



The Procurement Review- What to Expect

MASSACHUSETTS DEPARTMENT OF
ELEMENTARY AND SECONDARY
EDUCATION



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- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

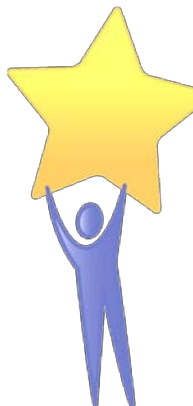
This institution is an equal opportunity provider.





What guidance will be used for Monitoring?

- ★ **7 CFR Parts 3016-3019** and applicable OMB Circulars and program regulations
- ★ In the future **2 CFR Part 200** will be the governing regulation replacing 3016-3019 and OMB Circulars.

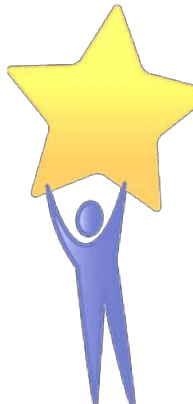




What we will look for...

★ Policy Memos

- Standards of Conduct
- Written Procurement Procedures
- Methods of Procurement
 - Micro Purchasing (if SA has implemented Super Circular/2 CFR 200)
 - Small Purchase Procedures
 - Seal Bids/Competitive Proposals
 - Noncompetitive Proposals
- Required contract provisions
- Contractor performance monitoring

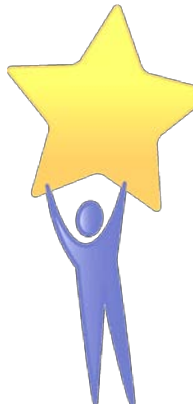




What we will look for...

★ LEA Procurement Plan

- Is there a procurement plan?
 - If no, this is a finding and a TA opportunity.
 - If yes,
- Does it comply with the requirements in the CN and appropriate regulations and OMB Circulars?
- Are there provisions in opposition to above?



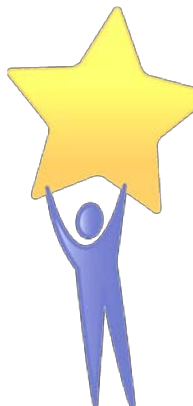


What will we look for?

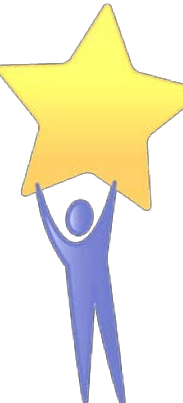
★ Is there a Standard of Conduct included in the Procurement Plan or in a separate document?

- **Standards of Conduct**

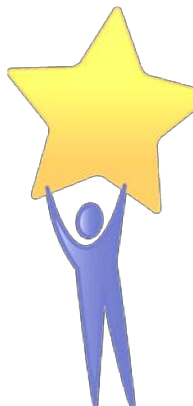
- Prohibit real, or apparent, conflicts of interest if Employees, officers or agents engaged in:
 - Selection, award, or contract administration
 - No soliciting or accepting gratuities, favors, or anything of monetary value
 - Financial interest is not substantial or the gift is unsolicited and of nominal value
 - Disciplinary action for violations



Conflict of Interest



What is the value to be considered not a conflict of interest?



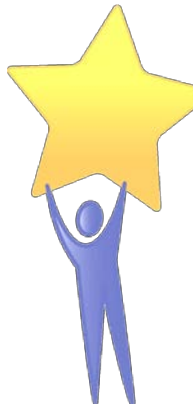


What we will look for....

★ Procurement Procedures

★ 3016.36(b)/200.318

- ★ Must use its own documented procurement procedures which reflect applicable Federal, State, and local laws and regulations

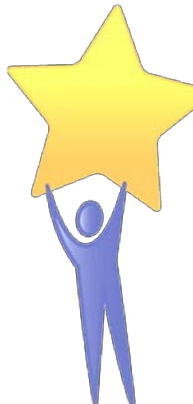




Let's take a look...

Procurement Methods

1. Small Purchases (Informal)
2. Sealed Bids (Formal)
3. Competitive Proposals (Formal)
4. Non-Competitive Proposals

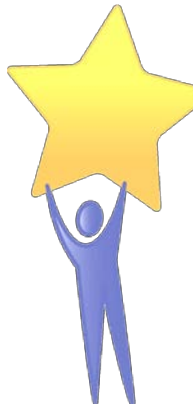




What we will look for...

