Forecasting the Procurement of Foods

Participant's Workbook

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Improve the operation of child nutrition programs through research, education and training, and information dissemination.

VISION

Lead the nation in providing research, education, and resources to promote excellence in child nutrition programs.

MISSION

Provide relevant research-based information and services that advance the continuous improvement of child nutrition programs.

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Introduction

Forecasting for the Procurement of Foods

Forecasting the procurement of foods is a process that includes understanding the stakeholders expectations, the menu, how to estimate quantities, review inventory, write specifications, and a number of concepts.

Training

This training provides general concepts about the basic foundations of forecasting for the procurement of foods in Child Nutrition Programs. This training does not discuss federal regulations pertaining to the procurement system. The purpose of this training is to assist stakeholders in identifying key considerations for forecasting for the procurement of foods in federally funded meal programs. To help guide you through this training, the Institute of Child Nutrition has provided each of you with a Participant's Workbook. This workbook contains important information and activities developed specifically for this training. On the upper right corner of the slides, you will see a reference to the corresponding lesson in the Participant's Workbook.

Training Overview

This training will discuss the following topics:

- Stakeholders
- Menus
- Inventory, Product Movement, and Cost Management
- Product Categories
- Product Screening
- Product Specifications
- Child Nutrition (CN) Label Products
- Forecasting

Participant's Workbook

Each topic will include a number of sub-topics, many of which will include a number of activities to reinforce the concept.

This training will cover a variety of topics, and questions are highly encouraged. Because all your questions are important, please write them on self-adhesive notes, and post them to the Bike Rack. Sometimes questions may require research or a longer answer than time allows at that point.

Comfort Level

During this training, we encourage you to determine your level of participation based on your individual needs.

Pre-Assessment

A pre-assessment is a training tool that provides the participants' baseline knowledge of the training topic.

(Activity): Pre-Assessment

Place a unique identifier on the top right corner of the pre-assessment. The same identifier will be used at the conclusion of the training on the post-assessment. It is not necessary for you to write your name on the pre-/post-assessments.

Icebreaker

We are going to do a quick icebreaker activity. Write your name and where you work on an index card. On the other side of the card, write something you would like to learn about forecasting the procurement of foods. We will collect the cards and randomly distribute them.

(Activity): Icebreaker

Locate the individual whose name appears on the card. Introduce yourself, and briefly discuss what you would like to learn from this training. At the end of the activity, you will introduce

each other to the rest of the group, and state what each of you would like to learn from this training.

USDA Professional Standards and Learning Objectives

Professional Standards for school nutrition professionals is a key provision of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The rule requires a minimum amount of annual training hours for all state directors of school nutrition programs, state directors of distributing agencies, school nutrition program directors, managers, and staff. Required training topic areas will vary according to position and job requirements. There are also minimum hiring standards for new state directors of school nutrition programs, state directors of distributing agencies that oversee USDA Foods, and school nutrition program directors. The USDA Professional Standards and Learning Objectives serve as a foundation for this training

(Workbook Handout): USDA Professional Standards and Learning Objectives

Take a few minutes to review the following USDA Professional Standards and Learning Objectives handout for this training.

USDA Professional Standards and Learning Objectives

USDA Professional Standards

Key Area

Operations – 2000

USDA Professional Standard – Operations

2400 – Purchasing and Procurement

Learning Objectives

Using the information provided in this training, participants will:

- Review stakeholders' responsibilities and expectations.
- Discuss how the menu determines the goods and services that must be competitively procured.
- Review basic concepts of inventory management, product movement, and cost management.
- Summarize the types of items that are associated with a specific product category.
- Create a sample product screening evaluation tool.
- Practice writing a mock product specification.
- Examine the features of a Child Nutrition Label.
- Discuss the importance of accurately forecasting products.

Terms and Definitions

Terms and definitions are included in the discussion of this training. Some of the terms and definitions listed may not be included in the training but may serve as a reference at another time.

(Workbook Handout): Terms and Definitions

Review the following Terms and Definitions handout.

Terms and Definitions

Average Daily Participation (ADP)

The Average Daily Participation (ADP) for the National School Lunch Program (NSLP) and School Breakfast Program (SBP) is the number of students that participate in the school meals program on an average day. Calculating ADP in this manner is considered to be fairer to schools as it includes only children that eat lunch/breakfast in the calculation and excludes children who are present during the school day but do not eat lunch/breakfast (i.e., part-day kindergarteners).

As Purchased (AP) and Edible Portion (EP)

The As Purchased (AP) weight is the amount purchased. The Edible Portion (EP) weight is the amount of product that can be consumed. The AP weight is greater than the EP weight. The EP is the quantity served.

Brokers

Brokers are independent sales agents who negotiate sales for manufacturers by working with food distributors and school nutrition operations. The broker assists manufacturers by introducing new products to the school nutrition market. Brokers can assist the SFA staff by providing samples for taste testing to the districts.

Child Nutrition (CN) Labeling Program

The U.S. Department of Agriculture (USDA) Child Nutrition (CN) Labeling Program provides food manufacturers the option to include a standardized food crediting statement on their product label. Labels must be authorized by the Food and Nutrition Service (FNS) prior to use, and manufacturers must have quality control procedures and inspection oversight that meet the FNS requirements. Products produced in accordance with the CN Labeling Program are generally purchased by providers for USDA meal programs. For additional information see http://www.fns.usda.gov/cnd/cnlabeling/default.htm

Distributor

A distributor is a commercial food company that purchases, receives, and/or stores commercial food products. Distributors sell, deliver, and bill the recipient agency for goods and/or services provided. A distributor sells the products made by manufacturers.

First-In, First-Out (FIFO)

First-in, first-out (FIFO) is the process of rotating the older product to the front and the newer items to the back of the shelf. The age of the item is based on the manufacturer's pack date and not the date on the receipt.

Food and Nutrition Service (FNS)

The Food and Nutrition Service (FNS) administers the nutrition assistance programs of the U.S. Department of Agriculture (USDA). The mission of FNS is to provide children and needy families with better access to food and a more healthful diet through its food assistance programs and comprehensive nutrition education efforts.

Food Supply Chain

The food supply chain is a group of stakeholders who have specific responsibilities involved in the procurement process. Each stakeholder operates as an independent business, and each has specific sustainability goals. The school nutrition food chain includes the SFA staff, the distributor, the manufacturer, the State agency, and the U.S. Department of Agriculture (USDA).

Forecasting

Forecasting is the process of analyzing current and historical data to determine future trends. In the case of school nutrition programs (SNPs), forecasting involves predicting and estimating the goods, works, and services needed in specified areas for the coming year, and/or assessing needs by reviewing current procurement activities. Forecasting allows procurement plans to evolve each fiscal year.

Full and Open Competition

Full and open competition under the Child Nutrition Programs means that all qualified responsive and responsible sources are eligible to compete for the procurement.

Grade Standards

Grade standards are USDA quality standards and are based on measurable attributes that describe the value and utility of the products. U.S. Grade Standards provide a uniform language for describing the quality and condition for meat, poultry, fresh fruits, and vegetables, in addition to processed fruits and vegetables. While safety inspections are mandatory, the federal government does not require that all food products be graded.

Institute of Child Nutrition (ICN)

Formerly the National Food Service Management Institute, the Institute of Child Nutrition (ICN) is located at The University of Mississippi, Oxford campus. The mission of ICN is to provide information and services that promote the continuous improvement of child nutrition programs.

Lead Time

Lead time is the amount of time necessary for the distributor to prepare and deliver the product to the district. Generally, the more lead time that can be provided to a distributor, the more cost effective the price for the product. A longer lead time may be necessary for special order and fresh products.

Manufacturers

Manufacturers are the companies responsible for processing raw products, developing new products, and sending finished products to distributors. In some cases, customers are allowed to purchase directly from the manufacturer when volume warrants.

Material Change

A material change is a change made to a contract after the contract has been awarded that alters the terms and conditions of the contract substantially enough that, had other respondents (vendor/bidder) known of these changes in advance, they may have bid differently and more competitively.

Par Stock

Par stock is a predetermined inventory quantity for a particular item and serves as an indicator of when to reorder the product.

Procurement

Procurement is the process of obtaining goods and/or services in accordance with applicable rules and regulations.

Production Run Number

The production run number is the code that identifies the production plant, the date, the shift, and the production line that manufactured the product. This number is not printed on the label but is stamped on the case at the time the product is manufactured.

School Nutrition Association (SNA)

The School Nutrition Association (SNA) has been advancing the availability, quality, and acceptance of school nutrition programs (SNPs) as an integral part of education since 1946. The School Nutrition Association is the only professional association dedicated solely to the support and well-being of school nutrition professionals in advancing good nutrition for all children.

School Nutrition Programs (SNPs)

School nutrition programs (SNPs) are federally funded programs and include School Breakfast Program (SBP), National School Lunch Program (NSLP), After School Snack Program (ASSP), Fresh Fruit and Vegetable Program (FFVP), Special Milk Program, Seamless Summer Option (SSO), and Summer Food Service Program (SFSP).

Standardized Recipe

A standardized recipe is a recipe that has been tried, adapted, and retried several times for use by a given school nutrition operation. The tested recipe produces the same good results and yield every time when using the exact procedures the same type of equipment and the same quantity and quality of ingredients.

Standards of Identity (SOI)

Standards of Identity (SOIs) for foods are federal requirements that define what a food product is, its name, and the ingredients that must or may be used in the manufacture of that food. SOIs protect consumers by ensuring labels accurately describe the products contained within the package.

State Agency (SA)

State agency means (a) the State educational agency; (b) any other agency of the State which has been designated by the Governor or other appropriate executive or legislative authority of the State and approved by the Department to administer the Program in schools, as specified in 7 CFR 210.3(b); or (c) the FNSRO, where the FNSRO administers the Program as specified in 7 CFR 210.3(c).

Stock Keeping Unit (SKU)/Product Code

A stock keeping unit (SKU) or product code is a unique identifier for each unit of product. The SKU is usually the product code.

