

Procurement Basics

WEBINAR

April 27 and 29, 2021

Professional Standards Learning Code: 2430





Arizona Department of Education (ADE)

This training was developed by the Arizona Department of Education (ADE) Health and Nutrition Services Division (HNS).

Intended Audience

This training is intended for **School Food Authorities (SFAs)** operating the **National School Lunch Program (NSLP)**.

Professional Standards

Information to include when documenting this training for Professional Standards:

Training Title: Procurement Basics

Key Area: 2000 - Operations

Learning Codes: 2430

Length: 2.5 hours

Agenda

- ADE/HNS staff introductions
- What is Procurement?
- Procurement Methods
- FSMC and Catering Contracts
- Micro vs Small Method
- Small Purchase Example
- Group Purchasing Organizations (GPOs)/Cooperatives
- Buy American Provision and Local Foods Procurement
- CNP Procurement Review Overview
- Procurement Resources and Questions

Staff Introductions

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Polling Question

- What type of SFA are you?
 1. District
 2. Private
 3. Charter
 4. BIE/BIA
 5. RCCI

What is Procurement?



What is Procurement?

🛒 Purchasing
goods and services
from a vendor

- ▶ Procurement applies to all schools regardless of size, number of students, how much money is spent, or if you have a contract with a Caterer or FSMC.
- ▶ You can't have a CNP/NSLP program without procurement!

What is Procurement?

▶ **Purchasing:** Method type (Micro, Small, or Formal)

▶ **Good and Services:** Supplies, food, equipment, software, contracted services

🛒 **Vendor:**

- Consumer Clubs - Sam's Club, Costco
- Commercial Food Service Companies: US Foods, Shamrock, Sysco
- Fresh Food Markets
- Local Grocery Stores
- Catering Companies
- Food Service Management Companies (FSMC)

What is Procurement?

Why are there procurement regulations?

- To obtain good and services efficiently and economically
- To comply with Federal, State, and Local regulations
- To prevent fraud, waste, and abuse
- To maximize free and open competition

!! When the regulations pertaining to Procurement Procedures differ, the SFA must adhere to the most restrictive one (Federal, State, or Local)

What is Procurement?

- NSLP Program requirements are found in 7 CFR 210.
- The methods SFAs must follow to properly procure goods and services are in 2 CFR 200.320.
- Additional procurement regulations are found in 2 CFR Part 200.318-326
 - (Parts 3016 and 3019 have been superseded by 2 CFR Part 200)

Program	Code of Conduct Procurement Procedures Contract Monitoring	Buy American Provision	Required Contract Provisions Cost-reimbursable Contracts	Geographic Preference
NSLP	2 CFR 200.318(a-c) 7 CFR 210.21(c)	7 CFR 210.21(d)	7 CFR 210.21(f)	7 CFR 210.21(g)

No Restricting Competition Written selection procedures	Procurement methods	Small, Minority, Women’s Business	Cost/price analysis
2 CFR 200.319 2 CFR 200.319(c)(1)	2 CFR 200.320	2 CFR 200.321	2 CFR 200.323

Required Contract Provisions
in Appendix II to 2 CFR 200

What is Procurement?

- ✓ Financial Requirements of operating a Food Service Program
 - *Permanent Food Service Agreement* signed by each SFA operating a Child Nutrition Program
 - Must maintain and comply with a financial management system and provide for the following:
 - ❑ Identification, in its accounts, of all Federal awards received and expended and under which program they were received
 - ❑ Accurate, current, and complete disclosure of financial results of each federal program and reporting requirements
 - ❑ Records (documentation) that identify the source and application of funds for federally-funded activities
 - ❑ Effective control over and accountability of all funds, property and other assets and used for authorized purposes
 - 7 CFR 210.19(1) School Food Authorities must comply with the requirements to account for all revenues and expenditures of their nonprofit school food service. Therefore, not being able to identify or track expenditures or revenues of the nonprofit school food service account is not allowable.

!! If you do not currently have a way of tracking food service program expenses (i.e. 510 account delineation, specific code for food service purchases, etc.) implement a way to code/track food service program expenses and vendors used

What is Procurement?

Why is there a Child Nutrition Program (CNP) Procurement Procedures template?

- ▶ **The CNP Procurement Procedures template includes procedures and clauses that are specific to the Child Nutrition Programs.**
 - Procedures for all the methods possible (Micro, Small, Formal)
 - Required clauses to be included in formal solicitations
 - Affirmative action clause: taking steps to use small, minority, women's business and labor surplus enterprises, when possible
 - Oversight: overseeing contractors to ensure all contract provisions are fulfilled for the duration of the contract
 - "Buy American" clauses for all food purchases
 - Market Basket Analysis, GPOs/Cooperative Purchasing, Piggybacking

What is Procurement?

2 CFR 200.318(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

!! CNP Procurement Procedures Template

- Emailed to SFAs with the Step 1 documents



CHILD NUTRITION PROGRAMS PROCUREMENT PROCEDURES

Insert School Food Authority (SFA) Name Insert CTD #

The procurement procedures contained on the following pages will be implemented on Insert Date and stay in effect until amended. All procurement must adhere to free and open competition. SFAs must retain all documentation for procurement per regulations.

New procurement procedures do not need to be developed every year. However, an annual review of procedures is suggested to assure its relevance to current procedures. The procedures should include all procurement methods (micro, small, and formal) even if all methods are not currently used.

This document does not replace pre-issuance contracts with Caterers and Food Service Management Companies as required by Arizona Department of Education (ADE). The School Food Authority is ultimately responsible to ensure that the procedures comply with all Federal Regulations, State Procurement Code and Regulations, and local procurement policies.

GENERAL PROCUREMENT PROCEDURES

The SFA will purchase goods, products, and/or services for use in the Child Nutrition Programs (CNP) in compliance with 2 CFR Part 200 and State Law using the procedures outlined as follows.

The primary purpose of procurement procedures is to ensure that open and free competition exists to the maximum extent possible. The procurement process practiced by the CNP Sponsor (SFA) must not restrict or eliminate competition (2 CFR Part 200.319(a)(1-7)). For example, the description of goods, products, and/or services to be procured should not contain features that unduly restrict competition. Competition helps assure that goods, products, and/or services will be obtained that best meet the needs of the SFA.

What is Procurement?

The Steps of Procurement

- **Determine what you need – *Forecast and Create Specifications***
 - Be detailed and specific so you can compare “apples to apples”
- Estimate purchase amount – *Threshold*
 - Estimate total of single purchase
 - Estimate total of yearly purchases
 - Estimate amount of contract
 - For multi-year contract must estimate total for all the years
- Choose procurement method (Micro, Small, Formal)
 - Base decision on process and amount
- Follow requirements for method of purchase (documentation)

What is Procurement?

Why Forecast?

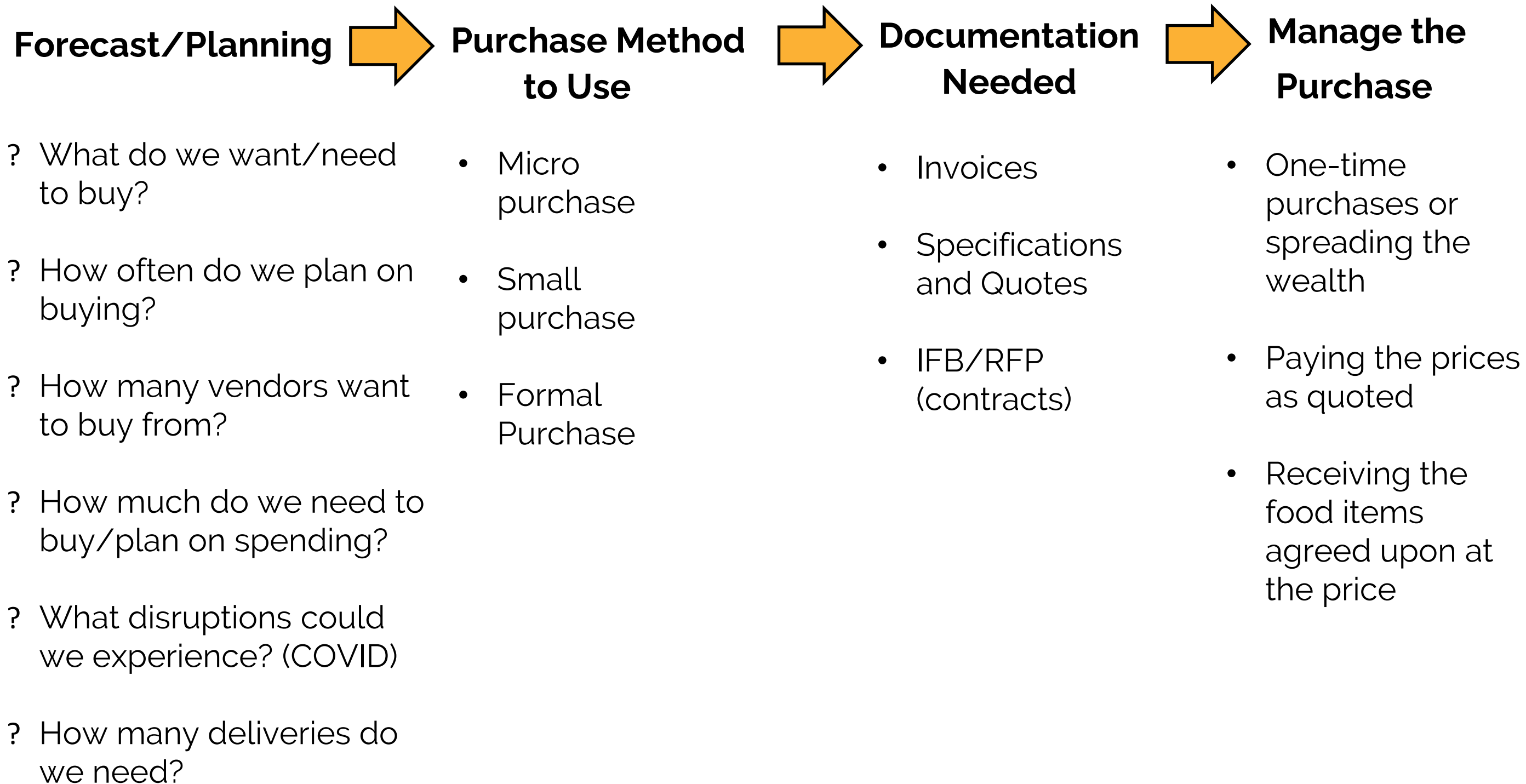
- Forecasting is one of the most important elements of an effective procurement plan; good procurement requires advance planning.
- Review past records/data/purchasing behavior and apply to current situation
- Review current resources and services to ensure that only necessary purchases are made; take inventory
- Once the forecasting and planning process is complete, the SFA will be able to determine the estimated dollar value of its procurements for the coming year.
- **This estimated dollar determination allows the SFA to choose the appropriate procurement method to use.**

What is Procurement?

Questions to ask when Forecasting...

- ✓ What menu planning considerations need to be made?
 - Food items needed, how many, how often, what portion can USDA foods provide and what is the availability?
- ✓ What did purchases look like from the past year?
 - What changes need to be made? Student enrollment number increase or decrease? Revenues or loss?
- ✓ Is the price of this cost effective?
- ✓ What is the projected budget? Threshold amount?
- ✓ How often do purchases need to be made?
- ✓ How many vendors will be needed for purchases? What information does the vendor(s) need to know?

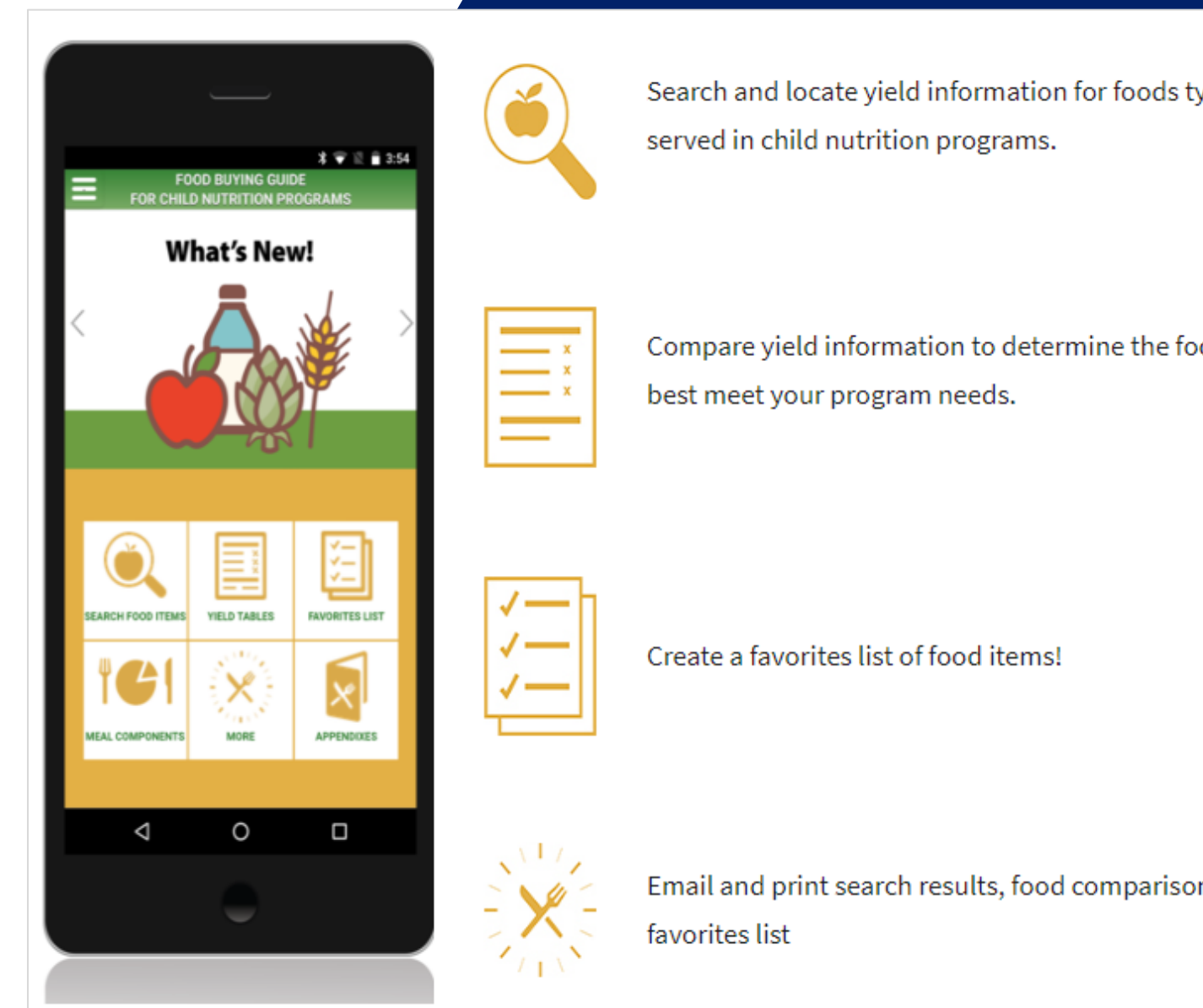
What is Procurement?



