

2019

Farm Fresh Initiative

Texas Department of Agriculture | Commissioner Sid Miller



Small Purchase Local Procurement

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Strategies To Buy Local



Introduction



**Sources of Local
Foods**



**Strategies and
Opportunities for
Buying Local**



**Closing and
Questions**





01 Introduction

Farm Fresh Initiative

Started by Commissioner Sid Miller, engages young minds to make strong, sustainable connections to local foods, farmers and ranchers. Planting the seeds for student success while support Texas Farmers and Ranchers.



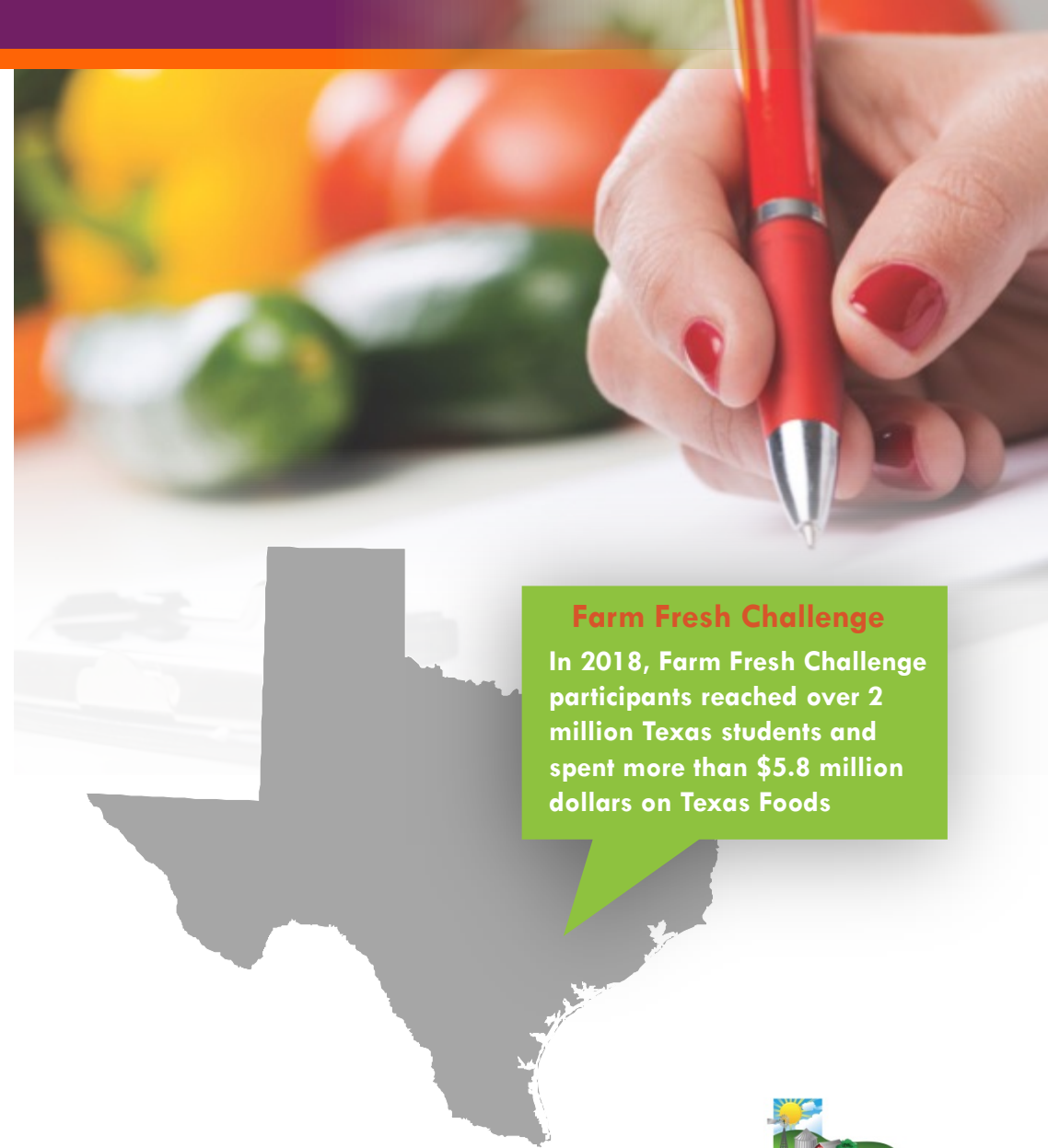
Local Procurement

Serving Texas grown foods in meals and snacks.