○ **Methods of Procurement**

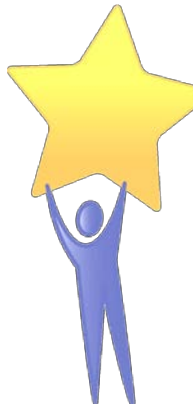
- Small Purchase Procedures (\$0.00-\$150,000). State is up to \$34,999.
- Seal Bids/Competitive Proposals (above \$150,000). State \$35,000 or more.
- Non-competitive Proposals (above \$150,000). State \$35,000 or more.
- Required Contract Provisions, as applicable





What we will look for...

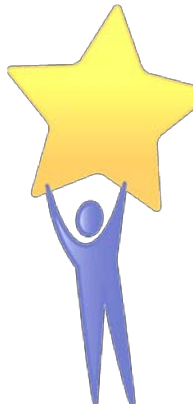
- **Contract provisions**
 - Bonding (7 CFR 3016.36(h))
 - Debarment (7 CFR 3017)
 - Lobbying (7 CFR 3018)





What we will look for...

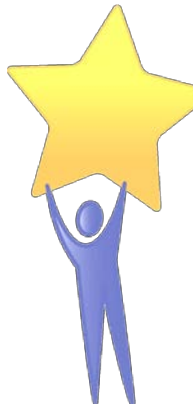
- **Other contract provisions;**
 - ✓ CFR 3016.36(i)/3019
 - ✓ 7 CFR 210.16 and 210.21(f)
 - ✓ 7 CFR 250.14(d)/53





Informal Procurement Simplified Acquisition Threshold

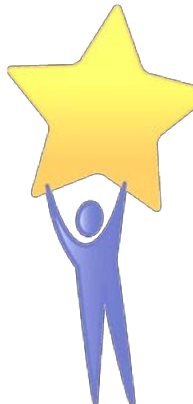
7 CFR 3016.36(d)





What we will look for...

- ★ Documentation demonstrating the SFA/LEA obtained multiple quotes.
- ★ Written Specifications used to solicit quotes.
- ★ Documentation of the prices quoted
- ★ A contract or documentation outlining the agreed upon expectations from this solicitation.





Supplier Name: _____

INFORMAL PROCUREMENT LOG

EVALUATION MATRIX

Items to be Purchased:

- Delivery Frequency : _____
- Bid will be honored for: _____
(number of day(s)/week(s)/month(s))
(school will state time period)

1. Product name & specification:

2. Product name & specification:

3. Product name & specification:

4. Product name & specification:

5. Product name & specification:

6. Product name & specification:

Quantity estimated to be purchased	Unit Price	Extended Price (Quantity x Unit Price)	*BS (✓)	Unit Price	Extended Price (Quantity x Unit Price)	*BS (✓)	Unit Price	Extended Price (Quantity x Unit Price)	*BS (✓)
			<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
			<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
			<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
			<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
			<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
			<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
Total:	\$			\$			\$		

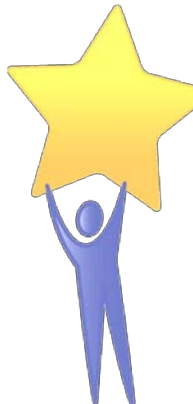
*Bidder Selected (BS)

*Bidder Selected (BS); school can award all items to one bidder (lowest total price) or award purchase on a line item b



What we will look for...

- ★ Vendor paid list/statement of expenses
- ★ Quotes obtained
- ★ Invoices/Receipts
- ★ Purchase orders
- ★ Other appropriate documentation

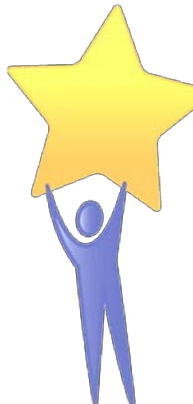




Formal : Sealed Bid

Sealed bids - Required when:

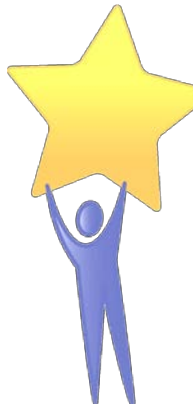
- ★ Valued > \$150,000 Small acquisition threshold (SAT).
State requirement is \$35,000 or more
- ★ Published Invitations for Bid (IFB)
- ★ Advertised
- ★ Opened publicly
- ★ Identify responsive, responsible bidder with the lowest-price
- ★ Award a firm, fixed-price contract





What we will look for...

