQUASH, ZUCCHINI	<i>Pexco/Five Brothers</i>	<i>Plant City/Homestead, FL</i>
STRAWBERRIES	<i>Naturipe & Wish Farms</i>	<i>Plant City/Homestead, FL</i>
TANGELOS	<i>DNE</i>	<i>Lake Hamilton, FL</i>
TANGERINES	<i>DNE</i>	<i>Lake Hamilton, FL</i>
TOMATOES (round, cherry, Roma)	<i>Assorted Growers</i>	<i>Various Areas FL</i>
NORTH CAROLINA	FARM	LOCATION
POTATOES, SWEET	<i>Wayne Bailey Co.</i>	<i>Chadbourn, NC</i>
SOUTH CAROLINA	FARM	LOCATION
TENNESSEE	FARM	LOCATION
SPROUT, ALFALFA	<i>International Speciality Supply</i>	<i>Cookeville, TN</i>
SPROUT, BEAN	<i>International Speciality Supply</i>	<i>Cookeville, TN</i>







Appendix K: Two Sample Forward Contracts

Example 1: Producers and Distributors

This example is a template of what a distributor and producer may agree to in advance of harvest for the producer to guarantee a market for its products and for the distributor to guarantee supply to the school districts. The distributor has been competitively procured, so the school district is not involved in this second agreement between the producer and the distributor. The distributor or a farm to school coordinator may help facilitate this agreement. This example was adapted from a template created by Willamette Farm and Food Coalition.

It is the intention of _____ *(name of distributor)* to purchase _____

_____ *(list of products)* from _____ *(list of producer(s))*

It is the intention of _____ *(producer or processor)* to grow and sell
the following product(s) to _____ *(name of school district)* through _____
(name of distributor)

Product name: _____

The total estimated quantity to be delivered: _____

The timeframe the product will be ripe for harvest: _____ to _____

When it will be delivered to distributor: _____

Packing requirements: _____ Unit pack: _____
(standard box, U.S. grade, loose pack, bulk, etc.)

Post-harvest handling practices: _____

Cost per unit paid to producer: \$ _____
(this may be a range acceptable to both parties)

Cost per unit paid by school district: \$ _____
(this may be a range acceptable to both parties)

Payment terms and payment process: _____

Other notes: _____

Agreed by: _____

Producer representative: _____

(printed name, signature, and date)

School district representative: _____

(printed name, signature, and date)

Distributor representative: _____

(printed name, signature, and date)

Example 2: State Agencies on Behalf of School

This example is a template of a solicitation a school or State agency might issue to establish a forward contract. This template was adapted from the North Carolina Department of Agriculture and Consumer Services.

Solicitation Number: _____

Issue Date: _____

Bids Due: _____

Contact Information: _____

Award Criteria: Award will be based on the lowest and most advantageous bid(s) as determined by:

- Price
- Quality of produce offered
- Good Agricultural Practices (GAP) certified
- Geographic preference
- Suitability of produce for intended use
- Conformity with intent of specifications herein
- Guaranteed delivery schedule

Award of Contract: It is the general intent to award this contract to a single overall bidder on all items. The right is reserved, however, to make awards based on individual items or groups of items, if such shall be considered by the State to be most advantageous or to constitute its best interest. Bidders should show unit prices, but are also requested to offer a lump sum price.

General Specifications: Product must be identified by label indicating the produce from which it originated. If the cases of the product do not have the name of the producer on it, the product will be refused and rejected. Product must be held at the proper temperature as noted in product specifications to begin the cold chain and the cold chain shall not be broken while in custody.

All produce is to be the current season's harvest.

Item	Description	Qty.	Unit	Unit Price	Total Price
1	<p>Blueberries</p> <p>Packed: 12 1-pint clam shells per flat</p> <p>Quality: US, No.1, well-colored, not overripe, clean, not crushed, split, leaking, or wet, free from stems, mold, or decay. Blueberries should be no more than 48 hours from harvest to pick up. Acceptable sizes range from med (189/cup) to large (129/cup). Store at 40 degrees or below if held over 24 hour period before pick up.</p> <p>Delivery: 3000 flats to be picked up from producer farm on May 19 and May 21</p>	6000	Flats	\$	\$
2	<p>Romaine Lettuce</p> <p>Packed: 24 heads in a box, 40-pound box</p> <p>Quality: US Grade No. 1, stored at 40 degrees or below immediately after harvest and packing, Romaine should be no more than 8 hours from harvest to pick up, free from decay, bruised or discolored leaves</p> <p>Delivery: 400 boxes to be picked up from producer on April 28, April 30, May 5, and May 7, 2013</p>	1200	Boxes	\$	\$
3	<p>Strawberries</p> <p>Packed: 8 1-pound clam shells per flat</p> <p>Quality: US Grade No. 1, cap (calyx) attached, picked ripe, firm, store at 40 degrees or below if held over 24 hour period prior to pick up. Strawberries should be no more than 48 hours from harvest to pick up. Acceptable size: Large—Greater than 1 inch in diameter</p> <p>Delivery: 5600 flats to be picked up from producer on April 28, April 30, May 5, May 7, May 11, and May 14.</p>	4000	Flats	\$	\$

