

**Assignment of USDA Food Entitlement Allocation for Ordering Agreement  
between the  
School Food Authority and the Food Service Management Company**

This agreement is for the 2016 – 2017 school year, between \_\_\_\_\_ the School Food Authority (SFA) and \_\_\_\_\_ the Food Service Management Company (FSMC). Both parties signing below acknowledge our mutual responsibilities.

The following is required to allow the FSMC to place orders and/or be the receiving location for United States Department of Agriculture (USDA) Donated Foods (USDA Foods). USDA Foods include Direct-Ship USDA Foods, Department of Defense Fresh Fruit and Vegetable Program Fresh Produce (DoD Fresh), and/or other bulk USDA Foods which are processed into finished end-products by a State Agency Approved Processor on behalf of the School directly or indirectly through the FSMC.

1. By virtue of this agreement, the SFA assigns to the FSMC authority and responsibility to receive USDA Foods on behalf of the SFA. This includes the right of refusal of such food if, at time of delivery, it is out of condition or unacceptable due to quality or incorrect product or quantity. **Note: only DoD Fresh produce may be refused delivery if delivered as incorrect product, unacceptable due to quality (out-of- condition), or in amounts in excess of quantity ordered if the FSMC is unable to accommodate. Based on USDA requirements Direct-Ship USDA products cannot be refused. Processed end-products may be refused delivery in accordance with the Processor/Distributor agreements.**
2. SFA identifies the below FSMC’s location(s) as the SFA approved delivery address(s) for the USDA Food type(s) indicated.

DoD Fresh Produce	Processed Finished End-Products	Direct-Ship USDA Foods
_____	_____	_____
_____	_____	_____

3. SFA will work cooperatively with the FSMC staff to order USDA Foods according to the FSMC needs to prepare reimbursable school meals according to National School Lunch Program requirements. Cooperation may include technology such as computer screen sharing so that the FSMC staff may view foods available list and price list before orders are placed.
4. SFA authorizes the FSMC to utilize the SFA’s USDA Entitlement in the amount of \$\_\_\_\_\_. The SFA is not required to allocate its’ entire Entitlement to the FSMC. This amount may be adjusted based on usage and availability by the State Agency. If the FSMC provides services for more than one SFA, the State Agency may upon request of the FSMC combine the total available entitlements into a single FFAVORS account for the purposes of efficient ordering and receipting.
5. SFA agrees to the creation of a new DoD\USDA Fresh Fruits and Vegetables Order Receipt System (FFAVORS) account for the FSMC or creation of a new delivery location under the FSMC’s existing FFAVORS account for the purpose of efficient ordering and receipting by the FSMC.
6. FSMC will credit the identified value of all USDA Foods received upon receipt and acceptance to SFA’s Account. Such credits shall be reflected on monthly invoices.
  - a. The value of DoD Fresh Produce shall be identified as the price indicated on the FFAVORS order receipts for the produce received and accepted.
  - b. The per case value of Processed Finished End-Products shall be value of USDA Foods required to make the finished end-product as identified on the most current USDA and State Agency approved Summary End Product Data Schedule (SEPDS) in effect at the time of processing and delivery.
  - c. Direct-Ship USDA Food identified value shall be the final USDA Purchase price as indicated in USDA’s WEBSCM system.
7. FSMC agrees to make all USDA Food stored available for usage on a First-In-First-Out basis.

8. FSMC agrees to allow for inspections at reasonable times by the SFA, the State Agency, and/or USDA representatives at any of the FSMC's facilities where of the USDA Foods may be stored or prepared. Such inspections may include but are not limited to the handling or storage procedures, receipt, storage, and distribution records, sanitation and extermination records and procedures, and any other records pertaining to the USDA Foods.
9. If at the end of the contract period between the SFA and the FSMC or if the contract is ended earlier by either party and there is a balance of USDA Food (not including DoD Fresh) not yet utilized for meals in the possession of the FSMC, the FSMC will at the discretion of the SFA either:
  - a. Return the balance of USDA Foods to the SFA
  - b. Transfer the balance of USDA Foods to or allow the pickup from the SFA's new FSMC or storage facility or
  - c. Pay the SFA for the value of the remaining USDA Foods (requires State Agency approval).
10. FSMC is not required to credit the SFA for the value of any USDA Foods it has either returned to the SFA or transferred to or allowed to be picked up from another FSMC/distributor or warehouse entity.
11. All parties agree that this agreement does not guarantee that a specific quantity or total value of USDA Foods will be ordered and received. USDA Foods will be ordered and received in an efficient manner in quantities that do not encourage stockpiling or waste.
12. Information exchanged between the parties is to be treated as proprietary and confidential.
13. FSMC agrees to register at [www.recalls.gov](http://www.recalls.gov) to receive automated FDA and USDA food safety notifications. ***(This should not be the sole source for food safety notifications or information)***
14. All parties agree to cooperate with each other and the State Agency with regard to all USDA Foods recalls and/or any other identified food safety issues including the notification and confirmation of receipt and/or use of affected products.
15. FSMC agrees to complete any additional USDA and/or State Agency documents, such as the National Processing Agreement, State Participation Agreement, and/or In-State Processing Agreement as applicable.
16. This agreement will be effective \_\_\_\_\_ (enter date MM/DD/YY).
17. This agreement terminates when the SY2016-2017 contract for meals to the SFA terminates. Either party may terminate this agreement for cause upon 30 days with written notification or without cause upon 60 days written notification to the other party.

\_\_\_\_\_  
Food Service Management Company

\_\_\_\_\_  
School Food Authority

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Title of Authorized Representative

\_\_\_\_\_  
Title of Authorized Representative

\_\_\_\_\_  
Contact Phone Number/Fax Number

\_\_\_\_\_  
Contact Phone Number/Fax Number

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
FSMC Address

\_\_\_\_\_  
School Address

\_\_\_\_\_  
City/State/Zip Code

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City/State/Zip Code