Your Produce RFP: Achieving Variety, Quality and a Collaborative Partnership

July 14, 2014
3:30 p.m. – 4:30 p.m.

Christine Conell, Program Analyst, Food and Nutrition Service, USDA

Jessica Shelly, Food Service Director, Cincinnati Public Schools (Cincinnati, OH)

John Alpers, Vice President, Royal Food Service (Atlanta, GA)

Lorelei DiSogra, Vice President, Nutrition, United Fresh Produce Association (Washington, DC)
Learning Objectives

Participants Will Learn:

1. How to Write a Produce RFP
2. The Benefits of Writing an RFP for Produce
3. How to Evaluate Produce Vendors
4. How to Foster a Collaborative Partnership
Overview- Buying Produce

- Procurement basics
- Technical requirements
- Evaluation criteria
- Resources
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

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

≤ Small Purchase Threshold >

(Federal Threshold = $150,000)

Informal

Small Purchase
(Requires price quotes from at least 3 bidders)

Informal

Formal

Sealed Bids (IFBs)
& Competitive
Proposals (RFPs)
(Requires public advertising)
The Formal Procurement Process

1. Develop solicitation
2. Publicly announce the IFB/RFP
3. Evaluate bidders using established criteria
4. Award the contract to the most responsive and responsible bidder at the lowest price
5. Manage the contract
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.
Sections of a Produce Solicitation

• Contract Type
• Introduction/Scope
• General Descriptions of Goods and Services (AKA Specifications)
• Timelines and Procedures
• Technical Requirements
• Evaluation Criteria

Geographic Preference
Use Additional Requirements to Determine Vendor Responsiveness

- Remember that you must award to a vendor who is both responsive and responsible!
- Evaluate responsiveness in any procurement method – IFB, RFP.
- All vendors must be able to provide the products you need to be considered responsive. You can include additional vendor criteria, including:
  » Visit to fresh-cut processor
  » Visit to produce distributor
  » Ability to provide state of origin labeling
Technical Requirements

The vendor will be able to:

• Deliver to school sites biweekly/weekly
• Hold liability insurance
• 3rd Party Food Safety Audits
• Provide 3 references
• Deliver products that meet product specifications
• Coordinate visits to a local supplier/farm
• Provide a list of local growers/produce suppliers w/ GAP certification
Use Criteria to Evaluate Vendor Proposals

- Districts may use the same criteria mentioned before, but instead assign weights to evaluate in an RFP.

- The amount of weight determines how important the criterion is.

- To evaluate proposals think about including:
  - Able to provide farm visits
  - State of origin or farm origin labeling
  - Provide products grown on a particular size farm
# Produce Procurement Evaluation Criteria

<table>
<thead>
<tr>
<th></th>
<th>Laura’s Wholesome Wholesale</th>
<th>Peppy’s Produce</th>
<th>Merchant Matt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price = 40</strong></td>
<td>30</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td><strong>Product quality = 15</strong></td>
<td>7</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td><strong>Delivery = 10</strong></td>
<td>10</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td><strong>Packaging and labeling = 5</strong></td>
<td>3</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Food safety audits = 10</strong></td>
<td>5</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Able to provide state of origin on all products = 5</strong></td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td><strong>Three references, past history = 10</strong></td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>100 possible points</strong></td>
<td>65</td>
<td>80</td>
<td>90</td>
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</tbody>
</table>
Local Procurement Guide – Now Available!

Available at
http://go.usa.gov/KAFH
(the Resources page on the USDA Farm to School website)
Produce Procurement: Keeping It Fresh

Jessica Shelly, MBA, REHS, RS
Food Service Director
Cincinnati Public Schools
Cincinnati Public Schools
Food Service

• 54 schools
• 34,000 students served each day
  over 6 million meals served each year
• All schools have salad bars
• 75% students eligible for F/RP
• Fun Fact: CPS serves more meals in one day than any other restaurant chain in Cincinnati.
CPS Programs with Fresh Fruits and Veggies

- Breakfast
- Lunch
- Fresh Fruit and Vegetable Program
- After School Snack
- After School Suppers
- Summer Feeding Program
Fresh Produce = R.O.I.

Increase in Fresh Produce

= 

Increase in School Meal Participation

= 

Return On Investment
Evaluating Produce Needs To Write RFP

• Review Last Year’s Menu
• Consider Your Produce Options
• Fresh-cut vs. Whole
• Food Safety
• Refrigeration/Storage
• Labor Costs
• Delivery Options
• Local
Separate Produce or Combined Bid?

Stay focused on the goal – great tasting, high quality, fresh fruits and vegetables at the best price, best service w/ flexible delivery options
Writing an RFP/RFQ to Procure Quality Produce

Produce Bid Solicitation Timeline

• Bid Announcement –
• Distributors submit their bids -
• CPS evaluates the bids -
• CPS selects produce vendor(s) -
• Contract(s) Signed –
Produce Solicitation Language

Write clear detailed produce specifications that enable you to compare prices, receive what you want, and what you are paying for:

- Product
- Variety
- Case Size
- Count
- Grade/Quality
- Quantity
- Desired Ripeness/Condition Upon Delivery
Produce Descriptions

Descriptions Must be Clear and Precise

- **Carrot Shred** 1/5 lb
  Club Chef 159 or Equal
  Fresh cut, sulfite free; packaged in gas permeable package; code dated. Overall look will be rich orange, no dark fragment of tops or evidence of skin

- **Broccoli Florets** 1/5 lb
  108 Club Chef or Equal
  Florets, fresh cut, sulfite free, bright green crisp, fresh, firm, must be date coded, gas permeable bags

- **Lettuce Shred** 2/5 lb 50
  Packer 30100 or Equal
  To be packed to U.S. No 1 Grade standard Shredded Iceberg Lettuce, packed in a modified atmosphere package to provide a 14 day refrigerated life from date of delivery, package must be date coded, must be washed, rinsed, and ready to eat, 5 pounds per bag
Pricing & Flexibility

• Prices for each produce item are “locked-in” for the length of the contract, 1 yr + option to renew for two years.

