



**United States
Department of
Agriculture**

Food and
Nutrition
Service

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Alexandria, VA
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DATE: January 24, 2013

MEMO CODE: SFSP 07-2013

SUBJECT: Summer Food Service Program Standard Contract Threshold

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

In an effort to simplify procurement requirements for Summer Food Service Program (SFSP) sponsors, this memorandum removes the existing SFSP standard contract threshold referenced at 7 CFR 225.6(h)(2) of \$10,000 and links it to the Federal small purchase threshold currently set at \$150,000 (also known as the simplified acquisition threshold) thereby creating more uniform procurement requirements for all Child Nutrition Programs.

The standard contract threshold, a threshold established only for SFSP sponsors, sets a contract award amount that triggers additional procurement requirements. If a food service management company (FSMC) contract exceeds the newly established \$150,000 threshold, the sponsor must use the State agency-developed standard contract. Sponsors must apply this threshold to the aggregate value of FSMC contracts which include projected costs from multiple Child Nutrition Programs. For example, a sponsor that receives funds from the SFSP and the Child and Adult Care Food Program (CACFP) and contracts with a FSMC to procure meals for both programs must apply the standard contract threshold to the projected value of the contract. Public entities and organizations with exclusive year-round contracts are exempt from the standard contract requirement.

This change in policy will allow sponsors with individual contracts that do not exceed the standard contract threshold to use their existing or usual form of contract provided it has been submitted to and approved by the State agency. Individual contracts that exceed \$150,000 in aggregate value require use of the State agency's standard contract and adherence to stricter bid opening and acceptance procedures as required by the SFSP regulations. This change will bring the threshold in line with other regulatory requirements regarding State approval of procurements and will simplify the procurement process for a greater number of small sponsors.

State agencies are reminded to distribute this information to Program operators immediately. Program operators should direct any questions regarding this memorandum

Regional Directors

State Directors

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to the appropriate State agency. State agency contact information is available at <http://www.fns.usda.gov/cnd/Contacts/StateDirectory.htm>. State agencies should direct questions to the appropriate FNS Regional Office.

Original Signed

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Director

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