

36TH NATIONAL
**CHILD NUTRITION
CONFERENCE**



Demystifying Procurement in the CACFP

Presented by



LaMonika N. Jones, GCPA

Anti-Hunger Program and Policy Analyst - Child Nutrition Programs

D.C. Hunger Solutions



Objectives

- ❑ Overview Program Regulations and Miscellaneous Procurement Provisions
- ❑ Discuss Procurement Methods
- ❑ Highlight Procurement Strategies
- ❑ Q & A



Who is D.C. Hunger Solutions?

- ❑ We work to create a hunger-free community and improve the nutrition, health, economic security, and well-being of low-income District residents.
- ❑ Vision for D.C. Hunger Solutions:
 1. Marry policy and practice to end poverty and hunger in the nation's capital by insisting on the highest and best use of federal nutrition programs.
 2. Review local policies and procedures.
 3. Bring promising programs to the city.
 4. Provide data related to program participation
 5. Educate the public regarding poverty and hunger outcomes in D.C.

PROCUREMENT REGULATIONS

Procurement Regulations

Federal Procurement Regulations.

- ❑ CACFP: 7 CFR 226.22
- ❑ General Regulations: 2 CFR 200.318-325
- ❑ FNS Instruction: 796-2 Rev. 4

Procurement Code by Institution Type

Institution Type	Program Regulation (7 CFR)	General Procurement Regulation (2 CFR)	Procurement Regulation Option	Allowable Cost Rule (2 CFR)
Public Institution (Local Government)	Part 226.22	200.318-326	Must comply with applicable State or local laws in addition to federal regulations.	200 subpart D Part 400, 415 FNS 792-4, Rev.4
Private Nonprofit	Part 226.22	200.318-326	Must follow procurement procedures compliant with federal regulations or the more restrictive procedures.	200 subpart D Part 400, 415 FNS 792-4, Rev.4
Public Schools	Part 226.22	200.318-326	Must comply with applicable State or local laws in addition to federal regulations.	200 subpart E
For-Profit	Part 226.22	200.318-326	Must follow procurement procedures compliant with federal regulations or the more restrictive procedures.	FNS 792-4, Rev.4

Procurement Policy: 2 CFR 200.318

- ☐ Sponsors and Institutions must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations.
- ☐ Procurement Policy procedures must avoid acquisition of unnecessary or duplicative items.
- ☐ Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase.

Procurement Policy: 2 CFR 200.318

- ☐ Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase.
- ☐ Lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

Code of Conduct: 2 CRF 200.318 (c)(1)

- ☐ Sponsors and Institutions 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.
- ☐ No employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest.
- ☐ Officers, employees, and agents may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.
- ☐ Standards may be set standards for situations if the gift is an unsolicited item of nominal value

Code of Conduct: 2 CFR 200.318 (c)(1)

- ☐ The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

- ☐ If the sponsor or institution has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the sponsor or institution must also maintain written standards of conduct covering organizational conflicts of interest.

MISCELLANEOUS PROVISIONS

Suspension and Debarment

- ☐ Sponsors and Institutions may not engage in business with organizations that have been debarred or suspended from child nutrition programs.
- ☐ Vendors and suppliers must certify they are debarred or suspended by completing [FNS Form AD-1048](#).
- ☐ If the recommended form is not used a certified statement must be included with all contracts or agreements noting vendor is not debarred or suspended.

Contract Termination

- ❑ Contracts in excess of \$10,000 shall contain suitable provisions for termination by the institution.
- ❑ Contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

Small/Minority Businesses

- ❑ Sponsors and Institutions must take all necessary affirmative steps to assure that minority businesses, women's business enterprises when possible.
- ❑ Affirmative steps must include:
 - ❖ Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
 - ❖ Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
 - ❖ Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises.
 - ❖ Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises.
 - ❖ Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development.
 - ❖ Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs ((1) through (5) of this section.