Appendix L: Using DoD Fresh to Purchase Local Produce

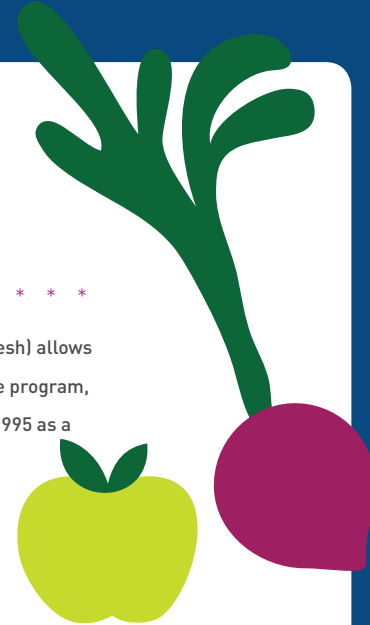


United States Department of Agriculture

USING DOD FRESH TO PURCHASE LOCAL PRODUCE

* * * * *

THE DEPARTMENT OF DEFENSE Fresh Fruit and Vegetable Program (DoD Fresh) allows schools to use their USDA Foods entitlement dollars to buy fresh produce. The program, operated by DoD's Defense Logistics Agency, began in school year (SY) 1994-1995 as a pilot in eight states. As of 2013, schools in 46 states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam participate; schools received more than \$100 million worth of produce during SY 2012-2013.



What are the advantages of DoD Fresh?

- * **Flexibility:** States can change DoD Fresh allocations on a monthly basis, which allows them to utilize USDA Foods entitlement dollars more effectively. USDA does not impose a cap on the amount of entitlement dollars or the amount of cash reimbursement funds that a state can allocate to DoD purchases.
- * **Consistency:** DoD Fresh vendors update the catalog weekly, and depending on the state, schools can receive deliveries every week, making orders timely, fresh, and responsive to market fluctuations.
- * **High quality:** DoD maintains high quality standards through Produce Quality Audits, encouraging vendors to follow Good Agricultural Practices (GAP) and Good Handling Practices (GHP), and requiring that pre-cut and packaged produce is sourced from approved suppliers.
- * **Variety:** DoD Fresh vendors offer as many as 50 different types of produce, available in multiple forms (whole, pre-cut, and a variety of pack sizes) and from multiple locales (local and non local items are routinely offered).
- * **Easy ordering and funds tracking:** Schools place orders via the web-based Fresh Fruit and Vegetable Order/Receipt System (FFAVORS). The prices listed in the FFAVORS catalog reflect the prices that schools will be billed for the product. FFAVORS tracks schools' entitlement fund balances and total order costs. DoD manages vendor payment and reconciliation.





Purchasing local foods through DoD Fresh

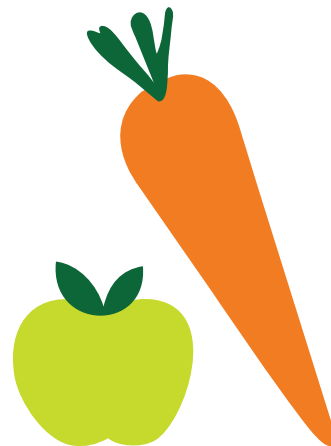
DoD vendors are encouraged to purchase local products, and about 15 to 20 percent of the produce DoD provides to schools is currently considered local. Products are designated as local by the produce vendors and are marked with a local tag in the FFAVORS catalog. Currently, for most vendors, local denotes that the produce is sourced from within the state of service or adjacent states. In all cases, local or regionally sourced products must meet the quantity and quality requirements necessary for the contract and be priced competitively.

What should states and school districts do if they want to source local foods through DoD Fresh?

1. States and schools looking to purchase local foods through DoD Fresh should start by looking for products already marked as local in the FFAVORS catalog. States or schools can also contact their DoD Fresh produce vendor to find out which local products the vendor expects to carry throughout the year.
2. States or schools should determine what additional products they would like to buy locally and make those desires known to their DoD Fresh produce vendor.
3. Finally, states and schools should consider connecting their state departments of agriculture, or other farm to school contacts, with the DoD Fresh vendor in their area. These contacts may have suggestions for producers the vendor can source from, or may be able to provide information about what products schools want to see on their cafeteria trays.

How does it work?

The Defense Logistics Agency manages more than 45 contracts with produce vendors across the country who in turn contract with growers to supply their designated region. Approximately 85% of these produce vendors are small businesses. Each produce vendor lists its offerings using the online ordering system FFAVORS, where schools can view the catalog for the produce vendor in their area. DoD analyzes the product prices and the vendor updates the catalog on a weekly basis. In addition, most vendors send a weekly newsletter with product information.





CASE QUANTITY	ITEM CODE	DESCRIPTION	CASE CONTENTS	CASE PRICE	FUND SOURCE
	14P01	Apple Any Type USF/XF 100-113 1/40 LB CS	40 LB	\$35.35	_ State _Snack _Fed
	18B41	Cauliflower Multi-Color 6-8 CT 8 LB CS	*LOCAL 8 LB	\$19.38	_ State _Snack _Fed
	15N95	Orange Cara Pink 80CT 1/35 LB	35 LB	\$29.87	_ State _Snack _Fed
	15P16	Potato SWT Local 40 LB CS (Co-op)	40 LB	\$14.96	_ State _Snack _Fed
	14P23	Starfruit 20-30 CT 1/8 LB CS	*LOCAL 8 LB	\$26.31	_ State _Snack _Fed

The FFAVORS catalog indicates which foods are grown locally.

