

Procurement Reviews for School Nutrition Programs

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Child Nutrition

PROCUREMENT 101



What Is Procurement?

- A multi-step process for obtaining goods/services at the best possible price.
 - Writing specifications
 - Soliciting bids/proposals
 - Evaluating responses
 - Awarding the contract/making the purchase
 - Managing the contract

Principles of Proper Procurement

1. Buy American Provision
2. Federal, state, and local regulations
3. Full and open competition
4. Responsive and responsible vendors

Buy American Provision

- Purchase to the maximum extent possible domestic commodity or product that is produced in the U.S. and a food product that is processed in the U.S. using substantial agricultural commodities that are produced in the U.S.
- Include a “Buy American Clause” in procurement documents.

Federal Procurement Regulations

- 2 CFR 200
 - All programs receiving federal funds
- 7 CFR 210.21/ 7 CFR 220.16
 - NSLP/SBP
- 7 CFR 225.17
 - Summer Food Service Program
- 7 CFR 215.14
 - Special Milk Program

Full and Open Competition

- Essential for purchasing quality goods at the lowest possible price
- All potential suppliers are on a level playing field
 - Equal opportunity to compete
- Fairness and integrity is critical

Restricting Competition

- The following situations are unallowable because they restrict competition:
 - Placing unreasonable requirements on vendors
 - Unnecessary bonding and experience requirements
 - Specifying a brand only instead of “or equivalent”
 - Organizational conflicts of interest
 - Not providing sufficient time for vendors to submit bids

Responsive and Responsible Vendors

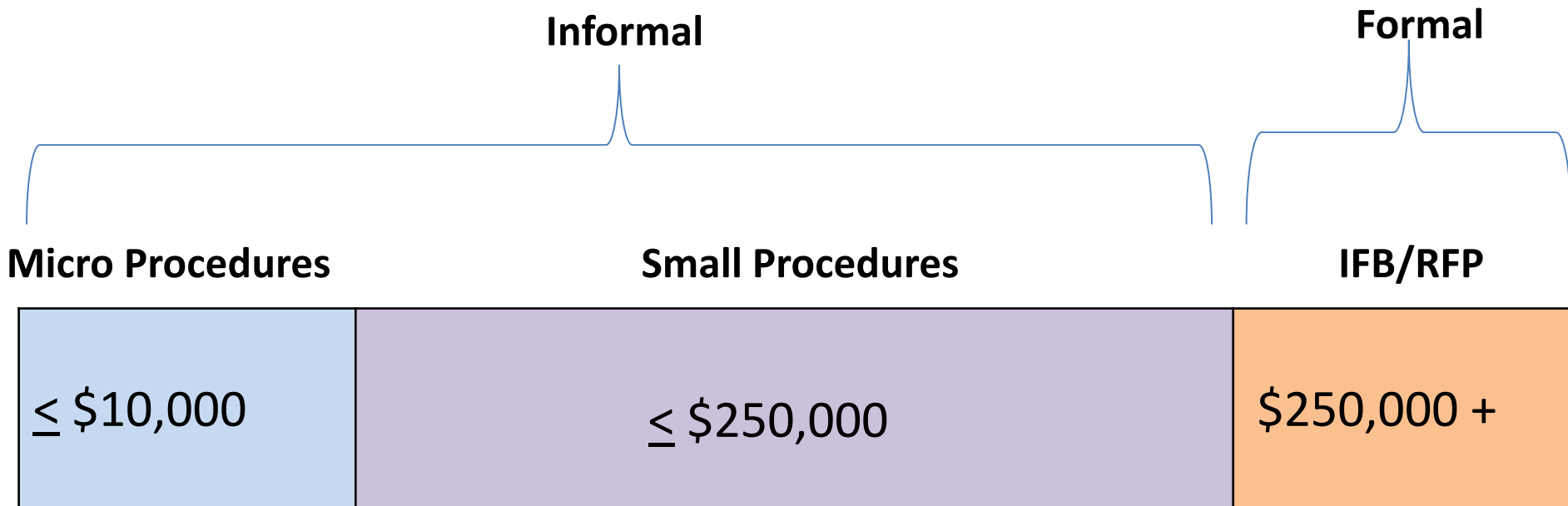
- **Responsive:** Vendor conforms to all of the terms and conditions as stated
- **Responsible:** Vendor is capable of performing successfully under the terms and conditions of the contract

Procurement Methods

- **Informal**
 - Micro-purchase
 - Small Purchase/Request for Quote
- **Formal**
 - Invitation for Bid (IFB)
 - Request for Proposal (RFP)
 - Noncompetitive/ Sole Source

Method used depends on the dollar value of the purchase.

