Procurement Review Tool Training

FY2024

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Training Objectives

- What is Procurement

- Information to be updated on the tool

- Information needed for the Procurement review

- Explanations on the different methods of Procurement

- Step by step on how to fill out the Procurement review tool

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What is to be Procured?

Any products or services purchased with Child Nutrition Funds *MUST* be procured using USDA guidelines

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Unallowable

ALL Goods and Services purchased with Child Nutrition Funds MUST be USED by Child Nutrition or the price must be pro-rated based on Child Nutrition use

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Preparing for the Review

- **Expenditure report from School Year 2022-2023 for ALL of program code 700**

- Procurement Plan

- FSMC contract, renewal for current year and current year invoices, if applicable

- Invoices previous year and possibly current year

- Excel Procurement Tool
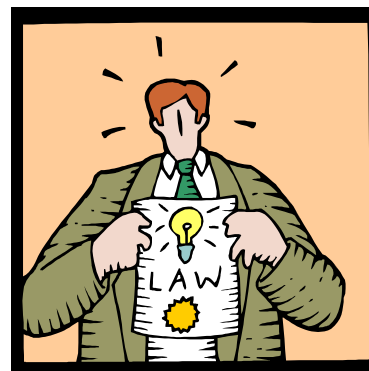
Procurement Plan/Procedures

Must be board-approved
(Only when changes have been made to the policy)

Must Include:

- Methods of Procurement
- Chart of Procedures
- Code of Conduct
- Protest Procedures

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Procurement Plan/Procedures

- Buy American

- Minority firms, women's business enterprises, and labor surplus area firms statement

- Geographic Preference

- Beverage contracts

- *A Procurement Plan prototype that can be adopted is located in Other Documents. This one meets USDA requirements*

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Make sure you → ENABLE

You only tab you fill out is the **SFA Procurement Table**

Top Section of the Tool

Step by Step:

1. Name of School District

2. Name, Title, Responsibilities for Procurement and contact information (phone and/or email address) for *ALL* individuals at the district that have procurement responsibilities.

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2. Small Purchase Thresh **1.** ation: SFA Instructions: *Answer questions below.*	
What is the small purchase threshold for the LEA/SFA?	
What is the small purchase threshold for the State, if applicable?	$250,000.00

3. 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?	

2.

Step by Step:

1. The district's Small purchase threshold (should match procurement plan.
   - *The state threshold is $250,000 not $150,000*

2. Do you have an agreement with a Food Buying Group?
   - Example: Campus Smart
   - Use the drop-down box – yes or no

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Tool Information/Updates

- The threshold is not correct on the tool. The federal guidelines are:
  - Micro - $10,000, Small Purchase – under $250,000

- The thresholds used for the review are based on the district's procurement plan

- If you need more lines, you can right click the area and insert "row"

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Tool Information/Updates (cont)

- If there is section you don't need such as formal procurement, commodities, or FSMC then *leave the section blank*

- All sections in this review is information from FY2023 except for FSMC section, it is current year (FY2024)

- *If you were FSMC last year and went self-operational or if you self-operational last year and FSMC this year, we will look at both FY2023 and FY2024 information. Fill out all sections that apply*

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Expenditures NOT to list on the Tool

Items that cannot be procured are not to be listed on the review tool such as:

- Health Department Fee

- Commodity Fee

- Utilities (electricity, water, gas)

- Labor

- Refunds

- Transfer of funds from one account to another (i.e. Child Nutrition fund to General fund)

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Expenditures that MAY need to be listed on the Tool

Examples:

- Phone
  - If it is a land-line and child nutrition/district has no choice on company to use, it will not go on the tool
  - If it is a mobile phone, you can choose your carrier so it will go on the tool.

