

Procurement

Satsuma City Schools Board of Education

Child Nutrition Program

Procurement Plan

SECTION I – PROCUREMENT PLAN GENERAL REQUIREMENTS

The Satsuma City Schools Board of Education plan for procuring items for use in the Child Nutrition Program is as follows:

- 1.) The procurement plan provides for free and open competition, transparency in transactions, comparability, and documentation of all procurement activities.
- 2.) BUY AMERICAN STATEMENT
 - a. It is the intent of the Satsuma City Schools Board of Education to strictly adhere to the USDA’s “Buy American” Provision. The district participates in the National School Lunch Program and School Breakfast Program and is required to use the nonprofit food service funds, to the maximum extent practicable, to buy domestic commodities or products for Program meals. A domestic commodity or product is defined as one that is either produced in the U.S. or is processed in the U.S. substantially using agricultural commodities that are produced in the U.S. as provided in 7 CFR 210.21(d). Exceptions to the Buy American provision are very limited; however, an alternative or exception may be approved upon request. To be considered for an alternative or exception, the request must be submitted in writing to the CNP Coordinator, a minimum of 3 days in advance of delivery. The request must include the reason for exception:
 - i. The food or food product is not produced or manufactured in the United States in sufficient and reasonably available quantities of satisfactory quality; or
 - ii. Competitive bids reveal the cost of the United States food or food product is significantly higher than the non-domestic product.
 1. Price of the original domestic food product as bid has increase significantly above the Agricultural Marketing Services (AMS) and/or Consumer Price Index (CPI); and
 2. The non-domestic product meets the required specifications of the domestic product.
 - b. Vendors should provide market news reports from AMS or the CPI to document requested exceptions.

- c. Provided below is an example of the substitution for domestic products provided by the vendor/distributor:

Documenting Non-Domestic Products:	
Vendor Name:	
Domestic Agricultural Product:	
Storage Area for Product:	
	Dry
	Cooler/refrigerator
	Freeze
Country of Origin of Non-domestic substitution:	
<u>Select Reason for Exception:</u>	
1.)	The food or food product is not produced or manufactured in the United States in sufficient and reasonably available quantities of satisfactory quality
2.)	Competitive bids reveal the cost of the United States food or food product is significantly higher than the non-domestic product.
(a)	Price of the original domestic food product as bid has increase significantly above the Agricultural Marketing Services (AMS) and/or Consumer Price Index (CPI); and
(b)	The non-domestic product meets the required specifications of the domestic product.
<u>Date range for the substitution:</u>	
Beginning Date:	
Ending Date:	
<u>Supporting Documentation Provided:</u>	
	Documentation that the product is not produced or manufactured in the United States in sufficient and reasonably available quantities of satisfactory quality
	Documentation that the price of the original domestic food product as bid has increase significantly above the Agricultural Marketing Services (AMS) and/or Consumer Price Index (CPI)
Vendor Representative's Name (Print)	
Vendor Representative's Name (Signature)	
Date:	
SFA Representative's Name (Print)	
SFA Representative's Name (Signature)	
Date:	

The following **Code of Conduct** will be expected of all persons who are engaged in the awarding and administration of contracts supported by the Child Nutrition reimbursement funds. These written standards of conduct include:

1.) Conflicts of Interest

- a. No employee, officer, or agent shall purchase or establish a contract if a conflict of interest, real or implied, would be involved.
- b. Conflicts of interest arise when one of the following has a financial or other interest in the firm selected for the award.
 - i. The employee, officer, or agent.
 - ii. Any member of the immediate family
 - iii. His or her partner
 - iv. An organization that employs or is about to employ one of the above

2.) Disciplinary Action

- a. Penalties for violation of the standards of Code of Conduct may include any of the following:
 - i. Reprimand by the Board of Education
 - ii. Dismissal by the Board of Education
 - iii. Any legal action necessary
- b. Gratuities, Favors, and Gifts
 - i. Employees, officers, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements.
 - ii. Staff are allowed to accept gifts of minimum value as defined by the Alabama Ethics Law such as promotional items commonly distributed to the public.

