



## Purchasing Script



### Slide 1:

Cover slide

*Notes to instructor: Welcome participants to this training session.*

### Slide 2:

*Notes to instructor: Review the learning objectives with the participants.*

### Slide 3:

Purchasing is an important consideration in your HACCP/food safety plan. You have heard in many other training classes the recommendation to buy from a supplier who is reputable and handles food safely because you can't improve food safety later. This is especially true when buying fresh produce because it is typically purchased, prepared, and served as a read-to-eat food.

Today, schools have lots of options for purchasing produce. They may be buying produce from one vendor, or a combination of vendors. You may not think of your school garden as a vendor because money rarely changes hands. However, all the requirements for ensuring produce safety should be followed just like any other vendor. Let's take a closer look at our vendor options.

### Slide 4:

Distributors are a "one stop shop" for variety and year round availability because they are buying what is on the market around the country and around the globe. Just about every product is in season somewhere.

The buyer has the responsibility to ensure that food is purchased from a safe, reputable source. To offer the safest product to their customers, distributors may require farms that sell produce to them document Good Agricultural Practices (GAPs) by requiring an annual GAPs or GHPs audit. Although all distributors may not have this requirement in place right now, ask your current distributor what they require. They may buy from some farms that are GAP audited, and if it is important to you, you may ask for produce only from those farms.

To maintain food safety while the product is in their custody, suppliers also follow a food safety plan for handling produce in their warehouse and distributing it to customers, which includes good personal hygiene, avoiding time temperature abuse, and preventing cross contamination. School nutrition buyers should ask all produce suppliers about food safety practices and require documentation of both the supplier's food safety practices and GAPs documentation from farms, if applicable. Suppliers may purchase

from GAPs audited farms, farms with food safety plans, but no GAPs certification, farms that do not have food safety plans, or a combination.

As the “buying local” trend has grown steadily in all sectors of the foodservice industry, many distributors are working very hard to buy locally to gain a competitive advantage. Some distributors may be willing to buy local, if you ask. You might already be getting local produce, without even knowing it.

Distributors may not be as diligent as you would like in finding local sources, because the distributor may be more focused on purchasing the least expensive product available. Talk to your distributor to find out what is realistic within your definition of “local.” Ask to see the buying records showing product origin, or include “buy local when available” on bid documents.

Be a good business partner by being reasonable and knowledgeable. You don’t want to ask for locally grown bananas!

#### **Slide 5:**

Produce cooperatives receive and distribute fresh produce from a number of different farms. Farmers in a produce cooperative pool their resources to create a group distribution center, which centralizes marketing, distribution, and handling payments from customers. Cooperatives help farmers focus more on what they do best—growing food, while streamlining interaction with customers. One advantage of buying through a produce cooperative is that variety and product availability may be better than when purchasing from one farmer. For example, one farmer may not have a certain product available when you want it, while another farmer in the cooperative may still have that product available. Some purchasing coops will minimally process produce, such as cutting heads of broccoli into broccoli florets.

Working with fewer vendors is another advantage of a produce cooperative. The cooperative may represent five farms. Thus, you are working with one cooperative instead of five farms, greatly reducing paperwork and time for both you and the farmers. Ordering, receiving, and paying one invoice’s order reduces your labor costs.

Because produce cooperatives get produce from multiple farms, commingling may occur. If produce is commingled, it may lose traceability. Produce cooperatives should be able to maintain records that will allow customers and farms to trace the produce.

Again, the buyer has the responsibility to ensure they are receiving produce from a safe, reputable supplier. The school nutrition buyer should ask the produce cooperative the same questions as the distributor and require documentation of the cooperative’s food safety practices, including food safety practices of the individual farms.

## Slide 6:

*Notes to instructor: As an option, give participants the handout on Seasonal Fruits and Vegetables found in the instructor's guide.*

There are major advantages to buying local produce including buying produce that is in season, serving produce close to harvest date, and keeping local dollars in the community. You may also be able to work with your local farmers to get certain products at certain times. Talk to the farmer about what products you would like to buy. It might be possible for the farmer to plant a particular item later in the season, or possibly do a second planting to provide product at the start of school. Farmers may also be able to use hoop houses or greenhouses to extend the growing season. Hoop houses are temporary, typically plastic, half moon shaped structures placed over the garden area.

If you buy local produce, you will want to make sure that your customers know about it. Develop flexible menus with creative recipes using local produce. For example, you might consider adding fresh, local produce with frozen vegetable blends to add color, flavor, and extend the quantity available.