- Gas
  - If it is propane you purchase from a supplier, it will go on the tool and let us know why you selected your supplier
  - If it is gas from the gas company and you do not have a choice, this will not go on the tool

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Filling out the Tool

The tool is filled out by _HOW_ the district procured _NOT_ on the dollar amount spent

MICRO PURCHASING VS SMALL PURCHASE VS FORMAL PROCUREMENT

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Micro Purchasing vs Small Purchase

INFORMAL PROCUREMENT

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Micropurchasing vs Small Purchase

Micropurchasing

- Buying from multiple stores similar and dissimiliar items such as purchasing emergency food from local grocery store
- Not checking prices
- Buying from multiple sources/places *(at least 3)*

Small Purchase

- Using a vendor (Sysco, Ben E. Keith, Tankserly, US Foods, MidAmerica, PFG, Gudarian, etc)
- Check prices from 2 sources
- Do not have to go with the lowest vendor; justification if not the lowest

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Micro-Purchase

- Aggregate transaction does not exceed $10,000

- Purchases distributed among **multiple**, qualified suppliers or "Spreading the Wealth"

- No quotes required

- Price must be reasonable

Schools mainly use this in emergency situations

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Micro-Purchase *Example*

Examples:

- Emergency food purchases
- Parts
- Possibly repairs
- Emergency purchases
  - Always add emergency to any of those purchases in the comments section

Items we have seen on the Tool that are *NOT* micro-purchases:

- Pest Control
- Coca-Cola/Pepsi
- Items the school procured
- Renewal for software (It should be listed how you originally procured it – small purchase and list in the comments "renewal fee"

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District Procured Items

- If the district procured an item Child Nutrition pays for such as Pest Control, it is still required to be procured following USDA guidelines

- The CNP department can:
  1. List the person who procured those items in the tool, and it may be pulled for review or;

  2. To ensure it is procured correctly, CNP can conduct procurement by reaching out to another vendor, check prices between a vendor and the vendor the district chooses. (Even if the price is more, you can validate using the vendor the district uses)

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Small Purchase Procedures

Purchases **under $250,000** per bid or solicitation document

- *(The entity can have a threshold lower than the federal guideline, but the district must follow the amount listed in their plan)*

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Small Purchase Procedures

- Obtain quotes or ***CHECKING PRICES*** (by email, telephone, oral, catalogs, websites)

- Check prices at a minimum of 2 qualified stores

- Specifications must be sent out to at least 2 qualified sources when using a vendor

- Document price quotes and why you purchased from a certain supplier?

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Small Purchase Procedures

- The requirement is specifications MUST be sent out a minimum of 2 or more vendors, **_however_**, those vendors **do not** have to respond to the bid request

- Documentation of Procurement Process

- This is the most common method if you are using a vendor and under the $250,000 threshold

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Micro Purchasing Section

4. Micro Purchases (Purchases PROCURED from vendors and/or valued at $10,000 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?**

- Enter all the vendors the school purchased and the good/services using Micro Purchasing
  - Always use the comments box for additional comments
    - Examples: Emergency purchases

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Micro Purchasing Columns

Step by step:

- **Name of Vendor** – list the vendor that matches the expenditure worksheet

- **Goods/Services Provided** – List things like food, milk, paper supplies, pest control, etc.

- **Total Paid to Vendor** – list the total amount paid to the vendor

- **How many purchases were made from the vendor during the school year** – type in the number

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Small Purchase Section

all Purchase/Informal Contracts (Purchases PROCURED from vendors and/or valued at $250,000 or below, or most restrictive threshold)			SFA Instructions: Input information below.			
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

- Enter all the vendors the school purchased goods using Small Purchase procedures
  - Always use the comments box for additional comments like – district procured contract
  - Use the drop-down box in columns 3-6

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Small Purchase Columns

Step by step:

- **Total Paid to Vendor** – use the drop-down box and select one of the two options

- **How many purchases were made from the vendor during the school year?** – use the drop-down box and select an option

- **Did the SFA receive more than one response to its solicitations? –** use the drop-down box. If only one response received but you sent out to multiple vendors add a comment indicating how many vendors you sent specifications for that bid

- **Did you use a Food Buying Group? –** use the drop-down box and state yes or no. If yes, put the food buying group or Co-op you are using in the comments

