



# The Procurement Puzzle

For Child Nutrition Programs

# Second Largest

Nutrition Assistance Program

- Over 120,000 locations
- Over 30.4 Million lunch meals
- Over 13.5 Million Breakfast meals
- \$30 Billion operation



# The Supply Chain

Understanding the process

## Processing

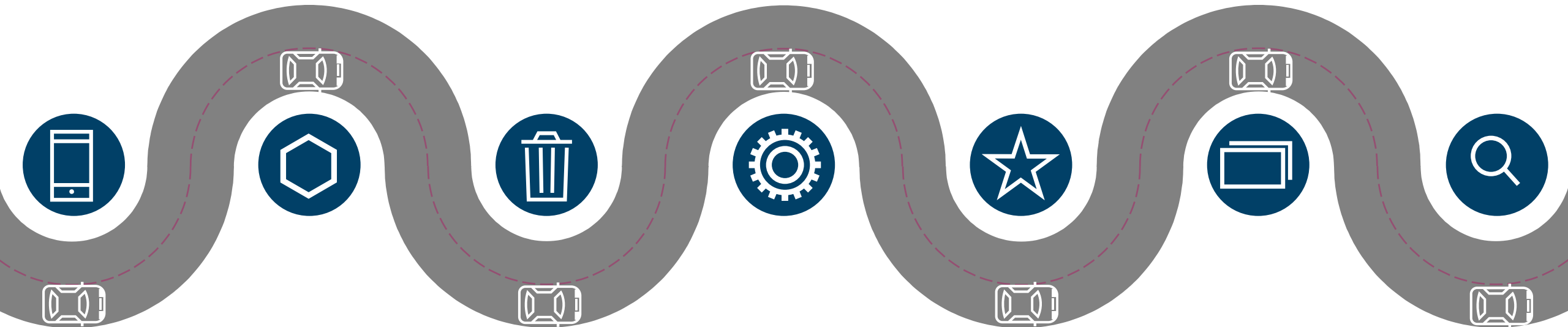
- Handling and processing center

## Distribution

- Processor
- USDA
- Distributor

## Distribution

- Transported to for market distribution



## Food Production

- Animal and Crop Farms

## Storage

- Cold Houses, warehousing

## Storage/Processing

- Distributor Warehouse
- Manufacture Warehouse

## Consumer

- Received at School for service to students



Consistent Font and Colour for Question

Consistent Brand

Consistent Font and Colour for Response

# The Proper Documents

Summary of Information provided

What is the best document for the job?

