
Below are two clues for words that are homonyms of each other.
Name the words.

Example: Number after one / Also = **Two and Too**

1. Uninterested / Panel **Bored and Board**
2. Permitted / Spoken **Allowed and Aloud**
3. Walked / Adhesive **Paced and Paste**
4. Cries for help / Satisfy **Pleas and Please**
5. Propelled / Finished **Threw and Through**

PROCUREMENT PLAN

HAVE A PLAN. FOLLOW THE PLAN.



south dakota
DEPARTMENT OF EDUCATION
Learning. Leadership. Service.

Quanna Keyser

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Today we'd like to talk about the Procurement Plan

- Why you create one

- What is its purpose - TOOL

- When and how it can be modified with some steps on how to review it to make sure it still matches your needs

~~PROCUREMENT PLAN~~

SHOPPING LIST

HAVE A PLAN. FOLLOW THE PLAN.

Quanna Keyser



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Today we'd like to talk about the Procurement Plan

- Why you create one

- What is its purpose - TOOL

- When and how it can be modified with some steps on how to review it to make sure it still matches your needs

§ 200.318 - General procurement standards.

(a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

First, you might wonder if an Agency required to complete a Procurement Plan?

Yes. **

The requirement is in regulation CFR7200.318 General procurement standards

Ensure full and open competition.

Costs for every threshold will be:

Necessary and Reasonable

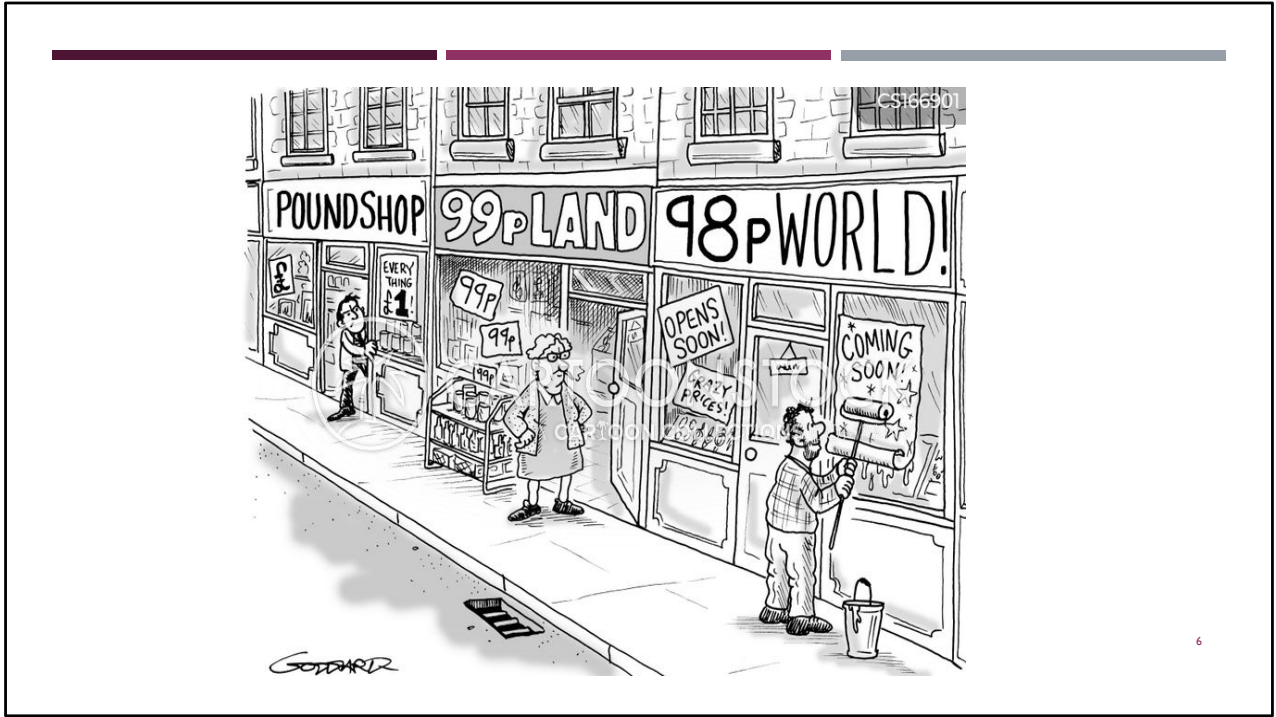
Allocable to federal awards

Authorized and not prohibited under state
and local law.

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Why?

To ensure Federal dollars will be spent in the most economical way





Dear School Food Authority:

This letter is to notify you that your School Food Authority (SFA) is scheduled for a Procurement Review of the Child Nutrition Program. The purpose of the procurement review is to assess compliance of all procurement activities utilizing funds from the non-profit food service account in accordance with 2 CFR, Part 200.317-200.326 (previously in 7 CFR Parts 3016 and 3019).

The Procurement Plan template on the website has changed. Why?

It all started in SY19-20 when there were about 165 Procurement Reviews across the state.