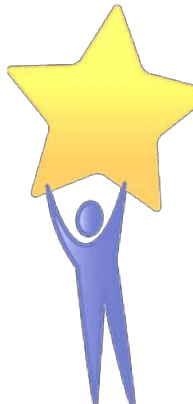
- ★ Original Solicitation issued
- ★ Responses received
- ★ Any additional documentation issued prior to awarding a contract
- ★ Awarding documentation/ announcements
- ★ The contract and documentation showing the contract requirements are being or have been met.





What we will look for in the Solicitation?

- ★ Scope of the solicitation
- ★ Required Federal Provisions from:
 - **7 CFR 210/250**
 - **7 CFR 3016-3019 or 2 CFR 200**
- ★ Terms and conditions to be a responsive and responsible responder
- ★ Appropriately written product or service specifications and estimated quantities

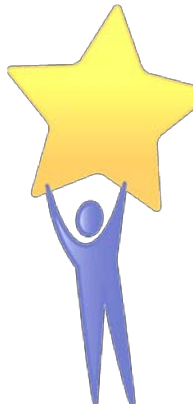




What we will look for in the responses?

★ Documentation determining if:

- Bidder was responsive and responsible; if not, the reason.
- Bidders included value-added, overly responsive, or unallowable cost provisions and were still considered for award.
- If questions were received were the responses issued to all respondents prior to the bid opening or awarding the contract?

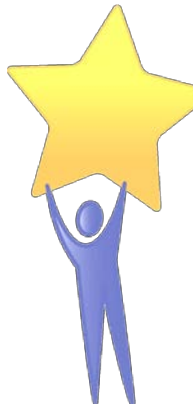




What we will look for....

★ Bid award

- ★ Was the bid awarded to the lowest responsive and responsible bidder?
- ★ Were all responding bidder's notified of the final award decision (Intent to Award)? Is there a requirement to notify bidder's?
 - Some States have this; however, Federal does not
- ★ Was a protest to the award filed?

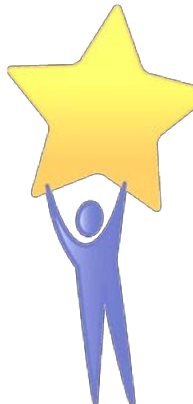




Formal: Competitive Proposal

Used when:

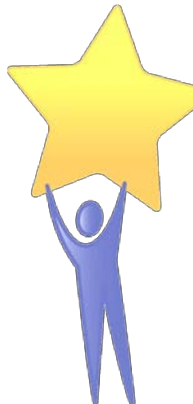
- ★ Valued > \$150,000. State requirement is \$35,000 or more
- ★ Published Request for Proposal (RFP)
- ★ Includes Technical Evaluation and scoring of Proposals (separate Technical proposal and Price proposal)
- ★ No public opening/must safeguard responses
- ★ Identify proposal most advantageous to the Program, with “price and other factors” considered
- ★ Price must be the primary consideration
- ★ Award either a fixed-price or cost-reimbursable contract





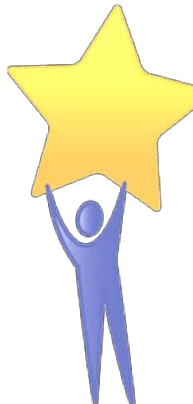
What we will look for...

- ★ Original Solicitation issued to review:
 - Scope
 - Specifications for products or services
 - Evaluation Scoring and Criteria Responses
 - Notes of this evaluation and scoring process for contract award
 - Any additional documentation issued prior to awarding a contract



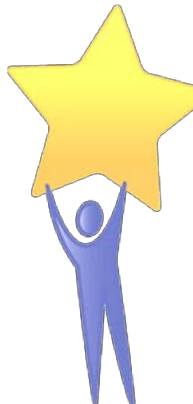
What we will look for...

