

Commissioner's Memo
1/27/2020

Soliciting Bids for Processed USDA Donated Foods

Memo Information

Memo Number **CNU-20-027**

Memo Date 1/27/2020

Memo Type Regulatory

Unit Child Nutrition

Regulatory Authority SP 19-2012, FD-119, 7 CFR Part 3016,7 CFR Part 3019; 7 CFR 210.21, 7 CFR 250.30

Response Required NO

Attention Superintendents; General Business Managers; Bookkeepers; Child Nutrition Directors/Managers

Primary Contact Information

Name Krista Jackson

Phone Number 501-324-9502

Email krista.jackson@arkansas.gov

Memo Text

ATTENTION: SUPERINTENDENTS; CHILD NUTRITION DIRECTORS, BUSINESS MANAGERS, BOOKKEEPERS

USDA (United States Department of Agriculture) Foods processing allows school districts to contract with commercial food processors to convert raw and/or bulk USDA Foods into a variety of convenient, ready-to-use end products.

The procurement of goods and services in the National School Lunch Program (NSLP) must be conducted in a manner that ensures free and open competition in accordance with Federal regulations under 7 CFR Part 3016 and Part 3019, as applicable, and must comply with procurement requirements in 7 CFR 210.21.

This applies to both commercial food products and end products produced through the processing of USDA donated foods.

School districts may solicit bids for procurement of commercial food products and further processed USDA donated food products on two separate bids or school districts may solicit bids for procurement of commercial food products and further processed USDA donated food products on the same bid.

Requirements for Solicitation

In the solicitation of processed USDA donated foods, the school district must provide the following:

- End products must be obtained from a processor that have a State processing agreement with the State Distributing Agency. To obtain a list of processors with a State processing agreement, contact the Arkansas Department of Human Services Commodity Office at 501-371-1400.
- Only end products with approved end product data schedules, and that meet substitution and grading requirement in 7 CFR 250.30 may be provided.
- The school district must receive credit for the value of the donated foods contained in the end products, either through a discount from the gross case price, or a refund or rebate after the sale of the end product.
- The distributor must collaborate with the processor to ensure that the school district is an eligible recipient of end products and to ascertain the quality of end products, or the value of donated foods, for which the school district is eligible.
- The distributor must provide notification to the processor of end product sales so that the appropriate inventory draw-down may occur.

For further questions, contact the Child Nutrition Unit at 501-324-9502.

Attachment:

FD-119 Processing – Soliciting Bids from Commercial Distributors for End Products

Attachments

- [FD-119_103132.pdf](#)