



**HAWAII CHILD NUTRITION PROGRAMS**  
*Helping Hawaii Eat Healthier*

**CACFP PROCUREMENT TRAINING**

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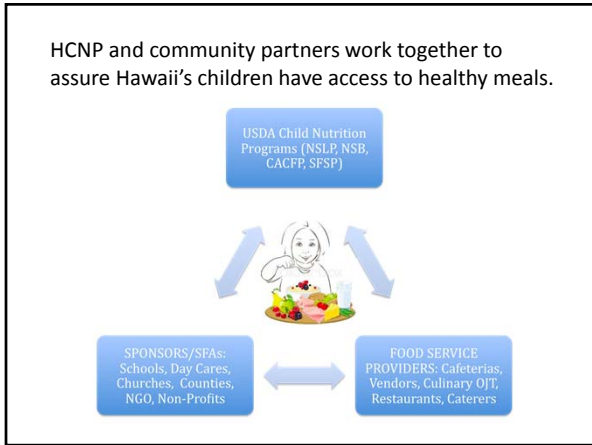
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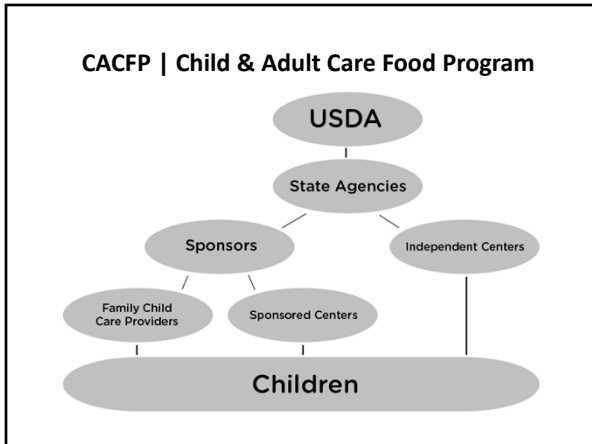
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**RESPONSIBILITY** for assuring procurement compliance is “passed down” from one level to the next through agreements and contracts.



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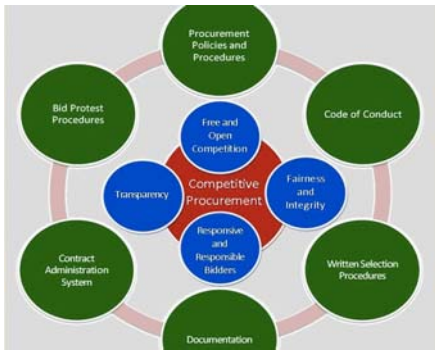
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### Elements of Competitive Procurement



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### **Institutions and Sponsoring Organizations must have a Procurement Plan**

A procurement plan is a detailed description of an organization’s procurement process that demonstrates that they procure in a manner that is consistent with federal, state, and local law and regulation. The plan must demonstrate that the procurement process allows for fair competition for all products.

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Name of Child Nutrition Program Sponsor

**PROCUREMENT PLAN  
CHILD NUTRITION PROGRAMS**

This procurement plan contained on the following pages [ ] through [ ] will be implemented on [Date], from that date forward until amended. All procurements must adhere to free and open competition. Sponsors must retain all documentation for each procurement per regulations.

Authorized Name  
Printed Authorized Name\*

\_\_\_\_\_  
Authorized Signature\*

\_\_\_\_\_  
Date

\*As referenced in CNP Web:  
Executive Contact for National School Lunch Program  
Authorized Representative for Child and Adult Care Food Program  
Authorized Representative for Summer Foods Services Program

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School Nutrition Programs

**SAMPLE PROCUREMENT PROCEDURES FOR SCHOOL FOOD AUTHORITIES**

School food authorities (SFAs) can use this form to identify their procurement plan for the U.S. Department of Agriculture's (USDA) school nutrition programs. School Nutrition Programs include the National School Lunch Program (NSLP), School Breakfast Program (SBP), Afterschool Snack Program (ASP), Special Milk Program (SMP), Fresh Fruit and Vegetable Program (FFVP), and Seamless Summer Option (SSO) of the NSLP. For more information, see the Hawaii Child Nutrition Program's [Procurement Resources](#) webpage.

This form is a sample and may not be all-inclusive. The SFA is ultimately responsible for ensuring that all procurement procedures comply with all federal regulations, state procurement code and regulations, and local procurement policies.

**Procurement Procedures for Child Nutrition Programs**  
*[insert name of SFA]*

The procurement procedures contained on the following pages *[insert page number]* through *[insert page number]* will be implemented beginning *[insert date]*, until amended. All procurements must maximize full and open competition. Source documentation must be available to determine open competition, the reasonableness, the allowability and the allocation of costs.

