



# Standard Operating Procedure: How to Conduct Values-Aligned Procurement

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## Purpose

This SOP has been designed to teach CAF staff about the values-aligned procurement cycle developed by the CAF procurement team. Additionally, the SOP provides staff insight into how and when to use various procurement tools developed by CAF. When applicable, SOPs on the use of specific CAF procurement tools will be linked in this document.

## General Instructions

This document will guide CAF staff through each of the 9 steps of the CAF Values-Aligned Procurement Cycle. The procurement process, also known as the procurement cycle, is a process that any business, in this case a School Food Authority (SFA), uses to find and obtain the necessary goods and services to run a Food & Nutrition Services Department. This structured approach to procurement helps SFAs enhance the department's overall performance by maximizing efficiency in operations, minimizing food costs, and offering opportunities for continuous improvement.

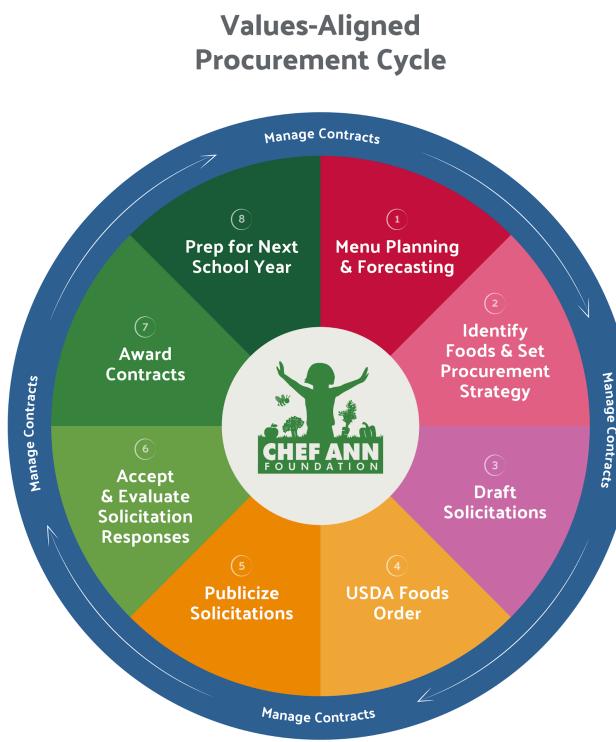
Values-aligned procurement is a practice where the purchasing decisions of an SFA are guided by their core values and ethical principles ensuring that SFAs are not just selecting the lowest cost goods or services that meet their operational needs but foods that align with their desire to promote broader social and environmental good such as environmental sustainability, social responsibility, animal welfare, fair labor practices, climate resilience, supply chain transparency and racial justice and so on.

While the CAF Values-Aligned Procurement Cycle contains nine steps, CAF staff may only support an SFA with a few of these steps, one of these steps, or even a portion of one step. An SFA may have already implemented a process for one of the steps that works well for them. CAF staff should be sure to meet the SFA where they are regarding the SFA's experience, existing processes, capacity,

and overall success. While we strive for all SFAs to implement all of these steps entirely, this may be a process that is slow and methodically implemented over multiple school years. Some SFAs may only be interested or able to implement some of these steps.

The CAF Values-Aligned Procurement Cycle:

- **STEP 1:** Menu Planning & Forecasting
- **STEP 2:** Identify Sources of Values-Aligned Food & Set Procurement Strategy
- **STEP 3:** Draft Solicitations
- **STEP 4:** USDA Foods Order
- **STEP 5:** Publicize Solicitations
- **STEP 6:** Accept & Evaluate Solicitation Responses
- **STEP 7:** Award Contracts
- **STEP 8:** Prepare for Next School Year
- **STEP 9:** Manage Contracts



Each section of this document will discuss a step in detail and link to the corresponding [Internal How to Conduct Values-Aligned Procurement Training](#) and any applicable resources.

