Handbook

Navigating USDA Foods as a Co-Op Member District

www.Super-Coop.org

October 30, 2018

Updates highlighted in blue

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Introduction

The USDA Foods Program provides approximately 20% of the food served in the National School Lunch Program. The USDA Foods program began in the early 1930's as an outgrowth of federal agriculture policies designed to shore up farm prices and help American farmers suffering from the economic upheaval of the Great Depression. In current times, the program functions to support domestic nutrition programs and American agricultural producers through purchases of domestic agricultural products for use in schools and institutions.

Processing of USDA Foods allows Recipient Agencies (RAs) such as school districts to contract with commercial food processors to convert raw bulk USDA Foods into more convenient, ready-to-use end products. USDA began the processing program in 1958 to permit state distributing agencies and eligible recipient agencies to maximize the use of USDA Foods.

For more detail on how the USDA Foods Program functions and for additional information on Processing, please refer to the American Commodity Distribution Association (ACDA) School Recipient Agency (RA) Processing Handbook found on the Super Co-Op website at www.Super-Coop.org.

Allocation of Commodity Entitlement

The RA receives an annual entitlement to purchase USDA Foods. The amount of entitlement is equal to the Total Lunches Served (TLS) for the prior school year multiplied by the annual meal rate, a value per lunch as set annually by the U.S. Congress. The estimated meal rate for the 2018-19 school year is $0.3425 per reimbursable lunch meal claimed. The meal rate is adjusted annually for inflation and published in July. (2017-18 rate was $0.3350 & 2016-17 rate was $0.3175)

The Richard B. Russell National School Lunch Act Section 6(e) (42 U.S.C. 1755(e) requires that commodity assistance be provided at the rate of 12% of the combined value of Sections 4 & 11 lunch meal reimbursements. The published meal rate is adjusted annually to meet this requirement.

As the final TLS is not verified until the end of November each subsequent year, the Super Co-Op uses the prior year TLS and entitlement per meal value to begin the USDA Foods request process in the spring of each year. RAs should check their Super Co-Op website Dashboard in late November/early December for these updates (increase or decrease) in their annual entitlement. Please notify the Super Co-op of you disagree with your entitlement calculation.

While there is no entitlement value provided for USDA Foods in the School Breakfast Program, USDA Foods may be served in the School Breakfast Program.

RAs can utilize entitlement in three ways: direct delivery (aka brown box) which are raw commodity items delivered to your warehouse such as turkey roasts or canned peaches, processed product (raw product diverted to a manufacturer for further processing such as ground beef made into hamburger patties), Department of Defense (DoD) Produce, or the Pilot Project for Procurement of Unprocessed Fruits and Vegetables.

Fair Market Value

Each case of USDA Foods has a Fair Market Value (FMV) assigned at the time the product is delivered. Because the prices in the market place fluctuate based on many factors, the actual FMV of USDA Foods may vary throughout the year. The FMV per case is used to "charge" against your annual entitlement for the value of each USDA Food item received. You might hear the term "draw down" used to describe this process. Your entitlement balance is *drawn down* by the FMV or USDA Foods value, whether it is brown box, processed, or DoD produce.

Value Pass Through

Federal law requires that RAs receive the full value of their USDA Foods. When processing, this value must be passed through to the RA by the processor or distributor. The method used to credit the RA is called the Value Pass Through (VPT). There are three primary forms of VPT, with variations in each: rebates, fee for service, and net off invoice. The VPT method is determined by the processor and approved by the State.

Rebates are a method where the RA pays the "commercial" price for a processed item and submits a request for rebate to the processor, who issues a check for the value of the donated USDA Foods used. With rebates, the processor benefits from receiving payment for the full cost of processed item until it issues payment to the RA for the value of the donated food. The distributor benefits by billing at the higher commercial price. The RA does not receive the full value of the USDA Food until it receives the rebate check. RAs should submit rebate applications monthly.

Fee for Service (FFS) is a method where the processor bills for the costs of processing without the value of the USDA Food included in the price. Under FFS, the processor does not benefit from the value of the USDA Foods used. The effect on distributors depends on which FFS approach is used – FFS by the processor, or FFS by the distributor. The RA benefits by receiving the value of the USDA Food up front by not paying the processor for the value of the USDA Food and awaiting the rebate payment.

Net off Invoice (NOI) is a method where the processor bills the distributor at the commercial price, but the distributor bills the RA at the net price of the value of the USDA Food. Upon delivery to the RA, the distributor requests a rebate for the value of the USDA Food from the

processor. The processor benefits by billing at the commercial price. The RA benefits by paying the price minus the value of the USDA Food. These items are "commercial" and incur no storage costs. The distributor does not benefit until the processor issues the rebate check.

Substitution of USDA Foods

To improve the efficiency of processing, for some items, USDA allows processors to use commercial foods in processing for schools, and USDA Foods in commercial production. This is referred to as ***substitutability***. This is important in the discussion of VPT as it impacts when title to the USDA Foods item transfers and to whom. *Fully Substitutable* refers to a USDA Food which may be replaced by a commercially purchased food of domestic origin and of equal or better quality to the food provided by USDA. Cheese is one of the most common substitutable USDA Foods.

For substitutable items, processors may choose to "front load" the RA's bank of available USDA Foods and start selling end products even before they (processors) receive the raw USDA Foods. They do so at their own risk, and USDA discourages this practice. If USDA does not buy the USDA Foods item, or if the RA overdraws its entitlement, the processor is financially liable for the value of the "credit" extended to the RA.

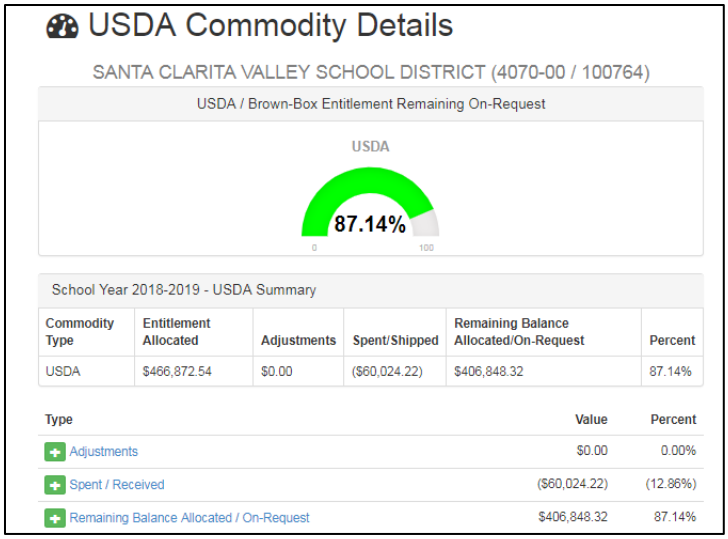
<u>USDA Foods Direct Delivery (Brown Box)</u>

The Co-Op Lead Agency publishes an annual RFP for delivery of USDA Foods (brown box) on behalf of the Member Districts of the Super Co-Op. Per 7 CFR 250.1(c)(1), USDA Foods Direct Delivery inventory may not exceed an amount needed for a six-month period.

