

A blue-tinted background image showing a group of diverse students in a school cafeteria. In the foreground, a boy in a red hoodie is looking down at a food tray. Behind him, several girls are smiling and talking. The scene is brightly lit, suggesting a healthy and active school environment.

MAINE DEPARTMENT  
OF EDUCATION

# Procurement 101: For School Nutrition Programs

**Presented by:** Sarah Platt, Child Nutrition



# Learning Objectives



- Identify the different types of procurement methods
- Apply appropriate procurement method when making purchases
- Learn about required procurement policies

# What Is Procurement?

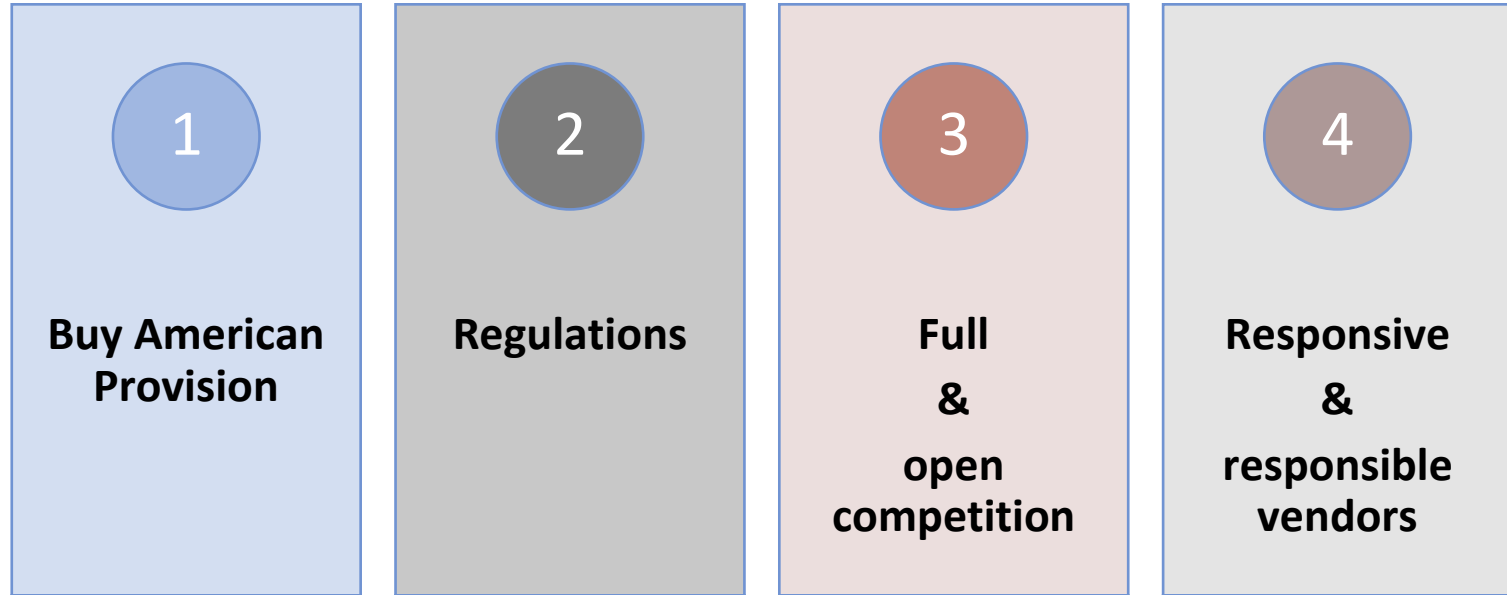
- The process of purchasing goods and services from a vendor
  - Applies to all SFAs regardless of size, number of students, how much money is spent

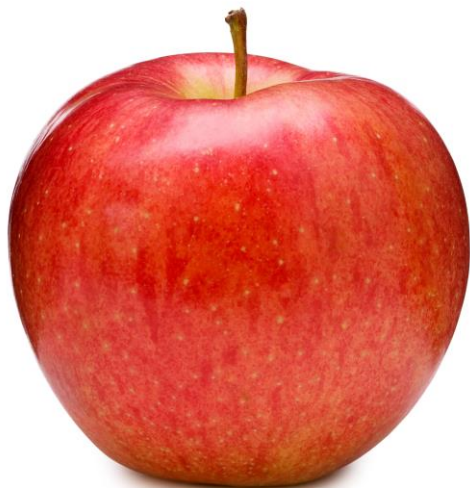


# What is Procurement?

- “Purchasing goods and services from a vendor.”
- Purchasing: Methods (Micro, small & formal purchasing)
- Goods and Services: Food, supplies, equipment
- Vendor:
  - Commercial distributors (Sysco, Dennis, PFG Northcenter)
  - Grocery Stores (Hannaford, Walmart)
  - Local farm

# 4 Keys Principals of Procurement





Only applies to food components

# 1. Buy American Provision

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- Purchase, to the maximum extent possible:
  - *Unprocessed agricultural commodities* (food) grown in the US
  - *Processed food products* that contain over 51% agricultural commodities grown in the US AND processed in the U.S.