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #1](#)

## Step 1: Menu Planning & Forecasting

The menu is the primary driver of change in any school food operation. Menu planning is done through the use of a cycle menu. Cycle menus provide a plan to inform procurement, standard operating procedures, and work patterns. The process of designing cycle menus involves various activities, such as selecting the mix of dishes, effectively costing menu items, and determining the strategy for cross-utilization of ingredients. Once the cycle menu is decided upon, SFAs begin forecasting. Forecasting is the process of predicting the types of products, volumes of products, and estimated cost of products an SFA will buy to support the menu based on historical data such as velocity reports, student enrollment, menu trends, average daily participation estimates and other relevant information. However, before that work can begin, CAF suggests taking a moment to draft, review, or update department policies and procedures that might impact the procurement cycle.

1. Draft, Review and/or Revise Department's Policies and Procedures such as:
  - a. Definition of Values-Aligned Food
    1. Draft, review and/or update department's definition of values-aligned food before menu planning begins. This will ensure that menu changes align with the SFAs values and that values-aligned foods are being slotted into the menu.
    2. With updates to geographic preference, it is critical that SFAs define "locally grown, locally caught, and locally raised" so that when writing a product specification using the term, the bidder knows exactly what this means and will look for products that meet this clearly defined expectation.
      - [Values-Aligned Procurement Goals & Definitions SOP](#)
  - b. Values-Aligned Procurement Goals
    1. Draft, review and/or update the department's values-aligned procurement goals before menu planning begins so that menu changes are made with revised/new procurement goals in mind.
      - [Values-Aligned Procurement Goals & Definitions SOP](#)
  - c. District Wellness Policy

1. The wellness policy shapes the school district's student health and wellness approach. As a best practice, CAF recommends incorporating ingredient and product standards, including local purchasing goals, into the department's and District's Wellness policies; codifying the SFAs values-aligned goals in policy and creating synergy between the district's broader student health goals and the department's values-aligned food goals.

- [Local School Wellness Policy Examples and Resources](#)

d. Procurement Code of Conduct

1. A Procurement Code of Conduct is a federal requirement. This document covers conflicts of interest, including organizational conflicts of interest, and governs the performance of employees engaged in the selection, award, and administration of contracts. It has a limited connection to VAP but is a required step.

- [Code of Conduct Template](#)

e. Procurement Procedures

1. Having Procurement Procedures is a federal requirement. The Procurement Procedures document explains how your SFA will conduct procurement and how that procurement will be in compliance with local, state, and federal regulations. It has a limited connection to VAP but is a required step.

- [Procurement Procedures Template](#)

2. Draft Menu Cycle

a. Cycle menus provide an organizing framework for any Food & Nutrition Services Department; they should be thought of as the foundation and building block for how to organize and understand the way in which multiple facets of a Food & Nutrition Services Department relate to one another. The development of a menu cycle allows an SFA to determine which food items they need to procure for next school year. With this information fed into a forecasting tool an SFA can determine what volume of purchases they need to make of each item. This information assists with budgeting for the purchase of these items as well as determining which food items could/should be values-aligned and which type of procurement methods will need to be employed to source those products (i.e. micropurchase, small purchase, RFP, etc.). In addition the information gleaned should be shared with potential vendors,

farmers and food artisans to help ensure the availability of values-aligned products and/or improve the competitiveness of procurements.

- [Menu Planning & Forecasting Workbook SOP](#)

### 3. Menu Forecasting

- a. Forecasting is a multi-step process that is done once a menu cycle is developed and takes into account various factors such as historical data, menu trends, student enrollment, student preferences and culinary trends. The ultimate goal is to estimate the most accurate volumes per item to be purchased during the next school year. This information will be shared with potential vendors with the hopes of either lowering food costs and/or building a supply of values-aligned foods. If a district buys more of an item, they will get a better price. Conversely if the district buys only a small amount of an item, they may not get as competitive of an offer. Districts will take the information developed in the menu planning and forecasting process and input that into solicitations, most notably the pricing worksheets, to broadcast their needs and purchasing power to potential suppliers and/or work with values-aligned suppliers to secure the supply of values-aligned foods. Update these numbers for every solicitation type each year or every time a solicitation is issued.

