

ATTACHMENT 6.11

**STATE PARTICIPATION AGREEMENT (SPA)**  
**NATIONAL PROCESSING AGREEMENT (NPA)**

This Agreement is subject to the terms and conditions set forth in the National Processing Agreement made by and between the U.S. Department of Agriculture, Food and Nutrition Service and \_\_\_\_\_ (Processor). \_\_\_\_\_ (Processor) duly attests that no alterations have been made to the ACDA Core State Participation Agreement (SPA).

State Distributing Agency:	<u>Arizona Department of Education</u>	Processor	_____
		Federal EIN:	_____
Name	<u>Tina Herzog</u>	Name	_____
Title	<u>Food Distribution Program Director</u>	Title	_____
Address	<u>1535 W. Jefferson St. Bin#7</u>	Address	_____
City, State, Zip	<u>Phoenix, AZ 85007</u>	City, State, Zip	_____
Contact	<u>Leona Benally</u>	Contact	_____
Phone	<u>(602) 364-1965</u>	Phone	_____
Fax	<u>(602) 542-6978</u>	Fax	_____
E-mail	<u>Leona. Benally@azed.gov</u>	E-mail	_____
Web Address	<u><a href="http://www.ade.az.gov/health-safety/cnp/fdp">http://www.ade.az.gov/health-safety/cnp/fdp</a></u>	Web Address	_____
Signature _____		Signature _____	
Date _____		Date _____	

**Period of Agreement:** This Agreement shall become effective on July 1, 2007 and will terminate on or before June 30, 2008 pursuant to USDA Policy Memorandum FD-048 (Maximum of 5 years). Additionally, the SPA may be amended as necessary should any of the information change during the agreement period. This Agreement shall not be amended except by a written agreement signed by the parties hereto.

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- 1. Value Pass Through Systems.** State Agency will indicate which value pass through systems are acceptable in their State. Processor will indicate which value pass through systems they desire to use in the State and have been approved by USDA in the NPA (National Processing Agreement).

Permitted By State	Value Pass Through System	Selected by Processor
X	Direct Sale	
X	Refund to Recipient Agency	
X	Net Price Through Distributor (NOI)*	
	Alternate Value Pass Thru System* (requires FNS approval)	
X	Fee for Service – billed by processor	
	Fee for Service – billed by distributor	

\*Sales Verification Required

**If sales verification is required, check one:**

- State delegates sales verification to the processor [see 7 CFR 250.19(2)(vi)(C)]

**Processor should submit their Sales Verification Plan to the State Agency.**

- State will conduct sales verification

- 2. Summary End Product Data Schedules (SEPDS).** Processor will submit SEPDS to State with the completed State Participation Agreement. The SEPDS contains summary information from approved EPDS and a master SEPDS approved by USDA. Processor may select specific EPDS for processing in a given state. The state also has the option to accept or reject individual products listed on the SEPDS, and in the case of multiple commodities available for processing, may accept or reject certain commodities for processing. **USDA approved and signed SEPDS (which contains prices) must be submitted with other contract documents by the solicitation due date and in a separate envelope marked “Summary End Product Data Schedules”.** Note: the case weight listed on the SEPDS **MUST** match the label on the finished case.

Do you use a subcontractor for the production of any items covered in this agreement?

- Yes  No

If yes, please identify the subcontractor by name, address, USDA plant number, and each item produced.

\_\_\_\_\_  
\_\_\_\_\_

Processor must provide written notification to the State Agency of any change(s) to the SEPDS including the nature of the change(s); notification may be made electronically.

- 3. CN Labeling.** Products, which contribute toward the school meal pattern requirements, may qualify for CN labeling. State should check those that apply.

- CN Labeling is optional. Recipient agencies may request CN labeled products.
- CN Labeling is required, if applicable for the processed product.
- Submit CN labels with SEPDS.

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**4. Nutritional Information.** Recipient agencies need nutritional information to comply with USDA regulations. Please check those that apply:

- Processor must provide nutrition information to RA upon request.
- Processor's nutrition information has been submitted to USDA Database.
- Processor's nutrition information is available on their web site.  
\_\_\_\_\_ (Provide the web address)

Processor must submit nutrition information with the SEPDS

**5. Grading.** Red Meat grading will be performed under (check one)

- Full Certification per AMS Instruction MGC 640 (formerly known as Option 2 grading)
- PCCP per AMS Instruction MGC 638

A written waiver must be granted by the State and supplied to grader if other certification (i.e. Traditional – Option 1+ Metal Detection Only) is to be performed

**6. By products.** If by products are produced, describe method of valuation and credit.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**7. List of Eligible Recipient Agencies.** State will provide a list of eligible recipient agencies to the processor upon State approval of the State Participation Agreement.