What is Procurement?

Tools for Forecasting

- Average Daily Participation (ADP) for your school sites for each meal
- School calendar for forecast year (note holidays/no school dates, enrollment numbers)
- Cycle menu (availability, seasonal, school calendar)
- Availability of USDA Foods (Brown Box and Processing Catalogues, DoD Fresh Farm Calendar)
- Velocity Reports (quantity of food delivered vs. used)
- USDA Food Buying Guide (FBG)
 - <https://www.fns.usda.gov/tn/food-buying-guide-mobile-app>
 - Interactive FBG, FBG Mobile App, FBG Calculator
 - Determine the specific contribution each food makes toward the meal pattern requirements
 - Buy the right amount of food and appropriate type of food



What is Procurement?

Benefits of Forecasting

- Allows you to see the whole picture
- Allows for more efficient menu planning
- Increases chance of cost effectiveness with purchases
- Helps vendors/contractors/distributors plan accordingly
- Prepare responses to bids and proposals
 - Deliver available products to meet terms, conditions, specifications, and requirements of SFAs
- Considers whether SFA is utilizing all available USDA Foods
- Knowing the methods of purchasing that will be used will help with documentation

Plan Ahead

Procurement Timeline for School Food Service Operators ⁴	
Month(s)	Task(s)
August–September	<ul style="list-style-type: none">• Begin preparing for procuring items. Planning approximately one year in advance provides sufficient time for preparation for all parties in the food chain.
October–December	<ul style="list-style-type: none">• Write specifications.• Project USDA Foods needs.• Conduct screen test.• Fall and winter breaks may impact timeline.
January	<ul style="list-style-type: none">• Develop solicitation document. Include pertinent information about the district; date and time for pre-solicitation conference and solicitation submission; scope of work; time period for the solicitation; any common legalities; ability for price escalations; name brand items; substitutions; discounts, rebates, and applicable credits; communication instructions with the district prior to the closing date; solicitation evaluation criteria.• Plan accordingly to have solicitation document and agenda item at school board meeting.• Modify proposal based on legal counsel's directives. Remember fall and winter breaks may impact the timeline.
February–March	<ul style="list-style-type: none">• Propose solicitation document to school board.• Follow internal procedures.• Communicate to distributors and manufacturer and publicly announce the solicitation.• Publicize the solicitation document.• Conduct the solicitation meeting.• Allow a minimum of four weeks for vendors to respond.• Evaluate solicitations based on pre-established criteria and select vendors.
April–May	<ul style="list-style-type: none">• Receive School Board approval for the selection of vendor.• Provide information to distributor and/or manufacturer.• Allow longer time for specialty items and name brand items.
June	<ul style="list-style-type: none">• Communicate with stakeholders, determine delivery dates, and discuss school opening logistics.
July–August	<ul style="list-style-type: none">• Receive product for upcoming school year.

⁴ See *Procurement in the 21st Century*, Institute of Child Nutrition, 2015, (<http://www.nfsmi.org/documentlibraryfiles/PDF/20151009032855.pdf>).

What is Procurement?

Best practices of Forecasting

- Develop menus well in advance.
- Provide as much lead time as possible (Manufacturers and Distributors need 3 weeks lead time or more for production and stocking).
- Communicate and plan for important due dates !
 - USDA Foods Catalogue Requisition Period (when and how much to order)
 - Order quantities agreed upon through the bid/contract process (bid integrity).
- Have a back-up item ready in case an issue arises.
 - Account for items removed from inventory/change of availability.
 - Communicate increases and decreases in quantity of items and changes to program.
 - Know the value of food and supplies (leave time to obtain quotes).

What is Procurement?

The Steps of Procurement

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 - Estimate total of yearly purchases
 - Estimate amount of contract
 - For multi-year contract must estimate total for all the years
- Choose procurement method (Micro, Small, Formal)
 - Base decision on process and amount
- Follow requirements for method of purchase (documentation)

Simplified Acquisition Thresholds

Simplified Acquisition Threshold = The amount at which the SFA must use the **Formal procurement method**

SFA Type	Simplified Acquisition Threshold Amount
Districts	\$100,000
Charter Schools	- <u>with Procurement Exception</u> : \$250,000 - <u>without Procurement Exception</u> : \$100,000
Private SFAs	\$250,000
BIE—tribally controlled or Bureau-Operated	- <u>Bureau-operated</u> BIE SFAs: up to \$250,000 - <u>Tribally controlled</u> SFAs: varies. \$5,000 up to \$100,000
RCCIs	\$250,000

Polling Question

- What is your SFA's Simplified Acquisition Threshold?
 1. \$100,000
 2. \$250,000
 3. Other/Local amount
 4. I'm not sure

Simplified Acquisition Thresholds

The Procurement Exception for Charter Schools

- The Procurement Exception is granted by the Arizona State Board for Charter Schools through the Charter Application process or through an amendment request.

Charter operators granted an exception to local and state procurement regulations under A.R.S. §15-183 (E)(6) are still required to satisfy the federal procurement requirements as a condition to the receipt of certain federal funds.

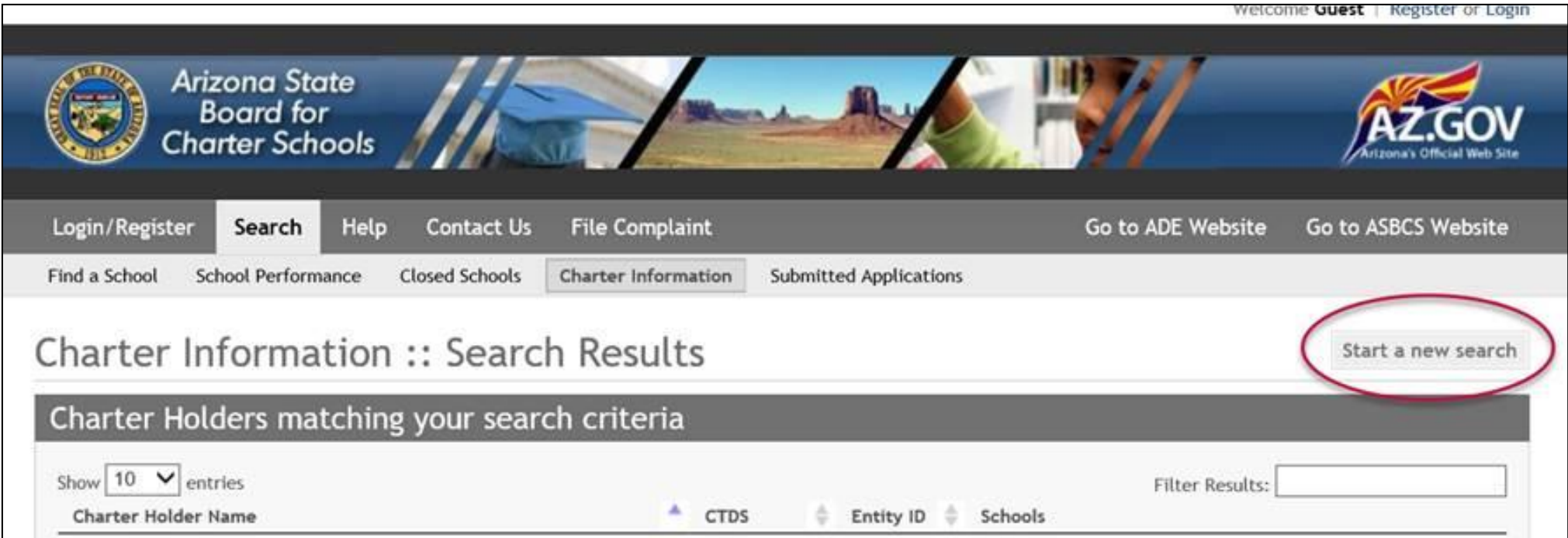
- If you are unsure whether your Charter has an approved exception, check with your Business Office or the Charter Holder Representative.

Simplified Acquisition Thresholds

The Procurement Exception for Charter Schools

- Documentation of the exception can be found on a signed amendment request or on the general tab of the Charter Board website (you can look this up yourself).

https://online.asbcs.az.gov/charterholders/search/results?corporate_name=&entity_id=&ctds=



- [Grades](#)
- [Enrollment Caps](#)
- [Board Members](#)
- [Schools](#)
- [Documentation](#)
- [Amendments](#)
- [Financial Performance](#)

* General Information

- Corporation Type
- Corporate Status
- Charter Holder URL
- Charter Status
- Date Charter Granted
- Date Charter Signed
- Contract Effective Date
- Renewal Eligibility Date
- Renewal Application Due Date
- Expiration Date
- Closure Effective Date
- Date of USFRCS Exception
- Date of Procurement Exception**
- Calendar Year Opened

Arizona State Board for Charter Schools
1700 W. Washington St., Room 164, Phoenix, AZ 85007
(602) 364-3080 Fax (602) 364-3089
www.asbcs.az.gov

PROCUREMENT LAWS EXCEPTION AMENDMENT REQUEST

(Charter Holder Name)

(Charter Holder Mailing Address)

(City, State) (Zip)

(Charter Representative's Name)

(Phone Number) (Fax Number)

Failure to submit all required documentation will result in the Amendment Request being returned without being processed. Executed copies will not be accepted. Please send originals.

What is Procurement?

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- **Choose procurement method (Micro, Small, Formal)**
 - Base decision on process and amount
- **Follow requirements for method of purchase (documentation)**

Procurement Methods



Procurement Methods

- You must use one of the procurement methods for any purchase you make
- Remember: Procurement is about the amount and process

Micro Purchasing

- Threshold = under \$10,000
- One time – single purchase or “Spread the Wealth”

Small Purchasing

- Threshold = \$10,000 - \$250,000
- 3 quotes

Formal Purchasing

- Threshold = above \$250,000 (or State (District)/local threshold amount)
- IFB (Invitation for Bid) or RFP (Request for Proposal)

Procurement Methods

Informal

Purchases at or below Simplified Acquisition Threshold

1

Micro Purchase

2

Small Purchase

3

Invitation for Bids
(Competitive
Sealed Bids)

4

Request for
Proposals
(Competitive
Proposals)

Formal

Purchases above Simplified Acquisition Threshold



Procurement Methods

► Types (Based on the Amount and Process):

1. Micro Purchase
2. Small (Informal) Purchase
3. Large (Formal) Purchase
 - a. Sealed Bids (Invitation for Bids)
 - b. Competitive Proposals (Request for Proposals)
4. Noncompetitive Proposals

Procurement Methods

Micro Purchase

- **PROCESS:** One-time purchase OR “spread the wealth” of multiple purchases (buying the same type of items from different vendors/groceries stores/places that offer the same product or service at a reasonable price)
- **AMOUNT:** Up to \$10,000
- Example: I buy the same grocery list items rotating between Safeway, Bashas', Costco, and Sam's Club.

✓ Requirements:

- Transactions are below \$10,000
- Price must be reasonable
- Purchases (Transactions) distributed equitably among qualified suppliers offering the same/similar services (Spread the Wealth)

Procurement Methods

Micro Purchase: Spread the Wealth

2 CFR 200.320 (a):

Electronic Code of Federal Regulations

We invite you to try out our new beta eCFR site at <https://ecfr.federalregister.gov>. We have made big changes to make the eCFR easier to use. Be sure to leave feedback using the Feedback button on the bottom right of each page!

e-CFR data is current as of April 22, 2021

[Title 2](#) → [Subtitle A](#) → [Chapter II](#) → [Part 200](#) → [Subpart D](#) → [§200.320](#)

[Browse Previous](#) | [Browse Next](#)

Title 2: Grants and Agreements

PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Subpart D—Post Federal Award Requirements

§200.320 Methods of procurement to be followed.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) *Informal procurement methods.* When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in §200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

(1) *Micro-purchases—(i) Distribution.* The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of *micro-purchase* in §200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.

Procurement Methods

Micro Purchase



Procurement Methods

Micro Purchase - Documentation

► For Micro Purchases you do not have to comparison shop or provide quotes, but you do need to show that you have spread your purchases among different vendors and save documentation.