Of course, when there is a review, it's possible there will be findings with corrective actions

PROCUREMENT REVIEW FINDINGS

**Spreading purchases equitably
(Micro Purchases)**

**Soliciting from adequate number
of vendors (Small Purchases)**

**Cost/Price analysis, Publicly
Advertising (Formal
Procurement)**

**Advisory board
USDA Reconciliation
(FSMC contracts)**

**Documentation of each
procurement**

**Incomplete or no Code of
Conduct**

Affirmative Action Language

The reviews found procedure errors in all levels of purchasing – the most common in Micro Purchasing was spreading purchases equitable, The most common in Small Purchases was not soliciting from an adequate number of vendors, In Formal Procurement, the most common error was not acquiring a cost/price analysis or publicly advertising correctly. And in the Agencies with Food Service Management Companies, not creating an advisory board and providing an end of year USDA food entitlement reconciliation were the most common findings. There was incomplete or missing documentation of procurement activity, and omissions in or not following the Agency’s Procurement Plan.

PROCUREMENT TEMPLATE

SECTION I – Procurement Plan Requirements

SECTION II – Micro Purchasing

SECTION III – Small Purchase Procurement

SECTION IV – Formal Procurement

SECTION V – Non-Competitive Negotiation

Appendix A and B for SECTION III

Appendix A, B, C, and D for SECTION IV

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Back to the Procurement Template on the CANS website.

The information in the template didn't change, it's just grouped differently, so an Agency may choose the sections that meet their particular needs.

The template is divided into five Sections with appendices for Sections three and four.

Section I includes required items for all methods of Procurement.

A. To Ensure full and open competition.

and

Regardless of the procurement method, the following factors will be determined regarding the allowability of costs:

They will be necessary and reasonable for proper and efficient administration of the program(s)

Allocable to federal awards applicable to the administration of the program(s)

And authorized and not prohibited under state and local law.

****B. The template describes the Federal Procurement Threshold amounts and allows the SFA to enter a lower threshold if they choose, and a field for Capital Equipment purchases.****

C. When purchasing equipment remember – if the Cost of the item is greater than \$5,000 (or your SFAs lower threshold) or if the item is not on the pre-approved equipment list, then pre-approval to purchase the item must be obtained from the CANS office. Some schools have a spend down plan approved by CANS, which depends on the standard procurement procedures being followed.

D. The template provides an area to explain how all staff will be trained on proper procurement procedures

E. Retention of documents isn't just for the Food Service Director – procurement records are maintained for three years plus the current year too. This includes the Procurement Plan itself. Though this is a living document and subject to change through the year – prepare a new one each school year.

F. Buy American is the only point that does not hold true for all Child Nutrition Programs. CACFP and SFSP are not required to purchase items with at least 51% produced in America.

PROCUREMENT TEMPLATE

SECTION I – PROCUREMENT PLAN REQUIREMENTS

- G. Minority and Women’s Business
- H. Code of Conduct/Conflict of Interest
- I. Taste testing, samples procedures
- J. Emergency Planning
- K. Geographic Preference
- L. Protest Procedures
- M. Monitor Monitor Monitor

G. Affirmative action language in the plan does not mean the SFA must purchase from a minority or woman owned business, but rather the opportunity for those business to respond to a bid or provide goods or services is clearly advertised.

H. The template now provides for the SFA to describe their Code of Conduct and the required disciplinary actions.

I. This item allows the SFA to describe conditions of how products are to be provided to the schools for preference taste testing and how the results of the test are used in determining a product selection.

J. Because the real world doesn’t always follow what is expected, a good plan should have a back up of what to do when unexpected situations occur. Documenting the out of ordinary purchase will protect the integrity of your plan. For instance a micro purchase from a vendor not normally used will be an allowable purchase because your emergency plan covered it.

K. To avoid the potential of a bid protest, this section describes how a preferred geographical area for items is determined.

L. When Federal money is used, there is the possibility for a bidder, entity, or person from the general public to protest the way you have chosen to spend those dollars. A response plan is required, and this area provides the SFA an opportunity to structure the protest and response procedures.

M. Not a typo – this bears repeating. Even the process of Micro Purchases should be monitored to confirm the purchases are being distributed as intended. Explain in your plan the steps to be taken to ensure the basics of the contract / agreement are being maintained. And the steps to take if they are not. Else why have a contract? A few items to monitor could be: delivery times, product quality, expiration dates, that substitutions are appropriate and don't occur too often, and that prices remain fixed.

PROCUREMENT TEMPLATE SECTION II - MICRO PURCHASE

***Name and Title of those responsible for Micro-Purchase Procedures:** (list the names and titles of all those who are responsible for Micro-purchases at the SFA.)

If the amount of purchases for items is less than \$10,000 or less than the LEA's micro-purchase threshold, the following procedure will be used.

Select one:

- Purchases below \$10,000
- Purchases below \$_____ (LEA threshold if it is below \$10,000, must use most restrictive)

- The aggregate dollar value of each transaction shall be less than the micro-purchase threshold above. Purchases will not be separated into 2 or more purchases to meet or be below the threshold.
- Purchase prices shall be reasonable.
- Micro-purchases shall be spread equitably among qualified suppliers to the extent practicable. If the SFA is unable to spread purchases equitably, it shall document the reason why (example: the next grocery store is located 50 miles away from the school LEA).

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Section II will describe how your SFA intends to use the Micro Purchase Method.

This is a non-competitive method; however the cost must be reasonable, and the SFA can choose to do a periodic price comparison. There is also a requirement to spread purchases equitably among qualified suppliers when possible.

The Micro Purchase Method is useful to purchase particular items that may not be included in a Group Purchase agreement, or purchase items added to a cycle menu after a contract is bid. It may also be used to ensure fresh items are available if they can't be provided timely in a vendor's delivery schedule. A Micro Purchase may not result in the best price per item compared to a competitive purchase so care should be used when choosing this method. The SFA should always try to obtain the best value for the School Nutrition Program.