Miscellaneous Provisions

- ❑ Sponsors and Institutions are encouraged to enter into state and local intergovernmental agreements or inter-entity agreements.
 - ❖ Ensure competition by reviewing documented procurement actions such as:
 - Strategic sourcing
 - Shared services
 - other similar procurement procedures
- ❑ Sponsors and Institutions encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

Miscellaneous Provisions

- ☐ Sponsors and Institutions must award contracts only to responsible vendors and suppliers able to perform successfully under the terms and conditions of a proposed contract or agreement.
- ☐ Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- ☐ Sponsors and Institutions must maintain records sufficient to detail the history of procurement.

POLICY MEMOS & WAIVERS

Procurement Policy Memos & Waivers

- ❑ Waivers expire June 30, 2022
- ❑ CACFP 02-2022: “*Child and Adult Care Food Program (CACFP) Flexibilities During COVID-19 Supply Chain Disruptions*”.
 - ❖ Self-prep sponsors and institutions are may use emergency procurement flexibilities ([2 CFR 200.320](#)) when public emergency exists.
 - ❖ State Agencies the flexibility to issue findings or disallow payments for failing to meet meal pattern requirements.
 - ❖ Technical Assistance in lieu of fiscal action when finding/citation is due to COVID-19 supply chain disruptions.
 - ❖ State agencies may approve meals with or without milk during temporary emergency period ([7 CFR 226.20 \(e\)](#)).

Policy Memos

❑ SP 02-2022, CACFP 03-2022, SFSP 01-2022: “*Updates to the Federal Micro-Purchase Threshold in 2 CFR 200.320(a)(1)*”.

- ❖ “to the **maximum** extent practicable, Program operators **should** distribute micro-purchases equitably among qualified suppliers (2 CFR 200.320(a)(1)(i)).”
- ❖ “Micro purchases may be awarded without soliciting competitive price or rate quotations, **if** the program operator “considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly.”
- ❖ “Program operators are “responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures.

Policy Memos

☐ SP 02-2022, CACFP 03-2022, SFSP 01-2022: “[*Updates to the Federal Micro-Purchase Threshold in 2 CFR 200.320\(a\)\(1\)*](#)”.

- ❖ “...the micro-purchase threshold used must be authorized or not prohibited under State, local, or tribal laws or regulations. Program operators may establish a micro-purchase threshold that is higher than the Federal threshold.”
- ❖ Program operators may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation of such self-certification.
- ❖ Program providers must prepare and include a justification, clear indication of the threshold and supporting documentation of the following:
 - ☐ A qualification as a low-risk auditee, in accordance with the criteria in 2 CFR 200.520
 - ☐ An annual internal institutional risk assessment to identify, mitigate, and manage financial risks
 - ☐ For public institutions, a higher threshold consistent with State law.

