

ACDA ANNUAL CONFERENCE

Coming Together to Nourish the Nation



**April 21 - 24, 2024
Marriott St. Louis Grand
St. Louis, Missouri**

Procurement Study by USDA September 2021

Background

- This study analyzed responses to a nationally representative sample of SFAs selected to complete the survey. The sample was a subset of the 1,679 SFAs that participated.
- Describe how SFAs develop and publish solicitations, how they evaluate and award contracts, and monitor contractor performance for all school food purchases.
- Describe the forms of group purchasing efforts used to purchase goods and services.
- Assess the availability of State agency-provided technical assistance and training resources.
- Assess the strengths and weaknesses of SFAs to develop solicitation and contract documents, evaluate bids/responses, negotiate terms and conditions, and conduct contract oversight.

Key Findings

- Most SFAs (84.6 percent) procure goods or services for two or more Child Nutrition Programs together.
- The top factor that influenced SFA decisions on procurement methods and contract type was estimated cost (31.4 percent).
- To ensure compliance with the Buy American provision, 48.9 percent of SFAs included the Buy American clause in bid solicitations.
- More than half of SFAs (57.1 percent) that use FSMCs reported doing so to help maintain procurement compliance.

Key Findings

- Most SFAs (76.0 percent) indicated their procurement approach was based on menu items and food variety needs.
- Choice in procurement methods and contract type are varied across SFAs.
- The most common way SFAs (68.5 percent) monitor contractor performance is by examining the goods, services, invoices, and documentation provided by the contractor.
- The majority of SFAs (81.9 percent) reported using best practices materials for small purchase procedures.

USDA Hears you

- Commissioned a Project to study and come up with Best Practices.
- Working with all stakeholders to, within regulations, streamline the procurement process.

Panel

- Katie Embree, Child Nutrition Program Manager for School Meal Programs at the Kentucky Department of Education. Previous experience includes working with Community Action to provide nutrition education resources and assistance to SNAP recipients, high school classroom history teacher and AmeriCorps National Service. Bachelors of Arts in History from Rhodes College, Masters of Public Administration and Nonprofit Management Certification from Northern Kentucky University.
- Shelina McClain is the School Nutrition Director for the Graves County School District in Mayfield, Kentucky. She has 28 years of experience in education at Graves County Schools. She began her career by teaching Family and Consumer Sciences. In the fall of 2012, she became the School Nutrition Director for the district. Shelina holds a Master of Sciences in Secondary Education with an emphasis in Family and Consumer Sciences and a Master of Arts in Educational Leadership from Murray State University. She has served as an adjunct professor at Murray State University teaching Family and Consumer Science courses. Shelina has been a ServSafe Instructor & Proctor through the National Restaurant Association for the past 13 years where she shares the knowledge and importance of food safety. She received her School Nutrition Specialist in 2018. She currently serves as the Western Kentucky Education Cooperative Food Service Bid Coordinator. Shelina is dedicated to helping young individuals develop skills and habits to encourage lifelong wellness and success.

Panel

- Cliff Meyers is the President of ClearVu, his company provides school food service operators with access to a network of more than 350 manufacturers offering monthly rebates and contracted pricing designed to lower your cost of operation. Prior to joining ClearVu he was the Vice President of K12 Food Service. Cliff is one of the foremost authorities in Federal Procurement and works diligently to educate our industry on proper procurement while also working to make the process more efficient for all involved. He is a long-standing member of ACDA holding numerous leadership roles for the organization.
- Richard Williams has served in his current position as a Contract and Procurement Compliance Specialist III with the Oregon Department of Education Child Nutrition Program for 7 years. Prior to working for the Oregon Department of Education, he spent 23 years in the Department of Defense performing contract and logistics management.

Today's Speakers



Richard Williams
State of Oregon



Speaker Name
Speaker Company



Speaker Name
Speaker
Company



Cliff Meyers
ClearVu School
Services

Assessing Procurement Compliance using the USDA Local Agency Procurement Review Tool

USDA Memo SP 33-2019 – revised

USDA Memo SP 39-2017

Why Local Agency Procurement Reviews

- Program integrity is essential in all aspects of program administration.
- State Agencies contribute to this by overseeing program operations.
- State Agencies must ensure compliance with procurement requirements in Program regulations and the government-wide regulations as applicable.
- Compliance should be assessed by reviewing documentation of the procurement procedures using the regulations in effect at that time of the procurement.

Procurement Review Cycle

- State Agencies develop review schedule identifying procurement reviews for Program Sponsors.
- Procurement reviews may be on the same cycle as administrative reviews or on an alternate cycle.
- Procurement reviews may be conducted on-site or off site.
- State Agencies were required to notify their appropriate FNS Regional Office of their procurement review cycles by October 1, 2017.

Steps to Conducting a Procurement Review

- Schedule a comprehensive procurement review when required.
- Obtain documentation from the Sponsor and select the vendors for review based on procurement methods.
- Assess compliance with Federal procurement standards by reviewing Sponsor documentation (solicitations, contracts, invoices, etc.) to answer the questions in review tool.
- Provide technical assistance, establish findings, and require corrective action, as applicable.
- Notify the Sponsors of the procurement review results, when findings and corrective action are required, the State Agency will obtain documented corrective action before closing out the review.

Notification Letter

Date
CNP Program Manager First Name Last Name, Title
Sponsor
Address
Dear First Name Last Name:
RE: Procurement Review – Program Year 2023-2024
Agreement # _____

Thank you for participating in the Child Nutrition Program, your organization has met the criteria for a Procurement Review of the nonprofit food service account. All requested information is from **Program Year 2022 -2023. (July 1, 2022-June 30, 2023)**

Please provide the following information:

- Documented Procurement Procedure for your Nonprofit Food Service Account ([2 CFR 200.318 through 200.327](#) and [7 CFR 210.21](#))
- Written Standard of Conduct for Employees engaged in Procurement using the Nonprofit Food Service Account ([2 CFR 200.318\(c\)](#) and [USDA Memo SP 09-2015](#))
- Provide Detailed Vendor Paid List for the nonprofit food service account showing each transaction from financial management business software (e.g. Infinite Visions, QuickBooks).
- Read the “SFA INSTRUCTIONS” tab and complete the USDA Procurement Tool Workbook “SFA PROCUREMENT TABLE” tab found in the attached USDA Procurement Tool excel workbook. The State agency will complete the remaining tabs that pertain to the procurement review.