How produce is ordered

In most states, individual schools place orders directly via the FFAVORS catalog for their area. In some states, districts place orders with input from each school. Minnesota, for example, uses both models: some districts enter orders on behalf of all schools in the district, while other districts have the individual recipient enter orders. In a few states, state administrators take into account student preferences and enter orders on behalf of schools.

How is the program funded?

Within the FFAVORS system, schools can choose from three funding sources:

- * **Cash Reimbursements:** School lunch operators have the authority to purchase fresh fruits and vegetables directly from DoD Fresh with both special and general assistance funds.
- * **Fresh Fruit and Vegetable Program Funds:** The Fresh Fruit and Vegetable Program (FFVP) provides children in eligible elementary schools with the highest free and reduced price National School Lunch Program participation a variety of free fresh fruits and vegetables throughout the school day. Schools can use FFVP funds to order produce through the DoD Fresh program to serve in the FFVP. The FFAVORS catalog lists this fund source as "snack."
- * **USDA Foods Entitlement Dollars:** The 2008 Farm Bill required that at least \$50 million in commodity entitlement funds be used each year to purchase fresh fruits and vegetables for distribution to schools and service institutions through the DoD Fresh program. Since there is no cap, USDA accommodates all requests for additional entitlement allocations to DoD Fresh throughout the school year.



United States Department of Agriculture

Learn more

The Defense Logistics Agency website provides background information about DoD and links to each vendor's contract www.troopssupport.dla.mil/subs/produce/school/index.asp

Patricia Scott; patricia.scott@dlm.mil; 215-737-3601

The Food and Nutrition Service website provides contact information for farm to school personnel in your area, and a helpful history of the DoD Fresh program:

www.fns.usda.gov/fdd/programs/dod/default.htm

Christina Conell; christina.conell@fns.usda.gov; 703-305-2743



* * * * *

For more information, and to sign up to receive USDA's bi-weekly Farm to School E-letter, please visit www.fns.usda.gov/farmtoschool. Questions? Email us at farmtoschool@fns.usda.gov.

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Appendix M: Texas Farm to School through DoD Calendar SY2014 Overview

Farm to School (FtS) Products & Delivery Periods					
Delivery Period Week of:	SY 2014				
2-Sep-13	FTS003 Watermelons, Seedless /2 per				
9-Sep-13					
16-Sep-13					
23-Sep-13					
30-Sep-13					
7-Oct-13					
14-Oct-13		FTS004 Apples, Whole			
21-Oct-13					
28-Oct-13					
4-Nov-13					
2-Dec-13				FTS001 Oranges, Early Seeded Variety	FTS002 Grapefruits, Red
9-Dec-13					
3-Feb-14					
10-Feb-14					
17-Feb-14					
24-Feb-14					
3-Mar-14					
10-Mar-14					
17-Mar-14					
24-Mar-14					
31-Mar-14					
7-Apr-14					
14-Apr-14					
21-Apr-14					
28-Apr-14	FTS003 Watermelons, Seedless / 2 per		FTS005 Potatoes, Red		
5-May-14					
12-May-14					
19-May-14					

TX-UNPS Commodity Code	Description
FTS001	Oranges, Early Seeded Variety
FTS002	Grapefruits, Red
FTS003	Watermelons, Seedless, 2 per/cs
FTS004	Apples, Whole
FTS005	Potatoes, Red

Appendix N: Geographic Preference: What It Is and How To Use It



United States Department of Agriculture

GEOGRAPHIC PREFERENCE

What it is and how to use it

* * * * *



THE 2008 FARM BILL directed the Secretary of Agriculture to encourage schools to purchase locally grown and locally raised products “to the maximum extent practicable and appropriate.” Further, the Secretary was instructed to allow schools to use a “geographic preference” when procuring locally grown and locally raised unprocessed agricultural products.

There are many ways for schools to buy local products for use in federal school meals programs (see USDA’s 10 Facts About Local Food in School Cafeterias). While using geographic preference is not the only option for local food procurement, it is a powerful tool and particularly useful in formal solicitations where respondents are ranked and scored.

Types of products

The ability to apply a preference for local products applies only to unprocessed or minimally processed items. The geographic preference rule does not apply to any products that have been cooked, heated, canned or that have any additives or fillers. It can be applied to a wide array of products that meet the definition of unprocessed or minimally processed such as various forms of fruits, vegetables, meats, fish, poultry, dairy, eggs, and grains.

How to define local?

Definitions for local vary widely depending on the unique geography and climate where a school is located and on the abundance of local food producers and manufacturers. Many schools define local as within a certain number of miles from the school, within the county, or within the state. Alternatively, definitions might include more than one state (i.e., Georgia, Alabama, and Florida) or discrete parts of several states (i.e., specific counties in southwest Washington, northeast Oregon, and Idaho). In addition, many schools use different definitions of local depending on the product or season. Also, please note that when applying geographic preference, origin is tied to the agricultural product, not the location of the respondent.

