PURCHASING and FOOD DISTRIBUTION

State Conference 2021

Bill Urban
Director, Purchasing & Food Distribution

July 14, 2021
To create a world-class educational system that gives students the knowledge and skills to be successful in college and the workforce, and to flourish as parents and citizens.

To provide leadership through the development of policy and accountability systems so that all students are prepared to compete in the global community.
Food Distribution
HIGHLIGHTS

- USERNAMES FOOD DISTRIBUTION WEBSITE
- ARRIVALS HAVE BEGUN
- PURCHASING DUPLICATE USDA ITEMS
- STORAGE FEES
- Favors RECEIVING REQUIREMENTS
- INCIDENT REPORTS
- DISASTERS and SITUATIONS of DISTRESS
- STAFFING
USERNAME UPDATES

• USDA FOOD DISTRIBUTION WEBSITE USERNAMES HAVE BEEN UPDATED

• MOST ORGANIZATIONS AFFECTED

• CONTACT DSTUBBS@MDEK12.ORG FOR ASSITANCE
ARRIVALS HAVE BEGUN

• ITEMS ARE AT DISTRIBUTOR WAREHOUSES

• CHECK YOUR “REPORT 27” NOTICE OF ARRIVALS

• SUBMIT PURCHASING ORDERS AFTER USE OF USDA FOODS

• CHECK “REPORT 27” NOTICE OF ARRIVALS WEEKLY
PUCHASING DUPLICATE USDA ITEMS

• STATE STAFF OBSERVED ORGANIZATIONS PURCHASING ITEMS WHILE THE SAME USDA ITEM WAS AVAILABLE AT WAREHOUSE

• GROUND BEEF AND CHEESE - BIGGEST OFFENDERS

• VERIFICATION OF “REPORT 27” NOTICE OF ARRIVALS

• USE YOUR ‘FREE’ FOODS BEFORE YOU BUY
STORAGE FEES

• USDA FOODS RECEIVE 60 DAYS OF FREE STORAGE

• DISTRIBUTORS MAY INVOICE A FEE FOR STORAGE EVERY 30 DAYS BEGINNING ON DAY 61

• STORAGE FEES ARE THE RESPONSIBILITY OF THE ORGANIZATION THAT INCURS THE FEE

• SDA MAY REALLOCATE USDA FOODS AFTER 91 DAYS TO ENSURE USAGE TO THE MAXIMUM EXTENT POSSIBLE

• STORAGE FEES WILL NOT TRANSFER TO OTHER RECEIVING ORGANIZATIONS DUE TO REALLOCATION BY THE SDA
• ORGANIZATIONS ARE REQUIRED TO ENTER RECEIPT OF FFAVORS ITEMS NOT LATER THAN THREE DAYS FROM DELIVERY

• THERE ARE SOME MULTIPLE REPEAT OFFENDERS TO THIS DOD/USDA REQUIREMENT

• OFFENDERS WILL HAVE FFAVORS ACCESS REMOVED

• FFAVORS REINSTATEMENT WILL REQUIRE A SIGNED POA INDICATING THE STEPS THAT WILL BE TAKEN TO BECOME COMPLIANT
INCIDENT REPORTS

• BROWN BOX ITEMS MAY CONTAIN HIDDEN DAMAGE CREATED DURING PROCESSING

• FRESH FRUITS & VEGETABLES MUST BE CAREFULLY INSPECTED TO OBSERVE MOST DAMAGE

• QUICKLY SUBMIT INCIDENT REPORTS UPON DISCOVERY OF UNSATISFACTORY PRODUCT

• TAKE PICTURES OF BOXES WITH ALL LABELS

• EMAIL ALL TO SWPP@MDEK12.ORG
DISASTERS / SITUATIONS of DISTRESS

• TAKE TIME AND REVIEW YOUR PROCEDURES

• USDA FNS HAS PUBLISHED A NEW DISASTER MANUAL DATED JUNE 2021
  

• WHAT AGREEMENTS DOES YOUR SCHOOL DISTRICT HAVE WITH OTHER EMERGENCY MANAGEMENT ENTITIES?
• BRIANNA STRINGER HAS ACCEPTED ANOTHER POSITION WITHIN STATE GOVERNMENT AND WE WISH HER THE VERY BEST

