

CACFP ESSENTIALS SERIES

Administration Essentials: Part 4

CACFP Procurement Basics



Health and Nutrition Services
Arizona Department of Education





Disclaimer

This training was developed by the Arizona Department of Education (ADE) Health and Nutrition Services Division (HNS). The content in this training is intended for professionals operating one or more USDA Child Nutrition Programs in Arizona under the direction of ADE. The information in this training is subject to change. Attendees are encouraged to access professional development materials directly from the training library to prevent use of outdated content.

Intended Audience

This training is intended for **organizations operating the Child and Adult Care Food Program (CACFP)**.



This training is required for all new organizations who will be applying to participate in the CACFP.

Objectives

At the end of this training, attendees should be able to:

- Purchase food, supplies, and equipment through vendors, meeting specifications in compliance with Federal, State, and local procurement regulations.

TRAINING HOURS

Information to include when documenting this training for Continuing Education and Training Credit:

Training Title: CACFP Procurement Basics

Hours of Instruction: 1.5 Hours

This training counts toward Empower Program training requirements. It is listed on the Arizona Early Childhood Workforce Registry. If you want this training to appear on your Registry transcript, please provide your ID in the completion survey.

Quiz Time



Throughout this guide, there will be comprehension quiz questions to test Sponsor knowledge and help Sponsor apply what Sponsor're learning. Be sure to review these quiz questions and answers available within the guide.

The question mark icon below will indicate a comprehension quiz question.



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What is Procurement?



SECTION 1

Definitions

Procurement

Procurement is the process of purchasing goods and services from a vendor. Child and Adult Care Food Program (CACFP) regulations require that all sponsors have standards that are followed when food or supplies are purchased.

Procurement Guidelines, Standards, and Procedures

Sponsors must have a document outlining the procurement guidelines, standards, and procedures that the organization must follow when procuring good. This documentation is submitted with the Management plan and must include a written Code of Conduct

Definitions

Purchasing

Refers to the organized acquisition of goods and services on behalf of the buying entity. It involves the process of acquiring goods and services from a vendor, often through a formal process that includes research, negotiation, and invoicing.

Goods and Services

In the procurement process goods are tangible items that can be purchased such as physical products. Services are activities provided by other people, such as expertise, skill, knowledge, or labor

Vendors

A vendor is an individual or company that supplies goods and services to businesses or consumers.

Definitions



PURCHASING

Method type (Micro, Simplified Acquisitions, or Formal)



GOODS AND SERVICES

Supplies, food, equipment, software, contracted services



VENDOR

- Consumer Clubs (e.g. *Sam's Club, Costco*)
- Commercial Food Service Companies (e.g. *US Foods, Shamrock, Sysco*)
- Restaurant Supply (*kitchen supplies, small wares e.g. Webstaurant*)
- Fresh Food Markets
- Local Grocery Stores
- Catering Companies

Procurement Regulations

Why are there procurement regulations?

- To obtain goods and services efficiently and economically;
- To comply with Federal, State, and Local regulations;
- To prevent fraud, waste, and abuse;
- To maximize free and open competition;
- To help sponsors become more comfortable with the procurement process.



When the regulations pertaining to procurement procedures differ, the sponsor must adhere to the most restrictive one (Federal, state or local).

Where To Find the Regulations

- 2 CFR 200.320: The methods Sponsors must follow to properly procure goods and services
- 2 CFR Part 200.318-326: Additional procurement regulations
 - *Parts 3016 and 3019 have been superseded by 2 CFR Part 200*

Documentation

PROCUREMENT GUIDELINES, STANDARDS, AND PROCEDURES

Sponsors should start by drafting up the Procurement Guidelines, Standards, and Procedures to be followed. This documentation will be submitted with the Management Plan and must include a Code of Conduct.



The ADE Template can be found at:
<https://www.azed.gov/hns/cacfp/renewalresources/>

ARIZONA DEPARTMENT OF EDUCATION CHILD AND ADULT CARE FOOD PROGRAM	
PROCUREMENT GUIDELINES, STANDARDS, AND PROCEDURES	
PROCUREMENT GUIDELINES Child and Adult Care Food Program (CACFP) regulations require that all sponsors have standards that are followed when food or supplies are purchased.	be restrictive
All for-profit institutions participating in the CACFP must comply with procurement requirements as stated in 7 CFR 226 . These guidelines specify, among other provisions, that the <i>small purchase threshold</i> be set at \$250,000. This means for any purchase that exceeds the <i>small purchase threshold</i> of \$250,000, a formal solicitation must be conducted.	
All non-governmental, non-profit institutions participating in the CACFP must comply with procurement requirements as stated in 2 CFR part 200 . These guidelines specify, among other provisions, that the <i>small purchase threshold</i> be set at \$250,000. This means for any purchase that exceeds the <i>small purchase threshold</i> of \$250,000, a formal solicitation must be conducted. Please note that an institution may have regulations establishing a <i>small purchase threshold</i> of less than \$250,000 in which case a formal solicitation would be required.	ing procedural
All public institutions participating in the CACFP must comply with procurement requirements as stated in applicable State laws (ARS 41-2535) or local laws (if more restrictive) and as stated in 2 CFR part 200 . These guidelines specify, among other provisions, that the <i>small purchase threshold</i> be set at \$100,000. This means for any purchase that exceeds the <i>small purchase threshold</i> of \$100,000, a formal solicitation must be conducted.	all: material, rocurements, e a statement of n necessary, must conform led if at all scription of the eans to define ures of the
PROCUREMENT STANDARDS These standards are furnished to ensure that materials and services are obtained efficiently and economically. All procurement transactions, regardless of dollar amount, shall be conducted in a manner that provides maximum open and free competition.	
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.)	to be used in
PROCUREMENT PROCEDURES _____ will purchase food, supplies, equipment, and other items for use in the _____ Child and Adult Care Food 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.	s the potential ic policy,
1. Proposed procurement actions shall be reviewed by institution officials to avoid the purchase of unnecessary or duplicative items. Where appropriate, an analysis shall be made on lease versus purchase alternatives, and any other appropriate analysis to determine which approach would be the most economical.	the aggregate be awarded . To the extent r this method, a
2. Affirmative steps shall be taken to assure that small and minority businesses are utilized when possible. Affirmative steps shall include the following: • Including qualified small and minority businesses on solicitation lists; • Assuring that small and minority businesses are solicited whenever they are potential sources; • When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation; • Establishing delivery schedules which will encourage participation by small and minority businesses; • Using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required; • If any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in 1 through 5 above; and • Taking similar appropriate affirmative action in support of women's business enterprises.	ds that are in the ply with State e procedures om an adequate
This institution is an equal opportunity provider.	ents under ing simple and vices, provided petition. qualified received is
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The Steps of Procurement