Who defines local?

Schools define what they mean by local. While many state and/or local governments have adopted definitions of local such as “within the state” or “within the county,” schools using a geographic preference when sourcing food for the federal school meal programs are under no obligation to adopt any definition for local that might be in existence in local areas.





Three examples for using geographic preference

Federal regulations do not prescribe the precise way that geographic preference should be applied, or how much preference can be given to local products. Thus, there are a variety of ways to apply geographic preference and one way is not considered better or more effective than another. The key is to be sure that use of geographic preference does not restrict free and open competition. Further, regardless of which method is used, the selection criteria must be clearly described in all solicitation materials.

EXAMPLE ONE

A school district issues an invitation for bid (IFB) for apples and states a preference for apples grown within 100 miles of the school. IFB's are generally used when a firm fixed-price contract will be awarded to the lowest responsive and responsible bidder. The solicitation makes it clear that any respondent able to provide local apples will be awarded 10 points in the selection process. In this example, the 10 preference points are equivalent to a 10 cent reduction in price for the purposes of evaluating the lowest bidder.

	OWEN'S ORCHARD	APPLE LANE FARMS	ZOE'S BEST
Price	\$1.97	\$2.05	\$2.03
Apples within 100 miles of school	No	Yes (10 Points)	No
Price with preference points applied, for evaluation purposes only	\$1.97	\$1.95	\$2.03

Apple Lane Farms meets the stated preference for local products and is awarded 10 additional points, which translates into deducting 10 cents from Apple Lane Farm's price. This makes Apple Lane Farms the "lowest bidder." The school still pays Apple Lane Farms \$2.05 for its product; deducting 10 cents from the price of responsive bidders that meet the geographic preference only applies to determining the winning respondent and would not affect the actual price paid to the respondent.

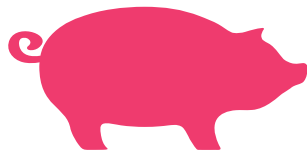
* * * * *

EXAMPLE TWO

A school district issues a request for proposals (RFP) for its produce contract and indicates a preference for fresh fruits and vegetables produced within the state. For the purposes of evaluating bids, respondents who can supply at least 60% of the requested items from within the state will receive a 10% price reduction.

	PRODUCE EXPRESS	RAY'S PRODUCE	F&V DISTRIBUTION
Contract Price	\$31,000	\$35,000	\$34,000
% F&V from within the state	20	80	50
Geographic preference points to respondent able to meet > 60% local items	No	Yes (10% pref.)	No
Price with preference points applied, for evaluation purposes only	\$31,000	\$31,500	\$34,000

Ray's Produce is the only firm that is able to supply greater than 60% of the requested items from the local area, thus, Ray's Produce receives a 10% reduction in price for the purposes of evaluating bids. Even with the reduction, Ray's Produce is not the lowest bidder. If price alone were the determining factor for this school district, Produce Express would be awarded the contract.





EXAMPLE THREE

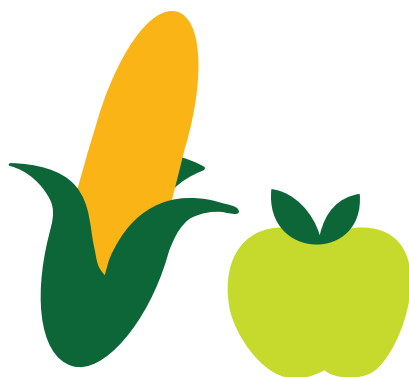
A preference for local products doesn't necessarily have to be calculated with absolute values; sliding scales may be appropriate. Further, solicitations may include evaluation criteria that allow for consideration of factors other than price alone.

Some of the factors in addition to price that might be considered include technical expertise, past experience, years in business, marketing, etc. School districts may also include elements such as ability to host farm visits, showing the state or farm of origin on the invoice, or providing farm information for education in the lunchroom as part of their selection criteria.

A school district issues a request for proposals for beans and grains and makes it clear that bids will be evaluated using a 100 point system. Ten preference points will be awarded to vendors able to provide over 70% of the requested items from within the state, 7 points for 50-69% and 5 points for 25-49%. Points for local sourcing will be included along with other evaluation factors.

	LAURIE'S LEGUMES	PAULA'S PULSES	GARY'S GRAINS
Price = 40	30	35	40
Contractor ability to perform all specifications			
Product quality = 15	25	30	30
Delivery = 10			
Packaging and labeling = 5			
Three references, past history = 10	10	10	10
Able to provide farm/facility tour or classroom visits = 5	0	5	5
Able to provide state of origin on all products = 5	0	5	5
Ability to provide products sourced within the state = 10	0	10	7
100 possible points	65	95	97

In the example above, Paula's Pulses is able to source 75% of their products from within the state, earning them 10 points in the scoring process in the local products category. Gary's Grains can source 55%, earning them 7 points, and Laurie's Legumes is unable to guarantee any products from within the state so they receive 0 points in the local preference category. Gary's Grains wins the contract.