In-brand infographic

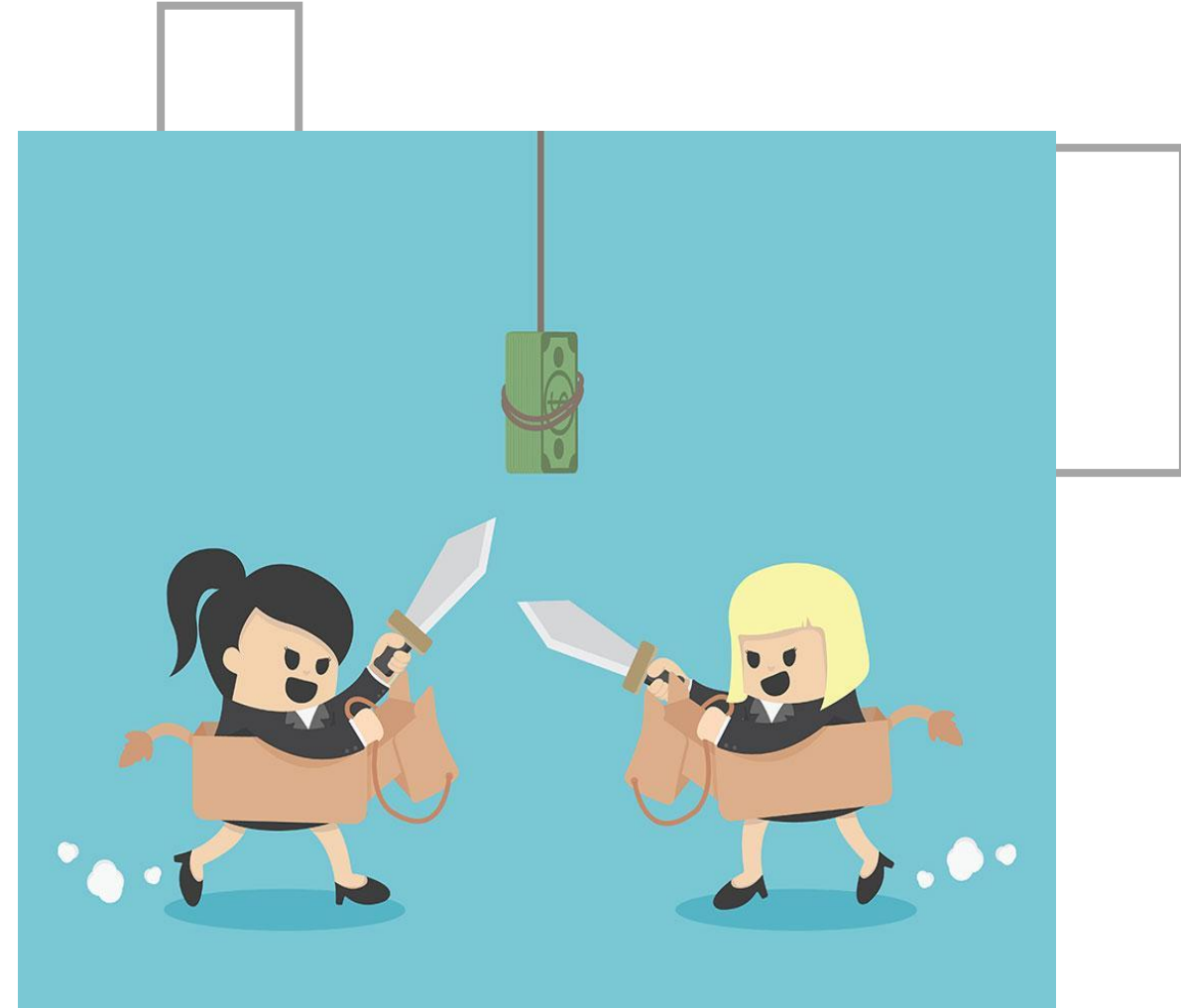
Consistent Client Brand



# Open & Free Competition

2 CFR 200.319

All procurement transactions, regardless of whether by sealed bid or by negotiation and without regard to dollar value shall be conducted in a manner that provides maximum open and free competition.





# Written Procurement Procedures

SUBTITLE HERE

- Must develop and maintain written procurement procedures designed to avoid the acquisition of unnecessary or duplicative items.
- Should match the district's board policies and administrative regulations.
- Should be kept up to date.
- Staff must be familiar with written procedures.





# Ethics

Ethics is the... of right and...  
... a mor...  
... right and...  
... divide int...  
... ho...