PROCUREMENT TEMPLATE SECTION II - MICRO PURCHASE

Micro - Purchase Procedures Table

Vendor & Category (List what vendor is being used and what product, services or supplies will be purchased)	Justification (Justification for using this vendor)	Duration/ Frequency (Weekly, Monthly, Yearly, Per Purchase)
One and Done – Fresh Produce	Fresh Produce is available in desired quantities	Weekly
Rabbit’s Dream - Fresh Produce	Fresh Produce is available in desired quantities	Weekly
Garden Patch - Fresh Produce	Fresh Produce is available in desired quantities	Weekly

The Micro Purchase Procedures Table is provided for the SFA to list the vendor, category of item, justification for using the vendor and how often the vendor is intended to be used. This is documentation that will help ensure the SFA is spreading the wealth - at least two, and preferably three vendors per item should be listed.

PROCUREMENT TEMPLATE

SECTION III - SMALL PURCHASING

***Name and Title of those responsible for Small Purchase Procedures:** (list the names and titles of all those who are responsible for Small Purchase at the SFA.)

If the amount of purchases for items less than \$250,000 or the SFA's small purchase threshold, Small Purchase Procedures must be followed. Quotes documented from an adequate number of qualified sources will be required.

Select one:

- Perishable purchases below \$250,000, purchases below \$25,000 for services or supplies.
- Purchases below _____ (LEA threshold if it is below \$250,000 for perishables, or \$25,000 for services and supplies must use most restrictive)

Written specifications will be prepared and given to a minimum of two vendors. is received at the documented price.

Any time an accepted item is not available, the person stated in Section IV 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.

***See Appendix B for a Small Purchase Checklist and Appendix C for an Informal Purchasing Log.**

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If the Small Purchase Method, also described as 'Three Bids and a Buy', is planned, Section III will describe how your school intends to use it.

This is a competitive procurement in which identical written specifications are provided to at least two, but preferably three potential vendors for the best possible bid return.

The bid with the lowest price will be awarded the fixed price agreement or contract. All aspects of the resulting contract will be described in the solicitation such as length of contract, terms of cost increase, and potential piggybacking. A material change requires a new contract.

PROCUREMENT TEMPLATE SECTION III - SMALL PURCHASE

Informal Purchase Procedures Table

Category (List what product, services or supplies will be purchased)	Vendors (List vendors you are getting quotes from)	Evaluation Used (Bottom Line, or Line Item)	Award Type (Fixed Price Agreement, Fixed Price Agreement based on public CPI)	Duration/ Frequency (Weekly, Monthly, Yearly, Per Purchase)
Frozen Foods (Meats, Fruits, Veg); Canned Foods (Meats, Fruits, Veg); Pasta	Walmart, Local Grocery Store, Hy-Vee	Bottom line (All or none)	Fixed price agreement	3 Months (August 1-October 31)

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The Small Purchase Procedures Table is provided for the SFA to list the category of item, vendors asked for a quote, evaluation used, award type, and duration of contract/agreement. Documentation of the process is required and retained for three years plus the current year.

**PROCUREMENT TEMPLATE
SECTION IV - FORMAL PROCUREMENT**

**Perishable purchases over \$250,000
Services and supplies over \$25,000**

**RFP (Request for Proposal)
FSMC**

IFB (Invitation for Bid)

**Termination Clause
Davis-Bacon Act
Cost or Price Analysis
Specifications
Evaluation
Contract Work Hours Safety Standards Act
Clean Air Act**

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If your SFA is required to use the Formal Purchase Method, Section IV contains the considerable requirements for this process.

This is a competitive procurement in which either a Request for Proposal (RFP) or an invitation for bid (IFB) types of solicitation are used.

The RFP identifies the goods and services needed and all significant evaluation factors that will be used to evaluate all proposals.

The IFB is a sealed bids in which the primary consideration is cost.

There are several appendices associated with this Section.

All FSMC contracts must be procured with an RFP regardless of the contract amount and must result in a fixed price contract. The FSMC process has its own RFP template and contract requirements in place.