Procurement Methods:

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

- a. Be necessary and reasonable for proper and efficient administration of the program(s)
- b. Be allocable to federal awards applicable to the administration of the program(s)
- c. Be authorized and not prohibited under state and local laws.

2.) Purchasing will be conducted at the most restrictive procurement threshold:

Procurement Methods	Federal Procurement Thresholds	School Food Authority (SFA)/ State Procurement Thresholds
Micro-purchasing	\$0 - \$10,000	\$0 - \$10,000
Small/Informal	Over \$10,000 – Less than \$250,000	Over \$10,000 – less than \$40,000
Formal	\$250,000 +	\$40,000 +
Exceptions to Local/State Formal Threshold		
Alabama local unprocessed Agriculture products		\$40,000 to \$250,000 with use of multiple price quotes.
National Purchasing Co-op		\$40,000 to \$250,000 with use of multiple price quotes.
Regional Joint Agreements		\$40,000 to \$250,000 with use of multiple price quotes.

- 3.) All staff conducting purchasing will be trained on the procurement procedures.
- 4.) All purchasing records will be maintained no less than the current year plus 3 additional years.
- 5.) The SFA takes necessary affirmative steps to assure that minority firms, women’s business enterprises, and labor surplus area firms are used when possible. It is the intent of the Satsuma City Schools Board of Education to provide maximum practicable opportunities in its solicitations to minority firms, women's business enterprises, and labor surplus area firms.

6.) All bids / contracts must contain provisions covering the following, as applicable:

- ✓ Address terms of termination for cause and for convenience and the manner by which it will be affected and the basis for settlement.
- ✓ Bid / contracts in must contain a provision that requires the contractor to agree to comply with all applicable standards, orders, or regulations issued pursuant to the following:
 - ✓ Clean Air Act (42 U.S.C. 7401-7671q)
 - ✓ Federal Water Pollution Control Act as amended (22 U.S.C. 1251-1387)
 - ✓ Buy American provision (7 CFR §210.21)
 - ✓ Equal Employment Opportunity (41 CFR §60)
 - ✓ Davis-Bacon Act (40 U.S.C. 3141-3148)
 - ✓ Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708)
 - ✓ Rights to Inventions Made Under a Contract or Agreement (37 CFR §401.2)
 - ✓ Debarment and Suspension (Executive Orders 12549 and 12689)
 - ✓ Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)
 - ✓ Procurement of Recovered Materials (See §200.322)
 - ✓ Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c)

7.) The bid documents utilized will address required Federal, State, and Local provisions/requirements when applicable.

SECTION II – MICRO PURCHASING

If the annual amount of purchases for like items is less than \$10,000 and less than the SFA/Sponsor's small purchase threshold, the following procedure will be used.

- 1.) Purchases will not be separated into 2 or more purchases to meet or be below the \$10,000 threshold.
- 2.) The price quotes will not be required. Competition is not required.
- 3.) When practicable, micro-purchases should be distributed equitably among qualified suppliers.
- 4.) Documentation of purchases will be kept and maintained for 3 years plus the current year.
- 5.) The CNP Director/Coordinator/Designee will be responsible for documentation of purchases.

NOTE: Federal threshold of \$2,000 is applicable in the case of acquisitions for construction subject to the Davis-Bacon Act.

SECTION III – PURCHASING CAPITAL EQUIPMENT

If the annual amount of like purchases for piece of equipment is greater than \$5,000, the following procedure will be used.

- 1.) Written specifications will be prepared and provided to vendors.
- 2.) Each vendor will be contacted and given an opportunity to provide a price quote on the same specifications. A minimum of three vendors should be contacted.
- 3.) The price quotes will receive appropriate confidentiality before award.
- 4.) If using USDA funding for the purchase, the Satsuma City Schools Board of Education will ensure approval from the Alabama Department of Education, Child Nutrition Program, if the equipment is not identified as part of the “CNP Capital Equipment Pre-Approved List”.
- 5.) Quotes will be awarded by the CNP Director/Coordinator/Designee and will be awarded to the lowest and best quote based upon quality, service availability, and price.
- 6.) The CNP Director/Coordinator/Designee will be responsible for documentation of records to show selection of vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and written specifications.
- 7.) The CNP Coordinator will be responsible for documentation that the actual product specified is received.

NOTE: Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, of \$5,000.