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #1](#)
- [Values-Aligned Procurement Goals & Definitions SOP](#)
- [Menu Planning & Forecasting Workbook SOP](#)
- [Local School Wellness Policy Examples and Resources](#)
- [Code of Conduct Template](#)
- [Procurement Procedures Template](#)

## Step 2: Identify Sources of Values-Aligned Food & Set Procurement Strategy

Step 2 is truly the “center” of the values-aligned procurement cycle; the suggested activities will take considerable time to complete, plan accordingly. SFAs must design and select procurement strategies that optimize values-aligned procurements based on a district’s size, operational scope, location, and administrative capacity. At this stage, SFAs will identify sources of values-aligned foods early in the procurement cycle. Doing so enables an SFA to assess costs, forward plan with

vendors, and learn about vendors' production, delivery, and processing capacity. More importantly, this allows SFAs to change sourcing strategies with minimal disruption if values-aligned vendors need additional flexibility.

1. Budgeting for Values-Aligned Foods

a. Menu/Food Cost Projections

1. Food costs are the second-largest expense in food service budgets, and understanding the financial impact of operational decisions is vital to managing a balanced budget. Fiscal accountability and transparency are essential for new values-aligned sourcing initiatives and program changes to be successful. There are two main goals for SFAs as it relates to values-aligned purchases: understanding the cost of value-aligned foods and possessing the ability to balance revenue with costs to create efficiency and accuracy in the budgeting process so that an SFA may maximize values-aligned procurements.

- [Average Cost Per Meal Calculator](#)

b. Conduct Micropurchase Self-Certification

1. Each year SFAs must self-certify to increase their micropurchase threshold from \$10,000 to up to \$50,000. Please note some states do not allow for self-certification.

- [Micropurchase Threshold Increase Self-Certification Workbook SOP](#)

c. Comparing Costs: Values-Aligned vs Conventional Purchasing

1. When considering new values-aligned sourcing initiatives and menu changes for specific items, it helps to compare the cost of "conventional" foods to values-aligned foods to determine the impact these shifts may have on the budget. The purpose of a cost variance analysis is to 1) determine the estimated cost of a new product compared to a current product; 2) determine if the price of this new product is reasonable; and 3) determine if the SFA's budget can sustain the cost.

- [Cost Variance Tool SOP](#)

d. Conduct Cost Price Analysis (Formal Bids Only)

1. According to 2 CFR 200.323(a) SFAs must conduct a cost/price analysis in connection with a formal procurement. The method and degree of analysis

is dependent on the facts surrounding the particular procurement situation. Still, as a starting point, the SFA must make independent estimates of the cost of a potential contract before receiving bids or proposals. A cost/price analysis aims to 1) determine the estimated cost of a product or service; 2) determine if the bid pricing received is reasonable; and 3) determine if the SFA's budget can sustain the cost.

- [Cost Price Analysis Template](#)

2. Identify Sources of Values-Aligned Foods

- a. Once an SFA knows what values-aligned products they want to buy, they must determine what value-aligned suppliers are available to provide these products.

There are many ways to identify these types of vendors and foods. Some suggested strategies for identifying values-aligned vendors and foods include:

1. Leverage current vendor relationships by asking current vendors to provide a list of values-aligned food items they sell. Vendors may have never even presented these values-aligned foods to an SFA because they assume these were not products an SFA is interested in or could afford.
2. Communicate and collaborate with colleagues and ask other SFAs what values-aligned foods they buy and from whom. Partnering with other SFAs to buy a larger quantity of the same product from a vendor has also been successful in “pulling” in values-aligned foods to K-12 schools.
3. Conduct basic research on local vendors via the web, contact county departments of agriculture for farmer directories, or contact farm bureau offices in your area for lists of members.
4. Host meet-and-greet events like a vendor fair. An SFA may want to ask an area non-profit that works on farm-to-school to assist with hosting.
5. Go to local farmers markets and talk to farmers and vendors about the SFA's values-aligned goals. Some farmers may not be wholesale-ready but might be willing to work with districts to get there.
6. Scan the grocery store for local products. If the products are in the grocery store, these vendors are likely wholesale-ready and could possibly meet the SFA's volume and distribution needs.