# Buy American - Exceptions

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Is an alternative domestic product?

- Availability
  - Product is not produced in the U.S. in sufficient quantities  
ex. Bananas, mandarin oranges, pineapple
- Cost
  - Competitive bid reveals the cost of the U.S. product is significantly higher than the non-domestic product.



# Buy American - Compliance

Include *Buy American* requirement in procurement documents.

Request domestic product

Check labels:

- Packaging information
- Invoices/receipts
- Ask manufacturer for country-of-origin information



## 2. Federal Procurement Regulations

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### 2 CFR 200

All programs receiving federal funds

7 CFR 225.17

SFSP

7 CFR 210.21/7 CFR 220.16

NSLP/SBP

<https://www.ecfr.gov/>





# 3. Full and Open Competition

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- 🛒 Vendors are on a level playing field
  - Equal opportunity to compete for your business
  - Spending federal dollars, need to be impartial (vs. private sector)
  
- 🛒 If there are vendors that COULD respond but they are not, you may be restricting competition!

# Creating Full and Open Competition

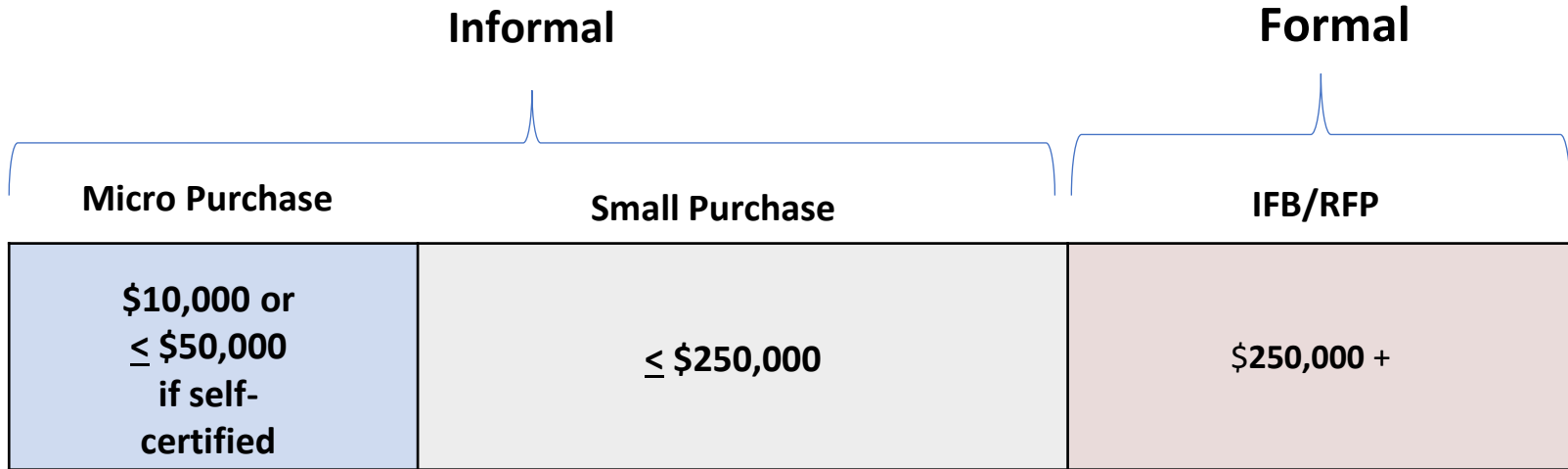
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-  Research what vendors out there & solicit as many vendors as you can
-  Give adequate time to respond
-  Don't be overly restrictive by:
  - Specifying brand name
  - Requiring unnecessary experience
  - Placing unreasonable requirements
-  Be transparent about your process and follow your Code of Conduct

# 4. Responsive and Responsible Vendors

- Purchase must be made from a vendor who is both *responsive AND responsible*.
- **Responsive:** Vendor provided the information that was requested
  - Ex. Submitted response after due date, not following directions
- **Responsible:** Vendor is capable of performing successfully under the terms and conditions of the contract
  - Ex. Can't meet delivery requirements or ordering requirements

