

PROCUREMENT GUIDE

Montana Office of Public Instruction
School Nutrition Programs

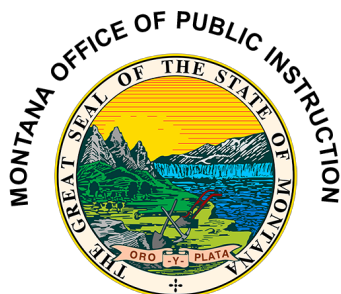


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Annual Procurement Checklist

Task to Complete	Explanation	Documentation	Date Completed	Who
Procurement Preparation				
All sponsors must have a documented procurement plan, written standards of conduct that meet regulations, and written protest procedures.	7 CFR 210.21 2 CFR 200.318	Written procurement procedures		
Determine if your school district/sponsor has a more restrictive small purchase threshold than the state. MT Small Purchase Threshold: \$80,000 Local Small Purchase Threshold: _____	Sponsors must follow the most restrictive threshold.	Written procurement Procedures		
Micro-Purchase Requirements (\$0-\$15,000): may be awarded without soliciting competitive price quotes if SFA considers price to be reasonable.				
Document Micro-Purchase Procedures. SFA is responsible for determining and documenting an appropriate micro-purchase threshold (up to \$50,000 if SFA self-certifies)	Include plan for purchasing, who you are purchasing from, how often procurements are made. 2 CFR 200.320(a)(1)(iii)	Written procurement procedures		
Maintain purchasing documentation to verify that all procurements are below \$15,000 (or below the SFA's self-certified threshold).	Ensure federal funds are allowable, reasonable, and allocable 2 CFR 200.320(a)(iv)	Invoices Receipts		
May be awarded without soliciting competitive price quotes if the recipient considers the price to be reasonable based on research. 2 CFR 200.320(a)(1)(ii).	May be awarded without soliciting competitive price quotes if the program operator considers the price to be reasonable based on research.	Written procurement procedures		
Small Purchase Requirements (\$15,000-\$80,000): Must compare prices, SFA decides who to ask for prices, specifications required.				
Document Small Purchase Procedures. 2 CFR 200.320(a)(2).	Include plan for purchasing, who you are purchasing from, how often procurements are made.	Written procurement procedures		
Maintain procurement documentation to verify that all procurements are less than \$80,000.	Price or rate quotations must be obtained from an adequate number of qualified sources. Ensure purchases are allowable, reasonable and allocable.	Specifications Solicitation documents Purchase orders Invoices Receipts Contract terms (if applicable)		
At least 2 or more price quotes obtained for each procurement.	Competition is an essential part of the procurement process.	Include date of price quote. May use documented calls, store flyers, e-mails, solicitations, etc. Small Purchase Cost Comparison Worksheet		
Formal Purchase Requirements (\$80,000+): Invitation for Bid (IFB) or Request for Proposal (RFP)				
Document Formal Purchase Procedures 2 CFR 200.320(b).	IFB, RFP: Maintain procurement documentation.	Written procurement procedures		
Required for purchases over \$80,000 MT threshold. Formal procurement methods are competitive and require public notice.	Specific process must be followed for proper formal procurement.	Competitive Sealed Bid/IFB Process Documentation Competitive Proposal/RFP Process Documentation		

Procurement Requirements

USDA Child Nutrition Programs

Montana Office of Public Instruction School Nutrition Programs is required to monitor School Food Authorities (SFAs) to ensure purchases meet federal procurement rules, and ensure federal regulations are followed (7 CFR 210.21(c) and 2 CFR part 200 including 200.317-327). Please review any district procurement policies to verify that food service policies do not conflict.

Requirements for Procurement Policies and Procedures:

SFA must have written codes of conduct that [2 CFR 200.318(c)(1)]

- ☐ Prohibit real or apparent conflicts of interest for employees engaged in selection, award, and administration of contracts.
- ☐ Prohibit officers, employees, and agents from soliciting or accepting gratuities, favors or anything of monetary value from contractors or parties of subcontracts.
- ☐ Provide disciplinary actions for violations by officers, employees, or agents.

