Today’s Learning Objectives:

1. Review USDA Procurement Guidelines
2. Know the difference between FSMC and vended meals contracts
3. Plan for Equipment purchases
4. Apply for NSLPE grants
5. Navigate HCNP website for prototypes and resources
Professional Standards Met:

Purchasing – 2400, 2430, 2460

Employee will be able to effectively and efficiently implement purchasing procedures and practices in order to appropriately and best utilize supplies and USDA Foods to meet menu requirements and comply with all Federal, State and local regulations.
SFA’s MUST:

Make purchases in accordance with the most restrictive procurement laws (local, state, federal) in a manner that assures full & open competition.

• Follow state statutes, administrative rules (HAR) and HCNP memos
• Follow all federal regulations, FNS policy memos, and FNS guidance.
An SFA is responsible for:

• Making purchases
• Managing contracts and vendors
• Establishing good administrative and sound business practices
• Maintaining purchasing records
• Maintaining policies and/or procedures
An SFA must make sure:

All purchases are in accordance with the law in a manner that provides full and open competition

Secures the best price of the best quality product or service

Procurement procedures do not overly restrict or eliminate competition.
SFA’S SOMETIME FORGET TO...

• Manage contracts and oversee vendors
• Address problems
• Incorporate necessary changes or modifications in the contract
• Ensure both parties meet or exceed each other's expectations
• Actively interact with the contractor to achieve the contract's objective(s)
TYPES OF FORMAL BIDS:

THIS IS NOT NEW!

Four (4) methods:

1. Simplified Acquisition – Small purchase procedures or simple/informal procurement
2. Sealed Bids/Formal Advertising (IFB)
3. Competitive Proposals (IFB, RFP)
4. Noncompetitive Proposals (Sole Source)
Informal Procurement Process:

1. Develop your specs in writing
2. Identify sources eligible, able, and willing to provide products
3. Contact at least three of those sources
4. Evaluate bidders’ response to your specs
5. Determine most responsive and responsible bidder at lowest price
MICRO-PURCHASING *(THIS IS NEW!)*

Enables SFAs to make purchases without obtaining competitive quotations, provided:

- The aggregate value does not exceed $3,500
- Competition is achieved by distributing micro-purchases equitably among qualified suppliers.
Formal IFB Process:

1. Develop solicitation
2. Publicly announce the IFB
3. Evaluate bidders using established criteria
4. Determine most responsive and responsible bidder at lowest price
5. Award and Manage Contract
IFB FACTS:

• You tell the vendor what you want: what product, time of delivery, day of delivery, pack size, how you will pay, etc.

• YOU MUST AWARD TO LOWEST VENDOR – NOT ON SERVICE OR IF YOU LIKE THEM OR NOT!

• Can rarely go with 2nd lowest bidder. If you do, you have to provide justification and put in writing first.
Formal RFP Process:

1. Develop solicitation: Product/service expectations, evaluation criteria, etc.
2. Publicly announce the RFP
3. Receive, Evaluate bidders using established criteria
4. Determine most responsive and responsible bidder at lowest price and/or highest scoring proposal
5. Award and Manage Contract

The process is cyclical, starting and ending with the development of the solicitation.
RFP FACTS:

- YOU WORK WITH THE VENDOR ON WHAT YOU WANT
- You tell them what product, time of delivery, day of delivery, pack size, how you will pay, etc. Then they tell you what they will do.
- You score proposal with evaluation committee.
PRICE MUST BE SCORED AS THE HIGHEST OF ALL CRITERIA

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Price</td>
<td>25%</td>
</tr>
<tr>
<td>Will put product on shelves</td>
<td>20%</td>
</tr>
<tr>
<td>Mon. &amp; Thursday delivery</td>
<td>15%</td>
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<tr>
<td>Will allow changes 24 hrs. before delivery</td>
<td>10%</td>
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<tr>
<td>Computer Ordering</td>
<td>10%</td>
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<tr>
<td>No re-shelving charges</td>
<td>10%</td>
</tr>
<tr>
<td>Fill rate</td>
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EXAMPLES OF RESTRICTIVE, UNREASONABLE REQUIREMENTS:

- Requiring statewide bids instead of establishing smaller regions within the state to ensure more competition to provide services or items.
- Requiring deliveries to occur within a 1-2 hour window.
- Requiring too many deliveries per week.
- Requiring a specific delivery day.
EXAMPLES OF RESTRICTIVE PRACTICES IN PROCUREMENT:

Sometimes, especially in Hawaii where there is little competition, an SFA can write their solicitation too tight so no one will or can bid on it.