FOOD SERVICE MANAGEMENT COMPANIES

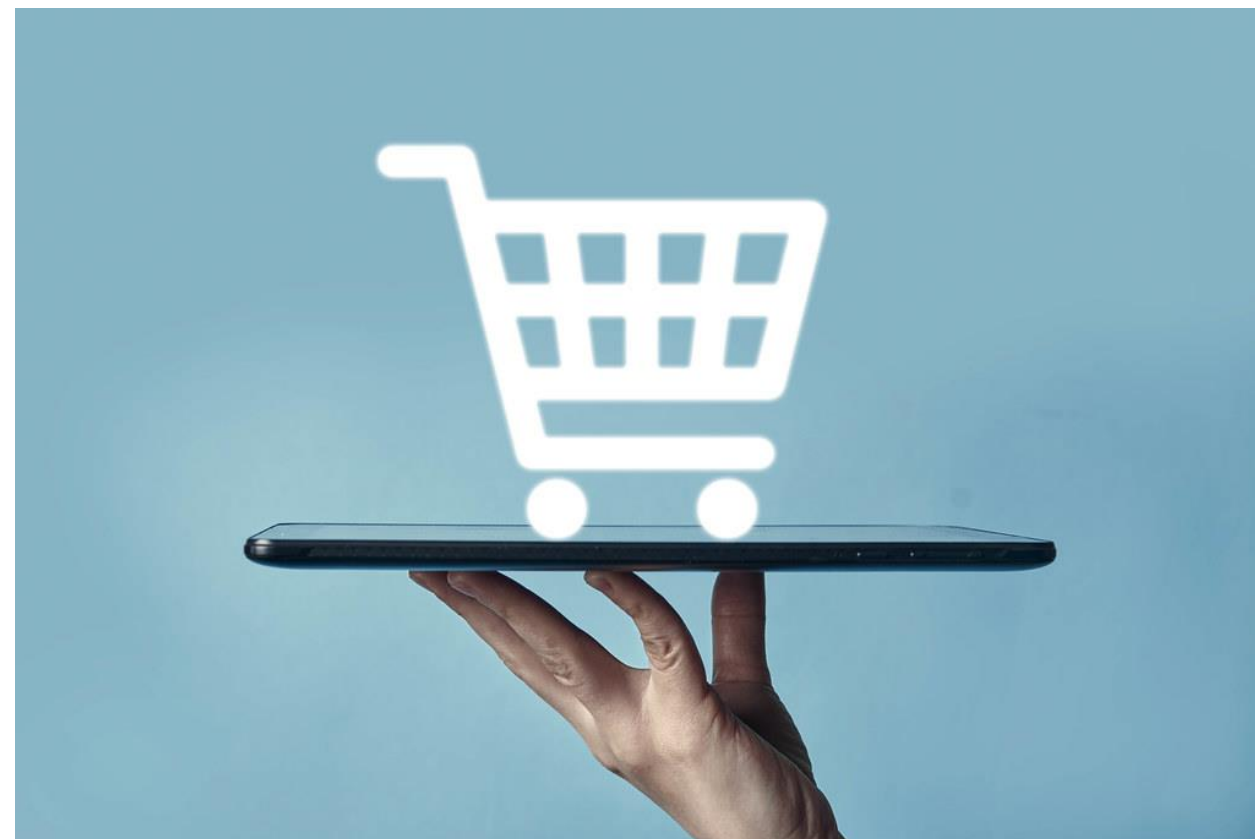
Food Service Management Companies (FSMC)

- ☐ Sponsors and Institutions must ensure FSMCs follow guidelines found in 7 CFR 226.21
- ☐ Public institutions may, with the approval of the State agency, use their customary form of contract if it incorporates the provisions of § 226.6(i).
- ☐ State Agency must approve contract form provisions prior to use.

PROCUREMENT METHODS

Procurement Methods

- ☐ Informal Procurement
 - ❖ Small/Micro Purchases
- ☐ Formal Procurement
 - ❖ Invitation for Bid
 - ❖ Request for Proposal
- ☐ Emergency Purchases
- ☐ Non-Competitive Purchases
 - ❖ Single/Sole Source



Procurement: Competition

Must follow proper procurement procedures.

- ☐ Maintain full and open competition.
- ☐ Assess your budget and need.
- ☐ Determine which procurement method you must follow.
- ☐ Purchase from sources deemed responsive and responsible.

Micro Purchase Procedures

- ☐ Acquisition of supplies or services in which the aggregate dollar amount of each purchase does not exceed \$10,000.
- ☐ Institutions shall comply with State or local small purchase dollar limits under \$10,000.
- ☐ Updates to Micro Purchase Threshold per Policy Memo: SP 02-2022, CACFP 03-2022, SFSP 01-2022.
- ☐ Program providers may self-certify micro purchase threshold up to \$50,000.

Micro Purchase Procedures

- ❑ To the maximum extent practicable, the institution/sponsor should distribute micro-purchases equitably among qualified suppliers.



MICRO-PURCHASE PROCUREMENT ACTIVITY

Your center is having a harvest of the month celebration. Your kitchen manager needs to prepare (30) breakfast meals and (30) snacks containing strawberries.

Using the FBG Calculator, determine how many pounds of strawberries you will need to purchase.

Question #1: If the strawberries are \$1.09 per pound, what is your total cost?

Questions #2: Does this qualify as a micro-purchase?



