



Project: USDA Cooperative Agreement; Advisory Procurement Workgroup (APW) Issued: March 2024 Project Manager: Dottie Arnold, USFA APW Coordinator: Jo Dawson, Contractor

USDA Cooperative Agreement Advisory Procurement Workgroup Meeting February 21 - 22, 2024

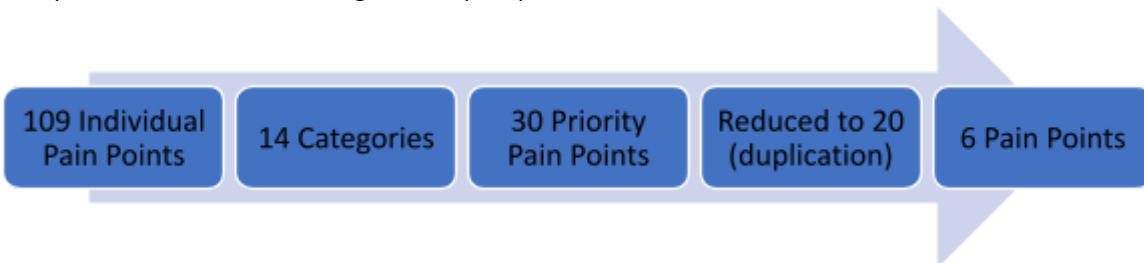
I. MEETING INTRODUCTION

1. Opening Comments: Cindy Long, USDA FNS Administrator
 - a. USDA FNS Administrator Cindy Long provided opening comments to the Advisory Procurement Work Group, USDA recognizes that school nutrition has faced challenges associated with supply chain, procurement, and staffing; USDA understands that there are a multitude of factors impacting the procurement issue and is excited to support the cooperative agreement to reinvent the school marketplace.

2. Overview of the USFA and USDA Cooperative Agreement: Facilitated by Dr. Katie Wilson
 - a. Dr. Katie Wilson began the work session by providing an overview of the USFA and USDA Cooperative Agreement. Dr. Wilson provided an overview of the USFA’s interest in establishing a Cooperative Agreement to pilot and evaluate a new approach to school food procurement, intending to evolve the marketplace toward developing high-quality, nutritious, values-driven products that meet districts’ needs while nourishing the health and well-being of all students.
 - i. Tasks for the Advisory Procurement Work Group:
 1. Identify the 6 top pain points in school procurement from the viewpoint of each member
 2. Identify action steps needed to reduce these issues.
 3. Identify the SFAs that do the best job in procurement.
 4. Identify topics for training.

II. THE PROCESS OF THE 6 PROCUREMENT PAIN POINTS: *Identifying School Procurement Pain Points*

1. Each member was instructed to identify six procurement-specific pain points; each pain point was on a separate post-it note on the whiteboards. This exercise generated 109 responses; during a break in the meeting, USFA staff sorted the 109 Pain Points into 14 broad categories; many of the pain points applied to multiple categories. Each table was asked to determine their top six Pain Points, resulting in a reduction of Pain Points to 30 which was further reduced to 20 due to duplicative priorities. Please see Table 1 in the Appendices for further detail of voting. Each member was given dots to vote on the top procurement issues resulting in the top six procurement Pain Points:



1. Lack of State/federal/local alignment
2. School districts must compete in the food service sector



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3. Electronic bid process/technology
4. Training
5. Forecasting
6. Regulation complexity

III. FINDING SOLUTIONS ACTION PLAN

The Advisory Procurement Work Group next identified, by school nutrition procurement supply chain segment, discussed suggested goals and action items to address the 6 Pain Points and recommended steps to resolve or mitigate the issues with action items:

1. Lack of state/federal/local alignment

a. Suggested Goals:

- i. Unify under the Dept of Ag; USDA should be the sole interpreter of the rules.
- ii. To produce materials the USDA can provide to the state agencies and areas when there is flexibility.
- iii. Need clarity on who (fed, state, school board) is setting the rules to empower practitioners to advocate for change/alignment.
- iv. Process flow chart for procurement regulations rules (fed/state/local) included in training on procurement template.
- v. USDA reviews state policies in excess of federal, and where they find it overly restrictive, change it (i.e. USDA foods use/entitlement).

b. Suggested Action Items:

- i. USDA requires States to submit their procurement regulations for schools. Review for overly restrictive policies that may limit districts' use of entitlement funds.
- ii. Look at the current flow chart for the current reporting/regulation process. Revise the flow chart to the desired reporting & process.
- iii. Workgroup to further define/identify areas where there is no alignment & scope out what topics/types of materials would be relevant with an emphasis on flexibility.

