

# Procurement and Food Service Contracts



CACFP regulations (7 CFR 226.22)

Pages 57-60

# Procurement, p. 57

*“Open and free” competition  
when utilizing Federal funds  
in the CACFP*

**... that means goods and services must  
be obtained at the lowest possible costs**

# Procurement Guidelines

- **All procurement transactions will provide open and free competition and will not restrict or eliminate competition.**
- **Institutions must maintain a written “*code of conduct*” that will govern the performance of all individuals involved with awarding and administering the contracts that are supported by Program payments.**

**As a part of this code, employees, officers, or agents of the grantee may not participate in the selection, or in the award of administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Additionally, favors or gratuities may not be solicited or accepted to or from parties or potential parties involved with the award.**

- **Policies will be put into place to ensure that proposed procurement actions will be reviewed by institution officials to avoid the purchase of unnecessary or duplicative services or items and to choose the most economical approach.**
- **Affirmative steps will be taken to utilize small and minority business when possible. This includes but is not limited to: including these types of businesses on solicitation lists, soliciting them when possible, dividing tasks or quantities when possible to ensure maximum small or minority business participation, and using the Small Business Administration and the Minority Business Enterprise of the Department of Commerce as required. Similar steps should be taken in support of women's business enterprises as well.**

# Be Alert to Internal and External Conflicts of Interest --

## AVOID:

- **The exchange of anything of monetary value between the contractor and center that might influence the award or prohibit free and open competition; and**
- **Contracting with family of board members for procurement or to perform services such as outreach or monitoring.**

# Methods of Procurement

1. Micro-Purchase (\$0-\$3500)
2. Small Purchase (\$3500 - \$150,000)
3. Sealed Bids (Formal Bids) (over \$150,000)
4. Competitive Proposals
5. Non-competitive Proposals

# Micro-Purchase (\$0-\$3500)

- **Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,500.**
- **To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers.**
- **Micro-purchases may be awarded without soliciting competitive quotations if then on-Federal entity considers the price to be reasonable.**
- **Example, a sponsor must not make all purchases from one source, rather; the sponsor must make purchases from all qualified sources equally.**

**New**

# Small Purchase (\$3500 - \$150,000)

- **Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (\$150,000).**
- **If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.**
- **Sponsor must document the date, vendors consulted, and quotes received ( including all verbal quotes).**
- **Store advertisements may be considered as documentation.**



# Competitive Sealed Bids (Formal advertising) (Purchases over \$150,000)

- ❑ Bids are publicly solicited from two or more responsible bidders and;
- ❑ A firm fixed-price contract (lump) sum or unit price is awarded to the lowest price responsive and;
- ❑ Responsible bidder whose bid, conforms with all contract specifications, terms and conditions of the invitation for bids.

In order for sealed bidding to be feasible, the following conditions should be present:

- **Bids must be solicited from adequate number of known suppliers,**
- **Providing sufficient response time prior to the date set for opening of the bids and the IFB must be publically advertised;**
- **The IFB, which will include any specifications and pertinent attachments, must define the items or services to be procures in order for the bidder to properly respond;**

- **All bids will be publicly opened at the time and place prescribed in the IFB;**
- **A firm fixed price contract awards will be made in writing to the responsible bidder with the lowest responsive bid.**
- **Any and all bids may be rejected if there is a sound documented reason.**

# **Food Service Agreements**

**Instructions outlined in CACFP website under the Procurement tab.**

- 1. Food Service Agreement with Schools**
- 2. Contracts under \$150,000**
- 3. Contracts over \$150,000**

# 1. School Agreement

- **Must use the State Department Form**
- **Must include menus**
- **Must be signed by all parties before it starts**
  - **Signed on August 31, 2015**
  - **Contract must begin on September 1 or later!**
- **Suggest all contracts run the fiscal year**
  - **Oct.1, 2016 to Sept. 30, 2017**

# Contract with School Board

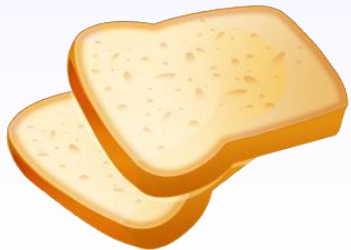
- **Legal Contract**
- **Entered into with a School Board**
- **Contract without soliciting or advertising for bids**
- **Must use SDE approved form**
- **Not renewable – must be submitted annually**