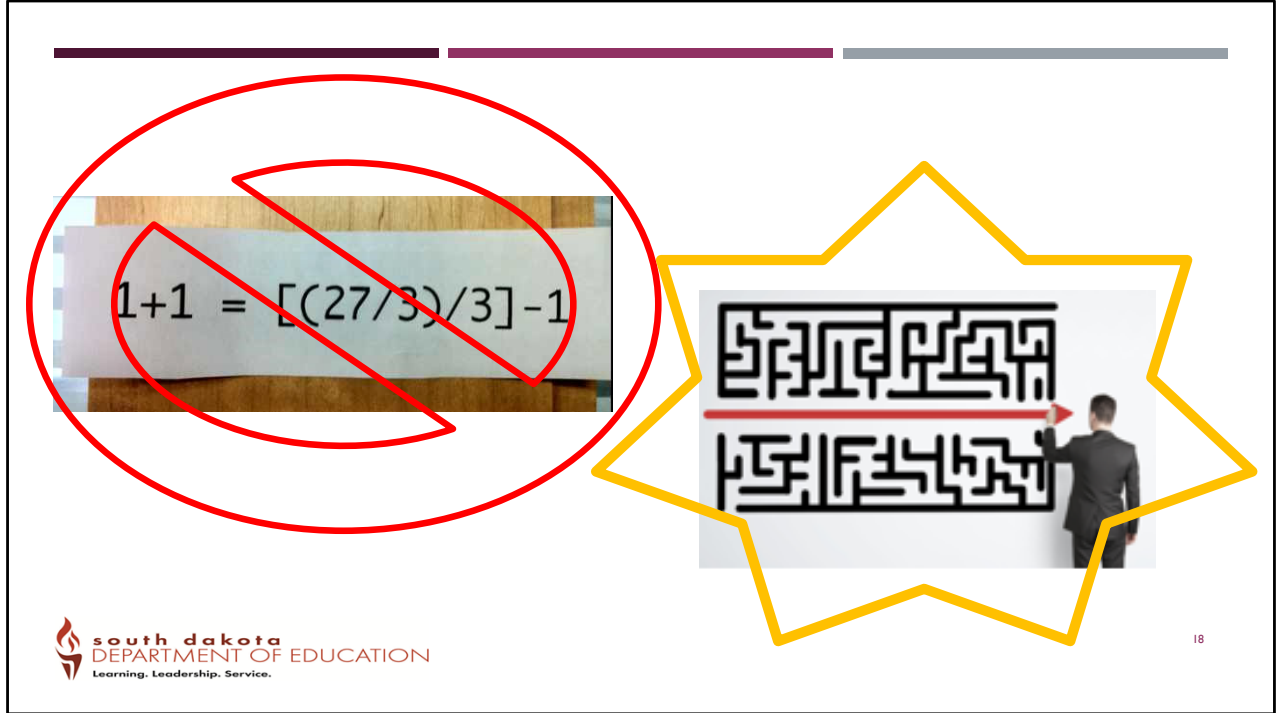
PROCUREMENT TEMPLATE SECTION V NON-COMPETITIVE NEGOTIATION



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Non-competitive (sole source) procurement are purchases of a specific item made when an emergency arises that threatens continued service of the Child Nutrition Program, or which is available from only one contractor who is the sole manufacturer and distributor of the item. This is a rare occurrence, and the school food service department must document its justification for needing the item and why only this specific item will meet this need.

When faced with a sole source procurement, the SFA must obtain CANS approval.



The plan doesn't need to be complicated. Simple and straightforward can be accomplished with work ahead of time.

WHEN should the Plan be updated?

Every School Year should have a Plan in place for that year. Create a new document, so previous years' procurement documentation is intact.

Be sure to check local policy changes like the procurement thresholds and code of conduct
When things change – like emergencies, a vendor goes out of business, a new business comes into town,

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Vendor Paid List

Micro Purchase Table



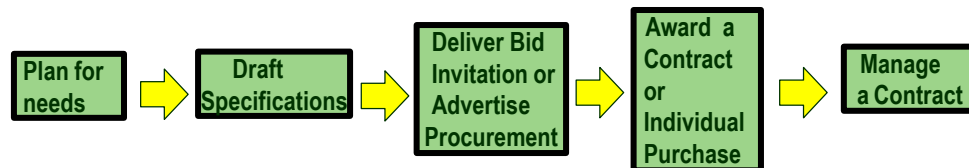
20

One way to craft a new year's plan is to:

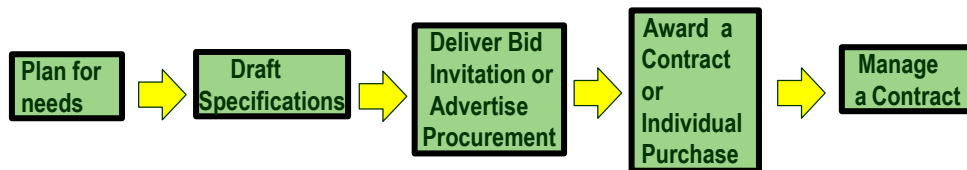
1. Get a copy of the previous year's Vendor Paid List
2. Get a copy of the previous year's Purchase Plan and 'SAVE AS' the current year. The bulk of the Plan won't be changed.

and project increases to change the model of last year's plan.

The five steps to purchase goods and services.



Steps to purchase goods and services



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I think the steps are more like staircases.

Planned for needs

- Waivers in place

- SSO participation increases

- Looked at production records for likes/dislikes – usage quantities

- Waste Analysis showed lima beans just aren't the answer to the legume

requirement

- SKU shortages last year determined a different chicken nugget type

- Altered cycle menus

Draft Specifications

Deliver Bid Invitation or Advertise Formal Procurement

- This stair case explores the procurement thresholds and proper procurement for items

Award a Contract or Individual Purchase

- Bid amounts are reasonable

- Consider if bids are responsive and responsible.

- Responsive = Offer meets the specifications and requirements in the bid document or solicitation

Responsible = Capable of providing items and ability to perform - proper licenses, certifications, financially secure, documented testimonies

Contract must repeat solicitation specifications

After reaching the goal of the contract, you are done, right?

