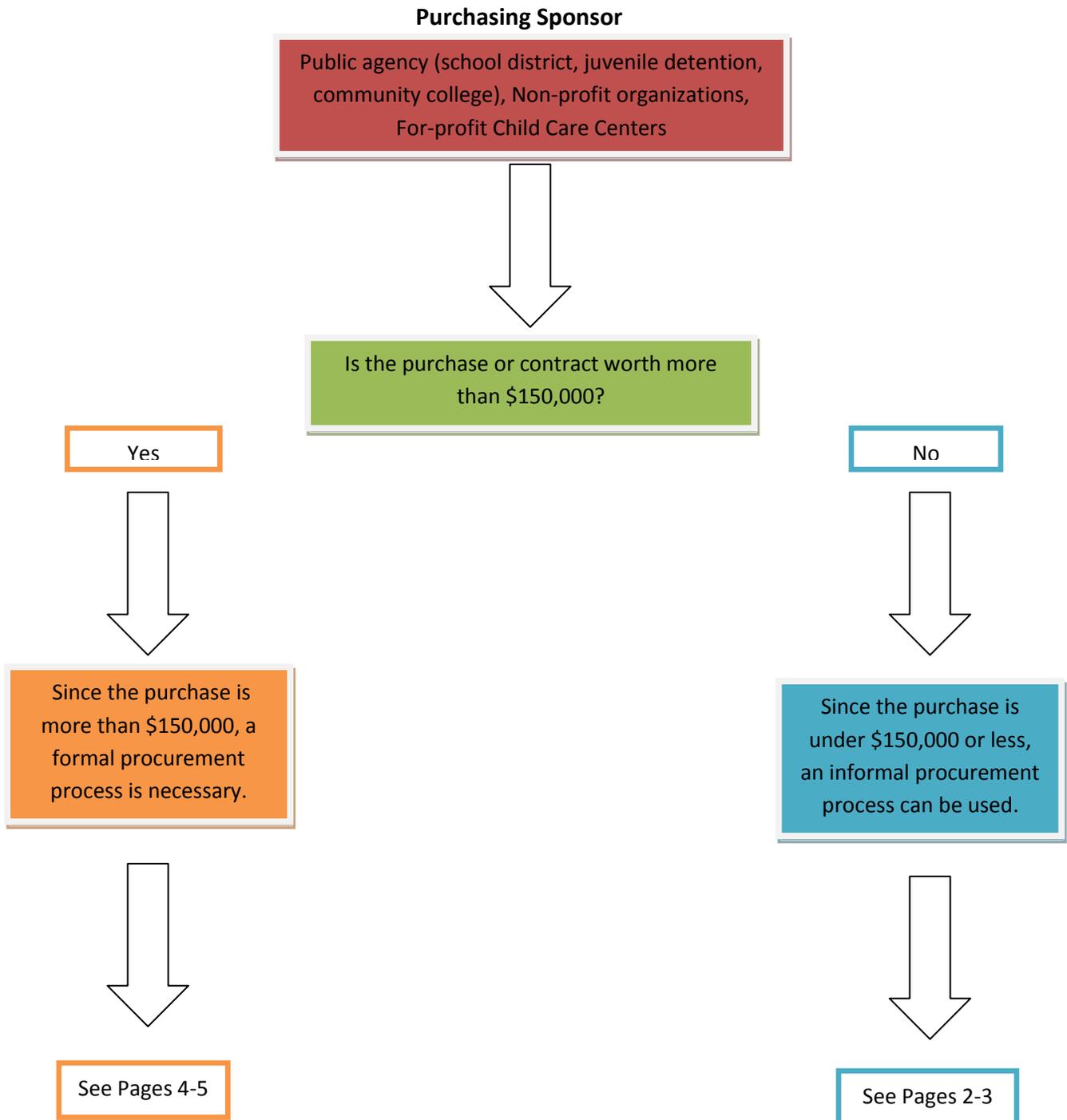


Procurement (Purchasing) Roadmap

When you are using Federal Funds, all purchases must be competitively procured. The Federal Procurement regulations for Child Nutrition Programs can be found in 2 CFR- Part 200. You must also follow state and local procurement rules if they are more restrictive than the Federal rules. Follow the roadmap below.



Informal Procurement Procedures

There are two types of Informal Procurement:

1. Micro-Purchase (\$0-\$3,500)-Noncompetitive purchase method allowed that equitably distributes among qualified suppliers with an aggregate* cost not exceeding \$3,500. The price must be reasonable and necessary. **
2. Small Purchase (\$3,500-\$150,000)-Price or rate quotations from at least two (2), preferably three (3), qualified sources are necessary. Price quotes can be verbal or written but either way documentation of quotes must be maintained. **

* **Aggregate Cost:** means the total amount the Sponsor has determined for a single item or related group of items for a period of time; i.e., one (1) year, one (1) quarter, weekly, monthly or other period of time as determined by the Sponsor.

** **Purchasing Fragmentation:** means splitting purchases by making more than one (1) purchase for the same item over an interval of time to avoid small or formal procurement methods. This is not an allowable practice.