01**Determine what Sponsor needs – Forecast and Create Specifications**

- Be detailed and specific so Sponsor can compare “apples to apples”

02**Estimate purchase amount – Threshold**

- Estimate total of single purchase
- Estimate total of yearly purchases
- Estimate amount of contract
- For multi-year contract, must estimate total for all the years

03**Choose procurement method (Micro, Simplified Acquisition, Formal)**

- Base decision on process and amount

04**Follow requirements for method of purchase (documentation)**

Step One

FORECASTING

01

Determine what Sponsor needs – Forecast and Create Specifications

- Be detailed and specific so Sponsor can compare “apples to apples”

THE STEPS OF FORECASTING

- Review past records/data/purchasing behavior and apply to current situation.
- Review current resources and services to ensure that only necessary purchases are made; take inventory.
- Once the forecasting and planning process is complete, the Sponsor will be able to determine the estimated dollar value of its procurements for the coming year.
- This estimated dollar determination allows the Sponsor to choose the appropriate procurement method to use.

Forecasting

QUESTIONS TO ASK WHEN FORECASTING

- What menu planning considerations need to be made?
Food items needed, how many, how often?
- What did purchases look like from the past year?
What changes need to be made? Did participant enrollment number increase or decrease? Revenues or loss?
- Is the price of this cost effective?
- What is the projected budget? Threshold amount?
- How often do purchases need to be made?
- How many vendors will be needed for purchases? What information does the vendor(s) need to know?

Forecast and Create Specifications

TOOLS FOR FORECASTING

- Average daily participation for Sponsor sites for each meal
- Yearly calendar for forecast year (note holidays/closed dates, enrollment numbers)
- Cycle menu (availability, seasonal, school calendar)
- [CACFP Crediting Handbook](#)
- Determine the specific contribution each food makes toward the meal pattern requirements
- Buy the right amount of food and appropriate type of food

Forecasting

BEST PRACTICES OF FORECASTING

- Develop menus well in advance.
- Communicate and plan for important due dates!
 - When and how much to order
 - Order quantities agreed upon
- Have a back-up item ready in case an issue arises.
 - Account for items removed from inventory/change of availability.
 - Communicate increases and decreases in quantity of items and changes to program.
- Know the value of food and supplies (leave time to obtain quotes).

Step Two

PURCHASE AMOUNT

02

Estimate purchase amount – Threshold

- Sponsors need to assess the total purchase amount for all transactions made over the year in order to decide on the appropriate procurement method to adopt.

STEPS OF ESTIMATING PURCHASE AMOUNT

- Estimate total of single purchase
- Estimate total of yearly purchases
- Once a Sponsor estimates the purchase amount, Sponsor must decide which procurement methods will be used.

Formal or Informal Procurement?

SIMPLIFIED ACQUISITION THRESHOLD

All **for-profit institutions** participating in the CACFP must comply with procurement requirements as stated in 7 CFR 226. These guidelines specify, among other provisions, that the federal simplified acquisition threshold be set at \$250,000.

All **non-governmental, non-profit institutions** participating in the CACFP must comply with procurement requirements as stated in 2 CFR part 200. These guidelines specify, among other provisions, that the federal simplified acquisition threshold be set at \$250,000. Please note that an institution may have regulations establishing a simplified acquisition threshold of less than \$250,000 in which case a formal solicitation would be required.

All **public institutions** participating in the CACFP must comply with procurement requirements as stated in applicable State laws (ARS 41-2535) or local laws (if more restrictive) and as stated in 2 CFR part 200. These guidelines specify, among other provisions, that the simplified acquisition threshold be set at \$100,000 in Arizona. **This means for any purchase that exceeds the simplified acquisition purchase threshold of \$100,000, a formal solicitation must be conducted.**

Quiz Time

What is the Federal Simplified Acquisition Threshold?

A \$100,000

B \$10,000

C \$250,000

D \$5,000



Quiz Time

What is the Federal Simplified Acquisition Threshold?

A \$100,000

B \$10,000

C \$250,000

D \$5,000

The Federal Simplified Acquisition Threshold is \$250,000.



Quiz Time

What is the State Simplified Acquisition Threshold in Arizona for Sponsors?

A \$100,000

B \$10,000

C \$250,000

D \$5,000



Quiz Time

What is the State Simplified Acquisition Threshold in Arizona for Sponsors?

A \$100,000

B \$10,000

C \$250,000

D \$5,000

The Simplified Acquisition Threshold for Sponsors in Arizona is \$100,000.

Sponsors must follow the most restrictive threshold. Per Arizona procurement standards, any purchase above \$100,000 must follow the formal procurement process.



Procurement Methods

SECTION 2



Step Three

PROCUREMENT METHOD

03

Choose procurement method (Micro, Simplified Acquisition, Formal)

- Base decision on process and amount

There are three procurement methods most commonly used in CACFP. The methods are based on the amount of the purchase and the purchasing process. Sponsors must use one of the procurement methods for any purchase made.

Procurement Methods



MICRO PURCHASING

- Threshold = under \$10,000
- One time, single purchase or “Spread the Wealth”



SIMPLIFIED ACQUISITION

formerly known as Small Purchase

- Threshold = \$10,000 - \$250,000 (or State/local threshold amount)
- 3 quotes
- Better for more than one time or planned/consistent purchases.
- May be used for single purchase if the purchase is within the threshold window.



FORMAL PURCHASING

- Threshold = over \$250,000
- Fixed Price Contract: Invitation for Bid (IFB) or Request for Proposal (RFP)
- Cost Reimbursable Contract (only RFP)



Making a purchase from the same supplier more than once, without spreading the wealth, is considered a Simplified Acquisition.