The produce market is not stable and is dependent on weather and other factors. Flexible menus are ideal for fresh produce because of perishability. Whether you get your produce from a distributor or from a local farm, you may not know how ripe it will be until it arrives at your door. You may receive ripe strawberries on Tuesday that need to be served on Wednesday instead of Thursday when they are on the menu. Plan to use the ripest and most perishable fruits and vegetables closest to the delivery day, especially if you only receive one produce delivery each week. Always advertise that your menu is subject to change to help prevent unhappy customers.

## Slide 7:

Buying directly from farmers may be a bit more time consuming than using a “one stop shop” distributor. School nutrition buyers may need to work with farmers on selling product to the district, negotiating pricing, arranging deliveries, and developing a pay schedule agreeable to the farmer. Farmers are not used to waiting 45 days to receive payment or working with school district purchase orders.

Typically, local farms are small operations that may or may not receive GAPs audits or have developed an on-farm food safety plan. Schools may want to suggest the farmer review and document self-assessment checklists similar to the *Iowa State University Extension Checklist for Retail Purchasing of Local Produce*. School district purchasing agents, and/or school nutrition program directors and managers may wish to plan a site visit to observe and discuss farm food safety practices. Remember, it is the buyer's responsibility to ensure that food is purchased from a safe, reputable source. School buyers should require documentation of the food safety practices of local farms. Consider making a site visit to observe on farm food safety practices and facilities first hand. It is the only way to verify that the documentation is accurate.

**Slide 8:**

Buyers, distributors, and producers should understand the difference between food product and general farm liability insurance coverage. Product liability covers risks associated with the sale of products away from the farm. In the event of a foodborne illness complaint, the food product liability insurance would cover all customer claims in a lawsuit.

General farm insurance provides coverage only for on-farm activities and the sale of raw, unprocessed produce like pick your own produce operations in case a person or worker is injured. Farmers may think their general farm liability protects them against lawsuit claims from foodborne illness cases, but it does not.

Typically, distributors carry food product liability insurance. When purchasing local foods find out if the farmer(s) carry the necessary liability insurance required by your school district. You may need to talk to your school district's attorney to find out the district requirements.

**Slide 9:**

All purchases made by school districts should be made following Federal procurement requirements. It doesn't matter what you are buying or how much, purchasing should be competitive. Review the *Food and Nutrition Services Procurement Policy for Local Purchasing* that describes formal and informal bidding before buying local product.

For purchases above \$100,000 school districts must follow formal purchasing guidelines. For example, closed sealed bids, and RFPs should be used. In some states the formal threshold is lower. For purchases below the threshold, districts may simply obtain a quote from the vendor. Purchases may not be split in an effort to purchase below the formal threshold. For example, apples may not be separate from your produce bid. Purchases may be split only when they fall under a different category or program. Check with your state department of education (or agriculture) for more information. No matter if it is formal or informal, obtaining at least two, or preferably three, bids increases competition and may help reduce costs.

Your bid document should tell the vendor exactly what and how much product you are looking to buy. If five vendors read the same bid specification, they should give you a price for the exact same product. If the bid specification is not clear, for example, "apples, 40 lb. case", it allows the vendors to give you a price for the product of their choosing. They may have several different types and sizes of apples available in a 40 lb. case, but not all will be the same price. When you review the bid prices, one vendor may have quoted a higher price on a better quality product than the other vendors. You have no way of comparing apples to apples. The next segment of slides will visually show you how important the written product specification is to getting what you ordered.

**Slide 10:**

This bid specification simply stated that you would like to purchase apples.

**Slide 11:**

Ask:

Is this apple acceptable to serve in your school meals program?

*Notes to instructor: Allow participants to discuss whether or not this apple is acceptable for service. Prices shown in this activity are fictitious. For recent apple prices, check Market News [www.ams.usda.gov/AMSv1.0/marketnews](http://www.ams.usda.gov/AMSv1.0/marketnews).*

Tell:

Your bid specification stated you wanted to purchase apples. Without any other description, a vendor could bid these U.S. Utility apples. It is unlikely this would happen, because most vendors realize you would reject these apples. However, you are still giving the vendor the power to decide what you will serve in your program.

Ask:

If the second vendor's bid quote is \$22.00 per case of apples, how do you ensure you are comparing apples to apples?

Tell:

You can't if your bid specifications are not specific.

**Slide 12:**

Ask:

What is wrong with this specification?

*Notes to instructor: The specification does not indicate the quality or condition of the apples. There is no way to guarantee what quality of apple will be bid no matter what variety you choose.*

*Allow participants to answer question, then move quickly to slide 13.*

**Slide 13:**

No matter what variety you choose, even with the additional information, vendors could quote U.S. Utility apples or an unacceptable grade. The apple in this picture has a large

knob on the side, and students would be unlikely to select this apple. Of course, including the quantity to be purchased may reduce your case cost. In our example, case cost was reduced by \$2.00.