The SY2018-19 USDA Foods Direct Delivery distribution contract is with Gold Star Foods. Arrangements for delivery are at the discretion of the Member District. Gold Star Foods offers 30 days of free storage and will store USDA Foods beyond 30 days for a fee. Costs are noted on the Fee Schedule on Page 17 of this Handbook. Per Super Co-Op Governing Rules, all USDA Foods Direct Delivery (brown box) product left in storage on June 30 shall be forfeited and offered to remaining Member Districts unless prior arrangements are made by June 1. Please refer to the *USDA Foods Direct Delivery (Brown Box) Storage Policy* on Pages 18-19 of this Handbook for further information.

Direct Delivery Management Reports

Direct Delivery Allocations – This report provides a list of all items allocated to Member Districts that have not yet been received at Gold Star Foods. Member Districts should use this report to plan future menus utilizing direct delivery USDA Foods. Access on your Super Co-Op Dashboard at http://www.super-coop.org/. Click on Log-In and enter your Username and Password.



USDA Commodity Details

SANTA CLARITA VALLEY SCHOOL DISTRICT (4070-00 / 100764)

USDA / Brown-Box Entitlement Remaining On-Request

USDA

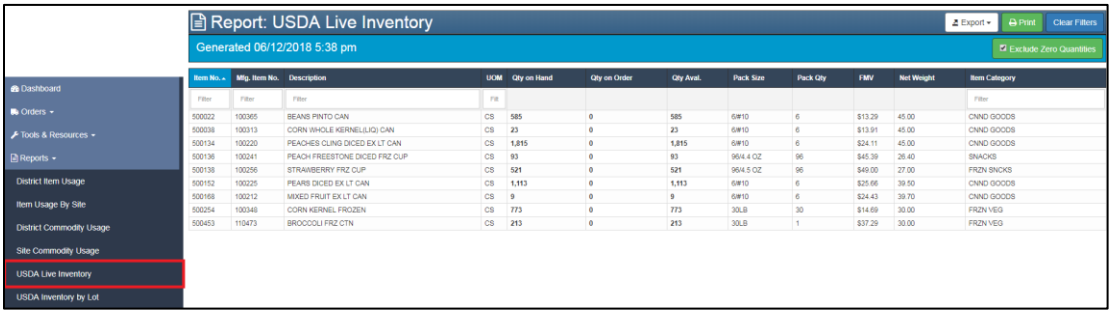
87.14%

School Year 2018-2019 - USDA Summary

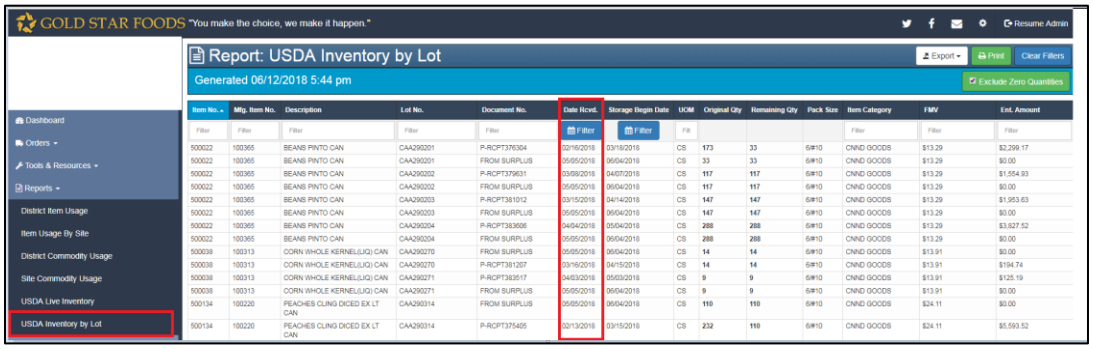
Commodity Type	Entitlement Allocated	Adjustments	Spent/Shipped	Remaining Balance Allocated/On-Request	Percent
USDA	$466,872.54	$0.00	($60,024.22)	$406,848.32	87.14%

Type	Value	Percent
Adjustments	$0.00	0.00%
Spent / Received	($60,024.22)	(12.86%)
Remaining Balance Allocated / On-Request	$406,848.32	87.14%

USDA Live Inventory Report – This report provides a list of all Direct Delivery items currently in Member District inventory at Gold Star Foods. Access on the Gold Star Foods website at http://www.goldstarfoods.com/. Click on Order Online and enter your Username and Password. Under the Reports tab on the left, click on USDA Live Inventory.



USDA Inventory by Lot Report – This report provides a list of all items currently in Member Districts inventory denoting the date of receipt and the date that Members will begin paying storage charges. Access on the Gold Star Foods website at http://www.goldstarfoods.com/. Click on Order Online and enter your Username and Password. Under the Reports tab on the left, click on USDA Inventory by Lot.



USDA Foods Processing

The Super Co-Op diverts USDA Foods to processors in truckload quantities and those products are available for any Member District to utilize within their entitlement balance.

Requesting Processed USDA Foods

Once you have determined which USDA Foods processed items you want to use on your menus, be sure you have the manufacturer's code item for the commodity product. Many manufacturers make the same items not using USDA Foods, so to get the proper USDA Foods credit, be sure you are ordering the correct product from the distributor. When you place an order with a distributor, check the Super Co-Op website to be sure you have remaining entitlement dollars to spend before your order is placed with the manufacturer.

Processors

Approved USDA Foods processors must be used by RAs. The Super Co-Op publishes an RFP each year for processors to provide pricing and Summary End Product Data Schedule (SEPDS) documentation to Member Districts. The Super Co-Op assures that processors have approved SEPDS documentation for each of the items offered on the RFP. The approved items, prices, and processors are posted on the Super Co-Op website. RAs must purchase food items approved through the RFP process in order to receive entitlement credit (discount) for processed food items. USDA Foods balances at processors can be viewed on your Super Co-Op web page Dashboard.

Direct Shipment

Some processors will ship minimum quantities of processed USDA Foods directly to your designated delivery location. Inquire with your processor and/or broker about this process.

Distributors

Each Member District is responsible to contract with a Super Co-Op and State-approved distributor to deliver processed USDA Foods to their local district. Distributors must have an agreement with approved Processors, the State Agency, and the Super Co-Op in order to be used by the Member District. A list of approved USDA Foods distributors is posted on the Super Co-Op website.

Receiving materials and supplies through a distributor requires RAs to follow the proper federal, state, and local procurement procedures. Effective January 1, 2018, Senate Bill 544, Contracting for Purchases for the Child Nutrition Programs (Chapter 395, Statutes of 2017) amends the California Public Contract Code, Section 20111. The result of this amendment is that public school districts (PSD) and county offices of education (COE) are permitted to follow the federal small purchase threshold, unless your local small purchase threshold is more

restrictive. Effective August 1, 2018, the federal micropurchase threshold increased to $10,000, and the federal small purchase threshold increased to $250,000. Additionally, PSDs and COEs can award competitive proposal procurements (Title 2, Code of Federal Regulations, Section 200.320[d]) to the most responsive and responsible party, where price is the primary consideration, but not the only determining factor As always, program operators are required to use the most restrictive threshold for the procurement method being used. Additional information can be found on the CDE website at https://www.cde.ca.gov/ls/nu/sn/fsmcproc.asp

Product Formulation Statements (PFS)

A Product Formulation Statement (PFS) is used to validate how a food product contributes toward meal pattern requirements. If a product does not have an approved Child Nutrition (CN) label or is not found in the Food Buying Guide, the manufacturer must provide a PFS. It is the RAs responsibility to ensure that all foods served meet meal pattern requirements.