Micro Purchasing



SECTION 3

Micro Purchases

PROCESS:

- One time purchase OR “spread the wealth” of multiple purchases (buying the same type of items from different vendors/groceries stores/places that offer the same product or service at a reasonable price)
 - **Requirement:** Shop at two or more qualified suppliers.
 - **Best Practice:** Shop at three qualified suppliers.

AMOUNT:

- Up to \$10,000

EXAMPLE:

I buy the same grocery list items rotating between Safeway, Bashas', Costco, and a local farm stand.

REQUIREMENTS:

- Transactions are below \$10,000
- Price must be reasonable
- Purchases (Transactions) distributed equitably among qualified suppliers offering the same/similar services (Spread the Wealth)

2 CFR 200.320 (a)



⦿ § 200.320 Methods of procurement to be followed.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) **Informal procurement methods.** When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

(1) **Micro-purchases** —

(i) **Distribution.** The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of *micro-purchase* in § 200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.

Step Four

DOCUMENTATION

04

Follow requirements for method of purchase (documentation)

- For micro purchases Sponsor do not have to comparison shop or provide quotes.

Sponsor's must spread purchases among different vendors and save the documentation.

- Create/provide documentation that shows:
 - Date of purchase
 - Items/service purchased
 - Vendor name and details
 - Total cost of purchase(s)



Save receipts for all purchases!

Micro Purchases

DOCUMENTATION

Micro-purchasing documentation requirements include the Food Service Cost Report, receipts, and invoices.

The food service cost report, receipts, and invoices will demonstrate that the Sponsor is rotating evenly between 3 vendors.



Save receipts for all purchases!

**Food
and
milk**

**Food
and
milk**

Shop Receipt

Nr.: 0001287

Code	Qty	Description	Price/\$
1234	3	Chicken Nuggets	8.99
1234	2	Kitchen trash bags	4
1235	1	Ground coffee	2.52
1234	2	2% Milk	4.25

Date 03/01/2024
Time 05:24 pm

Subtotal: 19.76
Tax: 1.978
TOTAL: 21.74

Address: Street, City, Zip

**Operational
Supplies**

Non-CACFP

Micro Purchases

DOCUMENTATION

Micro-purchasing documentation requirements include the Food Service Cost Report, receipts, and invoices.

The food service cost report, receipts, and invoices will demonstrate that the Sponsor is rotating evenly between 3 vendors.



Food Service Cost Report
Month March Program Year 2024

Date	Supplier	Purchase Type (Micro, Simplified, or Formal)	Invoice Total (\$)	Food & Milk (\$)	CACFP Operational Supplies (\$)	Non-CACFP Items (\$)	# Gallons of Milk
	Food Receipt	Micro	21.74	13.24	4	2.52	2

Food
and
milk

Operational
Supplies

Non-CACFP



The Food Service Cost Report can be found at:
<https://www.azed.gov/hns/cacfp/programforms/>

Quiz Time

I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

What procurement method am I using?

- A Micro purchase**
- B Simplified Acquisition**
- C Neither**



Quiz Time

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What procurement method am I using?

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- C** Neither



Quiz Time

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What procurement method am I using?

- **Micro**

Do I need to compare prices?



Quiz Time

I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

What procurement method am I using?

- **Micro**

Do I need to compare prices?

- **No, but ensure prices are reasonable**



Quiz Time

I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

What procurement method am I using?

- **Micro**

Do I need to compare prices?

- **No, but ensure prices are reasonable**

What were to happen if I only wanted to purchase my groceries from Costco?



Quiz Time

I buy the groceries for my school once a week. My weekly purchases are around \$350. I rotate my purchases between Costco, Safeway, and Fry's.

What procurement method am I using?

- **Micro**

Do I need to compare prices?

- **No, but ensure prices are reasonable**

What were to happen if I only wanted to purchase my groceries from Costco?

- **I would have to change to the Simplified Acquisition method.**



Micro Purchases

ONE-TIME PURCHASING

Occasionally, Sponsors may find it necessary to acquire food service equipment, such as a new refrigerator or range. Since the cost of one-time purchases can vary significantly procurement regulations specify different requirements depending on the amount of this one-time purchase.

All costs that CACFP funds are used to pay for, must be included in approved budget.

Routine food and supply costs should anticipate food service equipment needs when preparing the budget each year.

If a **Sponsor did not anticipate these costs at renewal and mid-year, and that Sponsor needs to replace a piece of food service equipment, the Sponsor should submit a budget revision to include this purchase.** This shows capability and good program management when the Sponsor can monitor equipment needs and update the budget accordingly.

Micro Purchases

ONE-TIME PURCHASING

Equipment purchases, including software purchases...

UNDER \$5,000

- Include in CNP Budget
- Specific prior written approval not required
- Price must be reasonable

OVER \$5,000

- Include in CNP Budget
- Specific prior written approval is required
 - If the amount of the one-time equipment purchase will be between \$5,000 and \$10,000 it still counts as a one-time micro purchase, but it will require Specific Prior Written Approval from ADE before it can be purchased and claimed as a CACFP cost.
- Price must be reasonable

Documentation

EQUIPMENT PRE-APPROVAL REQUEST FORM

The Equipment Preapproval form is available on our website. This form must be submitted to the assigned specialist before making the purchase. Once the specialist has approved the request, the Sponsor may purchase the item. The invoice will serve as supporting documentation when claiming this as a CACFP cost and will be examined during a review.