United States Department of Agriculture (USDA)

The USDA is the federal department responsible for administration of the nation's child nutrition and USDA Foods distribution programs. The Food Distribution Division of USDA's Food and Nutrition Service (FNS) is responsible for coordinating the distribution of USDA Foods to State agencies that oversee the SNP in their states.

USDA Foods

USDA Foods are available to any school that participates in a USDA school nutrition program. USDA Foods account for 15% to 20% of the foods in SNPs and are 100% American grown.

Velocity Report

A velocity report provides the School Food Authority (SFA) the quantity, the date of purchase, and other valuable information pertaining to the purchase of products from a vendor. The report can serve as a tool for SFA staff when forecasting the needs of the district and documenting solicitation integrity. Upon request, the distributor can generate a velocity report for products purchased during a specific time period.

Vendor

A vendor/bidder, also referred to as a respondent, is a commercial enterprise, public or nonprofit private organization, or individual that enters into a contract with a school food authority (SFA).

Participant's Workbook

<u>Planning</u>

Adequate planning and forecasting for the procurement of food ensures a competitive procurement process. This process is critical to the district's ability to obtain high quality products and services at the lowest possible cost. Planning and forecasting require a systematic approach to identify the products required and quantities needed before releasing a solicitation. Multiple factors contribute to the successful forecasting of the procurement of foods. For example, one factor is to understand stakeholders and their expectations.

What are some factors that contribute to the successful forecasting for the procurement of foods?

Lesson 1: Stakeholders

Objective: Review stakeholders', expectations, and roles and responsibilities.

School Nutrition Supply Chain

The school nutrition supply chain includes the school food authority (SFA) staff, State agency, the distributor, the broker, the manufacturer, and the USDA.

<u>Stakeholders</u>

Each stakeholder has a specific role in the food supply chain. The stakeholders expect each party to have some basic knowledge on the functionality of their operation. Although the expectations may widely differ, a steadfast approach in providing a healthy school environment is a common goal of all stakeholders. Let's look at the responsibilities of each stakeholder.

(Workbook Handout): Stakeholders' Responsibilities

Take a few minutes to review the following **Stakeholder Responsibilities** handout. Remember, these are only examples to show how important each stakeholder's role is to the procurement process.

(Workbook Handout): Stakeholders' Tasks

Take a few minutes to review the following **Stakeholder Tasks** handout. Remember, these are only examples to show how important each stakeholder's role is to the procurement process.

Stakeholders' Responsibilities

Stakeholder	Responsibilities
School Food Authority (SFA) This team may include the school nutrition director, the managers, the school nutrition staff, the business manager, a procurement officer, and the school board members.	 Forecasting the needs of the school nutrition operation Assessing equipment needs, optimizing stock keeping units (SKUs) for similar products, determining product specifications, completing bid arrangements, and scheduling and accepting deliveries, while complying with federal and state regulations
State agency	 Administering the Child Nutrition Programs Reviewing procurement procedures Reviewing and approving each contract (including supporting documentation) between an SFA and a Food Service Management Company (FSMC) Providing procurement updates and training
Distributor A commercial food company	 Purchasing, receiving, and/or storing commercial food products
Brokers Independent sales agents who negotiate sales for manufacturers by working with food distributors and school nutrition operations	Assisting manufacturers by introducing new products to the school nutrition market
Manufacturers	Processing raw products, developing new products, and sending finished products to distributors
USDA Federal department Food and Nutrition Service (FNS) administers the nutrition assistance programs	 Coordinating the distribution of USDA Foods to State agencies that oversee the SNP in their states Providing children and needy families with better access to food and a more healthful diet through its food assistance programs and comprehensive nutrition education

Stakeholders' Tasks

This chart provides examples of stakeholders' tasks.

Task	SFA	State Agency	Distributor	Broker	Manufacturer	USDA
Assure utilization of products and quantities within a 10% plus or minus variance of quantities specified; otherwise notify distributor immediately to avoid overstock or short coding.	х					
Communicate product recall and recall procedures in a timely manner.		х	Х	Х	Х	х
Compile orders to meet required case or dollar volumes for delivery.	х					
Create foods to meet school nutrition guidelines.					Х	х
Determine if new products are applicable for customers.	х	х				
Ensure competitive pricing.				Х	Х	
Ensure delivery of fresh, safe product awarded each time an order is placed.			Х			
Ensure facilities are adequate to receive and maintain fresh and safe foods that will help to prevent spoilage and other loss.	х					
Ensure full and open competition by developing a thorough solicitation document.	х					
Ensure staff availability to accept orders on scheduled delivery days and times.	х					
Establish fair and clearly defined performance expectations and complaint procedures.	x					
Establish reasonable delivery schedules and decrease frequency of drops whenever possible.	x					

Task	SFA	Agency	Distributor	Broker	Manufacturer	USDA
Follow federal rules and regulations when preparing bids and all solicitation documents.	Х					
Follow federal rules and regulations when preparing bids.			Х	Х	Х	
Forecast for established quantity based on past performance.	Х					
Generate pre-bid meetings, solicitation document, and contracts for vendors.	Х					
Generate specific product descriptions, including green criteria as appropriate.	Х					
Identify approved USDA Foods processors.						х
Integrate USDA Foods into processed products as specified by the State agency or school district.					Х	
Keep distributor, broker, and SFA staff abreast of new products.					Х	
Keep procurement rules and policy memos up to date.	Х					
Market new products.		х		х		
Minimize emergency orders.	Х					

Stakeholders' Tasks, continued

Stakeholders' Tasks, continued

Task	SFA	State Agency	Distributor	Broker	Manufacturer	USDA
Negotiate, when appropriate, for						
longer contract terms (two or more	v					
years) that include price adjustment	^					
clauses.						
Notify manufacturers of upcoming						
solicitation proposals, the product			v			
description, and specific			X			
requirements such as lead time.						
Notify the distributor or SFA staff of						
product changes such as formulation,				х		
packaging, or discontinuation.						
Notify the SFA staff and brokers of						
product changes such as					× ×	
formulation, packaging, or if product					X	
is discontinued.						
Optimize the use of SKUs.	Х					
Place orders in a timely manner.	Х		Х			
Plan ahead to adequately prepare	v					
solicitation document.	^					
Plan menus in advance and	v					
incorporate USDA Foods.	Х					
Produce adequate quantity to					v	
eliminate/reduce shortages.					X	
Provide adequate notification on	v					
roduct usage and menu changes.						
Provide advanced written						
notification to the supplier before						
the placement of the first order to	X					
ensure timely distribution.						
Provide current contact information			x	x	x	
for bid notifications.			~			

Responsibility	SFA	State Agency	Distributor	Broker	Manufacturer	USDA
Provide flexible delivery schedules to accommodate school closings and inclement weather conditions.			х			
Provide notification if there is an excess of inventory, especially on date-coded products.			х			
Provide notification of discontinued products, current inventory quantity, and velocity reports.			х			
Provide notification of expected school closings, holidays, and changes in normal business hours.	х					
Provide nutrient and ingredient information.				х		
Provide quality, safe food.					х	х
Provide recipes that optimize SKUs.			х	х		х
Provide timeline for ordering process.						Х
Provide up-to-date meal component information for CN labeling.					Х	Х
Provide up-to-date nutrient and ingredient information and marketing suggestions for Point of Sale (POS).					Х	
Purchase all special order products requested.	х					
Use projected quantity in a reasonable time period.	х					

Stakeholders' Tasks, continued

<u>Lead Time</u>

Receiving a product by a designated date, especially a new product, involves a vast amount of coordination from the different stakeholders. Lead time is the amount of time necessary for the distributor to prepare and deliver the product to the district. School districts, State agencies, distributors, and manufacturers may have different timelines for procuring a product, but the overall process is very similar. A longer lead time may be necessary for special order and fresh products. The following must be taken into consideration when determining the delivery date:

- The complexity of the solicitation requirements
- The time needed for pre-solicitation/award meetings, site visits, etc.
- State and district due date requirements to authorize purchases

Receiving a Product

Advanced, detailed planning for receiving products is a good practice and contributes to

- a more cost effective price for the product,
- fewer menu shortages,
- fewer purchasing and delivery errors, and
- fewer problems to manage.

(Workbook Handout): Lead Time

Review the following Lead Time handout.

Lead Time

Lead time is the amount of time necessary for the distributor to prepare and deliver the product to the district. Due to the vast amount of responsibilities of all the stakeholders, providing all stakeholders with ample lead time is critical.

Advertise the Solicitation

The solicitation must be advertised sufficiently in advance of the due date to permit potential respondents (vendors/bidders) the opportunity to obtain the solicitation document and prepare a response. Check with your State agency and become familiar with additional state rules and policies.

Pre-Bid Conference

Although not a federal requirement, it is a good practice to invite potential vendors to attend a pre-solicitation conference. The conference may be scheduled after the solicitation has been published but a minimum of 2 weeks before the solicitation opening to allow adequate time to prepare the proposal. It is unrealistic to ask vendors to submit a response to the solicitation document with less than a 6-week return time, and, ideally, 8–12 weeks of lead time is preferred.

Detailed Procuring Timeline

Since different products or service categories (e.g., milk and milk products, fresh produce, large equipment, accountant services, etc.) require differing amounts of preparation and lead time, a good practice is to develop a detailed procuring timeline for each category.

Solicitation Award

It is also important to allow adequate lead time between the solicitation award and the first delivery. Once a contract has been properly procured, the next step is to contact the appropriate party in the food supply chain, the distributor, and place an order.

Lead Time, continued

Product Code

If a new product code number needs to be developed, this item is a new item. The first step for the distributor is to check to see if it is from a company with whom they currently do business. If not, they must establish credit with this company, determine minimum order quantities, determine delivery frequency, and any other issue unique to this manufacturer.

Coordination of Efforts

Remember, stakeholders will need to coordinate the increased volume and delivery logistics of purchases. The coordination process may require an additional 6 weeks. Base the delivery schedule on the mutual agreement and consolidated order between all concerned. Establishing these factors takes time, which is why adequate lead time is vital.