✓ Create/provide documentation that shows:

- Date of purchase
- Items/service purchased
- Vendor name and details
- Total cost of purchase(s)

✓ Save receipts for all purchases



Procurement Methods

Small Purchase

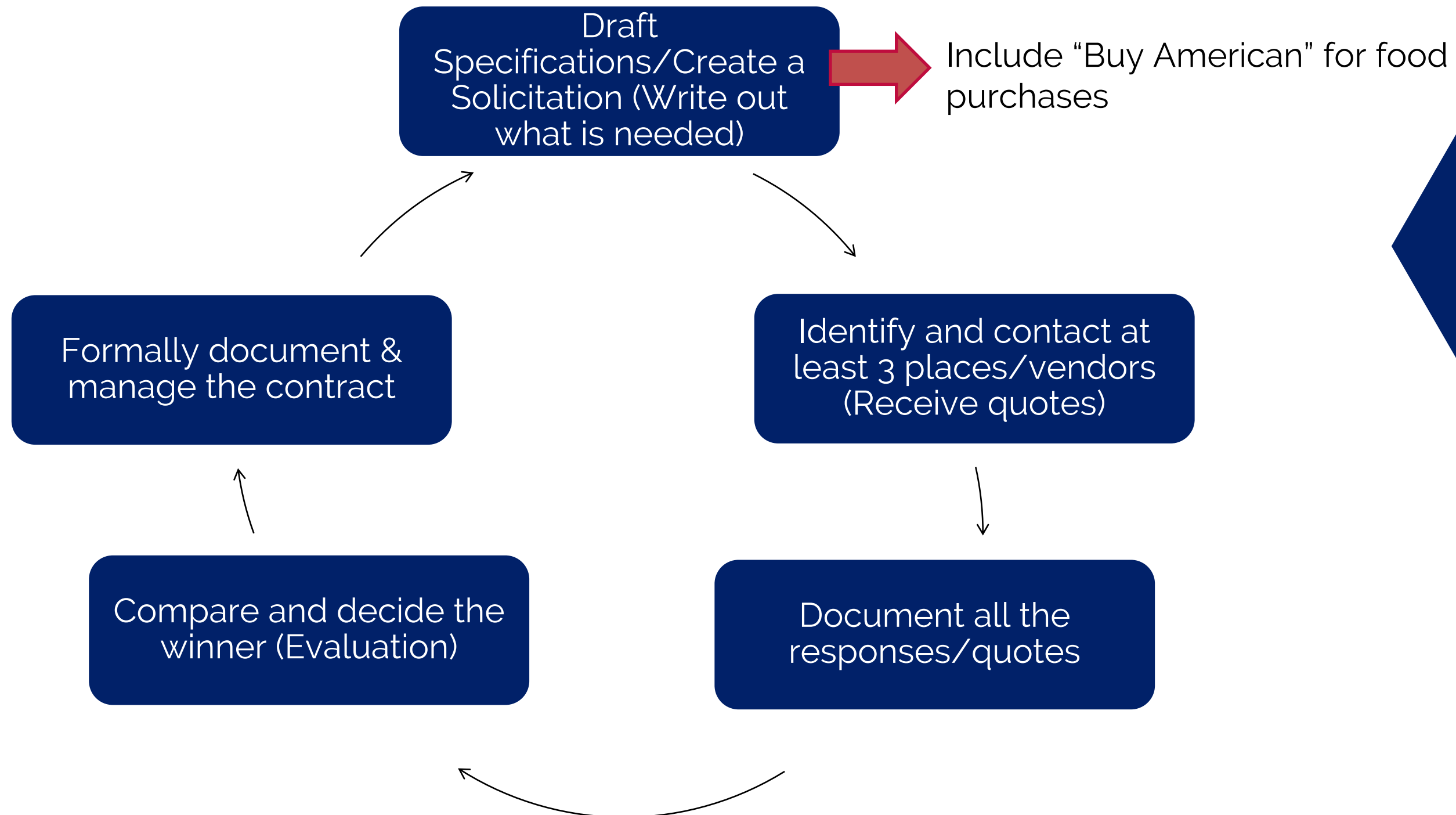
- **PROCESS:** Buying the same items from only one place on a regular basis
- **AMOUNT:** Below the small purchase threshold (\$250,000 or the most restrictive threshold); above \$10,000 this must be done; can be done at any amount under \$10,000
- Example: I buy milk from Costco every week/month; I buy my groceries from Fry's every week/month; I figure out who is the cheapest and always buy from them.

✓ Requirements:

1. Total of all purchases is below \$250,000 (or your local Threshold)
2. Use when purchasing multiple times from the same vendor for the same products/services
3. Must document the process

Procurement Methods

Small Purchase



Procurement Methods

Small Purchase

- Procurement must still be conducted in a manner that maximizes full and open competition.
- SFAs should put the quantity, quality, and type of goods or services needed in writing before contacting any potential offerors (termed specifications).
- It is recommended that SFAs contact at least three places/vendors who are eligible, able, and willing to provide the product or service.
- The solicitation must include the requirement that goods must be produced and processed in the United States ("Buy American"). (For FOOD purchases only)

Procurement Methods

Small Purchase- Creating a Solicitation

► Put what you need in writing. Share the same specifications with each vendor.

🛒 What is the product or service needed?

- Describe it with detail:

- 🛒 1% white milk and skim white milk, in cartons, with weekly delivery

- 🛒 75 lunches served daily, including milk, served bulk

- 🛒 6x6x6 walk in cooler with floor, self-closing door, locking deadbolt handle, and 115v/60/1, delivery needed

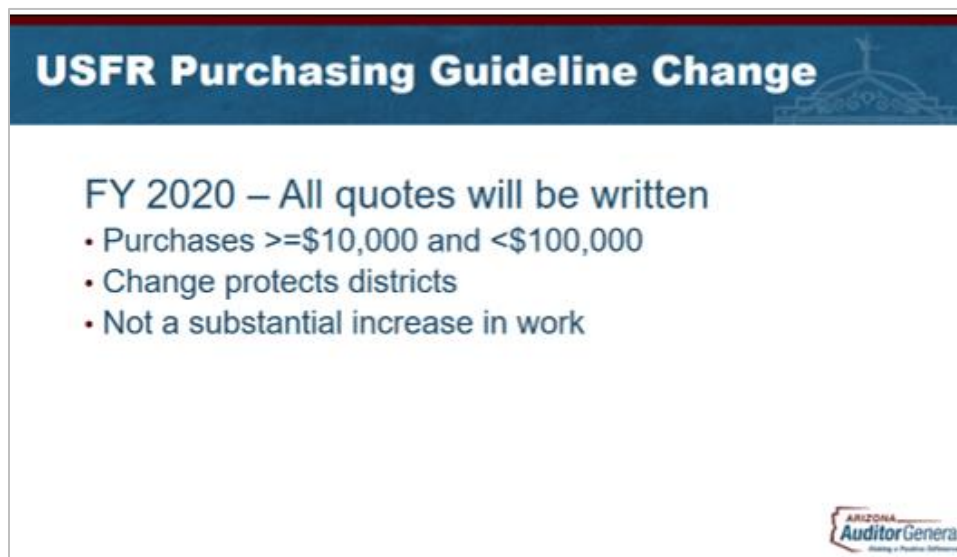
- 🛒 100 Fresh, whole Honey Crisp apples delivered weekly on Monday during business hours

- 🛒 Buy American requirement (for food items)

Procurement Methods

Small Purchase- How to Document Quotes

!! When the regulations pertaining to Procurement differ, the SFA must adhere to the most restrictive one (Federal, State, or Local)



- Example: District Quote Guidelines vs Child Nutrition Program Requirements
- Important to communicate between Departments/Programs to understand the different procurement procedures and requirements
- Stay current on any updates/changes
 - Contact AZ Auditor General Office for Questions
 - Cris Cable, ccable@azauditor.gov

Procurement Methods

Small Purchase- Request for Quote (RFQ)

- RFQ is an option for a Small purchase
 - Allows for multi-year contract for purchases below your formal purchase threshold
 - In the RFQ solicitation must define the contract period and renewal terms and ensure that during the duration of the contract, the formal purchase threshold is not exceeded; prices are typically fixed
 - Send out renewal letters instead of obtaining quotes each year, for the duration of the contract terms

REQUEST FOR WRITTEN QUOTE Food Service Uniforms Written Quote #QN21-04-26

The [REDACTED] is required by Arizona Revised Statute ARS 15-213 to comply with Title 41, Arizona Procurement Code. This Code requires us to solicit quotations for purchases being made over \$9,999.99 for any fiscal year.

In order to comply with the above ruling, the district requests that you supply a list of product lines, and/or services (a line card may be used) indicating the price schedule for each line and/or service, a current price list/catalog to support the price schedule, or percentage of discount that you will extend to the [REDACTED] from July 1, 2021 through June 30, 2022. A list of the most commonly purchased items is attached; however, purchases may not be limited to this list.

Please return on or before the Quote Due Date and the following location:

Issue Date: March 24, 2021

Quote Due Date & Opening: Thursday, April 8, 2021 10:00 A.M. Local, ARIZONA Time

Opening Location: [REDACTED]

1. Quotes must be submitted by the above time and date, by mail or email to above contact with the solicitation number and name, and the submitter's name and address clearly indicated on the response.
2. Quotes shall be in the actual possession of the District, at the location specified above, on or prior to the exact date and time indicated above. Late submittals may not be considered and may be returned.
3. The contract resulting from the quote shall be for the period beginning July 1, 2021 ending on June 30, 2022 with the option to renew an additional four (4) years until June 30, 2026 as long as funding is available and the district is satisfied with the product/service. The total amount of the five-year optional contract shall not exceed \$100,000. Prices shall be firm for the entire length of the contract.
4. The District reserves the right to waive any immaterial defect or informality, or reject any or all quotes, or portions thereof, or reissue or cancel this Request for Quote.

9. SPECIFICATIONS:

- A. Compliance with Specifications: The fact that a manufacturer or supplier chooses not to produce or supply equipment, supplies, or services to meet the specifications in the solicitation will not be considered sufficient cause to adjudge these specifications as restrictive. Offerors shall offer equipment, supplies and/or services that they believe come closest to meeting the specifications.
- B. Deviation from Specifications: Failure to detail all deviations may be sufficient grounds for rejection of the entire offer.

10. **FEDERAL FUNDING REQUIREMENTS.** The following five terms and conditions shall only apply if purchases from this Request for Quote will utilize any federal grant funds:

✓ Buy American Provision for Food Purchases

Example of Renewal letter,
must be sent for each
renewal year (in place of
obtaining quotes)

Dear Sir or Madam:

Re: RFQ #17049 – District Personnel Uniforms

In accordance with its terms, the [REDACTED] desires to extend contract CSDB #17049 for a period of one year, beginning July 1, 2018. The extension shall be under the same terms and conditions contained therein, except as outlined on page two of the extension of agreement.

Please indicate your desire to extend by completing the appropriate information below. If the contract is extended, [REDACTED] agrees to provide products or prices as per CSDB #17049, District Personnel Uniforms. If the remit or order to addresses have changed, please provide the new information.

We desire to extend the contract as specified above, and agree to abide by the original terms and conditions, and any attached clarifications.

Procurement Methods

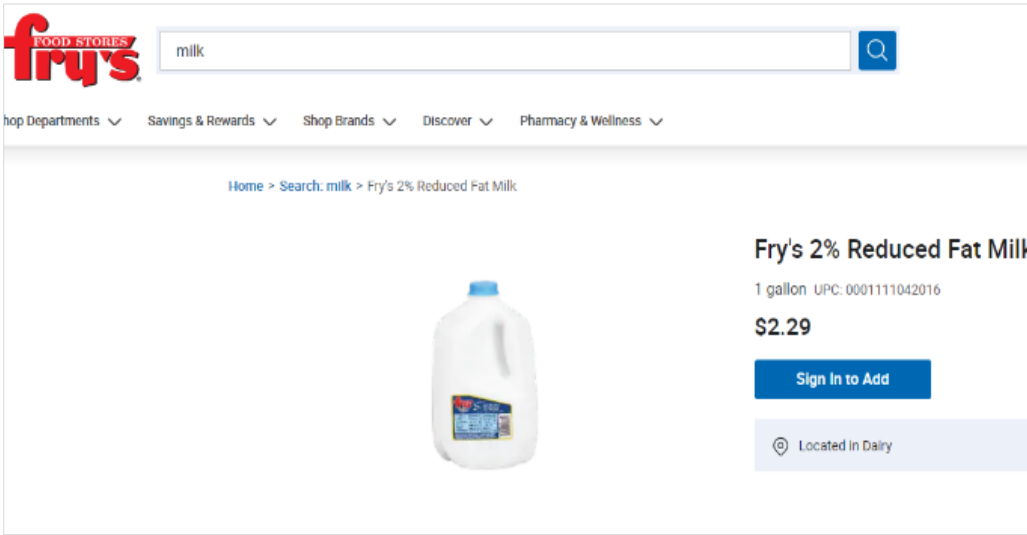
Small Purchase- How to Document Quotes

Save any ads used for pricing



Print online pricing quotes

Create a price quote document



Procurement Methods

Small Purchase- Small Documentation

► **For small purchases you should be obtaining 3 quotes. Your documentation will include:**

- ✓ **A Solicitation:** Written out specifications presented to each vendor/place
 - List the item(s) I need, when do I need it by, delivery needed?
- ✓ **Documented Responses:** Quotes from 3 or more qualified vendors/places
 - Can be from email, catalogs, website, phone calls, ads
 - Make sure you keep notes of price quotes obtained!
- ✓ **Proof of an Evaluation/Comparison:** How did you select the winner?
 - Can be a point system, price comparison, a chart, written notes
- ✓ **Copy of contract (if applicable) & Receipts/invoices**
 - Used to determine if the product/service solicited and the price quoted is what was purchased and charged to the nonprofit food service account



Procurement Methods

► Types (Based on the Amount and Process):

1. Micro Purchase

2. Small (Informal) Purchase

3. Large (Formal) Purchase

a. Sealed Bids (Invitation for Bids/IFB)

b. Competitive Proposals (Request for Proposals/RFP)