The following information will be needed to complete the USDA procurement tool:

- Dollar value of the Program Sponsor micro-purchase threshold (Up to \$10,000) and the small purchase threshold (Up to \$150,000) ([USDA Memo SP 20-2019](#))
- Did the Program Sponsor use Market Basket Analysis in their solicitation ([USDA Memo SP 04-2018](#))?
- Did the Program Sponsor use a [group purchasing/buying organizations](#), agent, third-party, and/or cooperative contract? (e.g. OCNC, [Oregon Buys](#), AGTCNPG, Oregon Small School [Co-OP](#), or another third party agreement) ([USDA Memo SP 05-2017](#))
- Information regarding purchases:

Vendors
Total paid/vendor
Goods/services purchases, and
Competitive procurement method used to procure the product(s) or service(s)

Submit requested information to John Doe no later than **November 19, 2023**. Once this information is received and reviewed, additional information will be requested for selected vendors to validate the procurement method used.

If you have any questions, you may contact Richard Williams at (XXX) XXX-XXXX, or email at John.Doe@email.com.

Sincerely,

- Informs the Sponsor they have met the criteria for a procurement review.
- Identifies the Program Year to be reviewed.
- Identifies the documents to be submitted.
- Provides instructions on completing the USDA procurement review tool.
- Identifies the due date for documents to be submitted.
- Identifies the point of contact if the Sponsor has questions or needs technical assistance.

Procurement Procedures and Standard of Conduct

- Procurement Procedures are required in accordance with 2 CFR 200.318(a) and applicable program regulations.
- Written Standard of Conduct is required in accordance with 2 CFR 200.318(c).
- Procurement Procedures must be consistent with State, local, and tribal laws and regulations as long as they conform to the standards identified in 2 CFR 200.318 through 200.327.

Child Nutrition Program Sponsor's Name

**DOCUMENTED PROCUREMENT PROCEDURES
CHILD NUTRITION PROGRAMS**
[2 CFR 200.318\(a\)](#)

This procurement plan contained on the following pages through will be implemented on Date from that date forward until amended. All procurements must adhere to the standards outlined in [2 CFR 200 subpart D](#) and applicable program regulations when purchasing good or services from the nonprofit food service account. Sponsors must retain all documentation for each procurement per regulations.

Authorized Name

Printed Authorized Name*

Authorized Signature*

Date

*As referenced in CNP Web:
Executive Contact for National School Lunch Program
Authorized Representative for Child and Adult Care Food Program
Authorized Representative for Summer Foods Service Program

Summary of Expenses

Expenditure Report with Detail Options											
Account Mask: 2993100????????????		Detail Info: Transactions Only		Fiscal Year: 2022-2023		From Date: 7/1/2022		To Date: 6/30/2023			
Account Number / Description		Expended PTD	Original Budget	Amended Budget	Expended YTD	Encumbered YTD	Unexpended Bal	% Used			
299.3100.0410.604.000.000 / CONSUMABLE SUPPLIES		\$3,730.39	\$0.00	\$0.00	\$3,730.39	\$0.00	(\$3,730.39)	0.00%			
Transaction Detail											
Date	Entry	Check Number	Chk Date	Deposit No.	Invoice Number	PO Number	Group ID	Description	Vendor	Amount	Journal Type
06/07/23	913	81422	06/07/23	0	552320037	0		HS - DELIVERY ON 05/15/2023	SYSCO FOOD SERVICES OF	\$92.00	Accounts Payable
05/05/23	785	81202	05/05/23	0	552287143	0		HS - SUPPLY DELIVERY ON 05	SYSCO FOOD SERVICES OF	\$16.06	Accounts Payable
05/05/23	785	81202	05/05/23	0	552259532	0		HS - SUPPLY DELIVERY ON 04	SYSCO FOOD SERVICES OF	\$124.28	Accounts Payable
05/05/23	785	81202	05/05/23	0	552245562	0		HS - SUPPLY DELIVERY ON 04	SYSCO FOOD SERVICES OF	\$249.05	Accounts Payable
04/05/23	713	80986	04/05/23	0	552186647	0		HS - SUPPLY DELIVERY ON 03	SYSCO FOOD SERVICES OF	\$128.54	Accounts Payable
03/17/23	654	80845	03/17/23	0	145042	223904151		Shipping Split	U.S. BANK MC 4045	\$44.10	Accounts Payable
03/17/23	654	80845	03/17/23	0	145042	223904151		Wrapmaster foodservice film and	U.S. BANK MC 4045	\$237.74	Accounts Payable
03/08/23	647	80785	03/08/23	0	552154353	0		HS - DELIVERY ON 02/27/2023	SYSCO FOOD SERVICES OF	\$295.68	Accounts Payable
03/08/23	647	80785	03/08/23	0	552124847	0		HS - DELIVERY ON 02/13/2023	SYSCO FOOD SERVICES OF	\$132.51	Accounts Payable
02/08/23	551	80564	02/08/23	0	552094336	0		HS - DRY GOOD DELIVERY ON	SYSCO FOOD SERVICES OF	\$182.23	Accounts Payable
02/08/23	551	80564	02/08/23	0	552079510	0		HS - DRY GOOD DELIVERY ON	SYSCO FOOD SERVICES OF	\$18.08	Accounts Payable
02/08/23	551	80564	02/08/23	0	552052568	0		HS - DRY GOOD DELIVERY ON	SYSCO FOOD SERVICES OF	\$43.38	Accounts Payable
01/06/23	435	80376	01/06/23	0	552012368	0		HS: DRY GOODS DELIVERY OI	SYSCO FOOD SERVICES OF	\$233.31	Accounts Payable
01/06/23	435	80376	01/06/23	0	452997872	0		HS: DRY GOODS DELIVERY OI	SYSCO FOOD SERVICES OF	\$15.82	Accounts Payable
12/09/22	328	80231	12/09/22	0	452941905	0		HS - DRY GOODS DELIVERY O	SYSCO FOOD SERVICES OF	\$350.72	Accounts Payable
11/07/22	261	80012	11/07/22	0	452910609	0		HS - DRY GOODS 10/31/2022	SYSCO FOOD SERVICES OF	\$225.53	Accounts Payable
11/07/22	261	80012	11/07/22	0	452881050	0		HS - DELIVERY ON 10/17/2022	SYSCO FOOD SERVICES OF	\$275.52	Accounts Payable
11/07/22	261	80012	11/07/22	0	452872732	0		HS - DELIVERY ON 10/13/2022	SYSCO FOOD SERVICES OF	\$12.64	Accounts Payable
11/07/22	261	80012	11/07/22	0	452866134	0		HS - DELIVERY ON 10/10/2022	SYSCO FOOD SERVICES OF	\$284.04	Accounts Payable
11/07/22	261	80012	11/07/22	0	452852490	0		HS - DELIVERY ON 10/03/2022	SYSCO FOOD SERVICES OF	\$90.63	Accounts Payable
11/07/22	261	80012	11/07/22	0	452895404	0		HS DELIVERY ON 10/24/2022	SYSCO FOOD SERVICES OF	\$32.04	Accounts Payable
10/06/22	157	79795	10/06/22	0	452835635	0		HS: SYSCO FOOD DELIVERY C	SYSCO FOOD SERVICES OF	\$48.77	Accounts Payable
10/06/22	157	79795	10/06/22	0	452822774	0		HS - SYSCO FOOD DELIVERY I	SYSCO FOOD SERVICES OF	\$222.83	Accounts Payable
10/06/22	157	79795	10/06/22	0	452808897	0		HS - SYSCO FOOD ORDER - D	SYSCO FOOD SERVICES OF	\$284.03	Accounts Payable
10/06/22	157	79795	10/06/22	0	452789018	0		HS Sysco Food Order - 09/02/20	SYSCO FOOD SERVICES OF	\$112.92	Accounts Payable
Detail Total:										\$3,730.39	
299.3100.0410.904.000.000 / CONSUMABLE SUPPLIES		\$192.90	\$0.00	\$7,000.00	\$192.90	\$0.00	\$6,807.10	2.76%			
Transaction Detail											
Date	Entry	Check Number	Chk Date	Deposit No.	Invoice Number	PO Number	Group ID	Description	Vendor	Amount	Journal Type
04/24/23	738	81101	04/24/23	0	268000003805	223131196		See Attached Cart	U.S. BANK MC 4045	\$128.85	Accounts Payable
02/22/23	566	80642	02/22/23	0	REIMB. JCL	0		REIMBURSEMENT FOR *NATIC	TROUTMAN, KRISTINE T	\$28.48	Accounts Payable
10/24/22	184	79877	10/24/22	0	Cooks Meeting Reimb.	0		COOKS MEETING BREAKFAST	TROUTMAN, KRISTINE T	\$17.62	Accounts Payable
09/29/22	128	79724	09/29/22	0	POSTERS 2022	0		REIMBURSEMENT FOR SCHOI	TROUTMAN, KRISTINE T	\$19.95	Accounts Payable
Detail Total:										\$192.90	
299.3100.0412.904.000.000 / COMMODITIES COSTS		\$1,244.07	\$0.00	\$3,000.00	\$1,244.07	\$0.00	\$1,755.93	41.47%			
Transaction Detail											
Date	Entry	Check Number	Chk Date	Deposit No.	Invoice Number	PO Number	Group ID	Description	Vendor	Amount	Journal Type
05/26/23	905	0		4392		0		COMMODITIES COSTS		\$57.08	Deposits
04/07/23	759	0		4355		0		COMMODITIES COSTS		\$323.70	Deposits
12/27/22	419	0		4306		0		COMMODITIES COSTS		\$863.29	Deposits
Detail Total:										\$1,244.07	

