
THIRD READING

Bill No: SB 1058
Author: McNerney (D)
Introduced: 2/12/26
Vote: 21

SENATE EDUCATION COMMITTEE: 7-0, 3/25/26
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Reyes

SUBJECT: School districts: contracting: purchases for child nutrition programs

SOURCE: California School Nutrition Association

DIGEST: This bill makes clarifying changes to align statute—specifically relating to procurement bid solicitations and awards for school districts operating approved federal child nutrition programs—with federal procurement standards, which include removing a reference to price being the primary consideration for procurement bid solicitations and awards as well as correcting references to the Code of Federal Regulations.

ANALYSIS:

Existing federal law requires, as a condition of receipt of federal funds, that the recipient award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed contract. Consideration is to be given to such matters as contractor integrity, public policy compliance, past performance record, and financial and technical resources. Contracts are to be awarded to the responsible offeror whose proposal is most advantageous to the recipient or subrecipient considering price and other factors. (Code of Federal Regulations (CFR), Title 2, § 200.318 and 200.320)

Existing state law requires that procurement bid solicitations and awards made by a school district approved to operate at least one federal nonprofit child nutrition program for purchases in support of those programs shall (1) be consistent with specified federal procurement standard sections in the CFR; (2) that these awards shall be let to the most responsive and responsible party; and (3) that the price shall

be the primary consideration, but not the only determining factor. (Public Contract Code (PCC) § 20111)

This bill makes clarifying changes to align statute—specifically relating to procurement bid solicitations and awards for school districts operating approved federal child nutrition programs—with federal procurement standards, which include removing a reference to price being the primary consideration for procurement bid solicitations and awards as well as correcting references to the CFR.

Comments

- 1) *Need for the bill.* According to the author, school nutrition directors “often use requests for proposals (RFPs) in their purchasing... This bill helps schools to better tailor their meal programs to the specific needs of their local communities by allowing them to consider factors beyond price when selecting vendors through the RFP process. ... Clarity is needed to ensure that they are able to obtain the highest quality locally sourced, minimally processed, most sustainable food and most culturally appropriate products for their students.”
- 2) *Procurement types for school districts operating nutrition programs.* Both federal regulations and California state laws require competitive procurements to be conducted in a manner that provides full and open competition. School food authorities (SFAs), which are governing boards of school districts that are authorized to operate federal child nutrition programs, must conduct either a formal or an informal procurement process. There are two primary formal competitive procurement methods: 1) RFPs and 2) Invitation for Bids (IFBs).

An RFP is a method of procurement in which SFAs publicly solicit (A) a technical proposal that explains how the prospective contractor will meet the objectives of the solicitation and (B) a cost proposal that identifies a price that could accomplish the technical proposal. The CFR states that these RFP contracts are to “be awarded to the responsible offeror whose proposal is most advantageous to the recipient or subrecipient considering price and other factors.”

An IFB, also known as “sealed bids”, is a method of procurement in which SFAs publicly solicit sealed bids from an adequate number of known suppliers, with the goal of obtaining three bids at a minimum. An SFA must award the fixed-price contract to the lowest priced, most responsible bidder, whose bid is responsive, and conforms with all the material terms and conditions of the IFB.

SFAs must allow bidders sufficient time to respond prior to the date set for opening the bids.

- 3) *State's recent approach has trended toward healthier, local food options.* In recent years, California state government has taken action to encourage healthier food options and choices in schools, including encouraging school districts to procure and use fresh produce from local farms to prepare healthy and nutritious school meals for students. In addition, AB 1264 (Gabriel, Chapter 467, Statutes of 2025) reduces the consumption of ultra processed foods that are sold or served in schools by phasing these out over time. The state's recent approach necessitates changes in what foods and supplies schools procure, which could lead to increased costs for healthier, local foods.
- 4) *Proposed statutory changes intended to point at federal regulations.* This bill includes two technical amendments that: (1) correct the specific federal regulations code sections cited in the Public Contract Code (PCC) and (2) strike a phrase about selection criterion that only applies to one out of the two formal competitive procurement methods (specifically IFBs). These amendments are intended to point this specific provision in statute to federal procurement standards for school districts making purchases for federal nonprofit child nutrition programs.

SB 544 (McGuire, Chapter 395, Statutes of 2017), was the most recent legislation that amended the PCC code section being amended by SB 1058, and that bill required school districts operating child nutrition programs to award contracts for these programs with price being the primary, but not the only, selection criterion. Though the language for federal procurement standards on RFPs has been fairly consistent over the past ten years in requiring that RFP contracts must be awarded "while considering price and other factors", the California Department of Education (CDE) indicated that the United States Department of Agriculture (USDA) has shifted their guidance on RFP selection criteria in recent years. According to the CDE, when SB 544 was being heard in the Legislature in 2017, the USDA indicated in webinars and trainings that price was the primary, but not the only consideration, for awarding contracts using the RFP procurement method.

However, in 2022, the USDA published updated written guidance through a guide called "Procuring Local Foods for Child Nutrition Programs" that stated explicitly that an RFP "allows for consideration of factors other than price", which is a change from SB 544. This 2022 guidance is also consistent with the

CFR language on RFPs. SB 1058 proposes changes that point to the federal regulations, and if a scenario arises where the federal government shifts its guidance again, whether formally or informally, SB 1058's proposed language is intended to be broad enough to accommodate those changes by simply pointing to the federal regulations.

Related/Prior Legislation

SB 544 (McGuire, Chapter 395, Statutes of 2017) required school districts operating federal child nutrition programs to award contracts for these programs consistent with federal procurement standards. This bill also required that these contracts be awarded to the most responsive and responsible party, and that price shall be the primary, but not the only, consideration when awarding contracts.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 3/25/26)

California School Nutrition Association (source)
Alameda County Office of Education
California Association of School Business Officials
Los Angeles County Office of Education

OPPOSITION: (Verified 3/25/26)

None received

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