

The 12 Steps of a Delivery Order



Peggy Cantfil
Operations Branch Chief
Food Distribution Division
Food and Nutrition Service
Alexandria, Virginia

Areas to cover



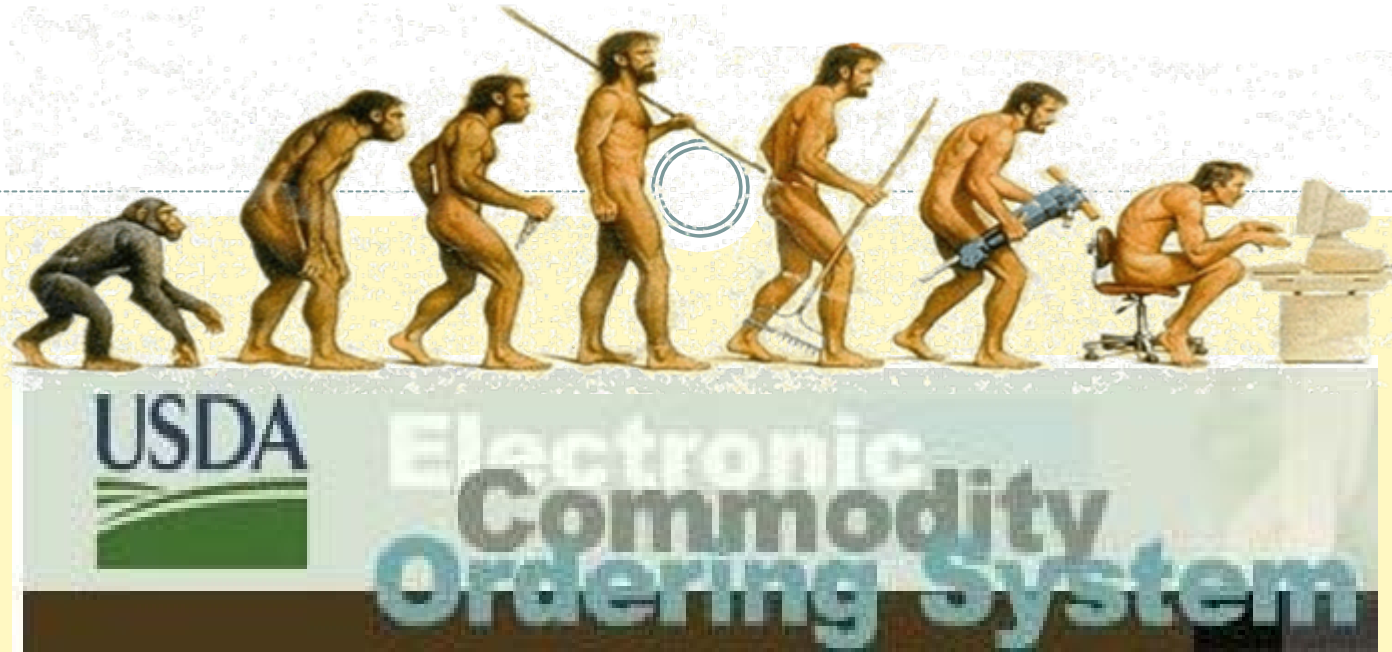
• **Systems Background - PCIMS & ECOS**



12 Step Order Cycle



• **Computer System Flow & Delivery Order Status**



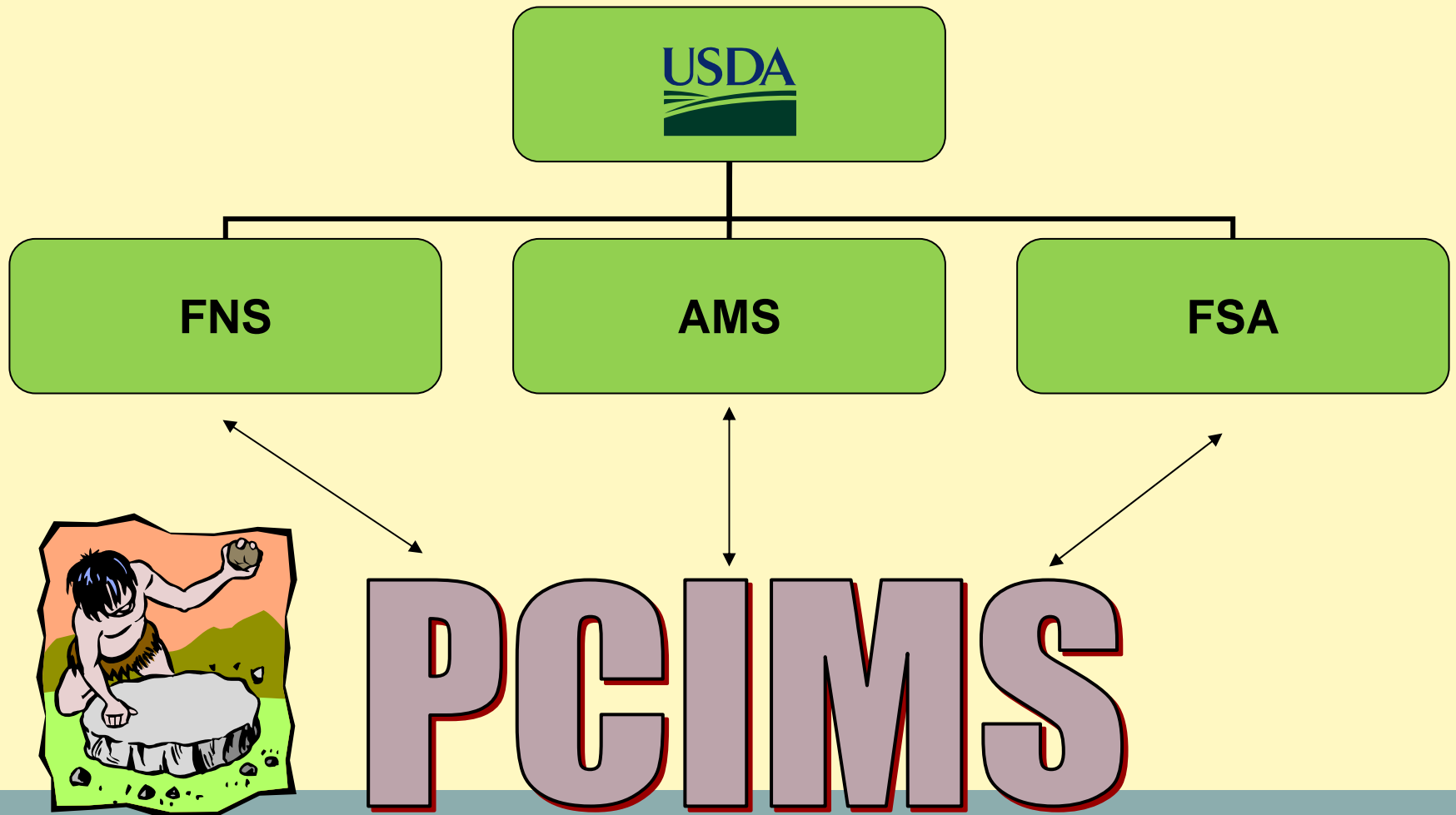
**Processed
Commodities
Inventory
Management
System**



**Web Based
Supply Chain
Management**



Tri-Agency System For Commodity Ordering & Procurement



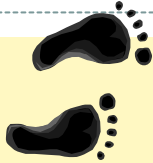
FNS - Food and Nutrition Service



Food Distribution Division

- **Purchase Planning**
- **Offers/Surveys and Foods Available List**
- **Review Delivery Orders**
- **Create Invitations to Bid**
- **Monitor funding and entitlements**
- **Change orders and contract amendments**
- **Account for and reconcile funding**
- **Advocate for recipient agencies and States**

