

Local Food for Schools Office Hours

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TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

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www.SquareMeals.org



Food and Nutrition Division
Nutrition Assistance Programs

Meeting Agenda

01

**Grant
Updates**

02

**FAQ
Review**

03

**Procurement
Training**

04

Questions

Grant Updates





Reimbursement Process Updates

Process Amendment

For future requests, please submit the following:

1. **Completed Reimbursement Form**
2. **Invoice(s) of eligible purchases.** (*submit completed Request for Payment Form if multiple invoices for one vendor*)
3. **Supporting documentation**, such as local vendor information, recipes and photos.

NEW! Invoice Date Range for Reimbursement Request Form

Date Range for Multiple Invoices

If you are attaching multiple invoices for the same vendor, please enter the date range for those invoices.

If not applicable, please leave blank, and enter the invoice date for the single invoice below.

FAQ Review



LFS Grant Decision Tree Tool



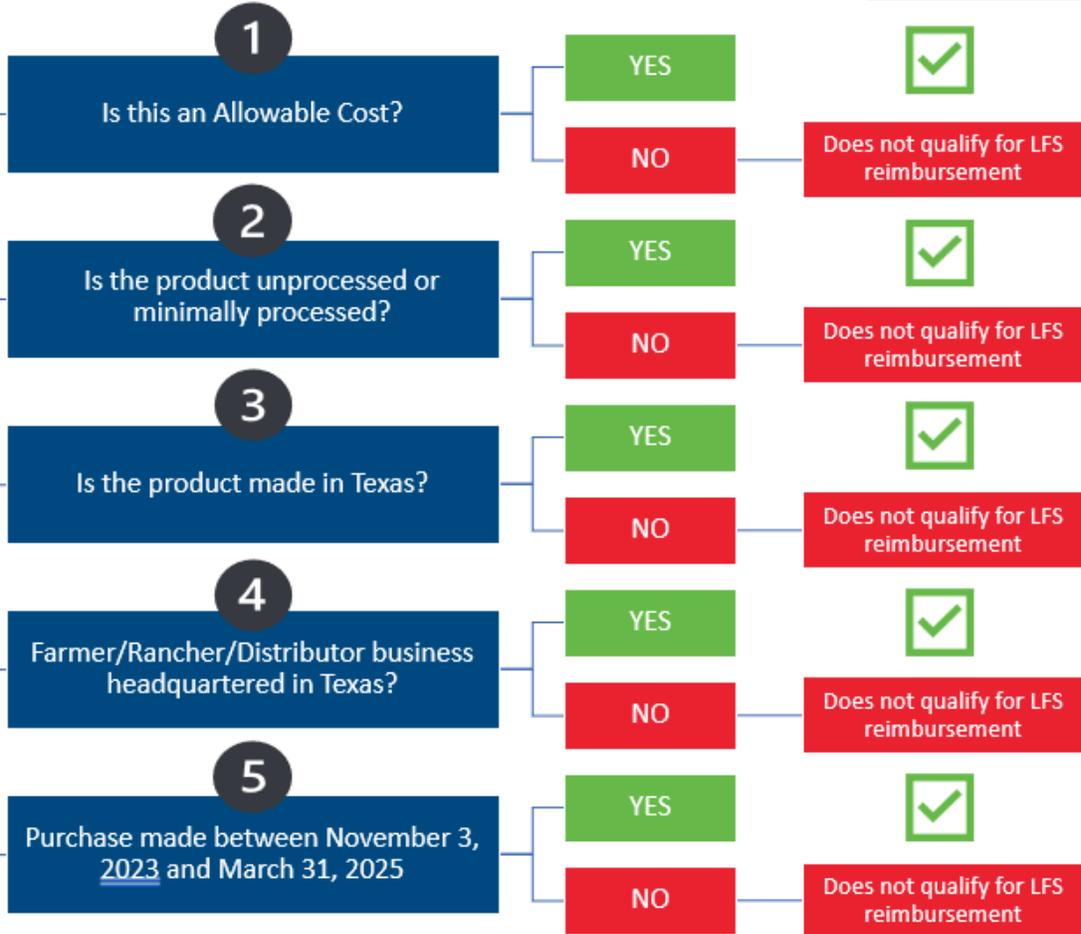
Use the decision tree below to evaluate potential vendors and products for LFS purchases.

Local Food for Schools (LFS)

Please send questions to localfoodgrant@texasagriculture.gov



LFS Purchase Criteria Evaluation



To qualify for reimbursement, ALL criteria questions must be answered "YES".

For more information and resources, visit www.squaremeals.com/LFS

Procurement Training



Procurement Requirements

Q27: Do procurement rules apply? Are we still required to go through all the normal procurement processes for this grant? Micro/small/formal, etc.