- State Agency will request summary of expenses from the Sponsor nonprofit food service account.
- Used to verify information that has been entered into the USDA procurement review tool.
- Used by the State Agency to select and request source documents to validate the procurement.

USDA Procurement Review Tool

SFA Procurement Table					
SFA NAME: <i>SFA Instructions: List name(s), position(s)/title(s) and contact information of those person(s) authorized by the LEA/SFA as procurement agent(s) and who is/are responsible for compliance with local, state and federal program</i>					
Name	Position/Title	Responsibilities (Ex: conducts micropurchases, small purchase procedures, develops IFB/RFPs, monitoring etc.)	Contact Information		
Micro & Small Purchase Threshold Information: SFA Instructions: Answer questions below.					
[NEW] What is the LEA/SFA micro-purchase threshold?					
[NEW] What is the STATE micro-purchase threshold, if applicable?			\$10,000.00		
What is the LEA/SFA small purchase threshold?					
What is the STATE small purchase threshold, if applicable?			\$150,000.00		
[NEW] Market Basket Analysis for Evaluation of Contract Award (USDA memo SP 04-2018) SFA Instructions: Answer if market basket analysis is used by selecting "yes", "no" or "not applicable" then input information below, if used.					
		YES			
Vendor Name	General Goods/Services Provided	Total Paid to 3rd party/Vendor	Group Purchasing Entity Type (All CN, Agent, 3rd Party)	Comments	(FOR STATE AGENCY USE ONLY) Select for Review?
					Select for Review
[NEW] Group Purchasing Efforts (USDA memo 05-2017) (CN Cooperative, Agent, Third-party) SFA Instructions: Answer if a group purchasing effort is used by selecting "yes", "no", or "not applicable" then input information below, if used.					
		YES			
Group Purchasing Effort/Name	General Goods/Services Provided	Total Paid to 3rd party/Vendor	Group Type (CN Cooperative, Agent, 3rd Party)	Comments	(FOR STATE AGENCY USE ONLY) Select for Review?
\$10,000, or most restrictive threshold) SFA Instructions: Answer if micro-purchasing is used selecting "yes", "no", or "not applicable" then input information below, if used.					
		YES			
Vendor Name	General Goods/Services Provided	Total Paid to Vendor	# Purchases from this vendor during the SY?	Comments	(FOR STATE AGENCY USE ONLY) Select for Review?
					Select for Review

- Program Sponsor will complete the applicable section of the “SFA PROCUREMENT TABLE” tab.
- State Agency will verify information entered using the summary of expenses and documented procurement procedures.
- State Agency will select the vendors to be reviewed for each procurement method used on this tab.

Request for Source Documents

TO: Jane Smith, Food Service Director

DATE: 03/01/2023

SUBJECT: Nonprofit Food Service Account Procurement Review Source Documents Request

MESSAGE:

Please provide the source documents below to validate the procurement methods used for the selected vendors no later than 03/21/2023.

FRED-MEYER - Please provide the issued purchase orders and invoices for the transactions listed below.