4. Noncompetitive Proposals

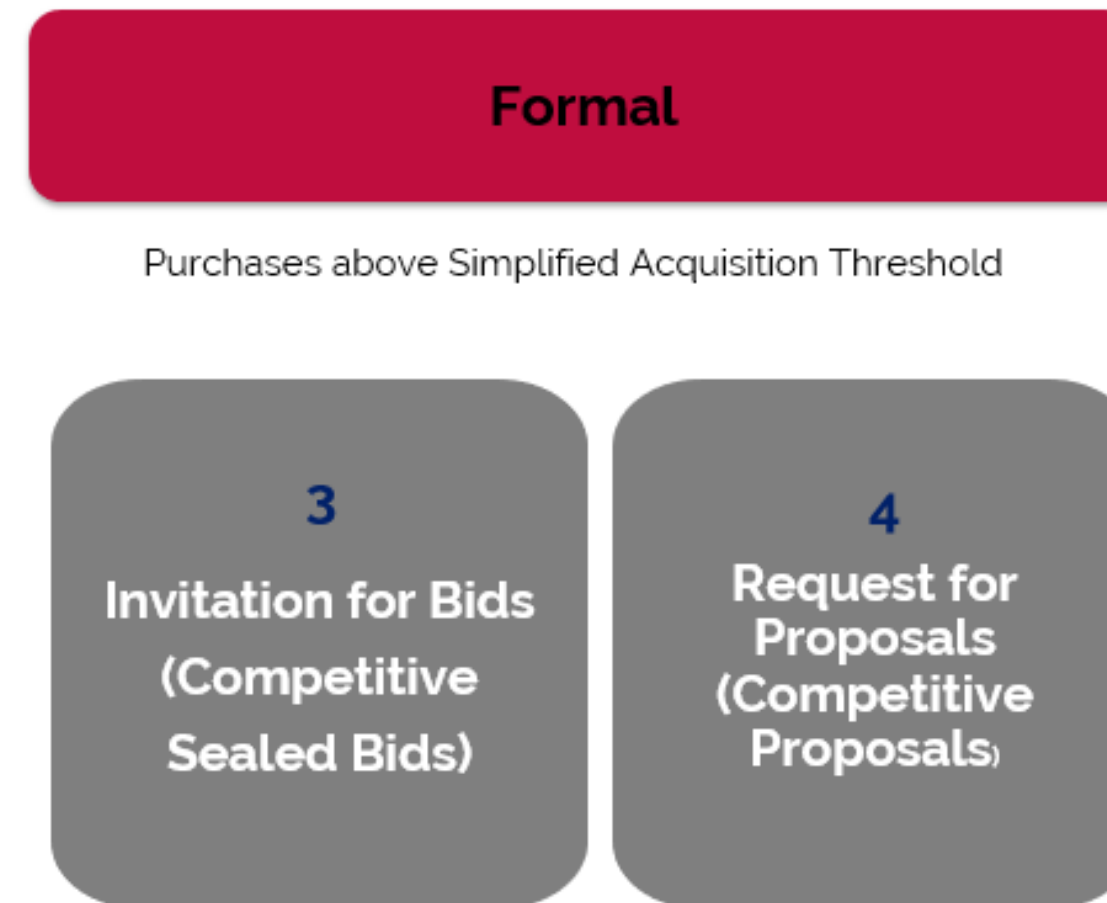
Polling Question

- What is your experience with IFBs/RFPs?
 1. I have written one before.
 2. We are part of a “GPO/Cooperative” that writes them on our behalf.
 3. I’m not sure what the difference between an IFB and an RFP is.
 4. We are so small we don’t think we would ever need one.

Procurement Methods

Formal Purchase

- When the value of the purchase exceeds the applicable Federal, State, or local threshold for small purchases (\$250,000 or the most restrictive threshold), use the Formal procurement method.
- For Formal Purchasing, the SFA must decide if their solicitation will result in:
 - Fixed Price Contract (IFB or RFP)
 - Cost Reimbursable Contract (only RFP)
- The goal of both IFB and RFP methods is to obtain the best valued product at the lowest price.



Procurement Methods

Formal Purchase – IFB vs RFP

3

Invitation for Bids
(Competitive
Sealed Bids)

- Primary consideration is price.
- Award is made to the most responsive and responsible respondent whose publicly opened bid is lowest in price.
- Used when there is no substantive difference among products or services that meet the specifications.
- Key difference among bids is price.

4

Request for
Proposals
(Competitive
Proposals)

- Technical solicitation that requires the vendor to explain how the objectives would be met and a cost element identifying the cost to accomplish the proposal
- Price (the major consideration) is only one of the criteria considerations.
- Allows for negotiations.

Procurement Methods

Formal Purchase requirements and clauses are listed in the CNP Procurement Procedures template.

- The IFB or RFP will clearly define the purchase conditions and required procurement and program clauses.

The **Insert Title/Position** will be responsible for ensuring the following conditions and clauses are addressed in the solicitation/contract documents:

1. Contract time period
2. Statement of the SFA responsibility for all contracts awarded
3. Date, time, and location of bid/proposal opening
4. Method of informing vendor/contractor of bid acceptance or rejection
5. Delivery schedule
6. Requirements (terms and conditions) set forth which bidder must fulfill in order for bid to be evaluated
7. Benefits to which the SFA will be entitled if the contractor cannot or will not perform as required
8. Statement assuring positive efforts will be made to involve minority, women, and small business
9. Statement regarding the return of purchase incentives, discounts, rebates, and credits to the SFA's non-profit Child Nutrition account (Cost-Reimbursable contracts only) (7 CFR 210.21(f))
10. Statement that Contract and/or purchase orders may be issued for firm fixed prices after formal bidding process
11. Price adjustment clause based on appropriate standard or cost index
12. Method of evaluation and type of contract to be awarded
13. Method of award announcement and effective date (if intent to award is required by State or local procurement requirements)
14. Specific bid protest procedures including contact information of person and address and the date by which a written protest must be received
15. Provision requiring access by duly authorized representatives of the School Food Authority, State Agency, United State Department of Agriculture, or Comptroller General to any books, documents, papers and records of the contractor which are directly pertinent to all negotiated contracts
16. Method of shipment or delivery upon contract award
17. Description of process for enabling vendors to receive or pick up orders upon contract award
18. Statement that the contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the contractor
19. Signed statement of non-collusion

Procurement Methods

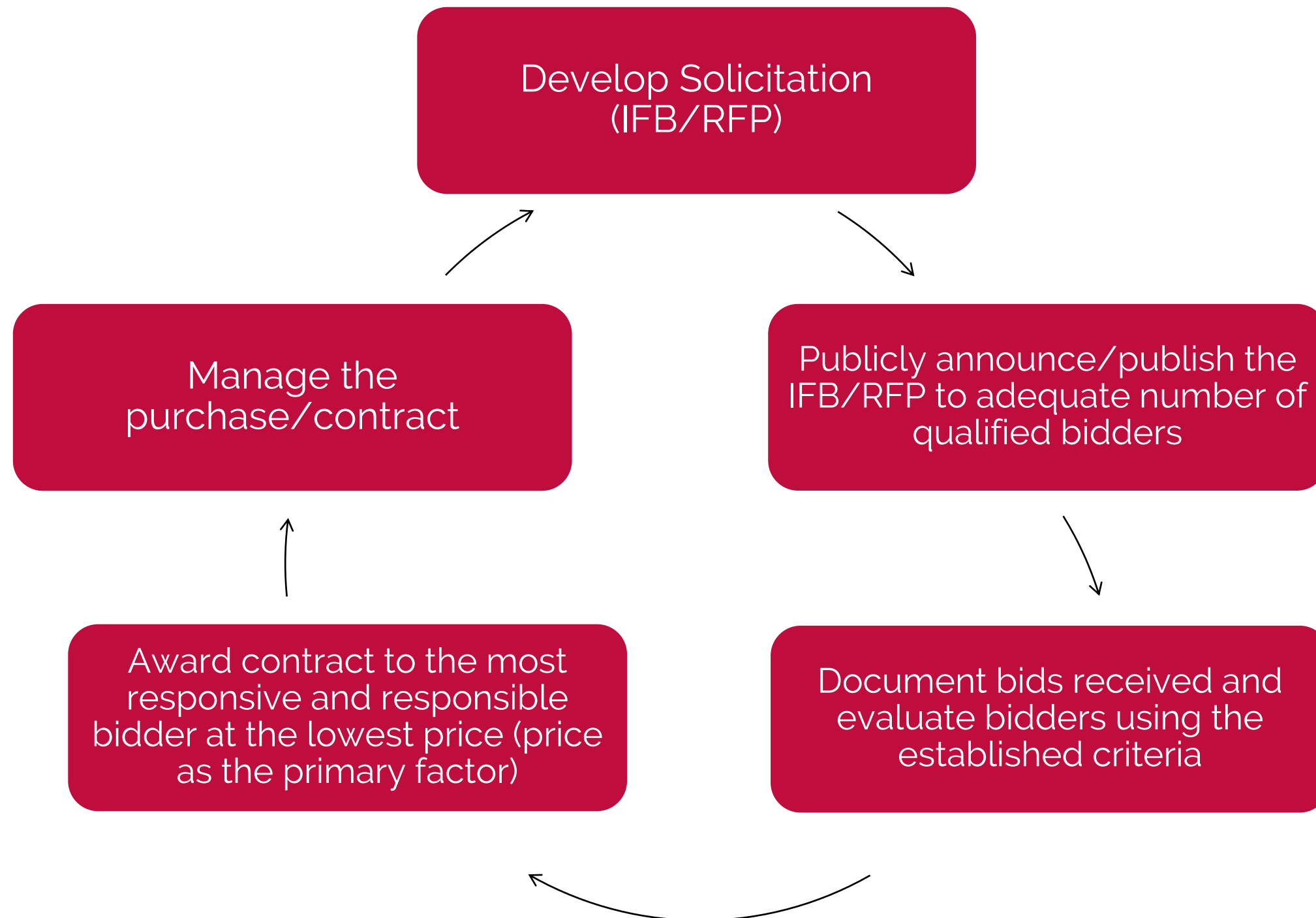
Formal Purchase

(For FOOD purchases only)

- **The RFP/IFB must include all the requirements regarding "Buy American":**
 - a) The need for documentation that requests consideration on the use of domestic alternative foods before approving an exception
 - b) A requirement to document the use of a non-domestic food exception when competition reveals the cost of domestic food is significantly higher than non-domestic food
 - c) A requirement to document the use of a non-domestic alternative food due to the domestic food not produced or manufactured in sufficient and reasonable available quantities of a satisfactory quality

Procurement Methods

Formal Purchase



Procurement Methods

Formal Purchase – solicitation process

1. Identify all specifications and evaluation factors (with their relative importance) and create the solicitation (IFB or RFP). ****Price must be the primary factor**
2. Include the requirement **for contract award to be made to the lowest responsive and responsible bidder (IFB) or bid/offer most advantageous to the program with price and other factors considered (Price as the primary factor) (RFP).**
 - a) Responsive means that the vendor submits a bid that conforms to all terms of the solicitation.
 - b) Responsible means that the vendor is capable of performing successfully under the terms of the contract.
3. Seek/invite two or more *qualified* sources **willing** and **able** to compete.

Procurement Methods

Formal Purchase – solicitation process

4. Advertise solicitation publicly to an adequate number of qualified sources to secure more than one bid/offer.

a) The advertisement or legal notice should include:

- general description of items
- the deadline for submission
- the address where RFP/IFB documents may be obtained

b) The advertisement should be placed in a location that will ensure free and open competition:

- SFA Website
- local newspaper
- social media platform

5. Provide adequate time for bidders to respond prior to the bid opening date (3 weeks minimum).

6. Evaluate bids/proposals **as described in the IFB/RFP** using established and published criteria.

Procurement Methods

Formal Purchase – Evaluation Criteria Sample (RFP)

	Apple Lane	Great Granny's	Fred's Fuji's
Price = 40	30	35	40
Contractor able to meet all specifications Product quality = 15 Delivery = 10 Packaging and Labeling = 5 (30 Total)	25	30	30
Three references, past history = 10	10	10	10
Able to provide state of origin on all products = 5	0	5	0
Delivered within 48 hours of harvest = 10	0	10	7
Successful track record of working with local producers= 5	0	5	5
100 possible points	65	95	92

Procurement Methods

Formal Purchase – Evaluation Criteria Sample RFP and IFB

- The **RFP** must list the evaluation criteria and the number of points or percentages.

D. Step Four. The Contract award(s) will be made to the responsible Offeror(s) whose offer is determined to be the most advantageous to the SFA, based on the following criteria (in bold print below), which are listed in order of importance.

- (1) **Pricing:** Demonstrated capability to meet the needs of the SFA food operations using the best cost-effective method. Also, the Offeror must meet the pricing information as described in the Pricing Section. (Weight – 37%)
- (2) **Method of Approach and Implementation Plan:** Demonstrated capability to meet the needs of the SFA food operation service as described in the Method of Approach and Implementation Plan section of the Scope of Work. This shall include information on how Offeror plans on conducting business in the SFA. (Weight – 35%)
- (3) **Experience, Expertise and Reliability:** Demonstrated experience in operating a food service operation in a SFA. This can be Arizona experience, or another food service program, and may include evaluation of references submitted. (Weight – 28%)

- While the **IFB** contains criteria to assess quality it does so in a pass/fail approach as opposed to scoring the evaluation criteria.

Procurement Methods

Formal Purchase – Documentation

► Your documentation will include:

- ✓ Solicitation Documentation: the original RFP or IFB
- ✓ Responses: copies of bids/offers
- ✓ Evaluation Documentation: scoring results used to select the vendor
- ✓ Copy of contract: if separate from the RFP and proposal, copies of the final contracts awarded and contract notification documentation
- ✓ Copies of 3 invoices/receipts
- ✓ Copy of public advertisement
- ✓ Copies of any amendments to the contract



Procurement Methods

Noncompetitive Proposal

- ▶ **Procurement method used when competition is deemed inadequate or impossible due to public exigency or emergency.**

May be used only when the award of a contract is **infeasible** under small purchase procedures, sealed solicitations, or competitive proposals and one of the following circumstances applies:

- ✓ Item available from only one source
- ✓ Public exigency or emergency (COVID)
- ✓ Authorized by FNS or State agency based on written request
- ✓ After solicitation from a number of sources, competition is deemed inadequate

Procurement Methods

Formal Purchase – Noncompetitive Proposal

When is it appropriate to use noncompetitive proposals?

