Buying it Right!
Developing a Written
Procurement Plan
Keerti Patel
Bureau of Nutrition and Health Services
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Objectives
To assist School Food Authorities in writing
the Food Service Procurement Plan

School Food Authority Questions
I am a member of XYZ Purchasing Group. I also get groceries from
ABC Company and USDA Foods.
* For years, I have maintained a database with details such as
  package sizes and prices for every product purchased from XYZ
  awarded distributor, ABC Company, and USDA Foods including
  anywhere else I may get something on a regular basis.
* I check prices every week and update prices in the database.
* I am adding a spot in the database for a justification if I am not
  purchasing the lowest price of an item.
  ❖ I feel that the procurement process is made very complicated. I
    understand why we need to have a procurement plan but it should not
    be so complicated.
School Food Authority Questions

We have always been included in other schools buying groups.

➢ For our main vendor, we have pricing through Company A with the XYZ School District;
➢ We purchase milk and dairy with D Dairy with ABC School District. How should I go about writing a procurement plan for next year?

Tools

• Local District Approved Board Policies – specifically one titled Purchases – Bidding. Usually found in the 700 series-Non-Instructional Operations and Business Services

• Child Nutrition Programs operated? Most districts operate the National School Lunch Program and School Breakfast Program

• Board approved Code of Conduct

Local Purchase Threshold

• The board approved policy for:
  ➢ Purchases of goods and services under "$X" requires no competitive bidding
  ➢ Purchases of goods and services over "$X" or more but under "$Y" requires obtaining quotes or pricing
  ➢ Purchases of goods and services over "$Y" requires competitive sealed bids or competitive proposals
Micro-Purchases

2 CFR 200.320(a)

Micro-purchases < $3,500

- Aggregate dollar amount of the procurement event does not exceed the micro-purchase threshold
- Must distribute micro-purchases equitably among qualified suppliers
- May be awarded without soliciting competitive quotations if the School Food Authority (SFA) considers the price to be reasonable

Federal Small Purchase Threshold

- $150,000
  - A procurement event where the aggregate amount is more than $150,000, a formal procurement method must be used
    - Competitive sealed bids
    - Competitive Proposals or Request for Proposals

Determine Restrictive Threshold

<table>
<thead>
<tr>
<th>Procurement Requirements</th>
<th>SFA Policies</th>
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<tbody>
<tr>
<td>&lt; $3,500 no competitive bid required</td>
<td>&lt; $10,000 no competitive bids required</td>
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<tr>
<td>&gt; $3,500 - &lt; $150,000 - price quotes required</td>
<td>&gt; $10,000 but &lt; $25,000 - price quotes required</td>
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<tr>
<td>&gt; $150,000 - competitive bids or proposals required</td>
<td>&gt; $25,000 - competitive bids or proposal required</td>
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Current Purchasing Practices

Non-profit school food service funds

- Invoices from SY2015-2016
  - Foods and/or services purchased in the last school year
  - Which vendors were used
  - How much food and/or services was purchased from each vendor
  - Frequency of goods/services purchase from each vendor
  - Is a single category or multiple categories of foods purchased from each vendor
  - What is your justification for current purchasing practices

Identifying Procurement Event

- Items are purchased weekly from the local grocery store(s)
- Milk purchased from one vendor and delivered weekly
- Bread purchased from one vendor and delivered weekly
- Purchases of goods and services from a prime vendor
- Purchase of local fresh produce from a farmer

Quiz: Which Procurement Method?

District XYZ

- Small Purchase Threshold $50,000
- No competitive bid required under $10,000
- Purchases must be estimated on an annual basis

- Prime Vendor approximately $100,000/year
- Milk and Dairy $750.00/week or $30,000/year
- New dishwasher $7,000
- Spices, herbs, flavorings $1,000/year
Contract Award

• School Food Authority (SFA) should have the expertise to monitor the type of contract awarded:
  • Fixed Price Contract
  • Cost Reimbursable Contract

Code of Conduct

• Local Board Policy include:
  ➢ Employee, officer, or agent of SFA shall not participate in selection, award, or administration of a contract if a conflict of interest, real or apparent exists
  ➢ Employee, officer, or agent of SFA shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or subcontractors
  ➢ Provide for disciplinary actions in event code is violated.

Meeting Requirements?

• Do your current purchasing practices meet procurement method requirements
  ➢ If yes, put purchasing practice in writing
  ➢ If no, change the practice to meet requirements. Put the revised practice in writing
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