

# Procurement Review Process for School Nutrition Programs

What New Jersey schools  
need to know.....

- **December 2019 WEBINAR**



# LEARNING OBJECTIVES

## ■ Participants should be able to:

- Understand federal, state and local requirements for procuring goods and services – Enterprise Fund (60) – Food Service account
- Understand the federal requirement to have a written Code of Conduct for Procurement and a written Procurement Procedure
- Understand the four allowable procurement methods
- Understand the federal Procurement Review Process

# Procurement: Is **STILL** the **HOT** Topic

Procurement in the School Nutrition Programs (SNP) was brought to the forefront in December 2013 when the federal government released Title 2, Code of Federal Regulations (2 CFR), Part 200, also known as the Uniform Grant Guidance or the  
“SUPER CIRCULAR”



# School Nutrition Program Fundamentals

- Schools participating in School Nutrition Programs receive federal funds therefore they must comply with:

- **Federal regulations**

- **Government – wide - 2 CFR 200 (THE SUPER CIRCULAR)**

- ❖ COST PRINCIPLES ( allowable/unallowable costs)
- ❖ PROCUREMENT - Requires SFAs to develop and maintain a written Code of Conduct for Procurement AND Procurement Procedures

- **Program specific (7 CFR 210, 215, 220 & 250)**

- ❖ ELIGIBILITY
- ❖ MEAL REQUIREMENTS
- ❖ FOOD SERVICE ACCOUNT – Nonprofit

# School Nutrition Programs Fundamentals

- New Jersey Statutes, Rules and Regulations
  - Public School Contract Law - N.J.S.A. 18 A - 18 A -1
  - Local Public Contract Law - N.J.S.A. 40A:11-1 et seq
  - Local Public & Public Schools Contract Laws & Administrative Code – N.J.A.C. 5:34 – 1 et seq
- Applies to ALL public schools (including charter schools)
- Sections apply to school meal programs:
  - REIMBURSEMENT
  - PROCUREMENT ( Note - micro and small purchase thresholds are more restrictive than the federal requirements – More restrictive applies)

# What is PROCUREMENT?

- Procurement is the act of obtaining goods or services in exchange for money or value
- As recipients of federal dollars, all schools are required to procure goods and services in the proper manner.
- ALL procurement, regardless of the dollar amount, must provide for full and open competition
- ALL procurement must adhere to federal requirements. In addition, when state and/or local requirements are more strict, they must be followed
- Award to most responsive and responsible vendors

# What is Procurement ?

The purchase of goods and services



# Procurement Methods

## Informal

### Micro Purchases

Federal Threshold = less than \$10,000 ( Nonpublic SFAs)  
NJ State Thresholds =  
\*below \$4,350 without QPA -  
\*below \$6,000 with QPA  
(Public and Charter SFAs)  
Annual Aggregate of Individual Amounts

Distributed equitably among all suppliers

### Small Purchases

Federal Threshold = \$250,000  
NJ State Threshold =  
Up to \$29,000 without a QPA  
Up to \$40,000 with a QPA

Requires price quotes from at least 3 responsive bidders

## Formal

Sealed Bids (Invitation For Bids - IFBs), Competitive Proposals (Request For Proposals- RFPs) & **Non-competitive Proposals**

\* Requires public advertising



# Procurement Procedures

- Must have documented Procurement Procedures/Plan that conforms to federal requirements and reflect applicable state and local standards (Form # 326)
- Must have written Code of Conduct for Procurement (Form # 327)
- Bid protest procedures must be available
- Documentation throughout the process is key for transparency. Build it into the procedure.

# Identify/Forecast Needs

- Conduct an independent cost analysis to determine what the anticipated cost may be (e.g. ask colleagues, check websites)
- The anticipated cost will determine method of procurement (e.g., formal vs informal)
- Gather information related to product or service (research, review market, discuss with colleagues, attend professional trainings, etc. in order to write a comprehensive solicitation)
- Forecasting is consistent with requirements in Public School Contract Law and federal procurement standards.