(Reference [2 CFR 200.318](#), [2 CFR 200.319](#), [2 CFR 200.320\(a\)\(1\)](#), [USDA Policy Memo SP 16-2006](#))

- AP VO 025470 10-22 10-22 163703 5/4/2022 15028 FRED-MEYER #0135 112.88
- AP VO 025543 11-22 11-22 164048 6/3/2022 15028 FRED-MEYER #0135 45.39
- AP VO 025633 12-22 12-22 164404 7/11/2022 15028 FRED-MEYER #0135 112.81

ROSE'S EQUIPMENT SUPPLY - Please provide the issued purchase orders and invoices for the transactions

listed below. (Reference [2 CFR 200.318](#), [2 CFR 200.319](#), [2 CFR 200.320\(a\)\(1\)](#), and [USDA Policy Memo SP 16-2006](#))

- AP VO 025489 11-22 11-22 163800 5/13/2022 14708 ROSE'S EQUIPMENT SUPPLY, 149.80
- AP VO 025496 11-22 11-22 163863 5/19/2022 14708 ROSE'S EQUIPMENT SUPPLY, 258.23
- AP VO 025496 11-22 11-22 163865 5/19/2022 14708 ROSE'S EQUIPMENT SUPPLY, 395.56

- State Agency requests source documents based on procurement method used.
- Used to validate procurement method for selected vendors and assess compliance.
- Documents support the history of the procurement.
- State Agency will maintain copies of source documents for USDA management evaluation.

Assessing Compliance with Procurement Standards

Small Purchase LEA Threshold \$150000	Small Purchase State Threshold \$150000							
Small Purchase Procedures/Informal Procurement Review Worksheet								
STATE AGENCY INSTRUCTIONS: Obtain copies of LEA/SFA small purchase procedures/informal procurement solicitation documents, specifications, evaluation criteria, contract and contract terms (if applicable), purchase orders, and any other documentation needed to evaluate performance such as invoices, receipts, etc. for each informal procurement selected for review. RESPONSE: YES= Compliant; NO= Non-compliant; NA= Not applicable.		Compliant/Noncompliant	Noncompliant Party					Reviewer Comments
Solicitation								
1) Prior to making a purchase, is the SFA compliant with obtaining price/rate quotes from an adequate # of qualified sources (2 or more) and providing clear and accurate descriptions of goods/services procured? [2 CFR Part 200.319(c)(1), .320(b) (NOTE: A 'no bid' response is not an appropriate bidder response.)		Non-compliant	Dairy					SFA did not provide the requested solicitation document or rate quotes received from an adequate number of qualified sources.
2) Is the SFA compliant with full and open competition, does not restrict competition? (NOTE: Restricting competition includes placing unreasonable requirements, unnecessary experience, or specifying a 'brand name' product (not allowing 'an equal' with performance or relevant requirements.) [2 CFR 200.319(a)]		Non-compliant	Dairy					SFA did not follow the requirements outlined in 2 CFR 200.319.
3) [For food purchases only] Is the SFA compliant with the Buy American provision by requiring vendors to purchase domestic foods? (NOTE: Domestic foods are foods produced, and processed in the United States substantially using domestic foods having over 51% domestic food components by weight or volume. [7 CFR 210.21 and SP02-2017 and SP 38-2017 Compliance with and Enforcement of the Buy American Provision, June 30, 2017]		Non-compliant	Dairy					SFA did provide solicitation requiring the vendor to meet the Buy American Provision.
4) If the SFA uses an agent, is the SFA compliant with procuring the agent services using the applicable procurement standards in 7 CFR 210.21 and 2 CFR 200.320?		Compliant						No agent was used.
a) If the SFA purchases using an agent, is the SFA compliant with ensuring the agent complies with using the applicable small purchase procedures? (NOTE: review agent's solicitations and contracts, as applicable, and based on Procurement Selection Chart)		Compliant						No agent was used.
5) If the SFA purchases using a third-party entity, is the SFA compliant with using the third party's pricing as one source when soliciting price/rate quotes? (2 CFR 200.320(b) and SP05-2017, Q&A Purchasing Goods and Services Using Cooperative Agreements, Agents, and Third-Party Service, dated October 19, 2016)		Compliant						No third-party agreement was used.
EVALUATION AND AWARD PROCESS FOR SMALL PURCHASE PROCEDURES								
6) Is the SFA compliant with maintaining records sufficient to detail the procurement history? [2 CFR 200.318(i)] (Solicitations/responses, evaluations for award, invoices, etc.)		Non-compliant	Dairy					SFA did not provide solicitation, quotes received or documentation of award.
7) Is the SFA compliant with bid evaluation based on the evaluation published, products/services requested, and the vendor responses provided? [2 CFR 200.320(b)]		Non-compliant	Dairy					SFA did not provide solicitation, quotes received or documentation of award.
MONITORING PROCUREMENTS								
8) Based on a review of invoices/receipts, is the SFA compliant with the applicable small purchase procedures, ensuring suppliers provide products/service and prices as quoted, the Buy American provision, geographic preference, as applicable? [2 CFR Part 200.318(b)] (NOTE: Identify non-compliance in the comment box.)		Non-compliant	Dairy					SFA was not in compliance with the small purchase procedures based on source documents that were submitted.
STATE AGENCY INSTRUCTIONS: For contracts selected for review that include processed end products using USDA Foods, the questions in the Processing Tab must be answered to complete the review of Processed USDA Foods.								
ADDITIONAL COMMENTS:								

Establish Findings and Require Corrective Action

Dairy

Reviewer Comments	Finding	Corrective Action
SFA did not provide the requested solicitation document or rate quotes received from an adequate number of qualified sources.	SFA did not provide requested price or rate quotes from an adequate number of qualified sources for the award to Dairy in accordance	SFA shall seek at least three informally solicited competitive price or rate quotes from prospective contractors when using the
SFA did provide solicitation requiring the vendor to meet the Buy American Provision.	SFA did not provide the requested solicitation document or awarded agreement that required Dairy to meet the Buy American Provision in	SFA must include the Buy American Provision requirements in all solicitations for food products when using the nonprofit food service
SFA did not provide solicitation, quotes received or documentation of award.	SFA did not maintain records sufficient to detail the procurement history for Dairy in accordance with 2 CFR 200.318(i) and USDA	SFA must maintain records sufficient to detail the history of the procurement when using the nonprofit food service account. These records

- When the answer identifies non-compliance, the State Agency will establish a finding and corrective action on the applicable findings tab.

Corrective Action Notification Letter

12/13/2023

Jane Smith , Food Service Manager
No Name School District
1305 North Willow Street
No Name, ZZ XXXXX

RE: Procurement Review for No Name School District
Agreement # xxxxxxx
Corrective Action Due

The Department of Education Child Nutrition Programs (ODE CNP) has conducted a procurement review of No Name School District for program year 2022-2023. Findings resulting from the procurement review have resulted in correction action.

Findings are required to be corrected in order for your program to be in compliance with Federal and State procurement regulations. Refer to the enclosed Document of Procurement Review Findings for details.

