

Procurement Requirements for School Nutrition Programs

Maine Department of Education
Child Nutrition Programs



Child Nutrition
Maine Department of Education

What Is Procurement?

- ▶ A multi-step process for obtaining goods/services at the best possible price.
 - ▶ Write specifications
 - ▶ Solicit bids/proposals
 - ▶ Evaluate & compare responses
 - ▶ Award the contract/make the purchase
 - ▶ Manage the contract/agreement

4 Keys of Procurement

1

Buy American
Provision

2

Follow
Regulations
(Federal,
State, & Local)

3

Full and open
competition

4

Responsive
and
responsible
vendors

1. 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. 7CFR 210.21(d)
- ▶ Exception for products not grown/produced in the US and significant price differential (bananas)
- ▶ Include a “Buy American Clause” in procurement documents.

2. 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

3. Full and Open Competition

- ▶ Level playing field for all possible vendors
 - ▶ Equal opportunity to compete
- ▶ Being overly restrictive is not allowed
- ▶ Fairness, integrity and transparency is critical
- ▶ Essential for purchasing quality goods at the lowest possible price

4. Responsive and Responsible Vendors

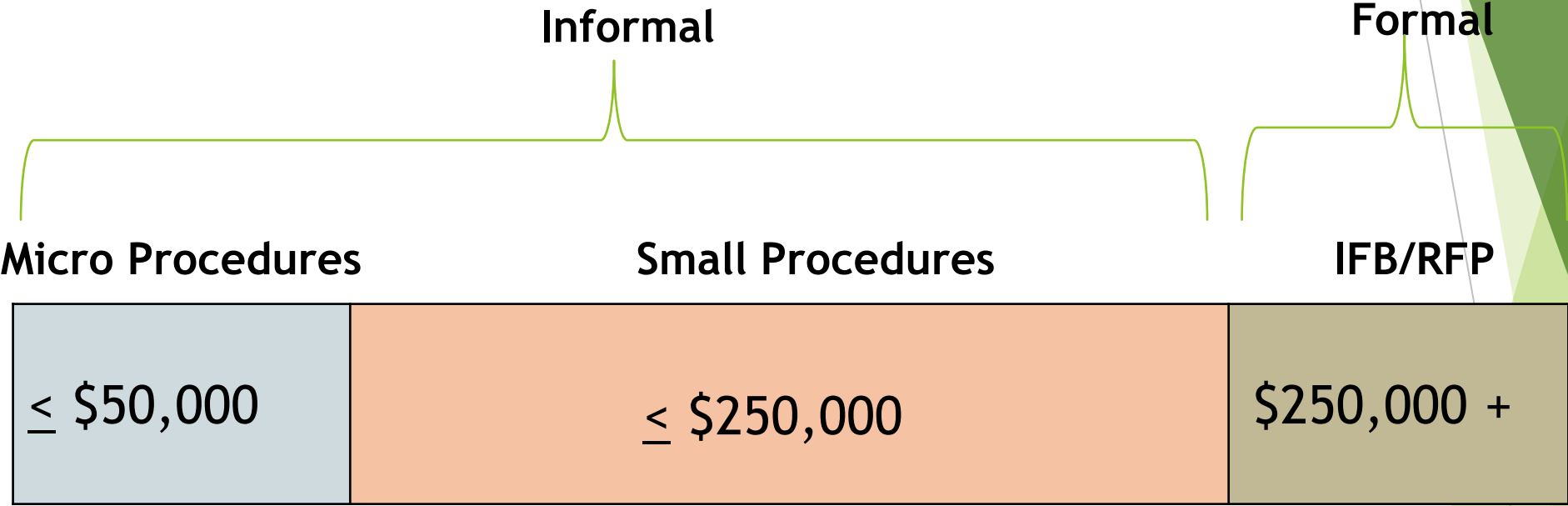
- ▶ Purchase must be made from a vendor who is *responsive* and *responsible*.
- ▶ **Responsive:** Vendor provided the information that was requested
- ▶ **Responsible:** Vendor is capable of performing successfully under the terms and conditions of the contract

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 \$50,000
 - ▶ Local threshold may be more restrictive
- ▶ Distribute purchases equitably among qualified suppliers
- ▶ Prices must be reasonable

Maintain all documentation!

Informal: Small Purchase

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

Maintain all documentation!

Small Purchase Steps

1. Written, clear specifications shared with potential vendors
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
 - ▶ Local threshold may be more restrictive
- ▶ Types:
 1. Invitation for Bid
 2. Request for Proposal
 3. Non-Competitive

Formal: IFB and RFP

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)

Formal: Non-Competitive

- ▶ Competition is inadequate or impossible
 - ▶ Item only available from a single source
 - ▶ Public emergency

Food Service Management Companies

- ▶ Commercial enterprise that an SFA contracts with to manage any aspect of the school foodservice program
- ▶ Specific requirements for FSMC Contracts and contract renewals
- ▶ Requires State Agency approval each year

Required Policies/Procedures

1. Written Code of Conduct
2. Procurement Procedures

Written Code 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/financial

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

Where do I Start?

1. Remember the 4 keys of Procurement
2. What is your district's Small Purchase Threshold?
3. Document everything!!!
4. Find your district's Code of Conduct and Procurement Procedures

Supply Chain Assistance Funds

- ▶ Funds sent to SFAs in March 2022 (some opted out)
- ▶ Second round being distributed
- ▶ Must be spent by September 2023
- ▶ Funds may be used to purchase domestic, unprocessed or minimally processed food for the NSLP, SBP and NSLP Afterschool Snack Service
- ▶ Must track usage and maintain documentation (invoices)

Supply Chain Assistance Funds

Allowable

- ▶ Milk, cheese, yogurt
- ▶ Fruit & Vegetables
 - ▶ Juice of domestic
- ▶ Pasta, rice

Not Allowable

- ▶ Pre-made Pizza
- ▶ Breads, muffins, crackers
- ▶ Prepared/pre-cooked items - chicken nuggets, pre-packaged sandwiches

Programs

[CNPWeb/NEO](#)

[Student Eligibility & Applications](#)

[Financial](#)

[Legal References](#)

[Webinars and Training](#)

[Contacts and Events](#)

Supply Chain Assistance

1. [Allocation of Supply Chain Assistance Funds](#) - USDA Memo
2. [Questions and Answers](#)
3. [Check your district's entitlement amount](#) - 2/8/22

FNS Resources

- [Supply Chain Assistance Funds: State Agency Webinar Follow-up QAs](#)
- [Supply Chain Assistance \(SCA\) Funds: an Overview for State Agencies Webinar Slides](#)
- Closed captioned webinar recording at <https://www.youtube.com/watch?v=4j06dKpl12A>

[USDA Supply Chain Assistance Funds Reporting](#)

Additional information about FNS actions to address COVID-19 related supply chain disruptions is available on FNS' official [Supply Chain Assistance](#) webpage.

