

**Procurement Practices Influencing
Programs Operating Within the
Guidelines of the Child And
Adult Care Food Program:
A Review of Literature**

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Building the Future Through Child Nutrition

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The purpose of NFSMI is to improve the operation of Child Nutrition Programs through research, education and training, and information dissemination. The Administrative Offices and Divisions of Technology Transfer and Education and Training are located in Oxford. The Division of Applied Research is located at The University of Southern Mississippi in Hattiesburg.

MISSION

The mission of the NFSMI is to provide information and services that promote the continuous improvement of Child Nutrition Programs.

VISION

The vision of the NFSMI is to be the leader in providing education, research, and resources to promote excellence in Child Nutrition Programs.

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**PROCUREMENT PRACTICES INFLUENCING PROGRAMS OPERATING WITHIN
THE GUIDELINES OF THE CHILD AND ADULT CARE FOOD PROGRAM: A
REVIEW OF LITERATURE**

EXECUTIVE SUMMARY

The National Food Service Management Institute (NFSMI), Applied Research Division (ARD), initiated a research effort to review existing literature on research efforts related to procurement practices of the Child and Adult Care Food Program (CACFP). The CACFP, a food assistance program, subsidizes meals and snacks in approved day care programs. The CACFP plays a vital role in assuring quality nutritional services in the programs participating, while creating an affordable day care service for many low-income families.

The review process identified a limited number of research publications that address issues influencing procurement practices in the CACFP. The primary focus of the publications reviewed was regulatory in nature. During the review, the researcher categorized current procurement practices influencing programs operating within the guidelines of the CACFP, such as food labels, food safety, and vendor relationships.

The results of the literature review will support the mission of NFSMI to provide information and services that promote the continuous improvement of Child Nutrition Programs and to address the research needs related to procurement practices in CACFP-operated programs. The results will also assist NFSMI in developing training resources that incorporate and address the issues associated with improving procurement practices in the CACFP.

INTRODUCTION

The Child and Adult Care Food Program (CACFP) is the second-largest food assistance program within the U. S. Department of Agriculture (USDA), serving approximately 1.8 billion meals annually to children and adults who attend eligible day care programs (USDA 2004a). The CACFP plays an essential role in assuring that quality meals and snacks are served to this targeted audience. The program initially began in 1969 as a food program that focused on the nutrition needs of children. During the pilot phase of the program, eight million nutrition-centered meals were served to children in centers across the United States. In 1977 the program expanded by subsidizing meals to children who were cared for in the day care home setting. The program continued to grow and expand services by including the adult component in 1988. Throughout the program's existence, the overriding goal has been to subsidize nutritious meals and snacks, first in approved child care centers, later expanding to day care homes and adult care facilities. As the program has grown from a \$1.3 million venture in 1969 to an approximately \$2.0 billion investment today, the children and elderly adults being served in approved programs continue to be provided nutritious meals and snacks that are planned following established guidelines (USDA, 2004a). Historical growth and continuing demand demonstrate how important it is that this federal program operates effectively.

The CACFP is authorized in section 17 of the National School Lunch Act (42 U.S.C. 1766) with program regulations issued by the U.S. Department of Agriculture under 7 CFR part 226 (USDA, 2004a). The CACFP is administered within most states by the state agency that directs the Child Nutrition Programs. Independent centers and sponsoring organizations enter into agreements with their state agency to assume administrative and financial responsibility for CACFP operations. In turn, the participating organizations are eligible to receive reimbursements

for the costs of food program operations. The focus of this paper is to examine the procurement practices found in the current CACFP-related literature and to describe the prevailing procurement issues related to the CACFP.

PROCUREMENT

Spears (1999) defined procurement as the “managerial process of acquiring material, both food and nonfood items, for production.” More specific to the CACFP, the meal requirements and nutrition regulations encompass the broad steps of menu planning; forecasting; procurement of food, supplies and equipment; and food preparation to result in the service of meals and snacks (Gunn, 2004). Procurement is linked to the nutrition quality of the meals served and related to the financial management of operations (Gunn, 1999). It is a process that influences program costs and thereby influences the financial viability of CACFP operations. Gunn (2004) identified four goals that influence procurement practices for child care centers: to obtain food that is high in quality, nutritious, and safe and to purchase it at a cost-effective price. Survey results of 691 child care facility directors and staff ranked meal pattern requirements, menu planning, and cost-effective program management as their top training needs (Carr & Conklin, 2002), thus demonstrating their interest in providing nutritious meals that comply with program regulations while maintaining a cost-effective operation. Guaranteeing cost-effective programs is the function of procurement.

Procurement Issues

Food Labels

Purchasing foods can be a challenge for any foodservice program. The American Dietetic Association emphasizes that because the number of overweight preschool children has doubled in recent years, child care providers must be able to read and understand food labels in order to promote long-term healthful food practices” (American Dietetic Association, 1999).

Steps to Nutrition Success Checklist, a program self-assessment for CACFP/Child Care Centers, states that reading food labels is the first step to purchasing high quality food that will both meet the nutrition needs of the children and comply with the financial objectives of the organization (Oakley & Carr, 2003). This self-assessment checklist is a tool for empowering child caregivers to evaluate their level of performance in following described best practices for effective program management. Using nutrition labels and the *Food Buying Guide for Child Nutrition Programs* (FBG) are best practices to help caregivers make wise food purchases (Oakley & Carr, 2003). The USDA FBG is designed to help those responsible for determining how much food to buy and prepare ensure that the meals served under the Child Nutrition Programs (CNP) meet program requirements (USDA, 2004c).