Small Purchase Procedures

- ❑ Simple and informal procurement method for securing goods and/or services that do not exceed the Simplified Acquisition Threshold (SAT) of \$250,000.
- ❑ If more restrictive, Institutions shall comply with State or local small purchase dollar limits.
- ❑ Aggregate dollar amount for small purchases is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold.

Small Purchase Procedures

- ☐ Quote specifications should be equally distributed to all vendors and suppliers.
- ☐ If small purchase procedures are used for a procurement under the Program, price or rate quotation shall be obtained from an adequate number of qualified sources.
- ☐ Sponsors and Institutions are responsible for determining an appropriate simplified acquisition threshold based on:
 - ❖ Internal controls
 - ❖ Evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR.
 - ❖ When applicable, a lower simplified acquisition threshold used by sponsors and institutions must be authorized or not prohibited under State, local, or tribal laws or regulations

Small Purchase Procedures

- ❑ Tip: Create a Small Purchase Documentation Form
- ❑ Small Purchase Documentation Form includes:
 - ❖ Vendor contact information.
 - ❖ Description of goods and services.
 - ❖ Date vendor contacted.
 - ❖ Unit Price.
 - ❖ Duration of price.
 - ❖ Special pricing such as fuel, freight or small order charges.
 - ❖ Any other necessary information.

Small Purchase Procedures

- ❑ Tip: Create an (non-legally binding) Agreement to Furnish Foods and/or Meals.
- ❑ Agreement would include:
 - ❖ Vendor Name.
 - ❖ Description of goods and services purchased.
 - ❖ Agreement period.
 - ❖ Unit Price.
 - ❖ Total Price.
 - ❖ Quantity.
 - ❖ Special pricing such as fuel, freight or small order charges.
 - ❖ Terms and conditions of Agreement
 - ❖ Signature Line

ACTIVITY



SMALL PURCHASE PROCUREMENT ACTIVITY

It's time to prepare for your afterschool program. There are about (500) kids who attend the Parks and Rec program which bring your estimated snack budget to \$165,764.00

Thinking about small purchase procedures, what your next steps to ensure purchases are compliant with federal/program regulations?

Are there any procurement flexibilities or challenges that could alter how you proceed with your next steps?



Formal Procurement Procedures

- ❑ Goods & services in excess of \$250,000.
- ❑ Two types of formal procurement methods
 - ❖ Invitation for Bid
 - ❖ Request for Proposal
- ❑ Sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price).

Formal Procurement Process

- ☐ A complete, adequate and realistic specification or purchase description.
- ☐ Results in a firm-fixed price contract.
- ☐ Awarded to the responsible bidder whose bid, conforms with all the material terms and conditions of the invitation for bids.
- ☐ Lowest price bid response.

Formal Procurement Process

- ☐ Factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest.
- ☐ The selection of the successful bidder made principally based on price.
- ☐ Two or more responsible suppliers are willing and able to compete effectively for the institution's business.

Formal Procurement Process

- ☐ A sufficient time prior to the date set for opening of bids.
- ☐ Bids shall be solicited from an adequate number of known suppliers.
- ☐ Bid shall be publicly advertised.
- ☐ Bids shall be opened publicly at the time and place stated in the invitation for bids.
- ☐ Any or all bids may be rejected when there are sound documented business reasons in the best interest of the Program

Request for Proposal

- ❑ A fixed price or cost-reimbursement type contract is awarded.
- ❑ Proposals are generally used when conditions are not appropriate for the use of sealed bids.
- ❑ They are awarded in accordance with the following requirements:
 - ❖ Publicized and identify all evaluation factors.
 - ❖ Must be solicited from an adequate number of qualified vendors.
 - ❖ Any response to publicized requests for proposals must be considered to the maximum extent practical;

Request for Proposal

- ❑ They are awarded in accordance with the following requirements:
 - ❖ Written method for conducting technical evaluations of the proposals received and making selections.
 - ❖ Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the sponsor or institution, with price and other factors considered.

