

# Finding, Buying and Serving Local Food


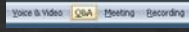
## Introduction to Procurement

January 9, 2014



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## 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

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## Poll: Who is on the line?



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## Our Presenter

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## Overview

- Procurement Principles and Regulations
- Procurement Methods
  - » Informal procurement
  - » Formal procurement
- Resources
- Questions

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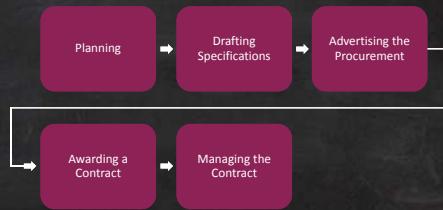
## Procurement Principles and Regulations



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## What is Procurement?

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



## Why are Procurement Rules Important?

- To ensure that program benefits (and taxpayer dollars!):
  - » Are received by eligible schools and children
  - » Are used effectively and efficiently, with no waste or abuse

## Key Concepts

- 1 Competition
- 2 Responsive and Responsible
- 3 American Grown
- 4 Know your Federal, State and Local Regulations

## Poll: Why is competition important?



## 1 Competition

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

## Why is Competition Important?

- Price!
  - » In a competitive procurement 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

## Why is Competition Important?

- **Quality!**

» 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

## Competition Killers

**Do not...**

- Place unreasonable requirements on firms;
- Require unnecessary experience and excessive bonding;
- Give noncompetitive awards to consultants;
- Have organizational conflicts of interest;
- Specify only brand name products; or,
- Make arbitrary decisions in the procurement process.

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## Responsive and Responsible

**Awards must be made to vendors that are responsive and responsible:**

- Responsive means that the vendor submits a bid that conforms to all terms of the solicitation
- Responsible means that the vendor is capable of performing successfully under the terms of the contract

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## The Buy American Provision

The National School Lunch Act requires schools to purchase domestically grown and processed foods to the maximum extent practicable.

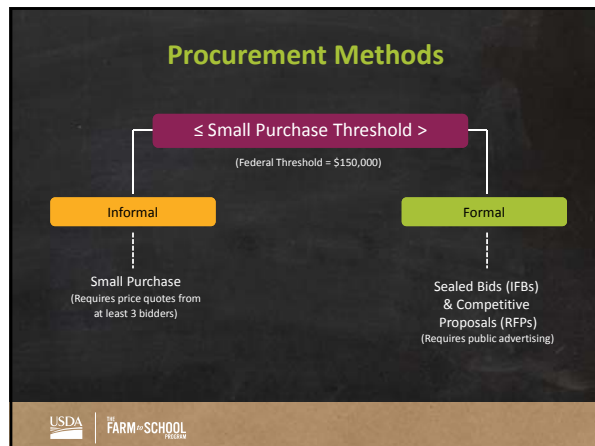
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## Procurement Rules

- Be familiar with all procurement requirements, at the federal, state and local levels
- Schools are responsible for complying with all levels of regulations.
  - » In some cases, state and federal regulations may be in conflict with each other.

## Procurement Methods





### A Couple Things to Remember

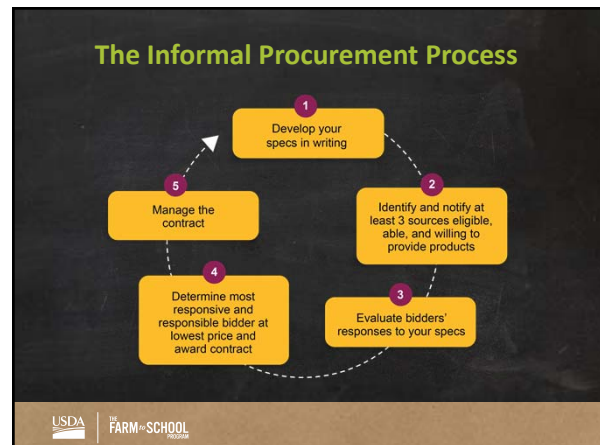
- » Federal regulations require all procurements are *competitive* (even if other entities do not).
- » States and local regulations *may* set a lower small purchase threshold imposing more formal procedures. *The most restrictive threshold applies.*

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### Poll: What is your applicable small purchase threshold?



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### Bid Documentation

**Written Specification**

- Granny Smith, US. No. 1, 5 185 count boxes per week for September-December

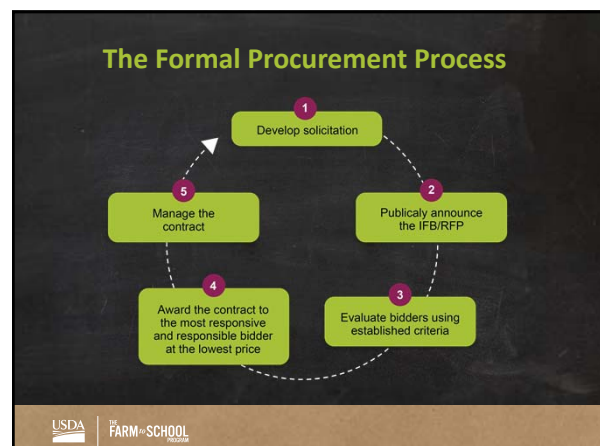
**Bid Documentation**

- Write down each vendor's bid and constraints

**Ex. Fresh whole Granny Smith apples**

Vendor	Art's Apples	Olivia's Orchard	Apple Crunch Inc.
Price/box	\$40	\$47	\$37

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## Competitive Sealed Bidding

Procurement by competitive sealed bidding is done by issuing an invitation for bid (IFB).

### Use it when:

- A complete, adequate, and realistic specification is available.
- The contract can be awarded on the basis of price.



## Competitive Proposals

Procurement by competitive proposal is done by issuing a request for proposal (RFP).

### Use it when:

- Conditions aren't appropriate for a sealed bid.
- Price won't necessarily be the sole basis for the award.



## Poll: Which procurement method should they use?



## Procurement Resources

- Regulations
  - » Uniform Administrative Requirements for Procurement
  - » Program Regulations for Procurement
- NFSMI Online Procurement Training
- Procurement in the 21<sup>st</sup> Century



## Farm to School Resources

- USDA Farm to School Website and E-Letter
- Farm to School Census
- Farm to School Regional Leads
- More procurement resources coming soon!



## Questions?



### How are we doing?

- Please complete this QUICK evaluation:  
<https://www.surveymonkey.com/s/BTFJFM6>
- Please join us for the rest of the series! To register, please go here (<https://www.surveymonkey.com/s/WT8ZWYS>)