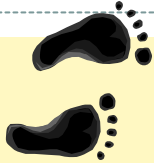
AMS - Agricultural Marketing Service



Group A Surplus Removal: Meat/Poultry/F&V

- **Procurement Branch**
 - **Market analysis**
 - **Issue invitations & analysis bids**
 - **Contracting office – Contract amendments**
 - **Monitor vendor performance – complaint follow up**
- **Grading and Standardization Branches**
 - **Technical product experts**
 - **Develop specifications**
 - **Grading of purchased & processed commodities**

FSA – Farm Service Agency



Price Support Group B: Grain, Dairy, Peanut and Oil Products

- **Washington D.C. – Headquarters**
 - **Policy, Specifications and Program Development**
- **Kansas City Commodity Office – KCCO**
 - **Create & issue invitations**
 - **Analyze Bids & award contracts**
 - **Administer Contracts for ALL commodities**
 - ✦ **Issue Notice to Deliver**
 - ✦ **Police Contracts – Late Delivery Reporting**



Electronic Commodity Ordering System

- **State ECOS system feeds orders to PCIMS & tracks State entitlement – web based**
- **ECOS is also a State-to-recipient agency commodity request & entitlement tracking system**



Ordering Cycle

12 STEPS!



12 Step Cycle



- 1. \$\$ - Funds/Entitlement/Purchase Plan**
- 2. FNS Offers / Foods Available / State Surveys RA**
- 3. State DA submit Orders thru ECOS to PCIMS**
- 4. FNS review orders and funds**
- 5. FNS/AMS/FSA Create Invitations to Bid**
- 6. FSA/ AMS Issue Invitations to Bid**
- 7. Vendor Bid – USDA Analysis – Contract Award**

12 Step Cycle



- 8. FSA Notice to Deliver –
Forwarding Notice Issuance**
- 9. Vendor Produce/Graded-Certify/
Shipment Notice**
- 10. Vendor delivers / BL / Receipting in
ECOS**
- 11. School district notified by warehouse/
processor/State**
- 12. Vendor invoice FSA – Payment in PCIMS**

Step 1: “Show me the money!”

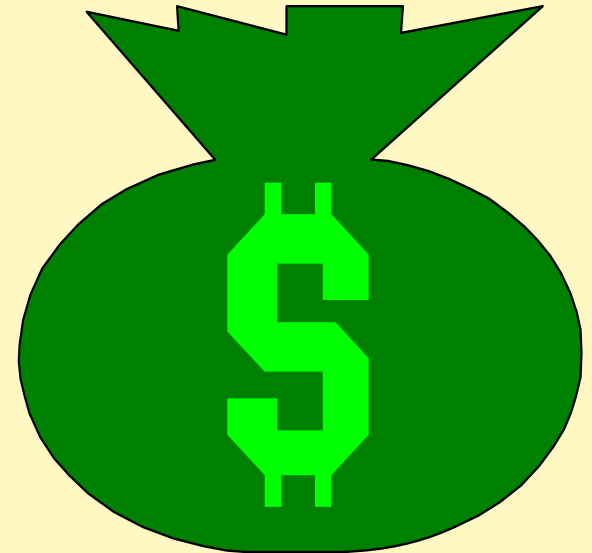
- **Fund Sources**
- **CNP Entitlements**
- **Purchase Plan**



Entitlement ESTIMATE !



$$\begin{aligned} & \text{PRIOR YEAR MEALS} \\ & \quad \times \\ & \quad \text{JULY RATE} \\ & \quad + \\ & \quad \text{12\% FUNDING} \\ & \quad + / - \\ & \text{PRIOR YEAR BALANCE} \\ & \quad = \\ & \text{TOTAL ENTITLEMENT \$\$} \end{aligned}$$



Entitlement



Entitlement & Order Timeline



January

Transmit Offerings for States in ECOS

Enter Preliminary SY Entitlement

Preliminary Purchase Plan and “dollar estimates”

March 1

Value added (brown box) turkey orders due for the SY

May

Most other orders are due

June 1

Cheese orders due for Jan-Dec of next calendar year

July

“Published” Rate in Federal Register- estimate 12%

August

Move preliminary Prior SY Balances to new SY

Open offerings again and new offerings

November

Update current SY Entitlement – final meals from prior year

New Offerings available orders for Jan-June delivery due

PURCHASE PLANNING



January - February



NATIONAL COMMODITY ORDERING AVERAGE PERCENTAGES



Beef	22%
Tuna	0.5%
Pork	5%
Chicken	13%
Eggs	1%
Turkey	9%
Fruits & Vegetables	25%
Grains, Peanuts, Oils	3%
Cheese	22%
TOTAL	100%

Bonus Planning ?