USDA has also developed a resource manual entitled *What’s in a Meal?* to assist CACFP entities in providing nutritious meals (USDA, 1999). Topics addressed in the manual include understanding food labels, interpreting ingredient lists, determining serving size based on package information, and assessing Child Nutrition (CN) labels for meal contribution.

Admittedly, CN labels do not convey quality, but only state a product’s contribution toward the meal pattern. Yet by observing and responding to the information provided on a CN

label, the CACFP staff will ensure the contribution of food product towards the meal component, thereby guaranteeing that the meal is reimbursable.

Individuals responsible for purchasing and preparing CACFP meals and snacks were interviewed during the *Early Childhood and Child Care Study* to identify desirable food service practices (USDA, 1997). Ninety percent of the 1,962 CACFP centers surveyed reported reading food labels prior to making procurement decisions. Almost all food preparers reported comparing the nutrient content of different brands and reviewing the ingredient lists prior to procuring the food items (USDA, 1997).

Food Safety

USDA's resource manual, *What's in a Meal?*, discusses how to handle foods for safety and describes food-borne illness, food service hazards, and Hazard Analysis of Critical Control Points (HACCP). Also, the manual presents proper handling practices throughout all stages of purchasing, preparing, cooling, and reheating the food (USDA, 1999).

Caring for Children, a manual developed by the American Academy of Pediatrics (AAP), the American Public Health Association, and the National Resource Center for Health and Safety in Child Care, puts forth standards and recommendations to assist the child care community in promoting best health and safety practices in child care settings. Nutrition and food services are discussed in detail with explanations provided for the rationale behind the food safety regulations. For example, the manual explains that standards for food safety are based on scientific data that demonstrate the conditions required to prevent contamination of food with infectious and toxic substances that cause food-borne illness (AAP, 2002). Its standards and recommendations on food safety topics related to procurement are meant to ensure both a safe food supply and compliance with USDA food sanitation standards, and state and local rules.

Further, *Caring for Children* recommends the U. S. Food and Drug Administration (FDA) *Model Food Code* as a resource tool that assists food control jurisdictions at all levels of government by providing them with a scientifically sound technical and legal basis for regulating the retail and food service segment of the industry. (AAP, 2002).

Other basic safe food-handling guidelines for use with food purchasing are listed in the *Steps to Nutrition Success Checklist* (Oakley & Carr, 2003). The authors noted the following items related to food safety: special attention should be given to the handling of refrigerated and frozen items; items received should be inspected to assure that packaging is secure and intact; and expiration dates on food products received should be observed.

The prevention of food-borne illness begins with purchasing safe foods. A recent study involving 322 Child Nutrition Program directors—21% representing day care program directors—reported that more than half of the directors avoided purchasing raw poultry, pork, and ground beef products and instead purchased precooked items (Kwon, 2004). Precooked products still require proper heating and holding temperatures, but these products obviate the storage of raw items and issues associated with cross-contamination.

Vendor Relationship

Purchasing for Child Care Centers, Gunn (2004) reviewed the purchasing regulations for CACFP providers. When CACFP operations accept money for reimbursement, they also agree to follow federal purchasing rules, which make sure that materials and services are obtained in an effective manner. The majority of child care centers procure their food and supplies through an agreement with a food vendor. Several authors have suggested that the vendor relationship helps ensure the quality of food and supplies (Gunn, 1999; Palmo, 2004; Perkins, 2004). Gunn (1999) emphasized that establishing vendor relationships to ensure service, consistency, and quality is key to effective purchasing. Perkins (2004) proposed that having a purchasing relationship with several vendors (large to smaller companies) allows purchasing flexibility. The quality of the food product is always of prime importance; however, Perkins (2004) stated that effective vendor dealings can assist with that objective. While procurement rules are the food vendor's best friend, perseverance and an understanding of state and federal procurement regulations are needed for a program director to form an effective business relationship with vendors (Palmo, 2004). The program director should also inform the vendor of program challenges such as issues associated with the production area and storage area (Palmo, 2004). This attention to detail helps to achieve effective procurement, which in turn helps guarantee a cost-effective program. Gunn (1999) also cautions that vendor favoritism can be a costly purchasing practice. Programs should avoid awarding business on the basis of favoritism, since this practice decreases competition and can result in higher costs.

CONCLUSIONS

The purpose of this review was to explore the current literature as it relates to procurement practices influencing the CACFP. CACFP operations serve the nutritional needs of qualified children and adults by following a regulatory framework to assure that nutrition needs are met. Effective procurement is an essential component in the delivery of quality meals and snacks served.

The results of the review provide useful information regarding issues to consider when procuring in an effective and efficient manner. The process also brought to light that little research has been conducted outside program regulations that relates to procurement for CACFP. By recognizing the procurement issues influencing CACFP operations, the NFSMI is better prepared to effectively respond to and assess the needs and practices of those operating the programs.

Establishing and implementing an effective procurement process requires well-planned decisions that maintain program excellence. The prevailing issues described in the review (understanding food labels, enforcing food safety, and enhancing vendor relationships) are mutually advantageous actions that CACFP providers should incorporate into their procurement practices as they comply with federal regulations for the program. By doing so, CACFP providers ensure that the procurement process meets the quality provision of nutritious meals and snacks for those served.

RECOMMENDATIONS

The following recommendations are outcomes from the review:

- Conduct research to identify the perceived barriers to effective procurement for the CACFP and to explore the impact of effective procurement on nutrition quality and financial integrity.
- Develop training to educate CACFP providers on effective procurement practices.

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