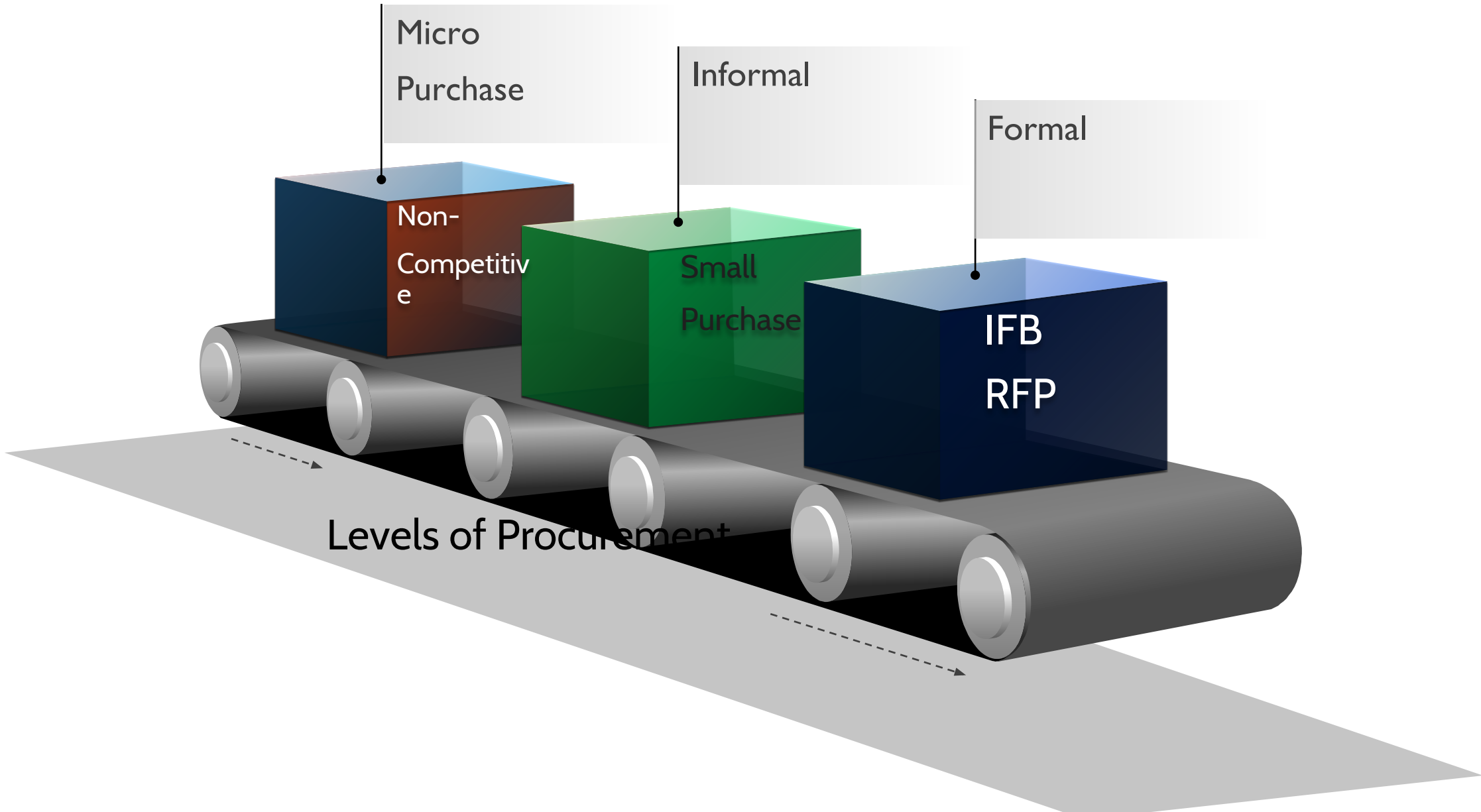
## Code of Conduct

2CFR200.318(c)(1) and 2CFR400.2

Governs the performance, behavior and actions of the employees engaged in any aspect of procurement.







Micro  
Purchase

Informal

Formal

Non-  
Competitiv  
e

Small  
Purchase

IFB  
RFP

Levels of Procurement



# Micro Purchase

Any Purchase < \$10,000

- Competitive Quotes not required
- Pricing must be deemed reasonable
- Must conduct Market Research
- Written Specifications
- Develop required terms, conditions, and contract provisions
- Must be distributed equally among qualified suppliers
- Aggregate value must be less than \$10,000
- Document all purchases





## Micro Purchase Examples:

### One Time Purchase:

- Replacement Equipment



## Multiple Purchases over the year:

- Produce
- Local Farmers
- Reasonable Pricing
- Aggregate value is under \$10,000





# Small Purchase

Any Purchase < \$150,000

1. Written Specifications/Scope of Work
2. Price quotes from an adequate number of qualified sources.
  - At least two (2)
3. Evaluate bidders responses to your specifications
4. Determine most responsive and responsible bidder at the lowest price and award contract.
5. County and/or District's may have more restrictive limits.
6. Managing the contract is a requirement.