# Identify/Forecast Needs continued...

- Contractors that develop or draft specifications, requirements, statements of work, solicitation documents must be excluded from competing for the procurement.

# Procurement 101

## Informal Procurement Process



# Procurement 101

## Formal Procurement Process



# Procurement 101

## Micro-purchase Method

- Competitive quotes are not required
- Purchaser writes product specification and any additional vendor requirements
- Purchases must be equal to or below most restrictive federal or state thresholds:
  - \$10,000 Non-Public SFAs (federal threshold applies)
  - \$4,350 w/o Qualified Purchasing Agent (QPA) OR \$6,000 w/QPA for Public/Charter SFAs (State thresholds apply)
- Purchaser considers the price of the goods or services to be reasonable
- Purchases must be distributed equitably among qualified “responsive” suppliers
- SFA must keep all receipts, invoices, and purchase orders

# Procurement 101

## Small Purchase Method

### Informal Procurement: “Three Quotes and a Buy”

#### ■ Develop a specification

- Apples, US No. 1, five 185-count boxes per week for September through December



#### ■ Solicit quotes

- Contact vendors (by phone, fax, e-mail or in person and provide them with specifications



# Procurement 101

## WRITING PRODUCT SPECIFICATIONS

- A specification is a concise statement of a set of requirements to be satisfied by a product, material, and/or process. It is important to develop specifications that are not overly restrictive to competition. Specifying a brand name only product instead of allowing a preapproved equal product to be offered restricts full and open competition
- The specification can be limited to only those characteristics that are essential for communicating with the supplier, such as the Standard of Identity (SOI), quality, grade, and size.
- The clearer the specification, the more likely it is you will receive the anticipated product you requested.



# Procurement 101

## Informal Procurement: “Three Quotes and a Buy”

- Specifications/product description provide enough detail for vendor to respond adequately
- Telephone or written quotations from 3 qualified and responsible vendors (followed up by an email/fax)
  - Date of quote
  - Name of vendor and representative
  - Description of item being quoted
  - Quantity
  - Price of item
  - Date item needed

# Procurement 101

## Informal Procurement: “Three Quotes and a Buy”

- If less than three (3) vendors exist to provide product or service, thoroughly document how this determination was made, such as research conducted to reach this conclusion, etc.
- The lowest responsive and responsible vendor is awarded the contract (2 CFR 200.31(h)).
- Retain all documentation for three (3) years plus the current school year.

# Procurement 101

## Formal Procurement: Invitation for Bid (IFB)

- Procurement by competitive sealed bidding by issuing an IFB
- Use when
  - A complete, adequate and realistic specification is available
  - The contract can be awarded solely on the basis of price



# Procurement 101

## Formal Procurement: Request for Proposal (RFP)

- Procurement by competitive proposal by issuing an RFP
- Use when
  - Conditions are not appropriate for a sealed bid
  - Price won't be the sole basis for the award
  - Typically used to procure a qualitative service



# Procurement 101

## Sections of a Solicitation (RFP)

- General description of goods and services (specifications)
- There is a balance of providing enough information to obtain the quality of product/service that is desired, but not overly prescriptive that limits full and open competition
- Timeline and procedures
- Technical requirements
- Evaluation method, evaluation/scoring criteria and their importance are identified (e.g., point scale, scoring matrix etc.)