Additional resources

* **Program-specific procurement regulations**, from USDA's Food and Nutrition Service (FNS) – Links to regulations governing each major Child Nutrition Program from Title 7 of the Code of Federal Regulations.

www.fns.usda.gov/cnd/f2s/USDA_procurement_reg.htm

* **Final Rule: Geographic Preference Option**, from FNS – The final rule, published in the Federal Register, includes a summary, background, and final regulatory language, by program, for the geographic preference option.

www.fns.usda.gov/cnd/Governance/regulations/2011-04-22.pdf

* **Procurement Geographic Preference Q&As Part I**, from FNS – A memo published in February 2011 addressing questions regarding application of the geographic preference option.

www.fns.usda.gov/cnd/Governance/Policy-Memos/2011/SP18-2011_os.pdf

* **Procurement Geographic Preference Q&As Part II**, from FNS – A memo published in October 2012 addressing additional questions regarding application of the geographic preference option and other mechanisms for local procurement.

www.fns.usda.gov/cnd/Governance/Policy-Memos/2013/SP03-2013os.pdf

* **State Agency Guidance on Procurement**, from FNS in partnership with the National Food Service Management Institute – An online procurement training geared towards state agencies that focuses on federal procurement requirements.

<http://www.nfsmi.org/Templates/TemplateDefault.aspx?qs=cEIEPTEzNQ>

* **A School's Guide to Purchasing Washington-Grown Food**, from the Washington State Department of Agriculture – This guide provides information on using the geographic preference option to source local foods in Washington; however, much of the content is broadly applicable.

www.wafarmtoschool.org/Page/74/procurement-guide



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For more information, and to sign up to receive USDA's bi-weekly Farm to School E-letter, please visit www.fns.usda.gov/farmtoschool. Questions? Email us at farmtoschool@fns.usda.gov.

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Appendix O: Using Geographic Preference in Four Steps

This worksheet is meant to help you work with school districts to use geographic preference for purchasing local, unprocessed agricultural products. While you (or the district) may not be able to answer every question on this sheet, the prompts will help you think through the applications of the geographic preference option.

With a specific district and a product you know is available in that area in mind, work through these questions with a partner.

1. Define local

- How has your school or district chosen to define “local” or “regional”?
- How did you establish this definition?

2. Determine whether the procurement is informal or formal

- What is the value of the purchase?
- What is the applicable small-purchase threshold?
- If the purchase amount is over the small-purchase threshold, will you use an RFP or IFB?

3. Decide how much preference to give

- How much more are you willing to pay for local?
- How many local vendors are there?
- What is the market price?

Tip: Remember that the stronger the preference you give to local products, the more those products might cost you. Think carefully about how much preference you can afford to award. You may also consider using a Request for Information.

4. Determine how much preference will be applied

Outline how geographic preference will be applied:

- Dollar value
- Point system
- Percentage
- Other?

Tip: Check out the examples on the next page for ideas on how to apply geographic preference.

Sample Geographic Preference Language

Example One: State Grown Definition of Local, Price Preference:

_____ School District seeks to serve _____ state-grown products to its students. We are currently seeking quotes for the following items for our (Fresh Fruit and Vegetables Program or other special event or project) for the months of _____ and _____.

We hope to purchase produce items that are grown and packed or processed in _____ State, and will apply a 10% price preference to such products as we review the quotes.

Example Two: Two-tiered, Price Preference:

The _____ Public Schools Food Service Program desires to serve fresh, locally grown products to its students. To this end, the Food Services Department is seeking to develop a list of vendors that meet all procurement requirements from which quotes may be requested.

This district defines “locally grown products” eligible for this geographic preference at two levels.

These levels are:

1. Grown in _____, _____ or _____ Counties
2. Grown in _____ State

As allowed under federal law, the _____ Public Schools will provide a price percentage preference during evaluation of quotes to “locally grown products” purchased for school food procurement as defined under this geographic preference.

The price percentage is as follows:

1. Grown in _____, _____ or _____ Counties-5%
2. Grown in _____ State-3%

The price percentage preference means that for the purposes of comparison, prices for product grown in one of the 3 counties will be adjusted to a price 5% lower than the price quoted for the product by the vendor or 3% for product grown outside these counties and still within the State. The price percentage preference affects the quoted price only for awarding of the quote, not the actual price paid to the vendor.

Example Three: One Point = One Penny

_____ School District seeks to serve _____ county-grown products to its students. We are currently seeking quotes for _____ for our (Fresh Fruit and Vegetables Program or other special event or project) for the months of _____ and _____.

We hope to purchase produce items that are grown and packed or processed in _____ county, and will apply 10 preference points to any bidder able to supply product from _____ county. For this solicitation, 10 preference points are equivalent to a 10 cent reduction in price for the purposes of evaluating the lowest bidder.

Example Four: Percentage Preference for a Minimum Percentage Local

_____ School District seeks to serve regionally grown produce from within 400 miles of _____ county. We are currently seeking quotes for a variety of fruit and vegetable products. For the purposes of evaluating bids, respondents who can supply at least 60% of the requested items from within 400 miles will receive a 20% price reduction.