The form may be found under Tracking Program Expenses at:
<https://www.azed.gov/hns/cacfp/programforms/>



Equipment Pre-Approval Request Form For purchases over \$5,000

When using federal funds from the food service account to pay for equipment purchases, the purchase must be allowable. Costs must meet the following general criteria:

- **Necessary.** The cost must be necessary for the operation of the Program. The cost must be needed to meet regulatory requirements for proper and efficient administration of the Program.
- **Reasonable.** The type and amount of the cost must be reasonable and may not exceed what a prudent person would pay under the same circumstances. Factors used to determine reasonableness include:
 - The limits imposed by generally accepted sound business practices;
 - Arms-length bargaining;
 - Federal, state, local, tribal, and other laws and regulations;
 - Whether the individuals acted with care considering their responsibilities to the organization, its members, employees, and clients, the public at large, the federal government, the Child and Adult Care Food Program (CACFP), and the Summer Food Service Program (SFSP);
 - Market prices for comparable goods or services for the geographic area; and
 - Whether there are significant deviations from established practices which may unjustifiably increase costs.
- **Authorized.** The cost must be allowed or at least not prohibited under federal, state, local, or tribal laws, regulations, and FNS Instructions.
- **Current.** The cost must not be assignable or included as a cost to a prior or future period.
- **Limitations.** The cost must conform to any limitations or exclusions set forth in federal, state, local, or tribal laws, regulations, and FNS Instructions as to the types or amounts of the cost items.
- **Multiple Awards.** The cost must not be assignable or included as a cost to any other current or prior federally financed program(s).
- **Consistent treatment.** The cost cannot be allocated as a direct cost to the food service account if any other cost incurred for the same purpose, in like circumstances, has been allocated as an indirect cost to the food service program.
- **Net cost.** The cost must be the net cost after deducting all applicable credits, rebates, refunds, etc.
- **Allocated.** The cost must be properly allocated so that only the allowable share of the cost is assigned to the Program.
- **Documented.** Costs must be supported by documentation that adequately demonstrates the costs:
 - (1) Have been incurred;
 - (2) Are Program costs; and
 - (3) Comply with all applicable laws, regulations, and FNS Instructions.

te and submit the CACFP and SFSP expenses. Additional

(CNP) operations (DE) in making an ions (7 CFR Part 210,

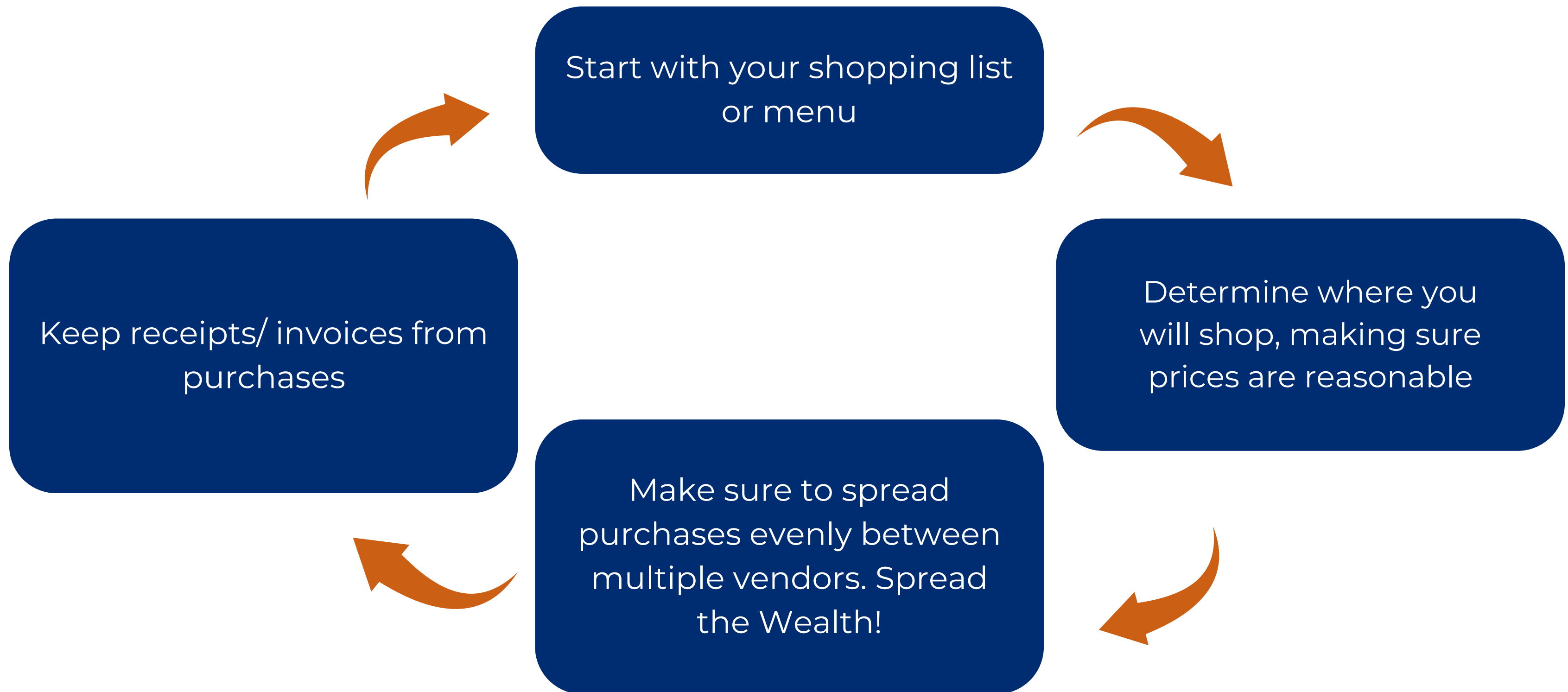
ry, installation, purpose of the cost of the item included

purchases under n file. Small purchase: or meeting all on of the quotes must

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Micro Purchase Process



Simplified Acquisitions Purchasing



SECTION 4

Simplified Acquisitions

PROCESS:

- Buying the same items from only one place on a regular basis

AMOUNT:

- Any purchase below the simplified acquisition threshold (\$250,000 **or the most restrictive threshold**);
- Must be done for any purchase above \$10,000;
- May be done at any amount under \$10,000

EXAMPLE:

- I buy milk from Costco every week/month;
- I buy my groceries from Fry's every week/month;
- I figure out who is the cheapest and always buy from them.

REQUIREMENTS:

- Total of all purchases is below \$250,000 (or Sponsor's local Threshold)
- Use when purchasing multiple times from the same vendors for the same products/services
- Use when one-time purchase is within simplified acquisition threshold.
- Must document the process

2 CFR 200.320 (a)



(2) *Simplified acquisitions* —

- (i) *Simplified acquisition procedures.* The aggregate dollar amount of the procurement transaction is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If simplified acquisition procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. Unless specified by the Federal agency, the recipient or subrecipient may exercise judgment in determining what number is adequate.
- (ii) *Simplified acquisition thresholds.* The recipient or subrecipient is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures, which may be lower than, but must not exceed, the threshold established in the FAR.

