



# Home Grown Produce Farm to Institution

## **Association of Correctional Food Service Affiliates Conference**

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Office of the Sheriff, Custody Bureau  
County of Santa Clara**

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# Santa Clara County

- General Statistics
  - 1.8 million people
  - 15 cities
  - 1,300 square miles



# 2009 Board Referral

Purchase more produce  
from local farmers



# Produce User Group Profile

1 million annual spend

- Department of Correction – 68.3%
  - 12,000 meals daily
  - Adult locked facility (2 locations)
- Valley Medical Center – 20.6%
  - 900 patient meals daily
  - 1,600 staff/visitors daily
- Probation Department – 11%
  - 1,600 meals daily
  - Juvenile facility(3 locations)



# User Group Meeting 8/18/09

## Project Objectives

- Incorporate the diverse requirements of each user
- Provide price stability, containment and predictability
- Minimize overall produce costs
- Maintain the ability to order non-routine products
- Establish & initiate a local produce purchasing program
- Minimize contract maintenance and administrative effort
- Quality assurance (to include food safety)
- Transition to new contract(s) with minimal disruption



# User Group Identified Risks

- Service level issues
- Challenges associated with the incorporation of local produce
  - Supply interruption: (continuous supply chain)
- Cost containment



# Internal Methodology

- Develop base requirements, finalize and incorporate into the Request for Proposal
- Evaluation team to be comprised of contract user departmental representatives
- Due to variety and volume needs, a two lot structure was developed
  - High volume items – “core” items
  - Low volume items – greater flexibility and variety of offerings



# High Volume -Core Items

## Annual Usage

APPLES 125CT/ LUNCH BX VAR	3,442 cases or 430,250 each
BANANAS, GREEN, 40 LB/CS	
BANANAS, PETITE, GREENTIP SGL	4,561 cases or 182,440 pounds
CARROTS, MINI PEELED, 200/1.6 OZ	3,218 cases or 96,540 pounds
CARROTS, PEELED 15/2#	395 cases or 79,000 packages
CUCUMBERS, SLICED 5# TRAY	2,885 pounds
LETTUCE CHOP ROMAINE 6/2# CS	
LETTUCE, GREENLEAF FILLETS	
LETTUCE, ICEBURG, 24CT/CS	
LETTUCE, SALAD MIX 4/5 LBS	15,418 cases or 308,360 pounds
MELON, CANTALOUPE, CUBES	
MELON, HONEYDEW CUBES	
NECTARINES, 70 CT/CS	1,058 cases or 74,060 each
ONIONS, YELLOW PEELED 5# BG	
ORANGES, 113CT/LUNCH BOX VAR	6,868 cases or 776,084 each
ORANGES, 88CT/CS	
PEARS 135 LUNCH BOX VAR.	
PINEAPPLE, CHUNKS 5# TRAY	
SQUASH, YELLOW COINS 5# BG	
SQUASH, ZUCCHINI COIN 5# BG	
TOMATOES, LOOSE 25#/CS	1,091 bags or 5,455 pounds





# Pre-Solicitation Conference Open House 9/17/09

- Non-binding, non-competitive dialog with prospective firms and consultants so that we can better understand what is available in the marketplace for such an undertaking
- Not an avenue for firms to market their firm or expertise, rather hear the County's needs and provide information that would help the County determine the best approach to developing a solicitation which meets it's needs - local produce program, cost, accommodating the diverse needs of the County



# Attendees

- 7 County Stakeholders & Procurement representatives
- 9 Executives/sales people representing 8 produce companies
- 1 Representative from the Green Purchasing Institute



# Open House Notes

- What is Local?
  - Kaiser = State of California
  - Whole Foods = within a 5 hour truck ride
  - Chez Panisse, Berkeley CA = 40 mile radius



# Open House Notes, contd.

- Information Exchange
  - Who uses what?
  - What drives purchasing decisions?
  - Do the users have the ability to substitute seasonal fruit?
  - Can stone fruit be used?
  - Availability gaps related to buying local
  - Items that are never grown locally
  - What's more important – local or organic?
  - USDA Certification



# Open House Notes, contd.

- Food Safety
  - HACCP
  - End to end protocol – sea/ground to delivery
  - Industry certification process
  - Third party auditors, ex. AIB
  - Create a level playing field by looking at companies that invest in food safety
    - Understand the added costs for food safety. If not followed, bid could be up to \$3.00-\$5.00/box lower



# Open House Notes, contd.

- Fiscal - Accountability Issues
  - Advance notice needed for product
  - Floating Market- whatever market/customer will bear
  - Acts of God
  - Bid pricing
    - Fixed, % over cost, cost plus \$
    - Time period for fixed pricing
    - Freight/damages/delivered pricing
  - Price fluctuation – conventional vs. organic
  - USDA/Federal Market/City of Alameda reports
  - Pre-cut cost vs. labor costs
  - Organic less expensive than conventional during certain time of the year if surplus



# Open House Notes, contd.

- New Ideas/Considerations
  - One vendor expressed concern about governmental bids and that they did not typically get involved as the process is too rigid and inflexible
  - Concern regarding government bids that do not take certain specific business aspects into account, mostly concerned about price



# Open House

## Procurement Last Words

- Bid Pricing will be done in 2 Lots
  - Lot 1 = high volume items, cost a big factor
  - Lot 2 = smaller volume, more frequent deliveries, more variety
  - Single award or multiple award (bid on whole or bid on one lot)
- Vendors invited to share additional specific information via email by 9-25-09