**8. Backhauling of DF.** If backhauling is permitted, processor must notify the State before backhauling products. Please check those that apply.

- State permits backhauling       Yes       No
- Backhauling permitted from    State Warehouse       School District
- State requires attached form for requesting approval to backhaul  Yes     No

**9. Special Instructions for Delivery of End Product to Designated Delivery Locations:**

- a. Discount from end product price for full truckloads delivered to a Local Education Authority's Warehouse.  
\_\_\_\_\_
- b. Discount from end product price for less than full truckloads delivered to a Local Education Authority's Warehouse. What is the minimum quantity required to obtain this price.  
\_\_\_\_\_

If payment is made within \_\_\_\_\_ calendar days after acceptance of goods and/or services, the above quoted price, excluding sales tax, shall be discounted by \_\_\_\_\_%.  
(Refer to Uniform Instructions To Offerors for discount requirements.)

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c. If you have a weight restriction on the delivery of your product please identify below.

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d. If you have a weight restriction for delivery made to commercial distributor, and/or describe the minimum weight restriction for delivery made to school.

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**10. Additional State Requirements.**

- Processor will notify State immediately of any shipments that are short, over, or damaged, and complete an FNS 57 and submit to State, if necessary.
- Processor must register on the USDA's Electronic Commodity Ordering System (ECOS). Registration form can be downloaded from the USDA/FDD website at: <http://www.fns.usda.gov/fdd/ECOS/ProcessorProfileInfo.doc> and submitted to the ECOS Help Desk at [ECOS-HelpDesk@fns.usda.gov](mailto:ECOS-HelpDesk@fns.usda.gov) Please register prior to submitting SPA.
- Processor will complete "Receive Shipments," under Shipment Notification promptly in ECOS. (Within 5 days of receipt)

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Summary End Product Data Schedules

The following pages contain the Summary End Product Data Schedules and Instructions.

- A. SEPDS A – all donated foods excluding guaranteed minimum return
- B. SEPDS B – For meat and poultry processed under guaranteed minimum return

**\* The forms must be submitted with USDA's signature along with a price column with pricing information for Arizona.**

**SEPDS must be submitted with prices for each end product you wish to include in this RFP, which shall be in a separate envelope. The envelope should be clearly marked "Summary End Product Data Schedules."**



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### INSTRUCTIONS AND EXPLANATIONS SUMMARY END PRODUCT DATA SCHEDULE SEPDS A -- ALL DONATED FOODS

This form can be used for both substitutable and non-substitutable donated food (DF) end products. All end products to be processed must be submitted on an End Product Data Schedule (EPDS) and approved by either USDA or the State Agency. Each applicable DA must approve the Summary of End Product Data Schedule (SEPDS).

Check the appropriate box for “National Summary” if the EPDS were approved by USDA or “State Summary” if the EPDS were approved by the state.

Enter name of processor in upper right hand corner in place of "processors name". If multiple pages are needed, the processors name will appear on each page.

SEPDS are valid for the processing year from July 1 to June 30. After the initial SEPDS is approved, processors should submit an additional SEPDS for revised data for products listed on the original SEPDS or for additional (new) products. To assist state agencies in tracking revised or new products, please indicate revised product information by showing all data in italics and new products by copying the “new” starburst (  ) when applicable.

- Column A List finished end product code and product name as shown on the label (Column 1 of the EPDS).
- Column B List the net weight of one case of finished product as shown on the label (Column 2 of EPDS).
- Column C Indicate the minimum number of servings per case (Column 3 of EPDS).
- Column D Indicate the net weight of each serving (Column 4 of EPDS).
- Column E List all commodity codes and donated foods that can be used in the formulation of each end product. If there are multiple donated foods possible in a single product, copy a check mark box from another part of the schedule, so that states may indicate which DF will be available for processing in their state.
- Column F This is the amount of DF drawdown per case of product and varies dependent on the commodity:
  - For substitutable foods -- Column 10 of EPDS 1
  - For Guaranteed Return of red meat products -- Column 8 of EPDS 1
  - For Standard Yield of Poultry products -- Column 8 of EPDS 3
  - For Dairy Products -- Column 9 of EPDS 4
- Column G Check the box if By-Products other than Re-Work result. If no by-products are produced leave check box blank.
- Column H Value per pound for the DF as established in accordance with USDA stipulated pricing (November 15th Price File see: <http://www.fns.usda.gov/fdd/programs/state/> ).
- Column I Indicate the Percentage of Yield (Column 9 of EPDS 1, Column 10 of EPDS 3 and Column 10 of EPDS 4).
- Column J Discount or refund value per case of finished product is calculated by multiplying the per pound value in Column H by the pounds of DF Column F.