Adapted from A School's Guide to Purchasing Washington-Grown Food, developed by the Washington State Department of Agriculture. Accessed April 2013. <http://www.wafarmtoschool.org/Content/Documents/SchoolGuideFLowResGuideNoResources-1.pdf>

Appendix P: Excerpt from Omaha Public Schools' Solicitation for Chicken Drumsticks

Omaha Public Schools will give geographic preference to local all-natural chicken drums. Local is defined as raised within 240 miles of the Teacher's Administration Building, 3215 Cuming St., Omaha, NE, in determining the contract award. Any vendor submitting a quote for this product will be awarded a geographic preference of 1 percent. In other words, for the purpose of determining the award, any vendor providing local all-natural drums will receive a reduction of 1 percent in bid price.

This reduction is for bidding purposes only and will not affect the price paid.

Item Description: Chicken All-Natural Drumsticks - Bulk, Frozen, or Fresh. Average pieces per case 137, average weight per drum 4.64 oz., and average meat weight per drum, at least 2.56 oz. Packaged under USDA inspection and USDA inspected, using USDA approved packaging. Packaged in 40-pound cases. Approximately 269 cases.

Appendix Q: Excerpt from Harrisonburg City Public Schools' Solicitation for Fresh Produce

Please see attached fresh produce list for a nonbinding listing of fresh produce desired for the 2013-2014 school year. Each offeror must provide current pricing on all items listed and return the list with its proposal. Because produce prices fluctuate on a daily basis, price will serve as only one consideration in making the contract award. HCPS reserves the right to request produce that is not shown on its list at this time.

To Be Completed by Offeror

1. **Qualification of Offeror:** The offeror must have the capability and capacity in all respects to fully satisfy all of the contractual requirements.
2. **Years in Business:** Indicate the length of time you have been in business providing this type of service:
_____ years _____ months _____ /15 pts.
3. **References:** Indicate below a listing of at least four (4) recent references for whom you have provided this type of goods/service. Include the date the goods/service was furnished and the name and address of the person the HCPS has your permission to contact. _____ /10 pts.

Client: _____

Date: _____

Address/Phone: _____

Person to Contact: _____

Offerors are asked to provide a narrative response describing how their firm will be able to meet each of the conditions listed below:

Offerors must be able to consistently provide high-quality produce to all Harrisonburg City Schools.
_____ /10 pts.

Offerors have policies and procedures in place to assure food safety. _____ /10 pts.

A wide variety of specialty and certified organic produce items must be available to all schools with no more than a 2-day lead time. Please include a complete list of available products with proposal. _____ /5 pts.

HCPS is an active participant in Virginia's Farm to School program. Virginia-grown produce should be sold to schools when available. Firms should be making an effort to procure and offer Virginia-grown produce to schools. Firms should indicate these products on weekly price lists. Please submit a list of Virginia Farms used by your company with this proposal. _____ /10 pts.

Computerized (not handwritten) price lists must be provided to the central School Nutrition Program Office on a weekly basis by fax or email. _____ /5 pts.

Monthly invoices separated by individual school should be sent to the central School Nutrition Program Office by the 5th of the following month. A consolidated district invoice is not acceptable. _____ /5 pts.

Deliveries will be desired on Tuesdays and Fridays, but must be available on any day of the week as needed. Deliveries must be made by 10:45 am. Shortages in deliveries must be corrected on the same business day unless prior arrangements are made with the SNP director or school cafeteria manager. _____ /5 pts.

A company representative should contact the SNP director on a monthly basis at minimum to discuss upcoming produce specials, availability of Virginia-grown produce, market conditions that will potentially affect prices, and other related issues. _____ /10 pts.

If offeror has previously provided fresh produce to Harrisonburg City Schools, please briefly comment and cite examples of how the above conditions were met during the time of service. _____ /10 pts.

Appendix R: Excerpt from Oakland Unified School District's RFP for Fresh Produce

Produce Bid Award Point System

The District has chosen to implement a point system to make awards. The following scoring system will be used in determining which of the three lowest bidders will most closely meet the best interests of the District. There is a possible score of 100 points.

Cost

Lowest cost will be determined by total cost of all line items bid multiplied by total anticipated usage for each item.

- Lowest Bidder: 50 points
- Second Lowest: 40 points
- Third Lowest: 30 points

Sourcing

Geographic Preference: Provide produce grown within a 250-mile radius of Oakland, CA.

- Rated Best Able To Meet Guidelines: 20 points
- Rated 2nd Best Able To Meet Guidelines: 15 points
- Rated 3rd Best Able To Meet Guidelines: 10 points

Traceability

Provide information regarding the farm of origin of locally and non-locally grown products (whole and processed produce) including: a list of farms and products sourced from each farm, unique product identification numbers for locally grown products from aggregated products, and farm of origin information clearly marked on each case delivered to cafeterias. If produce not purchased directly from a farm please provide as much information as available regarding the source of produce. A sample of a traceability report will be requested with any produce samples provided.

- Rated Best Able To Meet Guidelines: 15 points
- Rated 2nd Best able To Meet Guidelines: 10 points
- Rated 3rd Best Able To Meet Guidelines: 5 points

Local/Small Local / Small Local Resident Business Enterprise Participation Requirement

The S/SL/SLRBE establishes a 20-percent minimum local participation requirement on all contracts and professional service agreements between OUSD and outside vendors. If at least three L/SL/SLRBEs are not certified to provide required services, then the requirement may be waived, or the 20-percent requirement may be reset from 19 percent to 0 percent at the discretion of the District.