Bonding Requirements: 2 CFR 200.326

- ☐ Bid Bond from each bidder must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument.
- ☐ Performance bond is one executed in connection with a contract to secure fulfillment of all the contractor's requirements under such contract.
- ☐ Bid Bond must be between 5-10%

Bonding Requirements: 2 CFR 200.326

- ☐ Performance Bond must be 10-25% of total contract award.
- ☐ Bid Bond Guarantee and Performance Bonds are optional when using a Food Vendor or Food Service Management Company during CACFP.
- ☐ Food service management companies shall obtain performance bonds only from surety companies listed in the current Department of the Treasury Circular 570.

ACTIVITY



FORMAL PROCUREMENT ACTIVITY

Your application has just been approved for CACFP FY22. Your food/non-food costs will exceed \$250,000 threshold.

Develop a simple formal procurement process. Decide if you will execute a Request for Proposal or Invitation for Bid.

What documents are you required to provide to your state agency for review?

Develop a timeline to ensure food cost approval.



Non-Competitive Purchases

Non-competitive procurement can only be awarded if one or more of the following circumstances apply:

- ☐ The aggregate dollar amount of which does not exceed the micro-purchase threshold.
- ☐ The item is available only from a single source.
- ☐ The public emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation.
- ☐ USDA FNS or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the sponsor or institution.

Emergency Purchases

- ❑ 2 CFR 200.320(c)
- ❑ The public emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation.
- ❑ Tip: Notify state agency if emergency exists and non-competitive procurement needs to be used.



Take a break.
You deserve it!



PURCHASING STRATEGIES

Farm to Early Care and Education (Farm to ECE)

- ❑ Supports increased access to local foods, development of school gardens and promotes nutrition education as a vehicle for enhancing healthy eating practices in early care systems.
- ❑ Pre-K, Childcare Centers, Daycare Homes, Headstart/Early Headstart programs in K-12 settings can all benefit from Farm to ECE.



Local Food Purchasing

- ☐ Local Sourcing is the practice of purchasing products grown and harvested according to your definition of local.
- ☐ Local can be defined as:
 - ❖ Mile radius
 - ❖ County
 - ❖ State
 - ❖ Region (Ex: Gulf Region)
 - ❖ Seasonal Products
- ☐ Definition depends on geography and climate where childcare center is located.

Local Food Purchasing



SUPPORTS THE SUPPLY
AND DEMAND OF
UNPROCESSED FOODS.



ENCOURAGES HEALTHY
EATING PRACTICES.



PROMOTES GARDENING
AND FARMING PRACTICES
WITHIN THE COMMUNITY.



IMPROVES THE QUALITY OF
MEALS SERVED IN A
CHILDCARE SETTING.



DECREASES THE
CONSUMPTION OF
PROCESSED, SUGARY FOODS.

Local Food Purchasing

□ Types of local food purchases:

- ❖ Milk
- ❖ Fruits and Veggies
- ❖ Eggs
- ❖ Meat, Fish and Poultry
- ❖ Dairy
- ❖ Beans, Grains and Flour





Farmer's Market



Community Supported Agriculture (CSA)



Food Hub



Distributor



Local Grocery Store



Farmer



Farm Stands

Where to Buy Locally Procured Food Products



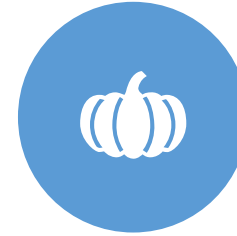
IDENTIFY WHAT
LOCAL FOODS ARE ON
THE CURRENT MENU.



SUBSTITUTE
INGREDIENTS.



SERVE LOCAL
PRODUCTS ON THE
SALAD BAR.



START A “HARVEST OF
THE MONTH”
PROGRAM.



DEVELOP NEW
RECIPES.