Wrong Answer #1: Noncompetitive proposal method is the procurement method I use when I run out of time, and I need to buy something right away without taking the time to compete.

Why it's wrong: The use of noncompetitive proposal cannot be justified simply because the SFA has failed to plan properly. In fact, conducting a noncompetitive procurement for this reason would result in an unallowable contract.

Wrong Answer #2: The noncompetitive proposal should never be used. It's allowable only when there's one source of a product or service in the entire world, and I don't think that ever really happens.

Why it's wrong: While a sole source situation should be fairly uncommon, there are real-life sole source situations, as well as other legitimate reasons for the SFA to use the noncompetitive proposal method.

Wrong Answer #3: I've used noncompetitive proposals in an emergency situation; and then, when the contract is up for renewal, I simply negotiate with the current vendor and no one else.

Why it's wrong: Although a public emergency can justify the use of noncompetitive proposals, the resulting contract is a short-term solution to the emergency situation. As a rule, contracts resulting from noncompetitive proposals are of short duration and must not be noncompetitively renewed.

Procurement Methods

Sole Source

Sole source procurements, in the SNP, occur when the goods or services are available from only one manufacturer through only one distributor or supplier. While sole source situations are rare in our programs it is possible for one to arise. For example, a SFA might own an older model oven that still works but the replacement parts are only sold by one manufacturer as the equipment is considered workable but outdated. Sole source describes a condition of the procurement environment. In a true sole source situation, conducting a traditional solicitation (sealed solicitation, competitive proposal, or small purchase) is a meaningless act because the element of competition will not exist. When faced with an actual sole source situation, the SFA must first obtain SA approval, and then go directly to the one source of supply to negotiate terms, conditions, and prices.

Approvals Needed for Sole Source Procurements

Sole source procurements are more likely to occur when a SNP is purchasing cutting-edge technology or highly technical scientific products. SNPs typically do not procure these types of products or services. When the SFA staff believes that it needs to procure a particular brand name product in order to meet its requirements; the SFA must seek prior approval from the state agency to ensure that the solicitation does not restrict competition.

Procurement Methods

Single Response to a Small Purchase

- Remote location
- Limited vendors available in area
- Limited vendors who deliver to area

– Examples:

- The SFA is in a remote location with only one grocery store within 45 miles; the SFA shops at the same store continuously for food and supplies.
- The SFA needs a vendor that can deliver 3 times a week because the SFA has limited storage capacity; there is only one vendor that can do so.

- ✓ **Must still attempt to obtain price quotes**
- ✓ **Document the process used and explain the situation**

FSMC and Catering Contracts



FSMC and Catering Contracts

- ▶ **ALL** FSMC (Food Service Management Company) and Catering contracts must be approved by ADE
- **Small purchase (informal)** *Catering contract agreements under \$100,000/\$250,000*
 - Each contract agreement must be procured and completed annually – no renewals allowed.
 - Informal Catering contracts have a duration of one year - Contract dates must be between **July 1 – June 30.**
 - Use the current year ADE templates and make sure to fill in all information.
 - Turn in a signed and completed copy for approval, along with checklist, Certificate of Independent Price Determination, Lobbying forms, and copies of vendor's permit to operate and health inspections.
 - The SFA must receive approval of the contract agreement before food operations begin.

FSMC and Catering Contracts

- **Large purchase (formal) All FSMC** (no matter the amount) and Catering contracts over \$100,000/\$250,000
 - Mandatory training
 - Solicitation documents – must use ADE templates
 - RFP, Evaluation Rubric
 - ADE Approval, Public release
 - Evaluation by Committee
 - ADE Approval of Selected Proposal, Notification
 - Contract duration – one year with 4 renewals

Micro vs Small Method



Micro vs Small Method

▶ Micro

- **PROCESS:** One-time purchase OR “spread the wealth” multiple purchases (buying the same items among different vendors/places that offer the same service and reasonable price)
- **AMOUNT:** Up to \$10,000
- Example: I purchase the same office supply items rotating between Office Depot, Staples, Costco, and Sam's Club

▶ Small

- **PROCESS:** Buying the same items from only one place on a regular basis
- **AMOUNT:** Up to \$250,000 (above \$10,000 this has to be done)
- Example: I purchase office supplies repeatedly and only from Costco.

Micro vs Small Method

When to use Micro Purchase vs Small Purchase

- I want to keep things simple.
 - Micro might be best method
- I don't want to have to keep shopping around.
 - Small might be best method
- I want to have an open P.O. for the farmer/vendor so I can buy repeatedly from them and have the billing process done.
 - Small method and quotes
- I want to write language in specifications to find a local variety or exactly what service/product I need.
 - Small method

Micro vs Small Method

Micro Purchase versus Small Purchase

✓ Benefit of **Micro** Purchase

- Simple procurement method
- No quotes needed (price reasonable)
- Primary documentation is invoice(s)
- Non-committal

✓ Benefit of **Small** Purchase

- Can include language in the specifications to target what need
- Can establish a buying relationship with vendor/farmer

! Limitations of **Micro** Purchase

- Must be one-time purchase or spread the wealth situation
- Limits an ongoing buying relationship (repeat buying from one vendor)

! Limitations of **Small** Purchase

- Must not spend more than the formal purchase threshold
- A level of commitment is involved with repeat buying

Micro vs Small Method

Scenario #1

- ▶ I need to purchase milk for my meal service and estimate the cost for the year to be \$6,000. I need the milk delivered weekly because I do not have the capability to store large amounts.
 - What procurement method should I use?

Micro vs Small Method

Scenario #1

► I need to purchase milk for my meal service and estimate the cost for the year to be \$6,000. I need the milk delivered weekly because I do not have the capability to store large amounts.

- What procurement method should I use?

Small

Micro vs Small Method

Scenario #1

- ▶ I need to purchase milk for my meal service and estimate the cost for the year to be \$6,000. I need the milk delivered weekly because I do not have the capability to store large amounts.
 - What procurement method should I use?
Small
 - What should my specifications look like?

Micro vs Small Method

Scenario #1

► I need to purchase milk for my meal service and estimate the cost for the year to be \$6,000. I need the milk delivered weekly because I do not have the capability to store large amounts.

- What procurement method should I use?

Small

- What should my specifications look like?

1% and skim white, skim chocolate, cartons, delivered

Micro vs Small Method

Scenario #1

► I need to purchase milk for my meal service and estimate the cost for the year to be \$6,000. I need the milk delivered weekly because I do not have the capability to store large amounts.

- What procurement method should I use?

Small

- What should my specifications look like?

1% and skim white, skim chocolate, cartons, delivered

- I called three companies and obtained quotes and choose the company with the lowest price who can deliver. Can I continue to buy my milk from this same vendor?

Micro vs Small Method

Scenario #1

- ▶ I need to purchase milk for my meal service and estimate the cost for the year to be \$6,000. I need the milk delivered weekly because I do not have the capability to store large amounts.

- What procurement method should I use?

Small

- What should my specifications look like?

1% and skim white, skim chocolate, cartons, delivered

- I called three companies and obtained quotes and choose the company with the lowest price who can deliver. Can I continue to buy my milk from this same vendor?

Yes

Micro vs Small Method

Scenario #2

- ▶ I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.
 - What procurement method am I using?

Micro vs Small Method

Scenario #2

► I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

- What procurement method am I using?

Micro

Micro vs Small Method

Scenario #2

► I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

- What procurement method am I using?

Micro

- Do I need to compare prices?

Micro vs Small Method

Scenario #2

► I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

- What procurement method am I using?

Micro

- Do I need to compare prices?

No, but ensure prices are reasonable

Micro vs Small Method

Scenario #2

► I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

- What procurement method am I using?

Micro

- Do I need to compare prices?

No, but ensure prices are reasonable

- What were to happen if I only wanted to purchase my groceries from Costco?

Micro vs Small Method

Scenario #2

► I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

- What procurement method am I using?

Micro

- Do I need to compare prices?

No, but ensure prices are reasonable

- What would happen if I only wanted to purchase my groceries from Costco?

I would have to change to the small purchase method

Micro vs Small Method

Scenario #3

- ▶ I need to buy a new walk-in cooler. The cooler will cost more than \$10,000.
 - What procurement method should I use?

Micro vs Small Method

Scenario #3

▶ I need to buy a new walk-in cooler. The cooler will cost more than \$10,000.

- What procurement method should I use?

Small

Micro vs Small Method

Scenario #3

► I need to buy a new walk-in cooler. The cooler will cost more than \$10,000.

- What procurement method should I use?

Small

- What might be some of my specifications?

Micro vs Small Method

Scenario #3

► I need to buy a new walk-in cooler. The cooler will cost more than \$10,000.

- What procurement method should I use?

Small

- What might be some of my specifications?

6x6x6, self-closing door, locking deadbolt handle

Micro vs Small Method

Scenario #3

► I need to buy a new walk-in cooler. The cooler will cost more than \$10,000.

- What procurement method should I use?

Small

- What might be some of my specifications?

6x6x6, self-closing door, locking deadbolt handle

- What documents do I need to keep?

Micro vs Small Method

Scenario #3

► I need to buy a new walk-in cooler. The cooler will cost more than \$10,000.

- What procurement method should I use?

Small

- What might be some of my specifications?

6x6x6, self-closing door, locking deadbolt handle

- What documents do I need to keep?

Specifications, quotes, selection criteria, evaluation, purchase documents

Micro vs Small Method

NOTE: A Capital Expenditure Pre-Approval Request Form is needed for **equipment purchases over \$5,000**.

- The form should be sent to your assigned ADE NSLP Specialist for approval.
- Check the Pre-Approved List for the piece of equipment you are looking for.
- Link to Form: <https://www.azed.gov/hns/nslp/forms>

National School Lunch Program and School Breakfast Program - Program Forms and Resources

► Calendars and Checklists

► Civil Rights

► Eligibility Documents for School Meal Benefits

▼ Financial

- [Adult Meal Pricing Tool SY 20-21](#)
- [Attendance Factor Calculation Form \(Fillable\) \(Non Fillable\)](#)
- [Capital Expenditure Pre-Approval Request Form \(Pre Approved List\)](#)
- [Common Logon Permissions \(AFR\)](#)
- [Excess Cash Spending Plan \(PDF\) \(Excel\)](#)
- [Non-Program Food Revenue Tool & Calculator](#)
- [Paid Lunch Equity \(PLE\) Tool for SY 20-21](#)
 - [Net Cash Resources Worksheet \(PDF\) \(Excel\)](#)
- [Request for One-Time Exception Form](#)

Micro vs Small Method

Scenario #4

- ▶ My yearly purchases for food are around \$92,000. I have a vendor that I have been using for years. The vendor delivers and always has what I need. I do not have any type of contract with them and have not obtained other quotes.
 - Am I procuring properly?

Micro vs Small Method

Scenario #4

- ▶ My yearly purchases for food are around \$92,000. I have a vendor that I have been using for years. The vendor delivers and always has what I need. I do not have any type of contract with them and have not obtained other quotes.

- Am I procuring properly?

No, did not obtain quotes

Micro vs Small Method

Scenario #4

► My yearly purchases for food are around \$92,000. I have a vendor that I have been using for years. The vendor delivers and always has what I need. I do not have any type of contract with them and have not obtained other quotes.

- Am I procuring properly?

No, did not obtain quotes

- What procurement method should I be using?

Micro vs Small Method

Scenario #4

► My yearly purchases for food are around \$92,000. I have a vendor that I have been using for years. The vendor delivers and always has what I need. I do not have any type of contract with them and have not obtained other quotes.

- Am I procuring properly?

No, did not obtain quotes

- What procurement method should I be using?

Small

Micro vs Small Method

Scenario #4

► My yearly purchases for food are around \$92,000. I have a vendor that I have been using for years. The vendor delivers and always has what I need. I do not have any type of contract with them and have not obtained other quotes.

- Am I procuring properly?

No, did not obtain quotes

- What procurement method should I be using?

Small

- What do I need to do differently?

Micro vs Small Method

Scenario #4

► My yearly purchases for food are around \$92,000. I have a vendor that I have been using for years. The vendor delivers and always has what I need. I do not have any type of contract with them and have not obtained other quotes.

- Am I procuring properly?

No, did not obtain quotes

- What procurement method should I be using?

Small

- What do I need to do differently?

Check with at least 3 vendors, obtain quotes, evaluate, and award

Small Purchase Example



Small Purchase Example

► I will be purchasing copy paper and estimate the yearly total for my purchases at \$3,000 but I would like to purchase from the same vendor all the time and not spread the wealth.