SECTION IV – SMALL PURCHASING (QUOTE)

If the annual amount of purchases for like items is greater than \$10,000 and less than \$40,000 the following procedure will be used.

- 1.) Written specifications will be prepared and provided to the vendor.
- 2.) Each vendor will be contacted and given an opportunity to provide a price quote on the same specifications. A minimum of three vendors should be contacted. Price and rate quotations will be obtained from an adequate number of qualified sources.
- 3.) The CNP Director/Coordinator/Designee will be responsible for contacting potential vendors when price quotes are needed.
- 4.) The price quotes will receive appropriate confidentiality before award.
- 5.) Quotes will be awarded by the CNP Coordinator and will be awarded to the lowest and best quote based upon quality, service availability, and price.
- 6.) The CNP Director/Coordinator/Designee will be responsible for documentation of records to show selection of vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and written specifications.
- 7.) The CNP Director/Coordinator/Designee will be responsible for documentation that the actual product specified is received.
- 8.) Any time an accepted item is not available, the CNP Coordinator 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 vendors' discretion.
- 9.) Purchasing will be based on the following criteria:
 - a. Price
 - b. Quality
 - c. Service Availability

Exception to the Alabama State Bid Law:

- 1.) If using the Alabama Code section 16-13B-2 “Exception to competitive bidding requirements” for the purchase of goods and services using a purchasing cooperative, the Satsuma City Schools Board of Education will ensure the following occurs:
 - a. 16-13B-2(a)(13) Purchases, leases, or lease/purchases of goods or services, other than voice or data wireless communication services, made as a part of any purchasing cooperative sponsored by the National Association of Counties, its successor organization, or any other national or regional governmental cooperative purchasing program. The purchases, leases, or lease/purchases may only be made if all the following occur:
 1. The goods or services being purchased, including those purchased through a lease/purchase agreement, or leased are available as a result of a competitive bid process approved by the Department of Examiners of Public Accounts for each bid.
 2. The goods or services are either not at the time available to local boards of education on the state purchasing program or are available at a price equal to or less than that on the state purchasing program.
 3. The purchase, lease, or lease/purchase is made through a participating Alabama vendor holding an Alabama business license if such a vendor exists.

- 2.) If using the Alabama Code section 16-13B-1(c) “Joint Agreements” for the purchase of goods and services using a joint agreement as defined below, the Satsuma City Schools Board of Education will ensure the following occurs:
 - a. The governing bodies of two or more city or county boards of education, or any combination of two or more city or county boards of education, counties, municipalities, or instrumentalities thereof, may provide, by joint agreement, for the purchase of labor, services, or work, or for the purchase or lease of materials, equipment, supplies, or other personal property for use by their respective agencies. The agreement shall be entered into by official actions of the contracting agencies adopted by each of the participating governing bodies which shall set forth the categories of labor, services, or work, or for the purchase or lease of materials, equipment, supplies, or other personal property to be purchased, the manner of advertising for bids and the awarding of contracts, the method of payment by each participating contracting agency, and other matters deemed necessary to carry out the purposes of the agreement. Each contracting agency's share of expenditures for purchases under any agreement shall be appropriated and paid in the manner set forth in the agreement and in the same manner as for other expenses of the contracting agency. The contracting agencies entering into a joint agreement, as herein permitted, may designate a joint purchasing or bidding agent, and the agent shall comply with this chapter. Purchases, contracts, or

agreements made pursuant to a joint purchasing or bidding agreement shall be subject to all terms and conditions of this chapter. Any participation by counties and municipalities authorized in this section shall be subject to the provisions of subsection (b) of Section 41-16-50. In the event that utility services are no longer exempt from competitive bidding under this chapter, non-adjointing boards of education may not purchase utility services by joint agreement under authority granted by this subsection.

- 3.) If using the Alabama Code section 16-1-46 Farm to School Procurement Act: “Exception to competitive bidding requirements” for the purchase of unprocessed local (as defined by the SFA) agricultural products, the Satsuma City Schools Board of Education will ensure the following occurs:
 - a. Must be unprocessed agricultural products as defined in 16-1-46(b) of the Farm to School Procurement Act.
 - b. Must be purchased in 300 miles of 220 Baker Road, Satsuma, AL 36572
 - c. Must solicit multiple quotes.