Distribution Routes

The distributor develops routes and schedules and coordinates for trucks and personnel to be available to deliver the products. To initiate the supply side of the contract, the distributor must determine if the item is already in stock and part of their inventory. If not, a product code number must be developed and accepted into their inventory and ordering system.

What factors contribute to a stakeholder's ability to provide a product on a designated delivery date?

(Activity): Receiving Product

On a self-adhesive note, write down factors that contribute to a stakeholder's ability to provide a product on a designated delivery date. Post your responses on the appropriate flip chart paper.

(Workbook Handout): Procuring Timeline Example

Review the following **Procuring Timeline Example** handout, and discuss when you would complete the tasks noted on the timeline. Remember, this handout serves as a model of a procurement timeline, and district's needs may vary, and the monthly tasks may differ.

Procuring Timeline Example

Receiving a product, especially a new product, can impact the entire food supply chain. School districts, distributors, and manufacturers may have different timelines for procuring a product, but the overall process is very similar.

Month	Task(s)	Date Completed
December–January	Begin cycle menu planning and estimating quantities for purchases.	
February	 Write specifications for new products. Estimate quantities to be purchased for the contract period and menu cycle. Project USDA Foods needs during the contract period. Reduce quantities based on the availability of USDA Foods. Conduct screen and product tests for approved brands. Remember school closing for holidays impacts timeline. 	
March–April	 Develop and publish the solicitation document. Include pertinent information about the district; date and time for pre-solicitation conference and solicitation submission; scope of work; time period for the solicitation; any common legalities; ability for price adjustment; name brand items; method of approving new brands, substitutions; discounts, rebates, and applicable credits; communication instructions with the district prior to the closing date; and solicitation evaluation criteria for contract award to the lowest responsive and responsible bidder/offer that is most advantageous to the program with price as the primary factor. Publish on website(s), and/or in public media for maximum competition. Conduct the solicitation meeting. Allow a minimum of four weeks for vendors to respond. Evaluate solicitations based on pre-established criteria and select vendor. 	

_		Date
Month	Task(s)	Completed
May	 Plan accordingly to receive bids/responses, conduct evaluations for contract award, and notify responding bidders/offers of intent to award, if applicable. Provide solicitation, evaluation and award information to all approval authorities following internal procedures. Provide sufficient time to modify proposal accordingly based on protests and/or legal counsel's directives. 	
June	 Receive School Board approval for the selection of vendor. Provide information to distributor and/or manufacturer. Allow longer time for specialty items and name brand items. Communicate with stakeholders, determine delivery dates, and discuss school opening logistics. Remember school closing for summer impacts timeline. 	
July–September	 Receive School Board approval for the selection of vendor. Provide information to distributor and/or manufacturer. Allow longer time for specialty items and name brand items. Communicate with stakeholders, determine delivery dates, and discuss school opening logistics. Receive product for upcoming school year depending on school opening schedule. 	

Note: The solicitation document is the vehicle by which the SFA staff articulates to the public its need for goods and/or services. For additional information, refer to the Solicitations section located in the ICN *Procurement in the 21st Century* resource.

Lesson 2: Menus

Objective: Discuss how the menu determines the goods and services that must be competitively procured.

<u>Menu</u>

The menu is the driving force that begins the procurement process. The menu must meet all federal guidelines and be appealing to the customer. A well-planned menu includes:

- all meal pattern components and subgroups;
- whole grain-rich foods;
- fruits and vegetables;
- a variety of shapes, textures, colors, and temperatures; and
- a blend of flavors.

Other factors to consider in menu planning include equipment, food costs, cultural food preferences, labor costs, skill levels, environmental friendliness, and the availability of USDA Foods.

Are you using cycle menus?

How far in advance do you plan your menus? What are the benefits of planning menus well in advance?

It is good practice for districts to use a cycle menu for a designated period of time. Menus created by seasons allow the opportunity to incorporate in-season options. Planning menus in advance saves time, helps avoid repetitive tasks, reduces labor, and implements cost effective inventory management. Standardized recipes and SKUs are important considerations when planning menus.

Participant's Workbook

New Items

Adding items to a contract may commonly occur among schools; however, adding products that have not been competitively procured fails to comply with procurement standards. A new product to a manufacturer but not new to the industry does not constitute a new item. New products developed after the award of the contract may be added to the contract only if there is a provision included that allows for the addition of items up to a dollar value or volume that does not constitute a material change.

What happens when the contract fails to contain a provision for the addition of items? The best approach is to conduct a competitive process using the applicable procurement method. This includes using the micro-purchase method when the purchase is below \$10,000; small purchase procedures for purchases between \$10,000–\$250,000, or the most restrictive threshold; and sealed bids or competitive proposals when the purchase is above \$250,000 or the most restrictive threshold. Here is an example of possible language for the addition of a new menu item.

New Items

The following information is intended only as an example.

To: (name of location and address of purchasing agency) Attn: Purchasing Official Due date/time:

Purchasing official(s) will review the products(s) and materials for consideration <u>during the next</u> <u>solicitation phase</u>. Upon completion of sampling, the purchasing official(s) reserve the right to approve or reject any or all samples submitted in the best interest of the (district/school) an all decisions shall be final.

Material Change

A material change is a change made to a contract after the contract has been awarded that alters the terms and conditions of the contract substantially enough that, had other respondents (vendor/bidder) known of these changes in advance, they may have bid differently and more competitively.

This means the SFA agrees to or allows a winning respondent to make changes to contract terms (including the terms of a contract renewal) that are materially inconsistent with the underlying solicitation document. SFAs must not circumvent Federal procurement standards to maximize full and open competition by denying all respondents the opportunity to compete under the same terms and conditions. In this situation the SFA must re-bid the contract.

Using Common Denominator Units When Listing Products

Food is often more difficult to purchase than other items school districts may buy. Inconsistent packaging sizes add a different dimension to developing solicitations for food supplies. A size unit is a common denominator for all brands. In some cases, there may be two common denominators for the same product.

Here are some examples of common denominator units used for procuring food:

- Cases
- Count
- Pounds
- Edible serving size
- A request for a CN label 2 oz Meat/Meat alternate product or Product Formulation Sheet

Food Buying Guide

The *Food Buying Guide Calculator for Child Nutrition Programs* is a very useful tool to assist with determining the amount of food to purchase. Remember, the *Food Buying Guide* only provides

an estimate of the amount of food to purchase. The *Food Buying Guide* calculator can be accessed via the following link: http://fbg.theicn.org.

As Purchased (AP) and Edible Portion (EP)

Many factors contribute to calculating the amount of food needed to purchase to equal the amount of food needed for a recipe or service. *As Purchased* (AP) and *Edible Portion* (EP) are key concepts to understand in inventory management.

- AP refers to the weight of the product as it exists when purchased.
- EP refers to the part of the product that can be consumed. The AP weight is greater than the EP weight.

Unit of Measurement and Cost per Serving

To compare prices, a unit of measure should be chosen that controls the cost per serving. Give careful consideration to the unit of measurement in awarding an item. Asking for a pound price on a product usually makes good sense, but sometimes may be misleading. For example, sliced mozzarella cheese is sold by the pound per case. Using a pound as the common denominator unit of measurement will allow an easy calculation of determining the actual number of servings per pound. On the other hand, if the specification is for individually wrapped, mozzarella cheese sticks with a serving size of 3/4 oz each, the case may have 128–3/4 oz units per case. Each product and pack size is essential when providing product information to vendors.

Asking for per pound pricing on chicken tenders might not yield comparable results. It is important to identify the product's meal pattern contribution. For example, Company A and Company B offer the exact same price for a 25 lb case of comparable chicken tenders. A serving of chicken tenders from Company A weighs 4 oz per portion. A serving of chicken tenders from Company B weighs 3 oz portion. In this example, the price per pound is exactly the same, yet you would need more pounds of Company A's product to serve the same number of students. The unit of measurement for the pricing in this example would be price per edible serving. So in this example, asking for a count or serving size may be more appropriate for the chicken tenders.

Updating Quantities

Before creating a solicitation document, it is important to make sure that all language and product information is accurate and up-to -date. A critical aspect of any solicitation document is updated and accurate quantities. These quantities are established in your forecasts; and although they cannot be guaranteed, these quantities should be estimates based on valid and current information.

(Workbook Activity): Purchasing Decisions

In small groups, complete the following **Purchasing Decisions** worksheet.

Purchasing Decisions

Instructions: Complete the steps to calculate the cost of a product.

Scenario: Purchasing Decision: Broccoli

For an upcoming menu, the manager is determining whether to order untrimmed fresh broccoli or trimmed fresh broccoli florets. Both products are acceptable.

Broccoli, fresh, untrimmed

- 100-½ cup EP servings will require 19.75 lb of AP product
- Cost per pound is \$1.29 lb
- Requires 60 minutes of labor before portioning into ½ cup serving size
- Labor cost \$11.70/60 minutes

Cost of Broccoli, Fresh, Untrimmed

Amount of Broccoli to Purchase	х	Cost per Pound	=	Purchase Cost of Broccoli, fresh, untrimmed
	х		=	Purchase Cost

Cost of Broccoli, Fresh, Untrimmed with Labor

Purchase Cost of Broccoli, fresh, untrimmed	+	Labor Cost	=	Total Cost of Broccoli, fresh, untrimmed
	+		=	Total Cost
Purchasing Decisions, continued

Broccoli, fresh, florets, trimmed, ready-to-use

- 100–½ cup EP servings will require 7 lb of AP product
- Cost per pound is \$2.08 lb
- Requires 15 minutes of labor before portioning into ½ cup serving size
- Labor cost \$11.70/60 minutes or \$2.93/15 minutes

Cost of Broccoli, Fresh, Florets, Trimmed, Ready-to-Use

Amount of Broccoli to Purchase	x	Cost per Pound	=	Purchase Cost of Broccoli, fresh, florets, trimmed
	x		=	Purchase Cost

Cost of Broccoli, Fresh, Florets, Trimmed with Labor

Purchase Cost of Broccoli, fresh, trimmed	+	Labor Cost	=	Total Cost of Broccoli, fresh, florets, trimmed
	+		=	Total Cost

Which product is less expensive?