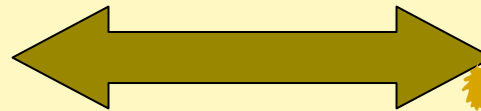


Step 2: May I take your order?

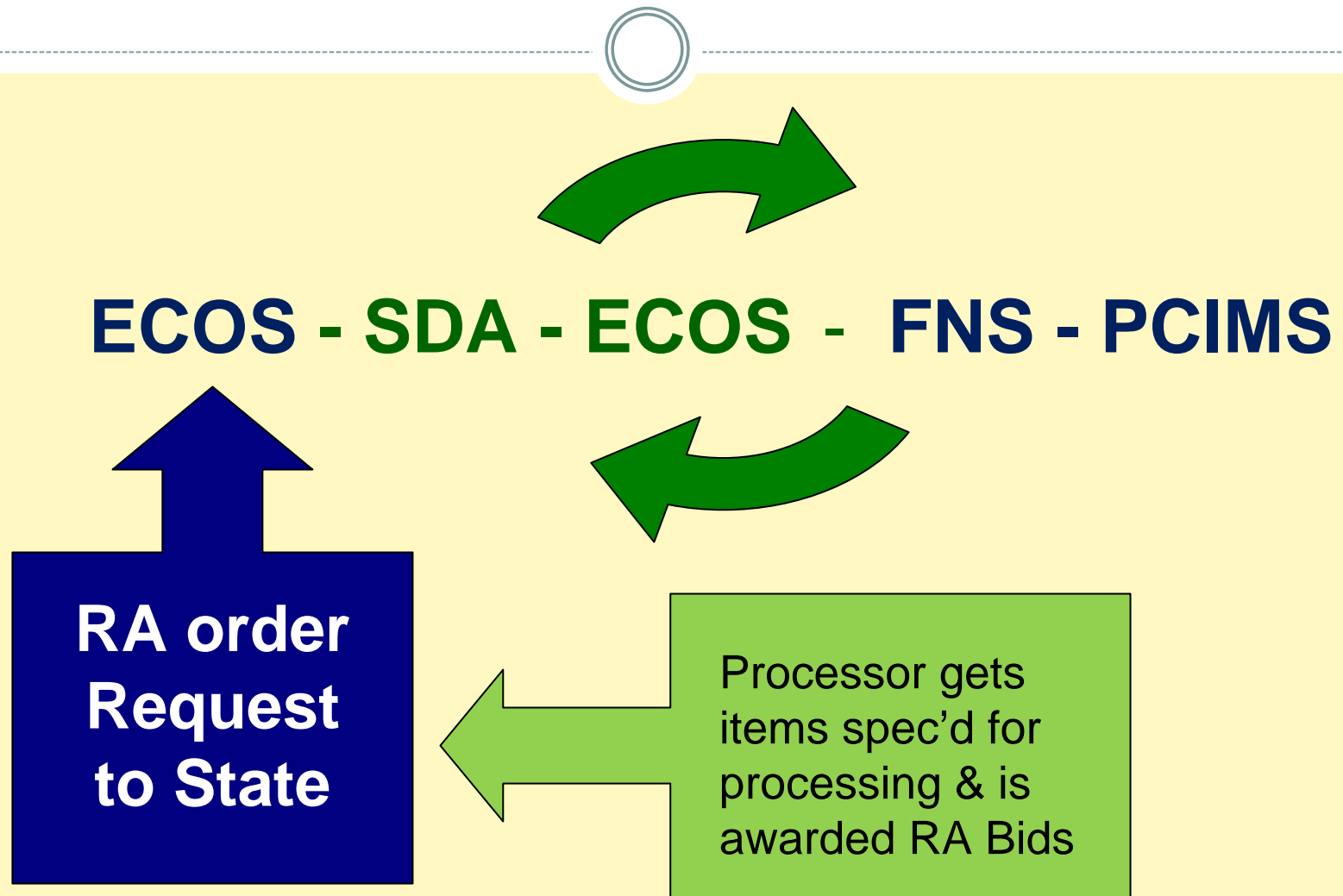


Commodity Catalogue

- **Nov thru April...**
 - ✦ **Processors go out & try to get their items spec'd on RA's Bids**
 - ✦ **School and State bids go out**
 - ✦ **Awards & orders made**
- **State gets requests from School Districts**



Step 3: Order Submission



Step 3: States Create & Submit Orders



- **Recipient Agency input:
Actual Data from ALL RA's
(ECOS/other)**
- **Truck loading and delivery date
coordination between Processor & State DA**
- **Split Shipment – ECOS Bulletin Board**

40 / 60 Rule



- **40 % \$\$\$\$ delivered**

July 1 – Nov 15

- **60 % \$\$\$\$\$\$**

delivered

Nov 16 – June 30

35 / 65 Rule



THIS YEAR ONLY!!

- **35 % \$\$\$\$ delivered**

July 1 – Nov 15

- **65 % \$\$\$\$\$\$ delivered**

Nov 16 – June 30

Step 3: Submit Delivery Orders



What is a D/O? A594 121 I 001w

Delivery Order - unique Record Number

– Key to accessing:

What: commodity

Who: State

When: delivery year

requested delivery date