## Scoring of a Solicitation (RFP)

- Cost must be the primary factor (assigned the highest weighting factor percentage) but not the sole factor
- Examples of other evaluation criteria to be considered in the award through scoring :
  - FSMC contracts (CR & FP) - Past performance, companies proposed investment, staffing plan, proposed meal counts and financial targets and technical resources/employee training, etc. (Form # 320)
  - Commercial Vendor Contract – transparency of proposal to avoid hidden costs, Quality of food and acceptability of food/meal provided for “blind” food tasting (Form 222/247)
  - Informal/Formal Procurement of Products/Goods - packaging, frequency of delivery, results of “blind” taste testing, compliance with food safety requirements...FORM TBD

# Code of Conduct for Procurement Procurement Procedures

7 CFR 210.21 and 220.16

- Contractual Responsibilities
- **Written Code of Conduct for Procurement**
- Buy American Provision
- Geographic Preference

2 CFR 200.317-326

- **Documented Procurement Procedures**
- **Written Code of Conduct for Procurement**
- Full and Open Competition

# Documented Procurement Procedures

- Reflect federal, state and local laws and regulations provided that the procurements conform to applicable federal law
- Maintain all records to detail procurement history
- Product specifications
- Ensuring responsive and responsible vendors
- Contract responsibilities, including evaluation, protests, disputes and claims



# Written Code of Conduct for Procurement

Governs performance of employees engaged in procurement for entities receiving federal funds  
2 CFR, Section 200.318



# Written Code of Conduct for Procurement

- Addresses conflicts of interest and regulates the actions of employees engaged in the selection, award and administration of contracts. Ensures staff with a conflict of interest do not participate in contract-related activities.
- Ensures applicable staff do not solicit gifts and other incentives from prospective contractors and addresses whether staff are allowed to accept gifts of nominal value or not
- Addresses how the agency will manage organizational conflicts of interest that may prohibit the ability to be impartial in conducting a procurement with a related organization
- Must provide for disciplinary action to be applied in the event the standards are violated

# Written Code of Conduct for Procurement Gratuities, Favors , and Gifts

- 2 CFR, Section 200.318 (c)(1) - School food authorities (SFAs) may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value and may be accepted
- Federal regulations do not define nominal value for local entities, however, the nominal value established for favors, gifts, and gratuities in the SFA's Code of Conduct for Procurement should be consistent with the agency's general code of conduct policies
- SFAs should consult with their local counsel to determine what qualifies as a non substantial financial interest or a gift of nominal value

# Buy American

- SFAs must purchase, to the maximum extent practicable, domestic commodities or products
  - An agricultural commodity produced in the United States
  - A food product that is processed in the United States substantially using agricultural commodities that are produced in the United States



# Buy American

- Applies to SFAs and entities purchasing on their behalf
  - Food service management companies (FSMC), cooperatives, intergovernmental and inter-entity agreements and GPOs
  - Use a specification of 100% domestically grown and processed
  - Requires advance notice/documentation if an exception is required to be substituted



# Buy American

## ■ Limited exceptions

- A product is not produced or manufactured in the United States in sufficient and reasonable quantities of a satisfactory quality
- Competitive bid reveals the costs of United States product are significantly higher than the foreign product
- No dollar threshold to trigger exception
- Prior documentation of the use of an the exemption is critical



# Buy American Exception Documentation Worksheet and Instructions Optional Form 149

- SFAs **MUST** document exceptions to the Buy American requirement **PRIOR** to accepting nondomestic agricultural commodities or products
- Form 149 can be utilized to document 3 types of exceptions – Annual, Seasonal, One-time
- Webinar on the Buy American Provision posted on SNEARS under Training

# Geographic Preference

- SFAs may apply a geographic preference when procuring unprocessed locally grown or locally raised agricultural products
  - **Unprocessed** means agricultural products retain their inherent characteristics
  - SFA has **discretion to determine local area** to which this option will be applied





# Geographic Preference

- Solicitation must **clearly outline** how responses will be evaluated and scored, including geographic preference
- Application of preference option must leave an **appropriate number of qualified firms**, given the nature and size of the procurement