7. Look up food hubs in your area. Food hubs are a great way to buy value-aligned foods.
    - A. According to the USDA, a food hub is “a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.”
3. Set Strategy for Upcoming Values-Aligned Procurements
  - a. There are a plethora of procurement pathways to choose from. Most SFAs, whether they realize it or not, employ more than one procurement strategy at a time such as a micropurchase for local grassfed ground beef while holding a broadline contract that includes traditional hamburger patties. Keep in mind, this document is not meant to be a comprehensive guide to conducting values-aligned procurements; it is meant to outline the procurement cycle plus activities and resources for consideration at each step. When determining a procurement strategy, SFAs might want to ask:
    1. What are the bidding thresholds for the SFAs state, municipality, or district?
      - A. Some states, municipalities, and/or school boards set more restrictive purchasing thresholds than the USDA. SFAs must use the most restrictive threshold.
    2. Will values-aligned procurements be direct or indirect?
      - A. *Direct procurement* is the process of acquiring select goods and services directly from the supplier and skipping intermediaries. For example, you could buy from and pay the farmer directly for their foods via a micropurchase.
      - B. *Indirect procurement* is the process of acquiring many different goods and services from a supplier that sells various items that meet operational needs. For example, buying and paying for various foods and supplies from a broadline distributor.
    3. How many procurements/solicitations is the SFA willing to issue?
      - A. What are the advantages of working with multiple vendors? For example, an SFA could consider issuing two produce solicitations:

- one informal solicitation targeting a vendor(s) specializing in values-aligned produce and one formal solicitation for more “conventional” produce items.
- B. Is it better to split up solicitations into multiple product categories (dairy, bread, produce) and issue multiple solicitations, versus issuing one or two solicitations targeting a massive “broadline distributors”? Or would an SFA be better off issuing one single solicitation and issuing the awards line by line to ensure they work with more than one vendor, but they only had to issue one solicitation?
4. Would it be helpful to consider breaking up the district into different service areas—a certain part of town or a certain number of schools—and looking for multiple firms to provide service to each service area?
5. Will the SFA award the contract line by line or as one lot award?
- A. This decision must be clearly written in the solicitation as it impacts the pricing that bidders propose. Bidders cannot go as low when bidding for business line by line because they may not get awarded the entire contract. Line by line bids are more balanced in pricing. For one-lot awards, most bidders deliver better pricing on the top 10% of items that consume about 90% of the contract budget. The district needs to be clear about how it will award bids.
6. Will the SFA be issuing micropurchases, informal purchases, or formal purchases?
- A. *Informal solicitations* - Informal procurements offer considerable flexibility regarding values-aligned procurements. There are micropurchases (\$10,000 and under and up to \$50,000 and under if self-certified) and simplified acquisitions (\$250,000 and under).
- a. To maximize value-aligned informal procurements, SFAs can:
- 1) issue micropurchases only to values-aligned vendors,
  - 2) issue simplified acquisitions (informal bids) only to values-aligned vendors,
  - 3) when writing product specifications make sure to add the terms locally grown, when applicable and
  - 4) when drafting product specifications

an SFA can include the manufacturer's name (or a farm name) in the product specification, as is often done with other food items. When including brand or farm names, the SFA should include an equal (or equivalent) clause so a bidder can offer an equal product if that brand or farm's items are unavailable to that bidder. Informal solicitations can be issued at any point in the school year; waiting until "bidding season" is not required.