What are the factors to consider before deciding to purchase one product over the other?

Participant's Workbook

<u>Recipes</u>

Standardized recipes are required in school nutrition programs and identify the specific quantity for each ingredient, the number of servings, and the portion size for the recipe. A standardized recipe is a recipe that has been tried, adapted, and retried several times for use by a given school nutrition operation. The tested recipe produces the same good results and yield every time when using the exact procedures, the same type of equipment, and the same quantity and quality of ingredients.

Information provided in the recipe determines the type and quantity of food to purchase. For example, if a recipe contains chopped, fresh, onions the quantity to purchase or the AP amount can differ tremendously from the EP amount.

(Workbook Activity): Recipe Calculation

Use the following **USDA Foods Product Information Sheet** and **Recipe Calculation** worksheet to calculate the as purchased quantity to obtain the desired edible portion amount.

UNITED STATES DEPARTMENT OF AGRICULTURE USDA Foods Product Information Sheet For Child Nutrition Programs

100101—Chicken, Diced, Cooked, Frozen

Category: Meat/Meat Alternate



PRODUCT DESCRIPTION

This item is fully cooked, diced chicken meat. This product is diced into approximately ½-inch cubes and is a natural proportion product that contains a minimum of 50% white meat. This item is shipped frozen in 40 pound cases containing eight 5-pound or four 10-pound packages.

CREDITING/YIELD

- One case of diced chicken provides approximately 640 1-ounce portions.
- CN Crediting: Approximately 1 ounce of diced chicken credits as 1 ounce equivalent meat/meat alternate. Confirm individual product crediting by using the CN Label of product formulation statement.

CULINARY TIPS AND RECIPES

- Diced chicken is a versatile ingredient that can be used in a variety of different dishes such as burritos, chicken salad, wraps, soups, casseroles, or as a topping on the salad bar.
- For more culinary techniques and recipe ideas visit the ICN Child Nutrition Recipe Box at <u>https://theicn.org/cnrb/</u>.

FOOD SAFETY INFORMATION

 For more information on safe storage and cooking temperatures and safe handling practices, please refer to ICN's Food Safety page: <u>https://theicn.org/foodsafety</u>.

NUTRITION FACTS

Serving size: 1 ounce (28 g)/1 MMA diced chicken

Amount Per Serving

Calories 36

Total Fat	1g		
Satura	ited Fat	Og	

Trans Fat Og Cholesterol 21mg

Sodium 28g

Total Carbohydrate Og

Dietary Fiber Og

Sugars Og

Protein 6g

Source: USDA Foods Vendor Labels

Allergen Information: Please refer to allergen statement on the outside of the product package for vendor specific information. For more information, please contact the product manufacturer.

Nutrient values in this section are from the USDA National Nutrient Database for Standard Reference or are representative values from USDA Foods vendor labels. Please refer to the product's Nutrition Facts label or ingredient list for product-specific information.

This page is adapted from <u>www.fns.usda.gov/fdd</u> May 2015

Recipe Calculation

Instructions: Using the **USDA Foods Product Information Sheet**, answer the following questions.

Calculate: One 40-lb case of Diced Chicken provides approximately 640–1-oz portions. How many 2.5-oz servings are in one 40-lb case of USDA Foods Diced Chicken?

ANSWER:

Calculate: How many pounds of USDA Foods Diced Chicken are needed for 100–2.5-oz servings?

ANSWER:

Stock Keeping Units (SKUs)/Product Codes

Good menu planning also includes optimizing stock keeping units (SKUs). A SKU is a unique identifier for each unit of product and is often the product code. Identifying multiple uses for an inventory item is cost efficient for both the district and the vendor. Think of all the menu items you can create with diced chicken, brown rice, or chopped fresh onions.

In many cases, school districts burden themselves with too many different products or SKUs. For instance, each flavor of juice has a separate SKU with its own product code number.

What are some benefits of reducing SKUs or the number of products that are in your inventory?

Reducing SKUs

Reducing the number of SKUs is a best practice. A few ways to reduce SKUs include

- using the same product for more than one menu item, such as one type of chicken patty for chicken on a bun, chicken parmesan, and grilled chicken salad; and
- accepting only substitutions that have been approved by the school nutrition director or central office person responsible for purchasing.

(Activity): SKUs—Diced Chicken

In small groups, determine a variety of menu items that could contain the USDA Foods Diced Chicken. Write your response on a piece of flip chart paper. At the end of the activity, circulate around the room to see all the different ways to incorporate diced chicken on a menu.

Lesson 3: Inventory, Product Movement, and Cost Management

Objective: Review basic concepts of inventory management, product movement, and cost management.

Inventory Management

Often, inventory ties up a large portion of the SFAs budget, so managing this system efficiently is crucial for any school nutrition program. Erratic orders can add to the overall food and labor costs. The balance between inventory and receiving food lies in the ability to control cost while adequately meeting the needs of the organization.

Inventory

A prime part of inventory management includes knowing the value of food and supplies on hand, whether at a food preparation site or in a central warehouse facility. Effective inventory management is essential for managing and controlling cost. Effective inventory management includes effective receiving procedures, a system for accounting for items removed from inventory, effective counting of items in stock, and determining appropriate methods for calculating the financial value of the inventory. It is important to manage food orders properly to minimize waste while also keeping storage capacity in mind. Inventory is perishable and space is limited, making proper product management even more crucial.

Many SFAs use a perpetual inventory and/or a physical inventory system to account for products. Regardless of the system used, a periodic physical inventory is a best practice to account for the value of goods received and available.

What are some ways you manage inventory in your district?

Do you use a perpetual inventory system? How many use a physical inventory system? How many use both?

Inventory Tracking

For the busy school nutrition director to know what is on hand requires the district to have and use an up-to-date inventory tracking system. Clearly, having automated systems in place to assist in forecasting the district's needs will make this task much easier. Advantages include reduced inventory, reduced costs, and reduced paperwork.

Par Stock

Ensuring the SFA staff is ordering the correct amount is more important than maintaining a stable number of cases ordered. A good way to facilitate this is to include an accurate par stock on the order sheet. Par stock is a predetermined inventory quantity for a particular item and serves as an indicator on when to reorder the product. Establish a par stock through thorough evaluation of product use over the amount of time between deliveries. For example, if you have weekly deliveries and know you use three cases of fresh, sliced onions a week, you would always want three cases of onions in inventory. The quantity to keep on hand is reflected in the par stock number.

(Workbook Activity): Par Stock Calculations Worksheet

Part 1: In small groups, calculate the total amount of diced chicken your assigned school will need based on the number of servings for the menu items. Each group will take turns reporting out when finished.

Part 2: As a group, complete the District's Warehouse section of the worksheet. Determine the par stock quantity the district warehouse should maintain in inventory.

Par Stock Calculations Worksheet

Scenario: A school district has four elementary schools, one middle school, and one high school. Diced chicken is used in several menu items throughout the month. The par stock level to maintain in the district's warehouse for cooked, diced chicken is 600 lb over the amount needed for the menu. How many pounds of diced chicken will the warehouse need in inventory to meet the par stock level? Remember, you will need to convert the number of ounces into pounds to complete the activity. Round answers to the nearest whole number.

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)*
Chicken Tacos	1 oz	112	
Chicken Caesar Salad	1 oz	89	
Chicken Tuscan Chili	1.5 oz	138	
Chicken Alfredo Baked Potato	1 oz	143	
Total amount of diced chicken			
for menu items			

School Name: Fresh Apple Elementary

School Name: Strawberries Elementary

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)*
Chicken Tacos	1 oz	111	
Chicken Caesar Salad	1 oz	95	
Chicken Tuscan Chili	1.5 oz	101	
Chicken Alfredo Baked Potato	1 oz	157	
Total amount of diced chicken			
for menu items			

Par Stock Calculations Worksheet, continued

School Name: Peaches Elementary

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)*
Chicken Tacos	1 oz	270	
Chicken Caesar Salad	1 oz	125	
Chicken Tuscan Chili	1.5 oz	115	
Chicken Alfredo Baked Potato	1 oz	274	
Total amount of diced chicken			
(lb) for menu items			

School Name: Grapes Elementary

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)
Chicken Tacos	1 oz	149	
Chicken Caesar Salad	1 oz	93	
Chicken Tuscan Chili	1.5 oz	287	
Chicken Alfredo Baked Potato	1 oz	297	
Total amount of diced chicken			
(lb)for menu items			

Par Stock Calculations Worksheet, continued

School Name: Garbanzo Bean Middle School

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)
Chicken Tacos	2 oz	368	
Chicken Caesar Salad	2 oz	215	
Chicken Tuscan Chili	2 oz	198	
Chicken Alfredo Baked Potato	2 oz	320	
Total amount of diced chicken			
(lb)for menu items			

School Name: Edamame High School

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)
Chicken Fajitas	2.5 oz	548	
Chicken Caesar Salad	2 oz	510	
Chicken Tuscan Chili	2 oz	446	
Chicken Alfredo Baked Potato	2 oz	368	
Total amount of diced chicken			
(lb)for menu items			

Par Stock Calculations Worksheet, continued

District's Warehouse

School	Amount of diced chicken needed for menu item(lb)
Fresh Apple Elementary	
Strawberries Elementary	
Peaches Elementary	
Grapes Elementary	
Garbanzo Bean Middle School	
Edamame High School	
Total	

How many cases of diced chicken does the district need to maintain in the district's warehouse for a par stock level of 600 lb over the amount needed for the menus?

*Remember to determine the number of **pounds** when calculating the amount of diced chicken needed for the menu item. Round up to the nearest whole number

Receiving Food

Receiving is an important part of inventory management and quality and cost control. The entire receiving process requires consistent control. Part of the consistent control is ensuring food products received are the actual food products ordered. Some receiving tips include the following best practices:

- Provide a copy of the order to the person receiving the delivery.
- Check the products delivered against the products ordered. Do not accept unapproved product substitutions.
- Use a two-wheel truck, forklift, and/or carts to move products from the receiving dock.
- Follow the hazard analysis and critical control points (HACCP)-based food safety plan.
- Keep a clipboard or other flat surface available to assist in the receiving process.
- Communicate product shortages and quality concerns to the delivery person and the appropriate SFA staff member.