Recommended Purchasing Path for Micro-Purchase

Supplies or services needed in which aggregate (combined) dollar amount does not exceed \$3,500 for a supply or service



To extent practicable, sponsor must distribute micro-purchases equitably among qualified suppliers



Purchase can be awarded without soliciting competitive quotations if sponsor considers price reasonable and necessary



Sponsor retains documentation of purchase

Recommended Purchasing Path for Small Purchase

Develop Menu



Develop Product List or Food Descriptions



Obtain at least two (2), preferably (3) competitive quotes (written or verbal)-no advertisement required



Award item to vendor that best meets sponsors needs



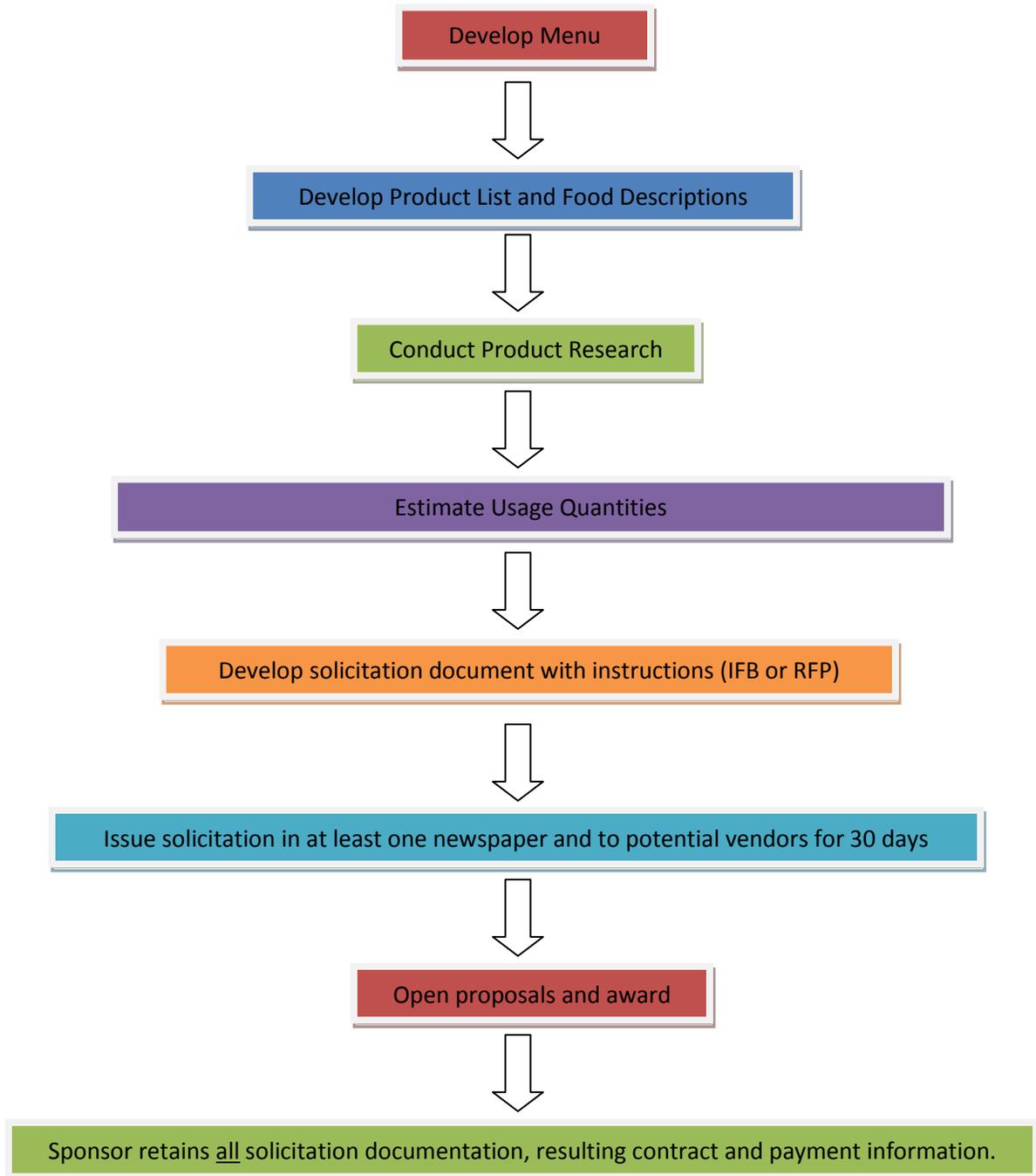
Regardless if written or verbal, must maintain written documentation of quotes, invoices, etc.

Formal Procurement Procedures

There are two types of Formal Procurement:

1. Invitation for Bid (IFB) (a.k.a. sealed bid method)- An IFB is a type of solicitation document used in competitive sealed bidding in which the primary consideration is cost and the expectation is that competitive bids will be received and an acceptance (award) will be made to the responsive and responsible respondent whose publicly opened bid is lowest in price. An IFB is used when there is no substantive difference among the products or services that meet specifications and the key difference among responsive bids is price. The IFB does not allow for negotiations and while it does contain criteria to assess quality it does so in a pass/fail approach as opposed to scoring the evaluation criteria to obtain the best value for price.
2. Request for Proposal (RFP) – An RFP is a type of solicitation document used for the formal procurement method of competitive proposals. Competitive proposals solicit a technical proposal that explains how the prospective vendor will meet the objectives of the solicitation document and a cost element that identifies the costs to accomplish the technical proposal. The RFP is used when price, while still the major consideration, is only one of the criteria considerations among bids for products or services that meet specifications. The RFP allows for negotiations and evaluation criteria to obtain the best value for the price.

Recommended Purchasing Path for Formal Procedures



Noncompetitive Proposals (Sole Source)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one (1) source and may be used only when one (1) or more of the following circumstances apply*:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity (ODE CNP) expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

*Regardless of the circumstance, prior approval from ODE CNP is required before purchase.