**DESCRIPTION OF TEMPLATE AGREEMENT BETWEEN SFA AND COMMERCIAL DISTRIBUTOR OF USDA FOODS IN WISCONSIN**

**Commercial Distribution of USDA Foods**

The Department of Public Instruction (DPI) does not pre-approve distributors for the Commercial Distribution of USDA Foods. It is the School Food Authority’s (SFA’s) responsibility to approve and secure a commercial distributor. The information in the *Template Agreement between SFA and Commercial Distributors of USDA Foods in Wisconsin* is intended for USDA Foods that will be received and initially stored at one of the two state-contracted warehouse facilities. The template excludes further-processed USDA Foods that will be obtained through the Direct Diversion Processing Program. Therefore, SFAs electing to participate in direct diversion of bulk USDA Foods will need to add necessary direct diversion information to the template document.

**Timeline**

SFAs should send out the Request for Proposal (RFP) or Invitation for Bid (IFB) for USDA Foods in order to award by mid-February when the Annual Order Survey is open. The deadline for designating a commercial distributor in the online [WI USDA Foods Ordering System](https://dpi.wi.gov/nutrition/online-services#:~:text=USDA%20Foods%20Ordering%20System) is March 31.

The *Procurement Template between SFA and Commercial Distributor of USDA Foods in Wisconsin* is located on the DPI website under the [Commercial Distribution](https://dpi.wi.gov/school-nutrition/usda/storage-delivery/commercial-distribution) section.

SFAs will need to edit the *General Requirements* and the *Specific Agreement Requirements* sections of the template to meet their needs and requirements.

SFAs can select a USDA Foods commercial distributor at the same time as issuing an RFP/IFB for prime vendor. In this case, the documents must clarify whether the proposed USDA Foods delivery fees are dependent on selection of the proposer as prime vendor.

Various combinations of distribution of food service purchases and USDA Foods are possible.

* A commercial distributor may require a prime vendor relationship before agreeing to deliver USDA Foods.
* A commercial distributor may want only to deliver USDA Foods, and not provide full services as a prime vendor.
* Multiple commercial distributors may be selected to provide distribution services, with only *one* delivering USDA Foods.

**Bids or Proposals**

If SFAs decide to issue an IFB for commercial distribution of USDA Foods, the bids must be compared solely on price. SFAs could specify minimum service requirements in the IFB, but otherwise would not have any flexibility and could not give any weight to service characteristics as in an RFP.

If SFAs decide to issue an RFP, it will be necessary to add additional service criteria, proposal requirements, and evaluation criteria to the DPI template. Such items may include: proposal submittal requirements, proposal rejection requirements, and proposal evaluation scoring criteria. Upon completion of proposal evaluation, SFAs can negotiate with a responsible commercial distributor that submits the most responsive proposal. Other distributors will need to be notified when negotiations have been completed.

If the resulting contract will be in excess of $25,000, SFAs must use Attachment B or an equivalent form in their bidding process. If required, all commercial distributors should complete, sign and return Attachment B to the SFA along with the response to the RFP or IFB.