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Formal Procurement

- Purchases **OVER $250,000** per bid or solicitation document OR if the district's threshold is lower per the Procurement Plan

- Specifications must be submitted to minimum of 2 vendors

- An Advertisement must be placed in a Newspaper or how you advertise other LEA bids

- Clauses and forms must be maintained if using formal

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Formal Procurement

- Quotes will need to be sent back to the district and will be opened on a *specific day & time* as specified by the district and listed in the advertisement

- If you receive a bid that was sealed but was never advertised in the paper and there was not a bid opening, *this is NOT formal procurement*

- If you sent out 1 solicitation using Formal Procurement to 20 vendors and you end up purchasing from 15 vendors items from that one solicitation, you add all the vendors to this section of the tool as that is how you procured those goods and services *(Bidding by Line item)*

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Formal Contracts Section

6. Formal Contracts: Sealed Bids/Competitive Proposals (vendor contracts valued above $250,000, or at or above the State's/LEA's small purchase threshold) SFA Ins				
Name of Vendor	Goods/Services Provided	Contract Value	Solicitation Type (IFB or RFP)	Contract type (Fixed Price or Cost Reimbursable)

Step by step:

- The first 3 columns are filled out the same as Small Purchase Procedures
  - *DO NOT PUT FSMC CONTRACTS IN THIS SECTION*
- **IFB (Sealed Bid) or RFP (Request for Proposal)**– use the drop-down box and select which one
- **Contract Type**– use the drop-down box and select which one (fixed price/cost reimbursable, etc.)

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Formal Contracts Section (cont)

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 this contract after it was awarded?	Comments

Step by step:

- **Contract Duration–** use the drop-down box and select one (less than 1 year, 1 year, or more than 1 year – *you must add year of contract in the comments*)

- **Did you receive more than one response?**– use the drop-down box. If only one response but you sent out to multiple vendors add a comment indicating how many vendors you sent specifications

- **Did you use a Food Buying Group? –** use the drop-down box and state yes or no. If yes, put the food buying group or Co-op you are using in the comments

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State Contract or Smart Campus

- If you use *State Contract*, list this under Formal Procurement as that is how the state procured Sysco
  - The contract was an RFP and cost reimbursable

- If you use *Campus Smart*, list this under Formal Procurement, as this is how it was procured
  - Contact Edmond PS to see if it was Fixed Price or Cost Reimbursable
  - You will need a copy of the contract and current amendments for FY2024 showing all districts who piggyback

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FSMC Contract Section

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)

Step by step:

- **Enter CURRENT YEAR information in this section**

- **Enter the Name of the FSMC you are using**

- **Goods/Services-** You can enter meals or meals/applications

- **Contract Value-** Use the drop-down box and select how much you project you will spend this year on the contract

- **Solicitation Type–** use the drop-down box and select *Request for Proposal (RFP)*

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FSMC Contract Section (cont)

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/GBO/non-SFA only coop?	Were any amendments made to this contract after it was awarded?	Comments

Step by step:

- **Contract Type**– use the drop-down box and select _Fixed Price_
- **Contract Year**– use the drop-down box if it is a _RENEWAL YEAR_. If it is the first year of the contract, type in _FIRST YEAR_
- **Did you receive more than one response**– use the drop-down box. If only one response but you sent out to multiple vendors add a comment indicating how many and maybe who you sent out
- **Was this vendor/contract through GBO-** use drop-down box and select _No_
- **Were any amendments made-** use the drop-down box and select Yes or no if changes were made to the original contract

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USDA Foods Processing

- ***Do not fill this section out if you do not have your USDA Foods/commodities processed***

- Do not fill out this section if you contract with a company or an individual who handles the processing for you
  - List the individual or company you contract with in the correct method of Procurement used for procuring that contract

- If you use a CO-OP or Food Buying Group for processing, they will be listed here

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USDA Foods Processing

- If you use a distributor for your USDA Foods, you **do not** have to list your processed items in this section

