



State of Arizona  
Department of Education

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*Original Signed*

**MEMORANDUM**

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**TO:** Summer Food Service Program Sponsoring Organizations

**FROM:** Mary Szafranski, Deputy Associate Superintendent  
Arizona Department of Education, Health and Nutrition Services

Melissa Conner, Director  
Arizona Department of Education, CACFP / SFSP

**DATE:** February 6, 2013

**SUBJECT:** Summer Food Service Program Standard Contract Threshold

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In an effort to simplify procurement requirements for Summer Food Service Program (SFSP) sponsors, this memorandum removes the existing SFSP standard contract threshold referenced at 7 CFR 225.6(h)(2) of \$10,000 and links it to the Federal small purchase threshold currently set at \$150,000 (also known as the simplified acquisition threshold) thereby creating more uniform procurement requirements for all Child Nutrition Programs.

The standard contract threshold, a threshold established only for SFSP sponsors, sets a contract award amount that triggers additional procurement requirements. If a food service management company (FSMC) contract exceeds the newly established \$150,000 threshold, the sponsor must use the State agency-developed standard contract. Sponsors must apply this threshold to the aggregate value of FSMC contracts which include projected costs from multiple Child Nutrition Programs. For example, a sponsor that receives funds from the SFSP and the Child and Adult Care Food Program (CACFP) and contracts with a FSMC to procure meals for both programs must apply the standard contract threshold to the projected value of the contract. Public entities and organizations with exclusive year-round contracts are exempt from the standard contract requirement.



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This change in policy will allow sponsors with individual contracts that do not exceed the standard contract threshold to use their existing or usual form of contract provided it has been submitted to and approved by the State agency. Individual contracts that exceed \$150,000 in aggregate value require use of the State agency's standard contract and adherence to stricter bid opening and acceptance procedures as required by the SFSP regulations. This change will bring the threshold in line with other regulatory requirements regarding State approval of procurements and will simplify the procurement process for a greater number of small sponsors.

Please feel free to contact Health and Nutrition Services or your specialist if you have questions.



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