Manage the Contract

Item No.	Product Category	Description	Mfr. Number	Pack	Quantity	Bid Price	Total
1	Meat--Beef	Philly Steak, Seasoned, Fully Cooked, Gluten free, specify weight of product needed to equal one 2 m/ma serving, Calories not to exceed 175, sodium not to exceed 450 mg. sodium, no transfat,	JTM CP5813 Equal or better	167 servings 30# cs.			
2	Meat--Beef	Franks-100% Beef Franks, 8 links/lb. 1, 2 oz. frank = 2 m/ma, gluten free. Calories not to exceed 175, sodium to not exceed 370mg no added trans fat,	Cloverdale 123312 Equal or better	10# cs/80 ct.			
3	Meat--Chicken	Chicken. WG Chicken Corn Dog, 4 oz. each Corn dog provides 2 M/MA and 2 OEG. 50% or > whole grains by weight or have whole grains as the first ingredient, calories not to exceed 260 calories, sodium not to exceed 410 mg per serving, 0 trans fat	Foster Farms 95150 Equal or better	72 ct			
4	Meat--Chicken	Chicken, WG Chicken Pop Dogs, Each pop dog is approximately 0.67 and 6 pop dogs (1 serving) = 2 m/ma and 2 OEG. Calories not to exceed 200 calories per serving, total fat grams not to exceed 10 grams, 50% or > whole grains by weight or have whole grains as the first ingredient, Sodium not to exceed 300 mg. per serving, no added transfat, mfg. frozen shelf life is 365 days from date of pack.	Foster Farms 96086 Equal or better	2, 5# lb. bags/cs. Approx. 40			
5	Meat--Chicken	Chicken. Fulled Cooked. All Natural Grilled Chicken Breast Filet with Rib Meat, Gluten Free. 1, 3 oz. serving (by weight) =2 to 2.5 oz. m/ma. Calories per serving not to exceed 140, sodium per serving not to exceed 200 mg.	Cloverdale 126753 Equal or better	2/5# bags approx. 50			
6	Meat--Chicken	Chicken. FC Chicken Breast Fritters with Rib Meat, 13 pieces = approx. 4.29oz serving size. Serving size provides 2 m/ma and 2 OEG. Calories per serving not to exceed 220, sodium per serving not to exceed 550 mg. no added trans fat.	Advance Pierre #68157 Equal or better	4/5# bags			
7	Meat--Pork	Pork, Shoulder Pulled. No Sauce. Gluten Free. 3 oz. serving (by weight) =2 M/MA. Calories not to exceed 200 per serving, sodium not to exceed 310 mg. per serving. No added trans fat	John Morrell # 7010066904 Equal or better				

Meat						
<u>Item Code</u>	<u>Pack Size</u>		<u>Brand</u>	<u>Description</u>		
0566681	4	5#AV	FIRECLS	BEEF GRND BULK 90/10 CHUB FRS		74
2325278	90	2.5OZ	FIREREL	BEEF PATTY FC SOY LWRSOD HS CN	CN Label Required and Provide	44
M2114	100/3 Oz		Advance	Beef Ground Patty Shape Meatloaf 3 Ounce, fully cooked with ketchup	CN Label Required and Provide	23
46050	4/5 Lb		Prairie Creek	Beef Ground 81/19 Raw Bulk Cryo		20
2285799	6	2 LB	HORMEL	HAM SLICED SMK W/A .5OZ FRESH	CN Label Required and Provide	40
64512	200/2.5		Tenderbroil	Beef Ground Patty Shape 2.5 Ounce Flame broiled with veg protein	CN Label Required and Provide	10
7836562	2	5 LB	AREZCLS	MEATBALL BEEF ITAL STYLE .5 OZ	CN Label Required and Provide	28
1589290	106	1.5 OZ	SYS CLS	SAUSAGE PORK PTY CKD MILD CN	CN Label Required and Provide	40
C0216	4/3 Lb		Old Tyme	Ham Steak 4 Ounce Slice Smoked Boneless	CN Label Required and Provide	13
63174	4/2.5 Lb		Cobblestreet	Ham Smoke Cooked Water Added Shingle, .67 oz per slice	CN Label Required and Provide	10
A6758	4/2.5 Lb		Cobblestreet	Ham And Water Product Cooked Diced 1/4"	CN Label Required and Provide	8
Poultry						
<u>Item Code</u>	<u>Pack Size</u>		<u>Brand</u>	<u>Description</u>		
7138035	60	3 OZ	SYS CLS	CHICKEN BRST FIL GRL PRCK	CN Label Required and Provide	78
43970	2/5 Lb		Brakebush	Chicken Breast Strip Breaded Fully Cooked	CN Label Required and Provide	100
G1062	4/7.41Lb		Tyson Foods	Chicken Drumstick Breaded Bone In,Ave 92/5.15 oz	CN Label Required and Provide	43
A3226	2/5 Lb	52/3oz	Tyson Foods	Chicken Breast Fillet No Bone Or Skin	CN Label Required and Provide	45
8352884	1	10 LB	SYS CLS	CHICKEN MEAT DICED WHT.5 MARN	CN Label Required and Provide	50
1102995	2	8-10#	SYS IMP	TURKEY BRST BNLS RAW FOIL - Turkey Rst	CN Label Required and Provide	18
4510725	4	2.5 LB	BBRLSUP	TURKEY BREAST SLI NAT SMK 1OZ	CN Label Required and Provide	13

Sample of bad bid sheet.

What's wrong with it?

** Item Code is a vendor specific number. Only one vendor knows what this represents

** Brand is specified – no language of 'equal to'

Easy for bidder

Equal for all bidders?