🛒 Create a detailed list of specifications

1. case of 10 reams, 500 sheets per ream
2. multi-purpose
3. letter size
4. 20 lb.
5. 96-bright

Small Purchase Example

Obtain **quotes** from at least 3 vendors

Quote #1



Reorder

Sign In

Help

Cart


PRODUCTS

SERVICES & SOLUTIONS


DEALS

WORKLIFE CENTER

MEMBERSHIP

 HP LaserJet Pro printers

Save up to \$150 on the HP LaserJet Pro 400 series printers




Shop now

[Ad Feedback](#)

[Home](#) / [Paper & Stationery](#) / [Copy & Multipurpose Paper](#)

43% off



♡

🔗

Staples 8.5" x 11" Multipurpose Paper, 20 lbs, 96 Brightness, 5000/Carton (513096-BL)

Item #: 513096 | Model #: 513096/TR56962

★★★★★ [32,451 Reviews](#)

Selection:

5000/Carton

▼

Staples memberships could [save you more](#)

Special Buy

\$28.00 Instant Savings

Reg \$63.99

5000/Carton

[Open a More Account and save](#)

Qty: 1

Add to cart

Small Purchase Example

Quote #2

Office DEPOT
OfficeMax

Search

IDEAS

ACC

Office Supplies | Paper | Ink & Toner | Breakroom | Cleaning | Technology | Furniture | School Supplies | Print + Copy | Services | \$ Deals

Home / Paper / Copy & Printer Paper / Copy & Multipurpose Paper / Product Details

« Back to Search Results

TUL

Organize your note-taking

Shop Now

Boise® X-9® Multi-Use Copy Paper, Letter Paper Size, 20 Lb, Bright White, 500 Sheets Per Ream, Case Of 10 Reams

Item # 196517

★★★★★ (9385) | Description | Share | Print

FREE Shipping

Select an option

One-Time Delivery

\$65.99 case (Reg)
\$31.99 Sale
Limit: 5

BEST VALUE

Subscription Delivery ⓘ

5% subscription discount

\$30.39 Sale
Limit: 5

BOISE

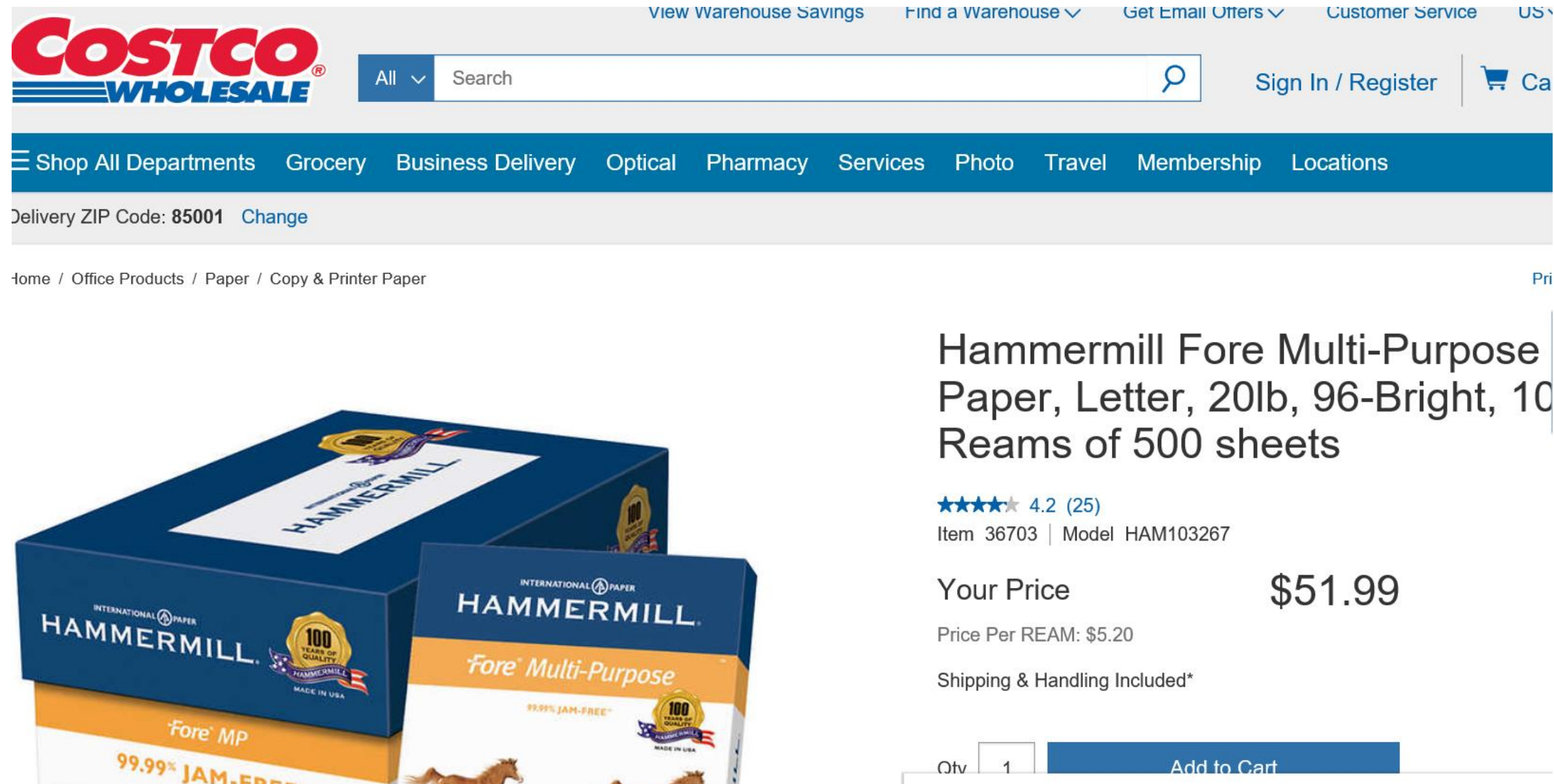
X9

Paper with purpose™

USA

MULTI-USE COPY PAPER

20 Lb



Small Purchase Example

- Evaluate the quotes and choose the vendor with the lowest price meeting the requirements

Evaluation A

<u>Store</u>	<u>Price</u>	<u>Delivery included?</u>
Staples	\$35.99	Yes
Office Depot/Office Max	\$31.99	Yes
Costco	\$51.99	Yes

Small Purchase Example

Evaluation B

<u>Store</u>	<u>Price</u>	<u>Delivery included?</u>
Staples	\$35.99	Yes
Office Depot/Office Max	\$31.99	No
Costco	\$51.99	Yes

Group Purchasing Organizations (GPO)/ Cooperatives



GPOs/Cooperatives

► Purchasing Goods and Services Using Cooperative Agreements, Agents, and Third-Party Services

- 3 categories of group purchasing efforts
 - CNP operator only and/or CNP State Agency cooperatives
 - Agents
 - Third-party entities
 - Procurement requirements by group
 - Ensure all costs are necessary, reasonable, allocable, and allowable
 - Maximize full and open competition
- GPOs/Cooperatives will perform procurement on behalf of SFA, but **still the responsibility of SFA to ensure that GPOs and solicitations are adhering to federal requirements (clauses, conditions, price as primary)**

► Examples of GPOs/Cooperatives

- ❑ Aspin/Mohave (such as with Shamrock Foods, Shamrock Farms, Holsum Bakery)
- ❑ AZ State Purchasing Cooperative
- ❑ Yuma Education Purchasing Association (YEPA)
- ❑ TCPN/OMNIA
- ❑ SAVE
- ❑ IPA

GPOs / Cooperatives

► It's important to know if working with a GPO/Cooperative

- Refer to invoices from vendors to see if GPO information is included
- When completing the SFA Procurement Tool, indicate GPO for purchase(s)
- Purchases within the limits of the Micro/Small threshold amounts will almost always be considered a Formal Purchase based on the use of a GPO (the GPO used the formal IFB/RFP process)

[illegible]

GPOs/Cooperatives

- ASPIN/Mohave consists of 3 contracts:
 1. Shamrock Foods Company (Food and Supplies) #16P-SFC-0701
 2. Shamrock Farms (Milk and Dairy Products) #16H-SHAM-0701
 3. Holsum Bakery (Bread and Baked Goods) #16I-BAKE-070


NOTE: ASPIN/Mohave will be releasing new solicitations in 2021:

1. Shamrock Foods Company (Food and Supplies) #21M-0111
2. Shamrock Farms (Milk and Dairy Products) #21C-0316
3. Holsum Bakery (Bread and Baked Goods) #21D-0317

ASPIN/Mohave is the food service cooperative program of Mohave Educational Services Cooperative, Inc. ASPIN staff manages three contracts for use by ASPIN and Mohave members.

- Food and Supplies** — Current contracted vendor is Shamrock Foods Company. This contract is for ASPIN member use only.
- Bread and Baked Goods** — Current contract vendor is Holsum Bakery. This contract is available for use by all ASPIN and Mohave members.
- Milk and Dairy Products** — Current contract vendor is Shamrock Farms. This contract is available for use by all ASPIN and Mohave members.

Bread




Pricing

Nutritional Data

Additional Info

Contract Documents

Dairy




Pricing

Nutritional Data

Additional Info

Contract Documents

Food



Pricing


Nutritional Data

Additional Info

Contract Documents

GPOs/Cooperatives

- MOHAVE consists of many other vendors/contracts:



[Mohave Contracts](#) [ASPIN Food Contracts](#) [Solicitations](#) [About Us](#) [Contact Us](#) [Careers](#) [Surplus](#)









PRODUCT/VENDOR FINDER

Show All Products/Vendors

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Click here to search by Product/Service

Search:

	Vendor	  Contract 	Description	
	A & G Turf Equipment	15G-A&G-0824	A & G Turf Equipment, Inc. is an Arizona corporation that provides sales, parts and service of power equipment for the following lines: American Honda (Generators, Pumps, Engines and Rotary Mowers), Billy Goat Industries, Echo, Hustler Turf, Kawasaki Mules (UTV's), Kawasaki Engines, Kawasaki Power Tools, McCrane Turf Equipment, Shindaiwa, Stihl and Walker Mowers. A & G offers rental and used equipment.	
	A-Check Global	17P-ACA-0126	Provides a variety of background investigative services.	
	Ace Asphalt of Arizona, Inc.	14Y-ACE-0317	Asphalt seal coating, paving, crack filling, parking lots, striping, ABC work, Type II slurry seal, asphalt maintenance, asphalt patching, speed bumps, overlays, fabric overlays, asphalt driveways and more.	

Buy American Provision



Buy American Provision

- USDA FNS memo SP 20-2006 guidance (see Q&A 5) states that SFAs must ensure that all procurements using funds from the nonprofit school food service account comply with the Buy American provision. This includes foods that are sold to students as a la carte food items. Memo SP 20-2006 guidance describes actions that SFAs can take to comply with the Buy American requirements.
- Domestic Commodity or Product” is defined as an agricultural commodity that is produced in the United States and a food product that is processed in the United States using substantial agricultural commodities that are produced in the United States.
- “Substantial” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically.
- Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this provision as territories of the United States. The Buy American provision (7 CFR Part 210.21(d)) is one of the procurement standards SFAs must comply with when purchasing commercial food products served in the school meals programs.

!! The National School Lunch Act requires SFAs to purchase, to the maximum extent practicable, domestic commodities or products.

Buy American Provision

- Pertains to FOOD purchases
- Schools should include a Buy American clause in all product specifications, bid solicitations, requests for proposals (RFPs), purchase orders and other procurement documents issued AND a requirement for certifying product
- Must be documented in SFA Procurement Procedures

**United States Department of Agriculture**

BUY AMERICAN: SUPPORTING DOMESTIC AGRICULTURE IN SCHOOL MEALS



The **BUY AMERICAN PROVISION** safeguards the health and well-being of our Nation's children and supports the U.S. economy, American farmers, and small and local agricultural businesses (7 CFR 210.21 (d) and Memo SP 38-2017).

School food authorities (SFAs) in the continental United States* must purchase domestic agricultural commodities and food products. For foods that are unprocessed, the agricultural commodities must be domestic, and for foods that are processed, they must be processed domestically using domestic agricultural food components that are comprised of over 51% domestically grown items, by weight or volume. A domestic creditable food component is the portion that counts toward a reimbursable school meal (meats/meat alternates, grains, vegetables, fruits, and fluid milk).

- Foods and food products of Guam, American Samoa, U.S. Virgin Islands, Puerto Rico, and the Northern Mariana Islands are considered domestic.

How SFAs Can Buy American Foods

- Develop menus that include only domestic foods and domestic food products.**
- Include the Buy American provision and Geographic Preference option in written procurement procedures, specifications in solicitations, and contracts for food; be sure to monitor contractor performance.
- Require suppliers to attest that their final food products are either 100% domestic commodities or a food product containing over 51% domestic food components, by weight or volume.
- Use USDA Foods and food products processed in the United States using USDA Foods.
- Participate in **USDA's Farm to School Grant Program**.

Exceptions to Buy American

There are two limited exceptions when non-domestic foods may be purchased. These exceptions are determined by the SFA:

- The food or food product is not produced or manufactured in the United States in sufficient and reasonably available quantities of a satisfactory quality; or
- Competitive bids reveal the cost of a United States food or food product is significantly higher than the non-domestic product.

REMEMBER:
Document exceptions and keep records!

*SFAs in Alaska, Hawaii, and the U.S. territories are exempt from the Buy American provision. However, SFAs in Hawaii are required to purchase food products produced in Hawaii in sufficient quantities, as determined by the SFA, per 7 CFR 210.21(d) (3). Likewise, SFAs in Puerto Rico are required to purchase food products produced in Puerto Rico in sufficient quantities, under 42 USC 1760(n)(4).



**Information on availability of domestic foods available at: <https://www.ams.usda.gov/market-news>.



April 2019 | FNS 827 | USDA is an equal opportunity provider, employer, and lender.

Buy American Provision

!! Must be coordinated and documented beforehand with your supplier/vendor



State of Arizona
Department of Education
Health and Nutrition Services Division

Buy American Exception Form

The Food and Nutrition Service (FNS) is enforcing the Buy American provision in 7 CFR Part 210.21(d), which requires School Food Authorities (SFAs) to purchase, to the maximum extent practicable, domestic commodities or products. This applies to food products purchased for use in Child Nutrition Programs by SFAs and entities acting on behalf of an SFA.

When the use of domestic foods is truly not practicable, two exceptions to the Buy American provision allow for the purchase of non-domestic products. The following **exceptions are to be used as a last resort**:

- **Availability:** The product is not produced or manufactured in the U.S. in sufficient and reasonably available quantities of a satisfactory quality.
- **Cost:** Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product.



Before utilizing an exception, alternatives to purchasing non-domestic products should be considered. For example, SFAs should ask:

1. Are there domestic sources for this product? **Yes / No**
2. When the non-domestic product is less expensive: Is there a domestic product that could be easily substituted (for example domestic pears for non-domestic apples)? **Yes / No**
3. Is there a better time of year to solicit bids for this product? **Yes / No**

SFAs must provide supporting documentation justifying their use of the exception *prior* to purchasing the non-domestic product. This exception must be signed by an employee of the SFA and all documentation must be kept for 5 years. The Arizona Department of Education (ADE) recommends utilizing an exception to purchase and serve non-domestic products, such as bananas, no more than once within a 3-4 week period. For additional guidance, refer to Memo SP 38-2017, *Compliance with and Enforcement of the Buy American Provision in the National School Lunch Program*, on ADE's website at: <http://www.azed.gov/hns/memos/>.