Each school district has a system for communicating the brand and code numbers of products preapproved during the contract award. This information is key for monitoring contractor performance, a requirement of 2 CFR 200.318(b). When school districts do not provide brands and code numbers on their resulting contract, the site receiver must check the products against the specifications. The most effective approach to improving the ordering and receiving process is to award the brand and code number in the resulting contract.

One method of ensuring products solicited and awarded are the products ordered and received is to provide the staff with an Ordering and Receiving Guide of Approved Products.

Staff with responsibilities of ordering and receiving products can use the guide to ensure

- the correct products are ordered, and
- the correct product, brand, code, and pack is received at the right price.

(Workbook Handout): Ordering and Receiving Guide of Approved Products (Example)

Discuss each characteristic identified on the following **Ordering and Receiving Guide of Approved Products (Example)**.

Ordering and Receiving Guide of Approved Products (Example)

Instructions: Individuals receiving food should compare the Product, Brand/Code, Pack, and Price of what is ordered to what is actually received. It is important to visually inspect the product, review the invoice, and confirm the product ordered is the actual product received.

Product Ordered	Brand/Code	Pack	Price
Frozen Meats			
Roof ground	Beef	1/5#	\$57.50/cs
Beer, ground	Ranch/3579	4/ 5#	\$2.875/lb
Poof pattion	Beef	129/2 07	\$69.00/cs
Beef, patties	Ranch/4680	120/5 02	\$.539/serving
Chickon nuggots	Chicken	300/5 oz 6	
Chicken nuggets	Farm/14679	=2 oz	\$37.95/cs \$.759/serving

For additional information see the Inventory Management and Reference Tracking Guide, which can be accessed at: www.theicn.org/ResourceOverview.aspx?ID=431.

Lesson 4: Product Categories

Objective: Summarize the types of items that are associated with a specific product category.

Product Categories

Varieties of brands exist for similar products. The menu and standardized recipe will help determine the type of product to purchase. Product categories include Distributor's Choice Label, Private Label, and Manufacturer's Brand Label. It is worthwhile to investigate all categories before making any decisions.

(Workbook Activity): Product Categories Worksheet

Discuss the categories and the descriptions for each, and identify the types of products you would purchase for each of the product categories.

Product Categories Worksheet

Instructions: Identify the types of products you would purchase for each of the product categories. The menu and standardized recipe will help determine the type of product to purchase. It is worthwhile to investigate all categories before making any decisions.

The Buy American provision applies to agricultural commodities produced in the United States and a food product that is processed in the United States when purchased for serving in the school meals program.

Schools must purchase domestic commodities and products, to the maximum extent practicable (2 CFR 210.21(d)). If the product has passed the label and nutritional screening, proceed to the appearance screening.

It is important to ensure products, regardless of the category, comply with the Buy American provision and to accurately forecast (estimate) the goods and/or services needed in specified areas for the coming year. Ensure all procurement procedures, solicitations, and contracts incorporate the updated Buy American requirements.

Schools should plan and adjust their procurement practices to meet the phased-in non-domestic food cost caps:

- 1. School Year 2025–2026: 10%
- 2. School Year 2028–2029: 8%
- 3. School Year 2031–2032: 5%

These caps apply to the total commercial food costs purchased, aiming to assist schools in gradually adapting to the new requirements.

Product Category	Description	Examples
Distributor's Choice	 Does this product comply with the Buy American provision? Is it "domestic only" or 100% produced and processed in the United States substantially using agricultural commodities produced in the United States, meaning that over 51 percent of a food product must consist of agricultural commodities grown domestically? Contains only one or a few ingredients Represents a lower dollar volume Quote a price on any brand No restrictions on the brands to be purchased Site receiver does not check the brand delivered May change the brand without notifying the school district 	
	Note: The only requirement is that the product is in the pack and the case size is identified on the solicitation document. A case of pinto beans containing 12/#303 cans cannot be substituted if the specification calls for 6/#10 cans.	

Product Categories Worksheet, continued

Product Category	Description	Examples
Private Label	Does this product comply with the Buy American provision? Is it "domestic only" or 100% produced and processed in the United States substantially using agricultural commodities produced in the United States, meaning that over 51 percent of a food product must consist of agricultural commodities grown domestically?	
	Are packed under industry acceptable	
	standards	
	Represents the supplier's brand	
	Note: Many distributors have their own private	
	name items. Again although the supplier will	
	choose the brand, it must still conform to the	
	specification. In many cases, it is worth the task	
	of tasting these products.	
Manufacturer's Brand	Does this product comply with the Buy American provision? Is it "domestic only" or 100% produced and processed in the United States substantially using agricultural commodities produced in the United States, meaning that over 51 percent of a food product must consist of agricultural commodities grown domestically?	
	Are recognized by name and generally attract customers who are loyal to their name	
	 Are usually main entrees, contain multiple ingredients, and are processed 	
	Note: It is important to ensure that the product	
	is available if it is on the menu. Consistent	
	products propel average daily participation and	
	keep customers returning. These products are	
	subject to tremendous variation in quality	
	among brands.	

Product Categories Worksheet, continued

Lesson 5: Product Screening

Objective: Create a sample product screening evaluation tool.

Screening Products

Some schools may find that their customers prefer certain brands, which increases the number of meals served. The purpose of conducting a screening is to provide a list of preapproved, equal product brands in the solicitation document. The procurement procedures must ensure maximum full and open competition. Federal regulations clearly forbid specifying only a brand name product instead of allowing a preapproved equal product to be offered.

(Workbook Handout): Product Screening Chart

Review and discuss the following **Product Screening Chart**.

Product Screening Chart

The purpose of conducting a screening is to provide a list of preapproved, equal product brands in the solicitation document. The procurement procedures must ensure maximum full and open competition. Federal regulations clearly forbid specifying only a brand name product instead of allowing a preapproved equal product to be offered.

General Information	Criteria	
Screening products is not required. SFAs	Conduct paper, appearance, and taste	
should be careful to ensure they do not	screening separately and establish the	
inadvertently exclude potential vendors.	criteria for an acceptable product. Each	
	type of screening will have a different	
Before beginning the screening process,	evaluation process.	
determine criteria of what is wanted or	Determine a method to review brands for	
expected for the product.	prior approval.	
	 All screening evaluations should allow 	
The three ways of screening products	for all potential vendors to provide a	
include paper, appearance, and taste	product for screening during the	
screenings.	solicitation period (e.g., public	
	advertisement)	
Establishing the evaluation criteria in	Establish procedures to review brands for	
advance may reduce the possibilities of	prior approval	
future bid protests.	 even doing so during the solicitation 	
	process,	
	 after the solicitation is published, and 	
	 before bids/responses are due. 	
	Provide all interested potential	
	respondents with a copy of the screening	
	procedure.	
	Log all samples received from vendors.	
	 Keep accurate records of all three 	
	screenings. You may be asked to	
	justify your choices.	

A paper screening is the process of reviewing the product label provided by the distributor. The label contains a description of the product, the code number, the ingredients, and a nutritional analysis. The Buy American provision applies to agricultural commodities produced in the United States and a food product that is processed in the United	uct label provided by the processed food products, icturer's product et include specific
 States when purchased for serving in the school meals program. Schools must purchase domestic commodities and products, to the maximum extent practicable (2 CFR 210.21(d)). Schools should plan and adjust their procurement practices to meet the phased-in non-domestic food cost caps: School Year 2025–2026: 10% School Year 2028–2029: 8% School Year 2031–2032: 5% These caps apply to the total commercial food costs purchased, aiming to assist schools in gradually adapting to the new requirements (U.S. Department of Agriculture. (2024, May 29). SP 23-2024: Buy American provisions related to the final rule titled, Child nutrition programs: Meal patterns consistent with the 2020-2025 dietary guidelines for Americans. https://www.fns.usda.gov/cn/buy-american-provisions). If the product has passed the label and nutritional screening, proceed to the appearance screening. 	at the percentage of o produce and process ie United States? ins 51% or more is intains a description of the code number, the and a nutritional analysis. t has passed the label ial screening, and is eview the product sheets for specific about domestic products d processed in the United in an attestation to e information is not the label or product sheets. product complies with s. duct meets the federal e SNPs. neal pattern contribution. st based on per serving or product is affordable. abor cost to prepare the menu items. ppearance screening.

Product Screening Chart, continued

Appearance Screening	Criteria	
An appearance screening is the process of examining the appearance of the sample. The most important aspect of the appearance screening is the product itself. Before beginning the appearance screening, determine evaluation criteria of what is wanted or expected for the appearance of the product. For instance, the roll should be golden brown with a slightly crunchy crust; a baguette would be long and thin and would not pass appearance screening if it looked like a Kaiser roll. If a consensus cannot be agreed upon what the product should look like, it will be impossible to determine if the product passes this screening.	 Purchase the products for the appearance screening. Not only is purchasing the product a good business practice it will ensure the product SKU/code will be the actual product used for the appearance screening. Determine minimal acceptable and unacceptable attributes Include sample criteria such as: Consistent in shape Light brown in color Even color Even cut pieces Topping evenly spread Minimal leaves Fill ratio Determine the attributes of the package. For example Does it come in an individually wrapped package? If so, is it easy to open? Is the packaging attractive? Does it come layered in a case with parchment between the layers? Does the packaging maintain the integrity of the product during shipping and handling? 	