# Noncompetitive and Sole Source Procurement

- ONLY USED WHEN THE AWARD OF A CONTRACT IS NOT FEASIBLE UNDER SMALL PURCHASE PROCEDURES, IFB, OR RFPS FOR ONE OF THE FOLLOWING REASONS:
  - Item only available from a single source (sole source);
  - Public exigency or emergency exists that will not permit a delay resulting from a competitive solicitation;
  - Federal awarding agency (State agency) authorizes noncompetitive proposals in response to a written request from an SFA;
  - AFTER SOLICITATION OF A NUMBER OF SOURCES, COMPETITION IS DETERMINED INADEQUATE

# The Procurement Review SY 2019-2020

# Purpose of Procurement Review

- Ensure program integrity
- Ensure SFA's compliance with USDA regulations
- Ensure SFAs are good stewards of federal dollars received



# New Jersey Procurement Review Process

## What to expect?



# Snapshot of a Procurement Review

- Overall the State Agency will:
  - Notify SFAs of a procurement review via email
  - Email SFAs the Procurement Table to complete and request a list of additional documentation needed to conduct the review
  - Assess compliance by reviewing SFAs submissions
  - Request additional supporting documentation based on Federal Selection Chart – send **SECOND REQUEST CHECKLIST** with timeline for submission

# Snapshot of a Procurement Review -2

- Review additional documentation submitted by SFA
- Prepare and email SFA draft Procurement Review Report which may include technical assistance and/or findings of noncompliance
- SFA has the opportunity to review, comment and provide additional documentation if appropriate
- Send SFA final report for review by Bd of Ed
- *Require* submission of a Corrective Action Plan (CAP), if applicable, with confirmation of Board approval
- Review and approve the CAP, Minutes from the Bd meeting as applicable
- Close the review

# Procurement Review Notification

- Procurement Reviews are conducted on the same cycle as the Administrative Review.
- Reviews are for the previous school year. Reviews taking place in the **19-20** SY will cover procurements during the **18-19** SY.
- The School Business Administrator/School Director will receive an e-mail notification of a review.



# Notification of Procurement Review

- Selected SFA's will be notified by either the:
  - Division of Food and Nutrition – School Nutrition Programs – Procurement Team
  - OR
  - State contracted accounting/auditing firm

# Procurement Review Documentation

## ■ Initial documentation requested includes:

### 1. VENDOR PAID SUMMARY LIST

- ❖ Detailed report of all expenditures by vendor for the non-profit food service account - Fund 60
- ❖ Expenditures must be for the entire SY
- ❖ EXCEL FORMAT PREFERRED

### 2. Completed USDA Procurement Review - SFA Procurement Table

- ❖ Blank Excel spreadsheet to be completed will be emailed

## Initial Documentation – Cont.

### 3. SFAs Code of Conduct for Procurement -

2 CFR 200.318(c) and 7 CFR 210.21(c)

- Form #327 - Sample Code of Conduct for Procurement.

### 4. Procurement Procedures/SFA

Procurement Plan - 2 CFR 200.318(a) and

7 CFR 210.21(c)

- Form #326 – Sample Procurement Procedures
- Form # 383 – Sample Procurement Procedures for SFA Page 2 (Examples to assist w/Form 326)

# USDA Procurement Tool

- The USDA Procurement Tool was initially launched by the USDA in October 2016
- The Tool has multiple tabs to assist the State Agency in conducting the review.
- Districts will receive only the SFA Procurement Table TAB to complete

## SFA Procurement Table

This worksheet from the Procurement Tool includes questions to be answered and a table for SFAs to input the following:

- Dollar value of the SFA small purchase threshold
- Memberships at retail and/or wholesale club warehouses
- Use of group purchasing/buying organizations and/or cooperatives

# SFA Procurement Table

- Information regarding all purchases in Food Service Fund 60 including:
  - Vendors
  - Total paid/vendor (Use drop-down box provided for amount ranges.)
  - Goods/services purchased, and
  - Competitive procurement method to procure the product (s) or service (s)
- Once the information in the table is complete, the SFA will save the Excel file and return the file to the State agency/State contracted vendor via email.