A27: Yes; School Food Authorities must follow all federal, state, and local procurement laws when purchasing foods and associated allowable costs with these grant awards, including but not limited to procurement regulations 7 CFR part 210.21 and 2 CFR part 200.317-327, TDA ARM Procurement Sections 17a-c, and your local procedures.

Visit www.SquareMeals.org/LFS for additional FAQs and relevant resources.

Procurement

Purchase Decision Chart

CE Conducts a Cost Analysis to Determine the Estimated Total Cost of the Products and/or Services.

Simplified Acquisition Threshold (\$50,000*)

Equal to or Less Than (\leq) or \$0.01 to \$50,000

May Choose²⁴

Greater Than ($>$) or \$50,001 or more

Must Choose



Informal Procurement Methods



Formal Procurement Methods



**Micro-
Purchase**



**Small
Purchase**



Sealed Bid
Invitation for Bid (IFB)



Competitive Offer
Request for Proposal (RFP)

* \leq \$50,000 is the TDA threshold. CEs should apply the appropriate threshold based on the entity type, as described in the *Most Restrictive Simplified Acquisition Threshold* subsection in this section.

Procurement

Informal Procurement Methods Decision Chart²⁵



Total Purchase Amount
(Aggregate Single or Repeated
Purchase Over Time)

Equal to or Less (\leq) than
\$10,000
(\$0.01 to \$10,000)
May choose



Micro- Purchase



Total Purchase Amount
(Aggregate Single or Repeated
Purchase Over Time)

Greater Than ($>$) \$10,000
(= \$10,000.01 or more) but less
than \$50,000
May choose



Small Purchase

Micro-Purchasing

CONSIDERATIONS:

- Aggregate purchase amount
- Buy American
- Competitive Purchasing
- Cost Analysis
- Equitable Purchasing
- Most Restrictive Micro-Purchase Threshold
- Reasonable Cost
- Routine Purchasing

IMPORTANT: CEs may NOT break larger purchases into smaller amounts to qualify under the micro-purchase threshold, and any costs incurred as a result are UNALLOWABLE.

