

WHAT WOULD YOU DO!!

Group 1 Question

In a review of a SFA's formal procurement of US Foods distributor, it was found that the SFA did not perform a price or cost analysis prior to the solicitation. What might be the appropriate corrective action?

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Group 2 Question

In reviewing an SFA's procurement of Sysco as a full line distributor for multiple food products, it was found that the SFA specified a brand name of Del Monte fruit cups and canned fruit and vegetable products only. What might be the appropriate corrective action?

WHAT WOULD YOU DO!!

Group 3 Question

A charter school's IFB procurement for food items provided 10 days to respond. State rules mandate 15 days be provided for school districts in the State conducting IFB solicitations. Is the charter school in compliance? What might be the appropriate corrective action?

WHAT WOULD YOU DO!!

Group 4 Question

A review of a solicitation and contract for food reveals that no Buy American clause was included. The SFA claims that the vendor was aware of the requirement and was buying only domestic foods. What might be the appropriate corrective action?

WHAT WOULD YOU DO!!

Group 5 Question

In reviewing an RFP, it was found that the award was provided to the vendor with the 2nd highest score on the evaluation criteria. When asked why, the FSD of the SFA said a board member who oversees purchases said at a board meeting that the board could choose any of the three top scorers, and moved to approve the vendor with the 2nd highest score. In examining the solicitation, it stated that “the offeror with the highest overall score on the evaluation criteria will be awarded the contract.”

What might be the appropriate corrective action?

WHAT WOULD YOU DO!!

Group 6 Question

In reviewing a RFP procurement for a pre-plate vendor, it was found that the one of the bidders, the Greasy Pot Food Company, offered a warming oven and cooler at 50% off the retail price. The RFP did not request any equipment items. The SFA awarded the contract to Greasy Pot and accepted the discounted equipment. What might be the appropriate corrective action?

WHAT WOULD YOU DO?

Group 7 Question

When the SFA director was examining invoices for a procurement of fresh fruit and vegetables, it was noticed that the vendor, Juicy Distributor, was charging a delivery charge as a percentage of cost. The contract said that the delivery charge would be \$12.00 per case. The SFA said that they were told by Juicy that it was still a fair way to charge. What corrective action is appropriate?

Formal Procurement Activity Questions - Answer Key

- (1) In a review of a SFA's formal procurement of US Foods distributor, it was found that the SFA did not perform a price or cost analysis prior to the solicitation. What is the appropriate corrective action?
- Require the contract to be rebid.
 - The FSD must be fired.
 - Require a plan from the SFA to start doing cost/price analyses for all formal procurements and include in written procurement procedures.
 - Require the SFA to hire a consultant to do the analyses.

Answer: C; although it makes it more difficult to assess whether bids are reasonable when no price analysis is done, no rebid should be necessary if there was competition.

- (2) In reviewing an SFA's procurement of Sysco as a full line distributor for multiple food products, it was found that the SFA specified a brand name of Del Monte fruit cups and canned fruit and vegetable products only. What corrective action, if any, is appropriate?

Answer: You should provide guidance to the SFA that for future solicitations they must not specify only a brand name without allowing an "equal" product or listing required specifications.

Whether this warrants a rebid may depend on if the Del Monte products comprised the majority of items in the bid or if they were just a few in a full line of products.

Competition for distributors may not have been limited if they also carry Del Monte, but the SFA is limiting competition for fruit/vegetable producers and may not be getting the best price.

- (3) A charter school's IFB procurement for food items provided 10 days to respond. State rules mandate 15 days be provided for school districts in the State conducting IFB solicitations. An official at the State Office of Procurement (OOP) states that charter schools are not exempt from State procurement rules. Is the charter school in compliance? What would be the appropriate corrective action?

Answer: The charter school may have to rebid; consult the OOP and State legal counsel, since it was a State rule that was violated. Follow up with corrective action based on the consultation.

- (4) A review of a solicitation and contract for food reveals that no Buy American clause was included. The SFA claims that the vendor was aware of the requirement and was buying only domestic foods. The appropriate corrective action is:
- a. Notify the local media that the LEA may be purchasing foreign food products.
 - b. Require the SFA to amend their contract to add the Buy American clause and clauses about the exceptions, and to submit a plan to include the clause in future solicitations/contracts, and to review their inventory.
 - c. Must rebid the contract since adding the clause is a material change.
 - d. No action is necessary.

Correct Answer is B.

- (5) In reviewing an RFP, it was found that the award was provided to the vendor with the 2nd highest score on the evaluation criteria. When asked why, the FSD of the SFA said a board member who oversees purchases said at a board meeting that the board could choose any of the three top scorers, and moved to approve the vendor with the 2nd highest score. In examining the solicitation, it stated that “the offeror with the highest overall score on the evaluation criteria will be awarded the contract.” What corrective action, if any, is appropriate?

Answer: The SFA must rebid at the earliest feasible time. It may also be possible to terminate the current contract and award to the bidder that had the highest score without rebidding. Check with State legal counsel. You should provide guidance that the award procedure in the solicitation must be followed and that it be consistent with the SFA’s procurement procedures.

- (6) In reviewing a RFP procurement for a pre-plate vendor, it was found that the one of the bidders, the Greasy Pot Food Company, offered a warming oven and cooler at 50% off the retail price. The RFP did not request any equipment items. The SFA awarded the contract to Greasy Pot and accepted the discounted equipment. What corrective action, if any, is appropriate?

Answer: The SFA must rebid at earliest feasible time. Greasy Pot was overly responsive. By accepting the overly responsive discounted items, it seems likely that the scoring may have been influenced by the offer. Competition was not full and open; the other bidders were disadvantaged.

- (7) When the reviewer was examining invoices for a procurement of fresh fruit and vegetables, it was noticed that the vendor, Juicy Distributor, was charging a delivery

charge as a percentage of cost. The contract said that the delivery charge would be \$12.00 per case. The SFA said that they were told by Juicy that it was still a fair way to charge. What corrective action is appropriate?

- a. No corrective action is necessary; the method used is fair and in compliance.
- b. The contract must be rebid and Juicy referred to the Justice Department, Criminal Division, Corrupt Practices and Organized Crime Unit.
- c. The price charged must be corrected going forward to \$12.00 per case.
- d. The price charged must be corrected going forward to \$12.00 per case, as well as back to the start of the contract if possible to correct the amounts charged to the nonprofit school food service account.

Correct answer is D. The way Juicy is charging not only is inconsistent with the contract but is a cost-plus-a-percentage-of-cost arrangement which is prohibited by 2 CFR Part 200.