Item No.	Product Category	Description	Mfr. Number	Pack	Quantity	Bid Price	Total
1	Meat-Beef	Philly Steak, Seasoned, Fully Cooked, Gluten free, specify weight of product needed to equal one 2 m/ma serving, Calories not to exceed 175, sodium not to exceed 450 mg. sodium, no transfat,	JTM CP5813 Equal or better	167 servings 30# cs.			
2	Meat-Beef	Franks-100% Beef Franks, 8 links/lb. 1, 2 oz. frank = 2 m/ma, gluten free. Calories not to exceed 175, sodium not to exceed 370mg no added trans fat,	Cloverdale 123312 Equal or better	10# cs/80 ct.			
3	Meat-Chicken	Chicken. WG Chicken Corn Dog, 4 oz. each Corn dog provides 2 M/MA and 2 OEG. 50% or > whole grains by weight or have whole grains as the first ingredient, calories not to exceed 260 calories, sodium not to exceed 410 mg per serving, 0 trans fat	Foster Farms 95150 Equal or better	72 ct			
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7	Meat-Pork	Pork, Shoulder Pulled. No Sauce. Gluten Free. 3 oz. serving (by weight) =2 M/MA. Calories not to exceed 200 per serving, sodium not to exceed 310 mg. per serving. No added trans fat	John Morrell # 7010066904 Equal or better				

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GOOD

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8352884	1	10 LB	SYS CLS	CHICKEN MEAT DICED WHT.5 MARN	CN Label Required and Provide	50
1102995	2	8-10#	SYS IMF	TURKEY BRST BNLS RAW FOIL - Turkey Rst	CN Label Required and Provide	18
510725	4	2.5 LB	BBRLSUP	TURKEY BREAST SLI NAT SMK 1OZ	CN Label Required and Provide	13

Sample of bad bid sheet.

What's wrong with it?

** Item Code is a vendor specific number. Only one vendor knows what this represents

** Brand is specified – no language of 'equal to'

Easy for bidder

Equal for all bidders?

Meat						
<u>Item Code</u>	<u>Pack Size</u>		<u>Brand</u>	<u>Description</u>		
0566681	4	5#AV	FIRECLS	BEEF GRND BULK 90/10 CHUB FRS		74
2325278	90	2.5OZ	FIREREL	BEEF PATTY FC SOY LWRSD HS CN	CN Label Required and Provide	44
M2114	100/3 Oz		Advance	Beef Ground Patty Shape Meatloaf 3 Ounce, fully cooked with ketchup	CN Label Required and Provide	23
46050	4/5 Lb		Prairie Creek	Beef Ground 81/19 Raw Bulk Cryo		20
2285799	6	2 LB	HORMEL	HAM SLICED SMK WA .5OZ FRESH	CN Label Required and Provide	40
64512	200/2.5		Tenderbroil	Beef Ground Patty Shape 2.5 Ounce Flame broiled with veg protein	CN Label Required and Provide	10
7836562	2	5 LB	AREZCLS	MEATBALL BEEF ITAL STYLE .5 OZ	CN Label Required and Provide	28
1589290	106	1.5 OZ		SAUSAGE DARK PTY C	CN Label Required and Provide	40
C0216	4/3 Lb			Ham 3 Ounce Sliced	CN Label Required and Provide	13
63174	4/2.5 Lb			Ham 3 Ounce Sliced	CN Label Required and Provide	10
A6758	4/2.5 Lb			Ham 3 Ounce Sliced	CN Label Required and Provide	8
Poultry						
<u>Item Code</u>	<u>Pack Size</u>		<u>Brand</u>	<u>Description</u>		
7138035	60	3 OZ	SYS CLS	CHICKEN BRST FIL GRL PRCK	CN Label Required and Provide	78
43970	2/5 Lb		Brakebush	Chicken Breast Strip Breaded Fully Cooked	CN Label Required and Provide	100
G1062	4/7.41Lb		Tyson Foods	Chicken Drumstick Breaded Bone In,Ave 92/5.15 oz	CN Label Required and Provide	43
A3226	2/5 Lb	52/3oz	Tyson Foods	Chicken Breast Fillet No Bone Or Skin	CN Label Required and Provide	45
8352884	1	10 LB	SYS CLS	CHICKEN MEAT DICED WHT.5 MARN	CN Label Required and Provide	50
1102995	2	8-10#	SYS IMP	TURKEY BRST BNLS RAW FOIL - Turkey Rst	CN Label Required and Provide	18
510725	4	2.5 LB	BBRLSUP	TURKEY BREAST SLI NAT SMK 1OZ	CN Label Required and Provide	13

Sample of bad bid sheet.

What's wrong with it?

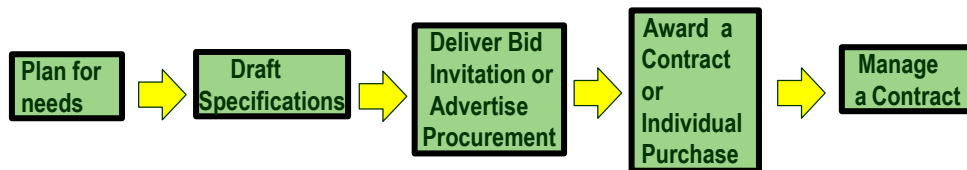
** Item Code is a vendor specific number. Only one vendor knows what this represents

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Steps to purchase goods and services



29

I think the steps are more like staircases.