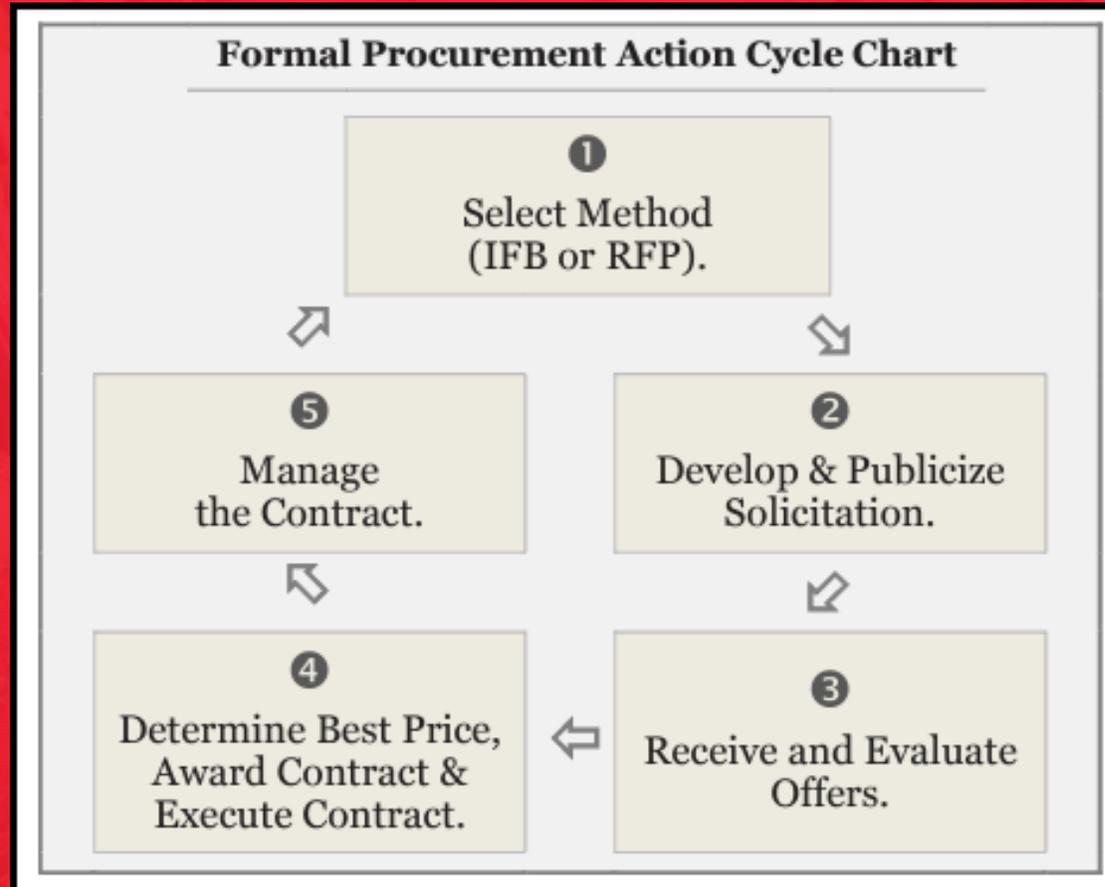
Small Purchases

CONSIDERATIONS:

- Aggregate purchase amount
- Buy American
- Competitive Purchasing
- Cost Analysis
- Price
- Routine Purchasing
- Solicitation



Formal Procurement



Formal Procurement

Invitation for Sealed Bids (IFB) and/or Request for Competitive Proposals (RFP) CONSIDERATIONS:

- Aggregate purchase amount
- Award
- Buy American
- Competitive Purchasing
- Contract
- Cost Analysis
- Credits, Rebates, and Discounts
- USDA Food Values
- Evaluation of Offers
- Opening and Securing Sealed Bids
- Price
- Public Advertising
- Solicitation

Local Food Procurement

Buy American Purchases

The Buy American provision applies to all food purchases made with SNP funds. This provision requires CEs and third parties, acting on behalf of CEs, to purchase domestically² grown and processed food to the maximum extent practicable.

Food Products That Meet the Buy American Provision	Food Products That Do <u>Not</u> Meet the Buy American Provision
<ul style="list-style-type: none"> - Food products grown domestically, i.e., United States and its territories: Guam, American Samoa, Virgin Island, Puerto Rico, and the Northern Marian Islands. - Processed food products with over 51% of the final product consisting of agricultural foods that were grown domestically and processed into final end products in the United States. 	<ul style="list-style-type: none"> - Food products grown and processed in another country. - Food products grown in another country and processed in the United States. - Products grown in the United States and processed in another country.

Administrator's Reference Manual (ARM), Section 23, Food Product Documentation provides detailed information on how to identify the origin of a product.

² Domestically grown food products are grown and processed in the United States.

Local Food Procurement

Local Preference

CEs may⁶⁵ give preference or bonus points to local producers when soliciting and awarding contracts for the purchase of unprocessed locally grown or raised agricultural products as long as the preference or bonus points do not restrict full and open competition.⁶⁶ The CE must include its method or methods of using local preference in its written procurement procedures, in the solicitation for the food items, and in the contract as appropriate.

Defining Local

USDA regulations give the local entity the authority to define local as long as the definition does not restrict full and open competition. USDA regulations also prohibit any state agency from mandating a definition for local.

For procurement, the CE may define its local geographic areas as areas located within a specified number of miles or within a geographic boundary (county, state, or multi-state). It may use different geographic areas for different types of products and for different seasons.

For Example: A CE is located in the middle of the state and has defined two local geographic areas.

Local Geographic Area 1: Local products readily found with a 100-mile radius of the CE—This local area will be used for herbs, tomatoes, lettuce, potatoes, carrots, and green peppers.

Local Geographic Area 2: Local products readily available in the state, but not readily available within a 100-mile radius of the CE—This local area will be used for peaches, broccoli, and melons.

Information Box 6

Questions to Consider When Defining Local

- What product(s) does the SNP want to source first, and where can they be found?
- Are there products the SNP is already sourcing from nearby areas?
- What is the SNP's vision for local buying program and what types of producers can support that vision?
- How quickly does the SNP want to add local products to the menu?
- Does the SNP want to couple local purchases with farm visits and educational activities with producers and suppliers?

CE must include its method or methods of using local preference in its written procurement procedures, in the solicitation for the food items, and in the contract as appropriate.

Local Food Procurement

Other Local Preference Regulations

For local preference, there are differences in the federal and state regulations as they apply to entities that are required to comply with the Texas law.

- Texas law requires (1) that governmental entities (including school districts and charter schools) define local preference as geographically within the state of Texas and (2) that a contract must be awarded to a local supplier over a non-local supplier if both meet the terms and conditions described in the solicitation.
- USDA regulations state (1) that SNPs have the authority to apply local preference in a variety of ways as long as the end result is the most cost-effective use of federal funds or not use local preference in procurement and (2) that a contract cannot automatically be awarded to a local supplier over a non-local supplier if both meet the terms and conditions described in the solicitation.