SFA must have documented procurement procedures that [2 CFR 200.318(a)]

- ☐ Reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law. [2 CFR 200.318(a)]
 - ✓ Define the small purchase threshold. Any purchases below this threshold are considered an informal procurement and do not require a formal bid and contract. \$80,000 is the formal purchase threshold for the state of Montana per MCA 20-9-204.
- ☐ Take steps to assure that small, minority and women's businesses, enterprises and labor surplus firms are used when possible. [2 CFR 200.321]
- ☐ Require a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$80,000 for the state of Montana) including contract modifications. [2 CFR 200.323(a)]

Procurement Specification Requirement

SFA must comply with the Buy American provision [7 CFR 210.21(d)]:

- ☐ SFAs must purchase, to the maximum extent practicable, domestic commodities or products.
- ☐ Solicitations, contracts, and product specifications must include Buy American language. [SP-24-2016]

Sample Procurement Policy and Procedures

*Below are samples only and other language can be used, adjusted, or utilized. **This is a template.** Please feel free to make changes, additions or add any other necessary items to meet the needs of your SFA. Delete all language that is unnecessary or explanatory. **This document includes sample clauses, please delete samples not utilized.***

Our district adheres to the following procedures and requirements:

- ☐ Our district prohibits conflicts of interest; solicited and unsolicited gifts, gratuities, favors, and anything of monetary value including nominal value are prohibited; and violations may result in disciplinary action not limited to documented payment for unauthorized products and/or services, repayment of a donation, employee counseling, verbal and/or written, termination, and/or criminal action, as deemed applicable by district authorities and legal counsel. [2 CFR 200.318(c)(1)]
- ☐ Our district develops descriptions, specifications, or technical requirements of desired goods and services that do not restrict competition among suitable contractors, suppliers, or vendors. Our district establishes the minimum essential characteristics and standards for the good or service to satisfy the intended use. [2 CFR 200.318(a)]
- ☐ Our district Food Service Department adheres to the Buy American Provision in all solicitations and contracts for food, specifies “domestic” in all food specifications, and considers domestic food alternatives prior to automatically approving the purchase of non-domestic foods. [7 CFR 210.21(d)]
- ☐ Small, minority, women’s business and labor surplus firms will be solicited for purchases when these firms are identified as a qualified source for goods and services as needed. [2 CFR 200.321]
- ☐ Our district only selects contractors, suppliers, and vendors that have the ability to perform successfully under the terms and conditions of a proposed purchase. Our district considers the following characteristics of vendors, suppliers, and contractors: integrity, compliance with public policy, record of past performance, and technical and financial resources. Our district does not award contracts to parties that are ineligible for participation in Federal assistance programs or activities.
- ☐ Our district has responsible administrative practices and sound business judgment to settle procurement issues including source evaluation, protests, disputes, and claims. Our district maintains documentation of any contractual and administrative issues that arise.
- ☐ Our district maintains this procedure document and any documentation required by these procedures in an easily accessible folder, notebook, or electronic media to meet record keeping requirements and for use during State agency compliance reviews, USDA management evaluations, or financial audits.

SFA Representative Name _____

SFA Representative Signature _____

Date _____

Sample Procurement Policy and Procedures (continued)

Define the School District's /Sponsor's small purchase threshold:

SCHOOL DISTRICT/SPONSOR: _____ small purchase threshold is \$_____ (*fill in the blank if more restrictive than the state of Montana's threshold of \$80,000*). Any purchases below this threshold are considered an informal procurement and do not require a formal bid and contract. \$80,000 is the formal purchase threshold for the state of Montana per MCA 20-9-204.