Agricultural Based Education

Teaching life long lessons about the importance of Texas agriculture through in classroom and out of classroom experiential opportunities.



Farm Fresh Challenge

In 2018, Farm Fresh Challenge participants reached over 2 million Texas students and spent more than \$5.8 million dollars on Texas Foods





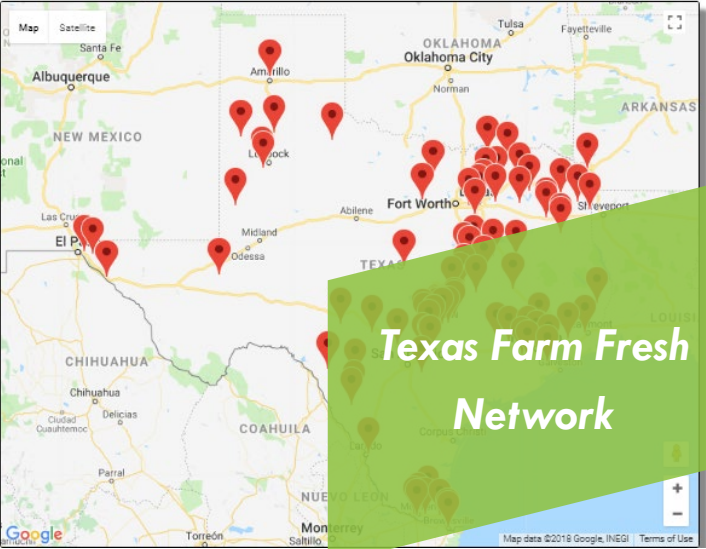
Sources of Local Food

Sources of local food

Texas is a nationwide leader in production of many agricultural products.

- #1 in the nation for beef
- #6 in the nation for broiler chickens
- #6 in the nation for milk and milk products
- #9 in the nation for wheat
- #10 in the nation for fresh fruit
- #15 in the nation for fresh vegetables

98.6% of Texas farms and ranches are family farms, partnerships or family-held corporations





Planning

Conducting Market Research

Tips to get started:

- Determine what you might need to know about your market
 - Are the growing practices or varieties unique to your region?
- Are other nutrition programs in your region currently buying local foods?
- What products does your distributor provide from local sources?
- Conduct a menu audit to see what's local already and what could be swapped out seasonally
- Talk to producers at the farmers market!
- Plan ahead and think about special events coming up





Conducting Market research

- **Questions for Producers:**
 - What varieties of fresh produce are common to this region?
 - Are you able to provide items within 48 hours of harvest? 72 hours?
 - What else should a potential buyer know about their market?
 - Are you open to farm visits?
- **Questions for Child Nutrition Directors:**
 - What should a producer understand about your delivery schedule?
 - Do you have requirements around the following:
 - Liability insurance
 - Food safety certifications
 - Delivery schedule
 - Other requirements?
 - How often do you release bids?
 - How are they advertised?





Strategies and Opportunities

To buy local

Procurement Methods

≤ Small Purchase Threshold >

State threshold = \$50,000

Informal

Micro-Purchase

Noncompetitive, value

cannot exceed \$10,000 must equitably
distribute to vendors

Small Purchase

Requires at least
3 price quotes

Formal

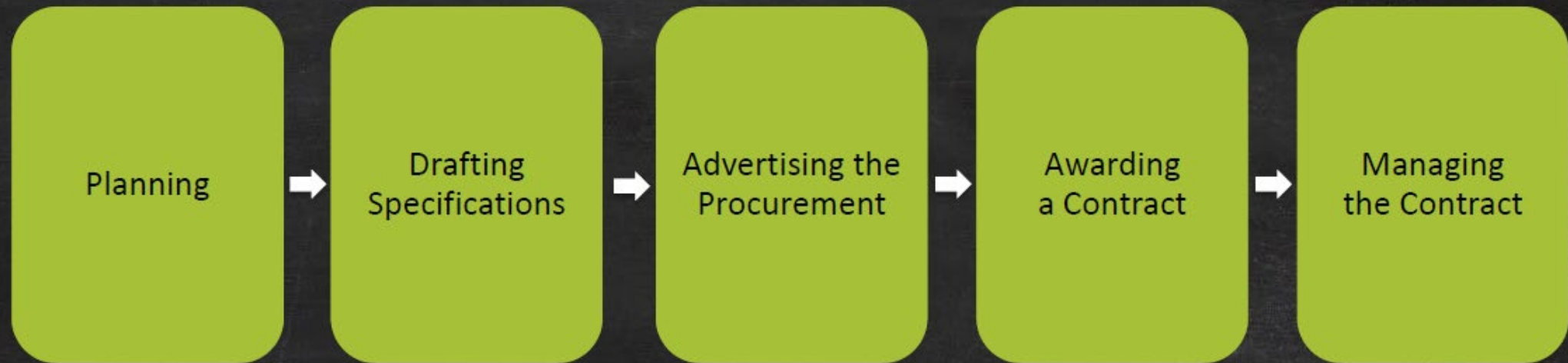
Sealed Bids (IFB) & Competitive
Proposals (RFP)