Summary End Product Data Schedules (SEPDS)

The Summary End Product Data Schedule (SEPDS) form is a listing of all products from a processor with information that is critical to effectively use USDA Foods. The SEPDS includes: USDA Food item and material code(s), weight, number of servings, pounds of USDA Foods used per finished case. This information will help you calculate how much USDA Foods you will use per case of finished processed product and be able to validate that you received the full value of the USDA Foods contained in each case of end product processed USDA Foods. SEPDS for all items on the Super Co-Op RFP are available on the Super Co-Op website. This is a sample form:

NPA SEPDS A **JR Simplot Company**

Summary End Product Data Schedule

Information Certified as Accurate by USDA

School Year	Product Status A=Approved N=New R=Revised X=Expired	End Product Code	End Product Description	Net Weight Per Case	Servings Per Case	Net Weight per Serving	WBSCM USDA Foods Material Code	WBSCM USDA Foods Material Description	USDA Foods Inventory Drawdown per case	USDA Foods Value per pound	USDA Foods Value per case	USDA Approval Date
SY18	A	10071179000464	RoastWorks Roasted Potato Medley	15.00	80.00	3.00	100506	POTATO BULK FOR PROCESS FRZ	18.75	$0.0853	$1.60	11/23/2016
SY18	A	10071179000488	RoastWorks Whole Baby Bakers	15.00	80.00	3.00	100506	POTATO BULK FOR PROCESS FRZ	18.75	$0.0853	$1.60	11/23/2016
SY18	A	10071179004172	JR Buffalo Sticks	27.00	144.00	3.00	100506	POTATO BULK FOR PROCESS FRZ	49.10	$0.0853	$4.19	11/23/2016

Verification of VPT

It is important that Member Districts verify each processed commodity purchase and delivery. Each time a processed commodity is received, you should check to be sure the proper discount (NOI, FFS, or rebate) was issued and that entitlement was drawn down correctly.

Department of Defense (DoD) Fresh Produce

Member Districts can set aside a portion of their annual entitlement to use for fresh and value added produce via the DoD Produce ordering process. When you set aside a portion of your entitlement to DoD Produce you will be assigned access to the FFAVORS Web, the web-based Fresh Fruit and Vegetable Order/Receipt System (FFAVORS). Currently, Valley Produce is the approved DoD vendor in Southern California and Rohrer Brothers is the approved DoD vendor in Northern California. Member districts will either receive DoD produce directly from the DoD vendor or have their DoD produce sent to another distributor. When member districts sign up for DoD, the specific details will be finalized.

Unprocessed Fruit & Vegetable Pilot Program

Section 4202 of the Agricultural Act of 2014 (P.L. 113-79), otherwise known as the Farm Bill, amended Section 6 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(f)) to provide for a pilot project for the procurement of unprocessed fruits and vegetables in not more than eight States receiving funds under Section 6. USDA's Food and Nutrition Service (FNS) works closely with USDA's Agricultural Marketing Service (AMS) to implement this pilot project, which began in early 2015. Participating states include California, Connecticut, Michigan, New York, Oregon, Virginia, Washington, and Wisconsin. Several member districts of the SUPER Co-Op are participating in this pilot for SY 2018-19.

The pilot project will provide State Distributing Agencies (SDAs) in selected States additional flexibility in the procurement of unprocessed fruits and vegetables. School food authorities (SFAs) in selected States, or SDAs acting on behalf of participating SFAs, will be permitted to competitively solicit a USDA-approved vendor using USDA Foods National School Lunch Program (NSLP) entitlement funds. SDAs or SFAs will also be able to use pre-existing commercial distribution channels and relationships with growers, produce wholesalers, and distributors. Use of geographic preference, as allowed by FNS regulation, is permitted in the procurement of these products.

Proper Storage of USDA Foods

Per Title 7, Code of Federal Regulations (CFR), Section 250.1(c)(1), USDA Foods Direct Delivery (aka “brown box”) inventory may not exceed an amount needed for a six-month period. Member Districts should request Direct Delivery items accordingly. Correct temperature control is essential to maintain food quality, nutrient content, and control of bacterial growth. Daily monitoring of temperatures is necessary to ensure adequate storage conditions.

Dry Storage: Many items such as canned goods, baking supplies, grains, and cereals may be held safely in dry storage areas. The guidelines below should be followed:

Keep dry storage areas clean with good ventilation to control humidity and prevent the growth of mold and bacteria.

Store dry foods at 50°F for maximum shelf life. However, 70°F is adequate for dry storage of most products.

Place a thermometer on the wall in the dry storage area.

Check the temperature of the storeroom daily.

Store foods away from sources of heat and light, which decrease shelf life.

Store foods off the floor and away from walls to allow for adequate air circulation.

Refrigerated Storage: Refrigeration increases shelf life of most products. Most importantly, refrigeration slows bacterial growth. Optimal refrigerated storage conditions can be achieved by following these guidelines:

Maintain refrigerated storage spaces at 32-40°F

Make thermometers readily observable, easily readable, and accurate to +3°F.

Position the temperature sensor to register the warmest air in the refrigerated space to ensure adequate cooling.

Establish the correct refrigerator temperature by placing a thermometer in a glass of water in the middle of the refrigerator. Wait 5 to 8 hours. If the temperature is not 38-40°F, adjust the temperature control. Check again after 5-8 hours.

Ensure that refrigerators have enough open, slotted shelving to allow for air circulation around shelves and refrigerator walls to maintain proper food temperatures.

Ensure that doors have a good seal and close tightly to maintain the temperature and the efficiency of the unit. Additionally, keep doors closed as much as possible.

Keep a back-up appliance thermometer in the unit in case of a power outage. If the refrigerator is still 40°F when the power returns, the food is safe. The food should not be consumed if the temperature is held at 40°F for more than two hours.

Freezer Storage: Freezers should be used to store frozen food when it is received. Optimal frozen storage conditions can be achieved by following these guidelines:

Maintain freezer storage spaces at 0°F or below.

Make thermometers readily observable, easily readable, and accurate to +3°F.

Position the temperature sensor to represent the actual storage temperature or place several thermometers in the unit to ensure accuracy and consistency.

Establish the correct temperature in the freezer by placing a thermometer between frozen food packages. Wait 5 to 8 hours. If the temperature is not 0-2°F, adjust the freezer temperature control. Check again after 5-8 hours.

Ensure that freezers have enough open, slotted shelving to allow for air circulation around shelves and walls to maintain adequate food temperatures.

Ensure that doors have a good seal and close tightly to prevent heat gain. Additionally, keep doors closed as much as possible.

Keep a back-up appliance thermometer in the unit in case of a power outage. If the freezer is still 0°F when the power returns, the food is safe.

Reference: Nutrition Services Division Management Bulletin No. 00-404, March 2000. Retrieved from http://www.cde.ca.gov/ls/nu/fd/mb00404.asp

Super Co-Op Governance

The Super Co-Op is governed by a ten member committee (Governing Council); each member represents members from each of nine Regional Groups and one representative from the Lead Agency. The Governing Council meets several times a year and makes decisions about the operation of the Co-Op. There are Governing Rules that are used to govern the Co-op business, found at the end of this document.