# Formal Purchase

Any purchase  $\geq$ \$150,000

- Requires a competitive sealed process.
- Public Announcement or Advertisement is required.
- Bids must be evaluated for responsiveness.
- Bidder must be responsible.
- May be awarded by line item, lot or split lots.





# Invitation for Bid (IFB)

- Awarded based on lowest Bid
- Responsive
- Responsible
- Sealed



# Request for Proposal



- For contracts awarded to the lowest responsive and responsible bidder meeting **specific criteria**.
- Must provide a scoring criteria.
- Price must be highest weighted criteria.

# Bid Contents

- Introduction
- Advertisement (Formal)
- Terminology
- Instructions & Information
- Conditions
- Award Criteria/Evaluation

- Vendor Questionnaire
- Proposer Criteria Form
- References
- Certifications
- Specifications
- Delivery Schedule



# Advertisement

## **NOTICE CALLING FOR PROPOSALS** **Proposal No. NS19-01**

NOTICE IS HEREBY GIVEN that the Board of Education of the Any District USA is requesting proposals for **GROCERY PRODUCTS**. Companies interested in bidding can request a proposal packet by emailing [JoeBuyer@ANYDistrictUSA](mailto:JoeBuyer@ANYDistrictUSA)

Proposals must be delivered in sealed envelopes marked:

**“Proposal No. NS19-01 GROCERY PRODUCTS”**

to the Purchasing Department, 123 American Way, Any City, USA, up to, but no later than, **2:00 p.m. on Thursday, May 10, 2018**, at which time they will be opened and publicly read. All proposals must be submitted on forms furnished by the District.

# Specifications



- Produce
  - DoD
  - Farm to School
- Frozen/Dry Grocery
  - Commercial
  - USDA Processed
- Dairy
- Equipment
- Delivery Truck

# Cereal Specification





# Cereal Specification

- Brand/Variety
- Pack Size
  - Bowl Pack
  - Bulk
- Bowl Pack
  - 1 oz./2oz.
  - Paper/plastic
  - box
- Whole Grain
- Grain Equivalents
  - 1G/2G
- Low Sugar
- Pack Size
- Pallet Dimension
- TI-HI or Tie-High



failing = prepare  
to prepare = to fail

**Award Analysis**

# Most Important Elements



# Most Important Elements

- Communicating your needs clearly
- Accurate forecasting
- Ethical procurement behavior





# Award Criteria



- Evidence of responsibility
  - References
- Responsive
- Price – largest %
  - Award to lowest responsible bidder
  - Type of price structure requested
- Quality – samples
- Product offered meets written specifications
- Other criteria

# Geographic Preference

- Written Procurement Procedures
  - Define Local or Regional
  - How much preference to be given in an award
- Competitive and Responsible companies available and interested
  - How will you solicit and encourage their participation?



# Buy American Provision

Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 (Public Law 105-336) added a new provision, Section 12(n) of the NSLA (42 USC 1760(n)), requiring School Food Authorities to purchase domestically grown and processed foods, to the maximum extent practicable. Pursuant to 7 CFR Part 210.21(d), the definition of domestic commodity or product. In this paragraph (d), the term “domestic commodity or product” means.....

- Quote the law
- Where and how to indicate qualifications on the proposal
  - Price worksheet
  - Questionnaire





# References

- Request at least three
  - Contact name & information
  - Other pertinent information
- Contact promptly
  - Call, email
- Contact others you may know
- Reference form
- Points on award?