- A proposer who demonstrates a minimum 50-percent small business or local resident employee participation will earn 5 points.
- A proposer who demonstrates a minimum 40-percent small business or local resident employee participation will earn 4 points.
- A proposer who demonstrates a minimum 30-percent small business or local resident employee participation will earn 3 points.
- A proposer who demonstrates a minimum 20-percent small business or local resident employee participation will earn 2 points.
- Past Performance/Service Reliability with Large School Districts (Requiring site to site delivery).

Awarded vendor must have a proven ability to deliver high-quality produce in a timely manner, to a large customer with multiple sites, requiring daily and or weekly deliveries. References of past and present customers may be checked to determine ability to meet required service levels.

- Rated Best Able To Meet Service Requirements: 10 Points
- Rated 2nd Best Able To Meet Service Requirements: 6 Points
- Rated 3rd Best Able To Meet Service Requirements: 2 Points

Total _____

Specifications

The vendor who is awarded this contract will meet or exceed the following minimum requirements:

- Ability to provide locally grown produce. For the purpose of this quote, locally grown is defined as within a 250 mile radius from Oakland, CA. Oakland Unified prefers locally grown products whenever possible and has a goal of procuring 50 percent of produce locally.
- Provide name and location of farms that items are purchased from 1 week prior to delivery. Products should be labeled designating local source (grower, address of farm). For the purposes of this quote, "farm" is defined as the location where the produce is grown, not the address of a packing house or aggregation point.

- Vendor to establish written purchasing agreements with school district approved farmers or aggregators. These agreements should indicate that the vendor is willing and able to purchase produce from these growers or aggregators whenever possible.
- Vendor to report to Oakland Unified net price farmer will receive on a price-per-pound or price-per-case basis for product purchased.
- The vendor shall State the brand and item number bid; if none is indicated it is understood that the vendor is quoting the exact brand and number specified. If proposing product “equal to” the brand specified any differences should be clearly noted—include specifications and nutrient analysis. Vendors may propose any product equal to that specified. Certain specifications set forth herein for the purpose of establishing standards are not intended to preclude any vendor from bidding who can meet these specifications and requirements.
- Product specifications are based on products and pack sizes currently in use. Alternate pack sizes may be accepted when pack size specified is not available. Specifications shown have been established by the Nutrition Services Department assuring compliance with Healthy Hunger Free Kids Act 111-296; therefore, alternates may not be considered in circumstances where the menu, recipes, or noncompliance with (HHFKA) 111-296 is affected. If proposing an alternate or “generic” item, please quote it in addition to the brand requested, if possible. In any case, the District will be the sole judge as to whether the products are, in fact, substantially equal to the specifications set forth herein and whether such deviations are acceptable to the District.
- Product shelf life shall not be less than three (3) to seven (7) days from date of delivery. Products should be dated, showing a “produced on” or “pull” date.
- Vendors submitting price requests certify that no preservatives are used in the preparation of products.

Answer the following questions related to OUSD’s produce specifications. Feel free to attach additional pages if you need more space to provide a complete answer.

Please describe your company’s ability to provide the District with locally grown, source-identified produce. What systems do you have in place for tracking and labeling locally grown produce?

Please describe your relationships with farmers with farms under 500 acres. Do you typically work with pack-houses, grower-shipper operations, or with farmers directly? If you are able, please attach a list of farms you regularly purchase from to this price request, indicating those under 500 acres.

Oakland Unified has existing relationships with a number of small farmers and aggregators who provide produce for the District's on-school farm stands (the Oakland Fresh Produce Markets). The successful bidder will demonstrate willingness and ability to work with these farmers to provide produce for the school meals program. Please describe your company's strategy for working with these farmers and /or aggregators.

Does your company have a sustainability plan or philosophy? If so, please describe that here.

Appendix S: Excerpt from School Food FOCUS RFI to Supply Locally Grown Fresh and Frozen Fruits and Vegetables

School Food FOCUS, at the direction of five large urban school districts in the Midwest, is exploring ways to expand offerings of locally grown and processed fresh and frozen fruits and vegetables for student meal programs.

This RFI outlines the types of products the school districts are looking for and seeks information from potential suppliers. The purpose of this RFI is to gather market data about the availability of local produce to inform future menuing and procurement activities. We are seeking specific information about

1. Availability of local produce
2. Capacity to aggregate, process and freeze locally grown produce
3. Gaps in infrastructure that may inhibit the capacity to serve large urban school districts

While projected pricing is requested, it is not binding and does not impact individual school districts current procurement practice. Information from this RFI will be used to determine practicality of local produce procurement and to develop a bid template for future local fresh and frozen produce that may be used by the identified districts and other districts for the following school year.

