

Know your customer

Schools are allowed and encouraged to purchase from local producers. The Wisconsin Department of Public Instruction memo regarding local purchasing for schools lays out the guidelines for local purchasing. The full memo can be found at: www.dpi.state.wi.us/fns/sntmail.html and is listed under September 2010.

The key to successfully selling your products is to know your customers. The more you know about their needs, the better you can determine if each customer is a good fit for your business.

School customers face a number of challenges when purchasing food locally. Two primary constraints are the budget and labor realities under which most school nutrition programs operate. Schools typically have, on average, \$1.00 per lunch to cover food costs. For this amount of money, each meal served in the USDA school lunch program must include fruits and vegetables, milk, protein and grains. School kitchens often have a limited number of employees responsible for feeding hundreds or thousands of students. These constraints often result in schools serving food that is cost effective and easy to prepare.

Many schools have found creative ways to integrate local food while working within their budget and labor constraints. Each school district varies in its ability to create local purchasing relationships. Assessing this ability is important for both you and the school nutrition program.

Given their constraints, school customers need:

- Adequate quantity
- Consistent quality
- Reliable delivery
- A price that fits their budget

Meeting these needs and establishing successful working relationships take time and good communication. Recognizing and understanding the challenges experienced by school nutrition directors, and helping them understand both the challenges you face and the opportunities you offer, will build the foundation for a strong partnership.



Washing fresh spinach on a Madison-area farm

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School bid processes

Most schools receive federal reimbursements for their meal programs. They are required to:

1. Demonstrate that they are responsibly spending taxpayer money by seeking to purchase the most affordable options
2. Demonstrate that they are facilitating open and free competition by soliciting multiple offers when considering new products or new vendors

To meet these requirements, schools use either an informal or a formal bid process. The informal bid process may be used as long as the cost of the food being purchased falls under the small purchase threshold. While the informal bid threshold in Wisconsin is \$100,000, some school districts set lower thresholds.

Informal bid process

The informal bid process is relatively simple compared to the formal bid process. Under this process, the school nutrition director must develop a written solicitation identifying the number, quality and variety of goods needed. Schools may not issue a solicitation that states, “Will only accept locally grown products” or includes any other language that purposefully excludes non-locally grown products. The nutrition director must then attempt to get price quotes from three or more vendors (this may or may not include their prime vendor). When approached by an orchard owner who wants to sell apples, for example, the school is required to contact at least two other apple vendors for a price quote. If no other orchards or vendors are interested or able to provide the sought after products, as specified, then the school may document the attempts to get additional price quotes. With the informal bid process, schools are required to choose the least expensive option that has met their specifications.

Formal bid process

The formal bid process must be used by schools for purchases exceeding the small purchase threshold. Schools may use the formal bid process for smaller purchases, and may choose to do so in order to help local vendors compete by meeting criteria for geographic preference (see p. 7) or educational involvement with schools.

The formal bid process requires that schools publicly solicit sealed bids from potential vendors. Schools determine criteria and write out specifications for the food they are

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looking to purchase, advertise the bid to potential vendors and award points—based on each vendor’s ability to meet specifications—to submitted bids. Schools are required to award at least half the points based on price. When participating in a formal bid process, there are other opportunities to earn points if your price point may not be as competitive as others.

The remaining points can be awarded to a variety of specifications such as:

- Location of vendor. Schools may determine a ‘geographic preference’; for instance, a school may award points for product grown within 50 or 100 miles of the school district, in-state, etc.*
- Guaranteed consistent pricing throughout the season. Produce pricing through distributors often fluctuates with market conditions.
- Ability to supply particular produce varieties such as Fireside apples or All Blue potatoes.
- Ability to deliver to the school.
- Ability and willingness to visit the lunchroom or classroom for taste testing or other educational activities.
- Ability and willingness to host field trips for students and staff.

See the **sample bid sheet with scoring** for an example of how a school scores bids.



Sample bid sheet with scoring

*Geographic Preference

Highlights of the final rule on geographic preference issued by the US Department of Agriculture on April 22, 2011 can be found on the National Farm to School Network’s website:

www.farmtoschool.org/files/publications_365.pdf. This summary explains which products can and cannot have a geographic preference applied and clarifies what is meant by “minimally processed.”

Additional information about using geography as a preferred option for bids, as well as additional information about informal and formal procurement processes, can be found on the USDA School Nutrition website: www.fns.usda.gov/cnd/F2S/faqs_procurement.htm.

Sample Bid Sheet With Scoring

Champion School is accepting bids for apples

The minimum specifications are:

Apples, Mixed varieties (Gala, Red Delicious, Fireside, Jonathan, Empire, Cortland, Ida Red), Fresh 125-138 Count, Whole

Items submitted for bid must be delivered to the school. Please note the following: price per case, available varieties, location of orchard and your availability to either visit the school for educational activities or host a school field trip on your orchard.

Grower A-

Apples, Fireside, Jonathon, Empire, Cortland, Fresh 125-138 count, Whole: \$26.00 per case. Located 10 miles from school. Able to host field trip. Available for pick up on Wednesdays.

Grower B-

Apples, Red Delicious, Jonathon, Fireside, Cortland, Ida Red, Fresh 125-138 count, Whole: \$30.00 per case. Located 25 miles from school. Delivered to school. Available for a school visit and able to host field trip.

Grower C-

Apples, Red Delicious, Gala, Fresh 125-135 count, Whole: \$28.00 per case. Located in Michigan. Delivered to school.

Weighting

__15__ points
 __50__ points
 __15__ points
 __10__ points
 __5__ points
 __5__ points

Criteria

Delivery
 Cost
 Count/size
 Located within 50 miles of school
 More than two varieties provided
 Available to visit school or host a field trip

TOTAL: 100 points

	Grower A	Grower B	Grower C
Delivery	0	15	15
Cost	50	40	45
Count	15	15	12
Location	10	10	0
# of varieties	5	5	0
Visit to school or host field trip	3	5	0
TOTAL POINTS	83	90	72

Bid would be awarded to Grower B



Wisconsin Farm to School – Linking the Land to the Lunchroom