

How to get the bid responses *you want!*

Barbara Harral – Montgomery County Maryland Public Schools

Dorothy Cole – Gordon's Food Service

Jose Quinones – JTM

Stephanie Ewing – Goldstar & EX-California USDA Foods Manager



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Bid Results: 'You Can't Always Get What You Want'

Barbara Harral, RDN

Montgomery County Public Schools
Maryland





Step 1 Menus

- Cycles
- Standardized recipes
- Production Sheets/ADU
- Seasonal rotation
- Solid forecast based on history and participation
- Estimate based on turns/menu listings





Main Item Listings

- Cross-utilize main items to reduce number of line items
- Increase variety with breads/rolls; cheese; sauces
- Offer high flyers





USDA Foods

- 'Brown Box'
- Processors: Use Aggregates for items to processors
- 'Naked' item that can be adapted to multiple flavor profiles





Step 2 Procurement

- IFB: Invitation to Bid
- RFP: Request for Proposal
- Sole Source
- Bridge





Procurement

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Item Specification

- Clear definition of product
- Fresh or canned fruits vegetables
- Request Product Formulation Statement
- CN Label or crediting requirements
- USDA Foods: PT# Include the requirement
- Cost per serving





Bid or RFP Process

- Pre-Bid Conference
- Posted online
- Electronic responses
- Award 60 days prior to start date
- Pre-award Notifications
- Pre-Bid Conference





RFP School Direct Delivery

- Weighted or Point system to determine award
 - Pricing
 - Capability
 - Customer Service
 - Past Performance





Bid Structure

- Intent
- Term
- Delivery (No pick ups)
- Buy American
- Awards: Line items, Aggregates
- Item Specs: nutritional requirements, samples, approved items(brand/code)
- Estimate of Annual Usage (forecast)





Bid Types

- Cost Plus Fixed Fee: milk, fresh produce, eggs
- Aggregates
- Line items
- Prime Vendor
- Co-ops





Aggregates

- Grouping of similar items such as spices or condiment pc's or smallwares
- Bidders should bid most or all items in the aggregate.
- Award is intended for fewest vendors with lowest cost





Commodity vs Commercial

- Separate Bids ?
- One Bid ?
- Pros and Cons





Award Considerations

- Minimum Order Quantities
- Delivery Sites
- Pack Size Changes
- Vendors ability to supply product on time and accurately
- Lowest bid \neq lowest cost always
- Best value versus lowest cost supplier
- Quality, delivery, and past performance





Managing the Contract

- Monitor adherence to specifications on bid
- Manage codes/brand names
- Maintain updates on pack changes
- Maintain updates on specifications to include nutritional product formulation statements
- Evaluate the outcome of the process –Did we get the product we wanted, at the right price, at the right place and on time?





Getting the Bid Responses You Want

- Distributor Structure
- Bidding Entity Options
- Bid Types
- Product Requirements
- Tips and Relationship





Distributor Structure

- All Distributors don't have the same mix of customers
 - Broadline (Schools – Healthcare – Independent - Chain)
 - Specialty Distributor (High % of School Business)
- Key Drivers
 - Location of schools to distribution center
 - Number of required deliveries
 - Drop Size
- ***What is the best value***
 - *Minimize the number of required deliveries*
 - *Increase Drop Sizes*
 - *Limit the number of items on the bid*





Bid Entities

- Food Service Management Companies
- Self Op Schools
 - Individual School
 - School Purchasing Co-op (Self Managed)
 - Large School Purchasing Group (Charges a management fee)
 - Group Purchasing Organization (GPO) Operates similar to a Large purchasing group but offers additional contracts. (Charges a management fee)
- ***What is the best value***
 - *Depends on management structure at the school*





Bid Types

- ITB (invitation to bid)
 - Award is based on the lowest price
- RFP (request for proposal)
 - Award is based on best price but allows for additional factors
 - Service Levels – Company History - Roll over Options
 - Reporting Requirements – Financial Stability of provider
 - Nutritional Information – Customer References
- ***Which is the best value***
 - *Depends on what is important to the school*