# SANTA CLARITA VALLEY SCHOOL FOOD SERVICES AGENCY

25210 Anza Drive, Santa Clarita, California 91355 Ph (661)295-1574 Fax (661)295-0981

## Business Reference

This reference is being submitted to your organization for completion as a business reference for the company listed below as part of a Request for Proposal (RFP) evaluation on the food or supply category indicated below. Your name and contact information was provided by the referenced company. We greatly appreciate your input on the selection of a vendor for use by our Child Nutrition Program for the 2016-17 school year. Thank you for your time spent completing this questionnaire.

This reference is for the following company and products:

Company	
Product/Category	

Please return the completed questionnaire via email or facsimile by \_\_\_\_\_ to:

Lynnelle Grumbles  
 Email: [lgrumbles@scvfsa.net](mailto:lgrumbles@scvfsa.net)  
 Fax: 661-295-0981

Please do NOT return this questionnaire to the vendor.

School District/Company	
Contact Name & Title	
Contact Telephone	
Contact Email	

## + General Questions

Question	Your Response
What is the general nature of your relationship with the proposing company?	
During what period of time did you have that relationship with the proposing company?	
What type or category of items was supplied by the proposing company (Ex. Produce, paper goods, frozen food, etc.)	
How many locations does the proposing company deliver (stops) for your district?	
How often does the proposing company deliver to your locations (frequency of stops per day, week, or month)?	

- Continued on page 2 -

## Rating Scale

Please use the following scale, noting the appropriate number for each question below. Please provide any additional comments you feel would be helpful in the space provided. Please base your responses on business that occurred with this company over the past year.

Category	Rating
Poor or Inadequate Performance	0
Below Average Performance	1-3
Average Performance	4-6
Above Average Performance	7-9
Excellent Performance	10

## Rating Questions

Area to be Rated	Rating (1-10)	Comments (if any)
<b>Timeliness of performance</b> Consider order and delivery		
<b>Customer Service</b> Consider interaction between vendor & your staff, knowledge of staff, timely response to complaints, inquiries, issues, and resolutions		
<b>Accuracy and Timeliness of Billing and/or Invoices</b> Consider accuracy and timeliness of invoices, timeliness of response to corrections		
<b>Condition of Delivery</b> Consider the condition of delivery of goods including appropriate temperature, condition of product inside delivered cases, organization of pallets, etc.		
<b>Replacement of Damaged or Unacceptable Goods Delivered</b> Consider frequency of receipt of damaged or unacceptable goods and the response of the company in replacing goods, issuing credits, and correcting issues that caused the delivery of unacceptable product		
<b>Flexibility</b> Consider the company's flexibility to meet your business requirements, delivery changes, holidays, back-orders, etc.		
<b>Recommendation</b> How likely are you to recommend this company's services to others in the future?		
<b>Please use the space below to share any additional comments regarding the proposing company:</b>		

Thank you for taking your time to complete this questionnaire.



