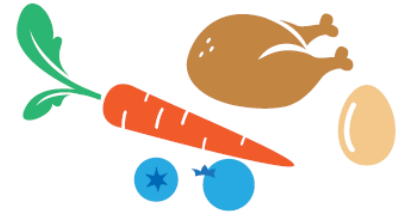


Procurement

IN THE SUMMER FOOD SERVICE PROGRAM



All procurement of food, supplies, goods, and other services with Program funds by Sponsors must comply with procurement standards prescribed in 2 CFR Part 200 as well as 7 CFR 225 as well as any more restrictive State and local standards that may be in place.

Procurement Methods

Micro-Purchase (up to \$10,000)

This is a purchase method that may be used when the price of the aggregate purchase does not exceed \$10,000. The purchase may be made without obtaining quotes from various vendors/suppliers providing that the price of the items being purchased is reasonable. Micro purchases must also be distributed equally among qualified vendors to the extent possible. This means the next time the same items are purchased, it should be done through a different qualified vendor.

How do you know a price is reasonable?

Ways to verify the reasonableness of a price is to compare previous purchases, have personal knowledge of the item being purchased, or compare to similar items being purchased.

Small Purchase (between \$10,000 - \$250,000)

This is a simple and informal method of purchasing that allows for the sponsor to comparison shop for the best price on goods and services. Prices are to be obtained from an adequate number (3 suggested) of vendors prior to purchasing from one of them. Documentation of the price quotes is required and should include the date, the vendor contacted, and the quotes received (verbal or written). Store advertisements may be considered as documentation. It is important when obtaining quotes that all vendors are provided with the same information (specifications for the products/services you wish to buy). The purchase is made from the most responsive and responsible vendor with the lowest price.

Large Purchase (over \$250,000)

This large, formal procurement method must be used when the dollar amount of the procurement has an estimated value equal to or greater than \$250,000. It may also be chosen by the sponsor even when the purchase is below \$250,000 if the sponsor has determined that the formal procurement method will result in a better use of nonprofit food service account funds. The formal purchase methods include an Invitation for Bid (IFB) and Request for Proposal (RFP). Sponsors will need to determine which procedure, the IFB or RFP, is right for the situation. The formal procurement method should result in a purchase that is cost-effective, cost-justifiable, and defensible from a competitive procurement perspective. As with any procurement, it is important to allow for sufficient time and resources, this is particularly important when using a formal procurement method.

Procurement Ethics

State agencies and sponsors are required to write a code of conduct to govern the performance of employees (and sponsors) engaged in procurement. These written standards must prohibit employees from soliciting gifts and other incentives from prospective contracts, and also prohibit employees from participating in the selection, award, or administration of any contract to which they have

a personal or financial connection. The code of conduct must also provide for disciplinary action to be applied in the event the standards are violated.



Options for Buying Meals

When a sponsor does not have the adequate facilities and/or staff to make their own meals for the Program, they can purchase meals from a vendor (school, hospital, nursing home, caterer, etc.) or hire a Food Service Management Company (FSMC) to do the job. In doing so, the prescribed procurement process must be followed with the exception of purchasing from a school.

From a School

When purchasing meals from a school, the sponsor is not required to use the competitive bid procedures, but should verify that the school has a comparable price and meal quality to commercial vendors that could potentially provide the meals. A written agreement with the school is required.

From a FSMC

In the SFSP, this means purchasing meals from any commercial enterprise or nonprofit organization. If the expected contracted price is below \$250,000 the sponsor may use the prototype agreement for vended meals provided RIDE. If another agreement is used, submit to the SFSP Coordinator for review prior to use. If the expected contract price is \$250,000 or more, the sponsor must use the standard contract developed by the State Agency; contact the SFSP Coordinator for more information.

Sponsors with multiple Child Nutrition Programs

Sponsors must apply the \$250,000 threshold to the aggregate value of the FSMC contract(s) which include projected costs from the multiple Child Nutrition Programs. For example, a sponsor that receives funds from the SFSP and CACFP and contracts with a FSMC to purchase meals for both programs must apply the standard contract threshold to the projected value of the contract. Public entities and organizations with exclusive year-round contracts are exempt from the standard contract requirement.

Details..details

There are many required elements of a FSMC contract and the formal procurement process. To dig into the details, take a look at the SFSP Administrative Guidance Manual for Sponsors, posted on the USDA website at: <https://www.fns.usda.gov/sfsp/handbooks>

If an agency already participating in another Child Nutrition Program has a year round contract with a FSMC and wishes to begin participating in the SFSP, the agency must make a determination if adding the SFSP represents a material change in the existing contract. If so, the contract must be re-bid. If there is no material change, the FSMC contract may be amended to add the SFSP. Agencies should work directly with the SFSP Coordinator to ensure the contract and procurement procedures meet requirements.

Purchasing 'Local'

Summer brings new opportunities to source local foods. Sponsors may decide to target local products to include in their Program in order to improve the quality of the meals, provide opportunities for nutrition education to Program participants and to contribute to the local economy. Because Program requirements require fair and open competition, a sponsor may not require that a product come from a local source, however it can be communicated as a preference making sourcing local products possible.

Use of Small, Minority, and Women's Businesses

All sponsors are encouraged to take affirmative steps to ensure that small, minority firms and women's business enterprises and labor surplus area firms are used when possible. Affirmative steps may include placing such businesses on solicitation lists and ensuring that they are contacted whenever they are deemed as a potential source. When economically feasible, sponsors may wish to divide their total requirements into smaller tasks or quantities and adjust delivery schedules to permit maximum participation.