The *[insert name of SFA]* intentionally seeks to prohibit conflicts of interest in all procurement of goods and services. The code of conduct is identified in section G herein.

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**Written Procurement Procedures:**

- Ensure purchases are made in compliance with federal, state, and local rules.
- Provide purchasing staff with a guide on proper procuring which will help prevent unallowable purchases.

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### HCNP Prototype Procurement Plan

- Includes a Code of Conduct section.  
 All Institutions and Sponsoring Organizations must have a written Code of Conduct.
- Protects employees from engaging in unethical and unallowable behavior
  - Provides disciplinary actions for violations
  - Protects your organization’s reputation

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### Code of Conduct must have consequences if rules are violated.

- Examples of disciplinary actions are:
- Verbal warning
  - Written warning
  - Fines
  - Suspension or Termination

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#### G. Code of Conduct

The following conduct will be expected of all persons who are engaged in the awarding and administration of contracts supported by school nutrition program funds. These written standards of conduct include:

1. No employee, officer or agent of the [insert name of SFA] shall participate in the selection or in the award or administration of a contract supported by program funds if a conflict of interest, real or apparent, would be involved. Conflicts of interest arise when one of the following has a financial or other interest in the firm selected for the award:
  - the employee, officer or agent;
  - any member of the immediate family;
  - his or her partner;
  - an organization which employs or is about to employ one of the above.
2. The [insert name of SFA]’s employees, officers, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.
3. Penalties for violation of the standards of code of conduct of the [insert name of SFA]’s school nutrition programs should be:
  - reprimand by board of education;
  - dismissal by board of education;
  - any legal action necessary.
4. [insert other state or local procurement requirements that may be required]

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### Conflicts of Interest

No employee should be involved in the procurement process if they have a conflict of interest – real or perceived.

- REAL: Professional judgment is compromised because of a financial personal benefit.
- PERCEIVED: A reasonable person would think that the professional's judgment is likely to be compromised.
- The Newspaper/Stink Test

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### Can an Institution or Sponsoring Organization Receive Gifts?



Yes, but it must be clearly defined in your Code of Conduct.

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- Procurement Methods



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Micro-purchase – not services  
 Small purchase  
 Invitation for Bids  
 Request for Bids  
 Single/Sole Source  
 Emergency Procurement

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Procurement Methods				
Requirements	Micro-purchase	Small purchase	Invitation for Bids	Request for Proposals
Value	≤\$10,000	≤\$250,000	>\$250,000	>\$250,000
Use	<ul style="list-style-type: none"> <li>One-time purchases</li> <li>React to quickly changing markets or urgent needs</li> </ul>	<ul style="list-style-type: none"> <li>Purchases &gt;\$3,500 and ≤ local, state, and federal small purchase threshold</li> </ul>	<ul style="list-style-type: none"> <li>Purchases ≤ local, state, and federal small purchase threshold</li> <li>Complete, adequate, &amp; realistic specification available</li> <li>Contract can be awarded on price</li> </ul>	<ul style="list-style-type: none"> <li>Purchases ≤ local, state, and federal small purchase threshold</li> <li>Considerations other than price; price is still primary</li> </ul>
Miscellaneous	<ul style="list-style-type: none"> <li>Reasonable price (no competitive quotes)</li> <li>Equitable distribution among qualified suppliers</li> </ul>	<ul style="list-style-type: none"> <li>No overly restrictive requirements</li> <li>3 bids and a buy</li> </ul>	<ul style="list-style-type: none"> <li>No overly restrictive requirements</li> </ul>	<ul style="list-style-type: none"> <li>No overly restrictive requirements</li> <li>Clear evaluation criteria</li> </ul>
Written Specifications	Best Price	✓	✓	✓
Public Notification			✓	✓
Contract Management	✓	✓	✓	✓
Documentation	✓	✓	✓	✓

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**Micro-purchasing for food and supplies < \$10,000:  
 No solicitation, no cost comparisons necessary**



For one-time food & supplies purchases valued between 0-\$10,000. No solicitation or cost comparisons are necessary. Rotate all food and supply purchases between grocery or warehouse stores, etc. Total annual expenditures at each store should be somewhat equal. Not to be used for equipment or services.