Simplified Acquisitions

REMINDERS

- Procurement must still be conducted in a manner that maximizes full and open competition.
- Sponsors should put the quantity, quality, and type of goods or services needed in writing before contacting any potential offerors (termed specifications).
- Sponsors must contact at least two places/vendors who are eligible, able, and willing to provide the product or service.
- It is recommended that Sponsors contact at least three places/vendors.
- The solicitation must include the requirement that goods must be produced and processed in the United States (“Buy American”). (For FOOD purchases only)
- Sponsor must choose the vendor with the lowest price who meets their specifications.

Step Four

DOCUMENTATION

04

Follow requirements for method of purchase (documentation)

- Simplified Acquisitions require the following steps below for proper documentation.

1. **Solicitation:** Written out specifications presented to each vendor/store
 - a. *What item is needed? When? Is delivery required?*
2. **Quotes:** Documented responses from 3 or more qualified vendors/stores
 - a. *Email response, catalog, website, phone calls, ads. Keep notes of your quotes!*
3. **Proof of Your Evaluation & Comparison:** How did you choose one vendor?
 - a. *You can use a point system, price comparison, chart, or written notes*
4. **Receipt/Invoice** (or a copy of contract if applicable)
 - a. *Verifies the purchase of the chosen vendor and correct price (cost matches quote)*

Simplified Acquisition

CREATING A SOLICITATION

The first step is to put what the Sponsor needs in writing to create a solicitation. Share the same specifications with each vendor

1. What is the product or service needed?

2. Describe it with detail:

- a. 1% white milk and skim white milk, in cartons, with weekly delivery.
- b. 75 lunches served daily, including milk, served bulk
- c. 6x6x6 walk in cooler with floor, self-closing door, locking deadbolt handle, and 115v/60/1, delivery needed
- d. 100 Fresh, whole Honey Crisp apples delivered weekly on Monday during business hours
- e. Buy American requirement (for food items)

Simplified Acquisition - Documenting Quotes

HOW TO DOCUMENT QUOTES

The second step in documenting a simplified acquisition involves taking the written specifications and obtaining quotes.

There are various methods for documenting these quotes.

- May request written quotes over the phone
- Track them in a spreadsheet or take handwritten notes
- Utilize newspaper advertisements or online shopping carts to gather pricing information
- Can be obtained via email or through various websites

Simplified Acquisition - Documenting Quotes

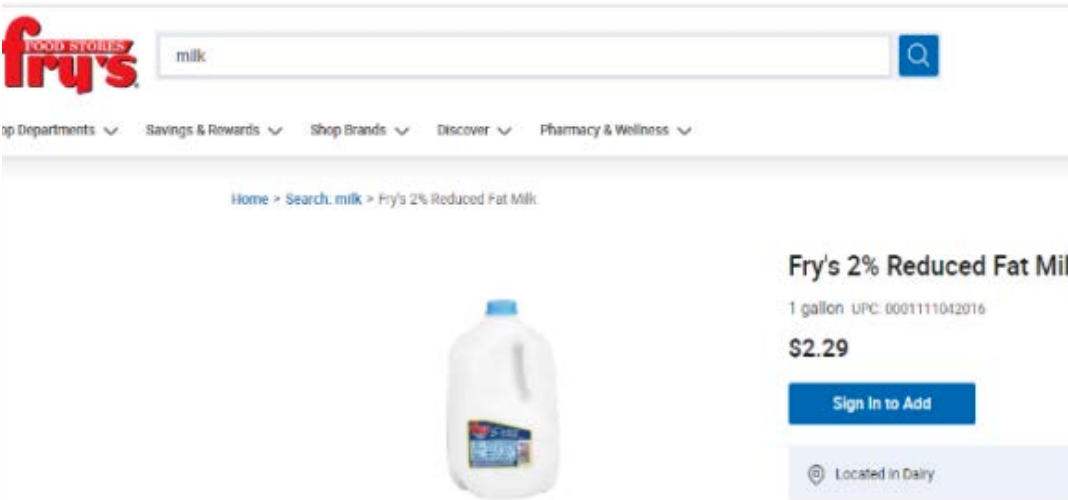
HOW TO DOCUMENT QUOTES

- 1

Print online pricing quotes
- 2

Save any ads used for pricing
- 3

Create a price quote document



PRICE QUOTE

Date: [Enter a date]
Invoice #: [100]
Expiration Date: [Enter a date]

To: [Name]
[Company Name]
[Street Address]
[City, ST, ZIP Code]
[Phone]
Fax: [000.000.0000]
[e-mail]

Customer ID: [ABC12345]

Salesperson	Job	Shipping Method	Shipping Terms	Delivery Date	Payment Terms	Due Date
					Due on receipt	

Qty	Item #	Description	Unit Price	Discount	Line Total

Simplified Acquisition

CREATING A SOLICITATION

The third step in documenting a simplified acquisition is to evaluate the information you gathered.

Compare the prices from your 3 chosen vendors. Indicate which ones can meet the specifications and choose lowest priced vendor who can meet specs.

Evaluation					
Store	Price	Has all items	Enough Milk	Online Ordering	Curbside Pickup
Walmart	4116.18	Y	Y	Y	N
Albertson's	553.24	N	Y	Y	Y
Fry's	389.52	Y	Y	Y	Y

Simplified Acquisition - Documenting Quotes

SIMPLIFIED ACQUISITION DOCUMENTATION SUMMARY

For simplified acquisitions Sponsor should be obtaining 3 quotes. Sponsor documentation will include:

A Solicitation:

Written out specifications presented to each vendor/place

- List the item(s) I need, when do I need it by, delivery needed?

Documented Responses:

Quotes from 3 or more qualified vendors/places

- Can be from email, catalogs, website, phone calls, ads
- Make sure Sponsor keep notes of price quotes obtained!

Proof of an Evaluation/Comparison:

How did the Sponsor select the vendor?

- Can be a point system, price comparison, a chart, written notes
- This should be done yearly



Simplified Acquisition

PROOF OF PURCHASE

The final step in documenting a simplified acquisition is to keep all receipts and invoices and report the purchases on the Food Service Cost Report.

