



State of Arizona
Department of Education

HNS# 05-2016

MEMORANDUM

TO: Child Nutrition Program Sponsors

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

DATE: 04/25/2016

SUBJECT: Local Agency Procurement Updates

Original Signed

Due to significant procurement issues being discovered in the 2015-2016 school year, Health and Nutrition Services (HNS) is providing this guidance as well as resources to assist sponsors of the Child Nutrition Programs (CNP) in ensuring they have proper procurement procedures. Specifically, starting in school year 2015-2016, HNS began reviewing contracts and procurement procedures of CNP sponsors and found that many were out of compliance when utilizing Federal funding. The most common errors found were the lack of written procurement procedures, failing to competitively procure goods/services when required, and not using price as the most heavily weighted factor when evaluating bids and awarding contracts.

GUIDANCE

Federal agencies including Food and Nutrition Service (FNS), State agencies, and Child Nutrition Program operators are currently transitioning from former Federal grants management rules to the implementation of new rules at 2 CFR Part 200, commonly referred to as the Super-Circular released by the Office of Management and Budget (OMB). USDA, in an effort to facilitate the transition, has released two memos that provide information pertaining to the new rules. These memos are SP 02-2016 and SP 04-2016 and can be found at www.azed.gov/health-nutrition/memorandum/.

The memos provided by USDA are vital for sponsors who wish to be in compliance with the latest Federal regulations and HNS highly encourages that all CNP sponsors review them thoroughly. HNS also recommends paying close attention to questions #1 and #3 in the attached Q&A document as these questions address the implementation deadlines. Finally, HNS understands that there is local agency guidance available for CNP sponsors to use in addition to the new OMB guidance, but we would remind



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everyone **that when utilizing Federal CNP funding the most restrictive guidelines must be followed.**

RESOURCES

For CNP Sponsors, 2 CFR Part 200.318 requires use of documented procurement procedures which reflect applicable State, local and tribal laws and regulation, provided that the procurements conform to applicable Federal law and standards. To facilitate meeting this requirement, HNS has developed an optional procurement plan template for CNP sponsors to use if written procedures do not currently exist. It is important to note that the template is not intended to be all inclusive nor does it replace the pre-issuance requirements that exist for contracts with Caterers and Food Service Management Companies. Federal and State required language for contracts are provided in the template as well as a separate document located on our website. In addition, a Power Point has been created to provide an overview of procurement as it pertains to CNP, including the new Federal rules. Tools and resources pertaining to this topic can be found at <http://www.azed.gov/health-nutrition/nslp/operate-nlsp/>.

For questions, please contact Airica Lisenbee at Airica.Lisenbee@azed.gov or 602-364-1973 and Veronica Cramer at Veronica.Cramer@azed.gov or 602-364-1965.



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