Local Procurement – Five Ways to Incorporate

Purchasing Strategies in CACFP

- ☐ Purchasing during supply chain shortages
- ☐ Purchasing while following meal pattern flexibilities
- ☐ Equitable Meals/M meal Components
- ☐ Culturally Appropriate Meals
- ☐ Building Vendor Database
- ☐ Legislation to support Healthy Food Purchasing

Legislation

❑ Healthy Tots Act

- ❖ Provides \$3.2M in local funding for childcare centers participating in CACFP.
- ❖ Created higher nutrition standards than national standards.
- ❖ Local5: Additional \$0.05 to childcare centers serving local food component.
- ❖ Add10: Automatic \$0.10 per meal for breakfast, lunch and supper
- ❖ FullDay4: 3 meals plus 1 snack or 2 meals and 2 snacks

RESOURCES

 An official website of the United States government [Here's how you know](#) ✓



Food Buying Guide for Child Nutrition Programs

U.S. DEPARTMENT OF AGRICULTURE



[HOME](#) ▾[MEAL COMPONENTS](#) ▾[FOOD ITEMS](#) ▾[TOOLS](#) ▾[APPENDIXES](#) ▾[HELP](#) ▾[WELCOME LAMONIKA JONES](#) ▾

WELCOME TO THE FOOD BUYING GUIDE

The Interactive Food Buying Guide allows for easy display, search, and navigation of food yield information. In addition, users can compare yield information, create a favorite foods list, and access tools, such as the Recipe Analysis Workbook (RAW) and the Product Formulation Statement Workbook.

Food Items Search	Food Item Favorites	Download Food Buying Guide
Exhibit A Grains Tool	FBG Calculator	Recipe Analysis Workbook (RAW)



MEATS/MEAT ALTERNATES



FRUITS



MILK



VEGETABLES



GRAINS



OTHER FOODS

FBG Calculator - Create Shopping List

▸ Instructions

Asterisks (*) denote required information.

① Shopping List Name * Date (MM/DD/YYYY)

Select Program - Meal and Age Group/Grade Group to view the meal pattern requirements

② Program - Meal Age Group/Grade Group

Meats/Meat Alternates Vegetables **Fruits** Grains Milk Other Foods Shopping List

② Minimum Fruits Requirements for CACFP - Snacks

	Ages 1 - 2	Ages 3 - 5	Ages 6 - 12	Ages 13 - 18	Adult
Fruits	1/2 cup	1/2 cup	3/4 cup	3/4 cup	1/2 cup

③ Item keywords:

④	Action	Food As Purchased, AP	Purchase Unit	Servings per Unit	Serving Size per Meal Contribution
	<input type="button" value="Add"/>	Strawberries, fresh, <i>Whole</i>	Pint / (11-1/2 oz)	7.9	1/4 cup raw, whole fruit
	<input type="button" value="Add"/>	Strawberries, fresh, <i>Whole</i>	Pound	10.5	1/4 cup raw, whole fruit
	<input type="button" value="Add"/>	Strawberries, frozen, <i>Sliced, Unsweetened, Includes USDA Foods</i>	Pound	7.28	1/4 cup thawed, fruit and liquid

	Food Item Description	Purchase Unit	⑤ Number of Purchase Units on Hand	④ Number of Servings	Exact Quantity	⑨ Buy Purchase Units	⑥ Action
<input type="button" value="X"/>	Strawberries, fresh, <i>Whole</i> , raw, whole fruit	Pint (11-1/2 oz)	<input type="text" value="0"/>	20	5.0633	6.00	<input type="button" value="Add Serving Size"/>

#	⑦ Serving Size	⑧ Number of Servings	Action
1	<input type="text" value="1/2 cup"/>	<input type="text" value="20"/>	<input type="button" value="Remove Serving Size"/>

Resources

- ❑ D.C. Federal Nutrition Program Toolkit: <https://www.dchunger.org/federal-nutrition-programs/>
- ❑ Integrating Local Foods in Child Nutrition Programs: https://fns-prod.azureedge.net/sites/default/files/resource-files/USDA_OCFS_FactSheet_IntegratingLocalFoods-508.pdf
- ❑ Procuring Local Foods for Child Nutrition Programs: https://fns-prod.azureedge.net/sites/default/files/f2s/F2S_Procuring_Local_Foods_Child_Nutrition_Prog_Guide.pdf
- ❑ Farm to Early Care and Education: <https://www.farmentoschool.org/our-work/early-care-and-education>

Questions?



D.C. Hunger Solutions

Ending hunger in the nation's capital