

PROCUREMENT REVIEWS

WHAT YOU NEED TO KNOW

Where do we begin?

- ▶ State Agency sends you the Procurement Review Tool
- ▶ You send it back...simple right?



Procurement Tool [USDA Memo SP 03-2017](#)



Completing the Tool

- ❖ SFA Instructions
- ❖ Complete SFA Procurement Tab

OVERVIEW OF REVIEW PROCESS

STATE AGENCY REVIEW INSTRUCTION

SFA INSTRUCTIONS

SFA PROCUREMENT TABLE

1. Notification of Review

- ❖ State Agency will contact SFA
- ❖ Administration, Business Office, Procurement Officials
- ❖ Provide the Procurement Tool
- ❖ Request vendor paid list/summary of expenditures by vendor for previous school year
- ❖ Request Procurement Plan and Code of Conduct

What's in those SFA instructions?

- ❖ Notification of review
- ❖ Scheduling the review (on or off-site)
- ❖ Fill out the tool
- ❖ Selection Chart
- ❖ Documentation
- ❖ Conducting the review
- ❖ Report findings, provide technical assistance
- ❖ Request Corrective Action (CA)
- ❖ Review and approve Corrective Action (CA)
- ❖ Close the review

3. The Tool

- ❖ Who are you?
 - ❖ Procurement Authority
 - ❖ Position or Title
 - ❖ Responsibilities
 - ❖ Contact Information

Details, Details

- ❖ Small Purchase Threshold?
 - ❖ Food
 - ❖ Service
 - ❖ Supplies
- ❖ Federal, State or Local?

Details, Details

- ❖ Membership Fees or no cost
 - ❖ Group Purchasing Organization (GPO)
 - ❖ Group Buying Organization (GBO)
 - ❖ Third Party Entity

Define Your Purchases

- ❖ Micro?
- ❖ Small Purchase/Informal
- ❖ Formal (IFB or RFP)
- ❖ Food Service Management Company
- ❖ Processing

Define Your Purchases

- ❖ Name of vendor
- ❖ What goods or services provided
- ❖ Total paid or contract value



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Define Your Purchase - Micro

- ❖ How many purchases
- ❖ Comments



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Procurement Selection Micro-purchases

- ❖ 1-3 = 1 transaction reviewed
- ❖ 4 or more - 2 transactions reviewed
- ❖ Supporting documentation
 - ❖ Reasonable purchase
 - ❖ Qualified source
 - ❖ Following Procurement Plan

Define Your Purchase - Small or Informal

- ❖ One time purchase or multiple
- ❖ Receive more than one response
- ❖ Awarded to GPO/GB0/Third Party
- ❖ Comments



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Procurement Selection - Small Purchase/Informal

❖ Categories

- ❖ GPO/GB0/third party - 1
- ❖ One response - 1
- ❖ Other purchases - up to 4

Define Your Purchase - Formal (IFB/RFP)

- ❖ Type of solicitation (IFB or RFP)
- ❖ Contract type (Fixed-Price or Cost-Reimbursable)
- ❖ Duration
- ❖ More than one response
- ❖ GPO/GBO/non-SFA only coop
- ❖ Amendments
- ❖ Comments

Procurement Selection - Formal

- ❖ GPO/GBO/third party - 1
- ❖ One response
 - ❖ 1 to 3 events - All
 - ❖ 4 or more - Up to 6
- ❖ FSMC Contract - all contracts will be evaluated but are considered separate from the other formal contracts

Define Your Purchase - Processing Contracts for USDA Foods

- ❖ Procurement type
- ❖ Contract duration
- ❖ More than one response
- ❖ GPO/GBO/non-SFA only coop
- ❖ Amendments

Procurement Selection - Processing Contracts

- ❖ GPO/GB0/Third Party - 1
- ❖ Only one response received - 1
- ❖ Other contracts - 1
 - ❖ Total would be up to 3

Conducting the Review

❖ Documentation

- ❖ Solicitation documentation
- ❖ Purchase orders
- ❖ Receipts/Invoices
- ❖ Documented price or rate quotes
- ❖ Final contract

Findings

- ❖ Report to Agency
- ❖ Provide technical assistance
- ❖ Request Corrective Action (CA)
- ❖ Review and Approve Corrective Action
- ❖ Close the review

Code of Conduct

- ❖ Required by regulation
 - ❖ Soliciting or accepting gratuities, favors or anything of monetary value
 - ❖ Provide disciplinary action
 - ❖ Covers all officers, employees or agents that represent or purchase for the SFA

Procurement Plan

- ❖ Documented procedures
- ❖ Small, minority and women's business enterprises considered
- ❖ Labor surplus firms
- ❖ Cost analysis performed for any purchase over the simplified acquisition threshold
 - ❖ Most restrictive

Procurement Plan: New Thresholds

Food/Perishables

- \geq \$250,000
- Federal Law

Supplies

- \geq \$25,000
- South Dakota Law

Services

- \geq \$25,000
- South Dakota Law

Procurement Plan: *Micro-purchases*

- ❖ Each purchase below \$10,000
- ❖ Reasonably priced
- ❖ Purchased from qualified vendors
- ❖ Spread the wealth
- ❖ Justification for using