Buy American Provision

- Keep on file for 5 years at the site for each purchase of non-domestic food item

 **State of Arizona**
Department of Education
Health and Nutrition Services Division 

Buy American Exception Form

SFA Name:

SFA Contact:

Non-domestic commodity or product:

Hardship(s) experienced in procuring acceptable domestic product (Check all that apply):

☐ Financial hardship (Attach documentation showing increased cost)

☐ Limited availability (Include documentation from vendors, with specific product names)


Describe in detail the hardship(s) indicated above.

Describe the efforts taken to find products that meet the Buy American provision.

☐ I understand that this exception only applies to the product identified above and it does not exempt the entire menu from meeting the Buy American provision.

SFA Contact Signature: Date:

- For further questions or guidance, refer to your NSLP Specialist and ADE online resources

 **ARIZONA DEPARTMENT OF EDUCATION** [COVID-19](#) [Students & Families](#) [Educators](#) [Administrators](#) [Programs](#)

[Home](#) / [Health and Nutrition Services](#) / [National School Lunch Program and School Breakfast Program - Program Forms and Resources](#)

National School Lunch Program and School Breakfast Program - Program Forms and Resources

- Calendars and Checklists
- Civil Rights
- Eligibility Documents for School Meal Benefits
- Financial
- Food/Health Safety
- Fresh Fruit and Vegetable Program (FFVP)
- Local Wellness Policy
- Menu Planning
- **Operational**
 - [Buy American Exception Form](#)
 - [Fundraising Exemption Request](#)
 - [Internal On-Site Monitoring Form - Afterschool Care Snack Program](#)
 - [Internal On-Site Monitoring Form - Breakfast](#)
 - [Internal On-Site Monitoring Form - Lunch](#)
 - [Daily Edit Check Worksheet \(for sites operating regular NSLP and Special Assistance Provision\)](#)

Local Foods Procurement



Local Foods Procurement

Help SFAs with:

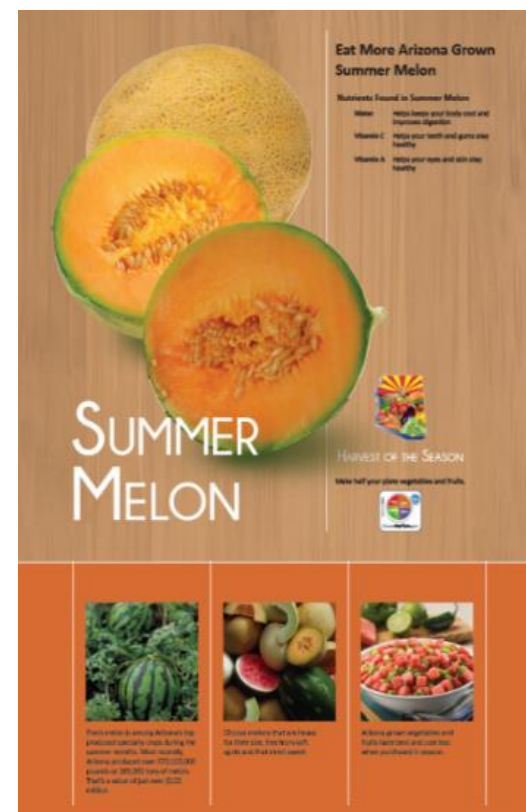
- ✓ How to use Geographical Preference in procurement documentation
- ✓ How to write local foods specifications to find a vendor/farm
- ✓ Work/coordinate with HNS Farm to School Specialist
- ✓ Find produce items that are hard to procure domestically (comply with Buy American Provision)
- ✓ Find ways to serve a wider variety of fresh, local produce items
- ✓ Connect children to food and farms



Local Foods Procurement

Why buy local?

- Greater variety of fresh fruit and vegetables in meals
- Fill in gaps from current vendors/contracts
- Can help with Buy American compliance
- Support local farmers and vendors



**United States Department of Agriculture**

BUY AMERICAN: SUPPORTING DOMESTIC AGRICULTURE IN SCHOOL MEALS



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How SFAs Can Buy American Foods

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**CHILD
NUTRITION
PROGRAMS**

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Local Foods Procurement

Common **motivators** for sourcing local food in school meal programs

- ✓ Serving seasonal or unique products may increase menu appearance and, thus, participation for meals served.
- ✓ When special nutrition related events or promotions are included in the service of new foods offered, perception of meals served can increase meal participation.
- ✓ Schools participating in farm to school have quoted a desire to support their local school community through local farm purchases.
- ✓ Many schools participating in farm to school have quoted seeing a light reduction in food waste and, thus, an increase in food consumption.

Local Foods Procurement

How to buy local?

- Use a Procurement Method to target local foods
 - Micro, Small, Formal purchase methods

Informal

Purchases at or below Simplified Acquisition Threshold

1

Micro Purchase

2

Small Purchase

Formal

Purchases above Simplified Acquisition Threshold

3

Invitation for Bids
(Competitive
Sealed Bids)

4

Request for
Proposals
(Competitive
Proposals)

CNP Procurement Review Overview



CNP Procurement Review Overview

Procurement Reviews are conducted by the State Agency using a step-by-step approach and intended to assess compliance and provide technical assistance to the SFA. The Review of specific purchases will:

- ✓ Ensure the proper method (Micro, Small, Formal) is being used
- ✓ Ensure correct documentation is kept on file
- ✓ Ensure compliance with Federal regulations and policies
- ✓ Improve the process of procuring foods and services for the Food Service Program

CNP Procurement Review Overview

► SFAs who are scheduled to receive an Administrative Review during the current school year, will also be receiving a required Procurement Review.

- Procurement Review is fairly new (5 years) – the first cycle has been completed
- Administrative Review and Procurement Review are separate reviews
 - Same cycle as Administrative Review
 - SFAs are put in 5 groups- If you are scheduled for an administrative review your procurement review may or may not occur during the same time, the state agency will alert you of your scheduled review.
- Procurement Review is based off previous school year records
- Procurement Review can be done on-site or off-site
- ADE is required to ensure that SFAs comply with the applicable regulation through audits
- Procurement Review is required every 3 years

CNP Procurement Review Overview

- SFAs are assigned a Group # and a procurement reviewer.
- A Conference Call will be held with each group to explain the review process and initial documents due and answer any questions about the review.

Group 3--Step 1 Documents Due January 28, 2021		
Ajo Unified District	10-02-15	Danielle Corral
Bowie Unified District	02-02-14	Andrea Coffman
Buckeye Elementary District	07-04-33	Gina Dunlap
Casa Grande Elementary District	11-04-04	Danielle Corral
Chandler Unified District #80	07-02-80	Veronica Cramer
Destiny School, Inc.	04-87-01	Andrea Coffman
Devereux Arizona	07-21-02	Gina Dunlap
Espiritu Community Development Corp.	07-87-11	Gina Dunlap
Fountain Hills Unified District	07-02-98	Veronica Cramer
Graham County Juvenile Detention	21-10-15	Gina Dunlap
Happy Valley School, Inc.	07-89-98	Veronica Cramer
Hunters Point Boarding School	01-40-06	Gina Dunlap
Incito Schools	07-82-10	Veronica Cramer
Kyrene Elementary District	07-04-28	Veronica Cramer
Littleton Elementary District	07-04-65	Veronica Cramer
Maricopa County Community College District dba Gateway Early College High School	07-86-47	Gina Dunlap
Milestones Charter School	07-87-91	Veronica Cramer
Mingus Mountain Estate Residential Center, Inc.	13-21-16	Gina Dunlap
Naco Elementary District	02-03-23	Danielle Corral
Nadaburg Unified School District	07-03-81	Danielle Corral
New Horizons High School	07-86-17	Andrea Coffman
New World Educational Center	07-87-60	Andrea Coffman
Paragon Management, Inc.	07-89-12	Veronica Cramer
Phoenix International Academy	07-86-93	Gina Dunlap
Saddle Mountain Unified School District	07-02-90	Veronica Cramer
St. Augustine Catholic School	10-20-32	Andrea Coffman
St David Unified District	02-02-21	Danielle Corral
Tempe Union High School District	07-05-13	Danielle Corral
Vernon Elementary District	01-03-09	Danielle Corral
Yuma County Juvenile Court Center	14-10-01	Gina Dunlap

Steps of a Procurement Review



Step 1



Step 2



Step 3 (if applicable)



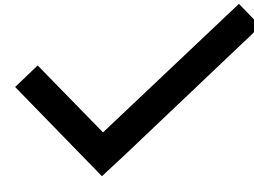
Closed

Step 1

- **SFA submits initial documents**
 - CNP Procurement Procedures, CNP Written Code of Conduct, Vendor Paid List, SFA Procurement Tool
- **Reviewer provides technical assistance (TA) on initial documents**
- **Reviewer completes the USDA/PR Tool** to determine number and types (Micro, Small, Formal) of purchases to review further in Step 2

SFA (School Food Authority) Procurement Table				
2019-2020 School Year Purchases from the Non-Profit Food Service Account (\$10)				
**DIRECTIONS: Fill in the procurement authority chart and the yellow boxes below				
SFA Name				
Procurement Authority - List staff responsible for procurement of goods and services paid for from the nonprofit food service account and compliance				
Name	Position/Title	Responsibilities	Phone Number	Email Address
Formal Purchase Threshold - Enter the amount at which you have to use the formal purchase method (IFB/RFP) in the yellow box.				
SFA's Formal Purchase Threshold Amount	\$			
*Federal/Exempt Charters/Private Schools=\$250,000; State/Non-Exempt Charters=\$100,000; or local amount				
Micro Purchase Threshold - Enter the amount of your SFA's micro-purchase threshold in the yellow box.				
SFA's Micro-Purchase Threshold Amount	\$			
*Federal=\$10,000; or local amount				
Group Purchasing Organizations/Group Buying Organizations/Cooperatives/Third-Party Entities - List anyone who conducts procurement on your behalf				
*Examples include State, ASPIN, Mohave, IGPA, SAVE, YEPA, ADSPO, TCFN, FSS, Entegra, NUPA				
Name of Organization Group/Cooperative/GPO	Membership Fee Paid?	Amount of Fee		
**DIRECTIONS: Fill in the charts below with applicable procurement/contract information from ST19-20 .				
Geographic Preference Option: strategies used through targeted specifications or technical requirements in a micro, small, or formal purchase				
Miscellaneous/Indirect Purchases	Taxes, county fees, utilities, payroll/benefits, commodity/excess storage fees, health inspections/licenses - NEW CHART			
Name of Vendor	Products/Services Purchased	Total Paid to Vendor	How many purchases in SY19-20?	

Steps of a Procurement Review



Step 1

- SFA submits initial documents
- Reviewer provides TA on completing initial documents correctly
- Reviewer completes the USDA/PR Tool



Step 2



Step 3 (if applicable)



Closed

Step 2

- Reviewer sends the **Step 2 Letter**
 - Requests documents needed for specific vendors/purchases
- **SFA submits Step 2 documents**
 - TA on documents received (incorrect type, missing information, incomplete documents)
- **Reviewer completes USDA/PR Tool**
 - To determine findings or no findings



Arizona Department of Education
Health & Nutrition Services Division

Date: CTD#

SFA Contact:
SFA Name:
Street Address
City, State Zip Code

Dear SFA Representative,

Thank you for completing Step 1 of your Child Nutrition Procurement Review for SY 2020-2021. Based on the information you provided, I have chosen to review the following purchases/contracts in further detail. Please submit the required Step 2 information listed under each category below to <insert reviewer email address> and make sure to note "Procurement Review" and your SFA name in the subject line.
The Step 2 documents are due by **Tuesday, January 29, 2021**.

All documents requested below will be from **SY19-20 (July 1, 2019 – June 30, 2020)**.

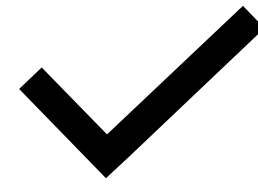
Micro-Purchase: Vendor 1 and Vendor 2
Copies of 3 receipts/invoices

Small Purchase: Vendor 1, Vendor 2, and Vendor 3
Solicitation Documentation (specifications of needed items/services and evaluation criteria)
Responses (copies of quotes)
Evaluation of responses/quotes used to select vendor
Copy of contract (if applicable)
Copies of 3 receipts/invoices

Formal Purchase: Vendor 1, Vendor 2, and Vendor 3
Solicitation Documentation (copy of original IFB/RFP)
Response Documentation (copies of bids/offers)
Evaluation and scoring results used to select vendor
Final Contract awarded and contract notification documentation
Copies of 3 receipts/invoices
Contract Renewal/Addendum/Amendment/s to contract (if applicable)
Non-Competitive Proposal Authorization (if applicable)

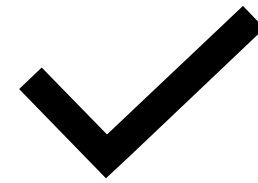
SFA Name		
Small Purchase LEA Threshold	Small Purchase State Threshold	
\$	\$	
Small Purchase Procedures/Informal Procurement Review Worksheet		
STATE AGENCY INSTRUCTIONS: Obtain copies of LEA/SFA small purchase procedures/informal procurement solicitation documents, specifications, evaluation criteria, 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.		Comments & Technical Assistance
Solicitation		
1) Was this procurement in compliance with the requirements for the appropriate threshold? (Federal, State, and Local) [7 CFR Part 210.19(e)]		
2) If the State agency requires the use of a prototype document for obtaining quotes to ensure competition is achieved and documented, did the SFA use the prototype? [7 CFR 210.21(c)(1)]		
3) Were price or rate quotations obtained from an adequate number (2 or more) of qualified sources? [2 CFR Part 200.320(b)/7 CFR 3016.36(d)(1)]		
4) Did the SFA restrict competition by: [2 CFR Part 200.319(a)(1-7):		
a) Placing unreasonable requirements on firms to qualify for business? [2 CFR Part 200.319(a)(1)/7 CFR 3016.36(c)(1)(i)];		
b) Requiring unnecessary experience or excessive bonding? [2 CFR 200.319(a)(2)/7 CFR 3016.36(c)(1)(ii)];		
c) Specifying a "brand name" product, not allowing "an equal" product to be offered? [2 CFR 200.319(a)(6)/7 CFR 3016.36(c)(3)(i)/7 CFR 3019.44(a)(3)(iv)]		
5) Were clear and accurate descriptions of the technical requirements provided for the product, or service being procured? [2 CFR 200.319(c)(1)/7 CFR 3016.36(c)(3)(i)/7 CFR 3019.44(a)(3)(i)]		
6) Did the solicitation include a requirement that goods must be produced and processed in the United States ("Buy American")? [7 CFR 210.21(d)]		
EVALUATION AND AWARD PROCESS FOR SMALL PURCHASE PROCEDURES		

Steps of a Procurement Review



Step 1

- SFA submits initial documents
- Reviewer provides TA on completing initial documents correctly
- Reviewer completes the USDA/PR Tool



Step 2

- Reviewer sends Step 2 Letter
- SFA submits Step 2 documents
- Reviewer provides TA
- Reviewer completes USDA/PR Tool to determine findings



Step 3

(If applicable, if there are findings)



Closed

- No findings issued
- Close Out Letter

Step 3 (maybe)

- Reviewer sends the **Summary Report**
 - Summation of findings, TA provided, and Corrective Action needed from SFA
- SFA submits **Corrective Action (CA)**
 - Provide any TA in completing CA plan

Dear SFA Representative,

The review of the Step 2 documentation submitted has been completed. The following Procurement Review Report summarizes all findings noted during the review.