Planned for needs

- Waivers in place

- SSO participation increases

- Looked at production records for likes/dislikes – usage quantities

- Waste Analysis showed lima beans just aren't the answer to the legume

requirement

- SKU shortages last year determined a different chicken nugget type

- Altered cycle menus

Draft Specifications

Deliver Bid Invitation or Advertise Formal Procurement

This stair case explores the procurement thresholds and proper procurement for items

Award a Contract or Individual Purchase

- Bid amounts are reasonable

- Consider if bids are responsive and responsible.

Responsive = Offer meets the specifications and requirements in the bid document or solicitation

Responsible = Capable of providing items and ability to perform - proper licenses, certifications, financially secure, documented testimonies

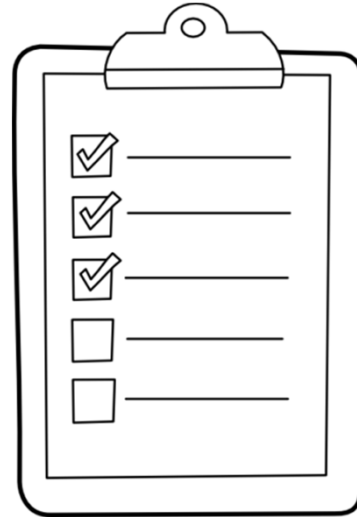
Contract must repeat solicitation specifications

After reaching the goal of the contract, you are done, right?

Manage the Contract

HOW DO YOU MONITOR YOUR CONTRACTS?

- Yes or no questions
- Who
- What
- When
- Where
- Comments:



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Preprinted worksheet when receiving deliveries:

Checklist completed with every delivery is good

Too detailed and takes a lot of time to fill in, it might be neglected.

It might look something like this:

Prewritten questions with a yes or no check box, including fill in the blanks that cover

Who is the Distributor and Driver?

What is damaged, spoiled, or out of date? Are proper temperatures maintained? Record them here.

When was the delivery time

Where are the goods unloaded? If the delivery is after hours – and the items are checked in later, are they found where they should be?

Important information about the delivery should be written and not left to memory or word of mouth.

HOW DO YOU MONITOR YOUR CONTRACTS?



Comparisons

Mathematical Assessments

Price

Fees

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There might be comparison and mathematical assessments.

If not done when receiving the items, the delivery ticket should be compared to the order as soon as possible to make sure they both have the same items and quantities. The cooks need to know of a shortage or substitution. Document the shortage or substitution when it happens –that will assist in resolving problems – which we will talk about in the future. Are the invoice prices compared to the fixed prices in the contract? Keeping this step simple is important, too just like the checklist at receiving -if it takes a lot of time to do, it might get skipped. A consistent system of comparing a standard number of items per invoice is effective.

If there are substitutions do they meet requirements?

Are there unexpected fees added to the invoice?

Items on an invoice/delivery ticket that can be **objectively** assessed include cost, safety, quality and accuracy. Any others? Your agency's checklist will vary.



HOW DO YOU MONITOR YOUR CONTRACTS?

- Trust
- Reliability
- Relationship

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Subjective evaluations would include the “feeling” type questions.

Is the vendor easy to deal with?

Do communications usually go smoothly and easily?

Is a reliable salesperson assigned to your school who
easy to contact and
can you take their word for things.

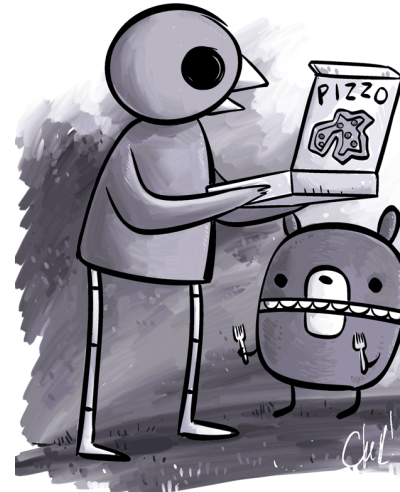
A contract is awarded on best price for the product or service, but if the vendor is inconsistent, and you are forced into emergency purchases, trust can be is lost.

Document reasons for basing an opinion – feelings are difficult to measure, but documented events will help support an opinion.

On the flip side – it is also good to document extraordinary measures vendors and salespeople take to make their customer happy. Let the vendor know about it too. I don’t know anyone who doesn’t like recognition for their above and beyond efforts.

PROBLEMS

- Inconsistent delivery times
- Rude driver / call center
- Damaged goods
- Expiration dates too close
- Higher price than bid
- Incorrect items delivered
- Shorted amounts
- Item quality not adequate
- Safety of product not protected
- Can never get ahold of salesperson



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"This isn't what we ordered!"

During the monitoring process, discoveries are made. Like: that's not what I ordered.

Well, delivered goods might not be what you expected, but they might be allowed in the contract.

Look at the contract to find the root cause so you can resolve the problem

Of course all of these 'problems' are for example only. Different locations and sizes of agencies have unique circumstances.

Some of these are real issues people have shared with me, so try to apply one of your own problems to the situation.

Type specific problems in the chat – maybe someone has a suggestion

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specification noun

spec-i-fi-ca-tion | \,spe-sə-fə-'kā-shən, spes-fə-\

Definition of *specification*

- 1 : the act or process of specifying
- 2
 - a : a detailed precise presentation of something or of a plan or proposal for something—usually used in plural
 - b : a statement of legal particulars (as of charges or of contract terms)
also : a single item of such statement
 - c : a written description of an invention for which a patent is sought

Remember way back when the bid sheet was being prepared?

Items from the cycle menu were listed and amounts determined from forecasted usage?