- B. *Formal solicitations* - Formal procurements are more complex, but that does not mean they cannot be values-aligned. These procurements are for purchases of \$250,000 or greater. Which type of solicitation is best for formal values-aligned bids: a Request for Proposal or Invitation to Bid? That depends.

- a. Invitations for Bids are best for more simplified formal purchases, such as purchasing a single item that is price sensitive. For example, an SFA buying a large amount of local or organic chicken drumsticks. When writing product specifications, an SFA can include the manufacturer's name coupled with the or equal (or equivalent) clause to indicate exactly what manufacturers the SFA would like to buy from. In addition, with the updates to the Local Geographic Preference rules, issuing a formal solicitation for local foods has become easier since the terms locally raised, locally grown, and/or locally caught can now be written into the bid specification. Essentially, this allows an SFA to explicitly ask for those products in the product specification and not just reference the concept within the body of a solicitation.
- b. Requests for Proposals (RFPs) are best used when bidding on a larger number of items, such as grocery or dairy bids. When issuing an RFP, SFAs should request a proposal from the bidder/vendor about how they will support the operation's values-aligned purchasing goals. At the very least, the RFP

should include a vendor questionnaire. SFAs can also conduct interviews with bidders to learn more about the services they can offer. All too often, SFAs issue RFPs but rarely do they request proposals. Remember to include evaluation criteria and a scoring rubric reflecting the SFA's values-aligned goals and let bidders know preferred qualities. Evaluation criteria can include many things, such as geographic preference, how many organic items a bidder offers, if a bidder is willing to pick up products from new vendors or local farmers, what other values-aligned products the vendor sells, willingness to add SKUs to contracts based on SFA's needs, customer experience, and so on. An SFA can even do a taste test for certain products as part of the evaluation process. Finally, when writing a Request for Proposal, the SFA should ***request a technical proposal*** from bidding vendors. A major objective of issuing an RFP is the technical proposal. Consider all the potentially valuable knowledge gained if each bidder outlined a values-aligned sourcing plan during the bidding process. Ask the bidding vendor to describe in detail (i.e., outline a plan) the bidder's solution/suggestion for enhancing, expanding, or starting a values-aligned purchasing program. This is different from a basic questionnaire. If an SFA is forgoing a technical proposal, include a detailed vendor questionnaire that elicits similar feedback. SFAs can also conduct interviews with bidders to learn more about the services a bidder offers.

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #2](#)
- [Menu Planning & Forecasting Workbook SOP](#)
- [Average Cost Per Meal Calculator](#)
- [Micropurchase Threshold Increase Self-Certification Workbook SOP](#)

- [Cost Price Analysis Template](#)
- [Cost Variance Tool](#)

## **Step 3: Draft Solicitations**

1. “Finalize” Menu
  - a. Menu shifts will undoubtedly occur throughout any school year, for various reasons. Still, the goal is to finalize menus before going out to bid so that solicitation and pricing worksheets reflect the products needed and future adjustments minimize/avoid material changes to contracts.
2. Draft Solicitations
  - a. A good solicitation should include at a minimum:
    1. A clear description of the item(s) to be purchased,
    2. The quantity of the item(s) to be purchased,
    3. The duration of the purchase (or contract),
    4. The delivery locations and
    5. The evaluation metrics as it relates to the award (by price only, point system, or otherwise)
    - [Standard Operating Procedure: Using Template Solicitations](#)
3. Build Pricing Worksheets
  - a. The pricing worksheet is the document where the SFA lists product specifications and usage figures, and bidding vendors will insert their proposed prices for each line item listed. This document is where the SFA can articulate its specific values-aligned food needs. From this document, potential vendors will get their direction from SFAs; if they do not know what an SFA wants, they cannot provide it to them. Make sure to draft descriptive and accurate product specifications. It is also where SFAs demonstrate their purchasing power; projected purchasing volumes often determine price, so make sure to include the most accurate projections in pricing worksheets, pull old products off of pricing worksheets, and be as accurate as possible to get price breaks.
  - b. The pricing worksheet can be embedded into the body of a solicitation, typically for informal and small procurements, or it can be an Excel file sent as an addendum to the solicitation, typically for formal and/or large solicitations.