# What to send the SDE



- Agreement for a School to Furnish Food Service
- Meal Delivery Schedule **A**
- One month's sample menus – Schedule **B**



# **Food Service Agreements**

## **Contracted Meals**

- **Must use formal bid or small purchase procedure**
- **Must follow procedures outline in ALSDE website under the Procurement Procedure tab**
- **Must use ALSDE approved contract – no alterations**



# **Contracts > \$150,000**

- **Use ALSDE Form**
- **Use Small Purchase procedure :**
  - **identified 2 or 3 vendors identified**
  - **attain 2-3 quotes**
- **Award lowest price**
- **Train vendor on records and food requirements**
- **Need documentation of state or health certification**

# What to send the SDE

**If the contract value exceeds \$50,000, submit a copy of :**

- **the unsigned Agreement**
- **Schedule **A** (meal delivery schedule)**
- **Schedule **B** (11day cycle menu)**

# What to send the CACFP with the Original Agreement

- **Food Service Agreement of Less than \$150,000**
- **Schedule A, Meal Delivery**
- **Schedule B, 11 day cycle menu**
- **Health Certification of food vendor**

# **Invitation to Bid**

## **Contracts over \$150,000**

- **Instructions in Appendix C**
  - **Advertise in newspaper**
  - **Formal bid invitations**
  - **Formal bid opening**
  - **Formal awarding of bids**

# What to send the SDE with the Original Agreement

- **After the contract is awarded, submit the following prior to the first day of the contract:**
  - **Page 1, Acceptance completed and marked “original”**
  - **The remainder of the contract (all pages)**
  - **The Certification Statement**
  - **Proof of liability insurance**
  - **State or local health certification**

# **Renewing an Agreement for both Less than or More than \$150,000**

- **Complete Food Service Renewal Form**
- **Submit Food Service Renewal Agreement**
- **Submit before the start date of the Agreement**

# Federal Regulations

- **Limit the duration of contracts to one year**
- **Option of yearly renewals**
- **Not to exceed **four** additional years**



If you contract for food service, you must use the State approved forms and follow special procedures.

Refer to Appendix C



# Procurement by Competitive Proposals

**Generally used when conditions are not appropriate for the use of sealed bids.**

**If this method is used, the following requirements apply:**

- **Requests for proposals must be publicized and identify all evaluation factors and their relative importance;**
- **Proposals must be solicited from an adequate number of qualified sources;**
- **The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;**
- **Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.**

# Procurement by Noncompetitive Proposals

**Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:**

- **The item is available only from a single source;**
- **The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;**
- **The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or**
- **After solicitation of a number of sources, competition is determined inadequate.**

# Fast Food Vendors, page 59



**Occasionally purchasing....**

- **Meal must contain all required components, including milk.**
- **Need signed statement from vendor stating specific amounts of food provided per child.**
- **Need an itemized receipt.**
- **Documented by center meal on a Production Record.**

# Happy Meal

- **Hamburger**

- Meat

- Bun

**+ Lettuce & Tomato**

- **French Fries**

- ~~■ **Coke**~~

**+ Milk**

# Organize Your CACFP Records (page 76)



# Monthly Program Records

- **Daily Record or Daily Attendance Sheets**
- **If completing the Daily Record, the Meal Count Record**
- **Monthly Summary Form**
- **Monthly General Journal or equivalent**
- **Financial Records supporting expenses**
- **Time Sheets and payroll records if claiming labor**
- **Site data sheet print-out**
- **Menus**
- **Production Records**
- **If contracted meals, meal delivery tickets**
- **Sign-in and -out Sheets**

# Multi-site Records

- **Training Documentation**
- **Sponsor Monitoring Form**
- **Any other required documentation related to the Monitoring Form**

# Procurement File

**A Procurement File should contain:**

- 1. Completed and signed Procurement Plan (pages A30).**
- 2. Any Price Quotes used in procurement.**
- 3. Contract for meal, all documents related to contract (see Appendix C).**



# Procurement Plan “Code of Conduct”

- **Must be completed and on file in **your** office.**
- **Sample form as a hand-out and on the ALSDE website under existing sponsor tab.**
- **Read**
  - **Complete all empty spaces**
  - **Mark methods of procurement you plan to use**
  - **The Official Representative must sign and date**

# Put Your Program to Bed Each Month

**Remember: Prior to filing records...,  
Review for Completeness!!!!!!**

**Place in one file/envelope**

■ **Mark month and year**

■ **Seal and move forward!**