A thorough and complete written response to the corrective actions is **due to ODE by 1/10/2024**. Please write your response under "Sponsor Completes" section for each finding listed on the enclosed document and return to: Jonh.Doe@email.com with any attachments that may be required.

Upon submission and approval of corrective actions, No Name School District will be notified in writing when the corrective actions are accepted.

If you have any questions concerning this letter or the corrective actions, please contact me.
Sincerely,

- Corrective action notification letter informs the Program Sponsor that the procurement review resulted in a finding which requires corrective actions.
- Identifies the due date for the written response to the corrective actions.
- Identifies the State Agency's point of contact.
- Refers Program Sponsor to the Document of Procurement Review Finding for details.

Documentation of Procurement Review Findings

Document of Procurement Review Findings Nonprofit Food Service Account

Sponsor: No_School District

Agreement Number: xxxxxxx

Date(s) of Review: 12/13/2023

Corrective Action Due Date: 01/10/2024

ODE Procurement Specialist Instructions: Complete all sections, coordinate with sponsor to determine Corrective Action due date should not exceed 30 calendar days from the date of Review. Provide an electronic copy of this procurement review finding to the sponsor to provide Technical Assistance links.

Sponsor Instructions: This *Document of Procurement Review Findings* summarizes the activities of the review. Complete all *Corrective Action taken by Sponsor* sections and include any supporting documentation requested by your specialist as noted in the *Corrective Action Required* sections (e.g. revised procurement procedures). An authorized sponsor official must sign and date in the *Corrective Action Completed* section. Any Corrective Action has to be implemented system-wide, in all sites participating in Child Nutrition Programs.

1. Procurement Review Finding

No Name School District did not provide requested price or rate quotes from an adequate number of qualified sources for the award to Dairy in accordance with [2 CFR 200.320\(a\)\(2\)](#), and [ORS 279B.070](#).

Corrective Action Required

No Name School District shall seek at least three informally solicited competitive price or rate quotes from prospective contractors when using the Federal small purchase / Oregon intermediate procurement method for SY 2024-2025. No Name School District shall keep a written record of the sources of the quotes or proposals received. If three quotes or proposals are not reasonably available, fewer will suffice, but No Name School District shall make a written record of the effort the District makes to obtain the quotes or proposals. These records must be maintained in the District's procurement files for three years past the date of the last payment. Review [2 CFR 200.320\(a\)\(2\)](#), [ORS 279B.070](#), [OAR 137-047-0620](#), [USDA Policy Memo SP 16-2006](#), [procurement training on the ODE CNP website](#), and the technical assistance below.

SPONSOR COMPLETES:

Corrective Action taken by Sponsor: Please explain to the State agency the corrective action implemented for this finding. Attach any supporting documents.

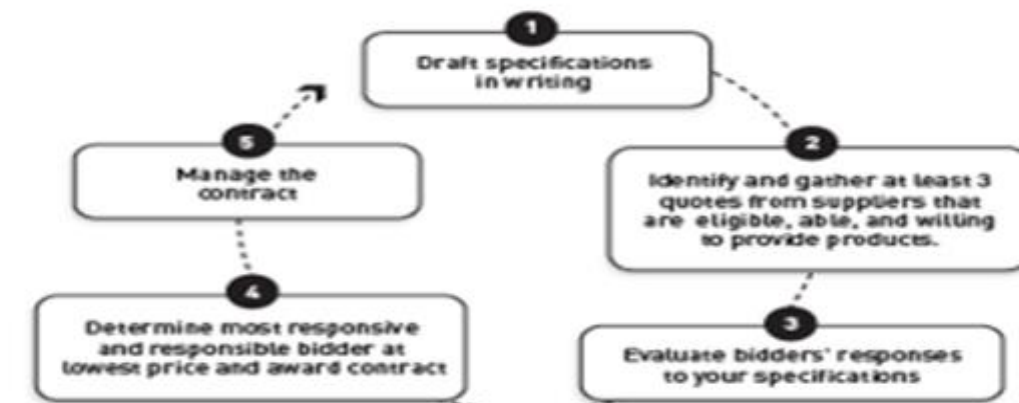
ODE USE ONLY: Corrective Action Approved? Yes No

Technical Assistance

Technical Assistance Provided

No Name School District may use the Federal Small Purchase/ Oregon Intermediate Procurement Process ([2 CFR 200.320\(a\)\(2\)](#) & [ORS 279B.070](#)) when the estimated amount of the purchase falls below the applicable small-purchase threshold (the lowest of the federal, state and local thresholds) (\$250,000). Regulations prohibit breaking up solicitations into smaller pieces to avoid the formal procurement process. Even though the informal procurement method is less rigorous, it is important to note that competition is still required, and the regulations must be followed. School Food Authorities (SFA) must develop and provide written specifications to the vendor(s) and acquire quotes from an adequate number of vendors. Although quotes might be received over the phone or face-to-face at a market, the SFA must document all quotes received. The award is made to the responsive and responsible bidder with the lowest price.

Five Basic Steps of Informal Procurement



1. **Develop specifications and terms and conditions:** Detail the requirements of the intended agreement, including delivery and packing conditions.
2. **Identify sources:** Contact potential vendors in a variety of ways (e.g., visiting a farmer's market, calling on the phone, or emailing) and gather three bids. *This is also, where you will take affirmative steps to include small, minority, women, and labor surplus firms and document steps taken to include them if possible.*
3. **Evaluate responses:** Ensure that responders are responsible and responsive—in accordance with all aspects of the specifications. Document each bid even if it was offered in a face-to-face meeting.
4. **Award the contract:** Determine which bidder offers the best value and award the contract to the bidder that is most responsive and responsible with the lowest price.
5. **Manage the contract:** Ensure the school receives everything from the vendor that the contract stipulates

Procurement Review Close Letter

January 1, 2024

Mrs. Jane Smith, Child Nutrition Director

No Name School District

1001 6th Street

No Name, XX XXXXX

RE: Procurement Review of School Nutrition Programs

Agreement No. XXXXXX

Dear Mrs. Smith,

Thank you for the written corrective action plan received on 1/1/2024. The corrective action for findings resulting from the Procurement Review on 12/2/2023 for No Name School District is accepted and approved. This closes the procurement review process.

The Oregon Department of Education Child Nutrition Programs (ODE CNP) acknowledges your efforts to strengthen program accountability and provide nutritious meals in a healthy environment.

If you have any questions concerning this letter, please contact John Doe, Procurement Compliance Specialist, at (XXX) XXX-XXXX.

Sincerely,

- State Agencies will notify Program Sponsors in writing of the results of a procurement review.
- State Agencies may choose to post the results of the procurement review for transparency.