Regional Group	Director / Contact	District / Agency
Lead Agency	Lynnelle Grumbles	Santa Clarita Valley School Food Services Agency
Region 1	Monique Stovall	San Juan Unified School District
	(916) 277-6539	monique.stovall@sanjuan.edu
Region 2	Andrew Soliz	San Mateo-Foster City SD
	(650) 312-1968	asoliz@smfc.k12.ca.us
Region 3	Alissa Angle	Central Unified School District
	(559) 274-4700 ext. 63108	aangle@centralusd.k12.ca.us
Region 4	Stephanie Gillenberg	Oxnard Union High School District
	(805) 385-5749	Stephanie.Gillenberg@ouhsd.k12.ca.us
Region 5	Léna Agee	Manhattan Beach USD
	(310) 318-7345 x5031	LAgee@manhattan.k12.ca.us
Region 6	Michelle Curry	South Pasadena USD
	(626) 441-5820 x 2950	mcurry@spusd.net
Region 7	Liz Brown-Smith	Whittier Union High SD
	(562) 698-8121 x 1092	Liz.Brown-Smith@wuhsd.org
Region 8	Daryl Hickey	Pomona USD
Region 9	(909) 397-4711 x 21100 Stephanie Bruce (760) 322-4117	Daryl.Hickey@pomona.k12.ca.us Palm Springs USD sbruce@psusd.us

Lead Agency

The Santa Clarita Valley School Food Services Agency is the Lead Agency for the Super Co-Op for the 2018-19 School Year. The Lead Agency works with the Governing Council to promote the best interest of the Member Districts as a group. The Lead Agency requests all USDA Foods on

behalf of the Member Districts and makes processing diversion decisions with the Governing Council.

The Lead Agency is responsible for issuing, evaluating, and approving all bid documents related to the Co-Op's business. All accepted proposals and/or bids are approved by the Lead Agency's governing body. In addition, the Lead Agency oversees the Administrator contract and performance, manages Co-Op funds, and pays state administrative fees relative to USDA Foods received by the Member Districts.

Lead Agency Contact Information
Santa Clarita Valley School Food Services Agency
Dr. Lynnelle Grumbles
(661) 295-1574 x103 LGrumbles@scvsfsa.net

Administrator

Gold Star Foods is the Administrator for the Super Co-Op for the 2018-19 School Year. The Administrator performs many functions including:

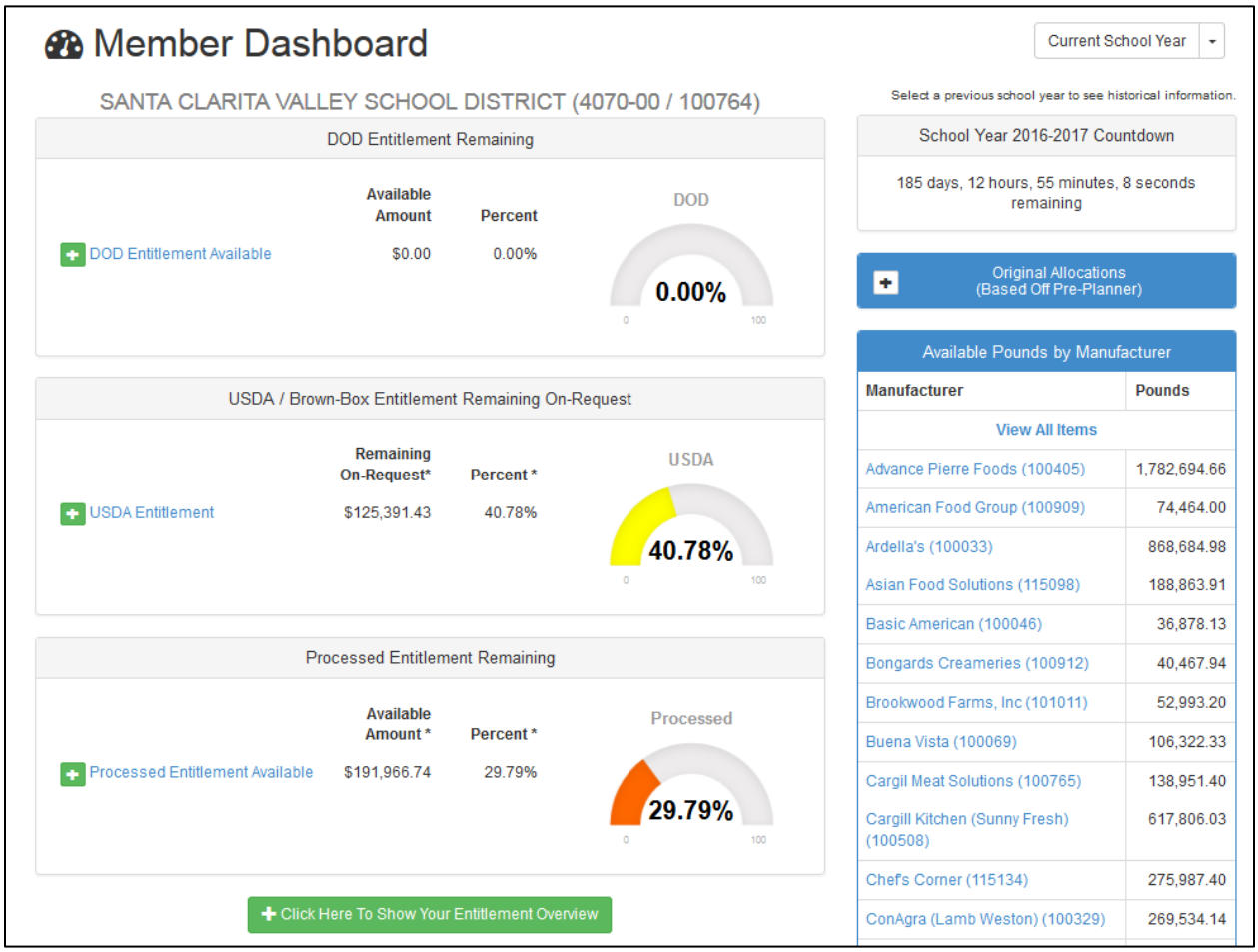
- Calculating Member District's USDA Foods entitlement,
- Coordinating the USDA Foods annual survey,
- Notifying Member Districts of USDA Foods offering(s), coordinating data collection/orders, re-capping the orders,
- Tracking incoming USDA Foods, comparing them against the original orders and informing the Member Districts about any discrepancies,
- Tracking deliveries of USDA Foods from approved distributors to Member Districts,
- Maintaining the Super Co-Op website to inform Member Districts of the actual remaining balances in FMV dollars, available balances at processors, bids, SEPDS
- Collecting, monitoring and validating all available balances of bulk USDA Foods stored with processors,
- Collecting state administrative fee payments from Member Districts,
- Checking state invoices to actual deliveries and investigating and clearing any discrepancies prior to payment of the invoices,
- Providing a summary of all charges to each Member District on a monthly basis,
- Making and verifying USDA Foods balance transfers,
- Coordinating annual Food Shows, north and south state.