# SFA Procurement Table

- We will now go over the sections of the SFA Procurement Table that must be filled out by the SFA. Pay close attention to the columns with red arrows as these are “drop down boxes” – select from one of the answers in the drop down box.
- After reviewing the sections, we will see how the information is then populated into the tool.

Microsoft Excel interface showing a spreadsheet for Marshall Co. Regional School District SFA Procurement Table.

**Marshall Co. Regional School District**  
**SFA Procurement Table**

**Procurement Authority (List staff at the LEA/SFA level responsible for procurement)**  
*SFA Instructions: List name(s), position(s)/title(s) and contact information of those person(s) authorized by the LEA/SFA as procurement agent(s) and who is/are responsible for compliance with local, state and federal program regulations, including Child Nutrition Program requirements.*

Name	Position/Title	Responsibilities (Ex: conducts micropurchases, small purchase procedures, develops IFB/RFPs, monitoring etc.)	Contact Information
Charles A. Smith	Business Administrator	Signs and approves all purchase orders - responsible for monitoring FS operations	(609) 333-4444

**Small Purchase Threshold Information: SFA Instructions: Answer questions below.**


What is the small purchase threshold for the LEA/SFA?	\$40,000.00
What is the small purchase threshold for the State, if applicable?	\$40,000.00

**Group Purchasing Organizations, Group Buying Organizations and Third Party Entities SFA Instructions: Answer questions below.**

Did the SFA pay a membership fee, join at no cost, or otherwise enter into an agreement with a Group Purchasing Organization (GPO), Group Buying Organization (GBO) or third party entity?

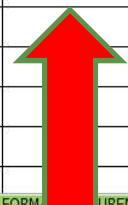
YES

Not Applicable  
 YES  
 NO





Micro Purchases (Purchases from vendors valued at \$3,500 or below)							
Name of Vendor	Goods/Services Provided	Total Paid to Vendor	How many purchases were made from this vendor during the school year?	Comments	(FOR STATE AGENCY USE ONLY) Select for Review?		
Fix Your Freezer, INC	Repairs	\$3,500 or below	1		Select for Review		
		\$3,500 or below					
		Between \$3,500 and \$150,000					
		Above \$150,000					
Small Purchase/Informal Contracts (Purchases from vendors valued at \$150,000 or below, or most restrictive threshold) <b>SFA Instructions: Input information below.</b>							
Name of Vendor	Goods/Services Provided	Total Paid to Vendor	Was this a one-time purchase or did the SFA use this vendor for multiple purchases?	Did the SFA receive more than one response to its solicitation?	Was a GPO/GBO/third party entity awarded this contract?	Comments	(FOR STATE AGENCY USE ONLY) Select for Review?
School Foodservice Point of Sale INC.	Technology	\$150,000 or below	One time purchase	YES	NO	Software and Terminals	Select for Review
Ovens R US	Equipment	\$150,000 or below	One time purchase	Not Applicable	YES	School Buying Co-Op	Select for Review
NJ Paper and Janitorial	Supplies	\$150,000 or below	Multiple purchases	YES	YES	School Buying Co-Op	
Cream on the Top Ice Cream	Food	\$150,000 or below	Multiple purchases	YES	NO		



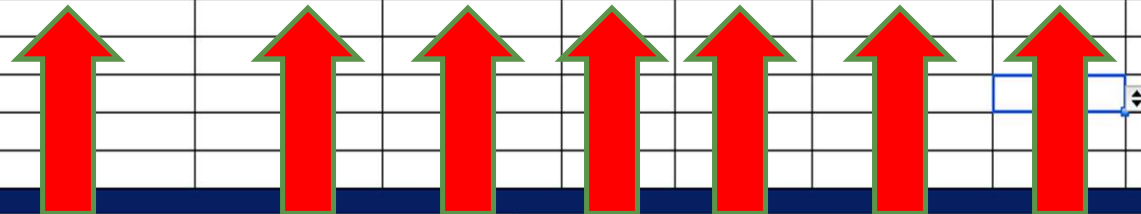
A B C D E F G H I J K

**Formal Contracts: Sealed Bids/Competitive Proposals (vendor contracts valued above \$150,000, or at or above the State's/LEA's small purchase threshold) SFA Instructions: Input information below.**