Where: destination entity code

How many: cases/lbs

Delivery Order (D/O) number



A594 121 I 001W

- A 594** **Group A & commodity code for Beef Course Ground**
- 121** **State Agency code = KY Dept of Ag**
- I** **Delivery Year – 07/01/06 - 06/30/07**
- 001W** **4 character sequence number (001 is unique and 001W is unique)**

ECOS Status Codes



- **AC** - Accepted Order awaiting PCIMS update
- **BLANK** – Opps!...not even sent from ECOS!
- **RJ** – Rejected from PCIMS
- **DX** – Deleted from PCIMS
- **VP / VO** – Valid Pre Order / Valid Order
- **VA** – Valid & Allocated Delivery Order
- **CI** – Complete and on an Invitation
- **CN** – Complete all Notice to Deliver issued
- **SH** – Bill of Lading or Receipt entered in PCIMS
 - Stands for Shipped BUT could be delivered!!

Step 4: FNS Reviews Data



Orders in VP or VO status April-June

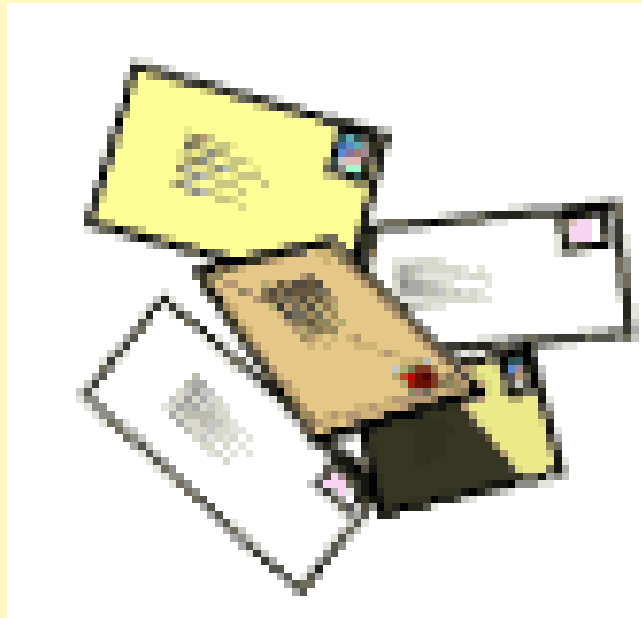
- **Funding considerations
(40-60 % Rule or 35-65% Rule)**
- **Capacity issues**
- **Split shipment matches**
- **Entitlement status**
- **Offer additional commodities**