• DONNA STUBBS IS NOT UNFAMILIAR WITH WORKING SOLO

• WORKING TO QUICKLY FILL THE FOOD DISTRIBUTION SPECIALIST POSITION

• IMMEDIATE CONTACT WILL BE:
  • DONNA STUBBS DSTUBBS@MDEK12.ORG 601-576-4978
  • BILL URBAN BURBAN@MDEK12.ORG 601-576-4960
Purchasing
HIGHLIGHTS

• PURCHASING NOTES
• PRICING & AVAILABILITY
• LABOR – FREIGHT COSTS - TRUCKING
• BRANDS DISCONTINUED
• MAPS ORDERING WEBSITE
• FOAM PRODUCTS
• PRODUCE
• INCIDENT REPORTS and OVERTIME REQUESTS
• DISTRIBUTOR TERMINATIONS with PURCHASING COOPERATIVES
Purchasing Notes - https://www.mde.k12.ms.us/OCN/PFD

Purchasing and Food Distribution

In 1992 the Mississippi Department of Education and participating school districts’ Child Nutrition Programs initiated a statewide purchasing program. Under this program, bids for food and supplies are issued by the Department. These bids represent manufacturer’s pricing as well as that of institutional distributors and suppliers.

Local schools may order products from the approved bid list at a fixed price for the duration of the contract. The foods are delivered by contract distributors on a weekly basis, with the school cost of food and delivery being paid by the district to the assigned distributor.

The specific items on the list are determined by the Purchasing Management Committee (PMC). This includes quality of product, packaging, pricing, and pre-approved brands based on student acceptability. The PMC has a strong focus on the quality issues involving the items and brands which are approved, which includes testing of products with students in a school environment. Current committee members are listed in this document.

The service is self-funded from fees charged to the local entities. Costs are divided into start-up (one-time) and operation costs. These are then applied to the number of meals served by the member districts to generate revenue to meet an annual budget approved by the PMC. The one-time startup rate will remain constant for all new members, while operation costs will be adjusted in subsequent years to reflect balance on hand as well as the inclusion of new members.

There are currently in excess of 1500 items on the list. These include food, produce, supplies, milk, ice cream, and bread used by participating districts. The cost savings on the initial bid items will more than cover the service fees incurred by the districts. Factoring in rebates received from some direct-manufacturer items increases these savings considerably.

Member districts’ participation results in cost savings, plus they no longer have to prepare, award, or manage bids for the approved items. This responsibility is transferred to the Department of Education as part of the overall operation.

Resources
- Commitment to Participate Child Nutrition Statewide Purchasing Program
- Commodity Rate
- Disaster Information
- Food Distribution Advisory Committee
- Food Buying Guides
- Incident Report
- MED-Procurement Decision Tree
- Project Management Committee

Purchasing Notes
- June 2021
- January 2021
- USDA Food Distribution Program Regulations
- USDA Foods Product Information Shelves
Pricing & Availability

• HIGH DEMAND and LOW PRODUCTION
  • Covid19 shutdowns + widespread outbreaks at processors.
  • Fuel costs
  • Weather

• FRUIT – Almost all domestic product ships to the retail produce market. Processors are heavily dependent upon nondomestic growers as domestic growers become less and less. California Orange growers are ripping out groves & replacing with nut trees.
Freight Costs and Trucking

• FREIGHT / SHIPPING – Overseas containers have typically cost $1500.00. Many now cost between $6000.00 and $15,000.00.

• TRUCKING – The availability of drivers continues to plague the food distribution industry. Foodservice has the highest turnover of drivers.

• DISCONTINUED BRANDS – The immediate shift of manufacturers to supply the retail market identified food service brands that were repetitive. Consolidation is taking place within the industry.
• INFORMATION AREA - Frequent this area for up-to-date information about line items in the order guide. In the top right corner of your home page:
July 6, 2021 - Pricing has been entered into the system. It is expected that some items may change throughout the year.
Check back weekly for possible updates.

Click this hyperlink to view the June 2021 Purchasing Notes:

It is imperative that organizations communicate to distributors whether they will be available to receive scheduled food deliveries. Distributor delivery attempts refused by an organization due to closure, without prior notice, may subject the organization to stockout fees of up to 25% of the value of the refused order.