Maintain receipts and invoices to support claimed costs
Document all costs on your Food Service Cost Report



Food Service Cost Report
Month March Program Year 2024

Date	Supplier	Purchase Type (Micro, Simplified, or Formal)	Invoice Total (\$)	Food & Milk (\$)	CACFP Operational Supplies (\$)	Non-CACFP Items (\$)	# Gallons of Milk
	Food Receipt	Micro	21.74	13.24	4	2.52	2
	Albertson's	Simplified	389.52	389.52			22



The Food Service Cost Report can be found at:
<https://www.azed.gov/hns/cacfp/programforms/>

FSMC and Catering Contracts

ALL Food Service Management Company (FSMC) and Catering contracts **must** be approved by ADE.

- **Simplified Acquisition (informal)** Catering contract agreements under \$100,000/\$250,000
 - Each contract agreement must be procured and completed annually - no renewals allowed.
 - Informal Catering contracts have a duration of one year - Contract dates must be between October 1- September 30.
 - Use the current year ADE templates and make sure to fill in all information.
 - Turn in a signed and completed copy for approval, along with checklist, Certificate of Independent Price Determination, Lobbying forms, and copies of vendor's permit to operate and health inspections.
 - The Sponsor must receive approval of the contract agreement before food operations begin.



Quiz Time

I need to purchase milk for my meal service and estimate the cost for the year to be \$6,000. I need the milk delivered weekly because I do not have the capability to store large amounts.

What procurement method should I use?

- A Micro purchase**
- B Simplified Acquisition**
- C Neither**



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I called three companies and obtained quotes and chose the company with the lowest price who can deliver. Can I continue to buy my milk from this same vendor?



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- **Yes!**



Simplified Acquisition - Documenting Quotes

SIMPLIFIED ACQUISITION - REQUEST FOR QUOTE (RFQ)

- RFQ is an option for a Simplified Acquisition purchase
 - Allows for multi-year contract for purchases below Sponsor's formal purchase threshold
 - In the RFQ, solicitation must define the contract period and renewal terms and ensure that during the duration of the contract, the formal purchase threshold is not exceeded; prices are typically fixed
 - Send out renewal letters instead of obtaining quotes each year, for the duration of the contract terms
 - The new Expanded Geographic Preference Option allows "Local" to be used as a new specification and a defined scoring advantage

REQUEST FOR WRITTEN QUOTE
Food Service Uniforms
 Written Quote #QN21-04-26

The [REDACTED] is required by Arizona Revised Statute ARS 15-213 to comply with Title 41, Arizona Procurement Code. This Code requires us to solicit quotations for purchases being made over \$9,999.99 for any fiscal year.

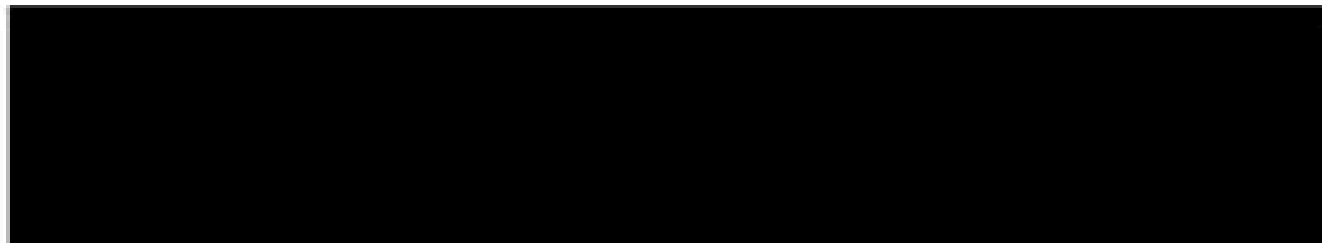
In order to comply with the above ruling, the district requests that you supply a list of product lines, and/or services (a line card may be used) indicating the price schedule for each line and/or service, a current price list/catalog to support the price schedule, or percentage of discount that you will extend to the [REDACTED] from July 1, 2021 through June 30, 2022. A list of the most commonly purchased items is attached; however, purchases may not be limited to this list.

Please return on or before the Quote Due Date and the following location:

Issue Date: March 24, 2021

Quote Due Date & Opening: Thursday, April 8, 2021 10:00 A.M. Local, ARIZONA Time

Opening Location:



1. Quotes must be submitted by the above time and date, by mail or email to above contact with the solicitation number and name, and the submitter's name and address clearly indicated on the response.
2. Quotes shall be in the actual possession of the District, at the location specified above, on or prior to the exact date and time indicated above. Late submittals may not be considered and may be returned.
3. The contract resulting from the quote shall be for the period beginning July 1, 2021 ending on June 30, 2022 with the option to renew an additional four (4) years until June 30, 2026 as long as funding is available and the district is satisfied with the product/service. The total amount of the five-year optional contract shall not exceed \$100,000. Prices shall be firm for the entire length of the contract.
4. The District reserves the right to waive any immaterial defect or informality, or reject any or all quotes, or portions thereof, or reissue or cancel this Request for Quote.

9. SPECIFICATIONS:

- A. Compliance with Specifications: The fact that a manufacturer or supplier chooses not to produce or supply equipment, supplies, or services to meet the specifications in the solicitation will not be considered sufficient cause to adjudge these specifications as restrictive. Offerors shall offer equipment, supplies and/or services that they believe come closest to meeting the specifications.
- B. Deviation from Specifications: Failure to detail all deviations may be sufficient grounds for rejection of the entire offer.