• Price for all produce items is consistent throughout the year.

• Distributor takes into consideration past market fluctuations when determining contracted price

• Romaine Lettuce 2012
Tour Produce Partner Facilities

- Tour Fresh-Cut Processor Facility
- Tour Produce Distributor Facility
- Meet Monthly with Produce Distributor
Your New BFF: Your Produce Distributor

• Wide Variety of Produce Available All Year

• Expert Knowledge of Produce: Variety, Value-Added, Seasonality, Local, Pricing

• Food Safety: Internal Compliance Protocols and Supplier Verification

• Pulse on Trends

• Ability to Introduce Unique Fruits and Veggies

• Keep Costs Down
John Alpers
Vice President
Royal Food Service

Writing Your Produce RFP: A Produce Distributor Perspective
Our School Customers

<table>
<thead>
<tr>
<th>PERIOD / Year</th>
<th>School Districts</th>
<th>Schools</th>
<th>FFVP Schools</th>
<th>Cases Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Year 2012-13:</td>
<td>26</td>
<td>442</td>
<td>36</td>
<td>247,025</td>
</tr>
<tr>
<td>School Year 2013-14:</td>
<td>25</td>
<td>620</td>
<td>38</td>
<td>200,718*</td>
</tr>
</tbody>
</table>

* August 1, 2013 – December 31, 2013
Collaboration with Schools

Royal employs two full-time school specialists

• Meet before school year to discuss district’s needs, availability, specs, and pricing
• Collaborate with nutrition directors and cafeteria staff
• Assistance writing produce RFP to ensure schools get desired produce
• Assist with menu development, price, availability, seasonality and local
• Recommend products, suggest alternatives when necessary
• Understanding schools are special customers - delivery schedules/drop sizes/unique products
• Troubleshoot issues

Pam Oates & Katie Whitehurst
Full-time Schools Specialists
Working with a Quality Produce Distributor

**Shared Goals:** Increasing Students’ Produce Consumption/Increasing Meal Participation

- Wide Variety of Produce (and Pack Sizes) Available All Yr
- Expert Knowledge of Produce – Variety, Value-Added, Seasonality, Local, Pricing
- Food Safety: Internal Compliance Protocols and Supplier Verification
  - 3rd party food safety audits
  - Refrigerated trucks, “Blue Tree”
  - Refrigerated docks
  - Warehouse Management: traceability
- Offer Depth of Value
How Royal Makes Schools Aware of Produce Choices

Marketing Communications Vehicles

- Monthly School Nutrition Newsletter (Web)
- Weekly Email Newsletters
- Recalls & Market Report Email Blasts
- Availability Charts
- The “Local List”

Go to www.royalfoodservice.com and register for produce industry updates.
Top-Selling Fresh-Cut Items

- Romaine salad mix 60/30/10
- Chopped romaine
- Shredded iceberg
- Carrot sticks
- Celery sticks
- Broccoli florets
- Slaw mix
- Peeled baby carrots
- Cauliflower florets
- Diced or sliced onions
- Diced or sliced bell pepper
- Diced celery
- Shredded carrots
- Mini carrots in individual packs
- Apple slices in individual packs
- Pineapple spears or chunks in individual packs
Distributor Perspective

RFP vs. Bid
- Bid “Appears” to be cut and dry, not always the case
- Cost Plus – Direct by vs. buying “off the market”
- RFP – more of a value proposition

Length of Bid
- Weekly vs. Annual

Value Proposition vs. “Good Ole Boy”
- Buying power
  - Qualifying local farmers to be “safe”, inspecting farms and reviewing Good Agricultural Practices (GAP)
- Locally grown initiatives
- CSA Boxes through School

# Deliveries/Week
- Unattended drops
- Window of delivery
Dedicated “Local” buyers and sales reps meet farmers and propose Greener Fields Together for sustainable agriculture. We help them obtain GAP certification. Once certified, we contract with them to provide safe, high quality local produce to schools.

www.GreenerFieldsTogether.com

GFT-certified farms or currently working toward certification:

Henderson County, NC
Canton, GA
Hazelhurst, GA

Athens, GA
Hartwell, GA
The Local List

• School are given a list of Georgia grown produce.

• List is published weekly on website and in email newsletters.
Is Local Always Practical?

• Do local growers follow certified food safety protocols?

• Is local produce more cost effective?

• Can local growers provide the quantity we need?

• Can local growers ensure a consistent supply of produce that our customers expect and demand?

• Is local produce of better quality, ripeness, taste?
Breakfast and Smart Snacks

– New opportunities to serve more fresh produce
– Tell us what you need. We have the variety and size
– We can work to get products for you
Q & A