Let's take a look at that sheet –

* What is delivered might not be what is expected, but did you actually specify what you wanted or needed?

Was a CN label required?

* Were unique identifiers provided? Like grade, size, fat percentage, unit per case, peeled, individually wrapped...

Was preapproval required for “equal to” products?

What type of bid could the vendor provide based on the information given?

The vendors know the contract will be awarded by price, and there is competition, so they're going to offer the lowest priced product based on your specifications.

PROBLEMS

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What does the contract say?

The solicitation is to make sure the vendor can provide what you want –

*the contract is to make sure you get it.

*Because it's the contract that is legally binding, read it more than once to make sure everything on the solicitation is present.

PROBLEMS

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There are items not part of the solicitation that can be negotiated separately in the contract.

*If the delivery times weren't in the specification, were they included in the contract? – or were there clear instructions how the deliveries should be made after school hours?

* Is it stated the expiration dates on perishable items must be a set number of days after delivery? Because you wanted to avoid receiving milk that would expire before the next scheduled delivery and prevent 'This tastes funny' complaints. What about shelf stable goods? Are limits for their 'use by' dates in the contract as well?

* What is the procedure to return damaged goods or receive credit for spoiled items? Is there a time span allowed for reporting in case the problem wasn't discovered right away? Other points to negotiate might be:

* If an ordered amount is shorted, is the vendor required to notify you so substitutions may be made?

Is it written you will not accept back orders? Or will a single box of chicken nuggets show up in a month to complete an order?

Is it in the contract to reimburse you for cost above the contract amount if you are forced to purchase items to make up for a delivery shortage?

PROBLEMS

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*Are there not so nice humans you are forced to deal with?

* Or would you like to deal with a human, but can't seem to make contact?

There's no time like the present to start fixing these types of troubles.

Watching for problems - in order to repair them - is the central goal in monitoring a contract, right?

Are complaints made known, or just steam about it every time an incident happens?

Frank communication is key.

The vendor can't fix what they don't know, so with documented clashes in hand I can express my concerns.

To whom? Speak with the person who can help.

*Generally speaking, a vendor is interested in a good business relationship – continuing to sell items is to their advantage - you are their business.

It also might not be possible for everything to be resolved.

Maybe the vendor can't change things because of the contract language.

So let's Zoom on to the future to see the options for the contract.

OPTIONS

Do nothing contract naturally ends
Verbal agreement, amendment,
addendum
Rebid part of the contract
Rebid whole contract

Learn from the past to prepare for
the future.



*If you don't HAVE to do anything maybe a change would take more time and effort than it is worth. Maybe there isn't much time left on the contract and minor problems can be dealt with.

* Schedule a meeting with the vendor to discuss hot topics and establish an agreement. Maybe part of the contract needs to be changed or an item added. When ever adjustments are made, care must be taken to not change the original scope of the contract. If another vendor might have bid differently had they been aware of this changed circumstance and if a changed dollar amount is significant, beware.

What do you think?

An agency preparing their solicitation has an absolute desire for delivery days to be: Monday night and Thursday morning. Firm. Distributor A would have had to hire another driver to meet that requirement, so the overall bid was higher than Distributor B, who was able to bid lower because they had a driver who happened to live in the town and could schedule a drop meeting those requirements. In time life happened, and the driver for Distributor B moved on. Now the agency is experiencing the delivery problems and have decided to loosen the requirements of the specification. Distributor A is **not** happy – they would have bid differently if they had the same opportunity. There are so many ways this could be described. In short – modifications may constitute a material change. These are decisions for your agency to make and if you have misgivings or questions discuss with your legal department.

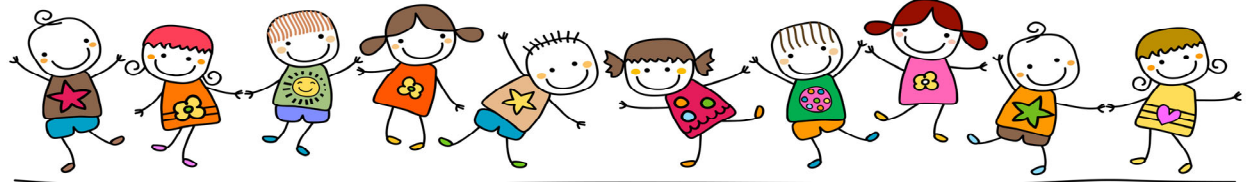
Maybe the cooks will flat run from the kitchen if they have to sort through one more can of green beans to get the stems out, so I choose to rebid part of the contract to find a more acceptable product. I remembered to make sure the contract did not require a minimum purchase of the beans – and I will make arrangements to spread the wealth with other vendors if I use the micro purchase method instead of bidding for individual items no longer ordered on this contract.

Maybe the contract contains an element that a competitor could file a bid protest. Then the whole contract would be rebid.

Or

Due to unforeseen circumstances, the vendor must raise their prices, but the fixed contract will not allow a price increase, so then too, the contract will be rebid.

Also in the future are the unawarded contracts and you will have a fresh start to apply your new techniques



Feeding the Future with Healthy School Lunches

The National School Lunch Program (NSLP) is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. It provides nutritionally balanced, low-cost or free lunches to children each school day. The program was established under the National School Lunch Act, signed by President Harry Truman in 1946.

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Why do we do all this work?

When contracts are well crafted and well monitored, we can ensure good food is purchased at a competitive price – and good food makes everyone happy.