Name of Vendor	Goods/Services Provided	Contract Value	Solicitation Type (IFB or RFP)	Contract type (Fixed Price or Cost Reimbursable)	Contract Duration	Did the SFA receive more than one response to its solicitation?	Was this vendor/contract obtained through a GPO/GB0/non-SFA only coop?	Were any amendments made to this contract after it was awarded?	Comments	(FOR STATE AGENCY USE ONLY) Select for Review?
ABC Foods	Food	Above \$150,000 but below \$500,000	Request for Proposal	Fixed Price	One Year	YES	YES	YES		Select for Review
Hometown Dairy	Food	Above \$150,000 but below \$500,000	Invitation for Bid	Fixed Price	One Year	YES	NO	NO		Select for Review

**Food Service Management Company Contracts SFA Instructions: Input information below.**

Name of Food Service Management Company	Goods/Services Provided	Contract Value	Solicitation Type (IFB or RFP)	Contract type (Fixed Price or Cost Reimbursable)	Contract Year	Did the SFA receive more than one response to its solicitation?	Was this vendor/contract obtained through a GPO/GB0/non-SFA only coop?	Were any amendments made to this contract after it was awarded?	Comments	(FOR STATE AGENCY USE ONLY) Select for Review?
XYZ Food Service Co.	Contracted FSMC	Above \$150,000 but below \$500,000	Request for Proposal	Cost Reimbursable	Renewal Year 3	NO	Not Applicable	YES		Select for Review



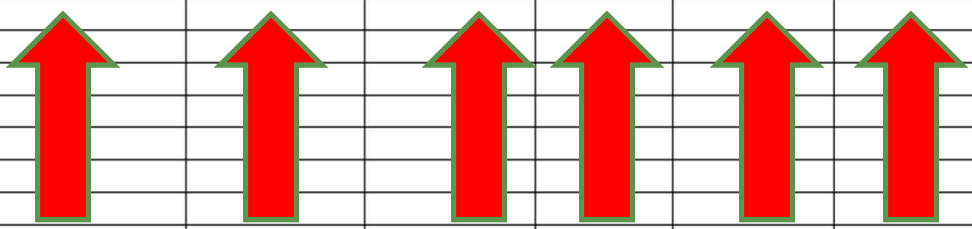
Formula bar: C79 \$150,000 or below

Row 75: A B C D E F G H I J K

**Processing Contracts for USDA Foods** *SFA Instructions: Input information below.*

77	Name of Processor	Goods Provided	Contract Value	Procurement Type	Contract Duration	Did the SFA receive more than one response to its solicitation?	Was this vendor/contract obtained through a GPO/GBO/non-SFA only coop?	Were any amendments made to the original contract after it was awarded?	(FOR STATE AGENCY USE ONLY) Select for Review?	
78	Pizza Queen	Food (Commodity Cheese)	\$150,000 or below	Small Purchase Procedures	Base Year	YES	NO	Not Applicable	Select for Review	
79	Gold King	Food (Commodity Chicken)	\$150,000 or below	Small Purchase Procedures	Base Year	YES	NO	Not Applicable	Select for Review	
80										
81										
82										
83										
84										
85										
86										
87										
88										
89										
90										
91										
92										
93										
94										
95										

- ✓ \$150,000 or below
- Above \$150,000 but below \$500,000
- Between \$500,00 and \$1 million
- Above \$1 million



# The Next Step.....

- After the SFA Procurement Table information has been added to the full Procurement Tool, the SFA information is populated into the Procurement Selection Chart by the State Agency
- The vendors to be reviewed are prescribed and defined in the Procurement Selection Chart.