# Purchasing Thresholds\*



\*Local thresholds may be more restrictive. Check with your business office. This presentation uses federal thresholds

# Micro-purchase

- No price comparisons!
- One-time purchase
- “Spread the wealth” among multiple vendors
  - Emergencies, shortages, small dollar, seasonal purchases
  - Example: local produce
- ✓ **Rules to follow:**
  - Aggregate dollar amount may not exceed threshold of \$10,000 or up to \$50,000 if self-certified
  - Should distribute equitably among qualified suppliers
  - No price comparisons, but prices must be reasonable
  - Documentation (receipts) must be maintained

# Micro-purchase Threshold

- 2 CFR 200 - non-federal entities can use the micro-purchase threshold (currently \$10,000) OR self-certify up to \$50,000
- Non-federal entity is an organization that receives federal funds and is not the US Government

# How to Self-certify

1. Find out if you qualify
  - Low-risk auditee (2 CFR 200.520)
2. Write a self-certification statement
3. Save documentation
4. Repeat annually



# Small Purchase

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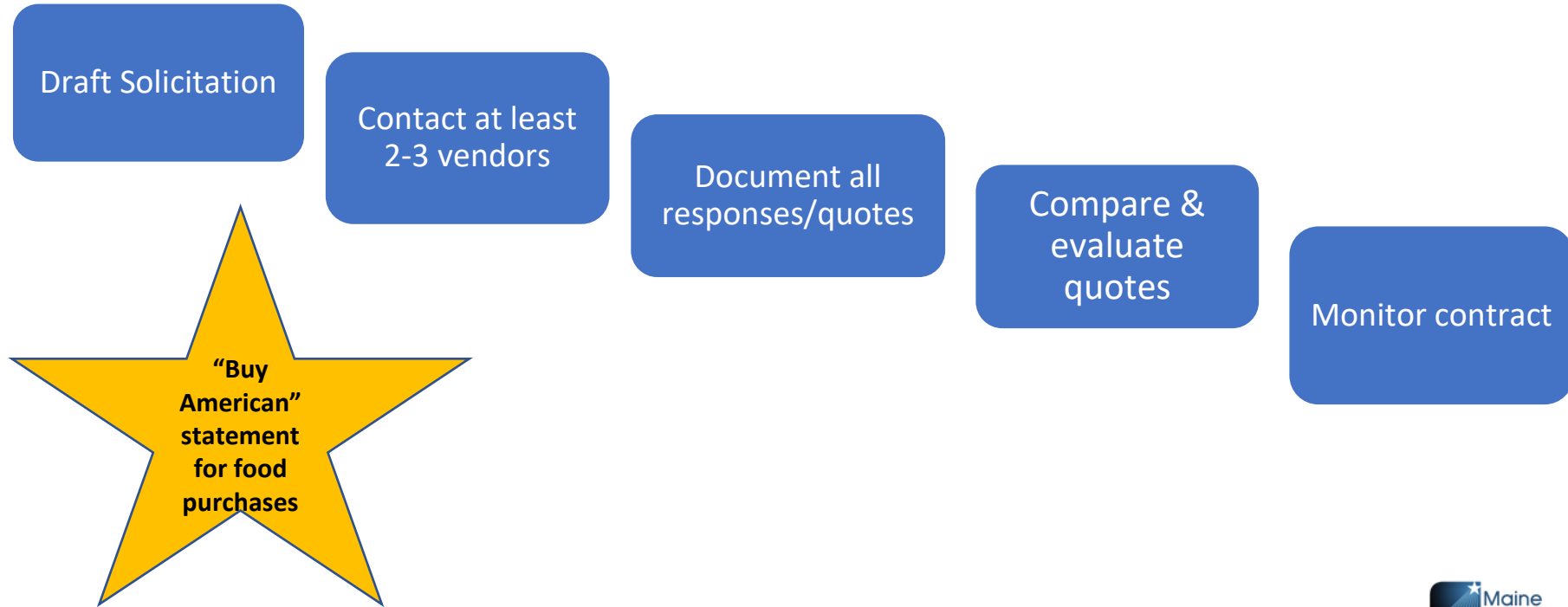


- Price quotes – “3 bids and a buy”
- Requires a little more work than micro purchase
- Multiple purchases of the same item
- One vendor

## ✓ Rules to follow:

- Total of purchase is below \$250,000
- Solicitation, price quotes, evaluate before making a purchase. (telephone, email, catalog, and websites)
- Purchase from lowest price responsive and responsible vendor
- Keep documentation of the process