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SECTION V – FORMAL PROCUREMENT (BID)

If the amount of purchases is \$40,000 or greater, a formal procurement will be used.

- 1.) The Child Nutrition Department may utilize a purchasing cooperative contract with a qualified agency.
- 2.) CNP formal bid procedures will be applied on the basis of: EXAMPLE BELOW

Category	Procurement Method	Evaluation Used	Contract Award Type	Contract Duration/Frequency
Frozen Foods	Formal/Statewide Procurement	Lowest Cost	Fixed Price	
Canned Foods	Formal/Statewide Bid	Lowest Cost	Fixed Price	
Fresh Produce	Formal	Lowest Cost	Fixed Price with Escalator/De-Escalator Clause (Market-Based Pricing)	
Chemicals	Formal	Lowest Cost	Fixed Price	
Bread	Formal	Lowest Cost	Fixed Price	
Milk and Dairy	Formal	Lowest Cost	Fixed Price with Escalator/De-Escalator Clause (Market-Based Pricing)	
Office Supplies	Formal	Lowest Cost	Fixed Price	
Ice Cream	Formal	Lowest Cost	Fixed Price	
Other Grocery Items	Formal	Lowest Cost	Fixed Price	

Food Service Management Company (FSMC)	Formal / Request for Proposal (RFP)	Lowest Cost	Fixed Price* or Cost Reimbursement	
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*Fixed Price unless a proposal (RFP) is used for Cost Reimbursement contracts are required. For example, a contract with a Food Service Management Company (FSMC) that includes an administrative fee.

- 1.) Because of the potential for purchasing more than \$40,000, it will be the responsibility of the CNP Director/Coordinator/Designee to document the amounts to be purchased so the correct method of procurement will be followed:
- 2.) Firm fixed cost bids may be awarded with an escalation/de-escalation clause using the Consumer Price Index (CPI) or like inflation percentage cost analysis for increases or decreases in cost.
- 3.) For example, the Satsuma City Schools Board of Education defines local as 300 miles from 220 Baker Road, Satsuma, AL 36572.

When a formal procurement method is required, the following COMPETITIVE SEALED BID or an INVITATION FOR BID (IFB) must be implemented:

- 1.) An announcement of an Invitation for Bid (IFB) will be placed on the Satsuma City Schools Board of Education website and posted on the bulletin board at the SCBOE Central Office to publicize the intent to purchase needed items.
 - a. Contract period.
 - b. SFA/Sponsor is responsible for all contracts awarded (statement).
 - c. Date, time, and location of bid opening.
 - d. How vendor is to be informed of bid acceptance or rejection.
 - e. Delivery schedule.
 - f. Set forth requirements (terms and conditions) which bidder must fulfill in order for bid to be evaluated.
 - g. Statement assuring positive efforts will be made to involve minority, women, and small business.
 - h. Benefits to be entitled if the vendor cannot or will not perform as required.
 - i. Benefits to be entitled if the vendor cannot or will not perform as required.
 - j. Statement assuring positive efforts will be made to involve minority, women, and small business.
 - k. Statement regarding the return of purchase incentives, discounts, rebates, and credits to the non-profit Child Nutrition account
 - l. Procuring instrument to be used are purchase orders from firm fixed process after formal bidding.
 - m. Price adjustment clause (escalation/de-escalation) based on appropriate standard or cost index (Consumer price index, or other as stated in terms and conditions for pricing and price adjustments)
 - n. Method of evaluation and type of contract to be awarded.
 - o. Method of award announcement and effective date (if intent to award is required by State and local procurement requirements)
 - p. Specific bid protest procedures including contact information of person and address and the date by which a written protest must be received.
 - q. Provision requiring access by duly authorized representatives of the SFA/Sponsor, State Agency, United State Department of Agriculture, or Comptroller General to any books, documents, papers, and records of the vendor which are directly pertinent to all negotiated contracts.
 - r. Method of shipment or delivery upon contract award
 - s. Provision requiring vendor to maintain all required records for three years after final payment and all other pending matters (audits) are closed for all negotiated contracts.
 - t. Description of process for enabling vendors to receive or pick up orders upon contract award.
 - u. Provision requiring the vendor to recognize mandatory standards/policies related to energy efficiency contained in the State Energy Plan issued in compliance with the Energy Policy and Conservation Act

