**Procurement Plan Prototype**

***This document is a sample and is not intended to be all inclusive. CN Programs are ultimately responsible to ensure that the plan complies with all Federal Regulations, State Procurement Code and Regulations and local procurement policies.***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of SFA/Sponsor

# PROCUREMENT PLAN

# CHILD NUTRITION PROGRAMS

This procurement plan contained on the following pages \_\_\_\_\_\_\_ through \_\_\_\_\_\_\_\_ will be implemented on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ from that date forward until amended. All procurements must adhere to free and open competition. Source documentation must be available to determine open competition, the reasonableness, the allowability, and the allocation of costs.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Fiscally Responsibly Authority Date

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**(Name of SFA/Sponsor)**

### SECTION I - PROCUREMENT PLAN GENERAL REQUIREMENTS

The (Name of SFA/Sponsor) plan for procuring items for use in the Child Nutrition Program is as follows:

1. The procurement plan provides for free and open competition, transparency in transactions, comparability, and documentation of all procurement activities.
2. The following conduct will be expected of all persons who are engaged in the awarding and administration of contracts supported by Child Nutrition reimbursement funds. These written standards of conduct include:
   * 1. No employee, officer, or agent shall purchase or establish a contract 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:
        1. The employee, officer, or agent;
        2. Any member of the immediate family;
        3. His or her partner;
        4. An organization which employs or is about to employ one of the above.
     2. 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. Regardless of procurement method, the following factors will be determined regarding the

allowability of costs:

1. Be necessary and reasonable for proper and efficient administration of the program(s)
2. Be allocable to federal awards applicable to the administration of the programs(s)
3. Be authorized and not prohibited under state and local laws

4. Purchasing will be conducted at the most restrictive procurement threshold:

|  |  |  |
| --- | --- | --- |
|  | Federal Procurement Thresholds | SFA/Sponsor Procurement Thresholds (input) |
| Micro-purchasing | Less than $3,500 |  |
| Equipment | Over $5,000 |  |
| Small/Informal | Less than $150,000 |  |
| Formal | Greater than $150,000 or any total Food Service Management Contract |  |

5. All staff conducting purchasing will be trained on the procurement procedures.

6. All purchasing records will be maintained no less than the current year plus 3 additional years.

**SECTION II – MICRO PURCHASING**

If the amount of purchases for items is less than $3,500 and less than the SFA/Sponsors’ small purchase threshold, the following procedurewill be used.

1. Purchases will not be separated into 2 or more purchases to meet or be below the $3,500 threshold.
2. The price quotes will not be required. Competition is not required.
3. When practicable, micro-purchases will be distributed equitably among qualified suppliers.
4. Documentation of purchases will be kept and maintained for 3 years plus the current year.
5. The (Title of Person) will be responsible for documentation of purchase.

*Note: Federal threshold of $2,000 is applicable in the case of acquisitions for construction subject to the Davis-Bacon Act*

**SECTION III –PURCHASING EQUIPMENT**

If the amount of purchases for equipment is greater than $5,000, the following procedure will be used.

1. Written specifications will be prepared and provided to vendors.
2. Each vendor will be contacted and given an opportunity to provide a price quote on the same specifications. A minimum of two vendors shall be contacted.
3. The price quotes will receive appropriate confidentiality before award.
4. If using USDA funding for the purchase, the SFA/Sponsor will seek prior approval from Alaska Child Nutrition Programs by completing the Capital Expenditure Pre-Approval Request.
5. Quotes will be awarded by (Title of person/position). Quotes awarded will be to the lowest and best quote based upon quality, service availability, price, and/or \_\_\_\_\_\_\_\_\_.
6. The (Title of person/position) will be responsible for documentation of records to show selection of vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and ***written specifications.***
7. The (Title of Person) will be responsible for documentation that the actual product specified is received.

*Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000. See also §§200.12 Capital assets, 200.20 Computing devices, 200.48 General purpose equipment, 200.58 Information technology systems, 200.89 Special purpose equipment, and 200.94 Supplies.

