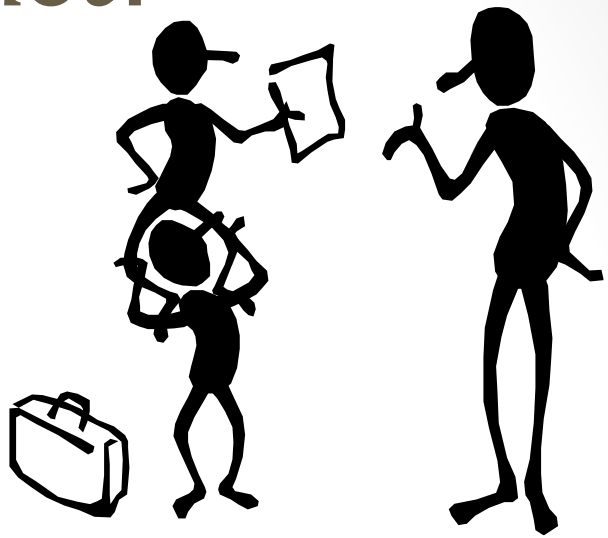
Procurement
and
Purchasing

Procurement Regulations

Child & Adult Care Food Program (CACFP) regulations require that ALL sponsors have standards that are followed when food or supplies are purchased

What type of contract?



Small Purchase Contract

or

Large Purchase Contract

Small Purchase Procedures

Verbal Quotes

Contracts value less than $74,999:

- Solicit quotes from at least 3 companies
- Document oral quotes

Written Quotes

Contract value is $75,000-$150,000:

- Solicit quotes from at least 3 companies
- Obtain at least 3 written quotes

- All contracts under $150,000 follow the small purchase procurement procedures
- Duplicate information must be disseminated with all quote solicitations

Large Purchase Procedures

Sponsor must comply with the Federal procurement guidelines per 7 CFR 3016.36 (b-i)

USDA guidelines require all CNP participants to use formal procurement procedures when contracting for food and/or services if the total amount is $150,000 or more.

But I am a self-prep!

Although formal procurement procedures are not required, USDA expects participants to exercise due diligence in acquiring goods competitively

Comparison vs. Selection

Comparison

- Frequently compare pricing prior to shopping
- Shop multiple vendors
- Purchase products in bulk
- Purchase seasonal/local foods
- Maintain record of comparisons

Selection

- Purchase food from nearest source
- Purchase products as needed
- Only purchase food from one source
- Mainly purchase one type of product (i.e. canned food, processed)

What you should do?

Annual Price Comparison

- Compare ads frequently or as needed

Buy products in bulk

Buy based on unit price

Vary product types purchased

Compare ads frequently or as needed

- Fresh, frozen, canned

Purchase seasonal and locally processed foods

- Farmers markets and co-ops

Use multiple vendors for best pricing

- Buy paper from office supply not grocery store

Getting what you want…

….requires planning

- Be specific about everything:
  - Goods and Services
  - Needs and Requirements
  - Food Specifications
  - Must-Haves vs Wants

Caterer Procurement

To Procure or not to Procure?

Do you *need* a new Catering Contract?

- **Determine**
  - Are your reimbursements over $150,000 each year?
  - When did you first obtain your contract?
    - Valid for first year signed
    - Renewable for up to 4 additional years
  - Does the existing contract cover all meals you want to serve?
    - I.e. CACFP program transitioning to serve SFSP
- **Evaluate**
  - Are you satisfied with the quality of the meals?
  - Are you satisfied with the services that you receive?
- **Act**
  - Renewal process requires meeting with vendor to review the contract extension terms and sign the agreement.
  - Procuring a new contract requires planning and time. ADE has a template that Sponsors can use.

Verbal Quote Solicitations

Get the right price, product and service for your organization

Preparing to solicit quotes

- Determine the services desired and meal service locations
- Prepare list of meal requirements and specifications to provide with solicitations
- Prepare contact list of qualified Caterers (ADE has a list of Caterers serving schools in the state of Arizona)

Make the call

- Contact the Caterers and provide same meal requirements and specifications
- Request and obtain at least three oral price quotes or written quotes depending on the contract cost threshold
- Maintain detailed written record of information obtained from each oral quote

Awarding the contract

- Choose the Caterer that meets the best price for services meeting required specifications
- Prepare and Sign a small purchase contract* with the chosen Caterer
- Submit the small purchase contract package to the ADE Contracts Management Officer at 602-542-6208.

Written Quote Solicitation

Preparing to solicit quotes

- Determine the services desired and meal service locations
- Prepare and provide the same meal requirements and specifications with all solicitations
- Ask your Specialist for the Catering list from ADE.

Make the call

- Contact qualified Caterers and provide meal requirements and specifications
- Request written quotes
- Obtain at least three written price quotes.

Award the Contract

- Choose the Caterer quoting the lowest price and meets the required specifications
- Prepare and Sign a small purchase contract* with the chosen Caterer.
- Submit the small purchase contract package to your Program Specialist/ADE Contracts Specialist

ADE Must Approve All Contracts

- A signed copy of the Catering Agreement must be sent to the Arizona Department of Education, Health (ADE) and Nutrition Services for approval.
- ADE must review each agreement ANNUALLY between a Sponsor and Caterer to ensure compliance with all the provisions and standards set forth in 7 CFR 210 and 250, §226.21.
- The Sponsor must receive approval of the agreement before food service operations can start.

Contracts Management Officer

- Contract with a Caterer: contact the Contracts Management Officer at 602-542-6208 or 602-364-1965.
- ADE has a Caterer template contract that a sponsor must use.

Large Purchase Procedures

- **Required procedure for Catering contracts over $150,000:**
  - Mandatory Training. If the SFA must conduct a formal procurement, the SFA must attend the mandatory training provided by ADE titled "Contracting with a Caterer" before the solicitation process can begin.
  - Solicitation Documents. It is required that the SFA use the ADE RFP template and RFP Evaluation Rubric for the solicitation process. If the SFA wants to make any modifications, they must receive approval from ADE prior to making any modifications. The documents that must be sent to ADE to obtain approval are:
  - RFP Template, and RFP Evaluation Rubric Template. Whether or not the SFA makes any modifications, the SFA must e-mail the solicitation materials outlined above to ADE to for approval prior to beginning the solicitation process and releasing the documents. Once the SFA has received ADE approval, the SFA may then begin the solicitation process.

Large Purchase Procedures

- RFP Release. The SFA is required to send the RFP to at least five (5) different vendors. If the RFP is sent to four (4) or fewer vendors then the SFA must advertise the RFP in a local newspaper and should run the ad for at least 14 days prior to the RFP closing.

- Evaluation Committee. The SFA must establish a committee to evaluate the RFP with at least three (3) members..

- ADE Approval of Selected Proposal. The selected proposal, with all supporting documents included, must be sent to ADE for final review and approval prior to obtaining signatures.

- Before notifying the selected Caterer, the SFA must send ADE the following: Then, the SFA may notify the Caterer of Award. Afterward, the SFA must send ADE a copy of the Offer of Acceptance and Contract Award form.

- Each SFA approved RFP, with all attached appendices, attachments, exhibits and amendments, becomes the final contract between the SFA and Caterer when the Acceptance of Offer and Contract Award is signed.

Questions

- Contact Ellen Pimental the School Food Programs Director at 602-542-6208 or email at ellen.pimental@azed.gov for questions around procurement.