



**Office of
General Services**

Pilot Project for Unprocessed Fruits and Vegetables

October 3, 2016

Pilot Project for Unprocessed Fruits and Vegetables

- New **York** is one of eight states selected to participate in a **USDA Pilot Project for Unprocessed Fruits and Vegetables**.
- The goal of the Pilot Project is to develop **additional** opportunities for schools to purchase **fresh fruits** and **vegetables** with USDA funding, and develop new relationships with **farmers, growers, produce wholesalers, and distributors**.
- The USDA pilot program encourages the use of **locally-grown** foods in National School Lunch Programs by allowing locally-grown foods to be purchased with the USDA funds annually allocated to schools.



Pilot Project for Unprocessed Fruits and Vegetables

The fruits and vegetables procured by SFAs in the pilot project may be considered “unprocessed” if their food handling and preservation techniques have not changed the inherent character of the fruit or vegetable. Per 7 CFR Part 210.21(g)(2), examples of allowable food handling and preservation techniques that are included in the definition of unprocessed include cooling; refrigerating; freezing; size adjustment made by peeling, slicing, dicing, cutting, chopping, shucking, and grinding; drying/dehydration; washing; packaging, vacuum packing, and bagging (such as placing vegetables in bags or combining two or more types of vegetables or fruits in a single package); and the addition of ascorbic acid or other preservatives to prevent oxidation of produce. Canned and other heat-preserved fruits and vegetables are not considered “unprocessed”.



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- A total of 256 New York State schools participated in the Pilot during the 2015 – 2016 school year and utilized \$1,768,674 of USDA entitlement to purchase unprocessed fruits and vegetables.
- To date, 232 New York State schools have signed up to participate in the Pilot Project for the 2016 – 2017 school year. These schools have set aside over \$2.5 million of USDA entitlement for the procurement of unprocessed fruits and vegetables.

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How do I participate as a school?

Are you interested in putting more local, fresh and nutritious food on the school meal plate? Contact the New York State Office of General Services Food Distribution unit. You will need to:

- Run an entitlement/bonus summary report in WBSCM to check available entitlement balances. If you are an Area K/W school contact OGS Food Distribution.
- Divert available USDA Foods entitlement to the pilot by contacting OGS Food Distribution and signing the Pilot guidance memo available on our website.
- Conduct competitive solicitation.

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Conduct Competitive Solicitation

The USDA Pilot for Unprocessed Fresh Fruits and Vegetables does not invalidate the federal procurement law. Under this program neither USDA nor OGS has procured any product. Schools must continue to properly procure unprocessed produce. A geographic preference may be used to encourage the purchase of locally grown and raised products. This preference does not eliminate the requirement for procurements to be conducted in a manner that allows for maximum free and open competition. While the final rule of the geographic preference option states, *when procuring local, unprocessed agricultural products, the discretion to define the local area for any geographic preference is left to the institution responsible for procurement*, “local” must not be defined in a manner that unnecessarily restricts competition.



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School Procurement Process

Option 1: Modify an existing contract with a USDA approved vendor.

Schools can modify an existing contract if participation in the pilot does not result in a material change. Schools will need to create an addendum to current contracts which (1) outlines the school participation in the Pilot and changes to contract, including the vendor payment method, and (2) requires the vendor to issue a separate invoice for unprocessed produce sold under the Pilot.

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School Procurement Process (cont.)

Option 2: Solicit a new contract with USDA approved vendors.

Informal – Small Purchase (requires price quotes from at least 3 bidders)

Formal – Sealed Bids (IFBs) & Competitive Proposals (RFPs)

Option 3: Recruit new vendors to participate!

Inform potential vendors of USDA requirements.

<http://www.ams.usda.gov/selling-food/pilot-project>



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Questions regarding the procurement process should be directed to:

NY State Education Department at

<http://portal.nysed.gov/portal/page/portal/CNKC> or (518) 473-8781.

In addition, the USDA Food and Nutrition Service website has extensive information regarding the procurement of local foods at:

<http://www.fns.usda.gov/farmentoschool/procuring-local-foods> .



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Once you have obtained the successful bidder, check the USDA
Approved Vendor Listing available at:

<http://www.ams.usda.gov/selling-food/pilot-project>



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Current approved Pilot Vendors for New York

American Fruit and Vegetable, Rochester, NY
Apple Acres, Lafayette, NY
Beak & Skiff Apple Orchards, Lafayette, NY
Brigiotta's Produce, Jamestown, NY
Dagele Brothers Produce Company, Florida, NY
Frank Gargiulo and Sons, Hillside, NJ
Genecco Produce, Canandaigua, NY
Ginsberg's Foods, Hudson, NY
Goold Orchards, Castleton, NY
Kirby's Farm Market, Albion, NY

Latina Boulevard Foods, Tonawanda, NY
Long Point Orchard, Aurora, NY
LynOaken Farms, Lyndonville, NY
Old McMarley's Apple Farm, Clinton, NY
Paul's Nursery, Fulton, NY
Reeves Farms, Baldwinsville, NY
Seashore Fruit & Produce Co., Penns Grove, NJ
Syracuse Banana Company, Syracuse, NY
Torrey Farms, Elba, NY
Zafar Produce, New Windsor, NY



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- When you have verified that your successful bidder is indeed on the approved vendor listing, you may then schedule delivery of your Pilot produce.
- When delivery is made to your school, you will obtain a copy of the invoice from the driver. This is your copy for reconciliation purposes and should **not** be sent to your business office for processing or payment. The **vendor** will send the invoice to USDA for payment.
- Forward copies of your pilot invoices to the OGS Food Distribution office **at least** once a month (more frequently if that works for you). Please utilize the ***USDA Pilot Invoice Submission cover sheet*** and forward invoice copies, as you receive them, by **mail** to: OGS Food Distribution, Empire State Plaza, Room C120, Albany, NY 12242. You may also scan and **email** copies to: ogsdonatedfoods@ogs.ny.gov or **fax** to (518) 486-5660.



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- Be sure that all invoice submissions are **clear**. **Changes** to invoices must be legible with documentation explaining any changes or corrections. Be sure you have contacted the vendor with any changes in invoices and you are in agreement as to total amount charged. Vendors submit their invoices directly to USDA. If **your** changes are not reflected on the **vendors** invoice, your entitlement will be impacted.
- Should OGS have questions regarding invoice submissions, schools must be responsive! Failure to respond to OGS inquiries regarding invoices may jeopardize future participation in the Pilot.



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- Invoices generated by Ginsberg's Foods do not have pricing information and all invoices show a total amount of zero.
- Any schools using **Ginsberg's Foods** as a Pilot vendor will need to manually input the pricing information on all invoices. The pricing information may be obtained from your weekly bid email.



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Please remember that you are responsible for monitoring the balance of your Pilot entitlement. Do not spend more than your Pilot set aside!

You should set up a spreadsheet containing, at a minimum, the following data: Vendor name; building name delivered to; invoice number; delivery date; produce received; and total cost. Use this spreadsheet to reconcile at month's end and also when discussing invoice discrepancies with OGS.



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Planning for next year – Remember to set aside entitlement dollars for the Pilot **before** you divert commodities and **before** you place your brown box order.

Questions?