# What Did We Learn?

## What Did We Do Next?

- Creation of a proposal
  - Request for Proposal (RFP) vs. Invitation to Bid (ITB)
  - “Fixed pricing for large volume core items
  - Market pricing for smaller usage items
  - Included items important to us operationally
  - Left room for flexibility to allow process (i.e. vendor applicants) to inform us
  - Gave ourselves permission to be o.k. with not knowing what we didn't know



# Request for Proposal (RFP)

- Posted on 12/29/09
- Closed 2/3/10
- Multi-step evaluation process used



# RFP Evaluation First Step

- Evaluation Committee made up of County Users
- Numeric Rating Categories:
  - Adherence to RFP **(50 points)**
  - Corporate strength and experience; financial strength **(200 points)**
  - Ability and capacity to provide consistent, dependable, reliable and quality products and services; past performance and reputation of Offeror **(250 points)**
  - Ability to meet or exceed the County's requirements including cost containment **(350 points)**
  - Sustainable Purchasing Program success potential and value to the County **(100 points)**
  - Local preference **(50 points)**

– TOTAL POINTS AVAILABLE **1000**



# RFP Evaluation Next Steps

- Evaluation completed, points awarded
- Short List created (three top scoring finalists moved forward)
- Price \$\$ proposals reviewed
- References checked
- Met individually with short list vendors
- Selection made (details negotiated and contract awarded)



# Bay Cities Produce

## Start Date – September 1, 2010

- Established personal relationships with local small farms
- Local sourcing designations established, mapped and tracked
- Tracking system in place for all purchasing including small farm & organic purchases
- Produce hand cut at facility (standard & custom)
- Food Safety program in place - hands on HACCP support to local farmers

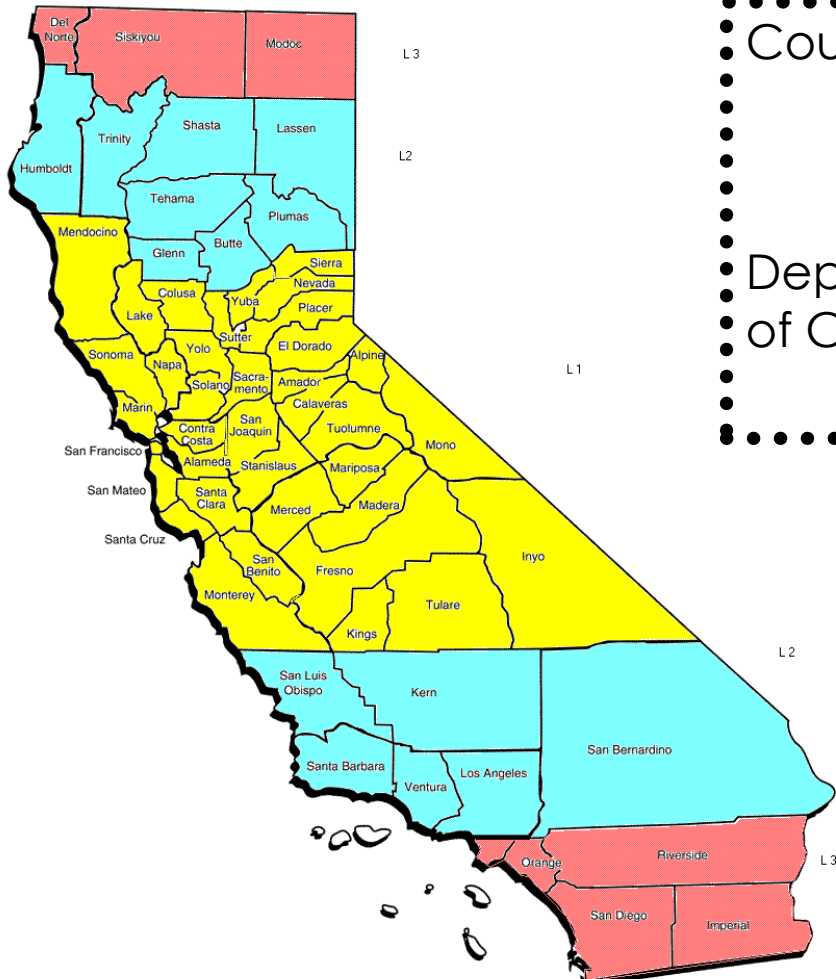


# Final Pricing Agreement

- To insure increased County stability & Vendor flexibility we agreed on:
  - Three month fixed pricing on high volume items
  - Weekly pricing on small usage items



# Year One Purchases



County Wide	39.20% L1
	4.48% L2
	1.38% L3
Department of Correction	41.26% L1
	5.31% L2

<u>Distance from the Bay Area</u>	
L1 =	180 mile radius
L2 =	280 mile radius
L3 =	350 mile radius (whole State)

Hello  
This Report shows where the Fruit and Vegetables are being harvest. The Map was set up with L1, L2, L3 zones. Soon we will be able to pin point the farms in the zones



# Critical Components to Success Institution/Large Scale Purchases from Small Farms

- Central Consolidation/Aggregation Facility ideal for providing efficient access to farms, volume needed, quality assurance, ease of distribution, reduced accounting, etc
- Food Safety Practices in place for small farms *and* consolidation facility
- Tracking and Reporting Mechanisms in place (farm location tracking, usage information, safety practice documentation, etc)
- RFP process – coordinate user needs and build in flexibility to allow vendor to maximize resources and keep prices affordable





# Last Words

## Lessons Learned

**“The government institutional market is within reach for small farms with the right combination of creativity, flexibility and partnership.”**

- Earl Paden,  
Santa Clara County Procurement Manager

