

*The following is a summary of vendors' comments regarding process improvement collected by AMS' Commodity Procurement Staff during Business Model Improvement (BMI) breakout sessions at the 2017 Annual USDA Foods Contractors and Suppliers Industry Meeting, Oct. 24-25, 2017.*

## ***ACDA Processing Committee Breakout***

### ***Forecasting***

- \$ value pass through vs. pounds – concern about a school/State taking more than their forecasted allocation, resulting in other schools/States not receiving theirs

### ***Processing Program***

- Account for schools changing their minds on processors in the middle of the year
- Can the processor include a price for the discount on the EPDS?
- National processors must require a system for value pass through all the way to the individual RA's
- Consider national bid for end items instead of through processing – market basket? Probably not a good idea
- No national bank for processors, could have processors leave program
- Processors control inventory
- It costs more now to process USDA Foods than commercial – we pay more for apples than they can get from their own suppliers, they increase the end item cost

### ***Distribution Centers***

- Distribution – there is a dependency on the contract with schools
- Distributors monitor dollars, not pounds, so this might be better
- Dollar net off invoice makes sense, just have to figure out the discount – how is value determined?
- Who controls distributors?? Why States only receiving 1 bid from distributors, possibly too tight of a procurement?

### ***Supplier Management***

- Inventory Issues? Min/max ordering
- Pounds currently used in forecasting/menu difficult for dollars due to change, pounds don't change
- Could give one giant rebate, possibly at the end of the school year
- Keep USDA buying product

### ***Electronic Capabilities***

- Require electronic inventory