Finding, Buying and Serving Local Food
Using the Informal Procurement Method
February 27, 2014

Housekeeping
- To download handouts:
- To make a comment or ask a question:
  - Type your question or comment using the Q&A tab
  - Ask your question or comment on the phone at the end of the webinar by pressing *1
- Please turn off your computer microphone, all audio will be through the phone.
- The webinar will be recorded and available on the USDA Farm to School website: http://www.fns.usda.gov/farmtoschool/webinars

Poll: Who is on the line?

Our Presenters
- Jenny Montague
  - Food Service Director
  - Kalispell Public Schools
- Lisa Griffin
  - Director of Child Nutrition
  - Union Public Schools
- Christina Conell
  - Program Analyst
  - Food and Nutrition Service

Overview
- Informal Procurement Method
- Small Purchase Thresholds
- Using the Informal Method to Purchase Local
- Examples from Union Public Schools
- Example from Kalispell Public Schools
- Questions

Buying Local
1) What: Which types of products?
2) Where: From which types of sources?
3) How: The mechanics of sourcing local correctly.
   - Today: Approaching only local sources under an informal procurement
**What? Which Types of Products**

- Vegetables
- Meat, Poultry, and Eggs
- Dairy
- Fruit
- Crops

**What? Defining Local**

Ways to define local:
- Miles
- Region
- Country
- Product-specific
- State

**Procurement Methods**

- **Informal**
  - Draft specifications in writing
  - Identify and notify at least 3 sources (proximity, ability, and willingness)
  - Evaluate bids and proposals to determine the offer

- **Sealed Bids (IFBs) & Competitive Proposal (RFPs)**
  - Requires public advertising

- **Formal**
  - Large Purchase (requires price quotes from at least 3 bidders)

**The Informal Procurement Process**

1. Draft specifications in writing
2. Identify and notify at least 3 sources (proximity, ability, and willingness)
3. Evaluate bids and proposals to determine the offer

**Small Purchase Procedure**

*Use it when:*

The estimated amount of your purchase falls below your small purchase threshold.

**A Couple Things to Remember**

- Federal regulations require that all procurements are competitive (even if other entities do not).
- States and local regulations may set a lower small purchase threshold imposing more formal procedures. The most restrictive threshold applies.
- Schools are not required to use the informal procurement method for small purchases.
Small-Purchase Thresholds: An Example

<table>
<thead>
<tr>
<th>Level</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Small-Purchase</td>
<td>$150,000</td>
</tr>
<tr>
<td>Threshold</td>
<td></td>
</tr>
<tr>
<td>State Small-Purchase</td>
<td>$40,000</td>
</tr>
<tr>
<td>Threshold</td>
<td></td>
</tr>
<tr>
<td>Local Small-Purchase</td>
<td>$7,000</td>
</tr>
<tr>
<td>Threshold</td>
<td></td>
</tr>
</tbody>
</table>

Poll: What is your applicable small purchase threshold?

Approach Local Vendors

- For purchases under your small purchase threshold, you can get quotes from 3 (or more) local farms or vendors.
- But remember: You need written specifications.

Document the Bids You Receive

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Date received</th>
<th>Response and Responsible</th>
<th>Price/lb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom</td>
<td>July 5</td>
<td>No</td>
<td>$2.20</td>
</tr>
<tr>
<td>Vickie</td>
<td>July 6</td>
<td>Yes</td>
<td>$2.05</td>
</tr>
<tr>
<td>Vines</td>
<td>July 10</td>
<td>No, can only deliver 3 months of year</td>
<td>$2.75</td>
</tr>
</tbody>
</table>

Splitting Procurements

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

Approaching Local Vendors: Union Public Schools
About Union Public Schools

» Number of Schools: 18
» Number of Students: 15,500
» Number of Meals Served: 9400 lunches, 5000 breakfasts
» Percentage of Students Receiving Free and Reduced Price Lunches: 66%
» Urban District
» Fun Fact: Union spent about 15% of the produce budget on local products.

Where Union Public Schools Finds Local Producers

» State Department of Agriculture, Farm to School Coordinator, Farmer’s Markets
» News articles
» Other school districts that participate in Farm to School
» By asking local grocery stores and restaurants where they get their local products
» Produce distributors
» Local Extension Office

Importance of Specifications

• Apples, Red, 40 pounds per case
• Good or Bad Specification?
• Which do you want?

Example: Tomatoes in Tulsa, OK

• Hydroponic
• Available 10 months of the year
• US No. 1, fully ripe, red color-stage 5-6
• 10 day shelf life
• Organic
• Delivered to 18 schools 2 days prior to service
• Proof of liability insurance due with bid
• GAP certified
• 36 cases per week

Approaching Local Producers

» Call suppliers
» Provide the same information to each producer
» Document bids

Lessons Learned

» Quality issues (decay) due to water and correction taken
» Packaging/units and reduction in costs
» Distributor quality checks and rejection-work out details before this happens
» Transportation issues
Tips for Buying Local Using the Informal Procurement Method

» Start out simple with one or two items.
» Write specs.
» Get to Know Your Farmer!
» Be flexible in your menu writing so local can be included.

Using the Informal Procurement Method: Kalispell Public Schools

About Kalispell Public Schools

- Number of Schools: 11
- Number of Students: 6,000
- Number of Meals Served: 3500
- Percentage of Students Receiving Free and Reduced Price Lunches: 42%
- Fun Fact: We saved money by switching to local beef burger patties.

Where Kalispell Finds Local Producers

- Lists Supplied by State Agency or Farm to School Lead at Trainings
  - State or USDA Certified Beef Processors
  - GAPS Certified Producers
- State Farm to Cafeteria Online Database
- Attending Local Food Expo, Events and Agricultural Meetings
- Local food resource guides
  - http://nourishtheflathead.org/map/
- Word of Mouth

Example of an Informal Procurement for Local Ground Beef Patties

- Available Year Round
- 80/20 grassfed ground beef
- 2 oz. fresh patties (6/1)
- 3 day shelf life fresh, or 7 days frozen
- 15 x 20 lb cases per week
- Delivered to 4 kitchens in refrigerated truck
- Proof of liability insurance
- State Inspected Facility (Required to be Eligible)
- Last year $36,000 to selected vendor

Tips for Buying Local Using the Informal Procurement Method

» Build the relationship – selling in this manner may be new to the producer, be flexible and learn together
» Consider distribution and storage
» Make sure they are GAP certified and/or properly inspected – make a visit yourself and bring a checklist
Farm to School Resources

» USDA Farm to School Website and E-Letter
  (at www.fns.usda.gov/farmtoschool)
» Farm to School Census
» Farm to School Regional Leads
» More procurement resources coming soon!

Questions?