- ★ Awarding documentation/announcements
- ★ The contract and documentation showing the contract requirements are being or have been met.
- ★ Required Federal Provisions from:
 - 7 CFR 210/250
 - 7 CFR 3016-3019
 - 2 CFR 200



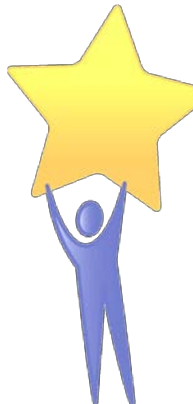
What should be in the responses?

- ★ Terms and conditions to be responsive and responsible
- ★ Appropriately written product or service specifications
- ★ Determination documentation determining if bidder was responsive and responsible; if not, the reason.



What other documentation prior to the award?

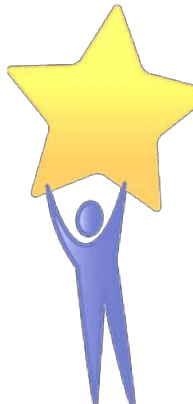
- ★ Are bidders including value-added or overly responsive items, or unallowable costs and the response is still being considered for award.
- ★ If questions were received, were the responses issued to all respondents prior to awarding?





Noncompetitive proposals

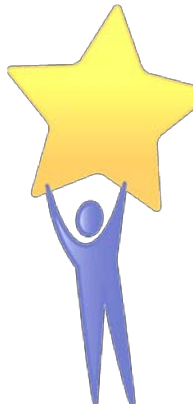
- ★ Single/Sole Source: rationale & approval required
- ★ Emergency Procurement





Noncompetitive proposal

- ★ SA expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity/SFA
- ★ After solicitation of a number of sources, competition is determined inadequate.

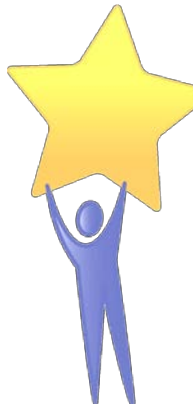




What we will look for...

★ Contractor Performance Monitoring

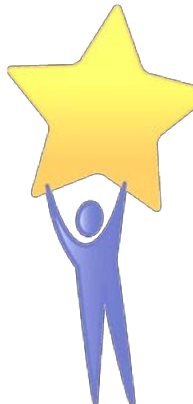
- What procedures are in place to monitor contracts?
 - Who monitors contracts?
 - What is monitored?
 - When? (before payment is authorized)
 - How?





Written Procedures – Procurement Plan

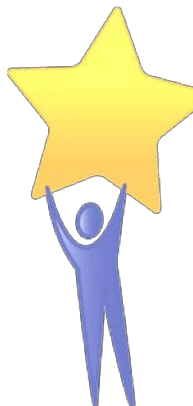
- ★ Code of Conduct / Purchasing Ethics
- ★ Acquisition Threshold
- ★ State and Local regulations
- ★ Procedures – scoring, awarding, monitoring
- ★ Grievances / Bid Protest Procedures





Contract Provisions

- ★ 7 CFR Part 3016.36(i)
- ★ Appendix II to 2 Part 200 Contract Provisions for Non-Federal Entity Contracts Under Federal Awards





CN Program Regulations

National School Lunch Program:

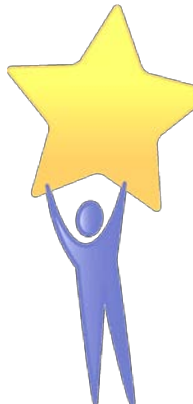
- 7 CFR PART 210.16 - Food Service Management Companies
- 7 CFR Part 210.21 – Procurement Standards

School Milk Program:

- 7 CFR PART 215.14a - Procurement Standards

School Breakfast Program:

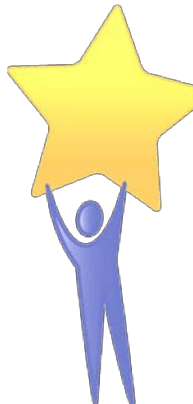
- 7 CFR PART 220.16





Handling findings...

- ★ Technical assistance
- ★ Required corrective action
- ★ Pre-issuance review requirements in 7 CFR Part 210.21(c)(1)
- ★ Any need for fiscal recovery is to be assessed on a case-by-case basis.



Questions?

