



Procurement in the CACFP

Illinois State Board of Education -- Child and Adult Care Food Program
2015 Administrative Training

Overview

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Procurement

What is Procurement?

- ▶ The process of acquiring goods and services such as food, meals and equipment
- ▶ Sponsors must comply with state and federal procurement laws
- ▶ Intended to provide full and open competition

Federal Procurement Requirements

Published in 7 CFR 226.22:

- ▶ Supply standards and guidelines for the procurement of foods, supplies, equipment, and other goods and services
- ▶ Ensure materials and services are obtained efficiently and economically
- ▶ Failure to comply with the bid procedures and contract requirements of applicable Federal procurement regulations is a Serious Deficiency for participating institutions

Federal Procurement Requirements

Restricting or eliminating full and open competition is prohibited. This includes, but is not limited to:

- ▶ Placing unreasonable requirements on firms in order for them to qualify to do business
- ▶ Noncompetitive practices between firms
- ▶ Organizational conflicts of interest
- ▶ Unnecessary experience and bonding requirements

Federal Procurement Requirements

- ▶ **Financial Viability**

- ▶ Financial resources to maintain operations

- ▶ **Administrative Capability**

- ▶ CACFP procedures in place
- ▶ Adequate number of qualified staff

- ▶ **Program Accountability**

- ▶ Management and accounting practices
- ▶ CACFP funds used appropriately

Meal Preparation

Acceptable meal preparations in CACFP include:

- ▶ *On-Site* — Meals are prepared at the facility
- ▶ *Central Kitchen* — Meals are prepared in a central kitchen operated by the institution and transported to the facility for service to children
- ▶ *School Agreement* — Prepared meals purchased from a public or private school
- ▶ *Formal Bid Contract* — Prepared meals purchased from a vendor, and the annual cost meets or exceeds \$150,000
- ▶ *Small Purchase Agreement for Procurement of Vended Meals* — Prepared meals are purchased, and the annual cost is less than \$150,000

Meal Preparation

CACC Site Application

1) Site Questionnaire 2a) Participation - Program Selection 2b) Participation - Program Questions 3) Participation Detail

Participation detail

Summary of Monthly Serving Days - 164 [-]

Counts in red indicate error(s) are present for the month.

October	23	November	16	December	23
January	22	February	20	March	22
April	22	May	16	June	0
July	0	August	0	September	0

Apply changes to the following days:

Sunday Monday Tuesday Wednesday Thursday Friday Saturday

ISBE listed Holidays

[Go to daily detail](#)

Program	Meal	First day of meal change	Last day of meal change	Enrollment	Begin time	End time	Meal preparation
<input type="checkbox"/> At-Risk	P.M. Snack	10/1/2014	5/22/2015	50	02:30 PM	03:00 PM	Contracted

No interim contracts exist.

Vended Meals

- ▶ All forms for vended meals are on the ISBE website at:
http://www.isbe.net/nutrition/htmls/forms_cacfp.htm

☒ **Vendor Contracts**

- ▶ Invitation for Bid and Contract for Purchased Meals (69-99)
 - ▶ Blank Breakfast Menu Form (67-04B)
 - ▶ Blank Lunch/Supper Menu Form (67-04A)
 - ▶ Blank Supplement Menu Form (67-04C)
- ▶ Small Purchase Agreement (67-89)
- ▶ School Agreement (68-62)
- ▶ Renewal of Competitively Bid Contracts (67-90)
- ▶ Certification Regarding Debarment (85-34)
- ▶ Vendor Listing

Vended Meals

- ▶ Invitation for Bid and Contract – must conduct a public bid opening when spending \$150,000 or more per year on vended meals
 - ▶ Based on total cost at sponsor-level
 - ▶ Call our office for guidance in this process
- ▶ Small Purchase Agreement for Procurement of Vended Meals
 - ▶ Required for those sponsors spending less than \$150,000 per year on vended meals
 - ▶ Informal procurement procedures may be conducted