**SECTION IV – SMALL PROCUREMENT**

If the amount of purchases for items is greater than $3,500 and less than $150,000 (*or the SFA/Sponsor’s small purchase threshold)*, Small Purchase Procedures must be followed. There are two methods of Small Purchasing allowed, either Quotes and/or a Market Basket Study. Quotes documented from an adequate number of qualified sources will be required.

Select one

Purchases over $3,500 but below $150,000

Purchases over $3,500 but below \_\_\_\_\_\_\_\_\_\_\_ *(Sponsor input if threshold is below federal limit of $150,000, must use most restrictive)*

**Method 1: Quotes**

1. Written specifications will be prepared and provided to the vendor.
2. Each vendor will be contacted and given an opportunity to provide a price quote on the same specifications. A minimum of two vendors shall be contacted.
3. The (Title of person/position) will be responsible for contacting potential vendors when price quotes are needed.
4. The price quotes will receive appropriate confidentiality before award.
5. Quotes will be awarded by (Title of person/position). Quotes awarded will be to the lowest and best quote based upon quality, service availability, price, and/or \_\_\_\_\_\_\_\_\_.
6. The (Title of person/position) will be responsible for documentation of records to show selection of vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and ***written specifications.***
7. The (Title of Person) will be responsible for documentation that the actual product specified is received.
8. Any time an accepted item is not available, the ( Title of person/position) will select the acceptable alternate. Full documentation will be made available as to the selection of the acceptable item. Substituted items will not be made at the vendor’s discretion.
9. Purchasing will be based on the following criteria:
10. *Price*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Ex.: quality, delivery, service, etc.)
11. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
12. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Method 2: Market Basket Study**

1. The Market Basket Study list of products must be created annually.
2. The Market Basket Study must include no less than twenty product items that are:
   1. most frequently purchased
   2. products that make up the largest part of the budget
3. Prices must be obtained for the products on the Market-basket Study for two or more vendors.
4. Food items will be purchased from the vendor/store based on the results of the current Market Basket Study.
5. The (Title of person/position) will be responsible for obtaining prices from vendors or stores annually.
6. Vendor/store selection will be to the lowest and best quote based upon quality, service availability, price, and/or \_\_\_\_\_\_\_\_\_.
7. The (Title of person/position) will be responsible for documentation of records to show selection of vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and ***written specifications.***
8. The (Title of Person) will be responsible for documentation that the actual product specified is received.
9. Non-food service items not included in the Market Basket Study should follow standard Informal Procurement requirements by obtaining two or more quotes.

**SECTION V – FORMAL PROCUREMENT**

Select one or more as applicable

Purchases over $150,000 or over \_\_\_\_\_\_\_\_\_\_\_ (*Sponsor input if threshold is below federal limit of $150,000, must use most restrictive)*

Food Service Management Contracts at any total cost (*does not include vended meal agreements)*

n/a, no purchases over $150,000 or Food Service Management Contracts

1. If the amount of purchases is $150,000 (*or SFA/Sponsor approved threshold if less*), or for a Food Service Management Contract, formal procurement procedures will be used as required by 2 CFR Part 200.318-326, formerly 7 CFR **§**3016.36.
2. Formal bid procedures will be applied on the basis of: ***EXAMPLE BELOW***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Category** | **Procurement**  **Method** | | **Evaluation Used** | **Contract Award Type** | **Contract Duration/**  **Frequency** | |
| Frozen Foods  (*Meats, Fruits, Vegetables*); Canned Foods (*same as above)* | Formal | | Bottom line | Fixed price | Bi-annual (August 1- January 31; February 1-June 15) | |
| Fresh Fruits and Vegetables | Formal | | Bottom line | Cost reimbursable  plus fixed-fee | Bi-annual, same as above | |
| Dish Machine Chemicals | Formal | | Bottom line | Fixed price with price adjustment | August 1-June 15 | |
| Fresh Bread | Formal | | Bottom line | Fixed price with price adjustment | Annual by SY | |
| Milk and Dairy Products | Formal | | Bottom line | Fixed price with price adjustment | Annual by SY | |
| Office Supplies | District contract | | Bottom line | Cost reimbursable plus fixed-fee | Annual  July 1-June 30 | |
|  | | |  | |  | |  |

