Records must be maintained

2 CFR 200.318(i)- The non Federal entity must maintain records sufficient to detail the history of the procurement.

1. Rational for procurement method
2. Selection of contract
3. Vendor selected or rejected
4. Basis for contract price
5. Evaluation
6. Protests
7. Disputes
8. Claims

*Keep all written records/notes/phone calls...*
Procurement Reminder...

A vendor cannot be involved in writing ANY specifications on any formal or informal IFB or RFP. Hire a consultant if you need assistance!

A vendor must be excluded from competing for a procurement if they do assist in developing a draft or specifications.
Piggy Backing

When adding parties to a contract known colloquially as “piggy backing,” the contract must have been procured in compliance with 2 CFR Part 200.318-.326. Contracted parties considering adding additional parties must include a provision allowing ”piggy backing” in their contracts in order to avoid creating a material change.

If such a provision is not included in the contract and a material change is determined, a new competitive procurement is required.
Miscellaneous Suggestions:

• After an SFA does a solicitation, then it must do a contract.
• Give more time than you think for writing a bid (X10!).
• Bids should be written for 1 year; but can be extended for 4 – one year extensions.
Miscellaneous Suggestions:

• If you roll a bid, make sure you have an escalation clause. Recommend tying any price increases to a national index such as the CPI - Consumer Price Index (Dept. of Labor). Use National Average for food away from home.

• Bids must be signed by legal authority from SFA.

• All items are “OR EQUAL”. Use taste test to get the product you want.
Miscellaneous Suggestions:

1. Solicitations must be advertised when out to bid. Save proof of advertisement (website, newspaper, mailings, etc.)
2. SFA can talk to vendors **UNTIL THE BID IS OUT**. If a correction is needed, then everyone gets the same info.
3. Accurate Data- state approximately for volume usage but make sure you are credible. Be sure you say your usage is approx. or you might be liable for buying any unused product at end of the bid.
Monitoring Your Contract:

1. Bids Must be monitored: For example: One milk bid in a SFA had 13 price changes (up and down) over the last school year. They claimed they had none and didn’t realize the price changes over the year.

2. Monitoring is making sure invoices are correct and charged according to bid/contract. Document who is monitoring your invoices.

3. Have a written procedure on how to send product back.

4. Buy American must be monitored if using Hawaii Foods to ensure that you are getting the Hawaii Foods.
Common Mistake in Tabulating Bid Winner

Award bid on lowest unit price— all items must be “apple to apple”.

Example:
Bid A - Pizza 1 = 100 cases/30 ct for $10.00
Bid B - Pizza 2 = 100 cases/15 ct for $10.00

Tally:
Bid A - Pizza 1 = 50 cases/30 ct for $10.00
Bid B - Pizza 2 = 100 cases/15 ct for $10.00
To Rebid or Make an Addendum?

Material Change- Subjective; how much in effects the total cost of bid. Based on the % change in total cost of bid. Rule of thumb: Is the bid change significant enough to overall bid which will cause other vendors to want to re-bid.
Procurement Violations:

YEAR TWO OF PROCUREMENT REVIEWS

• USDA is still working on standardized penalties for SFAs.
• HCNP may require SFA to re-solicit bid if in violation.
• Or if critical: HCNP may disallow procured items & SFA pays for items with non-food service food accounts or general funds.