- v. Signed statement of non-collusion
 - w. Signed Debarment/Suspension Certificate or statement included in contract or copy of Excluded Parties List System) EPLS.)
 - x. Specifications and estimated quantities of products and service prepared by SFA/Sponsor and provided to potential vendors desiring to submit bids/proposals for the products or services requested.
- 2.) If any potential vendor is in doubt as to the true meaning of specifications or purchase conditions, interpretation will be provided in writing to all potential bidders by the CNP Coordinator
 - 3.) The CNP Director/Coordinator will be responsible for securing all bids or proposals.
 - 4.) The CNP Director/Coordinator will be responsible to ensure all SFA/Sponsor procurements are conducted in compliance with applicable Federal, State, and local procurement regulations.
 - 5.) The following criteria will be used in awarding contracts as a result of bids/proposals.
 - a. Price
 - b. Quality
 - c. Service Availability

SECTION VII – EMERGENCY PURCHASING

- 1.) If it is necessary to make a one-time emergency procurement to continue service or obtain goods, the purchase shall be made, and a log of all such purchases shall be maintained by the CNP Director/Coordinator/Designee.
- 2.) The following emergency procedures shall be followed.
 - a. All emergency procurements shall be approved by the Satsuma City Schools Board of Education. At a minimum, the following emergency procurement procedures shall be documented:
 - i. Item name
 - ii. Dollar amount
 - iii. Vendor; and
 - iv. Reason for emergency
 - b. If the emergency purchasing requires a contract, all books, records, and other documents relative to the award of the contract must be retained for three (3) years after final payment. Specifically, the Satsuma City Schools Board of Education shall maintain, at minimum, the following documents:
 - i. Written rationale for the method of procurement
 - ii. A copy of the original solicitation
 - iii. The selection of contract type
 - iv. The basis for vendor selection
 - v. The basis for award cost or price
 - vi. The terms and conditions of the contract
 - vii. Billing and payment records
 - viii. A history of any vendor claims
 - ix. A history of any vendor breaches
- 3.) Child Nutrition Program emergency procurement exemption authorized under Act 2022-264, now appearing as Section 16-13B-2.1, *Code of Alabama*, 1975.
 - a. Should emergency procurement be necessary, CNP Director/Coordinator must immediately communicate with their local superintendent.
 - b. The local superintendent will draft a letter to the state superintendent to request the use of emergency procurement.
 - c. The letter must contain a statement setting forth the specific facts regarding the basis of the emergency including:
 - i. documentation from the vendor,
 - ii. enrollment for the district,
 - iii. average cost of the goods for the National School Lunch Program and School Breakfast Program.
 - d. The draft letter will be submitted to the Alabama Department of Education, CNP School Program section for routing to the State Superintendent for approval.
 - e. The state superintendent will make the recommendation to the Dept. of Examiners on behalf of the local schools.

- 4.) Consistent with procurement regulations at 2 CFR 200.318(i), SFAs should retain information, data, and documents, which qualify specific conditions and emergency circumstances resulted in the decision to use the emergency noncompetitive procurement method and the procurement process, itself. Failure to plan for transition to competitive procurement cannot be the basis for continued use of noncompetitive procurement based on exigency or emergency circumstances.
- 5.) The Satsuma City Schools Board of Education shall maintain documentation in their procurement files. Documentation must include:
 - a. explanation of the rationale for the method of procurement,
 - b. selection of contract type,
 - c. contractor selection or rejection,
 - d. and the basis for the contract price.
- 6.) The Satsuma City Schools Board of Education shall retain documentation providing information on the food and supplies (e.g., delivery, processing, other) being procured, including the estimated quantity and dollar value of the emergency procurement; and how the emergency procurement was handled, i.e., obtained through negotiation, phone, email, etc.
- 7.) Any approval to purchase goods or services under this section shall be limited to 60 days, during which time a contractual agreement for such purchases shall be entered into in compliance with the competitive bid laws as required by the local district, state agency, and federal regulations and policies.