

Study of School Food Authority Procurement Practices (Summary)

Background

The Study of School Food Authority (SFA) Procurement Practices is the first study from the U.S. Department of Agriculture (USDA), Food and Nutrition Service to comprehensively describe and assess the decision-making process regarding school food procurement practices at the SFA level.

The research objectives were to:

- 1) Describe how SFAs develop and publish solicitations, evaluate and award contracts, and monitor contractor performance for all school food purchases,
- 2) Describe procedures and recordkeeping practices used by SFAs with their food service management company (FSMC) contracts,
- 3) Describe the forms of group purchasing efforts used to purchase goods and services,
- 4) Assess the availability of State agency-provided technical assistance and training resources, and
- 5) Assess the strengths and weaknesses of SFAs to develop solicitation and contract documents, evaluate bids/responses, negotiate terms and conditions, and conduct contract oversight.

Key Findings

- Most SFAs (84.6 percent) procure goods or services for two or more Child Nutrition Programs together.
- The top factor that influenced SFA decisions on procurement methods and contract type was estimated cost (31.4 percent).
- To ensure compliance with the Buy American provision, 48.9 percent of SFAs included the Buy American clause in bid solicitations.
- More than half of SFAs (57.1 percent) that use FSMCs reported doing so to help maintain procurement compliance.

Methods

This study analyzed responses to a nationally representative sample of SFAs selected to complete the survey. The sample was a subset of the 1,679 SFAs that participated in the Child Nutrition Program Operations Study II (CN-OPS-II), which included a module on SFA procurement practices in school year (SY) 2016–17.

The study team used the CN-OPS-II data to develop five models of SFA procurement practices that informed the selection of the SFA sample for the current study. The models were assigned based on an SFA's policies along five dimensions: contracting, management, suppliers, decision makers, and State

monitoring. These dimensions were attributed based on SFA responses to the CN-OPS-II survey; 700 SFAs were randomly sampled across models for this study. Participating SFAs varied in terms of size, urbanicity, percentage of students approved for free and reduced-price meals, and FNS Region. All respondent SFAs participated in the National School Lunch Program (NSLP); many participated in other Child Nutrition (CN) Programs including the School Breakfast Program (SBP) and Summer Food Service Program (SFSP).

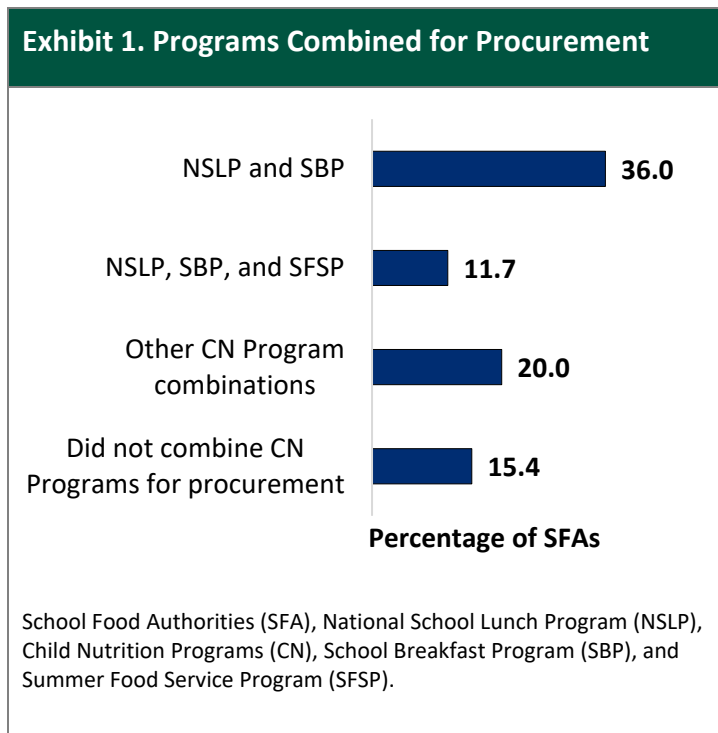
From that sample, 562 SFAs completed the web-based survey regarding SY 2017–2018 and, of them, 100 participated in indepth interviews to collect

additional data. The interviews allowed for more nuanced and detailed responses about their procurement practices. Findings are based on the perceptions and experiences of the SFA and they may not reflect actual regulations and policies; this study was not an audit. For most questions, SFAs were able to select multiple responses; percentages often add up to more than 100.

