

## NC Child Nutrition Procurement Alliance

The **NCPA or “Alliance”** is a voluntary group purchasing organization formed by the Child Nutrition Services Section of the NC Department of Public Instruction in 2008. The mission of the NCPA is to work in a voluntary partnership to procure high quality, reasonably priced foods and supplies that will enhance the health, well-being and academic success of students enrolled in North Carolina’s traditional public schools. NCPA leaders and members accomplish this mission by leveraging the collective purchasing power of member school districts for measurable, cost-effective results.

Membership in the NCPA is voluntary and is open to any traditional public school district in the State that administers the Federally-funded school nutrition programs. District membership is based upon mutual agreement between the NCPA and the district (as indicated by written approval from the Superintendent) to adhere to the NCPA By-Laws. One of the requirements of NCPA membership is that one or more of the member district’s school nutrition professionals must volunteer time and effort to an NCPA committee in order to contribute to the overall success of the group. Currently, 92 school districts hold memberships in the NCPA. Volunteerism and service are central to the success of the NCPA.

**Membership in the NCPA does not constitute a legal affiliation;** instead the NCPA serves as a vehicle for consolidating 1,000+ product specifications and streamlining the procurement process by eliminating duplication of effort and combining the collective purchasing power of the member districts. Prior to the development of the NCPA, each district approached the procurement process individually and independently. As a result, each district conducted a formal purchasing process including the preparation of detailed product specifications, development of an Invitation for Bid (IFB), review and analysis of bid documents and individual specifications, student taste-testing and bid award. The NCPA simplified the complex procurement process and eliminated duplication of effort by identifying common products used by most districts in their Child Nutrition Programs, developing and distributing a single state-wide IFB, creating tools for bid analysis and price comparison, providing audits, and for ultimately awarding contracts to the most responsive and responsible vendors.

The NCPA recognizes that procurement of foods and supplies for the district’s school nutrition programs is ultimately a local decision and local responsibility. Under the NCPA procurement process, distributors submit “cost plus fixed fee” or “firm price” bids by product category to member districts. As a result, each local Board of Education awards its own contract, thus allowing competition from local vendors and distributors as well as national manufacturers and retaining full contractual authority and responsibility within the district. Cost savings are generated by increasing the total volume of pre-approved product purchases by members using the same bid specifications, bid documents and bid award process and eliminating the duplication of effort as the member districts who are no longer required to prepare individual product specifications nor are they required to develop complex procurement documents. By combining the collective purchasing power of the State’s school nutrition programs in 92 school districts, the leadership of the NCPA has elevated North Carolina’s purchasing power on a national level; the NCPA has achieved the volume of sales and capacity of leadership/decision-making to initiate purchases directly to product manufacturers for many products, thus rendering the NCPA contract the fifth largest school nutrition food/supply bid in the nation.

While the NCDPI facilitates the NCPA, all decision-making is coordinated by a member-elected **Board of Directors including a Board Chairperson and representatives from each** of the eight educational regions in the State. The **Board Chairperson is elected by the members of the Board; the Chairperson** leads the Board in regular meetings to address NCPA business and make

decisions on behalf of the member districts. Child Nutrition Administrators from each region serve in various capacities required to conduct procurement activities in an environment of free and open competition. The eight regional areas representing the NCPA Board are and engaging in the work of the NCPA include:

- **Regions 1 and 8 comprise the Audit Committee;** this committee routinely and randomly audits the invoices of distributors to confirm whether the NCPA product bid price is equal to the amount paid by the distributor and requires corrective action when bid prices are not consistent with manufacturer's invoices;
- **Regions 2 and 5 comprise the Product Testing Committee;** all products are formally tested by Child Nutrition personnel under carefully prescribed conditions with actual students; products are objectively and subjectively evaluated by students and scores are documented as a means of establishing brand preferences that ultimately create student acceptance and drive student participation;
- **Regions 3 and 6 comprise the Product Identification Committee** and works with manufacturers and brokers to identify products that meet current Federal regulations which are stringent;
- **Region 4 comprises the Quality Control and Assurance Committee** and provides NCPA members with a means of reporting/addressing product issues that cannot be resolved locally with the distributor; and
- **Region 7 comprises the Marketing and Menu Development Committee** and serves to consolidate NCPA pre-approved products for effective menu planning and market the NCPA as a effective, efficient and results-oriented procurement approach for traditional public school districts in North Carolina.

A recent analysis of NCPA contracts reflects purchases in excess of \$117 million annually for food, supplies and delivery fees for the 92 member districts. A similar analysis of bid prices indicates a cost savings for a NCPA member districts that range from 5% to 21%. This translates to an average cost savings of \$87,533; the range of cost savings is from \$62,078 to \$108,227 based on district size. The NCPA successfully generates a State-wide savings of approximately \$8.15 million annually. Clearly, the smaller, more rural districts experience higher cost savings and the reduction of administrative costs as a result of their membership in the NCPA. The reduction in administrative cost as a result of streamlining the procurement documents to four standard documents instead of the development of four (4) or more documents per district is formidable. The estimated average reduction in administrative cost as a result of efficiencies afforded by the NCPA is \$10,088 per member district resulting in a total administrative burden reduction of nearly \$1 million annually. The FTEs reflected by this figure are redirected to other administrative duties to support the district's school nutrition operations.