# Small Purchase Process



# Step 1: Draft Solicitation

- Written specifications detailing what you need
  - Vendor must be able to meet in order to be “responsive”
- Completed *before* contacting any potential vendor
  - Quantity, quality, and type of goods or services
  - Required contract provisions 2CFR 200
    - Buy American requirement
  - How award will be made (lowest price by line? Total?)
  - Other requirements: delivery, Invoicing, how long prices are good for, how to submit their quote
  - Share the same specifications with each vendor

# Step 2: Contact Potential Vendors

- Contact as many as you can! (2 required)
- How to find potential vendors:
  - Web search
  - Contact manufacturer/broker
  - Inquire within district
  - Fellow school nutrition directors

# Step 3: Document

- For verbal quote – write down relevant information
- Keep a small purchase log
  - Specifications with detailed description
  - Company name
  - Contact info for person delivering quote
  - Source of quote (telephone, email, ...)
  - Date
  - Price

# Step 4: Compare and Evaluate

- Vendor must meet all deadlines and requests for information AND be capable of executing the contract
  - “Responsive and responsible vendor”
- Compare “apples to apples”
  - Usage/Case size/Price
  - Delivery charges
- Determine winning bidder
  - Lowest price, responsive & responsible vendor

# Step 5: Award the Contract

- Notify the vendor that won the contract
- Discuss next steps
- Notify those that did not win the contract
- Save documentation!

# Step 6: Monitor the Contract

- Is the vendor performing as agreed to in the solicitation?
  - Correct item(s)
  - Agreed upon pricing
  - Buy American



# Micro vs Small?

- One-time purchase
  - Micro might be best
- Shop from different vendors to “share the wealth”
  - Micro purchase
- Buy repeatedly from the same vendor
  - Small purchase
- Lowest price
  - Small purchase

# Formal Procurement

- Value of purchase is >\$250,000
- Two options:
  - Invitation for Bid (IFB)
  - Request for Proposals (RFP)
- Formal process that takes time & effort but usually results in the best pricing.

# Formal Procurement: IFB and RFP

IFB	RFP
Lowest price	Lowest price & other factors
Fixed price	Fixed price or cost-reimbursable
Publicly advertised	Publicly advertised
Publicly opened	Not publicly opened
Responsive and responsible vendor	

# Formal Procurement - Documentation



- IFB/RFP
- Public advertisement
- All bids/offers
- Evaluation: scoring results
- Copy of the final contract

# Food Service Management Companies (FSMC)

- Commercial enterprise that an SFA contracts with to manage any aspect of the school foodservice program
- Always RFP procurement process
- Contract duration – one year with 4 renewals
- Specific requirements for FSMC Contracts and contract renewals
- Requires State Agency approval prior to soliciting quotes and each renewal year

# Required Policies/Procedures

## 1. Procurement Code of Conduct

- Prevent conflicts of interest in procurement
- Govern the actions of employees

## 2. Procurement Procedures

# Procurement 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 accepting and soliciting gifts/incentives
3. Include disciplinary actions for violations

You or someone close to you cannot benefit personally from your program's purchases.

# Procurement Procedures

- Required procedures that are followed to ensure compliance with procurement regulations
- Reference Federal, State and local regulations and required language
- Should also be customized to reflect your actual practices
  - Ex. Buy American

## 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.*

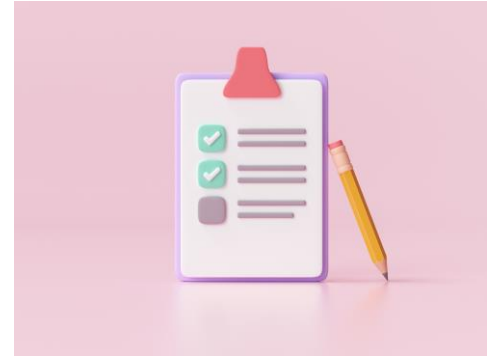
### A. General Procurement

1. The **NAME** plan for procuring items for use in the School Nutrition Programs is as follows:



# Procurement Reviews

- Same review cycle as Administrative Reviews
- Review:
  - **procurement documentation** – Show how you made the decision to purchase from this vendor
    - (statement, solicitation, invoices, contracts)
  - Procurement Procedures
  - Code of Conduct





# Questions

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Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410; or

**(2) fax:**

(833) 256-1665 or (202) 690-7442; or

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[program.intake@usda.gov](mailto:program.intake@usda.gov)

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