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- Column K Indicate the effective date for each approved end product. It is recommended the effective date be July 1. For products approved after the beginning of the school year, states may choose to back date the effective date to the first of the year (this is the simplest for accounting and tracking purposes). If the state prefers not to back date, select the first date of the chosen month.
- Column L If the processor is not able to offer all products listed on the EPDS to a particular state, the processor may check the appropriate box for "State Approval" to indicate which products they desire to have approved for processing in that state. Ideally, processors will customize SEPDS for states by "hiding" the rows of products they are unable to offer in a given state. States have the option to decline to approve certain products for their state.

The Processor and State agency must always sign the SEPDS. If the state has approved the EPDS, the SEPDS is optional. If "state summary" is checked in upper left hand corner, then the state approved the EPDS and the schedule should not be submitted to USDA and USDA will not sign it.

In the bottom margin the date report is printed will automatically update. Please do not modify this feature as it will help everyone easily track the most current SEPDS. Update the school year if necessary in the page set up, bottom margin. The page number and number of pages will automatically update.

Instructions for Processors: Add as many additional lines in the main body of the schedule to accommodate all products. In this way, multiple pages will print automatically if needed and there will be one set of signature blocks on the last page. After Nov. 15, processors may complete columns H and J before submitting to USDA (and column K for the initial schedule with the July 1 effective date). Submit the form to USDA for approval without the company signature.

USDA will lock the parts of the Excel spreadsheet when they approve the schedule and return it electronically to the processor. After USDA has signed the SEPDS processors may complete additional columns. Processors have the option of hiding certain rows, (even if the data is locked), to prepare customized summary schedules for various states. For example, a state requiring products be submitted to a state University for testing prior to acceptance for processing, would not want all of a company's products listed on the SEPDS, but just those available in the state. Processors are encouraged to list only those products you request be approved for individual states. USDA will not sign duplicative SEPDS customized for each state.

### Instruction for Federal Agency approval of SEPDS:

Columns A – G are based on approved EDPS. This information is to be verified by the agency approving the EPDS and signified by signing the second signature block. Approved SEPDS are to be returned to the Processor.

### Instructions for States:

Column H-L are completed by the processor and the state agency should verify that contract value (Column H) and the calculation in column J is correct. State should also review the effective date and state agency approval, if completed by the processor, or complete those columns themselves. For all calculations, use normal round-off procedures to two (2) decimal places except Column H, which should reflect the actual commodity value, which will be expressed in four (4) decimal places.

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Submit all SEPDS to:

[npa@fns.usda.gov](mailto:npa@fns.usda.gov)

Fax 703-305-2430

Mail: USDA/FNS Headquarter

Food Distribution Division

Attn: Processing Initiative Team

3101 Park Center Drive, Room 500

Alexandria, VA 22302-1500

Questions: Call USDA FNS at 703-306-2680



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### INSTRUCTIONS AND EXPLANATIONS SUMMARY END PRODUCT DATA SCHEDULE

#### SEPDS B -- For Meat and Poultry Processed Under Guaranteed Minimum Return

This form is created to summarize data for 1) meat products (beef and pork) processed under guaranteed minimum return (GMR) and reported on EPDS 1 and 2) bulk poultry products processed under guaranteed minimum return and reported on EPDS 2. All end products to be processed must be submitted on an End Product Data Schedule (EPDS) and approved by either USDA or the State Agency. Each applicable DA must approve the Summary of End Product Data Schedule (SEPDS).

Check the appropriate box for “National Summary” if the EPDS were approved by USDA or “State Summary” if the EPDS were approved by the state.

Enter name of processor in upper right hand corner in place of "processors name". If multiple pages are needed, the processors name will appear on each page.