- List your distributor in one of the sections above based on how the distributor was procured

- ***If you go directly to the manufacturer for commodity processing, you will need to fill out this section***

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USDA Food Processing

8. Processing Contracts for USDA Foods	SFA Instructions: *Input information below.*		
Name of Processor	**Goods Provided**	**Contract Value**	**Procurement Type**

Step by step:

- List the Name of each processor the district uses
- **Goods Provided**– List the item you get processed from this vendor (i.e. chicken nuggets, cheese, etc.)
- **Contract Value**– use the drop-down box and select which the value of the contract
- **Procurement Type**– use the drop-down box and select the method of Procurement used
  - If you select the product by taste or student survey, click OTHER and add this to comments section

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USDA Food Processing (cont)

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?

Step by step:

- **Contract Duration**– use the drop-down box and select the contract duration
- **More than one response**– use the drop-down box and select Yes or No
- **Was this vendor/contract through GBO-** use drop-down box and select Yes or No
- **Were any amendments made-** use the drop-down box and select Yes or no if changes were made to the original contract (i.e, did you change product is yes) Add in comments

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ADDITIONAL INFORMATION

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Grants and the Procurement Review

- If you receive the **Equipment Grant**, this will be listed on the Procurement Review tool in the section you procured the item. The majority of the time, it will be Small Purchase

- If you receive the **Local Foods Grant**, this will be listed in the Procurement Review tool under *Micropurchasing. In the comments section, put Geographical Preference/Local Foods Grant*

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Procurement Reviews

Procurement Reviews use **PRIOR** year documentation. However, FSMC documents will be from **CURRENT/PRIOR** year
- If you were FSMC/Self-Op last year and change to Self-Op/FSMC this year, we will look at **BOTH** years

Schools **NOT** using a FSMC

✓Reviewed every 5 years

Schools **USING** a FSMC

✓ Reviewed every 3 years

❖*Reviews CAN take place more frequently that stated above*

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More About Procurement

- **All items found on the district's detailed expenditure worksheet with code 700 must be on the tool except if it was items mentioned**
  - Those that don't use OCAS coding, we need a copy of all child nutrition expenditures

- Invoices and receipts signed and dated

- Price quote comparisons/bids maintained

- Nonkickback Affidavit – a notarized form for every contract or Purchase Order over $25,000

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Record Retention

- All documents relating to the procurement

- 3 years from date of final payment, or

- Until all audit or protest findings resolved

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Resources for Procurement

- (CARS) Other Documents under Procurement section

- Child Nutrition Training Manual
  - ✓ Procurement Section

- Contacting the State Agency or your Regional Program Specialist

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Procurement Info & Contacts

Once the tool has been completed, send the ***EXCEL version*** to DWG, Inc. ***Return the documents in the secure site DWG states to send***

- Questions about the Procurement Review
  - dwgcpa@dwgcpa.com or the person who contacted you regarding the review

- Other Procurement Questions:
  - Your Program Specialist
  - State Agency
    - Kendra Merveldt – Kendra.Merveldt@sde.ok.gov

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Procurement Review Process

This is a desk review

- DWG CPA Inc, will reach out to the district via email from the CARS system. They will send information including the Procurement Review Tool

- The district will send DWG the requested information included the completed tool (by the district), ALL Expenditures for code 700 (Child Nutrition), and the district's procurement plan

- DWG will reach back out to the district and let them know the vendors selected for review and will request documentation on these vendors such as invoices/receipts

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Procurement Review Process (cont.)

- The district will send DWG the requested items on vendors selected

- Once DWG looks at the information, they will send you a letter regarding the review

Timeline:

- This is a process as they are receiving all school data at the same time. It may be a couple of months before you hear back after you send in your tool

- If documentation is not submitted in a timely manner to DWG, claims may be locked

- ***If you cannot make the deadline given, let DWG know. They will work with you!***

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YOUTUBE LINK

https://youtu.be/p7Pba7cpi24

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