Information Box 7

Local Preference or Bonus Points Example

The CE reduces the offer price by \$0.10 if the supplier meets the local preference criteria.

	Supplier Price	Meets Geographic Preference?	Price with Preference Points
Supplier 1	\$1.97	No	\$1.97
Supplier 2	\$2.10	Yes	\$2.00
Supplier 3	\$2.03	No	\$2.03

If the award is an IFB with firm fixed price, Supplier 1 is awarded the contract.

If the award is an RFP, the SNP will evaluate all criteria, including primary consideration for cost, and then make the award. Because there are additional criteria for determining this award, it is possible that the supplier with the lowest cost price may not be awarded the contract.

Preference or Bonus Point Method Example Chart

Method of giving local preference include, but are not limited to, to the following examples:

Preference Applied to Price

A CE may apply the preference to the product price for local producers located within a specified radius of the CE.

In its written procurement procedures,⁶⁷ the CE states that it will give preference to local producers by subtracting a set amount from the bid price of local producers that are located within 100 miles of the CE.

For Example:

When procuring fresh fruit by the pound, the CE reduces the product price by \$0.10 a pound for local producers located within 100 miles of the CE.

Preference Applied to Evaluation Points

A CE may use a tiered approach to awarding preference points for local products.

In its written procurement procedures, the CE describes how it will use a tiered approach to giving local preference.

For Example:

For products that are readily available within a 100-mile radius of the CE, the CE will give

- 10 points for a vendor located within 20 miles,
- 7 points for a vendor located within 50 miles, and
- 5 points for a vendor located within 100 miles.

For products that are not readily available within a 100-mile radius of the CE, the CE will give

- 10 bonus points for vendors located within the state and
- 5 bonus points for vendors located out of state.

IMPORTANT: CEs may apply a variety of types of preferences or bonus points methods as long as the methods do NOT limit full and open competition. CEs must describe all methods to be used in their written procurement procedures.

Local Food Procurement

Local Preference in the Solicitation and Contract Award

If a CE gives preference or bonus points for local producers, the CE must describe the way the local preference or bonus points will be used in its written procedures and provide this information in the solicitation. If the CE is procuring a third-party to procure on its behalf, the CE may also include a required preference for local procurement for third-party purchases.

[NOTE: While a CE may give preference or bonus points to local contractors, local cannot be listed as a specification or technical requirement on the solicitation. If local was designated as a specification or technical requirement, the exclusion of all non-locally grown agricultural products would restrict full and open competition.]

A CE must not award a contract based solely on local preference.

- For an IFB, if all points are equal for a local and a non-local producer based on the evaluation criteria, the CE must award the contract based on the most cost-effective use of federal funds.
- For an RFP, the CE must award the contract with primary consideration⁶⁸ given to the cost of the product but must also apply all other evaluation criteria in determining the most cost-effective use of federal funds.

A CE must not award a contract based solely on local preference.

Local Food Procurement

Cost as Primary Consideration for Awarding the Contract

No matter the type of contract, the cost must be the primary consideration in awarding a contract.

For all contracts, the contract is awarded to the offer that meets all of the terms and conditions described in the solicitation with cost as the primary consideration. Primary consideration means giving the cost criteria the greatest weight among all criteria.

For Example: A CE has five criteria in the solicitation evaluation. The maximum possible points are given according to the following distribution:

Criteria	Possible Points
Cost	35
Financial stability, business practices	5
Reporting systems	10
Product specifications and/or technical requirements	30
Delivery schedule	20

No matter the type of contract, the cost must be the primary consideration in awarding a contract.

USDA's Procuring Local Foods for Child Nutrition Programs Guide



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 nourish 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.

<https://www.fns.usda.gov/f2s/procuring-local-foods>

Procurement Resources

- **Federal Procurement regulations:** [7 CFR part 210.21 and 2 CFR part 200.317-327](#)
- **TDA ARM** [Procurement Sections 17a-c](#)
- [USDA Procuring Local Foods Guidebook](#)
- Additional Resources will be posted on [LFS webpage](#)

Contact Us



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Jennifer Lengyel, Food Systems Specialist

Portal: [Reimbursement Form](#)

TDA LFS Website: www.squaremeals.org/LFS



Farm Fresh Network: www.squaremeals.org/FarmFreshNetwork

Comptroller Vendor List: <https://mycpa.cpa.state.tx.us/tpasscdblsearch/>

Food and Nutrition: www.SquareMeals.org



LocalFoodGrant@texasagriculture.gov

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1. **mail:**
U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
2. **fax:**
(833) 256-1665 or (202) 690-7442; or
3. **email:**
program.intake@usda.gov

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