You will see that each finding will note any technical assistance that was provided to you, as well as additional resources that may be of help to you. Any corrective action that is required of you is also noted next to each finding. **Corrective action must be completed on school letterhead and submitted to me at danielle.corral@azed.gov by November 20, 2020.**

Please be advised that if your complete corrective action is not received within two weeks of the due date listed above, you will be subject to receiving a pre-hold letter beginning the process of placing your SFA on hold which would result in reimbursement funds being withheld until the procurement review is closed.

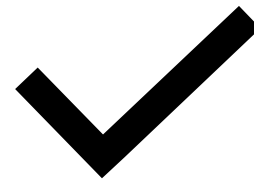
Review Section	Review Findings	Technical Assistance Provided	Required Corrective Action
Small Purchase: Waxie Sanitary Supplies	Procurement was not in compliance with the requirements for the appropriate threshold (Federal, State, and Local)	Provided SFA technical assistance and resources on how to conduct procurement for Small purchase threshold and documentation needed	Provide ADE a statement of assurance that the proper purchasing procedures are understood and will be followed moving forward

Steps of a Procurement Review



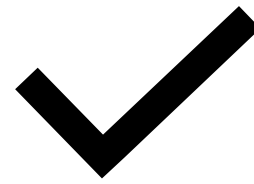
Step 1

- SFA submits initial documents
- Reviewer provides TA on completing initial documents correctly
- Reviewer completes the USDA/PR Tool



Step 2

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- SFA submits Step 2 documents
- Reviewer provides TA
- Reviewer completes USDA/PR Tool to determine findings



Step 3

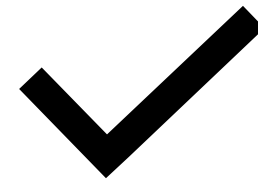
- Reviewer sends Summary Report
- SFA submits Corrective Action



Closed

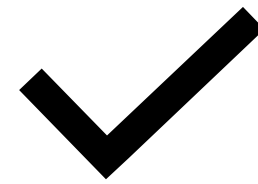
- Reviewer sends Close Out letter
- (If no findings issued, Step 2 then Close Out letter)

Steps of a Procurement Review



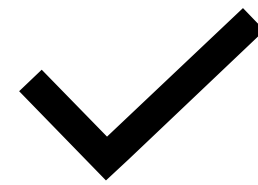
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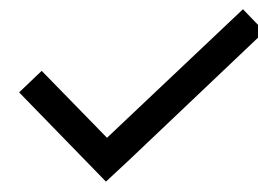
Step 2

- Reviewer sends Step 2 Letter
- SFA submits Step 2 documents
- Reviewer provides TA
- Reviewer completes USDA/PR Tool to determine findings



Step 3

- Reviewer sends Summary Report
- SFA submits Corrective Action



Closed

- Reviewer sends Close Out Letter
- (If no findings issued, Step 2 then Close Out Letter)

CNP Procurement Review Overview

Common Findings

▶ **Written Code of Conduct**

- ✗ No disciplinary actions listed

The SFA and its employees, officers, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, organizations may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The nominal value set by the SFA is as follows \$0.00.

Disciplinary actions for violation of the Standards of Code of conduct of the SFA are as follows: (Enter the list of appropriate actions for your organization).

a. _____
b. _____
c. _____

▶ **Procurement Procedures**

- ✗ Threshold not listed correctly, or at all
- ✗ Procedures not specific to Child Nutrition Program or incomplete

PROCUREMENT THRESHOLDS

The SFA’s Simplified Acquisition Threshold (the amount at which the SFA has to use the formal method) is:
<choose one and delete other options>
(\$250,000 - Federal simplified acquisition threshold), or
(\$100,000 - Arizona School District simplified acquisition threshold), or
(\$ _____ - Local simplified acquisition threshold)

***Micro-Purchase Procedures** are for purchases not exceeding \$10,000.
***Small Purchase Procedures** are for purchases greater than \$10,000 but not exceeding the Simplified Acquisition Threshold listed above.
***Formal Purchase Procedures (Sealed Bids/IFBs or Competitive Proposals/RFPs)** are for purchases in excess of the Simplified Acquisition Threshold listed above.

CNP Procurement Review Overview

Common Findings

► Micro and Small Purchases

- Micro Purchase
 - ❌ Did not spread purchases evenly between vendors
 - ❌ Bought repeatedly from same vendor but listed as a Micro
- Small Purchase
 - ❌ Did not obtain quotes from at least 2-3 qualified vendors
 - ❌ Open P.O. is not part of the procurement process
 - ❌ Did not create a solicitation document
 - Create a grocery list of items if shopping at store(s)
 - Create a list of items that you want to purchase and other requirements (i.e. need delivery) that you send to the vendors
 - For food, Buy American applies, so add it to templates or grocery list and for verbal quotes discuss it with vendors and document that discussion
 - ❌ Did not provide evaluation documentation/reason chose a vendor
 - ❌ Did not maintain records for 5 years (save all documents)

PROCUREMENT PURCHASES—MICRO and SMALL

Purchasing is about the PROCESS used and the AMOUNT spent

• Micro:

PROCESS: One-time purchase OR “spread the wealth” multiple purchases (buying the same items among different vendors/groceries stores/places that offer the same service and reasonable price)

AMOUNT: Up to \$10,000

Example: I buy the same grocery list items rotating between Safeway, Bahasa’s, Costco, Sam’s Club

• Small:

PROCESS: Buying the same items from only one place on a regular basis

AMOUNT: Up to SFA’s Small Purchase Threshold; (above \$10,000 this has to be done)

Example: I buy milk from Costco every week/month; I buy my groceries from Fry’s every week/month; I figure out who is the cheapest and always buy from them

What type of Purchases should I do/am I doing?

➡ Focus on the Process (how am I doing my purchases now and/or want to do in the future?)

Do I want to spend the time now to document/formalize the process for buying from only one place (i.e. Costco or Sam’s Club or Fry’s)? This is a Small purchase

OR

Do I want to spend the time driving to different places so I “spread the wealth” and buy from different places without comparing prices? This is a Micro purchase

How do I show what I am doing?

➡ Provide Documentation (How did I do it? What do I need to keep for my records?)

Micro: Save receipts for all purchases; update the Food Service Cost Report

Small: 1. “Solicitation” document (What do I need?)

- List the item(s) I need, when do I need it by, how far away can I go to get it
- Can be a grocery list of items, copy of the menu, written description of items

2. Quotes (how/where did I obtain prices from?)

- Need to obtain quotes and keep records from 3 different places
- Quotes can be from paper grocery ads, online ads, online shopping carts, phone quotes with written notes (save all documents with price information)



CNP Procurement Review Overview

Common Findings

► Formal Purchase (IFB, RFPs)

- ✗ Price not most important factor/price not weighted the most in specifications or evaluation
- ✗ Solicitation did not contain required clauses
 - Debarment and Suspension
 - Equal Employment Opportunity
 - Contract Work Hours/Safety Standards
 - Byrd Anti-Lobbying
- ✗ Solicitation did not include the Buy American Provision clauses
- ✗ SFA did not maintain records sufficient to detail the history of the procurement
- ✗ The correct RFP format was not used (all requirements of an RFP were not met in the original solicitation document)

The evaluation criteria are listed below in relative order of importance. (Specific weighing is not required unless listed):

- A. Responsiveness of the proposal in clearly stating and understanding the scope of work, and in meeting the requirements of the RFP.
- B. Past performance.
- C. Qualifications of the offeror, financial and otherwise, to provide the District with these services for the required period of time, provide appropriate staffing, provide necessary resources and show a history of demonstrated competence.
- D. District's assessment of the offeror's abilities to meet and satisfy the needs of the District, taking into consideration additional services, or expertise offered, that exceed the requirements, or the vendor's inability to meet some of the requirements of the specifications.
- E. Information obtained by the District from offeror's references or other clients.
- F. Cost - While cost is a significant factor in considering the placement of the awards, it is not the only factor. The award will not be based on price alone, nor will it be based solely upon the lowest fees submitted.

SOLICITATION AMENDMENT

May 1, 2019

Amendment Number One (1)

Contract Term: July 1, 2015 to June 30, 2020

This amendment supplements and amends the original solicitation and shall become a part of the contract documents.

The Arizona Department of Education has notified us that the Code of Federal Regulations has been updated affecting the original solicitation with the following added clauses:

- Equal Employment Opportunity:** The Offeror shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations. (Appendix II to CFR 200/7 CFR 3019.48)
- Contract Work Hours and Safety Standard Act:** The Offeror shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act as supplemented by Department of Labor regulations. (40 U.S.C. 3701-3708)
- Disclosure of Lobbying Activities:** Pursuant to Byrd Anti-Lobbying Amendment 31 USC 1352, the Offeror must disclose lobbying activities in connection with school nutrition programs. If there are material changes after the initial filing, updated reports must be submitted on a quarterly basis. (Appendix II to 2 CFR 200 (j))

CNP Procurement Review Overview

Reminders

- Complete each required document in a timely manner
- Send all requested documents
- Each multi-step process has a two-week deadline
 - Failure to submit the required documents for the Procurement Review by (due date) can result in being placed “On Hold” status, which will delay reimbursement payments
- Communicate with your assigned Procurement Reviewer for any special circumstance/extension request

Procurement Resources and Questions



Procurement Resources

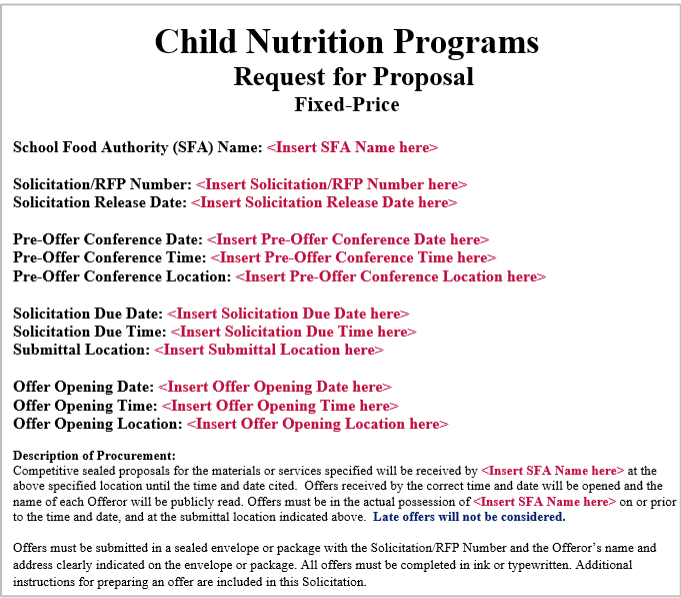
Webinars/Conference Calls/Trainings

- Make procurement accessible
- Prepare SFAs for Procurement Review
- Reduce number of findings and time to complete PRs
- Provide additional training on specific topics
 - How to do and document a Small purchase
 - Small versus Micro methods
 - How to do an IFB/RFP



Technical Assistance

- Provide go-to guides and resources for SFAs
 - Micro vs Small help sheet
 - Examples of IFB, RFP
 - How to document a Small purchase
 - Buy American language to include in solicitations
 - Examples of Small purchase template



Questions

Please type your questions in the chat box.



Certificate

After today's live webinar, you will receive a link to complete the survey in EMS. When you have completed the survey, you will be able to print a certificate of completion.

Congratulations!

You have completed *Recorded Webinar:
Procurement Basics*

To request a certificate, please go to the next slide.

In order to count this training toward your Professional Standards training hours, the training content must align with your job duties.

Information to include when documenting this training for Professional Standards:

- **Training Title:** Recorded Webinar: Procurement Basics
- **Learning Codes:** 2430
- **Key Area:** 2000 Operation
- **Length:** 2.5 hours

Please Note: Attendees must document the amount of training hours indicated regardless of the amount of time it takes to complete it.



Congratulations!

Requesting a training certificate

Please click on the link below to complete a brief survey about this webinar. Once the survey is complete, you will be able to print your certificate of completion from Survey Monkey. **This will not appear in your Event Management System (EMS) Account.*

<https://www.surveymonkey.com/r/RecordedWebinarOnlineSurvey>

The information below is for your reference when completing the survey:

- **Training Title:** Recorded Webinar: Procurement Basics
- **Professional Standards Learning Codes:** 2430





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