Summary of the Procurement Review Process

- The State Agency has the discretion to conduct the procurement reviews off-site, on-site or off-site/on-site as long as all needed documentation can be obtained and reviewed by the State Agency.
- State Agencies have the flexibility to establish their procurement review cycle.
- The procurement review may be conducted as part of the AR, or as a separate review, as determined by the State Agency.
- State Agencies may add questions to the Tool to review compliance with State procurement regulations that may be more restrictive than Federal requirements.
- State Agencies will review solicitation documents, offer or responses, contract award documents, and vendor invoices/receipts.
- State Agencies will maintain the results of all procurement reviews including all documentation related to the procurement review, findings, and required corrective action for review by FNS during a Management Evaluation.
- Files may be retained manually or electronically, as needed by the State Agency.

Procurement Best Practice: Procurement Plans

*Example of How State Agencies and School Food Authorities
Can Work Together to Create Success*

Working Together

It's important for State Agency staff and local child nutrition directors to work together!

State Agency Roles:

- Templates: Procurement plans, other procurement template documents
- Guidance: Document checklists and trainings
- Technical Assistance: Knowledgeable staff to assist with questions
- Oversight: Monitoring for Compliance

Local Child Nutrition Director Roles:

- Be knowledgeable and navigate between local, state and federal procurement regulations
- Develop and implement compliant procurement procedures and practices

Both the State Agency staff and local child nutrition director work to support each other to achieve success!

A Procurement Plan Helps in So Many Ways

What is a procurement plan?

- A procurement plan is a set of written procedures for purchasing.
- It includes procedures for:
 - Micro-purchases
 - Small purchases
 - Formal purchases
 - Non-competitive purchases
- These procedures must include the most restrictive procedures federal, state and local regulations.

Micro-Purchase Procedures 2 CFR 200.320(a)(1):

Micro-purchase procedures may be used when a single transaction for goods or services has an aggregate total cost that is equal to or less than the SFAs micro-purchase threshold. For purposes of micro-purchasing, a transaction is defined as "an occurrence in which two (2) or more entities exchange goods, services or money between or among them under an agreement formed for their mutual benefit." To the maximum extent practicable, the SFA should distribute micro-purchases equitably among available qualified suppliers.

Micro-purchases may be awarded without obtaining price or rate quotes if the SFA considers the price to be reasonable based on research, experience, purchase history or other information. The SFA must document the reason for determining price reasonableness in their records.

Micro-Purchase Procedures:

1. PLANNING: Identify the goods or services to be procured, ensure that it is necessary to be purchased for the program, and identify the anticipated cost of the procurement.

Title of Person is responsible for:

- Planning for the procurement.
- Ensuring the cost of the procurement does not exceed the SFAs micro-purchase threshold.

2. DEVELOP WRITTEN SOLICITATION: (written specifications of goods or services sought): The SFA will develop written specifications (solicitation) for each micro-purchase transaction. The solicitation document will include the written specifications for the goods and services to be purchased including Buy American Provision requirements when applicable, and any additional technical requirements that is required in order to conduct business with the SFA. No unreasonable requirements that may limit competition will be included in the specifications of the solicitation, such as requiring unnecessary experience, or the specification of a "brand name" without allowing an "equal to" product. Once developed, the solicitation is used to identify a responsible vendor for the goods or services to be procured.

Title of Person is responsible for:

- Ensuring written specifications for each micro-purchase are developed (including the Buy American Provision when applicable) and any additional technical requirements for conducting business with the SFA.
- Ensuring that the specifications do not include any unnecessary requirements that may limit competition.

3. DETERMINE PRICE REASONABLENESS: Micro-purchases are awarded without soliciting competitive prices or rate quotations when the SFA considers the price from a responsible vendor to be reasonable based on market research, experience, purchase history, or other relevant information.

Title of Person is responsible for:

- Determining prices from responsible vendors to be reasonable, based on market research, experience, purchase history, or other relevant information.

4. RECORDKEEPING: The SFA will ensure that the history of each micro-purchase procurement is adequately documented (2 CFR 200.318(i)).

The Title of Person is responsible for documentation of each micro-purchase transaction:

Procurement would be easy if.... there was just one set of rules.

What is the concept of the **most restrictive**?

- Most restrictive means that food service must follow the most restrictive policies between Federal, State and Local directives.
- It's important to know what this means for you specifically because it determines the specific procedures you must follow when purchasing.

Examples:

- Federal limit for formal procurement is anything over \$250,000.
 - Kentucky has a state law that school districts must conduct formal procurement for anything over \$40,000.
 - Many school districts self-impose lower limits such as \$20,000.
- Federal limit for micro-purchases is \$10,000.
 - Kentucky school districts self-impose lower limits such as \$1,000.

In both cases, a state and/or local regulation has restricted the federal regulation. The SFA must use the most restrictive of the regulations which would be the lower state or local spending threshold.

Graves Specific Example

The District may purchase supplies and/or equipment outside an established price contract of the federal government (GSA), the State Division of Purchases, a cooperative agency bid approved by the Board, or a District bid if:

- The supplies and/or equipment meet the specifications of contracts awarded by the Division of Purchases, a federal agency (GSA), a cooperative agency, or a District bid;
- The supplies and/or equipment are available for purchase at a lower price;
- The purchase does not exceed \$2,500; and
- The District's finance or purchasing officer has certified compliance with the first and second requirements.

The District's Micro-Purchase Threshold is \$2,500, which is more restrictive than the Federal Threshold (\$10,000).

- Examples of Micro-Purchases made by the district include:
 - Replacement Equipment Parts (Door Gaskets, Bulbs, Elements, Etc.)
 - Carts
 - General Supplies (Ink Cartridges, Office Supplies, Etc.)

The screenshot shows the top navigation bar of the KSBA website with links for Chapters, All Documents, Search Manual, and Print Selected Chapters. Below this is a dark blue header for the 'Graves County Online Manual'. The main content area features a welcome message and three dropdown menus for selecting a Chapter, Policy, or Procedure.

KSBA
KENTUCKY SCHOOL BOARDS
ASSOCIATION

Chapters All Documents Search Manual Print Selected Chapters

Graves County Online Manual

Welcome to the District's Policy/Procedure Manual!

Chapter

Policy

Procedure

Work As a Team

Food service procurement is a responsibility of the school district, not just the food service department.

- Work with the finance officer (department), operations department, and superintendent to ensure that all stakeholders understand food service purchasing procedures.
- Federal regulations require SFAs to have written procurement procedures, however there is no specific requirement to update procedures unless regulations change requiring an update.
 - Best practice is to review annually with administration and update as needed.