SEPDS are valid for 1 year. After the initial SEPDS is approved, processors should submit an additional SEPDS for revised data for products listed on the original SEPDS or for additional (new) products. To assist state agencies in tracking revised or new products, please  revise product information by showing all data in italics and new products by copying the “new” starburst ( ) when applicable.

- Column A List finished end product code and product name as shown on the label (Column 1 of EPDS).
- Column B List the net weight of one case of finished product as shown on the label (Column 2 of EPDS).
- Column C Indicate the minimum number of servings per case (Column 3 of EPDS).
- Column D Indicate the net weight of each serving (Column 4 of EPDS).
- Column E List all commodity codes and donated foods that can be used in the formulation of each end product. If there are multiple donated foods possible in a single product, copy a check mark box from another part of the schedule, so that states may indicate which DF will be available for processing in their state.
- Column F If applicable, list the percent of breading (column 6 of EPDS 2). This column may be left blank for breaded meat products.
- Column G For poultry products only, show the estimated cases of finished product per truckload. (Column 7 of EPDS 2).
- Column H For meat products only, show the pounds to produce a case (Column 8 of EPDS 1).
- Column I Show the percent Guaranteed Minimum Return (Box 11 of EPDS 1 or column 9 of EPDS 2).
- Column J Check the box if By-Products other than re-work result. If no by-products are produced leave check box blank. If by products are produced, provide the value and method credit will be given.

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- Column K Indicate the effective date for each approved end product. It is recommended the effective date be July 1. For products approved after the beginning of the school year, states may choose to back date the effective date to the first of the year (this is the simplest for accounting and tracking purposes). If the state prefers not to back date, select the first of the chosen month.
- Column L If the processor is not able to offer all products listed on the EPDS to a particular state, the processor may check the appropriate box for "State Approval" to indicate which products they desire to have approved for processing in that state. Ideally, processors will customize SEPDS for states by "hiding" the rows of products they are unable to offer in a given state. States have the option to decline to approve certain products for their state.

At the top of the schedule, show the Contract value per pound for the DF as established in accordance with USDA stipulated pricing (November 15th Price File see: <http://www.fns.usda.gov/fdd/programs/state/> ). The actual commodity value should be expressed in four (4) decimal places. While the value per pound does not impact the fee for service, it must be stated for the purposes of paying for lost or damaged products, or missed yields.

The Processor and State agency must always sign the SEPDS. If "state summary" is checked in upper left hand corner, then the state approved the EPDS and the schedule should not be submitted to USDA and USDA will not sign it.

In the bottom margin the date report is printed will automatically update. Please do not modify this feature, as it will help everyone easily track the most current SEPDS. Update the school year if necessary. The page number and number of pages will automatically update.

### Instructions for Processors:

Add as many additional lines in the main body of the schedule to accommodate all products. In this way, multiple pages will print automatically if needed and there will be one set of signature blocks on the last page.

USDA will lock the parts of the Excel spreadsheet when they approve the schedule and return it electronically to the processor. After USDA has signed the SEPDS processors may complete additional columns as necessary. Processors have the option of hiding certain rows, (even if the data is locked), to prepare customized summary schedules for various states. For example, a state might require products be submitted to a state University for testing prior to acceptance for processing. Processors are encouraged to list only those products they desire to be approved for individual states. USDA will not sign duplicative SEPDS customized for each state.

Processors may want to automate the calculation by entering formula in certain cells. Because there several ways processors may choose to automate calculations, ACDA did not attempt to program calculations into any of the worksheets. Therefore each processor is encouraged to modify their own EPDS and SEPDS to best accommodate their needs.

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### Instruction for Federal Agency approval of SEPDS:

Columns A – J are based on approved EPDS. This information is to be verified by the agency approving the EPDS and signified by signing the second signature block.

### Instructions for States:

State DA should complete Column K and L, the effective date and state agency approval blocks for each product listed. It is possible that the processor will complete these columns, in which case the state DA should review them. Any questions about the accuracy of the SEPDS data can be verified on the USDA FDD website NPA page. The DA should verify that contract value (at the top of the page) is correct.

Submit all SEPDS to:

[npa@fns.usda.gov](mailto:npa@fns.usda.gov)

Fax 703-305-2430

Mail: USDA/FNS Headquarter

Food Distribution Division

Attn: Processign Initiative Team

3101 Park Center Drive, Room 500

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