- c. In many “conventional” pricing worksheets, SFAs list manufacturer names plus the or equal statement. SFAs have done this for years to ensure they get the exact product they want from a specific manufacturer. This can be done in any solicitation; produce, dairy, and/or values-aligned solicitations. When writing product specifications, include the manufacturer’s name plus the equal (or equivalent) clause to indicate precisely what product you want. Including an additional column in the pricing worksheet is also helpful, where bidders can provide equivalent product information (price per serving) if the “equal item” has a different pack size than the item listed on the pricing worksheet. SFAs may also request within the body of the solicitation that vendors bidding an item as an equal product to the brand name specified will be required to provide the District with a product specification sheet and a sample case of the product for taste testing and verification by Food & Nutrition Services department staff and a selected number of students to ensure that the product is an equal product to the brand name specified.
- d. With recent changes to the geographic preference, SFAs can now include locally grown, locally raised, and/or locally caught products as part of a product specification. Make sure to do so where appropriate.

- [Standard Operating Procedure: Using Template Pricing Worksheets](#)

4. Review USDA Foods Survey for Next School Year

- a. SFAs receive their USDA Foods Survey for the next school year towards the end of each calendar year. While the current school year’s procurement cycle is not yet complete, SFAs will need to make best guesses as to what USDA Foods items will be menued the following year. SFAs should use this survey/order and related entitlement allotments to determine how much their next menu will use USDA Foods versus values-aligned foods. USDA Foods chosen through these support programs should reflect an SFA’s program vision, food standards, and scratch cooked goals for menus and procurement.

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #3](#)
- [Standard Operating Procedure: Using Template Solicitations](#)
- [Standard Operating Procedure: Using Template Pricing Worksheets](#)

## **Step 4: USDA Foods Order**

The value of USDA Foods to an SFA's bottom line cannot be understated. USDA Foods make up between 15% and 20% of products served in the school lunch and breakfast programs. SFAs will always need to use their entitlement and USDA Food allocations.

### 1. Determine Entitlements and Allocations

- a. USDA Foods chosen should reflect and support the SFAs values-aligned procurement goals. SFAs can use USDA Foods to buy values-aligned foods by allocating as much entitlement towards DoD Fresh, which can provide local and organic items; spend a majority of entitlement on Brown Box items that are raw or whole ingredients; and spend entitlement on higher value items, freeing up more department funds to be spent on values-aligned foods. SFAs should know where this money is best used based on the total amount allocated and what products are available in each program. SFAs should take time to review what items are available from each program, use tools like the USDA Foods Availability List, FFAVORS, and other USDA Foods online ordering catalogs; Department of Education annual surveys; past invoices from produce firms; and other information to determine what items are going to be available in the upcoming school year and which ones align with values-aligned procurement goals. One of the most important things for the SFA is to ensure they use all their entitlement funds in each program. When an SFA spends all of their entitlement, the SFAs should not be afraid to ask for even more entitlement, especially as the school year winds down.

- [Menu Planning & Forecasting Workbook SOP](#)

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #4](#)
- [Menu Planning & Forecasting Workbook SOP](#)

## **Step 5: Publicize Solicitations**

The requirements for issuing or publicizing solicitations vary depending on whether the socialization is informal or formal. Whichever type of solicitation is issued, an SFA must issue the same solicitation to all vendors - i.e., all vendors must receive the same information.