Buy American - Administrative Review

- ❖ All Food must be domestic
- ❖ Food storage is observed during onsite
- ❖ Documentation needed for nondomestic product
 - ❖ Use of non-domestic requires pre-approval
 - ❖ Significantly higher cost
 - ❖ Quantities unavailable
- ❖ Agency approves substitutions

Buy American - Administrative Review

- ❖ SD Memo
- ❖ Vendor statement



[Redacted]
Director of Merchandising & Procurement | Variety Foods, LLC
[Redacted]

----- Forwarded message -----

From: [Redacted]
Date: Mon, Jan 23, 2017 at 3:37 PM
Subject: RE: Mandarin oranges and tropical fruit and pineapple

Canned mandarins, pineapple and tropical fruit are not grown in the US. Mandarins are from Spain and China, pineapple from China, Indonesia, Viet Nam, Philippines, etc. The last domestic packer was Maui of Hawaii and they went to just fresh around 15 years ago. PCP and Del Monte offer pineapple and mandarins but they aren't grown here.

[Redacted]

Buy American - Administrative Review

❖ Corrective Action

❖ Demonstrate compliance

- ❖ Purchase domestic produce

- ❖ Provide documentation of compliant replacement product

- ❖ Provide documentation for justification

Buy American - Administrative Review

❖ U.S. Territories:

❖ American Samoa

❖ Guam

❖ Northern Mariana Islands

❖ Puerto Rico

❖ U.S. Virgin Islands



Buy American - Examples

SMALL SHRIMP PLATTER
With Tangy Cocktail Sauce

Nutrition Facts	Amount / serving	%DV*	Amount / serving	%DV*
	Total Fat 1g	2%	Total Carb. 4g	1%
Saturated Fat 0g	0%	Fiber 2g	8%	
Trans Fat 0g		Sugars 3g		
Cholesterol 110mg	37%	Protein 12g		
Sodium 220mg	9%			
Vitamin A 16% • Vitamin C 4% • Calcium 4% • Iron 10%				

Serving Size 2.5 oz (70g)
about 6 shrimp and 1 Tbsp sauce
Servings Per Container about 3
Calories 90
Fat Calories 15

* Percent Daily Values (DV) are based on a 2,000 calorie diet.

INGREDIENTS: COOKED SHRIMP, WATER, TOMATO PASTE, SUGAR, HORSERADISH, SALT, CITRIC ACID, VINEGAR, MODIFIED TAPIOCA STARCH, XANTHAN GUM, CARRAGEENAN, ONION, GARLIC, SPICES, SODIUM TRIPOLYPHOSPHATE.

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Buy American - Examples



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Buy American - Examples



INGREDIENTS:
MANDARIN ORANGES, WATER,
SUGAR, CITRIC ACID.
Product of China

Upcoming Flexibilities

- ❖ Milk - flavored low-fat milk
- ❖ Half weekly grains be whole grain-rich
- ❖ Sodium Target stays the same as current

- ❖ Final rule states “beginning in SY 2019-2020 - July1, 2019

Market Basket

- ❖ Representative list of items.
 - ❖ 75% suggested
- ❖ Can award contract based on best price.
 - ❖ Has to be stated clearly in solicitation.
- ❖ Must obtain price for all other items
 - ❖ Have specifications
 - ❖ Estimated quantities

Market Basket

- ❖ Adding new product
 - ❖ Use appropriate procurement method
 - ❖ Micro-purchase, small-purchase, sealed bids, competitive proposal
- ❖ Option to add included in original solicitation.
- ❖ Total value must be specified
 - ❖ 5-10% of contract value

Market Basket

- ❖ Renewal
 - ❖ Total value of additional goods added
- ❖ Each year of renewal = a new contract value
- ❖ Maintain records of all additional goods

Market Basket - Creating “the List”

- ❖ Factors to consider
 - ❖ Menu
 - ❖ Program participation
 - ❖ Prior orders
 - ❖ Changes in student population

Market Basket - Creating “the List”

- ❖ Quantity estimates
 - ❖ Must be included in solicitation
 - ❖ Be reasonable
 - ❖ Make every effort to meet those quantities



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Market Basket

- ❖ List of all goods that will be purchased.
 - ❖ Including specifications
- ❖ Include market basket analysis in Procurement Plan
- ❖ USDA Memo SP 04-2018
 - ❖ Market Basket Analysis when Procuring Program Goods and Modifying Contracted-For Product List

Kahoot.it

What You Need to Know

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Resources

- ❖ <https://www.fns.usda.gov/>
- ❖ <https://doe.sd.gov/cans/>
- ❖ State Agency, CANS Office
 - ❖ Email: DOE.SchoolLunch@state.sd.us
or geriann.headrick@state.sd.us
 - ❖ Phone 605-773-3413 or 605-773-4718
 - ❖ Other Agencies