10. FEDERAL FUNDING REQUIREMENTS. The following five terms and conditions shall only apply if purchases from this Request for Quote will utilize any federal grant funds:

✓ Buy American Provision for Food Purchases

Example of renewal letter, must be sent for each renewal year (in place of obtaining quotes)

Dear Sir or Madam:

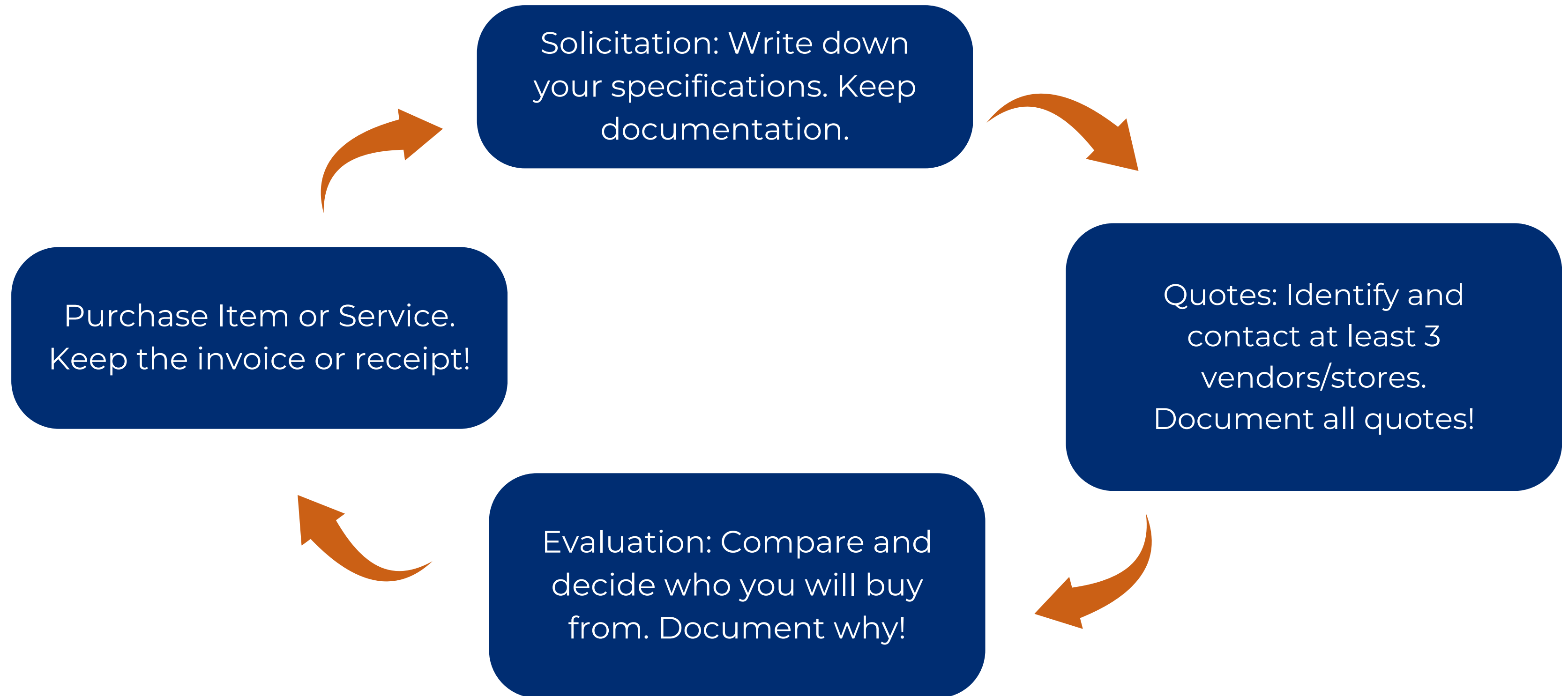
Re: RFQ #17049 – District Personnel Uniforms

In accordance with its terms, the [REDACTED] desires to extend contract CSDB #17049 for a period of one year, beginning July 1, 2018. The extension shall be under the same terms and conditions contained therein, except as outlined on page two of the extension of agreement.

Please indicate your desire to extend by completing the appropriate information below. If the contract is extended, [REDACTED] agrees to provide products or prices as per CSDB #17049, District Personnel Uniforms. If the remit or order to addresses have changed, please provide the new information.

We desire to extend the contract as specified above, and agree to abide by the original terms and conditions, and any attached clarifications.

Simplified Acquisition Process



Micro vs Simplified Acquisition Method

MICRO

- **PROCESS:** One-time purchase OR “spread the wealth” multiple purchases (buying the same items among different vendors/places that offer the same service and reasonable price)
- **AMOUNT:** Up to \$10,000

Example: I purchase the same office supply items rotating between Office Depot, Staples, Costco, and Sam’s Club

SIMPLIFIED ACQUISITION

- **PROCESS:** Buying the same items from only one place on a regular basis
- **AMOUNT:** Up to \$250,000 (above \$10,000 this has to be done)

Example:

- I purchase office supplies repeatedly and only from Costco.
- I purchase a \$15,000 piece of equipment for my kitchen.

Quiz Time

My yearly purchases for food are around \$50,000. I have a vendor that I have been using for years. The vendor delivers and always has what I need. I do not have any type of contract with them and have not obtained other quotes.

Am I procuring properly?

- A Yes, no quotes are needed when there is a historical relationship with the vendor**
- B No, did not “Spread the Wealth” by purchasing equally from multiple vendors**
- C No, did not obtain quotes from qualified vendors**



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What procurement method should I be using?



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What procurement method should I be using?

- **Simplified Acquisition**

What do I need to do differently?



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Am I procuring properly?

- **No, did not obtain quotes**

What procurement method should I be using?

- **Simplified Acquisition**

What do I need to do differently?

- **Create a solicitation / draft specifications**
- **Obtain quotes from at least 3 vendors**
- **Evaluate responses**
- **Award business to lowest priced vendor who meets the specifications**



Micro Purchase vs Simplified Acquisition

- **I want to keep things simple.**
 - Micro might be the best method.
- **I don't want to have to keep shopping around.**
 - Simplified Acquisition might be best method
- **I want to have an open P.O. for the farmer/vendor so I can buy repeatedly from them and have the billing process done.**
 - Simplified Acquisition method and quotes
- **I want to write language in specifications to find a local variety or exactly what service/product I need.**
 - Simplified Acquisition method

Micro Purchase vs Simplified Acquisition

Benefits of **Micro** Purchase

- Simple procurement method
- No quotes needed (price reasonable)
- Primary documentation is invoice(s)
- Non-committal

Limitations of **Micro** Purchase

- Must be one-time purchase or spread the wealth situation.
- Limits an ongoing buying relationship (repeat buying from one vendor)

Benefits of **Simplified Acquisition**

- Can include language in the specifications to target what need
- Can establish a buying relationship with vendor/farmer

Limitations of **Simplified Acquisition**

- Must not spend more than the formal purchase threshold
- A level of commitment is involved with repeat buying

Beware!!!!

