



State of Arizona
Department of Education
Office of Diane M. Douglas
Superintendent of Public Instruction

HNS 09-2017
MEMORANDUM

TO: USDA Foods Program Recipient Agencies

FROM: Melissa Conner, Associate Superintendent
Arizona Department of Education, Health and Nutrition Services Division

Julie Shelton, Director, School Food Programs
Arizona Department of Education, Health and Nutrition Services Division

DATE: July 1, 2017

SUBJECT: Welcome Back Memo - School Year 2017-2018

Original Signed

School year 2017-2018 (SY18) has begun and the USDA Foods Program would like to take this opportunity to highlight program guidance that will assist you with the successful operation of your program.

Below is a list of resources that can be found in the “Documents” section of myFOODS or by using the provided links below:

- myFOODS user manual
- USDA Foods management system, myFOODS, training schedule and registration: <https://ems.azed.gov/Home/Calendar>
- Storage self-evaluation form - This must be completed at the end of each school year and kept in your files for five years. This document will be reviewed during your next Procurement Review: <http://www.azed.gov/health-nutrition/food-distribution/documents>
- Delivery information form – Recipient Agencies (RAs) who are new to the USDA Foods Program or returning sponsors needing to add a delivery site must complete this form prior to receiving USDA Foods and submit a credit application: <http://www.azed.gov/health-nutrition/food-distribution/documents>
- DoD Fresh Produce Program Request to Participate form



USDA Foods Training and Management

The USDA Foods Program operates completely online. You must have access to the internet, and in some instances, Internet Explorer to properly manage your USDA Foods.

In order for RAs to update information, schedule shipments and maintain the USDA Foods program, RA's must have at least one myFOODS registered user. Access for myFOODS is established with successful completion of myFOODS training. This training will teach you about the USDA Foods Program and how to use myFOODS, the USDA Foods ordering system. There is no charge for this training, but it is REQUIRED to obtain access. Space is limited and cannot be extended once a class is full. RAs can register for this training at: <https://ems.azed.gov/Home/Calendar>.

Please note that employees of Food Service Management Companies (FSMC), Caterers, and Group Purchasing Organizations (Aspin/Mohave) are not allowed access to myFOODS. You must be an employee of the RA in order to access the system.

Administration/Delivery Fees

Please note the delivery fees listed below, which will be effective July 1, 2017-June 30, 2018.

Prep Site - \$3.12 per case *\$0.25 administrative fee included

(10 case minimum- meal count of 50,000 or less)

(20 case minimum- meal count of 50,001 or greater)

Warehouse - \$2.48 per case *\$0.25 administrative fee included

(100 case minimum, exchangeable pallets and forklift required)

Pick-Up - \$1.95 per case *\$0.25 administrative fee included

(100 case minimum, exchangeable pallets and refrigerated truck required)

The above delivery fees include the administrative fees negotiated between the Arizona Department of Education (ADE) and US Foods. For USDA Foods brown box items, the administrative fees will remain at \$0.25 per case for SY18 and be collected by US Foods on the regular shipping invoice. The excess storage fees will remain at \$1.10 per case for SY18.

ADE will be implementing a "fair share" model for USDA Foods administrative fees by applying a fee to diverted pounds for processing. RAs will be charged a two cent (\$0.02) per pound administrative fee for all USDA Foods diverted to a Processor for processed end products. ADE will be sending invoices to RAs beginning September 2017 and payment will be due by October 2017.

Excess Storage Charges

ADE will invoice an RA for excess storage fees at \$1.10 per case on all USDA Foods cases that are not scheduled for shipment by the 'must ship by date'. This fee will be applied to ALL material types. Materials will also be removed from your inventory. Invoices are due in/by net 30 days. If payment is not received after 60 days, RA's USDA Foods account will be placed on hold until payment has been received. When remitting payment, please identify the excess storage fee invoice number on your check. Effective August 2017, any RA that has two consecutive months of excess storage will be placed on hold and required to complete an online training module. Once the module is completed, a test will be administered that must have a score of 70% or greater. Please note RA's will be able to take the online training and test an unlimited number of times in order to achieve the 70% or greater score.



Shipping Information

If your RA requires you to submit a PO for delivery, you must have it submitted to US Foods in order to receive USDA Foods shipments. Your myFOODS account will not be approved until the PO is submitted. If you are not required to have a PO, ADE requires the RA to submit a declaration on your school letterhead stating so.

The shipment window for all USDA Foods deliveries by US Foods is 6:00am to 2:30pm (Arizona time). If a delivery is refused or no one is at the site to accept the delivery during these hours, RAs will be subject to a restocking fee of \$1.25 per case. There are approximately 400 RAs receiving USDA Foods at over 4,000 delivery sites. Therefore, it is not possible for US Foods to accommodate specific delivery time requests.

If you have a question or concern with a specific shipment, please contact US Foods. If you continue to experience shipment problems (ex. drivers delivering outside the required time, poor delivery service, etc.) please contact the School Food Programs immediately, so that the issue can be addressed.

Inventory Management-Single Inventory, Losses and Proper Use

ADE has implemented the single inventory record keeping system for RAs, but stresses that good inventory management and control practices must be maintained where commercially purchased and USDA Foods are stored together. RAs must treat and safeguard USDA Foods the same as commercially purchased foods. RAs will continue to be reviewed and must document how inventory management occurred.

Per CFR 250.14 (c), RAs are not required to report loss, damaged, or out-of-condition USDA Foods to ADE unless there is evidence that indicates such losses have occurred as a result of theft or fraud. RAs will treat the loss in the same manner as purchased food losses. If you have a loss of USDA Foods as a result of theft or fraud, please contact the School Food Programs unit.

RA's may use USDA Foods across programs (National School Lunch Program, School Breakfast Program, and Summer Food Service Program) as long as all income accrues to the nonprofit food service account. RAs are responsible for ensuring that all food resources are used properly. Misuse of USDA Foods is subject to criminal prosecution under Section 12(g) of the National School Lunch Act.

Thank you for your participation in the USDA Foods Program. If at any time you require assistance, please contact the School Foods Program. Contact information is provided on the next page.



HELPFUL INFORMATION

USDA Foods Contact Information

Mailing Address: Arizona Department of Education School Food Programs
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Phoenix, AZ 85007

Physical Address: Arizona Department of Education School Food Programs
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USDA Foods Warehouse for Arizona Department of Education

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