Product Screening Chart, continued

Taste Screening	Criteria Quantifier	
A taste screening is the process of	Determine in advance the criteria for	
conducting a taste test with your customers.	documenting the results of the taste test.	
Some products are too highly seasoned, too greasy, too salty, or too sweet. The goal is to offer customers good tasting, high quality products.	Purchase the products for the taste test. Not only is purchasing the product a good business practice it will ensure the product SKU/code will be the actually	
Once the product(s) have gone through the	product tested.	
adult taste screening, it is time for the student customers to give their opinion. Taste testing is the final screen and	Create an evaluation tool. Consider including a description for the texture, flavor, seasoning, how the product holds after cooking, and overall acceptance of	
product will be preapproved to be placed on	the product.	
the bid.	Determine in advance an acceptability percentage such as 85% approval for	
A simple method for taste testing with	products to be placed on the bid.	
elementary students involves using two containers, one labeled with a smiley face and one with a frown. The students vote by placing a small piece of color paper in the appropriate container—smiley for acceptable and frown for unacceptable.	Prepare the product according to manufacturer's direction.	
	Do not identify the brand name of the product.	
	Prepare similar products for tasting at approximately the same time and hold products of products of products of the product of the produc	
school levels, the containers can be labeled	product at proper temperatures.	
either acceptable or unacceptable.	Set up taste test area. Remember to include napkins, plates, spoons, forks, knives, and water to rinse mouth between tastings.	
	Conduct a taste test with adults and students.	

Product Screening Chart, continued

Sample Screening Evaluation Tool

We are now going to take a few minutes to apply the concepts for screening products. To do this, we will divide into small groups. Each group will create an evaluation tool for a whole grain-rich, frozen, pasta primavera using one of the following:

- Paper screening
- Appearance screening
- Taste screening

(Activity): Pasta Primavera Screening Evaluation Tool

Place your group's assigned topic as a header on your flip chart paper, and create a screening evaluation tool. At the conclusion of this activity, groups will take turns reporting out.

Lesson 6: Product Specifications

Objective: Practice writing a mock product specification.

Product Specifications

A product specification is a concise statement of a set of requirements to be satisfied by a product, material, and/or process. Some specifications are very brief, while others may be quite extensive. It is important to develop specifications that are not overly restrictive to competition. Specifying a brand name only product instead of allowing a preapproved equal product to be offered restricts full and open competition.

Good Practices

- Check to see if there is a generic, not a name brand, product available online.
- Seek feedback from other districts regarding a comparable product.
- Create a product specification that will meet the needs of the district.

(Workbook Handout): Product Specification Summary Chart

As a group, discuss the characteristic identified on the following **Product Specification Summary Chart**.

Product Specification Summary Chart

A specification is a concise statement of a set of requirements to be satisfied by a product, material, and/or process. Some specifications are very brief, while others may be quite extensive. The clearer the specification, the more likely you will receive the anticipated product. It is important to develop specifications that are not overly restrictive to competition. Specifying a brand-name-only product instead of allowing a preapproved equal product to be offered restricts full and open competition.

Characteristics	Description	
Specifications Characteristics	Can be difficult and time consuming because the descriptions are often long and very detailed	
	Can be limited to only those characteristics that are essential for communicating with the supplier, such as the Standard of Identity (SOI), quality, grade, and size	
Common Language	 Common language of the industry Browide a clear product description 	
Multi-Ingredients Foods	 May require research 	
	May be necessary to obtain product for appearance and tasting screening	
Description of Product	Must clearly indicate that vendor may quote on brand name or preapproved equal products to ensure maximum full and open competition. Identify product listed, the type of product, the cut of product (e.g., filet), the portion size, the precooked weight, and whether it is frozen, or fresh, or dry	
	Include the manufacturer's name, the manufacturer's name for the product (e.g. rounds, triangles, and dips), the manufacturer's code number, and the manufacturer's pack size)	
Case Pack and Weight	 Describes how the item is packaged (e.g., 6/#10 cans, or 4/5# loaves, or not to exceed 25#, individually wrapped, 48 to the case, cannot exceed 30 pounds) 	
Main Ingredients	Describes the main ingredients (e.g., pinto beans, black beans, whole grain-rich tortilla)	

Product Specification Summary Cl	hart, continued
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Characteristics	Description	
Minimum and Maximum Sizes and Pieces	Describes the minimum and maximum size of the product (e.g., each serving must weigh a minimum of 3.9 ounces and cannot exceed 4.1 ounces)	
Other Product Ingredients	Describes what products can be included (e.g., whole-grain pasta, whole-wheat flour or product may include spices, emulsifiers, vegetable purees, and thickening agents)	
Prohibited Ingredients	Describes what items are prohibited (e.g., food additives, artificial colors and flavors, hydrogenated fat, monosodium glutamate (MSG), dairy, wheat, soy, eggs, peanuts, tree nuts, fish, crustaceans)	
Nutritional Standards	Describes the nutritional standards for the product, the minimum or maximum nutrient or ingredient requirements or limitations (e.g., pinto beans and black beans combined must provide a 1.5 ounce equivalent for the Meat/Meat Alternate, and the whole grainrich tortilla must provide a 1.5 ounce equivalent for the Grains component for the NSLP. Product must meet NSLP requirements)	
Unit Award is Made	Describes how the unit price will be determined (e.g., by the case, by the serving, per pound)	
Quality Indicators	 Describes the quality indicators (e.g. U.S. grade, U.S. Standard for fresh apples, Prime, Choice) 	
Meal Pattern Requirement	Describes if the product meets certain meal component requirements or is required to have a CN Label	
Run Code	 Describes the production run number Identifies the code that identifies the production plant, the date, the shift, and the production line that manufactured the product It is not printed on the label, but rather it is stamped on the case at the time the product 	
	is manufactured.	

(Workbook Activity): Mock Bean Burrito Product Description Worksheet

In groups, complete the Mock Bean Burrito Product Description Worksheet using clear,

concise product descriptions. Refer to the **Product Specification Summary Chart**.

Mock Bean Burrito Product Description Worksheet

Instructions: Create a product description for each of the characteristics in bold font for a bean burrito. Write your response in the space provided for each characteristic. Refer to the **Product Specification Summary Chart**.

Description of the Product:

Case Pack/Weight:

Minimum and Maximum Size and Pieces:

Main Ingredient(s):

Other Product Ingredients:

Prohibited Ingredients:

Nutritional Standards:

Mock Bean Burrito Product Description Worksheet, continued

Meal Pattern Requirements/Child Nutrition (CN) Label:

Unit on Which Award is Made:

Quality Indicators:

Lesson 7: Child Nutrition (CN) Label Products

Objective: Examine the features of a Child Nutrition Label.

Child Nutrition (CN) Labeling Program

The USDA Child Nutrition (CN) Labeling Program provides food manufacturers the option to include a standardized food crediting statement on their product label. Labels must be authorized by FNS prior to use, and manufacturers must have quality control procedures and inspection oversight that meet FNS requirements. Companies that state a product meets a meal pattern component and do not include an authentic CN Label must be evaluated using the criteria to credit other non-CN Label products.

The program requires an evaluation of a product's formulation by FNS to determine its contribution toward the meal pattern requirements. It allows manufacturers to state this contribution on their labels. The program provides a warranty against audit claims for purchasers of CN Label products.

It is important to allow adequate lead time for the arrival of CN Label products to coincide with menu usage. Having too little inventory, too much inventory, or making last minute substitutions can be detrimental to inventory management. Inventory management has long been considered a critical component of a well-managed school nutrition program.

<u>CN Label</u>

There is no federal requirement that forces companies to make or school districts to purchase products with a CN Label. Purchasing decisions are left at the local level. If a product with a CN Label is desired, this must be clearly stated in purchasing specifications.

A CN Label

- identifies the contribution of a product toward the meal pattern requirements and serves as protection from claims about a product;
- provides a warranty against audit claims if the CN Label product is used in accordance with the manufacturer's directions; and
- simplifies cost comparison of similar products.

Are CN Label products more expensive than non-CN Label products?

Are CN Label products healthier than non-CN Label products?

(Workbook Handout): Sample CN Label

Review and discuss the following **Sample CN Label** handout.

Sample CN Label



The CN Label product will always contain the following information:

- the CN logo, which has a distinctive border,
- the meal pattern contribution statement,
- a unique 6-digit product identification number (assigned by FNS) appearing in the upper right hand corner of the CN logo,
- the USDA/FNS authorization statement,
- the month and year of final FNS approval appearing at the end of the authorization statement, and
- the remaining required label features, which includes the
 - product name
 - inspection legend
 - ingredient(s)
 - o statement
 - signature/address line
 - net weight

CN numbers that appear on the valid list apply to the CN Logo and Crediting Statement only. It is the manufacturer's responsibility to ensure that the product label meets all federal labeling requirements. To check the CN Verification Report and CN Manufacturer's Report visit: https://www.fns.usda.gov/cnlabeling/usdausdc-authorized-labels-and-manufacturers.
Lesson 8: Forecasting

Objective: Discuss the importance of accurately forecasting products.

Forecasting

Forecasting is the process of analyzing current and historical data to determine future trends. In the case of SNPs, forecasting involves using menus to estimate the quantity of goods and/or services needed in specified areas and/or assessing needs by reviewing the availability of USDA Foods. It helps to maximize the use of a product. Forecasting allows manufacturers and distributors to prepare responses to

- bids/proposals,
- order product (if awarded the contract), and
- deliver available products to meet the terms, conditions, specifications, and requirements of SFAs.

Average Daily Participation (ADP)

Forecasting involves knowing the Average Daily Participation (ADP) in each program operated. The ADP for the National School Lunch and School Breakfast Program is the number of students that participate in the school meals program on an average day. Calculating ADP in this manner is considered fairer to schools as it includes only children that eat lunch/breakfast in the calculation and excludes children who are present during the school day but do not eat lunch/breakfast (i.e., part-day kindergarteners).

Regardless of a district's ADP, accurate forecasting provides critical and valuable information. This information benefits both the school district and potential distributors who are considering bidding on the items solicited.

Participant's Workbook

Strengthening Bid Integrity

The integrity of a bid is strengthened when time is spent developing good forecasts. Distributors can be confident that the items specified on the bid and the quantities listed are accurate to the best of the district's ability. With this knowledge, the distributor is willing to provide their most competitive pricing.

Adequate forecasting is critical between not only district and distributor, but also further along the supply chain to the manufacturer of the product. A manufacturer or distributor does not want to maintain too much inventory for fear that it will expire before the district can utilize the quantities on hand.