2. Create a best practice school nutrition procurement model to make SFAs a better customer (*revised from School districts must compete in the food service sector*)

a. Suggested Goals:

- i. Incentivize the use of best practices to allow states to create training resources instead of only regulatory compliance.
- ii. Forecasting is the single most important action SFAs can take to improve procurement (forecasting template).
- iii. Promote RFPs over low-priced bids. Train on writing goal RFP and understanding who you are doing business with.
- iv. Improve everyone's understanding of their place in the supply chain and the needs of others' roles.
- v. BVTO v LCTA: elevate other than price, procurement award methods as opposed to low cost.

b. Suggested Action Items:



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- i. Brainstorm incentives states can provide to SFAs to adopt best practices
- ii. By consensus, identify best practices from stakeholders that can be implemented

3. Electronic Bid Process/Technology

a. Suggested Goals:

- i. Standardization of universal bid components (i.e. federal requirements). Using this tool assures SFAs are covered/compliant.
- ii. Training support for SFAs.
- iii. Incentive to use and remove punitive compliance instances.
- iv. Elements of an electronic marketplace accessible to all.
- v. Includes a 50-state component (+ territories) that can be regularly updated (i.e. a living resource) with long-term investment & IT support – like a Turbo Tax interface but with universal open access (no or low fee).
- vi. Include a suggested bid timeline by bid category and forecast template linked to the bid template.

b. Suggested Action items:

- i. Conduct a gap analysis/current state analysis of what currently exists and where are the gaps.
- ii. Procurement rules/template; Directory of suppliers (marketplace); Technology compatibility with USDA's capacity.
- iii. Identify the current tools that exist that can be used to create the "turbo tax" model (i.e. region 10's tools, LA Unified).
- iv. Explore existing software companies that could integrate inventory management, menu planning, nutritional analysis, etc to assist in forecasting/populating templates.
- v. Committee to identify a defined list of federal procurement requirements and create a standardized document, USDA certified (i.e. if SFA uses template = CN label, they are safe).

4. Training

a. Suggested Goals:

- i. Precision topic-specific training on procurement best practices with training tools widely distributed and on-demand.
- ii. Deeper understanding of the supply chain from beginning to end.
- iii. Utilize ICN, SNA, and state programs to incentivize training with a unified message, clearly defined.
- iv. The USDA creates procurement/sales-specific CEU training for the entire supply chain. User/seller/buyer has free annual CEU requirements.
- v. USDA houses the repository of best practices & training for all sectors of the industry and has someone vet it and organize it into subjects (work with ACDA on this).

b. Suggested Action Items:

- i. Create a subcommittee/task force; Assess/identify specific training needs; Evaluate current training available; Identify current training available; Identify USDA experts/resources/capacity to evaluate training content; Map out all stakeholders in the supply chain who need training.



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- ii. Identify the procurement experts, and create best practices for common curriculum creation, in addition to USDA; Identify knowledge gaps in training.
- iii. The committee evaluates available trainings, assesses what is missing, and works towards creating training for all segments.
- iv. Create training materials based on input from partners that apply to SFAs, agencies, distributors, & manufacturers.

5. Forecasting

- a. Suggested Goals:
 - i. Incentives, rather than punitive action use USFA's template – get a pass on something on AR per USDA.
 - ii. Have tools and Resources for schools; Create a uniform forecast template with all the information manufacturers and distributors need to meet demand.
 - iii. Template for operators to use for forecasting that includes the ability to show historical data, and meal service (i.e. universal) that is shared with manufacturers and distributors; Required for SFAs using a simple, standardized system with access to data and training.
 - iv. Education around why forecasting is important and aligning forecasting better with reality; commitment to buy. Include scenarios that impact meal participation.
- b. Suggested Action Items:
 - i. Form a subcommittee for template creation.
 - ii. Stakeholder input for items to include in the template.
 - iii. Procurement timeline creation; best practices for all stakeholders.
 - iv. Identify tools and training already out there to create a common curriculum.
 - v. Form multiple committees to address the needs of all parties.
 - vi. SFAs are required to do forecasting as part of the procurement process using the forecasting tool (refer to training suggested on forecasting).
 - vii. Put together materials to educate why forecasting is important.

