

Informal Procurement – New Ideas for Hawaii Schools

Hawaii Child Nutrition Program

October 2017



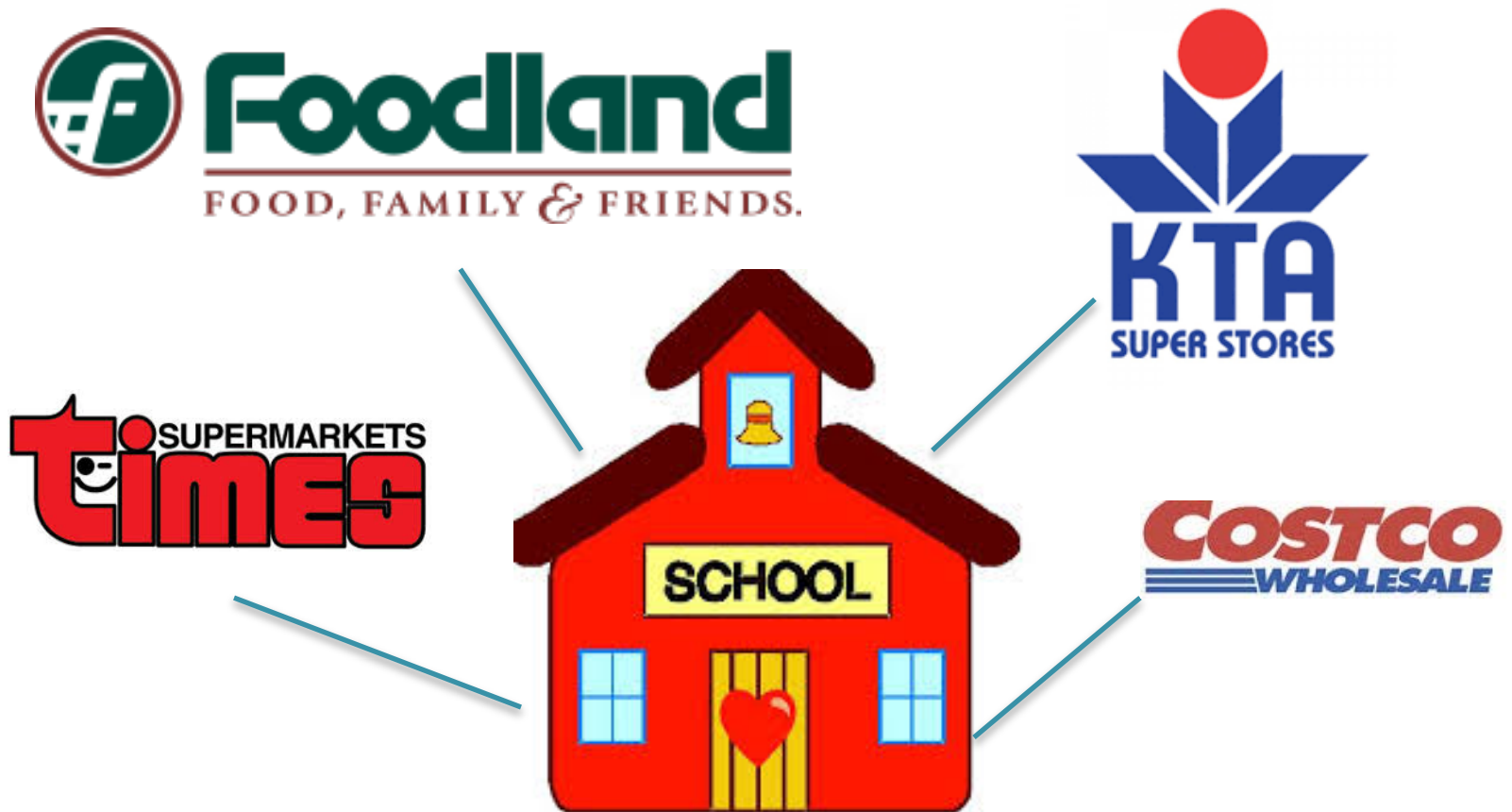
Today's Learning Objective:

To introduce Informal Procurement methods for small School Food Authorities with food item purchases equal or less than \$150,000 annually.



Informal Procurement Method #1

For schools that purchase food items from grocery stores, warehouse stores, farmers markets, etc.



#1 “Informal Purchase” Study

- Used for informal procurement below <\$150,000 or SFA’s small purchase threshold
- List SFAs top 20 most frequently used or most expensive foods that take up greatest percentage of food budget.
- You can break out produce, milk, staples, refrigerated or frozen goods, etc.
- Allows SFAs to make purchases from different places for different products without getting quotes for each purchase throughout the year.

How to do an “Informal Purchase” Study for Method #1?

- List top 20 products and specifications
- Get price estimates from 2 or more sources
- List cost per lb/unit
- Add up cost per units
- Identify vendor/store with lowest total cost.
- You must shop at same store for the products listed until you do another cost survey or until a new school begins.
- You are getting best value for USDA dollar.

PRODUCE: Informal Purchase Survey for SY 2017-18

SFA Name: _____ Date: _____

	Product Name (example: 5 lbs of Apple Bananas)	Store/Vendor 1 Price per unit	Store/Vendor 2 Price per unit	Farmers Market Price per unit
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Can an SFA buy from another store?

- YES!

BUT

- You have to shop at the store you awarded.
- If another store runs a sale, you can purchase from that store; however, you must retain the sales ad of the lower price.

Informal Procurement Method #2

- Utilized by schools that purchase food items from grocery and warehouse stores but want to consider other factors besides cost to determine where to purchase the majority of its food for school meals.
- SFA develops a scoring system to determine best vendor
- Price must be the largest percentage

Other criteria that could affect what vendor is selected could be:

- Price 20%
- Distance to travel 15%
- Delivery 15%
- Line of Credit 15%
- Ease of ordering 15%
- Service 10%
- Availability of products 10%

Informal Purchase Survey for SY 2017-18

SFA Name: _____ Date: _____

	Product Name (example: 5 lbs. Apple Bananas, 25 lbs. brown rice, etc.)	Store/Vendor 1 Price	Store/Vendor 2 Price	Store/Vendor 3 Price
1				
2				
3				
4				
5				
6				
7				
8				
9				
	TOTALS			

SFA scores each vendor on:

- Price (vendor with lowest overall price gets more points)
- Other criteria
- Vendor with most points will be “awarded” majority of the SFAs food purchasing.

SFAs must DOCUMENT everything!

- Keep Informal Purchasing Surveys
- Take pictures of the prices to verify price (optional)
- Remember to keep Sale Ads if SFA buys from another store
- Keep all receipts!!!
- Separate unallowable costs from school food purchases
- Separate personal purchases from SFA purchases

Helpful Hints!

- Describe whatever Informal Procurement method you do in your SFA Procurement Plan.
- Keep an honest person honest. Cross check products received with purchase receipts when it comes through the door.
- Keep cold foods cold. Use an ice chest.

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Mahalo!