Sample Velocity Report

Forecasting involves reviewing velocity reports from the distributor of foods and the quantity delivered to the district during the prior contract period. Velocity reports provide the quantity, date of purchase, and other valuable information about each item received. The report serves as one tool for the SFA staff to use when forecasting the needs of the district and documents bid integrity. The SFA must also use the current menu and availability of USDA Foods, as menus and USDA Foods change from one year to the next. These changes may be due to the school calendar, new products available that are included on the menu, as well as the availability of USDA Foods. Upon request, the distributor can generate a velocity report for products purchased during a specific time period. Plus, many distributors have online ordering systems that allow the SFA to generate a velocity report at any time.

Distributors have the ability to review quickly what they have sold in the past against what was stated as the bids/proposals quantity. Distributors know when forecasted quantities are inaccurate or usage is not closely met. After one year's history, it is easy to see product surplus or shortages. Product surplus or shortages may result in increased prices for future bids/proposals.

Forecasting is a detailed task and requires planning and multiple steps.

(Activity): Forecasting

In groups, line up single file and take turns identifying one word or phrase that pertains to forecasting for each letter of the alphabet. For example, participants may put the word "costs" for the letter "C" or "tasks" for the letter "T." For tough letters like "X" and "Z," participants can use a word that incorporates that letter such as "examples" and "analyze." You do not have to go in alphabetical order.

The front person will then pass the marker to the next person in line, and go to the back of the line. The person with the marker will write the next word, pass the marker to the person behind them, go to the back of the line, and so on until the alphabet is complete. The two teams will race against each other to fill out the flip chart first with ideas and concepts from the day's training. You can use any charts on the walls, the Participant's Workbook, and each other for help.

When all teams have completed the activity, circulate around the room and review the words associated with each letter.

Forecasting is a Process

It is important to accurately forecast the goods and/or services needed in specified areas for the coming year. Let's look at how forecasting is applied in the SNPs using information available to the SFA, such as the ADP, velocity reports, and USDA Foods availability. All of this information is used to estimate the goods and/or services needed in specified areas for the coming contract period, and/or to assess needs for current procurement activities. Forecasting allows procurement plans to evolve each fiscal year.

USDA Foods

Another key feature in forecasting involves contemplating the availability of USDA Foods for the coming contract period. Many school districts have the ability to purchase ready-to-use

Participant's Workbook

processed end products made from USDA Foods. Ready-to-use processed end products allows for the use of USDA Foods in the final production of many mainstay menu items. By utilizing USDA Foods in the final product, there can be a cost savings to the district for high quality products. Check with the state food distribution agency to determine what is allowed before entering into a contract. Clarify state procurement procedures, specifically if the state conducted a competitive procurement for the processed end products, or if the SFA must conduct a competitive process. States may also have limitations on pricing structures and method of distribution of these items.

Forecasting—Past, Present, and Future

Establishing valid forecasts requires reflection on the past, consideration of present menus and purchasing conditions, and estimates required for future needs. Some considerations include

- student preferences; revenue from the previous year;
- the current inventory; the upcoming year's menu;
- Iocally grown, locally raised, and/or locally caught menu items; the likely cost of labor, goods, products, or services in the coming year (season);
- the number and ages of the students being served throughout the school year; and
- relevance of the last solicitation document.

(Workbook Handout): Forecasting Questions; Past, Present ,and Future

Review and discuss the following Forecasting Questions: Past, Present, and Future handout.

(Workbook Handout): Forecasting: Good Practices

Review and discuss the following Forecasting Good Practices handout.

Forecasting Questions: Past, Present, and Future

The following are examples of past, present, and future types of questions to consider when forecasting procurement needs.

The Past

- Has the serving of this item increased, decreased, or remained the same?
- What are the revenues from the past year?

The Present

- In what meal service is the item menued?
- For what grade levels is the item menued?
- What is the edible portion (EP) cost of the product?
- Is the price of this item cost effective, including the impact of utility and waste removal costs?
- What menu items are grown locally?
- How often does the item appear on the menu?
- Is the menuing of this item contingent on the availability of USDA Foods?
- What is the current inventory?
- Is there sufficient storage space including, space for recyclables?

The Future

- What is the upcoming year's menu?
- Will the item continue to be menued to the same clientele and in the same frequency as it is currently?
- Will the product still be available in the manufacturer's portfolio?
- Are there any changes in menu or meal requirements that no longer allow this item to be served in the same manner as it has been previously? Will this force the item to be menued to different grade levels?
- Is the item still affordable?
- Is it necessary to divert or order USDA Foods to produce this item?
- What is the estimated dollar value of procurements for the upcoming year?

Forecasting: Good Practices

Forecast items accurately. The SFA staff should be prepared to provide the State agency with some details on how the products and quantities were projected.

Answer the past, present, and future questions. The answers to these questions will provide a more reliable forecast to ensure only necessary purchases are made in accurate quantities.

Utilize cycle menus. The inclusion of cycle menus contributes to a more efficient procurement process. Cycle menus provide the opportunity to analyze menu items and determine similarities among recipes. Cycle menus also allow locally grown, locally raised, and/or locally caught and seasonal foods to be incorporated in the menu. Identifying similar menu items for different recipes can lead to a reduction of inventory and a cost savings. School nutrition staff should become familiar with the standardized recipes and learn preparation efficiencies for producing a quality product.

Review production records. Production records log the daily amounts served and how much of the prepared food remains after the product is served. It is important to review production records on a daily, weekly, or monthly basis. Production records are used for future meal planning and determining the popularity of an item. Production records provide valuable information when forecasting quantities to purchase and controlling waste of a product.

Conduct surveys or taste panels to determine customer satisfaction. The survey or taste panel can include current menu items and potential menu items for consideration.

Ask the distributor to generate a velocity report for products purchased during a specific time **period**. The report can serve as a tool for the SFA staff when forecasting the needs of the district and documenting bid integrity.

Record the current inventory. Conducting inventory before creating the solicitation document will help ensure only necessary products are ordered.

Forecasting: Good Practices, continued

Calculate the amount of product to purchase and the number of servings to prepare. The AP weight is the amount of product to be purchased. The EP weight is the amount of product that can be consumed. The AP weight is greater than the EP weight. Calculating the AP quantity allows the SFA to purchase based on the anticipated number of servings of the item. The calculation provides an estimated quantity of food needed to be purchased to meet the anticipated number of servings to meet the portion size. For additional information, refer to the USDA Food Buying Guide (FBG) Calculator via the following link: http://fbg.theicn.org. It is important to remember to use standardized recipes for accurate servings, portion sizes, and nutrition information applicable to your specific operation.

Complete an electronic monthly grid with estimates. Depending on the size of the district and the number of different items being procured, it may be necessary to develop specific product forecast electronic forms to meet a district's needs.

Include the school's name, product specification, case size, and date. Using the USDA FBG Calculator, determine the number of servings and calculate the amount to purchase for each month during the duration of the bid period. Total the calculations for each month to determine the annual product usage. Use past production records and future plans for menu planning to forecast the quantity of food needed prior to issuing a solicitation document. Consider summer recesses, holidays, and other school breaks that would affect forecasts.

Realistic Expectations

Forecasting a minimum of 6 weeks in advance is not a federal regulation but is considered a good practice. It is unrealistic to expect the awarded distributor or manufacturer to have products and quantities specific to your district readily available in their inventory. Stakeholders of the supply chain need adequate preparation time to process and deliver the anticipated quantity. In the event that forecasts are not available for proprietary products, products manufactured strictly for your program, or for products unique to that manufacturer, allowing as much time to process the request for products becomes even more critical.

Conclusion

We have covered a wide variety of topics. In addition, by completing the activities and networking with your peers, you have gained valuable information that will contribute to your effectiveness as a trainer. Topics covered in this training included

(Activity): Take Home Messages

Write on a self-adhesive note, one or more take home messages for each of the following topics.

- Stakeholders
- Menus
- Inventory, Product Movement, and Cost Management
- Product Categories
- Product Screening
- Product Specifications
- Child Nutrition Labeling Products
- Forecasting

Thank You

Thank you for your active participation and attention in the Forecasting the Procurement of

Foods training.

(Activity): Post-Assessment and Evaluation

Complete the post-assessment and the evaluation form.

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Appendix

Purchasing Decisions Answer Key	Appendix–3
Recipe Calculation Answer Key	Appendix–5
Par Stock Calculations Worksheet Answer Key	Appendix–7
Product Categories Worksheet Answer Key	Appendix–11
Mock Bean Burrito Product Description Worksheet Answer Key	Appendix–13

Purchasing Decisions Answer Key

Instructions: Complete the steps to calculate the cost of a product.

Scenario: Purchasing Decision: Broccoli

For an upcoming menu, the manager is determining whether to order untrimmed fresh broccoli or trimmed fresh broccoli florets. Both products are acceptable.

Broccoli, fresh, untrimmed

- 100-½ cup EP servings will require 19.75 lb of AP product
- Cost per pound is \$1.29 lb
- Requires 60 minutes of labor before portioning into ½ cup serving size
- Labor cost \$11.70/60 minutes

Cost of Broccoli, Fresh, Untrimmed

Amount of Broccoli to Purchase	x	Cost per Pound	=	Purchase Cost of Broccoli, fresh, untrimmed
19.75 lb	x	\$1.29 per lb	=	\$25.48 Purchase Cost

Cost of Broccoli, Fresh, Untrimmed with Labor

Cost of Broccoli, fresh, untrimmed	+	Labor Cost	=	Total Cost of Broccoli, fresh, untrimmed
\$25.48 Purchase Cost	+	\$11.70 per 60 Minutes	=	\$37.18 Total Cost

Purchasing Decisions Answer Key, continued

Broccoli, fresh, florets, trimmed, ready-to-use

- 100–½ cup EP servings will require 7 lb of AP product
- Cost per pound is \$2.08 lb
- Requires 15 minutes of labor before portioning into ½ cup serving size
- Labor cost \$11.70/60 minutes or \$2.93/15 minutes

Cost of Broccoli, Fresh, Florets, Trimmed, Ready-to-Use

Amount of Broccoli to Purchase	x	Cost per Pound	=	Purchase Cost of Broccoli, fresh, florets, trimmed
7 lb	х	\$2.08 per lb	=	\$14.56 Purchase Cost

Cost of Broccoli, Fresh, Florets, Trimmed with Labor

Cost of Broccoli, fresh, trimmed	+	Labor Cost	=	Total Cost of Broccoli, fresh, florets, trimmed
\$14.56 Cost	+	\$2.93 per 15 Minutes	=	\$17.49 Total Cost

Which product is less expensive?