1. Formal bid procedures will be applied on ***the basis of a:***

\_\_\_\_\_\_\_ Centralized System

\_\_\_\_\_\_\_ Individual Site

\_\_\_\_\_\_\_ Multi‑Sponsor Systems

\_\_\_\_\_\_\_ State Contract

\_\_\_\_\_\_\_ Combination of above (specify):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Because of the potential for purchasing more than$150,000, it will be the responsibility of ( Title of person/position) to document the amounts to be purchased so the correct method of procurement will be followed.

When a formal procurement method is required, the following ***COMPETITIVE SEALED BID or an Invitation for Bid (IFB) or* *COMPETITIVE PROPOSAL in the form of a Request for Proposal (RFP)*** procedures will apply:

* An announcement of an **Invitation for Bid** ***(IFB) or a Request for Proposal (RFP)*** will be placed in the (Newspaper/media, IPS Website, other internet source) to publicize the intent to purchase needed items. The advertisement for bids/proposals or legal notice will be run for (Length of Time).

* An advertisement is required for all purchases over the districts shall purchase threshold of (actual amount of the SFA/Sponsor’s small purchase threshold.) The announcement will contain a:
* general description of items to be purchased
* deadline for submission of questions and the date written responses will be provided including addenda to bid specifications, terms and conditions as needed
* date of pre-bid meeting, if provided, and if attendance is a requirement for bid award
* deadline for submission of sealed bids or proposals, and
* address of location where complete specifications and bid forms may be obtained.
* In an IFB or RFP***,*** each vendor will be given an opportunity to bid on the same specifications.
* The developer of written specifications or descriptions for procurements will be prohibited from submitting bids or proposals for such products or services.
* The IFB or RFP will clearly define the purchase conditions. The following list includes requirements, not exclusive, to be addressed in the procurement document:

|  |
| --- |
| * Contract period |
| * SFA/Sponsor is responsible for all contracts awarded (statement) |
| * Date, time, and location of bid opening |
| * How vendor is to be informed of bid acceptance or rejection |
| * Delivery schedule |
| * Set forth requirements (terms and conditions) which bidder must fulfill in order for bid to be evaluated |
| * Benefits to be entitled if the contractor cannot or will not perform as required |
| * Statement assuring positive efforts will be made to involve minority and small business |
| * Statement regarding the return of purchase incentives, discounts, rebates, and credits to the non-profit Child Nutrition account |
| * Contract provisions as required in Appendix II for 2 CFR Part 200, formerly 7 CFR Part 3016.36(i) * Contract provisions as required in 7 CFR Part 210.21(f) for all cost reimbursable contracts * Contract provisions as required in 7 CFR Part 210.16(a)(1-10) for Food Service Management Company contracts |
| * Procuring instrument to be used are purchase orders from firm fixed prices after formal bidding |
| * Price adjustment clause (escalation/de-escalation) based on appropriate standard or cost index (Consumer price index, or other as stated in terms and conditions for pricing and price adjustments) * Method of evaluation and type of contract to be awarded * Method of award announcement and effective date (if intent to award is required by State or local procurement requirements) |
| * Specific bid protest procedures including contact information of person and address and the date by which a written protest must be received |
| * Provision requiring access by duly authorized representatives of the SFA/Sponsor, State Agency, United State Department of Agriculture, or Comptroller General to any books, documents, papers and records of the contractor which are directly pertinent to all negotiated contracts |
| * Method of shipment or delivery upon contract award |
| * Provision requiring contractor to maintain all required records for ***three*** years after final payment and all other pending matters (audits) are closed for all negotiated contracts |
| * Description of process for enabling vendors to receive or pick up orders upon contract award |
| * Provision requiring the contractor to recognize mandatory standards/polices related to energy efficiency contained in the State Energy Plan issued in compliance with the Energy Policy and Conservation Act (PL 94-165) |
| * Signed statement of non-collusion |
| * Signed Debarment/Suspension Certificate or statement included in contract or copy of Excluded Parties List System (EPLS). |
|  |

