



STATE OF MAINE  
DEPARTMENT OF EDUCATION  
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**RSU 24 Nutrition Program  
SY 2021 Procurement Review- Revised Report**

A procurement review of the RSU 24 Nutrition Department, based on SY 2020 procurement, was conducted to ensure compliance with Federal Regulations 2 CFR 200, 7 CFR 210, as well as applicable local laws.

**Code of Conduct**- No findings

**Procurement Procedures**: The district Procurement Procedures reference Policy DJR- Federal Procurement Manual. RSU 24 recently adopted this manual and was made aware that it listed federal child nutrition programs as exceptions to the procedures, which is incorrect. This language has been removed and procurement procedures are now compliant with federal regulations.

***Required Corrective Action***: *N/A- has already been corrected.*

*Date Due*: *N/A*

**Micro-Purchases**- No findings.

**Small Purchases**- The school nutrition department purchased a reach in refrigerator in SY 2020 from RM Flagg. As part of the nutrition department's specifications the equipment must be delivered and installed. According to small purchasing requirements, an adequate number of qualified vendors must be contacted to provide price quotes. A price comparison was made with Central Restaurant, an online equipment supply company; however, they do not install equipment and therefore would not be considered a qualified vendor. Technical assistance was provided. The reviewer was also made aware that there are other qualified companies in Maine that can meet the specs; however, sometimes will not provide a quote. As long as two or more vendors have been contacted then purchasing requirements have been followed; it's important that the specs be written and all correspondence with companies be documented to show the process was completed correctly.

It was noted that the price quote and paid invoice from RM Flagg did not include delivery and installation and there was no documentation that it was included in the price, such as through email or phone call. This must be documented to ensure the specifications were met.

***Required Corrective Action:*** *Submit a detailed plan for how small purchase procedures will be followed and documented in the future, when purchasing equipment.*

*Date Due: January 15, 2021*

**Small Purchases**- Sumner Memorial High School has a contract with Pepsi as the exclusive supplier of beverages. The school nutrition department purchases the beverages for a la carte items at the high school; however, the Booster club purchases the vending machine items and gets the profit. The contract indicates an Invitation for Bid (IFB) was issued; however, there is no documentation to support that procurement regulations were followed in the bid process. Because the school nutrition department is purchasing these items using federal funds, they must follow federal procurement regulations. Therefore; the nutrition department must either use the micro purchase method (purchases are spread equitably among vendors) or small purchase method (a price comparison is completed between vendors and the vendor with the lowest price gets the purchase). A formal process, such as an IFB can also be used; however, the solicitation documents and contract must meet federal requirements. Because the vending machine items are a school nutrition expense, if scoreboard support funds or other signage is part of the contract, the school nutrition department should receive a fair proportion of that signage.

***Required Corrective Action:*** *Submit a detailed plan for which purchasing method will be used in the future, to ensure procurement regulations are being followed.*

*Date Due: January 15, 2021*

**Formal Purchases**- RSU 24 is a member of the Dirigo Alliance buying group. Formal contracts for prime vendor and milk were reviewed; however, RSU 24 has only opted into the prime bid. The findings are as follows:

- The solicitation was not publicly advertised in a state-wide newspaper.
- The solicitation was missing the following:
  - Applicable contract provisions and certifications
  - Federal and state non-discrimination statements
  - Language that supports the use of small, minority and women's businesses, when possible
  - Appeal process
- A final signed, written contract was not issued

***Required Corrective Action-***

The formal solicitations need revision and contracts re-bid for school year 2021. Submit a copy of the public advertisement and revised solicitation documents to the reviewer by May 30, 2021. Submit a copy of the signed contract to the reviewer by June 15, 2021.

Corrective Action is required. In accordance with §210.18(k), failure to return completed documentation within 30 days from the corrective action deadline date will result in the withholding of reimbursement payments. Local Education Agencies have the right to appeal

findings which impact their reimbursement. For more information visit

<https://www.maine.gov/doe/sites/maine.gov.doefiles/inline-files/Child%20Nutrition%20Appeals%20Process.pdf>

We hope that this review has been helpful to you and your staff. If you should have any questions, or if we can assist in any way please feel free to contact Stephanie Stambach at 215-9437 or email [stephanie.stambach@maine.gov](mailto:stephanie.stambach@maine.gov).

Sincerely,

DocuSigned by:

*Walter Beesley*

Walter Beesley

Child Nutrition Director

WB/SS/pp

CC: Linda Mailhot