Micro and Simplified Acquisitions

Intentionally splitting purchases to avoid exceeding the formal procurement threshold, when not justified by the nature of the purchase, is prohibited.

- Example: buying paper products and supplies from two different vendors to avoid going over a procurement method threshold.



Quiz Time

I need to buy a new walk-in cooler. The cooler will cost more than \$10,000.

What procurement method should I use?

- A Micro purchase**
- B Simplified Acquisition**
- C Neither**



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What procurement method should I use?

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What might be some of my specifications?



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What might be some of my specifications?

- **6x6x6, self-closing door, locking deadbolt handle**

What documents do I need to keep?



Quiz Time

I need to buy a new walk-in cooler. The cooler will cost more than \$10,000.

What procurement method should I use?

- **Simplified Acquisition**

What might be some of my specifications?

- **6x6x6, self-closing door, locking deadbolt handle**

What documents do I need to keep?

- **Specifications, quotes, selection criteria, evaluation, purchase documents**
- **REMINDER: the determination must be made solely on price**
- **Specific prior written approval is required. Equipment Pre-Approval Form signed by sponsor and approved by ADE must be obtained prior to making the purchase.**



Formal Procurement

SECTION 5



Procurement Methods

Types (Based on the Amount and Process):

03

Choose procurement method (Micro, Simplified Acquisition, Formal)

- Base decision on process and amount

1. Large (Formal) Purchase

a. Sealed Bids (Invitation for Bids (IFB))

b. Competitive Proposals (Request for Proposals (RFP))

Procurement Methods

Formal Purchase

- When the value of the purchase exceeds the applicable Federal, State, or local threshold for Simplified Acquisitions (\$250,000 or the most restrictive threshold), use the Formal procurement method.
- For Formal Purchasing, the Sponsor must decide if their solicitation will result in:
 - Fixed Price Contract (IFB or RFP)
 - Cost Reimbursable Contract (only RFP)
- The goal of both IFB and RFP methods is to obtain the best valued product at the lowest price.

Formal

Purchases above Simplified
Acquisition Threshold

**Invitation for
Bids: IFB
(Competitive
Sealed Bids)**

**Request for
Proposals:
RFP
(Competitive
Proposals)**

Step Four

DOCUMENTATION

04

Follow requirements for method of purchase (documentation)

- ALL formal contracts must be approved by ADE.

- **Large purchase (formal)**

- To begin the documentation process, contact HNScontracts@azed.gov
- Each contract agreement must be procured individually.
- The Sponsor must receive approval of the contract agreement before food operations begin.

FSMC and Catering Contracts



- **Large purchase (formal) *All FSMC*** (no matter the amount) and Catering contracts over \$100,000/\$250,000
 - Mandatory training
 - Solicitation documents – must use ADE templates, contact HNScontracts@azed.gov for the necessary templates after reviewing this training.
 - RFP, Evaluation Rubric
 - ADE Approval, Public release
 - Evaluation by Committee
 - ADE Approval of Selected Proposal, Notification
 - Contract duration – one year with 4 renewals



For more information, please reference USDA's [Contracting with Food Service Management Companies: Guidance for School Food Authorities](#)

Quiz Time

Formal procurement methods include:

- A** Micro and Simplified Acquisitions
- B** RFB and IFP
- C** Formal and Informal
- D** I don't know



Quiz Time

Formal procurement methods include:

A Micro and Simplified Acquisitions

B RFB and IFB

C Formal and Informal

D I don't know

- For Formal Purchasing, the Sponsor must decide if their solicitation will result in:
 - Fixed Price Contract (IFB or RFP)
 - Cost Reimbursable Contract (only RFP)
- The goal of both IFB and RFP methods is to obtain the best valued product at the lowest price.



Administrative Reviews

SECTION 6



Administrative Reviews

REVIEWS ARE CONDUCTED BY THE STATE AGENCY USING A STEP-BY-STEP APPROACH AND INTENDED TO ASSESS COMPLIANCE AND PROVIDE TECHNICAL ASSISTANCE TO THE SPONSOR.

THE REVIEW OF SPECIFIC PURCHASES WILL:

-  Ensure the proper method (Micro, Simplified Acquisition, Formal) is being used
-  Ensure correct documentation is kept on file
-  Ensure compliance with Federal regulations and policies
-  Improve the process of procuring foods and services for the Food Service Program

Administrative Reviews

COMMON FINDINGS

- Micro Purchase
 - Did not spread purchases evenly between vendors
 - Bought repeatedly from same vendor but listed as a Micro
- Simplified Acquisition
 - Did not obtain quotes from at least 2-3 qualified vendors
 - Did not create a solicitation document
 - Create a grocery list of items if shopping at store(s)
 - Create a list of items that Sponsor want to purchase and other requirements (i.e. need delivery) that Sponsor send to the vendors
 - For food, Buy American applies, so add it to templates or grocery list and for verbal quotes discuss it with vendors and document that discussion
 - Did not provide evaluation documentation/reason chose a vendor
 - Did not maintain records for 5 years (save all documents)

Administrative Reviews

REMINDERS

-  Complete each required document in a timely manner.
-  Send all requested documents.
-  Communicate with the assigned Procurement Reviewer for any special circumstance.



Congratulations

**You have completed the Online Course:
CACFP Procurement Basics**

ADHS Empower Program

This training counts toward Empower Program training requirements.

Arizona Early Childhood Workforce Registry

This training is listed on the Arizona Early Childhood Workforce Registry. If you want this training to appear on your registry transcript, please provide your Workforce Registry ID when completing the survey.

Certificate

Requesting a training certificate

Please click the button to complete a brief survey about this online training. Once the survey is complete, you will be able to print your certificate of completion from Survey Monkey.



Information to include when documenting training completion:

Training Title: CACFP Procurement Basics

Length: 1.5 hours

Please note, attendees must document the amount of training hours indicated on the training despite the amount of time it takes to complete it.





In accordance with federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

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 state or local agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, [AD-3027](#), found online at [How to File a Program Discrimination Complaint](#) 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, Mail Stop 9410, Washington, D.C. 20250-9410;
2. **Fax:** (202) 690-7442; or
3. **Email:** program.intake@usda.gov.

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