1. Issue Solicitations
  - a. Informal solicitations should be sent to at least two vendors, but best practice is three. An SFA is not required to receive three quotes to proceed with a solicitation if they have only received two bids. SFAs must document the outreach and response for each informal procurement, especially those conducted via email, phone call or in person. Due to the simple nature of informal solicitations, they do not require extended time for vendor responses, but you must provide enough time for thorough replies.
    - [Solicitation & Bid Tracker SOP](#)
  - b. Formal solicitations must be publicly advertised, such as posted on an SFAs webpage or posted advertisements such as newspaper ads, solicitation posting websites, and must seek two or more qualified sources willing and able to compete. Any qualified vendor must be allowed to respond. An SFA must also include a date and time for submission in the solicitation that allows ample time for vendors to respond. Depending on the complexity of the solicitation, it is recommended that vendors have at least 30 days to respond. SFAs must document the outreach and response for each formal procurement.
    - [Solicitation & Bid Tracker SOP](#)

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #4](#)
- [Solicitation & Bid Tracker SOP](#)

## Step 6: Accept & Evaluate Solicitation Responses

1. Review Bid Packets for Completeness
  - a. SFAs must determine if the bidders' proposal or quote packets are complete. Check to see if all the required documents have been submitted and that the bidder is responsible and responsive per all aspects of the solicitation. For example, can they provide you with the products as specified in the pricing worksheet, or have they only offered "equivalents" that are not equal to your specification and thus your values? SFAs will also want to carefully compare responses to ensure the products

offered, if different from what was solicited, will meet menu expectations or have an unforeseen impact on the menu in any way. If satisfactory, the bids or quotes can be evaluated.

## 2. Evaluate Bids

- a. Informal bids can only be evaluated based on the criteria outlined in the solicitation and price. A contract must be awarded to the vendor whose bid conforms to the solicitation's terms at the lowest price.
- b. Requests for Proposals (RFPs) can only be evaluated based on the criteria outlined in the RFP. When issuing an RFP, the solicitation must clearly state evaluation criteria. RFPs should contain a technical proposal that explains how a vendor will accomplish the requested tasks and a cost proposal detailing how much it will cost to achieve the task proposed. When evaluating an RFP bid, an SFA must first evaluate the technical proposal and then evaluate the cost of this proposal. Then, the SFA will select the vendors they would like to interview and negotiate with or award the contract to the vendor that presented the best overall value to the SFA. Contract awards may be made to vendors most advantageous to the program. Price is not the only factor in evaluating a proposal, but it should be the primary consideration.
- c. Invitations for Bids (IFB) can only be evaluated based on the criteria and price outlined in the IFB. A contract must be awarded to the vendor whose bid conforms to the terms of the IFB at the lowest price.

- [Bid Pricing Evaluation Tool](#)

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #4](#)
- [Bid Pricing Evaluation Tool](#)

## Step 7: Award Contracts

Once an award has been made, SFAs will need to onboard new vendors and familiarize them with the school district's operations. If rolling over contracts, an SFA must ensure all the proper contract extensions are in place.

1. Board Approvals
  - a. Once the Food & Nutrition Services team has selected a winning bid, the contract must be brought to the board for approval. This date will vary depending on the district calendar, but typically it occurs at the school year's penultimate or last board meeting. Now is the time to work with the Business Service team to assemble the required board packet.
    - [Contract Cover Letter Template](#)
2. Onboard New Vendors & Rollover Existing Contracts
  - a. New vendors may require some additional assistance if an account is totally new to them. Consider hosting a "meet and greet" where vendors' customer support team may come on site and visually inspect facilities to determine and/or better navigate district drop sites, meet staff at select sites, perhaps pick up and sign for new keys, and so on.
  - b. If rolling over contracts, an SFA will need to ensure all the proper contract extensions are in place, all paperwork reflecting these extensions is file, and ordering procedures are updated, if applicable.

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #4](#)
- [Contract Cover Letter Template](#)

## Step 8: Prepare for Next School Year

When preparing for the upcoming school year, post-contract award, SFAs will want to consider the required updates to the department ordering procedures and how to communicate the use of any new, unique, or exciting values-aligned foods and vendors through district and department marketing efforts.