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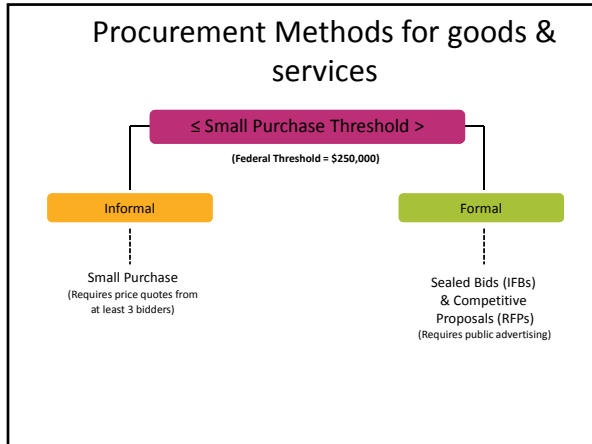
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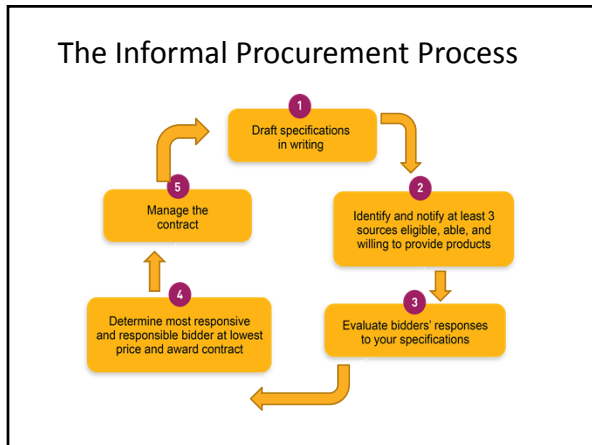
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**CONTRACT for VENDED MEALS**  
**SCHOOL YEAR 20XX - 20XX**

A school that participates in School Nutrition Programs (SNP) must meet the program requirements specified in this agreement in order to claim program reimbursements for meals provided by a Vendor.

**I. Purpose and Term**

This contract, between School Food Authority (SFA) \_\_\_\_\_

SFA's Agreement # \_\_\_\_\_

and Vendor \_\_\_\_\_ authorizes that the Vendor will provide meals, snacks or milk in accordance with this contract and the federal regulations and policies applicable to the U.S. Department of Agriculture (USDA) Child Nutrition program(s) identified in Section II of this contract.

The contract is effective for the period of: \_\_\_\_\_ through \_\_\_\_\_

(If allowed) This contract may be renewed up to four additional one-year terms upon mutual agreement of the SFA and the Vendor. A price increase, at the end of every annual term, may be requested based on either the National CPI or an annual fixed rate of \_\_\_\_%.

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The fixed price per meal listed below is agreed upon by both parties as if no USDA Foods are used:

<b>Breakfast</b>		<b>Adult Meal</b>		<b>Carton of Milk</b>
Price Per Meal:	<input type="checkbox"/> Includes Milk	Price per Meal:	<input type="checkbox"/> Includes Milk	Price Per Carton:
	<input type="checkbox"/> No Milk		<input type="checkbox"/> No Milk	

**Lunch**  
Price Per Meal:  Includes Milk  
Meal:  No Milk

**After-school Snack/At-Risk**  
Supper  
Price Per Meal:  Includes Milk  
Meal:  No Milk

The purchase price shall also include: (List an ancillary items that are included in the purchase prices. For example: delivery, paper plates, plastic flatware, straws, napkins, etc.):

**A. Agreement Period**  
The initial agreement period shall be \_\_\_\_\_ to \_\_\_\_\_. Both parties agree to enter into this Agreement for one (1) year period with the option to renew the Agreement for up to four (4) additional one (1) year periods by mutual agreement of the Sponsor and Vendor. Renewal shall be based on customer satisfaction with products, service, and price.

**Annual Price Increase:** Changes in per meal price may be considered by the Sponsor at the time of renewal. Any proposed per meal price changes must be accompanied by documentation support such increase. The Sponsor reserves the right to accept or reject any proposed price changes, in the best interest of the Sponsor. If the proposed per meal price changes are accepted, they shall become effective on the first day of the Agreement renewal period.

The Consumer Price Index (CPI) to be used will be the CPI-U-All Urban Consumers: USD City Average Food Away From Home. Use the CPI for the 12 month period of March of 20\_\_\_\_ to March of 20\_\_\_\_.

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### Other important clauses...