# Local Issues

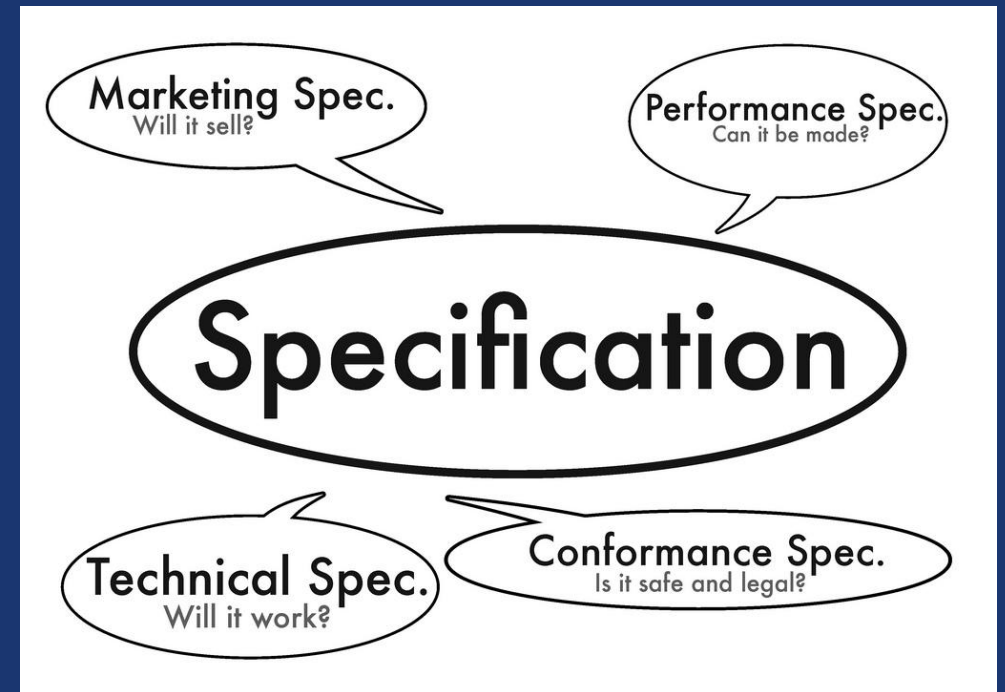


- Good Food Procurement
- Civil Rights Act statement
- Bonds
- Fingerprint clearance
- Tobacco use
- Asbestos/Lead



# Product Specifications

- Concise statement of requirements
- Not overly restrictive
- May be brief or extensive



# Addenda



- Issued after original public notice and bid document publication
- Sufficient time between publication and due date
- Publish in public location so all interested parties have access
- Change in original conditions
- Correct errors or omissions
- Clarify conditions or required information

# Types of Solicitations

Line Item

Market Basket

All-or-Nothing or

Prime Vendor



# Line Item Solicitations

- Vendors bid best price on each line
- Typically awarded to low price on each line
- Advantage
  - Best price on each product
- Disadvantages
  - Multiple vendors & deliveries
  - Delivery minimums for vendors with limited items awarded





# Market Basket Solicitation



- Product groups
  - Award each group to one vendor
- Advantages
  - Pricing should be strong
  - Limits number of vendors
- Disadvantage
  - Some vendors may not stock all items in group

# All-or-None Solicitations

- Award goes to single vendor
- Advantages
  - Single vendor, delivery, invoice
- Disadvantages
  - Some products may cost more
  - May limit potential vendors
  - May limit access to desired brands



# Award Process



## Missing documents

- Waivable error
- Non-material
- A defect should not be waived if it will give competitive economic advantage to another bidder
- Example: bidder neglects to sign one page of the bid if other pages are signed.
- Waiving errors can be precedent-setting

# Award Process

- Overly responsive proposals
- “Any information not specifically requested will not be considered in the award.”





# Award Evaluation Criteria

**14. AWARD OF PROPOSAL:** The award of this bid will be made to a single responsive and responsible bidder who meets the terms and conditions of the bid. Proposals found to satisfy the minimum qualification requirements will be evaluated against the evaluation criteria shown below by a review committee. “Minimum qualifications” shall mean: complete proposals meeting all RFP instructions and conditions, received by the due date and time.

Following the receipt of Proposals, bidders shall be ranked based on the following criteria:

Evaluation Criteria	Maximum Points
Experience, Competence, Responsive	20
Customer References	10
Responsibility and Business Sustainability	10
Food Safety - HACCP Plan and Plant Security	10
Price	50
Total Points Possible	100

Each Proposal will be evaluated based on criteria and priorities defined by the District, with specific attention to those features, functional and technical aspects noted for each section. The District’s evaluation panel will award the contract based on the prospective vendor submission that best meets the needs of the District with regard to the RFP

