

Procurement Procedure Template Requirements

Child Nutrition Program sponsors are required to follow the applicable procurement regulations set forth under [2 Code of Federal Regulations \(CFR\) Part 200.317-327](#), Child and Adult Care Food Program (CACFP) regulations [7 CFR 226.22](#) and Summer Food Service Program (SFSP) [7 CFR 225.17](#). These regulations state that the Child Nutrition Program sponsors are required to:

- Have a written code of conduct.
- Have written procurement procedures.
- Maintain all documentation associated with the procurement process.

This document is a template for non-school sponsors to fulfill these regulations. Sponsors do not have to use this template to fulfill these requirements but they must ensure that their procedures and code of conduct include all the required elements. This template should be adapted for your sponsoring organization and you should include specific details unique to your sponsorship in the space provided.

For more information, refer to the [Procurement Guidance Manual](#), [Informal Procurement Method](#) or the [Formal Procurement Method](#) located on the Minnesota Department of Education (MDE) Procurement and Contracts webpage.

For any questions about these requirements, contact Food and Nutrition Service at 651-582-8526, 800-366-8922 or e-mail mde.fns@state.mn.us.

Procurement Procedure Template

Policy (Purpose)

Name of organization: _____

The purpose of this document is to ensure our organization is using federal dollars efficiently and within regulations. The following procedure will be used when purchasing or entering into contractual agreements that support the administration or operation of the U.S. Department of Agriculture's (USDA) Child Nutrition Program.

Approximate Timeline

This procedure was initiated on _____ (MM/DD/YY) and last updated _____ (MM/DD/YY).

Procedure

1. Code of Conduct Procedure

Person Responsible: _____

Our organization seeks to conduct all procurement procedures:

- In compliance with stated regulations; and
- To prohibit conflicts of interest and actions of employees engaged in the selection, award and administration of contracts.

No employee, officer or agent may participate in the selection, award or administration of a contract supported by program funds if a real or apparent conflict of interest is involved.

Any conflict of interest involving activities or funding from Federal Nutrition Program must be submitted to the state agency for specific prior written approval before the contract is fully executed. If the conflict of interest does not receive written prior approval by the state agency, it will not be an allowable use of Nutrition Program funds. Conflicts of interest arise when one of the following has a financial, employment or other interest in the firm selected for the contract:

- a. The employee, officer or agent;
- b. Any member of the immediate family;
- c. His or her partner; or
- d. An organization which employs or is about to employ one of the above

The officers, employees and agents of our organization will not solicit nor accept gifts (gratuities, favors or anything of monetary value) from vendors. However, our organization may accept unsolicited items of nominal value [*\$15 or less*] as long as they are not directly involved in the selection, award and administration of contracts or any aspect of the procurement process.

Describe other standards for accepting unsolicited items of nominal value: _____

The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officer or agents of this organization. Describe disciplinary actions:

2. Written Procurement Procedures

Person Responsible: _____

Our organization will:

- Adhere to the general procurement standards specified in 2 CFR Part 200.318, which specify that we will:
 - Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.
 - Be responsible in accordance with good administrative practice and sound business judgment for the settlement of all contractual and administrative issues arising out of procurements. This includes source evaluation, protests, disputes and claims.
 - Use Federal excess and surplus property in lieu of purchasing new equipment and property when feasible and cost effective.
 - Conduct an analysis to determine the most economical approach of procurement. For example, consider opportunities like bulk purchasing, joint purchasing, leasing, etc. when possible.
- Allow for full and open competition when using small or large purchasing by:
 - Soliciting quotations, bids or proposals from enough qualified sources.
 - Incorporating a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. For example, we:
 - Will not specify a “brand name” product without allowing for “an equal” product to be offered; or,
 - Will prohibit placing unreasonable requirements on firms to qualify for business; or
 - Will not require unnecessary experience or excessive bonding.
 - Identifying all requirements which the potential vendors must fulfill and all other factors to be used in evaluating quotations, bids or proposals.
- Distribute purchases evenly among qualified sources and ensure prices are reasonable when using micro-purchasing.
- Take affirmative steps to assure that minority, women’s and small businesses are utilized when possible.
- Apply the applicable contract provisions as required in [2 CFR Part 200 Appendix II](#).
- Apply only a fixed price or cost plus fixed fee method of pricing, not the cost plus a percentage of cost method of pricing.
- Retain all procurement documentation for a minimum of three years plus the current year and retain the original procurement documentation and all renewals associated with the original contract.
- *[Optional]*: Apply a geographic preference when procuring unprocessed locally grown, raised or caught agricultural products that retain their inherent character.
- *[Optional]*: Use local (e.g. “locally grown”, “locally raised” or “locally caught”) as a specification for local unprocessed agricultural products that retain their inherent character.
- Meet all local, tribal or organizational procurement requirements listed below:

3. Method of Procurement and Required Documentation

Person Responsible: _____

Select the method(s) of procurement your sponsoring organization will use by checking the box next to each method. Many organizations will utilize more than one method.

- Our organization will purchase meals from a School Food Authority (SFA). Competitive bid process is not required when utilizing SFA for the purchase of meals if the SFA is self-operated or not under a food service management company.

The following documentation will be kept on file:

- Product invoices/receipts
- Contract for vended meals

- Our organization will use the **micro-purchase method** for conducting procurement when the aggregate dollar amount for a single transaction is less than \$10,000. To the maximum extent practicable, purchases of similar items should be spread equitably among qualified sources and purchases will only be conducted when prices are considered reasonable based on research, experience, purchase history or other information.

List the type of purchases that will be conducted with micro-purchasing. For example: bread, produce, milk, etc.

The following documentation will be kept on file:

- Product invoices/receipts

- Our organization will use the **small purchase method** for conducting procurement when the total annual aggregate amount of products or services for the year is less than \$250,000 (\$175,000 for public institutions) and similar items are frequently purchased from the same qualified source(s). Price quotes will be obtained from multiple sources (preferably three or more qualified sources).

List the type of purchases that will be conducted with small purchasing. For example: purchases from foodservice distributors, equipment, vended meal contracts, non-food supplies, all purchases, etc.

The following documentation will be kept on file:

- Solicitation and written specifications
- Names of vendors whose prices were evaluated
- Price quotes
- Evaluation criteria if price is not the sole determination and the lowest price was not selected
- Selection of vendor (description of rationale if selection was not lowest price)
- Invoices/receipts
- Contract for vended meals, if applicable
- Vendor performance status (optional, but necessary if there is termination for non-performance clause)

- Our organization will use the **large purchase method** for conducting procurement when the total annual aggregate amount of products or services exceeds \$250,000 (\$175,000 for public institutions). Our organization will use Formal *Invitation for Bid* (IFB) or Formal *Request for Proposal* (RFP).

Invitation for Bid (IFB)

Using IFB, bidders are evaluated on the ability to meet given specifications. The contract is awarded to the lowest price bidder that meets the specifications. List the type of purchases that will be conducted using invitation for bid. For example: purchases of food from foodservice distributors, equipment and/or a vended meals contract.

Request for Proposal (RFP)

Using RFP, solicitations are evaluated on more than just price. A sponsor may need to use an RFP for hiring a nutrition specialist that will prepare menus that meet child nutrition meal pattern requirements. In this example, the evaluation criteria may include experience, credentials, past performance, salary requirements, etc. List the type of services that will be conducted using a request for proposal.

The following documentation will be maintained for large purchasing:

- Solicitation and written specifications
 - Public Advertisement to ensure full and open competition
 - Names of vendors that responded
 - Bids/Proposals
 - Documentation for any vendor proposal that was eliminated and the rationale
 - Evaluation criteria and score sheet (RFP only)
 - Vendor selection and contract award
 - Correspondence and working papers
 - Fully executed written agreement/contract between organization and awarded vendor (if vended meals contract must use state agency vended meals contract template)
 - Invoices/Receipts
 - Documentation of any vendor's unmet claims or breaches (vendor performance records)
- Our organization will use **noncompetitive procurement** because one or more of the following circumstance(s) apply(ies):
- The aggregate dollar amount of the purchase or service does not exceed the micro-purchase threshold.
 - The item is available only from a single source.
 - Public emergency, which will not permit a delay resulting from competitive solicitation.
 - MDE authorizes noncompetitive negotiation.
 - After solicitation of a number of sources, competition is determined inadequate.

List the type of purchases that will be conducted with noncompetitive procurement and describe the procedure of obtaining state agency prior approval, if needed:

4. Contract Provisions

Our organization will use the [Contract for Vended Meals](#) (CACFP) or [Contract for Vended Meals – Summer Food Service Program](#) (SFSP) available on MDE’s Procurement and Contracts webpage when entering into an agreement with a vendor who will provide meals to our organization. This contract can be renewed annually using the [Contract for Vended Meals – Renewal](#) (CACFP) or [Contract for Vended Meals – Renewal](#) (SFSP) four times, not to exceed five years total.

Prior to entering into a vended meal contract procured through an IFB, our organization will email the following requirements to the mde.fsmc@state.mn.us mailbox.

- Submit the IFB to MDE for approval **before** advertising and allow at least 14 days for response.
- Notify and invite MDE at least 14 calendar days prior to the opening of the bids and include the time and place of bid opening.
- Submit the proposed contract signed by the vendor, copies of all bids received and the institution’s reason for selecting the chosen vendor to MDE prior to awarding the contract.

Our organization will adhere to the above procurement procedures for any purchases or contracts utilizing any amount of Federal Nutrition Program funds.

Name and Title of Authorized Representative: _____

Signature: _____ Date: _____