Gold Star Foods can be reached using the following contact information:

Administrator Contact Information
Cynthia Barcelo
E-mail- CynthiaBarcelo@Super-Coop.org
Phone- (909) 843-9640 Fax- (909) 843-9641
Hours of Operation: Mon-Fri 8:00AM-4:00PM

Administrative Website

Your Member Dashboard on the Super Co-Op website is a critical tool for use in monitoring your USDA Foods entitlement balances. Please take time to view the "SCOOP Tutorial Video" on the Super Co-Op website homepage to best use the tools available to you on the website. You will need to get log-on credentials from the Administrator to view your Member District information.



How to get started

Super Co-Op Member Districts must be eligible to receive USDA Foods and be located in the state of California. When joining the Super Co-Op, each district signs an "Agreement of USDA Foods" which diverts the USDA Foods entitlement from the Member District to the Lead Agency. This may require Member District board action.

Fee Structure

Member Districts are billed by the Lead Agency for annual membership fee; the Administrator bills the state administrative fees. See Super Commodity Cooperative Fee Structure on page 17.

Responsibilities of the Member District

- Pay your bills promptly.
- Respond to pre-planners and offerings promptly.
- Read all emails and correspondence from the Super Co-Op and respond promptly.
- Use your USDA Foods wisely, using all your entitlement in a timely fashion.
- Verify your VPT using the Super Co-Op RFP Recap found on the Super Co-Op website. If discrepancies are found, address them with your processed commodity distributor directly.
- Monitor your entitlement balance using the Super Co-Op website to be sure that your processed product is reported by distributors and processors, so your entitlement draw down is reflected correctly.

To determine what USDA Foods and what forms are the best value to your district, please refer to Page 13 of the ACDA – RA Manual "Analyzing Costs and Value" found on the Super Co-Op website.

SY2018-19 Super Co-Op Regional Groups

Vendor Number	Region 1	
713500	Brittan Elementary School District	
618300	Buckeye Union Elementary School District	
714900	Corning Union Elementary School District	
705300	Dixon Unified School District	
713700	East Nicolaus Joint Union High School District	
765600	Hamilton Unified School District	
685800	Lodi Unified School District	
714000	Marcum Illinois Union Elementary School District	
752800	Natomos Unified School District	
615100	Oroville Union High School District	
615300	Paradise Unified School District	
727400	Plumas Lake Elementary School District	
716200	Red Bluff Union Elementary School District	
619700	Rescue Union Elementary School District	
669200	Roseville Joint Union High School District	
674400	*San Juan Unified School District*	*Gov Council*
615400	Thermalito Union Elementary School District	
726900	Washington Unified School District	
	Region 2	
616300	Acalanes Union High School District	
611100	Alameda Unified School District	
611200	Albany City Unified School District	
616400	Antioch Unified School District	
752500	Aromas-San Juan Unified School District	
616500	Brentwood Union Elementary School District	
616600	Byron Union Elementary School District	
694000	Campbell Union High School District	
611500	Castro Valley Unified School District	
694100	Cupertino Union School District	
611700	Fremont Unified School District	
674700	Hollister School District	
697600	Live Oak Elementary School District	
660900	Monterey Peninsula Unified School District	
695800	Morgan Hill School District	
675000	North County Jt Union School District	
654100	Novato Unified School District	
697900	Pajaro Valley Unified School District	
708600	Petaluma Joint Union High School District	
661400	Salinas City Elementary School District	
675300	San Benito High School District	
613000	San Lorenzo Unified School District	
690300	*San Mateo-Foster City School District*	*Gov Council*
654500	San Rafael City Elementary School District	
234300	Santa Clara County Probation Department	
698100	Santa Cruz City Elementary School District	
661900	Santa Rita Union School District	
709500	Sonoma Valley Unified School District	
690700	South San Francisco Unified School District	
754900	Tracy Joint Unified School District	
	Region 3	
651700	Alview-Dairyland Union Elementary School District	
638700	Armona Union Elementary School District	
656300	Atwater Elementary School District	
651800	Bass Lake Joint Union Elementary School District	
755900	Caruthers Unified School District	
739600	*Central Unified School District*	*Gov Council*
710400	Ceres Unified School District	
651900	Chowchilla Elementary School District	
652000	Chowchilla Union High School District	
621100	Clovis Unified School District	
621200	Coalinga-Huron Unified School District	
638900	Corcoran Joint Unified School District	
718600	Cutler-Orosi Joint Unified School District	
755300	Dinuba Unified School District	
768300	Exeter Union School District	
621500	Fowler Unified School District	
752300	Golden Plains Unified School District	
755800	Golden Valley Unified School District	
736100	Gustine Unified School District	
639100	Hanford Elementary School District	
639200	Hanford High School District	
739900	Kerman Unified School District	
635200	Kern High School District	
660500	King City Union School District	
622600	King Canyon Joint Unified School District	
639400	Kings River Hardwich Union Elementary School District	
622400	Kingsburg Elementary Charter School District	
622800	Laton Joint Unified School District	
639700	Lemoore Union Elementary School District	
639800	Lemoore Union High School District	
719900	Lindsay Unified School District	
657500	Los Banos Unified School District	
	Region 3 - continued next column	

Vendor Number	Region 3 (continued)	
652400	Madera Unified School District	
655300	Mariposa County Unified School District	
657600	McSwain Union Elementary School District	
751200	Mendota Unified School District	
711600	Modesto City Elementary School District	
720000	Monson Sultana Joint Union Elementary School District	
623600	Parlier Unified School District	
639900	Pioneer Union Elementary School District	
720400	Pixley Union School District	
755200	Porterville Unified School District	
652700	Raymond-Knowles Union Elementary School District	
739300	Reef Sunset Unified School District.	
754000	Riverdale Joint Unified School District	
624100	Sanger Unified School District	
624300	Selma Unified School District	
752700	Sierra Unified School District	
721900	Terra Bella Union Elementary School District	
722100	Tipton Elementary School District	
722300	Tulare City School District	
722400	Tulare Joint Union High School District	
722500	Visalia Unified School District	
767900	Woodlake Unified School District	
722900	Woodville Union Elementary School District	
764100	Yosemite Union School District	
	Region 4	
754600	Coast Unified School District	
C57200	Granada Hills Charter High School	
724600	Hueneme Elementary School District	
646800	Las Virgenes Unified School District	
692200	Lompoc Unified School District	
739400	Moorpark Unified School District	
738700	Oak Park Unified School District	
725200	Ojai Unified School District	
692600	Orcutt Union Elementary School District	
725300	Oxnard School District	
725400	*Oxnard Union High School District*	*Gov Council*
754500	Paso Robles Joint Unified School District	
688000	San Luis Coastal Unified School District	
407000	***Santa Clarita Valley School Food Services Agency***	*LEAD*
691200	Santa Maria-Bonita School District	
726000	Simi Valley Unified School District	
726500	Ventura Unified School District	
	Region 5	
643000	Bellflower Unified School District	
734300	Compton Unified School District	
644400	Culver City Unified School District	
645300	El Segundo Unified School District	
645900	Hawthorne School District	
646300	Inglewood Unified School District	
646900	Lawndale Elementary School District	
647000	Lennox School District	
647700	Lynwood Unified School District	
753300	*Manhattan Beach Unified School District*	*Gov Council*
648600	Palos Verdes Peninsula Unified School District	
753400	Redondo Beach Unified School District	
649800	Santa Monica-Malibu Unified School District	
650600	Torrance Unified School District	
	Region 6	
757100	Alhambra Unified School District	
642600	Arcadia Unified School District	
642700	Azusa Unified School District	
642800	Baldwin Park Unified School District	
642900	Bassett Unified School District	
643300	Burbank Unified School District	
643700	Charter Oak Unified School District	
644300	Covina Valley Unified School District	
644600	Duarte Unified School District	
645000	El Monte City School District	
645100	El Monte Union High School District	
645500	Garvey Elementary School District	
645600	Glendale Unified School District	
645700	Glendora Unified School District	
734400	Hacienda La Puente Unified School District	
647900	Monrovia Unified School District	
648100	Mountain View Elementary School District	
648800	Pasadena Unified School District	
649300	Rosemead Elementary School District	
734500	Rowland Unified School District	
752900	San Gabriel Unified School District	
649600	San Marino Unified School District	
650200	*South Pasadena Unified School Dist*	*Gov Council*
650500	Temple City Unified School District	
650900	West Covina Unified School District	