Purchasing Thresholds and Requirements:

Micro Purchase - Purchases less than \$15,000 (or up to \$50,000 if SFA self-certifies a higher threshold):

- Any purchase below ten thousand (\$15,000) is considered a **micro-purchase**. Micro-purchases may be awarded without soliciting competitive quotes if the price is considered reasonable. To the extent feasible, however, the school district should distribute micro-purchases equitably among qualified suppliers.
- SFA may establish a threshold higher than the micro-purchase threshold identified in the FAR. SFA may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation on file. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:
 - A qualification as a low-risk auditee, in accordance with the criteria in 2CFR200.520 for the most recent audit; or,
 - An annual internal institutional risk assessment to identify, mitigate, and manage financial risks.

Small Purchase - Purchases greater than \$15,000 (or \$50,000 if self-certified) and less than \$80,000:

- Any purchase greater than fifteen thousand (\$15,000 or \$50,000 if self-certified) and less than eighty thousand (\$80,000.00) is considered a **small purchase** and does not require a bid process; however, the small purchase shall be made on a competitive basis.
- Our school district will obtain two or more **price quotes** when any purchase will cost more than fifteen thousand (\$15,000) and less than eighty thousand dollars (\$80,000).

Formal Purchase - Purchases greater than \$80,000:

- If the aggregate amount exceeds eighty thousand dollars (\$80,000.00), it is considered a **formal purchase**. The contract must be awarded through a formal bid process and a call for bids or request for proposals shall be published at least once in a newspaper of general circulation in the district, as well as published in a newspaper generally circulated state-wide and posted on the district's website. The call for bids or proposals may also be published in a regional newspaper. No contract shall be divided for the purpose of avoiding the formal procurement process.

Sample Procurement Policy and Procedures (continued)

Our district /sponsor uses the following method(s) of procurement:

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Micro purchase methods (less than \$15,000 or up to \$50,000 if SFA self-certifies) for the following goods and services: (should purchase equitably among qualified suppliers to the extent feasible.)

- Micro-purchases may be awarded without soliciting competitive quotes if the price is considered reasonable. (SFA's should choose to follow small purchase method of obtaining price quotes instead of micro purchase method if purchases are not equitable amongst suppliers.)
- *Our district maintains invoices or receipts for purchases from different vendors or suppliers, including the date, vendor or supplier name, items, quantity, and price.*

Document Micro-Purchase Procurement Plan for the School Year in box below:

Example: We plan to use ABC Grocery Store and XYZ Local Farm as needed for occasional purchases trying to make our purchases equitable with the available vendors in our town.

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Small purchase methods (SFA's established micro-purchase threshold (\$15,000 or up to \$50,000 if self certified) up to \$80,000 for the following goods and services: (Obtain price quotes from at least two qualified vendors.)

- *Our district obtains price or rate quotes from at least two qualified vendors, contractors, or suppliers for these purchases. *Our district uses the "Informal Pricing Log" or a similar tracking method to document this process along with our specifications and maintains records of any quotes obtained by interested contractors, vendors, or suppliers.*

Document Small-Purchase Procurement Plan for the School Year in box below:

Example: We plan to use ABC Food Distributor after price comparing our top twenty food items among our available two distributors (ABC Food Distributor and XYZ Food Distributor) and based on the lowest price received or that met our specifications request.

☐

Formal purchase methods (over \$80,000 or district/sponsor purchasing threshold) for the following goods and services:

Specifically, our district uses the following formal purchase methods for the goods and services listed below:

☐

Sealed bids – *Our district uses invitations for bids that are publicly announced. Our district holds fixed-price contract with selected vendors, suppliers, or contractors whose bids are most responsive to the IFB, conform to all the material terms and conditions of the IFB, and are lowest in price.*

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Competitive proposals – *Our district announces requests for proposals and selects vendors, suppliers, or contractors from a group of at least more than one bidder. Proposals submitted are evaluated without consideration of any included unallowable cost provisions and are selected using the published evaluation and scoring factors, with cost as the primary factor. Our district selects the lowest responsive and responsible bidder, or to the responsible firm whose proposal is most advantageous to the program with price as the primary factor. Our district holds fixed-price or cost-reimbursement type contracts with vendors, supplies, or contractors.*

Informal Pricing Log for Small Purchase

Record the items you would like to purchase to price compare. Remember, quotes that do not meet specifications cannot be considered since you need to compare “apples to apples.” Solicitations, contracts, and product specifications must include Buy American language.