Invitation for Bid

- ▶ Required for Vended Meal Purchases that are \$150,000 or more per year
- ▶ Initial contract period may last for up to one year
- ▶ Up to four contract renewals may be implemented before a new Invitation for Bid process is required
- ▶ Contracts are subject to ISBE review
- ▶ Contact ISBE CACFP staff for more information about this process

Invitation for Bid

- ▶ **Contract Renewals:**
 - ▶ Use ISBE form 67-90: Renewal of Competitively Bid Contracts
 - ▶ The three-year retention period begins when the final contract renewal period has expired and/or the final payment is recorded – whichever occurs last.
 - ▶ You may have to retain records relating to a procurement contract for 8 years if you renew all 4 years:
 - ▶ the original contract year,
 - ▶ the four renewal years,
 - ▶ and three years past the end of the last renewal.

Small Purchase Agreement

- ▶ Required for Vended Meal Purchases less than \$150,000 per year
- ▶ Annual process
- ▶ Contract period may last for up to one year
- ▶ Maintained along with a copy of the following:
 - ▶ Vendor's most recent public health inspection report
 - ▶ Vendor signed Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transaction (ISBE Form 85-34)

Small Purchase Agreement

- I. Price or rate quotations are obtained from a representative number of qualified sources.
 1. Representative = the number of independent and interested sources contacted provides for full and open competition
 2. Qualified means eligible, able and willing to supply the item or service.
 - Eligible means the potential supplier can meet required licensing or certification requirements and is not prohibited, i.e., conflict of interest provisions or other constraints;
 - Able means the potential supplier can fulfill the CN program participant's requirements; and
 - Willing means the potential supplier has a bona fide interest in obtaining the CN program participant's business.

Small Purchase Agreement

2. Information provided to prospective bidders is sufficient to permit eligible suppliers to respond, and the same information is shared among all, including:
 - A five-day sample menu for each meal requesting
 - Copy of the CACFP Meal Pattern Chart
 - Number of each type of meal anticipated to be purchased daily
 - Location to which the meals are to be delivered
 - A copy of the Small Purchase Agreement so the terms of the agreement are known
 - Final date for receiving a price quotation
 - Any other pertinent terms or conditions required by the CN program participant.

Small Purchase Agreement

3. The CACFP organization must document all information and prices discussed, whether by telephone or in writing.

Documentation should include:

- The name of the individual soliciting the information;
- The name of the company solicited and the individual providing the price or rate quotation;
- The date the information was provided;
- The goods or services to be purchased, including the quantities upon which the price or rate quote was provided

4. Negotiation of prices and terms with the vendors is permitted

Procurement Best Practice

- ▶ Child Nutrition Program participants are expected to use reasonable practices to obtain the best product at the best price and terms.
- ▶ For non-vended meal purchases, it is a good business practice to obtain price quotes for large Program purchases, and document with informal procurement log:

Item: Iron-fortified Infant Formula			
Supplier	Date	Price Quote	Notes
Big Club Foods	5-5-15	\$14.35	Newspaper price quote
Amazon.com	5-5-15	\$13.99	Online quote; price does not include shipping fee
Sandy's Corner Store	5-5-15	\$16.23	Based on store visit – local grocery store



Q & A

Q: True or False?

If conducting informal procurement, centers must purchase from the vendor with the lowest cost.

A: False

When purchases do not exceed \$150,000, centers are not obligated to purchase from a vendor with the lowest cost. Other factors may impact a purchase decision:

- ▶ Quality of product
- ▶ Availability of delivery
- ▶ Supplier location

Q & A

Q: True or False?

I prepare meals on-site and buy groceries from a supplier that delivers. I do not need a vended meal agreement or contract.

A: True

But, it would be a good business practice to maintain an annual informal procurement log to ensure you are receiving the best product and price for the food program items purchased.

Q & A

Q: True or False?

A Small Purchase Agreement must be completed annually for vended meal purchases that do not exceed \$150,000/year.

A: True

The Small Purchase Agreement cannot be automatically renewed.

The procurement process must be completed annually when vended meal purchases do not exceed \$150,000 per year.





For more information contact:

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