Requires public advertising



What Is Procurement?

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



Things to Remember

- Federal regulations require that all procurements are competitive (even if other entities do not)
- State and local regulatory agencies may set a lower threshold or a more restrictive regulation
 - » The most restrictive threshold applies
- Follow the regulations of the funding agency





General Strategies

Local procurement is just procurement with a bit of strategy built in!

- *Be flexible*
- *Don't include unnecessary or burdensome requirements*
- *Consider what a vendor new to the school food market might not know*

Micro-purchase procedure

Use it when:

- The aggregate value of a purchase is less than \$10,000.
- May purchase supplies or services without competitive quotes so long as the price is reasonable.

CE's Must:

- Develop written specifications, required terms, conditions and contract provisions
- Distribute equitably among qualified suppliers
- Document all purchases





Micro-purchase procedure

- Use for purchases <\$10,000
- 3 step process:
 - Purchase product
 - Document transaction
 - Distribute equitably
- *A good fit for a special tasting event or a unique product*
- *Sample receipt can be found in TDA's Let's Get Growing: Harvest*

Micro-purchase or not? POP QUIZ

Active kids Afterschool Care wants to celebrate Farm Fresh Fridays by serving local produce as part of their snack program. The program operators purchased fresh strawberries and spinach from a farmer she met at a farmers market. The total cost of the purchase is \$1,800.



Micro-purchase or not?

POP QUIZ

Active Kids Afterschool Care found that their participants loved the fresh produce from Fresh Foods Farm served on March 1st, so they decide to buy more fresh strawberries and spinach from Fresh Food Farms. The program operator purchased enough fresh strawberries and spinach for the snack program for \$1,800 for the week of March 8, and then again the week of March 15 from Fresh Food Farms. Considering the previous weeks purchases, is this the appropriate use of a micro-purchase?



Micro-purchase or not? POP QUIZ

Farm to Everything School District is celebrating Thanksgiving by serving local cranberries and sweet potatoes; however, their produce distributor mixed up their orders and won't be able to deliver the items in time for the celebration. The cafeteria manager quickly calls 3 local farmers they have worked with in the past. One farmer is able to accommodate their request. The manager races to the farm and buys \$6,800 of vibrant cranberries and potatoes, saving the day!



Micro-purchase or not? POP QUIZ

Farm to Everything School District is celebrating again. This time it's St. Patrick's Day by serving local cabbage on the hot lunch line; however, the produce distributor delivered the cabbage to the wrong district! The cafeteria manager quickly calls some local farmers, but no one has enough product to fulfill their full order. Farmer Lisa is able to fulfill half of the school's cabbage needs for \$7,500. Farmer Dave has just enough to complete the order. He too agrees to the \$7,500 price. The manager is unsure of whether or not to proceed.



Micro-purchase or not? POP QUIZ

Growing Minds Preschool utilizes micro-purchases for their Farm Fresh Fridays program. Each week, the center purchases Texas-grown products from nearby small and medium-sized farms. Each purchase is approximately \$1,500. In the last three months, they have made 10 micro-purchases from eight different farms. While attending the annual CACFP conference, another provider mentioned that micro-purchases are reserved for emergency situations and that there is a limit to how many micro-purchases an operator can make in a year. Can Growing Minds utilize micro-purchasing for the next Farm Fresh Friday?