**E. Termination**

- Mutual Agreement Termination: With mutual agreement of both parties to this Agreement, upon receipt and acceptance not less than sixty (60) days of written notice, this Agreement may be terminated on an agreed upon date before the end of the agreement period without penalty to either party.
- Non-Performance of Agreement and Termination:
  - Except as may be otherwise provided by this Agreement, this Agreement may be terminated in whole or in part by either party in the event of failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party.
  - The Sponsor may terminate this Agreement immediately upon written notice to Vendor if the Vendor becomes the subject of a proceeding under state or federal law for the relief of debtors or if an assignment is made for the benefit of creditors, or if Vendor loses its license or other ability to provide the required products and services, or if Vendor takes any action that violates any applicable laws (including, but not limited to, state and federal law governing the Child Nutrition Programs).
  - Any agreement termination resulting from any cause other than a Force Majeure event or termination for non-appropriations will be deemed valid reason for not considering any future proposal or bid from the defaulting Vendor.

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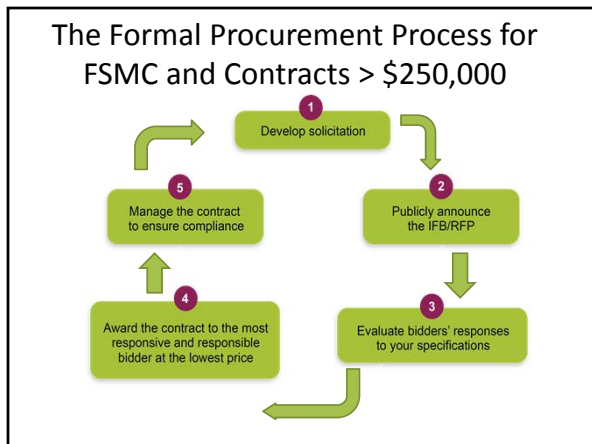
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**Competitive Sealed Bidding**

Procurement by competitive sealed bidding is done by issuing an invitation for bid (IFB).

**Use it when:**

- A complete, adequate, and realistic specification is available.
- The contract can be awarded on the basis of price.

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**Invitation for Bid (IFB)**

- Contract Type
- Introduction/Scope
- General Descriptions of Goods and Services (AKA Specifications)
- Timelines and Procedures
- Technical Requirements

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**Competitive Proposals (RFP)**

Procurement by competitive proposal is done by issuing a request for proposal (RFP).

**Use it when:**

- Conditions aren't appropriate for a sealed bid.
- Price won't necessarily be the sole basis for the award.
- Price must still be weighted the highest % of total

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### Request for Proposals (RFP)

- Contract Type
- Introduction/Scope
- General Descriptions of Goods and Services (AKA Specifications)
- Timelines and Procedures
- Technical Requirements
- **Evaluation Criteria**

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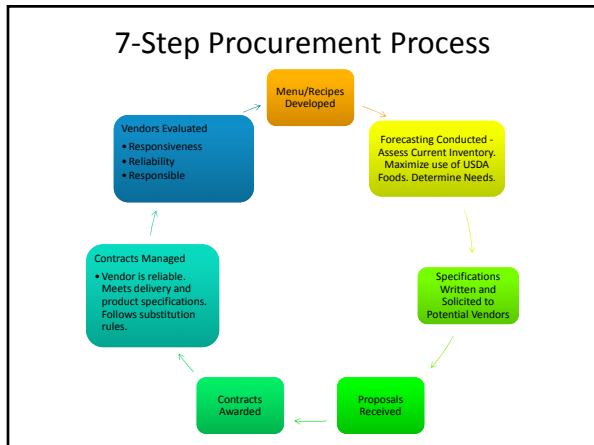
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- Quiz:
- Procurement Basics



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If a vendor cannot meet a school's specifications or requirements, is the vendor responsive?

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Is documentation required for informal procurements?

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Can a school award a contract if only one bid was received?

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Can a school require a vendor to provide references?

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Can a school require a specific brand name product?

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Can a vendor request that a school change specifications or solicitation language after the solicitation has gone out?

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Can a school award a contract to a local vendor without conducting a procurement?

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Should schools always use the formal procurement method when making a purchase over \$250,000?

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Are there other rules besides federal regulations that schools must follow?

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Must schools always award to the lowest bidder?

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Is price the only consideration in an IFB?

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Do you know the difference between an IFB and an RFP?

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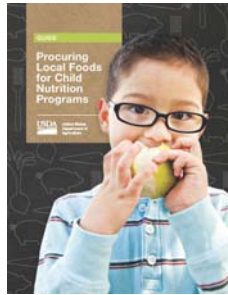
## Local Procurement Guide

Available at:

<http://go.usa.gov/KAFH>

or on the Procuring Local Foods page of the USDA Farm to School website:

<http://www.fns.usda.gov/farm-to-school/procuring-local-foods>



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- Questions!



This institution is an equal opportunity provider.

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