Vendor Number	Region 7	
642100	ABC Unified School District	
664300	Anaheim Union High School District	
664400	Brea-Olinda Unified School District	
664500	Buena Park Elementary School District	
638800	Central Union Elementary School District	
664800	Cypress Elementary School District	
644500	Downey Unified School District	
644800	East Whittier City Elementary School District	
645200	El Rancho Unified School District	
665000	Fullerton Elementary School District	
665400	Huntington Beach Union High School District	
736500	Irvine Unified School Distict	
665600	La Habra City Elementary School District	
647100	Little Lake City School District	
739200	Los Alamitos Unified School District	
647600	Lowell Joint School District	
665800	Magnolia Elementary School District	
665900	Newport-Mesa Unified School District	
648400	Norwalk-La Mirada Unified School District	
666100	Ocean View School District	
103000	Orange County Department of Education	
666200	Orange Unified School District	
666400	Placentia-Yorba Linda Unified School District	
736300	Saddleback Valley Unified School District	
666700	Santa Ana Unified School District	
650300	South Whittier Elementary School District	
736400	Tustin Unified School District	
734600	Walnut Valley Unfifed School District	
667400	Westminster School District	
651100	Whittier City Elementary School District	
651200	*Whittier Union High School District*	*Gov Council*
	Region 8	
675900	Alta Loma Elementary School District	
669700	Alvord Unified School District	
643200	Bonita Unified School District	
676400	Central Elementary School District	
676500	Chaffey Joint Union High School District	
676700	Chino Valley Unified School District	
643900	Claremont Unified School District	
676800	Colton Joint Unified School District	
670300	Corona-Norco Unified School District	
676900	Cucamonga Elementary School District	
677100	Fontana Unified School District	
670900	Jurupa Unified School District	
671200	Moreno Valley Unified School District	
677800	Mountain View School District	
649000	*Pomona Unified School District*	*Gov Council*
678500	Rialto Unified School District	
672100	Riverside Unified School District	
678700	San Bernardino City Unified School District	
750600	Upland Unified School District	
752400	Val Verde Unified School District	
	Region 9	
669800	Banning Unified School District	
676100	Barstow Unified School District	
676300	Bear Valley Unified School District	
669900	Beaumont Unified School District	
736700	Coachella Valley Unified School District	
680300	Coronado Unified School District	
681000	Escondido Union High School District	
750400	Hesperia Unified School District	
C88900	Inland Leaders Charter School	
751700	Lake Elsinore Unified School District	
682000	Lemon Grove School District	
671100	Menifee Union Elementary School District	
677700	Morongo Unified School District	
752000	Murrieta Valley Unified School District	
682200	National School District	
678200	Oro Grande Elementary School District	
671700	*Palm Springs Unified School District*	*Gov Council*
671800	Palo Verde Unified School District	
671900	Perris Elementary School District	
672000	Perris Union High School District	
678400	Redlands Unified School District	
672300	Romoland Elementary School District	
683900	South Bay Union School District	
684100	Sweetwater Union High School District	
751900	Temecula Valley School District	
679300	Victor Valley Union High School District	
684500	Vista Unified School District	
679500	Yucaipa Calimesa Joint Unified School District	

Annual Timeline

July
Complete the *Agreement for Distribution of Donated Food* in CNIPs.
Membership Fee invoices distributed.

October - November

Annual Renewal of Services forms distributed and due to Co-Op Administrator for next school year.

December
December 15th is the last day to opt in or out of co-op or state distribution for next school year.

January – February
Super Co-Op Food Shows, north and south
Visit a food show to assist in making decisions about USDA Foods processing for following year
Current year entitlement is redistributed if Member District remaining entitlement balance is too high (January 31)

February – March
Request USDA Foods (chicken pounds by manufacturer, brown box, DoD, and Unprocessed Pilot entitlement amount) for following year
Current year entitlement is redistributed if Member District remaining entitlement balance is too high (March 30)

May
DoD Fresh produce funds swept by CDE if not used.

June
All unused entitlement funds expire on June 30.

Super Co-Op 2018-19
Fee Structure

Please remit all fees promptly when billed.

Type	Billing Agency	Amount	Frequency	Notes
Membership Fee	Santa Clarita Valley School Food Service Agency (Co-Op Lead Agency)	0.4% of Entitlement	First membership year	
		0.3% of Entitlement	Subsequent membership years.	
			Bill sent to Member Districts July 1 annually.	
State Administrative Fees	Administrator (Gold Star Foods)	Brown box $.90/case	On receipt at Distributor	Administrator forwards state fees to Lead Agency for remittance to state.
		Processed $.90/case	Quarterly based on % of entitlement designated for processing	
		DOD Produce $.15/case	Annually @ end of year	
Delivery, direct delivery (brown box)	Distributor (Gold Star Foods)	$1.74/case single drop @ district	On receipt at Member District	Notice of arrival on distributor (Gold Star Foods) website. Minimum 25 case delivery per site.
		$1.48/case pick-up		
		Additional charge ($0.77) for multiple site delivery		
Delivery, processed	Distributor as selected by Member District	Varies by distributor	As ordered by Member District	
	Processor direct	Varies by processor	As ordered by Member District	
Delivery, DOD Produce	Distributor	Varies by distributor	As ordered by Member District	
Storage, brown box	Distributor (Gold Star Foods)	$0.61/case/month after first 30 days following delivery to Gold Star Foods	As ordered by Member District	$10 minimum/month per lot

USDA Foods Direct Delivery (Brown Box) Storage Policy
Approved by the Governing Council - July 1, 2018

Per Title 7, Code of Federal Regulations (CFR), Section 250.1(c)(1), USDA Foods Direct Delivery (aka "Brown Box") inventory may not exceed an amount needed for a six-month period. To assist Member Districts in the management of direct delivery inventory, the following policies apply to Direct Delivery USDA Foods received and stored at the Super Co-Op USDA Foods Direct Delivery Distributor (Gold Star Foods):

Direct Delivery Items with a Six Month Shelf-Life

- It is the responsibility of the Member District to schedule delivery of product as soon as possible after receipt at the Super Co-Op USDA Foods Direct Delivery Distributor (Gold Star Foods).
- At 120 days (4 months), if the item has not been scheduled by the member district for delivery, inventory is moved into the Super Co-op General Account and offered to any Member District willing to take delivery of product in 30 days or less. The originating district pays state administrative fee and their entitlement is charged. The receiving district gets the product at no charge to their entitlement and pays delivery charges.
- At 150 days (5 months), if the item has not been scheduled by the member district for delivery, the inventory is donated to a local non-profit agency (Ex: foodbank). The originating district's entitlement is charged for the item and they pay the state administrative fee.
- Six Month Shelf Life Items:

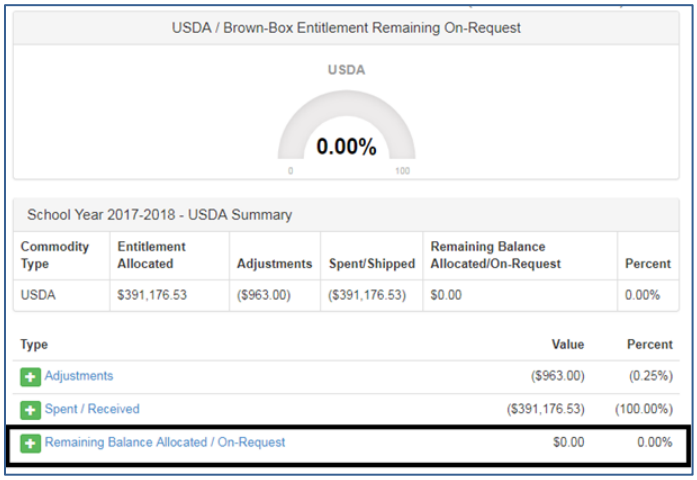
USDA Code	Description	Pack Size
100003	CHEESE CHED YEL SHRED BAG	6/5 LB
100017	CHEESE PROCESS LVS	6/5 LB
100018	CHEESE PROCESS YEL SLC LVS	6/5 LB
100019	CHEESE PROCESS WHT SLC LVS	6/5LB
100036	CHEESE BLEND AMER YEL SLC LVS	6/5 LB
100037	CHEESE BLEND AMER SKM WHT SLC LVS	6/5LB
110394	TORTILLAS WHOLE WHEAT FZN	12/24CT
100008	CHEESE CHED RED FAT YEL	4/10LB
100006	CHEESE CHED YEL CUTS	4/10 LB
100012	CHEESE CHED RF YEL SHRED BAG	6/5 LB
100011	CHEESE CHED RED FAT WHT SHRED	6/5LB
100500	RICE BROWN LONG PARBOILED PKG	24/2 LB
100499	RICE BROWN US#1 BAG	25 LB
101031	RICE BROWN LONG PARBOILED BAG	25 LB
110396	CHEESE STRING MOZZARELLA	360/1OZ
100012	CHEESE CHED RED FAT YEL SHRED	6/5LB

All Other Direct Delivery Items

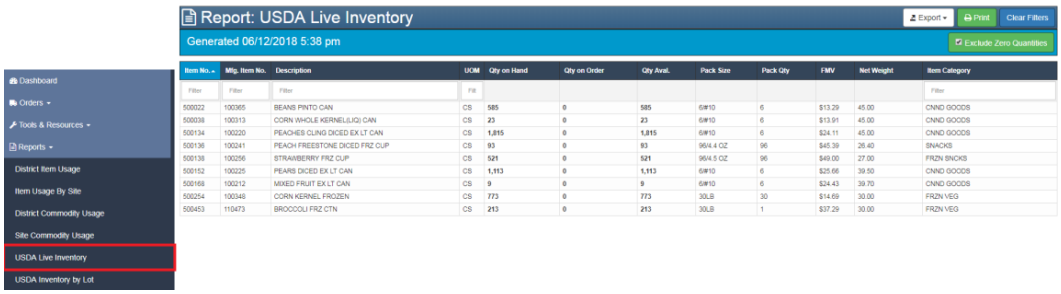
- It is the responsibility of the Member District to schedule delivery of product as soon as possible after receipt at the Super Co-Op USDA Foods Direct Delivery Distributor (Gold Star Foods).
- At 10 months, if the item has not been scheduled by the member district for delivery, the inventory is moved to the Super Co-Op General Account and offered to any Member District willing to take delivery of the product within 30 days or less. The originating district pays state administrative fee and their entitlement is charged. The receiving district gets the product at no charge to their entitlement and pays delivery charges.
- Depending on the product expiration date, the inventory may be donated to a local non-profit agency (Ex: foodbank) just prior to expiration.

Direct Delivery Management Reports

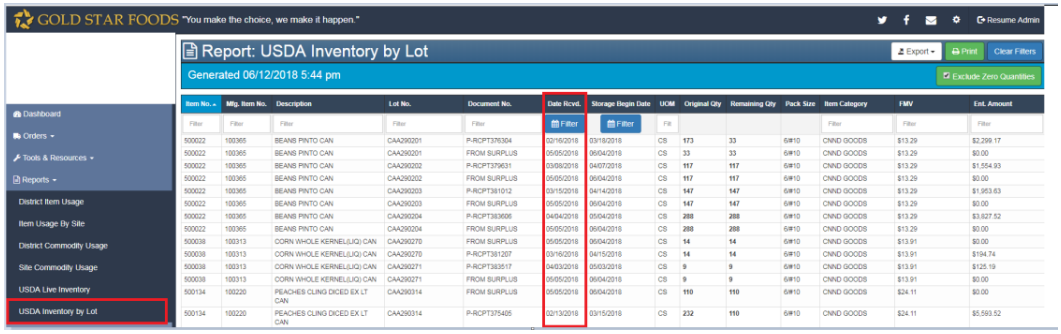
Direct Delivery Allocations – This report provides a list of all items allocated to Member Districts that have not yet been received at Gold Star Foods. Member Districts should use this report to plan future menus utilizing direct delivery USDA Foods. Access on your Super Co-Op Dashboard at http://www.super-coop.org/. Click on Log-In and enter your Username and Password.



USDA Live Inventory Report – This report provides a list of all Direct Delivery items currently in Member District's inventory at Gold Star Foods. Access on the Gold Star Foods website at http://www.goldstarfoods.com/. Click on Order Online and enter your Username and Password. Under the Reports tab on the left, click on USDA Live Inventory.



USDA Inventory by Lot Report – This report provides a list of all items currently in Member District's inventory denoting the date of receipt and the date that Members will begin paying storage charges. Access on the Gold Star Foods website at http://www.goldstarfoods.com/. Click on Order Online and enter your Username and Password. Under the Reports tab on the left, click on USDA Inventory by Lot.



SUPER Co-Op Governing Rules

I. PURPOSE

The purpose of the SUPER Co-Op is to assist Member Districts with effective USDA Foods ordering and distribution and enable its members to attain the best possible prices for processed USDA Foods and their commercial equivalents as well as for USDA Foods distribution (brown boxes).