AFTER HOURS CONTACTS

Merchants: MDEW/Supplier@MerchantsFoodServices.com
Crumbley: MDEW/Crumbley@supcisco.com also 601-498-4186
Briars: MDEW/Briars@supcisco.com

HYPERLINK BELOW FOR LIST OF ORDER GUIDE ITEMS THAT ARE SMART SNACK AND CACFP COMPLIANT.

Overtime Request
Commitment to Participate Form
Incident Report

Purchasing Staff
Bill Urban - Director bus@MDEK12.org
Chalanie Sp - Contract Specialist chalanie@MDEK12.org
Adrienne Ealy - Product & Testing Specialist adry@MDEK12.org

Food Distribution Staff
Donna Stroka - DonnaStroka@MDEK12.org
601-576-4980
• RESIN IS IN TIGHT SUPPLY DUE TO THE REFINERY FREEZE LAST WINTER

• EXPECT TO USE 5 COMPARTMENT TRAYS TO DELIVER MEALS TO STUDENTS THIS SCHOOL YEAR

• OTHER FOAM ITEMS THAT ARE HAND PACKED MAY BE IN LIMITED SUPPLY
PRODUCE DISTRIBUTORS

Region 3 – Sunrise Fresh - change
Region 4 – Sunrise Fresh
Region 5 – MS Fruit & Veg - change
Region 6 – MS Fruit & Veg - change
Region 7 – Sunrise Fresh

• PRODUCE ORDERS FOR AUGUST DELIVERY MUST BE ENTERED IN MAPS AFTER FRIDAY JULY 23RD
  • THIS WILL ENSURE SUBMISSION TO THE CORRECT DISTRIBUTOR
  • PRODUCE ORDERS MUST BE SUBMITTED 7 DAYS PRIOR TO DELIVERY
INCIDENT REPORTS

• Locate form at: https://www.mdek12.org/OCN/PFD in Resources. Also MAPS Information Section

• Submission of an incident report should be timely and complete.

• Take pictures of the container and the issue with the product.

• Report “hidden” hazards and poor quality on an incident report.

• Examine all fresh products thoroughly prior to receipt. Reject poor quality products. A signed invoice is evidence of acceptance, and with the exception of hidden damage, there is little recourse for replacement.

• Email completed incident report and pictures to SWPP@Mdek12.org

• Milk Deliveries – Email burban@mdek12.org immediately if a delivery has not been received. This requires immediate attention and resolution.
OVERTIME REQUESTS

- Located only in MAPS website information section.

- Submission should be timely – within a week of occurrence.

- You will need Hourly Rate and Benefits Rate from your HR.

- The form calculates reimbursement owed.

- You may select the Submit Form button if using Outlook email, otherwise email to SWPP@mdek12.org

<table>
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<th>Driver Name</th>
<th>Truck Arrive</th>
<th>Truck Depart</th>
<th>Staff Member</th>
<th>Hourly Rate</th>
<th>Benefits (over 40 hours)*</th>
<th>Total Overtime Hourly Rate</th>
<th>Total Overtime Hours Worked</th>
<th>Total Reimbursement</th>
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<td>Jennifer Topazz</td>
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<td>George Klooney</td>
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<td>1.66</td>
<td>$25.73</td>
</tr>
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</table>

* (e.g., $17.00 hourly rate + $3.72 benefits/hour = $20.72/hour x 2 hours worked = $41.44 total reimbursement)
GOOD PARTNERSHIPS

• MANY SCHOOL PURCHASING COOPERATIVES HAVE HAD THEIR DISTRIBUTOR CANCEL AGREEMENTS TO PROVIDE FOOD

• YOUR MS DISTRIBUTORS ARE PLEASED WITH AND SUPPORTIVE OF YOU

• COMMUNICATION, UNDERSTANDING, AND FLEXIBILITY HAVE MADE YOUR STATEWIDE PURCHASING PROGRAM SUCCESSFUL

• EVERYONE WISHES ALL SCHOOLS A VERY SUCCESSFUL SCHOOL YEAR – AND WE STAND READY TO ASSIST IN ANY WAY WE CAN
Questions
This institution is an equal opportunity provider.

Full Non-Discrimination Statement link: