



Arizona Department of Education
Summer Food Service Program

Procurement Policies and Procedures

All procurement of food, supplies, goods, and other services with Program funds by sponsors must comply with procurement standards prescribed in Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations located at 2 CFR Part 200 as well as 7 CFR Part 225. Procurement standards are specifically located in 7 CFR Part 225.17 and 2 CFR Part 200.317-326. (Note: Parts 3016 and Part 3019 have been superseded by 2 CFR Part 200 as adopted and supplemented by USDA in 2 CFR Part 400 for the SFSP and other Child Nutrition Programs.)

The State agency can provide more detailed information since, in addition to complying with the minimum Federal standards, sponsor purchases may have to meet more restrictive State and local standards, as well as special procurement requirements that may be established by the State agency, with approval of FNS, to prevent fraud, waste, and Program abuse.

The _____ will purchase food, supplies, equipment,
(SPONSORING ORGANIZATION)

and other items for use in the Summer Food Service Program in compliance with USDA and Federal Assistance Regulations, which implement OMB Circular A-102, and the State of Arizona Procurement Standards and Guidelines by using procedures outlined in this plan for Federal grant funds. Sponsors must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. (2 CFR Part 200.321)

METHODS OF PROCUREMENT

A. Micro-Purchase (Purchases between \$0-\$10,000)

2 CFR Part 200 implemented a new micro-purchase threshold for the purchase of supplies or services, the aggregate amount of which does not exceed **\$10,000**.

- Micro-purchases may be awarded without soliciting competitive quotations if the price is considered to be reasonable and must be equitably distributed among qualified suppliers.
- For example, a sponsor must not make all purchases from one source rather; the sponsor must make purchases from all qualified sources equally.

B. Small Purchase (Purchases more than \$10,000 but under \$250,000, or the most restrictive threshold)

The Federal Small Purchase Threshold as it relates to all FNS program procurements under Federal grants is currently set at \$250,000 (CACFP Memorandum 07-2019: Federal Micro-Purchase and Simplified Acquisition Thresholds for Procurement, Applying the Simplified Acquisition Threshold in the National School Lunch Program, Child and Adult Care Food Program, and the Summer Food Service Program Procurement Standards, and School Food Authority Operations, October 30, 2019).

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This threshold allows for more *small purchase procurements* to be conducted using simple and informal methods, such as price or rate quotations, for securing products and services, provided that each procurement is conducted in a manner that ensures free and open competition.

- Price or rate quotations must be obtained from an adequate number of qualified sources prior to purchasing from one of them.
- The institution must document the date, vendors consulted, and quotes received (including for verbal quotes). Store advertisements may be considered as documentation.
- State and local agencies may set a lower small purchase threshold and thereby impose more restrictive procurement procedures as authorized by 2 CFR Part 200.318(a). Therefore, all State and local procurement requirements still apply.
- If the purchase is below the micro-purchase threshold of \$10,000 but a single vendor is being used, the purchase must follow the small purchase procedures.

If the total amount of purchase for like items is more than **\$10,000 but less than \$250,000** in aggregate value, purchases shall be made by the use of the small purchase procedure as follows:

1. Develop specifications for all items.
2. Obtain price quotations from an adequate number of suppliers.
3. Prepare a price quote documentation sheet and indicate the supplier who was awarded the quote. Price must be the most important factor in the evaluation.
4. Submit documentation sheet to review official.

When purchases are estimated to exceed the most restrictive small purchase threshold (Federal is \$250,000), sponsors must conduct a cost or price analysis (2 CFR Part 200.323). The following two formal procurement options are used for procuring a contract over \$250,000 (such as with a FSMC):

Two Formal Procurement options: (C or D)

C. Competitive Sealed Bids (Formal Bid Advertising) (Purchases over \$250,000 or most restrictive threshold)

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 to all contract specifications, terms, conditions, and required provisions. Fixed priced contract is (with or without adjustment factors) based on a specified price index such as the Consumer Price Index (CPI). The public solicitation is an Invitation for Bid (IFB).

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids and the IFB must be publicly advertised;
- The IFB, which will include any specifications and pertinent attachments, must define the items or services to be procured 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 award will be made in writing to the responsible bidder with the lowest responsive bid. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will

only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of;

- Any or all bids may be rejected if there is a sound documented reason.

Formal Bid Procedures

If the total amount of purchases for like items is \$250,000 or more in aggregate value, formal bid procedures will be utilized. Formal bid procedures will be utilized as follows:

1. Advertisement in a newspaper of general circulation.
2. Mail specifications and bid documents to all potential bidders.
3. Authorized sponsor personnel will publicly open and tabulate bids.
4. Bids will be submitted to the governing board for approval.

D. Competitive Proposals

Competitive proposals are publicly solicited from an adequate number of qualified sources with more than one source submitting an offer with either a fixed-price or cost-reimbursable type contract awarded. It is used when conditions are not appropriate for the use of sealed bids.

The Public Solicitation is a Request for Proposal (RFP)

An RFP is used to solicit responses in a competitive negotiation procurement method. An RFP is more qualitative in nature, and the vendor solicitation responses are scored based on evaluation criteria specified in the solicitation. For example, a portion of the score could be based on a taste test, or performance history with delivery times. Price must be the primary consideration (highest percentage, most points) when awarding a contract under this competitive procurement method.

- The RFP must be publicized and identify all evaluation factors and their relative importance, and any response must be considered.
- The RFP must be solicited from an adequate number of qualified sources.
- The institution must have a written method for conducting the technical evaluations of the proposals received and for selecting recipients.
- Contracts must be awarded to the proposal that is most advantageous to the program, with price and other factors considered, price being the most important factor.

E. 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:

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

PROCUREMENT RECORD RETENTION

The following records will be maintained for a period of three years plus the current year:

- Records of all telephone quotations
- Logs of all emergency and noncompetitive purchases
- All written quotations and bid documents
- Comparison of all price quotations and bids with the effective dates shown
- Log of approval substitutions

PROCUREMENT ETHICS

State agencies and Child Nutrition Program operators are required to write a code of conduct to govern the performance of employees (sponsors) engaging in procurement. These written standards must prohibit employees from soliciting gifts and other incentives from prospective contractors, and also prohibit employees from participating in the selection, award, or administration of any contract to which they have a personal or financial connection. The code of conduct must also provide for disciplinary action to apply in the event the standards are violated.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992 Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: Call: (202) 690-7442; or (3) email: program.intake@usda.gov.

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ARIZONA DEPARTMENT OF EDUCATION

SUMMER FOOD SERVICE PROGRAM

CODE OF CONDUCT

The following conduct will be expected of all persons who are engaged in the selection award and administration of contracts supported by Summer Food Service Program Funds.

No employee, officer, or agency of the above-named sponsoring organization shall participate in selection or in the or in the award or administration of a contract supported by Program funds if a conflict of interest, real or apparent, would be involved.

Conflicts of interest arise when one of the following has a financial or other interest in the firm selected for the award:

1. The employee, office, or agent
2. Any immediate family member of person(s) listed in (1.)
3. His or her partner
4. An organization, which employs or is about to employ one of the above

The sponsoring organization employees, officers, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

The purchase during the operating hours of any food or service from a contractor for individual use is prohibited.

The removal of any food, supplies, equipment, or property of the sponsoring organization, such as official records, recipes, books, and the like, is prohibited.

The outside sales of such items as used cooking oil, empty cans and the like will be sold by contract between the sponsoring organization and the outside agency. Individual sales by any personnel of the sponsor to an outside agency or other personnel are prohibited.

Staff, whether full-time, part-time or contracted, or board or immediate family members of staff or board are prohibited from being providers.

Rental of facilities, equipment, or furnishings from staff or board or another organization of which staff or board is also a member is prohibited.

Hiring of family members and paying them salaries/travel for which there is no documentation of work performed is prohibited.

The selling of items or services to providers from which staff or board members make a profit is forbidden.

Failure of any employee to abide by the above stated code could result in a fine, suspension, or both, or dismissal.

Interpretation of the code will be given at any time by contacting _____
(NAME OF AUTHORIZED SPONSOR REPRESENTATIVE)

_____ at _____
(Title) (Phone number)

The sponsoring organization will not be responsible for any other explanation/interpretation which anyone presumes to make on behalf of the sponsoring organization.

This plan is adopted by the governing body of the above-named sponsoring organization at the regularly scheduled meeting on this the _____ day of _____ in the year _____.

Signature of Official Representative: _____

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Small Purchase Document

[illegible]

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