II. MEMBERSHIP

1. All Member Districts must abide by the Governing Rules as presented.
2. Any California agency that is eligible to receive the USDA Foods may apply to become a member of the Co-Op.
   a) The Super Co-Op Governing Council (Council) has the right to approve or disapprove of the membership's status of a co-op member.
   b) If a USDA Foods distribution contract is in force and a new member is applying during this contract existence, its membership may require the contracted distributor's approval.
3. By signing the "Assignment of USDA Donated Food" (Appendix 1) the Agency agrees to be a member of the SUPER Co-Op and to abide by the SUPER Co-Op Governing Rules.
4. Every Member District is entitled to its "Fair Share" of all offered USDA Foods based on the previous year Total Lunches Served (TLS) and current minimum value of donated foods per lunch served as assigned by the State.
5. Member Districts can resign membership at the end of any program year with written notice received by the Lead Agency by December 10 of the preceding program year.
   a) All USDA Foods Direct Delivery (brown box) product left in storage on June 30 shall be forfeited and offered to remaining Member Districts unless prior arrangements are made by June 1.
   b) All unspent entitlement and processor balances on June 30 shall be forfeited.
6. It is the Member District's responsibility to inform its board of trustees about SUPER Co-Op business, including the status of any USDA Foods related bids and proposals.
7. It is every Member District's responsibility to actively manage its USDA Foods including distribution, processing, and inventories. Each Member District must maintain internet and e-mail access and is responsible to report changes to the Lead Agency and Administrator. Each Member District must use the Co-Op approved method of ordering commodities.
8. Each Member District must pay invoices from the Co-Op or an approved Co-Op agent within 30 days of the receipt of invoice.
   a) A penalty of 5% may be assessed after 90 days if the invoice is not paid in full. An additional 2% can be assessed after 120 days.
   b) Repeated late payments may result in cancellation of membership in the Co-Op.
9. Each Co-Op Member District is responsible to monitor their entitlement balance and other reports and announcements on the Co-Op web site.

III. GOVERNANCE

1. All of the SUPER Co-Op business and organizational decisions shall be made by the SUPER Co-Op Governing Council (Council). The Council shall be comprised of one member per regional group plus a Lead Agency representative.
   a) Regional Group membership will be approved by the Council.
   b) Council members will be determined by members of each Regional Group.
   c) Each Council member is entitled to one vote on each matter submitted for a vote of the members. A Council member may give another individual in its Regional Group its proxy for voting purposes if they are unavailable to vote.
   d) The Lead Agency representative will only cast a vote in the event of a tie.
2. The Council shall meet a minimum of once a year or as needed. The Council's decisions shall be reached by a majority of present Council members if a quorum is met.
   a) A Council quorum is met if 51% or more Council members are present.
   b) Council members and Lead Agency shall be reimbursed for expenses incurred to attend Council meetings from the membership fee account.
3. A Member District will act as the Lead Agency for the SUPER Co-Op.
   a) The Lead Agency is responsible for requesting all USDA Foods Direct Delivery and diversions to processors as well as for all the USDA Food inventories at the processors' storage facilities.
      (1) As soon as a USDA Foods shipment is delivered to an approved distributor and is assigned to an eligible member, the USDA Food is inventoried as commercial product of the eligible member (single inventory). It is each Co-Op Member District's responsibility to manage its inventory to achieve maximum benefit.
   b) The Lead Agency is responsible for issuing, evaluating, and approving all bid documents related to the Co-Op's business. All accepted proposals and/or bids must be approved by the Lead Agency's governing body.
      (1) It is the Member District's responsibility to have the specific contract(s) approved by the member's Board of Trustees (or other governing body as appropriate) to meet the State and Federal procurement requirements using approved award criteria.
   c) The Lead Agency shall, in addition to other responsibilities defined elsewhere in this document, inform Council members and Member Districts of pertinent Co-Op business transactions, plan and manage annual budget for membership fee fund, review and pay state administrative fee invoices, oversee the work of the Administrator, plan and convene regular Council meetings, work with show organizer to plan annual food shows, conduct annual Member District meetings, plan additional education sessions for Member Districts, and other duties as necessary to responsibly manage the business affairs of the Co-Op.
   d) The Lead Agency shall be compensated $40,000 annually. Funds for this expense shall be paid from the membership fee account.

4. Membership fees will be assessed to districts using the following schedule:

a) New districts start-up will be 0.4% of the current year entitlement. Annual renewal fee beginning the second year of membership and continuing thereafter of 0.3% of the current year USDA Foods entitlement as projected by the State on July 1.

b) The Regional Group Governing Council Member District shall pay one half (50%) of the customary membership fee assessed to all Co-Op Member Districts. The Lead Agency shall pay no membership fee.

c) The Membership fees will be collected and deposited in a unique account by the Lead Agency and used for expenses such as the cost of Council conference calls; legal fees related to the Co-Op; ACDA conference attendance by 3-4 Council members; other expenses approved by the Council.

(1) A minimum reserve of 15% shall be maintained in the membership fee account to ensure adequate cash flow to enable prompt payment of state administrative fees and other expenses.

d) Fees may be modified as needed with a vote of simple majority of the Council and a 30-day letter of notification to Member Districts.

e) The Council may from time to time ask all members for a special assessment to cover any unexpected expenses. These fee(s) shall be based on the individual member's annual entitlement and cannot exceed 0.1% of the member's entitlement. (*Example: If the member's entitlement is $100,000 the fee for that year cannot be more than $100*).

f) The governance of each Regional Group is the responsibility of its Member Districts.

5. The Council shall employ a third party Administrator to assist the Co-Op with offering the fair share of USDA Foods to each member; to track each individual Member District's entitlement and USDA Foods inventories; to collect State and other applicable fees. The Administrator's specific responsibilities and service fees shall be fully outlined in a signed contract between the Lead Agency and the Administrator. The Co-Op Administrator shall be appointed by the Council based on an official RFP issued on behalf of the Co-Op by the Lead Agency.

III. ENTITLEMENT MANAGEMENT

1. USDA Foods entitlements are expected to be managed effectively and efficiently by Member Districts. Member Districts that do not utilize their funds promptly will have prorated remaining funds redistributed to Member Districts that can demonstrate the need and ability to utilize additional product. Member Districts will receive an email notice 15 days prior to the redistribution.

a) The Lead Agency and/or Administrator will reassign unused entitlement using the following schedule:

(1) January 31 – Member Districts with more than 60% remaining entitlement.

(2) March 30 – more than 30% remaining entitlement.

2. Proration will be computed at approximately 10% per month based on a ten month calendar from August to May. For example a Member District with a $100,000 entitlement that uses $40,000 by January 31 (6 months use from August to January) averaged $6,667 per month. Assuming a ten month calendar, their projected total use to the end of the year is $66,667 with $33,333 excess. The excess will be removed from their entitlement and redistributed to Member Districts that are using entitlement in excess of the 10% per month average, allocated by fair share.

3. Payment of State Administrative Fees for USDA Foods

a) It is the responsibility of the Lead Agency to pay all State Administrative Fees for USDA Foods used by SUPER Co-Op members.

b) The Administrator shall bill and collect State Administrative Fees from Member Districts on behalf of the Lead Agency at the current rate as issued by the State of California.

c) USDA Foods (brown box) State Administrative Fees shall be billed at the time of receipt by the Distributor.

d) Processed USDA Foods State Administrative Fees shall be billed on a quarterly basis.

   (1) Member Districts shall be billed their fair share of the State Administrative Fees of USDA Foods sent to processors during the quarter, based on entitlement allocated to processing.

   (2) DoD Fresh Produce and USDA Pilot Project for Procurement of Unprocessed Fruits and Vegetables State Administrative Fees shall be billed annually.

These governing rules can be amended at any time by a simple majority vote of all the members of the Council.

Original Adoption: June 9, 2006

Revised: November 21, 2014

Revised: June 23, 2016

Revised: November 29, 2017

Revised: April 18, 2018