Product Requirements

- Number of must have items
- Overall number of required items
- Ability to provide accurate forecast information
 - Communication of Menu Changes/Supply Forecast throughout the School Year
- Allow for the purchase of slow moving forecasted items
- Identify USDA Commodity Items





Bid Tips

- Provide Pricing Support Detail on Direct to Manufacture Bids
- Allow 4 to 6 weeks to process the bid
- Format of Bid Specs
 - Microsoft Excel Spreadsheet
 - Electronic Format Available
- Updated Product Specs
 - Accurate
 - Aligned with Forecasting





USDA Tips

- Work with Distributor to manage USDA Foods
 - Align Geographic regions to match commercial Bids (when possible)
 - Ship all USDA product to RA by the end of each school year
 - Utilization of entitlement dollars within current school year
 - Reduction of Storage Costs
 - Encourage donation to charitable organizations





Effective Relationship

- Allow appropriate time between bid award and first delivery
 - Award no later than ***First*** of May
- Accurate Forecasting
 - Distributors responsibility to purchase the Bid Items for the Customer off the Forecasting Numbers
- Utilization of Inventory
 - Transition Items
 - USDA Commodity Items

Collaborative Communication





Final Thoughts





What do you need to successfully operate your Child Nutrition Programs?



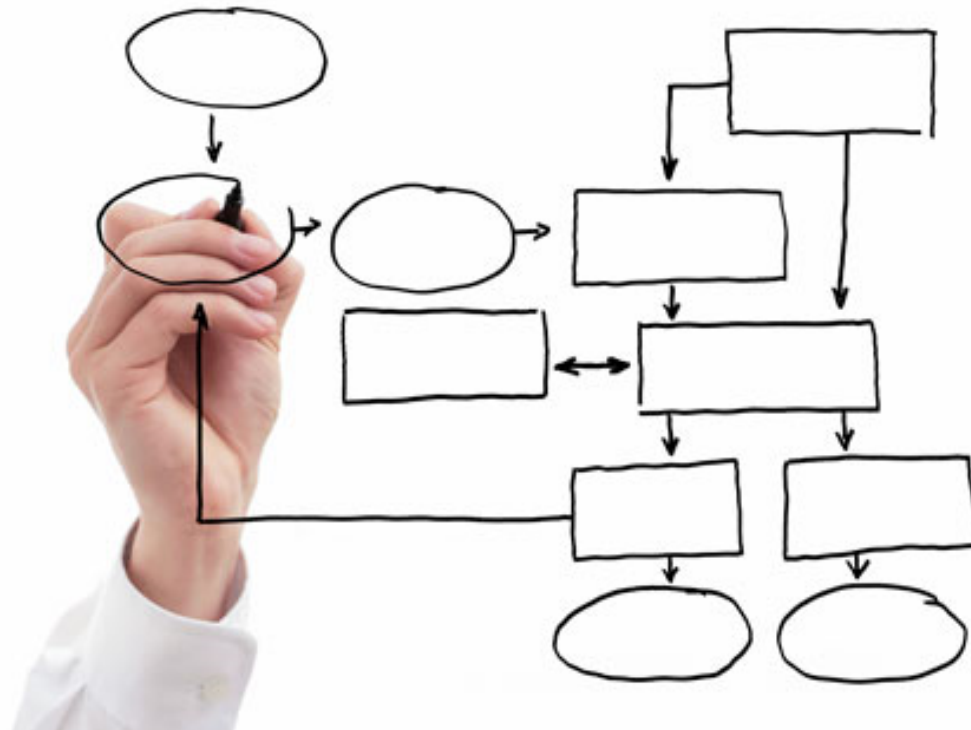


How much does it cost to make that happen?





Does your procurement process meet your needs?





Discussion and Questions