Findings

Most SFAs (84.6 percent) procure goods or services for two or more CN Programs together. For procurement purposes, the most common programs combined were the NSLP and SBP (Exhibit 1). Additionally, SFAs reported 18 other combinations, accounting for 20.0 percent of all SFAs.

Most SFAs (76.0 percent) indicated their procurement approach was based on menu items and food variety needs. Other common considerations included regulatory requirements regarding the meal pattern (65.3 percent), food service operations (54.9 percent), CN Program participation rates (52.0 percent), and food service equipment and supply needs (50.5 percent).



Choice in procurement methods and contract type are varied across SFAs. The top factor that influenced SFA decisions on procurement methods and contract type was estimated cost (31.4 percent). More SFAs used small purchase procedures (56.8 percent) than other procurement methods, followed by sealed bids (50.0 percent), competitive proposals (48.8 percent), and micro-purchases (47.0 percent). Other leading factors that influenced SFA decisions were service quality (21.2 percent) and product consistency (17.3 percent). Though not mutually exclusive, more than half of SFAs (57.6 percent) reported awarding fixed-price contracts, while fewer awarded cost-reimbursable contracts (cost-reimbursable with fixed fee: 12.7 percent; cost-reimbursable without a fixed fee: 7.1 percent).

The most common way SFAs (68.5 percent) monitor contractor performance is by examining the goods, services, invoices, and documentation provided by the contractor. SFAs also reported confirming receipt with the individuals responsible for receiving goods and services (51.7 percent), reviewing compliance reports (15.2 percent), and requesting certification of U.S. content (14.5 percent). SFAs tracked discounts, rebates, and credits in cost-reimbursable contracts and reviewed vendor invoices and statements for accounting errors.

To ensure compliance with the Buy American provision, 48.9 percent of SFAs included the Buy American clause in bid solicitations. Though not mutually exclusive, 42.9 percent of SFAs also included the Buy American provision in product specifications, as well as in requests for proposals (37.8 percent), procurement documents for food (28.0 percent), and purchase orders (14.3 percent). Further, SFAs examined food product packaging (47.6 percent), requested certification of food product origin (34.9 percent), and/or required documentation for exceptions to approve the purchase of non-domestic foods and food products (27.0 percent).

In SY 2017–18, SFAs sourced goods and services from a variety of suppliers, including FSMCs and group purchasing entities. Among the 26.2 percent of SFAs using FSMCs, 51.0 percent used them to manage all procurement activities. More than half of

SFAs (56.1 percent) participate in group purchasing; 2.9 percent of SFAs wanted to participate but did not find one available.

SFAs cited several reasons why they contract with FSMCs to operate the program and procure goods and services on SFAs' behalf. More than half of SFAs (57.1 percent) that use FSMCs reported doing so to help maintain procurement compliance. Other top reasons for using an FSMC included helping to resolve delivery issues (49.8 percent) and procuring products (48.5 percent). Almost one-third of SFAs (32.7 percent) contract with an FSMC as the contract was already in place prior to the director's employment with the SFA.

The majority of SFAs (81.9 percent) reported using best practices materials for small purchase procedures. SFAs reported using best practices materials regarding: the Buy American provision in contracts and solicitations (76.8 percent), product specifications (73.3 percent), and advertising requests for proposals (67.3 percent). Reported challenges included regulatory changes while maintaining timelines, applying the Buy American provision, approving the purchase of nondomestic food and food products, and applying State policies.

For More Information:

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