	Product Overview	Description	Portion/ unit size and Case size	Vendor #1 (Name)			Vendor #2 (Name)		
				Date	Quote Method	Price	Date	Quote Method	Price
1.	<i>Apples, Fresh</i>	<i>Red Delicious, packed to US fancy grade standard. Domestic</i>	<i>138 ct./40#</i>	<i>8/1/21</i>	<i>phone</i>	<i>\$35</i>	<i>8/1/21</i>	<i>email</i>	<i>\$36</i>
2.	<i>Milk, unflavored</i>	<i>½ pint paper carton, 1% unflavored. Domestic</i>	<i>48 ct./ case</i>	<i>8/1/21</i>	<i>email</i>	<i>\$14</i>	<i>8/1/21</i>	<i>phone</i>	<i>\$15</i>
3.	<i>Milk, flavored</i>	<i>½ pint paper carton, 1% chocolate flavored with sugar content 20 grams or less per 8oz. Domestic</i>	<i>48 ct./ case</i>	<i>8/1/21</i>	<i>Online ordering login</i>	<i>\$15</i>	<i>8/1/21</i>	<i>Email</i>	<i>\$15</i>
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									

	Product Overview	Description	Portion/ unit size and Case size	Vendor #1 (Name)			Vendor #2 (Name)		
				Date	Quote Method	Price	Date	Quote Method	Price
12.									
13.									
14.									
15.									
16.									
17.									
18.									
19.									
20.									

Technical Requirements and other Specifications:

Delivery/Receiving Requirements	Delivery Location	Additional Vendor Requirements
EXAMPLE: <i>Delivered before 4pm at least two days per week.</i>	<i>123 Main Street. Kitchen delivery entrance.</i>	

Sample Food Purchasing Specifications

Food-purchasing specifications refer to the quality, quantity and other important characteristics required in the products or ingredients purchased for preparing a food item.

Fresh Fruits and Vegetables

Apples, fresh—Whole; Red Delicious; packed to U.S. Fancy Grade Standard; 138 count; 40 pounds.

Grapes, fresh—Green; seedless; to meet grade standard for U.S. No. 1 Table; 23 pounds or less.

Kiwifruit, fresh—To be packed to U.S. No. 1 Grade Standard; to be packed in single layer flats; 108 count.

Oranges, fresh—To be packed to U.S. No. 1 Grade Standard; navel; 100-113 count; 38-45 pounds.

Bananas, fresh—Petite; more yellow than green (Stage #4); 150 count per case.

Canned Fruits and Vegetables

Applesauce, canned—To be packed to U.S. Grade A Standard; natural color; natural flavor; regular texture; unsweetened; distributor's choice.

Oranges, Mandarin, canned—Whole segments; first quality; citrus juice medium; distributor's choice.

Pears, canned, diced—Bartlett pears to be packed to U.S. Grade B Standard; natural juice or water; distributor's choice.

Pears, canned, halves—Bartlett pears to be packed to U.S. Grade B Standard; natural juice or water; distributor's choice.

Beans, garbanzo, canned—Chickpeas to be packed to U.S. Grade A Standard; distributor's choice.

Corn, canned—Whole kernel; to be packed to U.S. Grade A Standard; golden; low sodium, vacuum packed; distributor's choice.

Tomato, canned—Salsa ready; diced with seasoning; first quality; distributor's choice.

Frozen and Chilled Protein Items

Cheese, American—Sliced; approximately 160 slices per five pounds; staggered slices; easy to separate; no imitation; four five-pound packages; distributors choice.

Cheese, Colby Jack—Reduced-fat; individually wrapped; fresh; meets one ounce meat/meat alternate, mild flavor. Land O Lakes 44877 or equal.

Burrito, egg and cheese—Frozen; pre-cooked; heat and serve; whole grain-rich; bulk pack; child nutrition label to meet one ounce equivalent. bread/grain and one ounce equivalent meat/meat alternate; approximately three ounces; Los Cabos 97871, Foster Farms 5220 or equal.

Chicken breast, breaded—Solid Breast Filet; whole muscle; fully cooked; IQF; whole grain-rich breading; each portion to meet minimum two ounce meat/meat alternate; CluxDelux #66123, Goldkist #7516 or equal.

Chicken nugget, breaded—Frozen; whole grain-rich breading, fully cooked to be made with USDA donated chicken, three to five nuggets equals two ounce meat/meat alternate; Goldkist 6173 or equal.

Beef crumbles—Frozen; fully cooked; to be made with USDA donated ground beef and textured vegetable protein; mild seasonings; minimum portion 2.5 ounces to meet two ounce meat/meat alternate; Pierre 9737 or equal.

Frozen Fruit, Vegetable and Bakery

Juice, apple—100 percent frozen; ready-to-use; four-ounce portion; less than 100 portions per case; Suncup, Vitality, Citrus Sun or equal.

Juice, orange—100 percent frozen, ready-to-use; four-ounce portion; less than 100 portions per case; Suncup, Vitality, Citrus Sun or equal.

Blueberries, frozen—20 pounds or less; distributor's choice

Broccoli, frozen—Florets; to be packed to U.S. Grade A Standard; less than 21 pounds; distributor's choice.

Corn, whole-kernel, frozen—To be packed to U.S. Grade A Standard; yellow or golden; less than 21 pounds; distributor's choice.

Vegetable blend, frozen—First quality; California; mixture to contain broccoli florets, cauliflower florets, carrots; less than 25 pounds; distributor's choice.

Potato, specialty formed, frozen—Oven-ready; waffle shaped; packed to a U.S. Grade A Standard; fortified; McCain #MCL03623 or equal.

Potato, French fries, frozen—Oven ready; crinkle cut; to be packed to US Grade A Standard; 1/2 inch; McCain MCF03761 or equal.

Bread, dough stick, frozen—French-bread style; one ounce equivalent bread/grain; whole grain-rich. Rich's 12194 or equal.

Dough, cinnamon roll, frozen—Whole grain-rich; pre-cut; petite; approximately 1.5 ounce to meet one ounce equivalent bread/grain. Pillsbury, Rich's, Baker Boy or equal.

Waffle, frozen—Plain; square or round; whole grain-rich; meets one ounce equivalent bread/grain per waffle. Krusteaz 40337, Aunt Jemima 43577 or equal.

Hamburger bun—100 percent whole grain or a blend of whole grain meal and/or flour and enriched meal and/or flour of which at least 50 percent is whole grain; whole grains per ounce equivalent are at least eight grams or more; product ingredient lists a whole grain first.

Milk—Dairy

Milk—Paper carton; ½ pint. To include one percent unflavored, skim unflavored and chocolate skim. Chocolate skim with sugar content of 23 grams or less per 8 ounces.

Yogurt—Squeeze tube; low fat; smooth; creamy texture; no fruit chunks; variety of flavors; GoGurt 2.25 ounces or equal.

Dry Goods—General

Muffin mix, basic—Whole grain-rich; made to add water only; 6/5lbs; General Mills, Gold Medal or equal.

Pasta, lasagna—Whole grain-rich; dry; ribbed 10 inch ripple edge; 15 pounds or less, distributor's choice.

Rice, brown—Long grain parboiled; whole grain-rich; 25 pounds or less; distributor's choice.

Definitions

Distributors Choice—Bidder may offer a price on any brand that meets the desired quality levels outlined in the specification. Most often used for canned and frozen fruits and vegetables if the quality level is specified using the Food Buying Guide.

Or Equal—When a particular manufacturer's name and product number and the phrase "or equal" appear in the description, any manufacturer or brand will be considered as long as the performance and quality levels are equal to the product specified. The bidder should supply sufficient data to enable a comparison to be made with the particular product specified.