# Second Request for Information

- SFA's will receive a second request for documentation once vendors have been selected.
- We will provide you with a **PROCUREMENT REVIEW SECOND CHECKLIST**. This document will indicate **WITH AN "X" IN THE LEFT HAND COLUMN** what vendors were selected and what documentation is required.
- When returning documentation the SFA will indicate **WITH AN "X" IN THE COLUMNS TO THE RIGHT** if item is attached, not applicable or not available. Please return the signed Second Request Checklist with the documentation.

# Documentation for Micro Purchases:

- Purchase Orders
- Vendor Invoices
- Specifications (“if required by local purchasing policy”)
- Any other important information related to the purchase.

# Documentation for Small Purchases:

- Specifications
- List of Vendors contacted/solicited
- List of Vendors requesting Specs
- Quotations received
- Scoring sheets and or evaluation of quotes
- Purchase Orders, Vendor Invoices and Payment Vouchers
- If multiple purchases – you will be asked for documents for 3 months.

# Documentation for Formal Procurement (RFP/IFB):

- Advertisement of Bid
- Record of bid opening
- Scoring Sheets/evaluation of bid
- Documentation for rejecting the lowest bid (if applicable)
- Purchase Orders, Vendor Invoices and Payment Vouchers
- If multiple purchases – you will be asked for documents for several months.



# Documentation for FSMC Contracts:

- All Information as requested in Formal Procurement and.....
  - Names of FSMC Menu Advisory Board members and minutes of one advisory board meeting. (The FSMC Menu Advisory Board is required in all FSMC contracts)
  - Copies of SFA on-site monitoring reports of the FSMC (State Agency Form # 330)
  - Operating Statements for the 2 months requested and the final end of the year operating statement for the FSMC.

# FSMC Contracts continued

- SFA review of FSMC Health Inspection Reports as required by the contract with the FSMC
- Detailed record of Discounts, Rebates and Credits from commercial food and supply purchases by vendor.
- Monthly and annual reconciliation of FSMC credited value of all USDA foods received. This should include all processed, “brown box” commodities and DOD.

# Commodity Processing

- Solicitation Documents
- Specifications
- Evaluation Criteria
- All relevant documents for both Formal (RFP/IFB) and Informal Purchases (Micro and Small Purchases) for all Commodity Vendors.

# Review of State Agency Forms

The following forms can be found in SNEARS under - Resources – Procurement Documents

- # 149 - Buy American Exception Worksheet & Instructions
- #326 – Sample Procurement Procedures
- #327 – Sample Code of Conduct for Procurement
- #330 – SFA – FSMC Monitoring Form
- #331 – Informal Procurement Log Evaluation & Instructions
- #358 – Federal Funds Procurement Method Selection Chart
- #383 – Sample Procurement Procedures for SFA Page 2

## LESSONS LEARNED

- SFA submission of the initial 4 items requested within prescribed timelines expedited the selection of/request for additional federal required procurement documents
- SFAs did not understand that they would be required to submit additional documentation based on the SECOND REQUEST CHECKLIST

## Lessons Learned – Con't -

- Monitoring of FSMC contracts requires the SFA to complete Form 330 not the On-Site Meal Service Accountability for breakfast and lunch (~~Form # 292 / 142~~)
- Composition of the FSMC Menu Advisory Committee requires the inclusion of parent, staff and students and documentation of participant by name and role is required
- Non-allowable costs were being charged to Fund 60 by both the SFA and/or the FSMC

## Lessons Learned – Con't

- FSMC's were not providing sufficient detail for all commercial vendor discounts, rebates and or applicable credits on monthly operating statements by vendor
- Costs not approved in FSMC Cost Reimbursable contract as allowable direct costs were being charged to Fund 60
  - Employee bonuses
  - Gift cards

## Lessons Learned – Con't

- Budgeted FSMC costs in a Cost Reimbursable contract were charged monthly without adequate documentation of actual cost incurred
  - Office supplies
  - Cell phones
  - Computer support for proprietary software
- SFAs were submitting the State prototype Commercial Vended Meal contract for approval in ECAS but actually soliciting for unallowable variations to the terms of the State contract –i.e. excluding fruits and vegetables from the solicitation.