Federal Thresholds*



*Local thresholds may be more restrictive. Check with your business office.

Informal: Micro-purchases

- Purchase amount \leq \$10,000
 - Local threshold may be more restrictive
- Distribute purchases equitably among qualified suppliers
- Prices must be reasonable

Informal: Small Purchase

- Value of purchase is \leq \$250,000*
 - Local threshold may be more restrictive
- “three bids and a buy”
- Purchase from lowest price
- Less rigorous than the formal method

Small Purchase Steps

1. Written, clear specifications
2. Request quotes
3. Award the contract to:
 - responsive & responsible
 - Lowest price
4. Oversee contract for compliance

Maintain all documentation!

Formal

- Value of purchase is > \$250,000 or Local threshold
- Types:
 1. Invitation for Bid
 2. Request for Proposal
 3. Sole Source

Formal

Invitation for Bid (IFB)

- Competitive sealed bidding
- Results in a fixed-price contract
- Publicly advertised
- Publicly opened
- Clear specifications
- Awarded to lowest priced responsive & responsible bidder

Request for Proposals (RFP)

- Competitive proposal
- Results in a fixed price OR cost-reimbursable contract (cost plus fixed fee)
- *Cost plus percentage is not allowed!*
- Publicly advertised
- No public opening
- Solicitation includes description of evaluation criteria (price is the primary factor)

PROCUREMENT REVIEW



Child Nutrition
Maine Department of Education

Procurement Reviews

- Conducted by MDOE CN staff
- 5 Year review cycle
- Same cycle as the Administrative Review
- Review is based on the prior school year
- Review takes place off-site

Notification

- Letter mailed to SFAs in July
 - Link to Procurement Review Packet
<https://www.maine.gov/doe/schools/nutrition/programs/nslp/ar>
 - List of documents to submit
 - Date due
 - Reviewer contact information

Procurement Review Packet

SY 2020 School Nutrition Procurement Review Packet

Complete this packet and return it to your reviewer along with the vendor paid list from SY 2019, code of conduct policy and procurement procedure:

District/School Nutrition Department Information

1. District Name:
2. Who is responsible for procurement on behalf of the School Nutrition Department.

Name & Title:
Email:
Phone:
Procurement responsibilities include:
3. Does the School Nutrition Department belong to a buying group? Yes No
If yes, what is the name:
4. Does the School Nutrition Department put out a formal bid? Yes No
If yes, for what categories: Milk Bread Produce Prime Vendor Paper Supplies Other:
5. What is the District/School Nutrition Department's Simple Acquisition Threshold (also called Small Purchase Threshold)? (At what dollar amount is the School Nutrition Department required to conduct formal purchase procedures? The federal threshold is \$250,000.)
6. What is the District/ School Nutrition Department's capital equipment threshold? (At what amount is the School Nutrition Department required to conduct formal purchase procedures for capital equipment? The federal threshold is \$5,000)

Small Purchase Threshold

- When completing the PR packet, you will need to know your SFA's simplified acquisition threshold
 - The dollar amount at which the SFA is required to conduct *formal* procurement (IFB/RFP)
 - Federal threshold is \$250,000
 - Local threshold may be more restrictive

Written Codes of Conduct

1. Prohibit real, or apparent conflicts of interest for employees engaged in selection, award, and administration of contracts
2. Indicate that employees are prohibited from soliciting gifts/incentives
3. Include disciplinary actions for violations

Written Procurement Procedures

- Compliant with procurement regulations
- Include procurement methods to be used /dollar thresholds
- Reference Federal, State and local regulations
- Prohibits unnecessary or duplicative purchases
- Buy American Provision
- ...other items listed on the Procurement Procedures Handout

Template

www.maine.gov/doe/schools/nutrition/programs/nslp/ar

Template for School Nutrition Programs Procurement Procedures and Code of Conduct

School Food Authorities (SFAs) may use this template to identify their procurement plan for USDA School Nutrition Programs. Each SFA is responsible for customizing these procedures and ensuring compliance with Federal, State, and Local procurement regulations. Federal purchase thresholds are used in this template: \$0-\$10,000 micro-purchase; \$10,001 - \$250,000 small purchase; and over \$250,000 formal procedures. However, if a District's purchase thresholds are more restrictive, the more restrictive thresholds must be followed and be reflected in this plan.