6. Regulation complexity

- a. Suggested Goals:
 - i. Building alternatives to low-cost bidding.
 - ii. How are we educating & what platforms are we using?
 - iii. Identify specific antiquated regulations at the federal, state, and local levels, that can be changed/improved/removed; Regulatory template similar to the National Processing Agreement, manufacturers/distributors can get certified for compliance with federal requirements; Create a solicitation packet that mimics the AMS Master Solicitation of federal requirements. Add a regulatory requirement that each state create a template of state requirements.
 - iv. Clear, concise, and relevant to the goal of feeding children.
- b. Suggested Action Items:
 - i. Creating a taskforce to identify antiquated regulations at the federal level
 - ii. Identifying categories



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1. No purposes/outdated
2. Burden outweighs value
- iii. Focusing on priorities essential to the program (pilot at some SFAs)
- iv. Developing best practices and education material that help stakeholders understand/empower to use criteria other than price for award
- v. Coordinate with template and training
- vi. Creating an education campaign that debunks "lowest cost" has to be the sole reason to award the bid. Need to debunk the "lowest cost" assumption

IV. E-BID/TECHNOLOGY SUPPORTED PROCUREMENT

During the Annual Advisory Procurement Workgroup Meeting, the group discussed the objectives of developing a bid template:

1. Develop information for an interactive bid template that assists in developing a more standardized procurement process in school nutrition.
2. Include tutorials, with simplified messaging, on a variety of procurement topics.
3. Include an ongoing specification catalog, created and maintained by USFA, with major food items from all food categories. USFA already has an interactive template for purchasing local produce.

Work group members were then asked to identify the elements that would be ideal to include in an electronic bid system/technology support procurement process:

- A questionnaire-type format that produces a bid document.
- Forecasting template that feeds into bid template and menu planning.
- Using the template eliminates/reduces the need for a procurement tool in review (the template will feed into the tool).
- Glossary of terms and Visually appealing product catalog/dropdown.
- Chatbot included to help guide the process.
- All regulatory parts to auto-populate based on locality.
- Clarity on specifications and products with vendor past performance integrated.
- Options list/customization of value enhancers other than price and a scoring system viewable to the bidder.
- 2CFR publicize and identify all evaluation factors.
- NPA type certification & GDSN/GTIN.
- Best practices suggestions/training included. Best practices to include: point matrix, services included, and needs that the operator wants.
- E-procurement and a specification writing tool.
- Suggested timeline with email reminders, and including a standardized response.
- Logistics and payment terms.
- Price adjustment process, e-procurement, student preference, and qualitative data as a factor.
- Comprehensive data on available products; search feature with categorical dropdowns.
- Export menu/production forecasting estimate.
- District size/demographics.



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- Instructional tool (i.e. “Clippy”) to assist with each step.
- Including an evaluation tool, standardized market basket, and federal/state/local requirements.

V. SUBCOMMITTEE INPUT

Members were asked for input on subcommittees and/or persons who should be recruited for subcommittees. USFA will be deciding on the final subcommittee decisions at a later date. Please see Table 2 in the Appendices for the subcommittee suggestion list.

Subcommittees will meet in different iterations throughout the lifecycle of the Cooperative Agreement to provide information, and feedback to USFA.

VI. MEMBER PRESENTATIONS

The Advisory Procurement Work Group members represent a diverse cross-section of the school nutrition procurement supply chain. During the meeting, various members conducted information-sharing presentations, both formal and informal, to reflect issues in their corner of the supply chain, highlight best practices, etc. The transcriptions of the member presentations contain confidential information and are thus redacted from the meeting summary. The following individuals shared presentations on these specific topics:

1. Bid Issues – Glennis Kitzrow, IFD Foodservice Distributor
2. Small Producer Challenges Getting into the School Procurement System – Steven Jones, Future Harvest
3. Small processor challenges getting into the system – Sunil Kumar, The Amazing Chickpea
4. Bid Considerations – Nicole Nicoloff, Sysco
5. Cooperative Assistance – Keri Warnick, Multi-Region Purchasing Cooperative/Region 10
6. Procuring Local Foods – Bertrand Weber, Minneapolis Public Schools
7. Categorical Bids – Manish Singh, L.A. Unified School District

VII. NEXT STEPS

1. Workgroup members are encouraged to share with their peers about the Cooperative Agreement within the parameters of the confidentiality agreement.
2. Share the vision and mission of the Cooperative Agreement across networks and collaborators.
3. Continue to offer ideas:
 - a. If work group members have additional suggestions, questions, or comments – please communicate back to USFA.
4. Virtual Meetings will be scheduled with the Workgroup (2 Annually).
5. Subcommittees will be established by USFA.