# Award Process – Price Tabulation

RFP No.1603 Fresh Produce

Item No.	Unit Specified	Product Description	Estimated Annual Quantity	Company A			Company B		
				Unit Quoted	Unit Price	Extended Price	Unit Quoted	Unit Price	Extended Price
1	Case	Apples, golden delicious, 163 ct	300	case	\$ 22.25	\$ 6,675.00	40lb	\$ 21.30	\$ 6,390.00
2	Case	Apples, gala or fuji, 163 ct	550	case	\$ 22.25	\$ 12,237.50	40lb	\$ 21.30	\$ 11,715.00
3	Case	Apples, sliced, Fresh Innovations, 120/2 oz., commercial pricing	500	case	\$ 22.00	\$ 11,000.00	100/2oz	\$ 22.13	\$ 11,065.00
4	Case	Apples, sliced, Fresh Innovations, 120/2 oz., USDA Commodity processed (using Super Co-Op RFP pricing)	6,500	case	\$ 17.30	\$ 112,450.00	100/2oz	\$ 17.80	\$115,700.00
5	40# Case	Bananas, petite, green tipped	1,850	case	\$ 16.90	\$ 31,265.00	40lb	\$ 17.25	\$ 31,912.50
6	Case	Oranges, fancy, 138ct	1,200	case	\$ 16.50	\$ 19,800.00	138ct	\$ 15.70	\$ 18,840.00
7	10# Bag	Celery, 4-inch sticks	800	5#	\$ 6.60	\$ 10,560.00	10lb	\$ 9.50	\$ 7,600.00
8	5# Bag	Cucumbers, 3/8-inch slices	100	5#	\$ 10.25	\$ 1,025.00	5lb	\$ 7.43	\$ 743.00
9	5# Bag	Jicama, 4-inch sticks	1,000	5#	\$ 10.50	\$ 10,500.00	5lb	\$ 8.40	\$ 8,400.00
10	4/5# Case	K-8 vegetable salad blend, Fresh Innovations	1,950	case	\$ 22.50	\$ 43,875.00	4/5lb	\$ 17.76	\$ 34,632.00
11	4/5# Case	Lettuce, shredded	75	case	\$ 13.50	\$ 1,012.50	4/5lb	\$ 10.32	\$ 774.00
12	5# Bag	Zucchini, 4-inch sticks	750	5#	\$ 13.50	\$ 10,125.00	5lb	\$ 7.50	\$ 5,625.00
<b>Total Cost</b>						\$ 270,525.00	\$253,396.50		

# Vendor Award



- Determine successful vendor
  - Award based on evaluations criteria listed in bid
- Board Approval
- Award letter(s) to successful vendor(s)
  - Include information to start order process
  - Include price tabulation
- Regret letter(s) to unsuccessful vendor(s)
  - Include price tabulation
- Issue Purchase Order





# Piggybacking

- Refer to USDA and state regulations
- Offeror to manage piggyback purchases
- Avoid material change
- Modification that exceeds terms of original solicitation and resulting contract, substantial enough that had other bidders been aware of the change during the bidding process, they might have bid differently.





# USDA Foods Processor Performance Monitoring

1. Validate Value Pass Through
2. Order Lead Time
3. Work with Distributor to ensure success



# USDA Foods Distribution Contracts

- Direct Delivery
- Processed
- Always have a contract in place
  - ✓ Designate transfer of title
  - ✓ Financial liability for replacement if damage or loss occurs.



# Managing/Monitoring Contracts

## Distributor Monitoring

- USDA Foods end product reporting
  - **Prompt & accurate**
- Communication about product availability
- Order lead times



## Contract Monitoring

- Vendor performance
- As per bid & contract specifications
- Warning notice for non-performance or unacceptable conduct



# Contract Termination

## For Cause

Notice Period

Due Process

Non-responsible designation

## Convenience

Notice period in contract language







# Cooperative Purchasing

- Group members work together
- Issue collaborative RFP or IFB
- Award as a group
- Separate contracts by district
  - Districts to monitor own contracts.







**Stephanie Bruce, MBA**

[sbruce@psusd.us](mailto:sbruce@psusd.us)