A. General Procurement

1. The **NAME** plan for procuring items for use in the School Nutrition Programs is as follows. The procurement procedures maximize full and open competition, transparency in transactions, comparability, and documentation of all procurement activities.
2. When purchasing an item or items with an aggregate total of \$10,000 or less *[insert local amount if more restrictive]*, the **NAME** will follow micro-purchase procedures. To the extent practicable, the **NAME** will distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded if **NAME** considers the price to be reasonable as required by 2 CFR 200.67.
3. For purchases between \$10,00.01 and \$250,000 *[insert local amount if more restrictive]*, **NAME** will conduct informal procurement at a minimum. The **NAME** will draft specifications

ADMINISTRATIVE PROCEDURE FEDERAL PROCUREMENT MANUAL FOR MAINE
SCHOOL UNITS

FEDERAL PROCUREMENT MANUAL
(For School Unit Procurements Using Federal Awards Subject to Uniform Grant Guidance)

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I. EXCEPTIONS TO THESE ADMINISTRATIVE PROCEDURES

The requirements set forth in these administrative procedures do not apply to:

1. Block grants awards authorized by the Omnibus Budget Reconciliation Act of 1981 (including Community Services);
2. Federal awards to local education agencies under 20 U.S.C. 7702-7703b (portions of the Impact Aid program, including federal payments relating to federal acquisition of school property and federal payments for students residing on military installations or Indian lands);
3. Federal awards authorized under the Child Care and Development Block Grant Act of 1990, as amended;
4. Entitlement awards under the National School Lunch Program, Commodity Assistance, Special Meal Assistance, Summer Food Service Program for Children, and Child and Adult Care Food Program of The National School Lunch Act;
5. Entitlement awards under the Special Milk Program, School Breakfast Program, and State Administrative Expenses of The Child Nutrition Act of 1966;

Required Documents to Submit

- Email the following to your reviewer:
 - Completed Procurement Review Packet
 - Procurement Code of Conduct
 - Procurement Procedures
 - SY 2019 Vendor Paid List from School Nutrition account

Vendor Paid List

Vendor Name		Total 7/1/18-6/30-19
Mr. Bread		\$13,100.65
Happy's Foodservice Delivery		\$222,008.13
Jessica's Farm Market		\$1,612.39
Cow's Dairy		\$41,309.87
Wing Farm Produce		\$1,341.45
ABC Foodservice		\$12,405.12
POS Systems		\$16,874.65
Main Street Market		\$987.32
Sandy's Equipment Repair		\$6,125.91

Reviewer Requests Documentation

- Micro-purchases:
 - Purchase orders/Receipts/Invoices
- Small purchases:
 - Solicitation – specifications, evaluation criteria, contract terms and conditions
 - Documented price quotes/responses
 - Evaluation
 - Purchase orders/Receipts/Invoices

Common Findings: Micro & Small Purchases

- Purchasing from one vendor w/o supporting documentation
 - Not shopping equitably (micro-purchase)
 - Not obtaining price quotes and purchasing from the lowest price vendor (small purchase)
 - Full and open competition!

Reviewer Requests

- Formal Purchases:
 - Publicly advertised
 - Solicitation
 - Responses
 - Evaluation & scoring results
 - Final contract
 - Invoices

Review of Formal Solicitation

Formal Procurement Checklist

- Contract Type (IFB or RFP)
- Contract period
- Specifications
- Evaluation criteria
- Required contract provisions
- Other...

Common Findings: Formal

- Not publicly advertising (state-wide newspaper)
- Stating IFB but issuing a RFP type contract
- Not identifying evaluation criteria in the solicitation document
- Missing contract provisions
 - Appendix II to 2 CFR 200
 - 7 CFR 210.21(f)
- Missing federal and state Non-Discrimination statements

Final Report

- Reviewer sends report to SFA
 - No findings: Review is closed
 - Findings: Corrective Action assigned
 - Ex: Revise procurement procedures
 - Ex: Rebid contract

Where do I Start?

1. What are your current practices?
2. Do they comply with district procedures & federal regulations?
3. What is your local Small Purchase Threshold?
4. Are you maintaining documentation?
5. Is your Code of Conduct compliant?
6. Do you have compliant Procurement Procedures?

Questions



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- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

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