What we're asking

The identified school districts are requesting information from suppliers – whether farmer processors, fresh cut produce processors, produce freezing companies, distributors or other entities – that can potentially provide produce that meets the following objectives:

- **Local sourcing and processing.** We're looking for produce that is both locally grown AND locally processed. Each district has defined local as within a specified number of miles of their main office (see Appendix 1 for addresses and mileage ranges). The farms from which product is sourced AND the facilities in which product is pre-cut and/or frozen should all be located within the mileage figures determined by each district.
- **Fresh and frozen produce.** We're looking for volume and price information for both pre-cut fresh and frozen produce.
- **Grade A and cosmetically imperfect seconds.** We are interested in both Grade A product and cosmetically imperfect seconds (sometimes referred to as "unsized non-Grade A" product). We particularly welcome partners that can provide cosmetically imperfect seconds in either fresh or frozen form. Applicants may include information in their response about first, seconds, or both. In the case of seconds, produce must be deemed "second" solely due to cosmetic imperfection and must otherwise be safe, high quality and free of decay.

- **Food safety.** In the case of fresh-cut or frozen produce, produce must be handled in facilities that have a HACCP plan. Farms from which the produce is sourced should be GAP-certified or provide evidence of compliance with food safety standards.
- **Delivery.** We are seeking pricing of local fresh and frozen products prepared for shipment, with prices shown on an FOB basis. Because each district's distribution requirements are unique, distribution mechanisms will be determined separately by district at a later date.
- **Pack size.** Pack sizes are indicated on the response form. Products prepared for shipment must be in the indicated pack size.
- **Volume.** We are seeking entities that can provide significant volumes to meet some or all of the needed volume for a given product for a given district as detailed below. Smaller farms are encouraged to pool their product with other nearby growers to better meet larger volumes. Respondents may submit information about your ability to provide product to one or more districts given the geography of your operation.
- **Estimated demand for each district.** Appendix 2 contains estimated volume of produce that may be purchased by each school district for the upcoming school year. This data is provided for reference only and is not necessarily a predictor of future use.

School Food FOCUS (FOCUS) is a national collaborative that leverages procurement power of large school districts to make school meals nationwide more healthful, regionally sourced, and sustainably produced. FOCUS aims to transform food systems to support students' academic achievement and lifelong health, while directly benefiting farmers, regional economies, and the environment.

School Food FOCUS' Upper Midwest Regional Learning Lab engages selected school districts in collaborative research to discover methods for transforming food options. The lab brings school food service professionals and their community partners together with research and technical assistance to study and work on specific procurement goals. The direct involvement of very large districts and local grassroots activists in reshaping supply chains is unique – and uniquely effective. Read more about the FOCUS Learning Lab at our website: <http://www.schoolfoodfocus.org/wp-content/uploads/2011/07/SFLL-Overview-05.16.11.pdf>

School Food FOCUS and the respective school districts in the Regional Learning Lab would like to acknowledge the inspiration for this RFI which comes from the work that Family Farmed, www.familyfarmed.org has done on behalf of Chicago Public Schools and Institute for Agriculture and Trade Policy (IATP) www.iatp.org, has done on behalf of Minneapolis Public Schools and Saint Paul Public Schools. We appreciate their partnership in this endeavor!

Appendix T: Pecks to Pounds

This resource is from the Maryland Department of Agriculture and translates the typical farm measurements (pecks, bushels, crates, etc.) to pounds. This chart is useful for both farmers and school food service staff to communicate effectively with each other and enables school food service staff to convert farm measurements into serving sizes.

Translation Chart **“Pecks to Pounds”**

Commodity	Unit	Approximate Net Weight	
		U.S. Pounds	Metric Kilograms
Apples	bushel	48	21.8
	loose pack	38-42	17.2-19.1
	tray pack	40-45	18.1-19.1
	cell pack	37-41	16.8-18.6
Asparagus	crate	30	13.6
Beans	bushel	56-60	25.4-27.2
Blackberries	12, 1/2-pint basket	6	2.7
Broccoli	wirebound crate	20-25	9.1-11.3
Brussel sprouts	ctn, loose pack	25	11.3
Butter	block	55,68	25,30.9
Cabbage	open mesh bag	50	22.7
	flat crate (1 3/4 bu)	50-60	22.7-27.2
	ctn, place pack	53	24
Cantaloupes	crate	40	18.1
Carrots	film plastic bags, mesh sacks, and cartons holding		
	48 1lb. film bags	55	24.9
Cauliflower	WGA crate	50-60	22.7-27.2
Celery	crate	60	27.2
Cherries	lug	20	9.1
Corn	wirebound crate	50	22.7
	ctn, packed 5oz ears	50	22.7
Cucumbers	bushel	48	21.8
Eggplant	bushel	33	15
Eggs	average size, case, 30 doz.	47	21.3
Garlic	ctn of 12 cubes or		
	12 film bag pkgs, 12 cloves each	10	4.5
Grapes	Eastern, 12-qt basket	20	9.1
	Western, lug	28	12.7
	Western, 4-basket crate	20	9.1
Honey	gallon	11.84	5.4
Honeydew melons	2/3 ctn	28-32	12.7-14.5
Kale	ctn or crate	25	11.3
Lettuce	carton packed, 24	43-52	19.5-23.6
Lettuce, greenhouse	24-qt basket	10	4.5
Milk	gallon	8.6	3.9
Onions	dry, sack	50	22.7
	green, bunched, ctn 12-doz.	10-16	4.5-7.3

Courtesy of the Maryland Department of Agriculture



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