Step 5, 6 & 7



Invitations, Bids & Awards

June – NEXT April



Step 5: FNS, AMS & FSA



Create Invitation

- **D/O Status Changes to CI**
- **D/O tied to an Announcement/
Invitation #**



Electronic Commodity Ordering System

- **CI status means that it's on an invitation to be purchased – but not purchased yet**

Different Types of Invitations Processing



Long term

- **Delivery Request Purchase**
- **Cheese – Yearly min/max**
- **Grain, peanut and oil - Quarterly**
- **Fruit & Vegetable products – time of harvest**

Ongoing Bi-weekly

- **Meat & Poultry Product**
- **Bulk Poultry – AMS coordinates w/ processor**
- **Awarded 4- 6 weeks prior to delivery**

Step 6

FSA & AMS issue invitation to bid & analyze bids

- **Order still **CI** status**
- **Solicit bids**
- **Vendor submits bids electronically**
- **Industry should encourage their own suppliers to bid to their destination.**
- **FSA & AMS analyze bids**
 - **Price**
 - **Funds available**
 - **Vendor capacity**
 - **FNS input**



Step 7: FSA & AMS Award Contracts



**Meat and Poultry bought
about 4-6 weeks prior to delivery**



Step 8

FSA issues & e-mails delivery notice



- **D/O Status Code in ECOS = CN**
(completed Notice to Deliver)
- **Notice to Deliver –To vendor**
- **Forwarding Notice –To consignee**

Step 9: Preparing to Deliver



- **Vendor produces and/or packages**

(Rarely pulls from inventory)



- **Commercial/USDA label option**

- **USDA grades or check loads or audits or certifies shipments – lab analysis**

- **Notice of Shipment – 24 hour unloading appointment**

Step 10: Receipting



- **Truck shows up at destination**
- **Receiving Org Updates in ECOS**
- **Then D/O changes to SH
“shipped” status in ECOS**



Step 11: “Come & get it!”



Various Receipt Notifications Possible:



- **Processor notifies State DA of receipt by receiving in ECOS**
- **Processor ships to pre-arranged destination**

Step 12: “Show me the money “



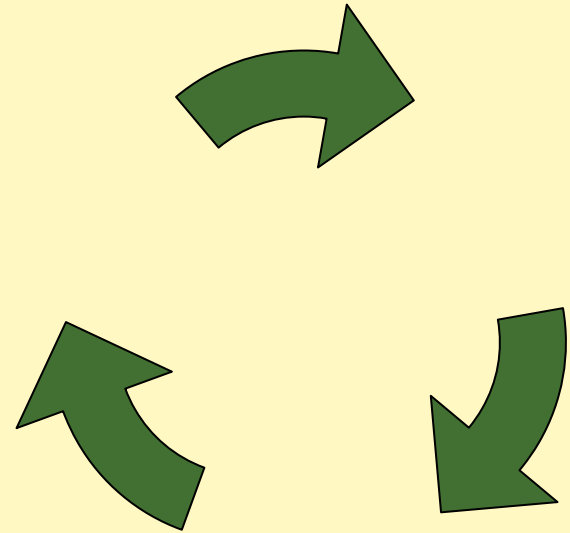
- **Vendor submits invoice to FSA**
- **Entered in PCIMS IF not received in ECOS**
- **Order goes to **SH** status when received in PCIMS**
- **Prompt payment - \$ spent**

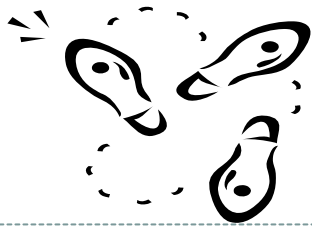


Delivery Order Flow



- **District Request (ECOS/other)**
- **State submits order thru ECOS to PCIMS**
- **Delivery Order in PCIMS**

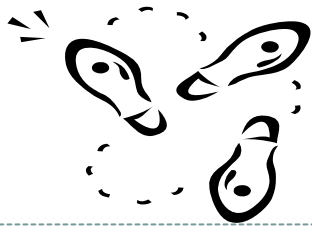




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The End