Name of School Food Authority (SFA)

This procurement plan provides a written description of the procurement procedures that are used when procuring goods and services for the federal Child Nutrition Program. SFAs are required to have and use written procurement procedures that comply with the federal regulations, laws, and policies. However, SFAs must also follow any applicable State and local procurement requirements when they are stricter than but not in contradiction to what is federally required.

While not required by SCN for this procurement plan to have an official approval by the schools governing body or administration, it is important that they are knowledgeable of the procedures that are reflected in this document and understand that they must be used when procuring for the Child Nutrition Program. These procedures should be reviewed at least once annually and updated at the frequency needed to remain current with what is required for the SFA to follow.

This procurement plan is implemented for SY _____

_____	_____
Superintendent of Schools	Date
_____	_____
Child Nutrition Program Director	Date
_____	_____
School Finance Officer	Date

My School District Example

Spring semester:

- The Food Service Director reviews all federal and state policy/procedure updates for the next school year.
- The Food Service Director reviews the district procurement plan to incorporate all policy/procedure updates.
- The updated procurement plan is shared with the superintendent, finance directors, and board members to review prior to the board planning meeting.
- If there are no concerns the updated procurement plan is presented to the board for approval at the July or August Board of Education meeting.
- All procurement plan updates are shared with district Food Service managers after board approval for consistent procurement procedure practices.

Procurement Exercise

Procurement Exercise

What Do I Purchase in a Year?

List the main categories of items that you purchase to operate your program each year.

Pick 3 to 5 Main Areas from above and list your vendors.

Main Purchasing Area:

Main Purchasing Area:

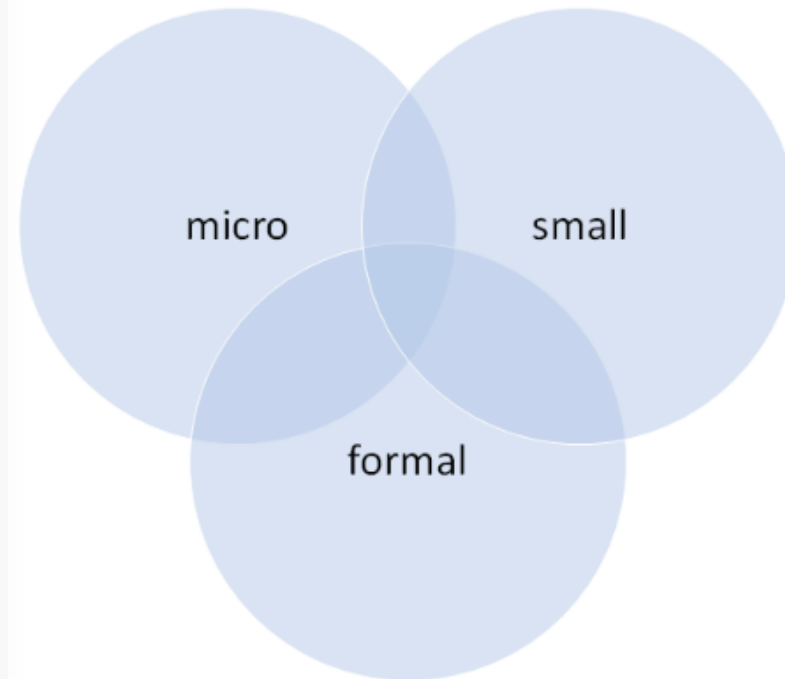
Main Purchasing Area:

Main Purchasing Area:

Main Purchasing Area:

Which procurement method do you use to purchase from these vendors?

Place the vendors listed above in the method used to procure them.



List of I don't know what I used to procure the vendor:

- We are going to work through an exercise to help give you a better understanding of what you purchase each year and if your procedure procedures are adequate.
- Let's work as a group at your table.

Step 1:

- Purchasing goods and services for your program is a routine aspect of managing program operations.
- Although unexpected expenses occur each year, costs are generally routine.
 - Food items, services on equipment and space, cleaning items, equipment/parts, supplies, etc.

What Do I Purchase in a Year?

List the main categories of items that you purchase to operate your program each year.

Food Items

Supplies

Small Equipment

Office supplies

Services (pest, uniform cleaning, hood vents)

Large Equipment Items

As a group, take a few minutes and complete the *What Do I Purchase In a Year* on the handout.

Step 2:

Let's Keep Going!

- Now, let's take those main purchasing areas and think about the vendors you use for them.

Pick 2 to 3 main purchasing areas and list your vendors for each.

Pick 3 to 5 Main Areas from above and list your vendors.

Main Purchasing Area:

Main Purchasing Area:

Main Purchasing Area:

Main Purchasing Area:

Main Purchasing Area: Food

- GFS
- Prairie Farms
- Earth Grains
- Valley Wholesale Foods
- Individual Farmers