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VIII. APPENDICES

Table 1: Pain Points Prioritized and Votes

Table 1: Pain Points, Prioritized by Table, Voted by All	Duplicate	Vote
Table 1		
Bid process	x	1
Federal, state, and local alignment		12
Complexity of procurement regulations		13
Training needs		6
Electronic bid process		5
School districts must compete in the food service sector/business model/profit logistics/long term contract, flexibility (be a good partner/customer)		12
Table 2		
Overreliance on low cost		10
Diversity of schools based on size and location		1
Lack of consistency w/ state agencies		7
Lack of procurement training		3
Bid process with antiquated non-value-added steps/procedures		7
No room for small/local/regional producers		7
Table 3		
Identify all players & individual needs to assist in the collective priority to feed & nourish students		11
Technology & GDSN integrate w/ SFAs, Distributors, manufacturers	x	8
Education & Training: exposure to products; tech solution needed	x	4
Distribution and manufacture disconnect		0
Consistent federal program implemented across 50 kingdoms	x	9
Procurement process	x	1
Table 4		



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Channels of restrictive distribution that limit access to multiple brand options		1
Best practices/training beyond regulations (less regulation)	x	0
Inability of FSDs to educate superiors on purchase decisions. Easy to make decision on lowest price		0
Poor procedures, needless redundancy. Respond with "x" number of copies. Updated.		0
Lack of understanding of the private sector (i.e. cost of bid response, investments made, no long-term commitment, SFAs need to respect contracts entered		6
Forecasting, communication		1
Table 5		
Time/Tools for proper procurement		7
Procurement rules: Federal/state/local	x	2
Partnerships/flexibility between schools, manufacturers, distributors	x	0
Lack of forecasting to distributor/manufacturere		14
Procurement training at all levels	x	3
Specialized CN products not in commercial market	x	0

Table 2: Subcommittee Suggestions

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Academics/other federal agencies
Agency/operators
An outsider/company/contractor who is not part of the system or problem who can look at it differently
ASBO
Best practices
Beth Brewster / Caroline country
Brian Davis (OH)
Brokers



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Centralized kitchens
CEP
Christina Berta (SBO) & her nutrition person from Hanover County Schools
Commodities
Coops
Dietician/nutrition/health subcommittee
Distributors/manufacturers/operators
Farmers/growers
Farmers/producers
Forecasting: include SFAs (all sizes), manufactures, distributors, co-op leads/consultants, technology rep for exploration of IT integration, brokers, state agency, USFA rep, ACDA, ASBAO
FSA by type
FSMC
GOVMVMT (ASBO Partners)
GPO
GPO Coordinator (NH, MA, NY) Tim Goosens – Food for Schools, Laconia, NH
Headstart programs
High ala carte'
Highly perishable subcommittee (dairy/fruit/veg)
Insurance
Jackie Cantu (TX)
Kyle Jordan (FL)
Legal
Linda Wiley
Local district procurement teams (SBO & Director of Nutrition Services from same district)
Low free/reduced-price districts
Manufacturers



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NH State Office: Kelly Rambaue – Director & Madeline Parker – Program Specialist
North Florida Buyer Group
Other member matches – USFA/SNA & ASBO
Processors/Manufacturers
Procurement experts, lens of operators/distributors/manufacturers/SFA/Agencies
Procurement technology companies (open government, Bonfire)
Purchasing Coop Groups
Purchasing GPOs
Schools
SFA's
Small Business
SNA presidents
Stakeholders who are impacted
State Agencies
Technology – software developers for template
Technology subcommittee: all stakeholders and software companies, Nourish to Flourish, GDSN folks, Interflex (Jason)
Transports
USDA Subcommittee: all stakeholders (representative) from each sub committee
Vended