## Lessons Learned – Con't

- Inclusion of SFA-SFA contract revenue as **a la carte income** in the billing of equivalent program meals
  - A la carte income is nonprogram – catering
- Insufficient documentation/detail of catering/vending costs

# Proposed Training Offerings in 2020

- Utilization of the Market Basket analysis procurement method (USDA Memo SP – 04-2018 – Market Basket Analysis for Evaluation of Contract Award - Jan 18, 2018)
- Clarifications on SFAs conducting complaint procurements when utilizing group purchasing entities – Cooperatives, Agents and Third-party Services (USDA Memo SP - 05-2017 - Q & A on Purchasing Goods and Services Using Cooperatives, Agents and Third-party Services” – Oct 19, 2016)
- Micro-purchase procurement requirements
- Highlights of USDA Updates to the Procurement Tool Document and Process for next SY 20 - 21

# Procurement Review Webinar

This webinar can count toward 2 hours of professional standards training:

Key Area – Operations

Learning Topic – Purchasing/Procurement

Topic Code – 2400

New Jersey Department of Agriculture

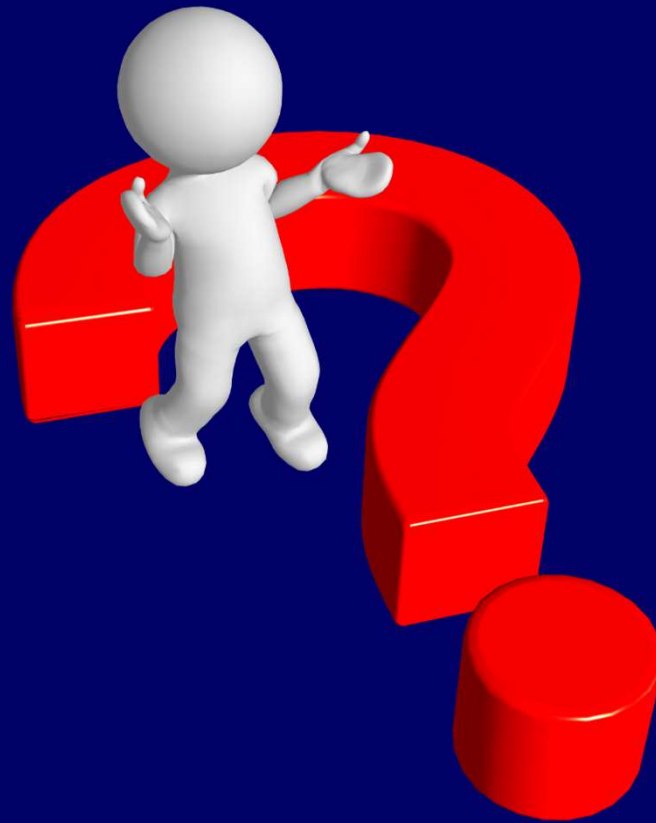
School Nutrition Programs

(609) 984-0692

[www.nj.gov/agriculture](http://www.nj.gov/agriculture)

USDA is an equal opportunity provider and employer

# Questions???



# Procurement Review Process Questions

Specific questions about the Procurement  
Review process should be directed to

Emma Davis-Kovacs

[emma.davis-kovacs@ag.nj.gov](mailto:emma.davis-kovacs@ag.nj.gov)

609 984 1438

OR

[procurementreviews@ag.nj.gov](mailto:procurementreviews@ag.nj.gov)

# THANK YOU FOR PARTICIPATING

**Disclaimer: This presentation was provided as technical assistance to provide a general framework of the process of a procurement review. SFA's are advised to review all reference materials and applicable federal, state and local purchasing laws to ensure compliance.**