



PROCUREMENT REVIEW PROCESS

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PROCUREMENT REGS AND ME!

- Contract for NSLP/SBP: follow Federal & State procurement regulations
- Most Stringent Procurement Regulations
 - Federal
 - State
 - Local
- Charter Schools exception: \$250,000 sm. Purchase (increased for 2018-19 SY; prior \$150,000)

GUIDANCE

- **Local**
- **State of Louisiana**
<https://cnp.doe.louisiana.gov/index.asp>
- **USDA/FNS** <https://www.fns.usda.gov/school-meals/policy>
- **Federal Regulations** <https://www.ecfr.gov/cgi-bin/ECFR?page=browse>

PROCUREMENT REVIEWS

- Procurement reviews: Meeting regs?
 - 3rd year of 3 year cycle-Administrative Review
 - Can be at same time as Administrative Review (AR) or separate
 - On-site or Distance

PROCUREMENT REVIEWS

**Look at all
purchases that are
charged to the
child nutrition
program**



PROCUREMENT REVIEW PROCESS

- AR Scheduled, email notification

- Request for Procurement Documents
 - Procurement Tool
 - Procurement plan/procedures
 - Vendor paid list (SY2017-18)
 - Code of Conduct forms signed

(continued on next slide)

PROCUREMENT REVIEW PROCESS

(CONTINUED FROM PREVIOUS SLIDE)

Reviewer Analyzes Documents

SFA Tab on Procurement Tool

- Selects sample to be reviewed

Compares Total Dollars on SFA Tab, Income/Expense report from CNP website, & Vendor Paid List

- SFA has to explain differences

SFA provides solicitation documents & invoices for vendors being reviewed

Reviewer answers questions on procurement tool

Reviewer submits findings to SFA

PROCUREMENT TOOL

- Refer to printed handout—Procurement Tool with questions to be answered.
- SFA completes ONLY the SFA Procurement Table (SFA Tab or SFA Table)
- Read other questions on tabs that apply to you!

SFA TAB: PROCUREMENT AUTHORITY

- Name
- Position/Title
- Responsibilities
- Contact Information

SFA TAB: SMALL PURCHASE THRESHOLD

- Same as Simplified Acquisition Threshold
- Maximum value at which the SFA can use informal procurement procedures
- Federal threshold is set at \$250,000—and for Charters
 - For the 2017-18 SY, the limit was \$150,000
- State of Louisiana \$30,000
- LEAs (School District) may set a lower, more restrictive threshold

SFA TAB: GROUP PURCHASING

- For-profit or not-for-profit organizations
- Buy in larger quantities on behalf of members
- May not provide Free and Open Competition if other sources are not allowed to compete
- Different from SFA-only cooperative

RESPONSIBILITY FOR PROCUREMENT

- Remains with the SFA
 - Application
 - Follow the money
- Cooperative purchasing
- Piggybacking
- Other organizations

PROCUREMENT METHODS

- Informal
 - Micropurchase (spread equitably)
 - Federal maximum was \$3,500 for SY 2017-18; now is \$10,000
 - Small purchase (quotes)
- Formal
 - IFB/invitation for bid
 - RFP/request for proposal

SFA TAB: PURCHASES

- Purchasing method used, not dollar amounts
 - Micropurchases
 - Small purchases/informal contracts (documented quotes)
 - Formal contracts: sealed bids/competitive proposals
- Food Service Management Company Contracts
- Processing Contracts for USDA Foods

- Use prior school year purchases: SY 2017-18

MICROPURCHASE

- Each transaction below \$10,000 (previously \$3,500 for 2017-18 SY) unless limited by local requirements
- Reasonable purchase prices
- MUST spread purchases equitably among all qualified sources

SMALL PURCHASE (QUOTES)

- Threshold for small purchases:
- Federal (and charter schools in LA) \$250,000 (previously \$150,000)
- State of Louisiana \$30,000
- SFA—local requirements

SMALL PURCHASE (QUOTES)

- Bid vs Quote
- Small Purchases must have solicitation
 - Specifications, Buy American (ag products) required
- Evaluation
 - Documentation of specs and criteria
 - Quotes--documented
- Contract Management
 - Delivery tickets/invoices

SMALL PURCHASE (SOLICITATION)

- Did the SFA restrict competition?
 - Unreasonable requirements, brand specific, experience
- Were specifications (crystal) clear?
 - Get product you need without being too restrictive
- Buy American Provision for food products?

PROCUREMENT PROCEDURES

- Sample procurement plan
 - Have a plan
 - Know what is in the plan
 - Do what you say you will do
- Code of conduct
 - Prohibit gratuities, gifts, monetary value
 - Disciplinary action for violations

SMALL, MINORITY, WOMEN'S BUSINESSES, LABOR SURPLUS AREA FIRM

- What steps do you take to assure that small, minority and women's businesses enterprises and labor surplus firms are used when possible? [2 CFR 200.321]

SMALL, MINORITY, WOMEN'S BUSINESSES, LABOR SURPLUS FIRM

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

COST OR PRICE ANALYSIS

- Helps determine formal or informal method
- If using formal procurement, the procurement document must include a cost estimate
- Prior year cost records can be used

COST OR PRICE ANALYSIS

- Buy a single-door refrigerator
- Approval from CNP/LDOE required?
- Check internet prices
- Check with another SFA
- Check previous purchases
- Cannot separate purchases to fall to less restrictive method

COST OR PRICE ANALYSIS

- Buying milk for SFA with 10 schools
- Previous school year purchases were approximately \$198,000
- Include statement in solicitation

SMALL PURCHASE (EVALUATION & AWARD)

- Records sufficient?
- Correct vendor selected based on:
 - the products/services requested
 - the vendor responses provided?
- Aligned with solicitation?

SMALL PURCHASE (CONTRACT MANAGEMENT)

- Invoices/receipts show that the products purchased were that solicited from the vendor?
- Correct price
- Correct specification

IFB FORMAL SEALED BID

2 CFR 200.320(c)

Bids that are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price

RFP COMPETITIVE PROPOSAL

7 CFR 200.320(d)

The technique of competitive proposals is conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, requirements apply.

WHAT METHOD?

- Purchasing bread products
- Expected purchases for SY \$18,000
- Possible purchase methods?

PURCHASING PEST CONTROL SERVICES

- Previous SY \$100/school/month for 20 schools
- Unhappy with service
- How do you procure?

NEED MORE COMPETITION?

- Unable to get more than one bidder
- What can I do?

WHERE ON SFA TABLE

- What method was used?
- No quotes or bid, item cost \$5,000

WHERE ON SFA TABLE

- What method?
- Milk purchases \$230,000, formal sealed bid

WHERE ON SFA TABLE

- What method?
- 3 companies submitted plans for pest control services based on solicitation document

WHERE ON SFA TABLE

- What method?
- Item cost \$35,000, 2 quotes



QUESTIONS?