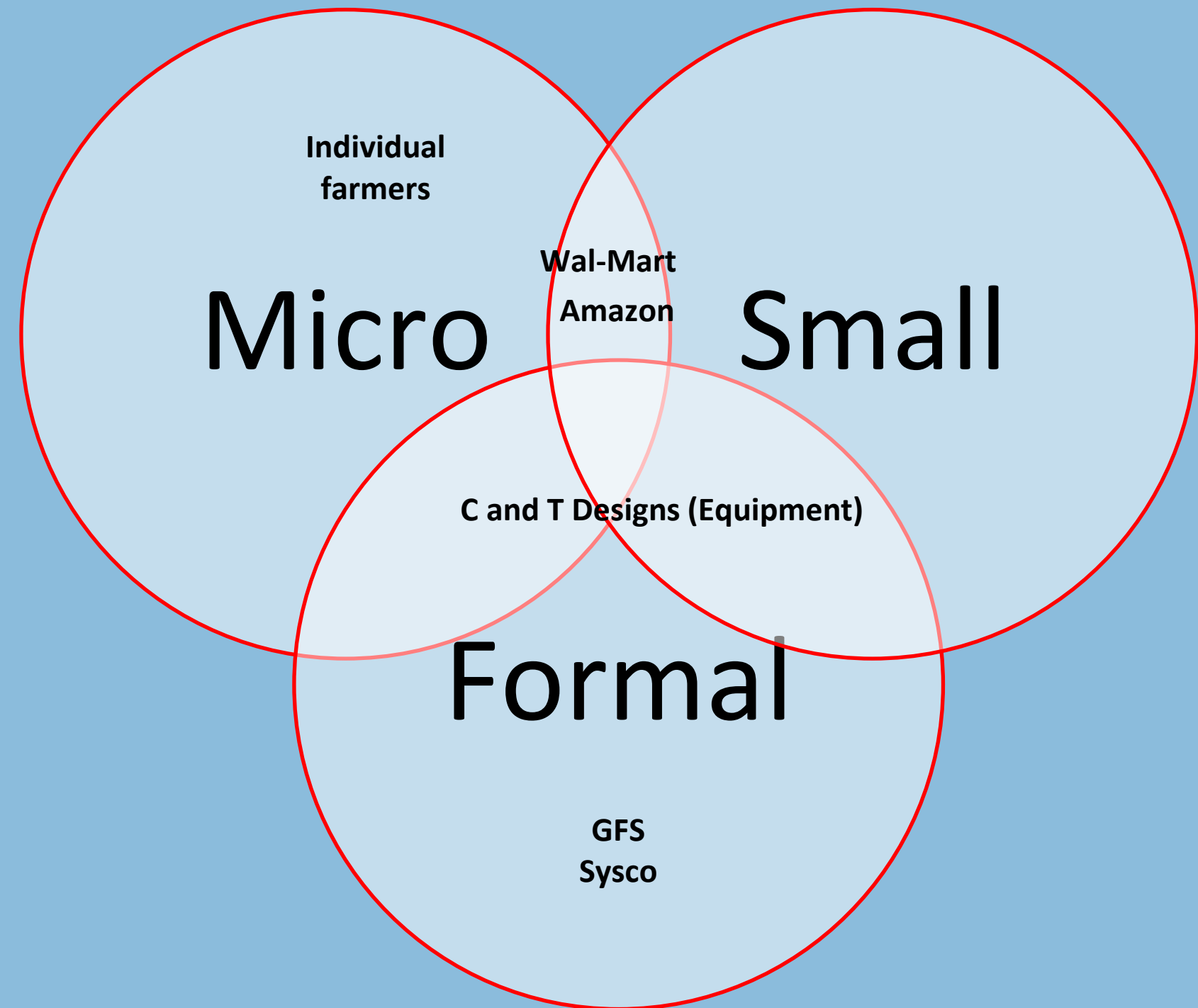
Main Purchasing Area: Equipment/Parts

- Manning Brothers
- Local repair company
- Amazon

Step 3

- Final Step!

Place the vendors listed above in the method used to procure them.



I don't know which method I used:

Visual Representation of Purchasing

- What do we do with this?
 - This graphic helps you organize and focus on the steps you need to take to ensure compliance.
 - Read your procurement procedures for each method of procurement. Do they match the procedures you utilized to make purchases from these vendors based on method?
 - Did you use the right method based on cost/price?
 - Do you need to adjust your procedures because you did too much or too little?

What Does Procurement for School Food Service Entail?

- School districts are responsible for obtaining the food and other supplies necessary to operate their food service program. USDA does not provide this on the local level.
- USDA provides funds for serving reimbursable meals that are used to purchase food and supplies. These same funds are used to pay for labor and other allowable expenses such as trash collections, utilities, etc.
- USDA maintains regulations covering the task of procuring food and supplies. If you accept federal program funds, you must comply with the procurement regulations.
- USDA procurement regulations cover types of solicitations used, format, (IFB-Invitation for Bid, RFP-Request for Proposal), and other requirements that must be part of the documented process and procedure.
- USDA regulations intended to allow districts to maximize the number of children fed with the resources provided.

What Are The Procurement Regulations?

- There are 3 levels of Regulations to consider: Federal, State, and Local.
- Federal: Found in Title 2 of the Code of Federal Regulations, Subtitle A, chapter 200, part 200. (link to citation).
- <https://www.ecfr.gov/current/title-2/section-200.318>. Continues to section 200.326.
 - § 200.318 General procurement standards: Standards of conduct, maintain records, monitor performance, etc.
 - § 200.319 Competition: Providers cannot draft specifications/solicitations. Free & open competition, written procedures.
 - § 200.320 Methods of procurement to be followed:
 - Micro Purchase: <\$50,000
 - Informal Purchase: \$50,000 to \$250,000
 - Formal Procurement: >\$250,000. Includes 2 types: IFB–Invitation for Bid, RFP–Request for Proposal
 - Non-Competitive Procurement
 - Yearly spend within a given award
 - § 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.
 - § 200.322 Domestic preferences for procurements. Buy American.

What Are The Procurement Regulations?

- § 200.324 Contract cost and price. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.
- § 200.325 Federal awarding agency or pass-through entity review. All procurement documents are available for audit.
- State procurement regulations
 - Can be more restrictive, not less. Ex: State may require formal procurement procedure for expenditures over \$150,000.
- Local procurement regulations
 - Can be more restrictive than the State, not less.
 - Can include items specific to the district. Ex: level of general liability insurance coverage of an awarded vendor.
- Your State office administrators are always available to assist you with procurement.

GPO – Group Purchasing Organization

- A Group Purchasing Organization is an entity that specializes in procurement activity on behalf of food service operations. These can be hospitals, colleges and universities, restaurants, casinos, and school districts.
- A GPO can benefit schools that may not have time or expertise to conduct the procurement activity on their own. Typically, GPOs bring the benefit of convenience, buying power, marketing funds, and other resources such as culinary services as part of their program.
- GPOs are often for-profit entities that typically require a fee to participate.
- USDA allows districts to participate in GPOs and offers guidance on how to do this in a compliant way. Link to policy
- <https://www.fns.usda.gov/cn/qa-purchasing-goods-and-services-using-cooperative-agreements-agents-and-third-party-services>

GPO – Group Purchasing Organization

- A SFA may interview/meet with, and learn what services various GPOs offer, but the SFA cannot allow the GPO to write the SFA solicitation.
- A SFA needs to know what they want to procure from a GPO. Ex: food items, disposables, equipment, nutritional information access, culinary support, menu writing, distribution, further processing, direct delivery, audit representation, delivery frequency, payment terms, insurance needs of the district, trade spend, etc.
- Once the SFA knows the estimate of what they are going to purchase on an annual basis, they can choose the correct type of procurement to use. Ex: if the estimate is a spend of \$300,000, the SFA must use either an IFB or RFP.
- GPOs can be an excellent option for districts and or groups of districts that do not have sufficient time or expertise to spend on the development of their supply chain.

QUESTIONS?

ACDA ANNUAL CONFERENCE

Coming Together to Nourish the Nation



April 21 - 24, 2024
Marriott St. Louis Grand
St. Louis, Missouri