Micro-purchase Review

- The micro-purchase method may be used for noncompetitive procurement when the total purchase is less than \$10,000 and the price is deemed reasonable.
- Must be documented and equitably distributed among qualified vendors.
- Purchases cannot be split arbitrarily to fall below the threshold.
- Program operators should utilize the procurement method that is most economical.
- *Follow the regulations of the funding agency*





Small purchase procedure

- Use for purchases <\$50,000 or the local threshold
- Also referred to as “3 bids and a buy”
- *You may contact only local producers*
- *Document quotes. Quotes can be verbal.*
- *Only award to responsive and responsible vendors*
- *Think about technical requirements that make sense for your area.*

The Informal Procurement Process



“Three Bids and a Buy”

Develop Product Specification:

-

Solicit bids:

- Contact vendors (phone, fax, email, in-person) with specifications (if calling or talking in person, be sure to share the same information with each vendor.

Document all responses

- Write down each vendor’s bid and constraints; then file it

Vendor Name	Art’s Apples	Olivia’s Orchard	Tip of Texas
Price/box	\$40	\$47	\$37



Handout 9a

Instructions and Example for Completing Informal (Small) Procurement Log

(Purchases costing less than \$150,000 or State threshold if less)

The Informal Procurement Log can be used to document all bids received as a result of the SFA's solicitation for purchasing products/services costing less than \$150,000. A school will need to **solicit at least two and preferably three bids** in order to achieve competition and to satisfy federal procurement requirements. Schools will need to document the bids and all other pertinent information discussed with the bidders. Schools must make certain that all bidders receive the same product specifications. **All procurement records must be kept for at least three years from the date the last invoice is paid.**

Supplier Name:										
Items to be Purchased:	Quantity estimated to be purchased	Unit Price	Extended Price (Quantity x Unit Price)	*BS (✓)	Unit Price	Extended Price (Quantity x Unit Price)	*BS (✓)	Unit Price	Extended Price (Quantity x Unit Price)	*BS (✓)
1. Product name & specification:				<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
2. Product name & specification:				<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
3. Product name & specification:				<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
4. Product name & specification:				<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
5. Product name & specification:				<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
6. Product name & specification:				<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
Total:		\$			\$			\$		
*Bidder Selected (BS)			<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>	
*Bidder Selected (BS); school can award all items to one bidder (lowest total price) or award purchase on a line item basis (lowest line item price). School need to tell the bidders which option they will use for awarding the purchase when they are asking for pricing. Schools can state that either option may be used by the school to award the purchase.										
Method of contact: Email/Fax/Mail/In person/Phone										
Name of person quoting pricing:										
Date contacted:										
Additional Notes:										
Signature of person completing this form:								Date:		

Name of bidder selected: _____ Bidder selected was notified on: _____ (If notification was in writing attach document to the procurement log/evaluation matrix) Method of notification: _____ (Email/Fax/Mail/In person/Phone)

Potential Technical Requirements to Target Local Products

- Particular varieties unique to your region
- Freshness (e.g. delivered within 48 hours)
- Size of farm
- Farm practices (grass fed, cage free)
- Harvest techniques (no-till)
- Crop diversity
- Origin labeling
- Proximity to school to provide farm visits



Geographic Preference





Geographic Preference

- Sliding scale example
- Can be used in evaluation criteria that consider more factors than just price
- Other factors:
 - Technical expertise
 - Past experience
 - Years in business,
 - Ability to host farm visits
 - Providing education
 - Price must be the highest “weight”
- Evaluation criteria must be published in the solicitation

	Laurie's Legumes	Paula's Pulses	Gary's Grains
Price = 60	40	50	60
Three references, past history=20	20	20	20
Able to provide farm/facility tour=5	0	5	5
Ability to provide products sourced within the state	0	15	7
100 possible points	60	95	97



Small Purchase Procedure

Group Activity - Use small purchase to procure local carrots

- **Step 1: Modify the following basic specifications to purchase local carrots**
U.S. No. 1, brightly colored, cylindrical shape, 6-7” long carrots
- **Step 2: Gather quotes from vendors: Crazy Carrot Co, Radical Roots, Very Veg**
- **Step 3: Document bids**
- **Step 4: Award contract**

For additional grades and standards: ams.usda.gov/grades-standards



Summary

- Local products can help increase program participation.
- They can span the whole tray, not just fruits and vegetables.
- The definition of local can vary and is defined by the CE, but there are resources available to get you started.
- Many options to find local & to buy local
- Every procurement method can be used to buy local products
- TDA and your ESC are here to help and answer questions!





Questions

Contact Us



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