

CACFP Procurement and Catering Contracts

Procurement Regulations

Regulations are found in 7 CFR Part 226 and
2 CFR Part 200.317-326.

(Parts 3016 and 3019 have been superseded by 2 CFR Part 200)

supplies

food

equipment

other services

Written Procurement Plan

Child and Adult Care Food Program Procurement Policies and Procedures

All procurement of food, supplies, goods, and other services with Program funds by sponsors must comply with procurement standards prescribed in Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations located at 2 CFR Part 200 as well as 7 CFR Part 225. Procurement standards are specifically located in 7 CFR Part 225.17 and 2 CFR Part 200.317-326. (Note: Parts 3016 and Part 3019 have been superseded by 2 CFR Part 200 as adopted and supplemented by USDA in 2 CFR Part 400 for the SFSP and other Child Nutrition Programs.)

The State agency can provide more detailed information since, in addition to complying with the minimum Federal standards, sponsor purchases may have to meet more restrictive State and local standards, as well as special procurement requirements that may be established by the State agency, with approval of FNS, to prevent fraud, waste, and Program abuse.

The _____ will purchase food, supplies, equipment,
SPONSORING ORGANIZATION

and other items for use in the Child and Adult Care Food Program in compliance with USDA and Federal Assistance Regulations, which implement OMB Circular A-102, and the State of Arizona Procurement Standards and Guidelines by using procedures outlined in this plan for Federal grant funds.

METHODS OF PROCUREMENT

A. Micro-Purchase (Purchases between \$0-\$3,500)

2 CFR Part 200 implemented a new micro-purchase threshold for the purchase of supplies or services, the aggregate amount of which does not exceed \$3,500

Procurement Plan Details

- Policies and Procedures
 - Methods of Procurement
 - Record Retention
 - 3 years plus the current year
 - Procurement Ethics
 - Written Code of Conduct
 - Sample Documents

Procurement Standards

Why Procure?

- Obtain goods and services efficiently and economically
- Comply with Federal, State, and Local regulations
 - Prevent fraud, waste, and abuse
- Maximum open and free competition

What method do I use?

2 CFR 200.320

Methods:

1. Micro-Purchase
2. Small Purchase
3. Sealed Bids
4. Competitive Proposals
5. Non Competitive Proposals

Micro-Purchase

- **Aggregate value does not exceed \$3,500**
- **Distributed equitably among qualified suppliers**
- **No quotes required**
- **Price must be reasonable**

Micro-Purchase Q & A

1. What is meant by “aggregate dollar value”?

The value of products or services (similar or dissimilar purchased at once as a single, collective unit) in a single transaction.

2. Does “aggregate” limit competition when soliciting for a prime vendor?

This would only effect soliciting for a prime vendor if the program operator determines that consolidating or breaking out procurements results in a more economical purchase 2 CFR 200.318(d).

Micro-Purchase Q & A

3. What is considered a transaction?

An occurrence in which two or more entities exchange goods, services or money between or among them.

Examples:

1. A program operator purchases computer paper, ink cartridges, paper towels, and cleaning supplies from the same supplier at the same time. That would be a single transaction. If the cost of the purchase does not exceed \$3500, the transaction would be considered a micro-purchase.
2. A program operator makes the following purchases on the same day at two separate locations: computer paper and ink cartridges at a retail office supply store, and paper towels and cleaning fluids at a different retail store. Each purchase is considered a separate transaction made from different suppliers. Neither supplier is involved with the other. Both transactions would be considered micro-purchases, as long as the total for each is under \$3500.

Micro-Purchase Q & A

4. What is meant by distributing micro-purchases equitably among qualified suppliers and “spreading the wealth”?

Program operators using the micro-purchase method may not always purchase from only one source; rather purchases must regularly be made using available qualified sources. This provides qualified sources the opportunity for business or “spreading the wealth.”

Example: A program operator buys computer paper, valued at \$1000. This qualifies as a micro-purchase. Your written procurement procedures must include a procedure that such purchases must be rotated among qualified suppliers (different stores).

Micro-Purchase Document

SAMPLE – CACFP Micro Purchase Document			
Date: 01/18/17		For Purchases between \$0-\$3,500	
Purchase Amount: \$2115.00 Average Monthly Purchase			
Type of Items Compared:	Stores Surveyed:	Quote Amounts:	Store Awarded - Yes or No:
CACFP Food	1. ABC Grocery	\$2,034.89	Yes – reasonable
CACFP Operational Supplies		\$579.14	Yes – reasonable
CACFP Food	2. Your Corner Store	\$2,089.23	Yes – reasonable
CACFP Operational Supplies		\$542.27	Yes – reasonable
CACFP Food	3. Produce and More 4 U	\$2,092.63	Yes - reasonable & best produce
CACFP Operational Supplies		\$572.98	Yes – reasonable & best produce
CACFP Food	4. Juniors Fine Foods and Catering	\$4,058.02	No – prices not comparable
CACFP Operational Supplies		\$728.33	No – prices not comparable
Totals:			
Notes and Reasons for Award or Non Award: Stores 1- 3 have comparable pricing. We will rotate our purchases equitably			

Small Purchase

- **Aggregate value is between \$3,500 and \$150,000**
- **Obtain quotes**
 - **Email, catalog, website, telephone, oral**
- **More than one qualified source**
- **Document, document, document**

Small Purchase Document

CACFP Small Purchase Document			
Date:		Purchases between \$3,500-\$150,000, or the most restrictive threshold	
Purchase Amount:			
Type of Items Compared:	Stores Surveyed:	Quote Amounts:	Store Awarded - Yes or No:
Totals:			
Notes and Reasons for Award or Non Award:			

Large Purchase

- **Aggregate value is over \$150,000**
- **More than one qualified source**
- **Sealed Bids**
 - **Firm, fixed-price**
 - **Lowest responsible and responsive bidder**
- **Competitive Proposals**
 - **Fixed-price or Cost-reimbursable**
 - **Written evaluation**
 - **Awarded to most advantageous to sponsor**
- **Publically advertised**

Noncompetitive Proposal

- Procurement through solicitation of a proposal from only one source
- May be used when:
 - Item available from only one source
 - Public exigency or emergency – delay not permitted resulting from solicitation
 - Authorized by FNS or State agency based on written request
 - After solicitation from a number of sources, competition is deemed inadequate

Catering Contracts

All contracts with a vendor must be approved by ADE

- ***Small purchase*** contract agreements (under \$150,000)
 - Each contract agreement must be reviewed annually
 - Small purchase contracts should be for one year
 - Turn in a signed and completed copy for approval
 - Make sure to fill in all information
 - Contract dates between **October 1 – September 30**
 - Sponsor must receive approval of the contract agreement before food operations begin

Catering Contracts

- ***Large purchase*** contract agreements (over \$150,000)
 - Mandatory training
 - Solicitation documents
 - RFP, Evaluation Rubric
 - ADE Approval, Public release
 - Evaluation Committee
 - ADE Approval of Selected Proposal, Notification
 - Contract duration – one year with 4 renewals

Review -

- Decide what material, product, or service you need to procure
- Determine the amount of the contract for your material, product, or service
- Conduct proper procurement based on the information

Questions

Veronica Cramer

Contracts Management Officer

602-364-1965

Veronica.Cramer@azed.gov