**Slide 14:**

*Notes to instructor: Produce grades are discussed and presented in detail in the Produce Quality segment of Produce Safety University (PSU). In addition, produce fact sheets are available on PSU's National Food Service Management webpage.*

This specification includes a grade. In other words, the quality of apple you expect to be ordered and delivered.

**Slide 15:**

Ask:

Can you tell the difference between these two apples?

Tell:

There is very little difference in appearance between these two apples, however there is significant difference in the cost. Specifications are the first step to control your food quality and the way to get exactly the product that you want. Don't put that power in someone else's hands. It is time consuming on the front end to develop good produce specifications, but it really pays off on the serving line, and the bottom line.

**Slide 16:**

Here is a sampling of different grades on a variety of apples based on the quality and condition of each. U.S. Hail may not always be on the market. It was a grade created to help farmers sell apples that were damaged during hailstorms.

**Slide 17:**

*Note to instructor: Winesap apples are used in this example, but this variety is not usually available on the commercial market. However, local farms may make these available through farm to school programs. Prices are fictitious.*

As you can see, the grade affects the market price. Remember, the taste may not be affected, just the exterior color.

**Slide 18:**

Once the school nutrition program buyer(s) and the vendor agree on the quality, quantity, and the price, receiving staff at the site need to know how to properly receive or reject the

product, inspect the delivery vehicle, take and record product temperatures, and safely store, handle, and serve fresh produce.

*Notes to instructor: Time permitting, ask the following questions and allow for participant discussion.*

*How do you (or your staff) know if you are getting what you want if you (they) do not know anything about the specifications?*

*What happens if the custodian receives the food? How are you going to know that you got what you paid for, and that the quality is acceptable?*

*What happens if the person who is receiving the produce never opens the box? How do they know what's in there?*

### **Slide 19:**

We just talked about specifications. If your specifications are not clear, you are not going to get what you want because the distributor can't read your mind. Instead, you are going to get whatever your vendor decides to send. If you expect your suppliers to follow certain food safety requirements, then put the requirements in your bid document. They will not know that it is a requirement unless you tell them. For example, you may want to require refrigerated trucks or trucks that are capable of delivering fresh, frozen, and dry at the appropriate temperatures; GAPs audit documentation; or a written HACCP plan that may be required by the district.

If you are purchasing local, you also need to define what you consider "local" to mean in your bid document. Remember, a good procurement is a competitive procurement—don't limit the local area to two farms in a 25 mile radius if six farms are in a 50 mile radius. You may want to expand your definition to an even larger region so you will have a more competitive market. When buying local produce, discuss the number of days that you want from harvest to delivery with local farmers to ensure that you are getting fresh produce. For example, you could write in your bid that you want to receive your local squash no more than 24 hours after harvest, or you might say 48 hours. Talk to your farmers to find out what is realistic and reasonable. Why might you want something the day after it is picked? Depending on the product, it may be very critical to safety or quality, especially if the farmer does not have refrigerated storage and delivery capabilities.

Now we're going to move on to a very important topic—traceability. The ability to trace product through the supply chain is critical in the event of a food recall.

**Slide 20:**

Every participant at every step in the food chain from farm to fork should be able to trace the product one step back and one step forward. Notice that schools are one of the participants on this chart.

Ask:

Do you get your produce solely from a broadline distributor?

*Notes to instructor: Audience should answer no to this question. Immediately go to slide 21 for more discussion.*

**Slide 21**

Notice that there are now additional lines on this chart connecting the school directly to the co-op, the farm, and the produce distributor.

**Slide 22:**

Schools should maintain purchasing records for all produce vendors. If multiple vendors are used, such as a distributor, local farm, and school garden, you should make every effort not to commingle produce in storage and service. For example, do not put the leftover apples from your local farm in the same box as 30 apples leftover from the distributor, even if you are trying to save space in the cooler. Central kitchens should also have a system of tracing product distributed within the school district. Conduct a mock recall for fresh produce in your district. You might even ask your distributor or produce vendor to help you with this activity. National restaurant chains and large retailers conduct mock recalls several times a year. Actually role-playing a crisis allows participants to see the pitfalls and take correct action prior to a real event.

Additional training activities if time permits (available at [www.nfsmi.org/producesafety](http://www.nfsmi.org/producesafety)):

1. Review and discuss *Verifying On-farm Food Safety Practices* handout.
2. Review and discuss *Ensuring Traceability of Fresh Produce* handout.