Answer:

Broccoli, fresh, florets, trimmed, ready-to-use

What are the factors to consider before deciding to purchase one product over the other?

Example responses

- Labor cost
- Storage space

Recipe Calculation Answer Key

Instructions: Using the **USDA Foods Product Information Sheet**, answer the following questions.

Calculate: One 40-lb case of diced chicken provides approximately 640–1-oz portions. How many 2.5-oz servings are in one 40-lb case of USDA Foods Diced Chicken?

ANSWER: 256–2.5-oz servings are in one 40-lb case of USDA Diced Chicken (640 oz. ÷ 2.5 oz = 256–2.5-oz servings)

Calculate: How many pounds of USDA Foods Diced Chicken are needed for 100–2.5-oz servings?

ANSWER: 15.625 lb of USDA Foods Diced Chicken will provide 100–2.5 oz servings (2.5 oz x 100 = 250 oz) (250 oz ÷ 16 oz or 1 lb = 15.625 lb)

Par Stock Calculations Worksheet Answer Key

Scenario: A school district has four elementary schools, one middle school, and one high school. Diced chicken is used in several menu items throughout the month. The par stock level to maintain in the district's warehouse for cooked, diced chicken is 600 lb over the amount needed for the menu. How many pounds of diced chicken will the warehouse need in inventory to meet the par stock level? Remember, you will need to convert the number of ounces into pounds to complete the activity. Round answers to the nearest whole number.

School Name: Fresh Apple Elementary

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)*
Chicken Tacos	1 oz	112	112 oz/7 lb
Chicken Caesar Salad	1 oz	89	89 oz/6 lb
Chicken Tuscan Chili	1.5 oz	138	207 oz/13 lb
Chicken Alfredo Baked Potato	1 oz	143	143 oz/9 lb
Total amount of diced chicken			
for menu items			551 oz/35 lb

School Name: Strawberries Elementary

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)*
Chicken Tacos	1 oz	111	111 oz/7lb
Chicken Caesar Salad	1 oz	95	95 oz/6 lb
Chicken Tuscan Chili	1.5 oz	101	152 oz/10 lb
Chicken Alfredo Baked Potato	1 oz	157	157 oz/10 lb
Total amount of diced chicken for menu items			515oz/33 lb

Par Stock Calculations Worksheet, continued Answer Key

School Name: Peaches Elementary

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)*
Chicken Tacos	1 oz	270	270 oz/17 lb
Chicken Caesar Salad	1 oz	125	125 oz/8 lb
Chicken Tuscan Chili	1.5 oz	115	173 oz/11 lb
Chicken Alfredo Baked Potato	1 oz	274	274 oz/18 lb
Total amount of diced chicken (lb) for menu items			842 oz/54 lb

School Name: Grapes Elementary

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)
Chicken Tacos	1 oz	149	149 oz/10 lb
Chicken Caesar Salad	1 oz	93	93 oz/6 lb
Chicken Tuscan Chili	1.5 oz	287	431 oz/27 lb
Chicken Alfredo Baked Potato	1 oz	297	297 oz/19 lb
Total amount of diced chicken (Ib)for menu items			970 oz/62 lb

Par Stock Calculations Worksheet, continued Answer Key

School Name: Garbanzo Bean Middle School

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)
Chicken Tacos	2.0 oz	368	736 oz/46 lb
Chicken Caesar Salad	2.0 oz	215	430 oz/27 lb
Chicken Tuscan Chili	2.0 oz	198	396 oz/25 lb
Chicken Alfredo Baked Potato	2.0 oz	320	640 oz/40 lb
Total amount of diced chicken			2 222 (4 22)
(lb)for menu items			2,202 oz/138 lb

School Name: Edamame High School

Menu item	Diced chicken serving size	Number of average servings listed on past production records	Amount of diced chicken needed for menu item(lb)
Chicken Fajitas	2.5 oz	548	1,370 oz/85 lb
Chicken Caesar Salad	2.0 oz	510	1,020 oz/64 lb
Chicken Tuscan Chili	2.5 oz	446	1,115 oz/70lb
Chicken Alfredo Baked Potato	2.0 oz	368	736 oz/46 lb
Total amount of diced chicken (Ib)for menu items			4,241 oz/265 lb

Par Stock Calculations Worksheet, continued Answer Key

District's Warehouse

School	Amount of diced chicken needed for menu item(lb)
Fresh Apple Elementary	35 lb
Strawberries Elementary	33 lb
Peaches Elementary	54 lb
Grapes Elementary	62 lb
Garbanzo Bean Middle School	138 lb
Edamame High School	265 lb
Total	587 lb

How many cases of diced chicken does the district need to maintain in the district's warehouse

for a par stock level of 600 lb. over the amount needed for the menus?

587 ÷ 40 lb. case = 15 (14.65 cases) of diced chicken

15 cases + 15 cases = 30 cases

*Remember to determine the number of pounds when calculating the amount of diced chicken needed for the menu item. Round up to the nearest whole number.

Product Categories Worksheet Answer Key

Instructions: Identify the types of products you would purchase for each of the product categories. The menu and standardized recipe will help determine the type of product to purchase. It is worthwhile to investigate all categories before making any decisions.

It is important to ensure products, regardless of the category, comply with the Buy American provision and to accurately forecast (estimate) the goods and/or services needed in specified areas for the coming year. Ensure all procurement procedures, solicitations, and contracts incorporate the updated Buy American requirements.

Schools should plan and adjust their procurement practices to meet the phased-in non-domestic food cost caps:

- 1. School Year 2025–2026: 10%
- 2. School Year 2028–2029: 8%
- 3. School Year 2031–2032: 5%

These caps apply to the total commercial food costs purchased, aiming to assist schools in gradually adapting to the new requirements.

Product Categories Worksheet, continued Answer Key

Product Category	Description	Examples
Distributor's Choice	 Does this product comply with the Buy American provision? Is it "domestic only" or 100% produced and processed in the United States substantially using agricultural commodoties produced in the United States, meaning that over 51 percent of a food product must consist of agricultural commodities grown domestically? Contains only one or a few ingredients Represents a lower dollar volume Quote a price on any brand No restrictions on the brands to be purchased Site receiver does not check the brand delivered May change the brand without notifying the school district 	 Staple ingredients Spices
	Note: The only requirement is that the product is in the pack and the case size is identified on the solicitation document. A case of pinto beans containing 12/#303 cans cannot be substituted if the specification calls for 6/#10 cans.	

Product Categories Worksheet, continued Answer Key

Product Category	Description	Examples
Private Label	Does this product comply with the Buy American provision? Is it "domestic only" or 100% produced and processed in the United States substantially using agricultural commodities produced in the United States, meaning that over 51 percent of a food product must consist of agricultural commodities grown domestically?	 Canned fruits and vegetables Frozen vegetables
	 Are packed under industry acceptable standards Represents the supplier's brand Note: Many distributors have their own private label brand and prefer to sell it instead of brand name items. Again, although the supplier will choose the brand, it must still conform to the specification. In many cases, it is worth the task of tasting these products. 	
Manufacturer's Brand	Does this product comply with the Buy American provision? Is it "domestic only" or 100% produced and processed in the United States substantially using agricultural commodities produced in the United States, meaning that over 51 percent of a food product must consist of agricultural commodities grown domestically?	 Chicken nuggets Burritos Whole grain French toast
	 Are recognized by name and generally attract customers who are loyal to their name Are usually main entrees, contain multiple ingredients, and are processed Note: It is important to ensure that the product is available if it is on the menu. Consistent products propel average daily participation and keep customers returning. These products are subject to tremendous variation in quality among brands. 	

Mock Bean Burrito Product Specification Worksheet Answer Key

Instructions: Create a product description for each of the characteristics in bold font for a bean burrito. Write your response in the space provided for each characteristic. Refer to the **Product Specification Summary Chart**.

Description of the Product: two-bean burrito on a whole grain-rich tortilla

Case Pack/Weight: 72 to the case; paper between layer; individual bulk pack; individually quick frozen (IQF), bulk case cannot exceed 22 pounds in total weight

Minimum and Maximum Size and Pieces: 3.9 ounces and cannot exceed 4.1 ounces

Main Ingredient(s): pinto beans, black beans, and an individual whole grain-rich tortilla

Other Product Ingredients: product may include spices, emulsifiers, vegetable purees, and thickening agents

Prohibited Ingredients: product cannot contain dairy, beef, chicken, pork, fish by-products, or monosodium glutamate (MSG)

Nutritional Standards: Pinto beans and black beans combined must provide a 1.5 ounce equivalent for the Meat/Meat Alternate. The whole grain-rich tortilla must provide a 1.5 ounce equivalent and must include 50% whole grains by weight or have whole grain as the first ingredient for the Grains component for the National School Lunch Program. The product must contain between 300–350 calories, must have less than or equal 35% calories from total fat, less than 10% calories from saturated fat, zero *trans* fat, and may not exceed 230 mg sodium.

Mock Bean Burrito Product Specification Worksheet Answer Key

Meal Pattern Requirements/Child Nutrition (CN) Label: CN Label preferred or product must meet 1.5 ounce equivalent for the Meat/Meat Alternate, and the whole grain-rich tortilla must provide a 1.5 ounce equivalent for the Grains component for the National School Lunch Program.

Unit on Which Award is Made: based on unit price for acceptable products

Quality Indicators: private label or manufacturer's brands are subject to internal quality screening; golden brown color, ability to hold in warming cabinet for up to 1 hour.



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