1. Update Internal Procedures
  - a. New Ordering Procedures - Accurate ordering is foundational to controlling food costs and minimizing food waste, especially if individual school sites are making their own food orders. When onboarding a new vendor, update ordering guides and internal practices to reflect the change. Train staff about when to place orders, how

to place proper orders, how to communicate concerns to vendors, and how to address any potential ordering or food quality concerns in a timely and professional manner to vendors. Ordering through software is ideal for auto-generating order guides based on the menu, providing inventory levels for reference, and allowing the central office staff to review orders before submission. When this is not the case, ensure staff are well-versed in the department's policies for each vendor.

2. Marketing New Recipes & Products

- a. To create a lasting and sustainable transition to value-aligned foods, promote the program, products, and vendors brought on board this procurement cycle. Marketing creates awareness of program quality, which increases participation, resulting in increased revenue that the department can invest in the required support to increase scratch cooking further. Now is the time to develop marketing materials or communication plans related to any new values-aligned entrees, menu items, ingredients, or vendors coming on board next school year. Developing and sharing communication tool kits with content for principals throughout the year for newsletters, campus web pages, robocalls or emails, social media posts, and morning announcements. Much communication in a school District comes directly from the school to families. Providing principals with content about student nutrition can be an easy way to build relationships and get messages out to parents.

3. Publish Menus

- a. SFAS should label values-aligned menu items when drafting menus for the upcoming school year. Identifications for local, scratch-made, plant-forward, or new recipes help the students and community recognize these values on the menu each day. Including a statement such as "We work with local farmers and purveyors, whenever possible," can elevate the community's perception of the food served.

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #5](#)

## Step 9: Manage Contracts

Monitoring contracts is key to maintaining the integrity and effectiveness of agreements, minimizing risks, and ensuring that all parties fulfill their obligations. Contract management is one of the most critical but often overlooked steps in the procurement cycle. All too often, SFAs sign contracts with their vendors and move on, never returning to these agreements to ensure the terms, conditions, and prices are upheld. SFAs should consider their vendors as partners, and any partnership needs to be nurtured throughout its lifetime. These vendors can be especially helpful for districts without dedicated procurement staff, as these vendor experts can be an SFA's eyes and ears in the field. SFAs should leverage that expertise to identify new products, better pricing, and more.

### 1. Ensuring Contract Terms & Conditions are Upheld

- a. Monitoring Prices - SFAs should get into the habit of monitoring food prices. When SFAs monitor contract prices, they can maintain financial control, optimize spending, and ensure that they receive fair value from vendors. SFAs overlook this part of the procurement cycle and assume vendors always adhere to contract terms. However, SFAs should check the prices that they are actually charged against the agreed-upon pricing structure or set pricing in contracts to avoid overcharges or billing errors. Depending on how the solicitation was structured, some food items may have fixed costs that should not fluctuate over the contract's lifetime, while others might have caps on how much prices can fluctuate. SFAs must ensure vendors comply with the pricing structures proposed; essentially, SFAs should know if their vendors are providing the prices they offered to win the bid. Ways to monitor prices included:
  1. Establishing regular internal reviews,
  2. Cross-check invoices with the contract price and
  3. Monitor any agreed-upon fluctuations in pricing.
- b. In addition to pricing, SFAs must ensure that any vendor partner complies with all terms of their agreement or contract. Basic contract management is an ongoing process that lasts for the duration of the contract. To determine if the terms and conditions of the agreement are upheld, an SFA may want to develop a monthly

checklist of service areas to review against the contract terms. A checklist might include the need to:

1. Verify the sources and quality of food values-aligned foods,
2. Note fill rates + the quality of substitutions or the number of returns,
3. Note the number of times vendors meet or do not meet delivery windows,
4. Note the level of customer service and satisfaction, and
5. Note/review best buy dates of products delivered and if there are any damaged/defunct products delivered.

- [Contract Management Checklist](#)

Relevant [How to Conduct Values-Aligned Procurement Training](#) and [Resources](#):

- [Internal How to Conduct Values-Aligned Procurement Training #5](#)
- [Contract Management Checklist](#)