* Specifications and estimated quantities of products and services prepared by SFA/Sponsor and provided to potential contractors desiring to submit bids/proposals for the products or services requested.
* If any potential vendor is in doubt as to the true meaning of specifications or purchase conditions, interpretation will be provided in writing to all potential bidders by (Title of person/position) and date specified.
* The (Title of person/position) will be responsible for securing all bids or proposals.
* The (Title of person/position)will be responsible to ensure all SFA/Sponsor procurements are conducted in compliance with applicable Federal, State, and local procurement regulations.
* The following criteria will be used in awarding contracts as a result of bids/proposals.
* *Price*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Ex.: quality, delivery, service, etc.)

In awarding a competitive negotiation (RFP), a set of award criteria in the form of a weighted evaluation sheet will be provided to each bidder in the initial bid document materials. Price alone is not the sole basis for award, but remains the primary consideration when awarding a contract. Following evaluation and negotiations a firm fixed price or cost reimbursable contract is awarded*.*

* The contracts will be awarded to the responsible bidder/proposer whose bid or proposal is responsive to the invitation and is most advantageous to the SFA/Sponsor, price, and other factors considered. Any and all bids or proposals may be rejected in accordance with law.
* (Title of person/position) is required to sign on the bid tabulation of competitive sealed bids or the evaluation criterion score sheet of competitive proposals signifying a review and approval of the selections.
* (Title of person/position) reviewing the procurement system to ensure compliance with applicable laws.
* (Title of person/position)\_ responsible for documentation the actual product specified is received.
* Any time an accepted item is not available, the (Title of person/position)will select the acceptable alternate. The contractor must inform (Title of person/position) \_\_(time/by when) a product is not available. In the event a non-domestic agricultural product is to be provided to the SFA/Sponsor, the contractor must obtain, in advance, the written approval of the product. The (Title of person/position) must comply with the Buy American Provision.
* Full documentation as to the reason an accepted item was unavailable, and to the procedure used in determining acceptable alternates, will be available for audit and review. The person responsible for this documentation is (Title of person/position).
* The (Title of person/position) responsible for maintaining all procurement documentation.

**SECTION VI - NON-COMPETITIVE NEGOTIATION**

If items are available **only** from a single source ***when the award of a contract is not feasible under small purchase, sealed bid or competitive negotiation****,* **NON-COMPETITIVE NEGOTIATION** procedures will be used:

1. Written Specifications will be prepared and provided to the vendor.
2. The (Title of person/position) will be responsible for the documentation of records to fully explain the decision to use the non‑competitive negotiation. The records will be available for audit and review.
3. The (Title of person/position) will be responsible for documentation that the actual product or service specified was received.
4. The (Title of person/position) will be responsible for reviewing the procedures to be certain all requirements for using single source or non‑competitive negotiation are met.
5. Non-competitive negotiations shall be used for one-time purchases of a new food item in order to determine food acceptance by students and for samples for testing purposes. A record of non-competitive negotiation purchase shall be maintained by the (SFA/Sponsor Official). The record of non-competitive purchases shall include, at a minimum, the following:

* item name
* dollar amount
* vendor, and
* reason for non-competitive procurement

1. Miscellaneous Provisions:
   1. New product evaluation procedures will include:
      1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
   2. The SFA/Sponsor agrees that the reviewing official of each transaction will be the (Title of person/position).
   3. Payment will be made to the vendor when the contract has been met and verified and has met the procedures for payment. (if prompt payment is made, discounts, etc. are accepted.)
   4. Specifications will be updated as need.

**SECTION VII – EMERGENCY PURCHASING**

1). If it is necessary to make a one-time emergency procurement to continue service or obtain goods, the purchase shall be made, and a log of all such purchases shall be maintained by the (SFA/Sponsor). The following emergency procedures shall be followed. All emergency procurements shall be approved by the (SFA/Sponsor Official). At a minimum, the following emergency procurement procedures shall be documented:

* item name
* dollar amount
* vendor, and
* reason for emergency

2) If the emergency purchasing need requires a contract, all books, records and other documents relative to the award of the contract must be retained for three (3) years after final payment. Specifically the SFA/Sponsor shall maintain, at a minimum, the following documents:

* Written rationale for the method of procurement;
* A copy of the original solicitation;
* The selection of contract type;
* The bidding and negotiation history and working papers;
* The basis for contractor selection;
* Approval from the State agency to support a lack of competition when competitive bids or offers are not obtained;
* The basis for award cost or price;
* The terms and conditions of the contract;
* Any changes to the contract and negotiation history;
* Billing and payment records;
* A history of any contractor claims; and
* A history of any contractor breaches.

Attachment A

**INFORMAL PROCUREMENT LOG**  
TO BE USED FOR PURCHASES OF $150,000 OR LESS

Check the box next to the supplier that you choose. If chosen supplier does not provide the lowest overall price, explain decision on attached sheet. Document contact with 2 or more vendors.

Items to be purchased and specifications:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Date & Method of Contact | Bid Price | Negotiated Price | Notes |
| Supplier #1 |  |  |  |  |
| Supplier #2 |  |  |  |  |
| Supplier #3 |  |  |  |  |

Attachment B

Annual Market Basket Survey

Agency Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Quotes must be obtained from two or more vendors.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Product Name (describe –**  **Examples 5 lbs. golden delicious apples)** | **Vendor 1**  **\_\_\_\_\_\_\_\_\_\_\_\_**  **Price** | **Vendor 2**  **\_\_\_\_\_\_\_\_\_\_\_\_**  **Price** | **Vendor 3**  **\_\_\_\_\_\_\_\_\_\_\_\_**  **Price** |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| 4 |  |  |  |  |
| 5 |  |  |  |  |
| 6 |  |  |  |  |
| 7 |  |  |  |  |
| 8 |  |  |  |  |
| 9 |  |  |  |  |
| 10 |  |  |  |  |
| 11 |  |  |  |  |
| 12 |  |  |  |  |
| 13 |  |  |  |  |
| 14 |  |  |  |  |
| 15 |  |  |  |  |
| 16 |  |  |  |  |
| 17 |  |  |  |  |
| 18 |  |  |  |  |
| 19 |  |  |  |  |
| 20 |  |  |  |  |
| Vendor selected: | | | | |
| If vendor selected did not provide the lowest quote/costs, please explain other circumstances in the selection: | | | | |

Signature of Agency Representative:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attachment C

Capital Expenditure Pre-Approval Request Form

Sponsor Name:

Description of the anticipated capital expenditure:

Cost:

I certify that the above referenced capital expenditure is necessary and reasonable for proper and efficient performance and administration of the Child Nutrition Program.

I certify that the above referenced capital expenditure is allocable to the Federal award.

A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable in accordance with relative benefits received.

I certify that the above referenced capital expenditure is accorded consistent treatment.

A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated as an indirect cost.

I certify that the above referenced capital expenditure is not included as a cost or used to meet cost sharing or matching requirements of any other Federal award.

I certify that the above referenced capital expenditure is the net of all applicable credits.

**Please read and check the box next to each statement**

Sponsor Representative (Print full name)

Signature Date

Work E-Mail Address Work Phone Number Ext.

**CNP USE ONLY**

Approved By:­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_