

**A Procurement Plan for School Food Authorities**

DeKalb County  
Name of School Food Authority

**PROCUREMENT PLAN  
CHILD NUTRITION PROGRAM**

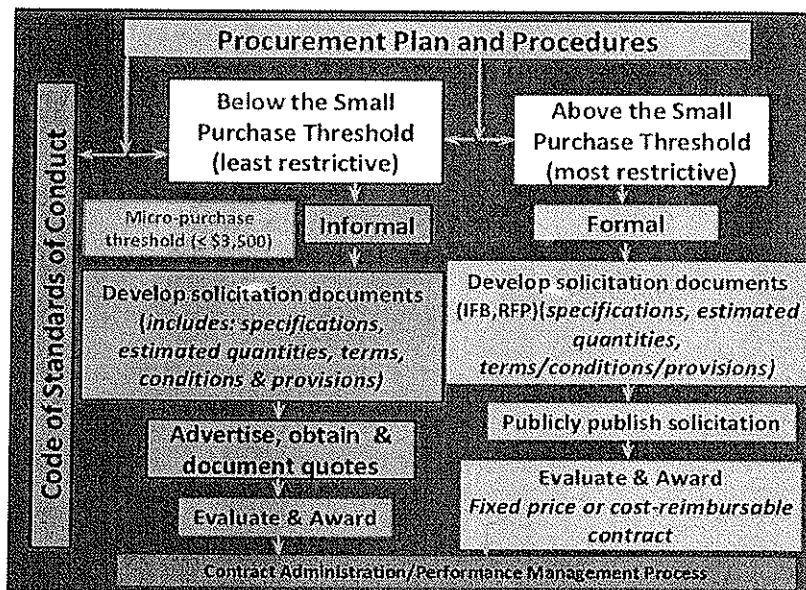
This procurement plan contained on the following pages \_\_\_\_\_ through \_\_\_\_\_ will be implemented on \_\_\_\_\_ from that date forward until amended. All procurements must adhere to free and open competition. Source documentation must be available to determine open competition, the reasonableness, the allowability and the allocation of costs.

\_\_\_\_\_  
Superintendent of Schools

\_\_\_\_\_  
Date

## DeKalb County School Nutrition PROCUREMENT PLAN

1. DeKalb County School District SFA plan for procuring items for use in the Child Nutrition Program is as detailed in the following document. The plan provides for free and open competition, transparency in transactions, comparability, and documentation of all procurement activities.
2. Federal, State, and Local Procurement thresholds will be observed at all times, except in the event of an emergency purchase. The correct procurement methods will be followed according to the applicable monetary threshold as detailed below.



3. The SFA maintains the following purchasing procedures:

All purchases will be awarded with a Purchase Order form and will be approved by the Director of Schools. Purchases may be awarded through formal or informal means depending on the circumstances.

### Informal Methods

Below the Small Purchase threshold (< \$10,000):

- If a purchase is under the micro purchase threshold (\$3,500), it may be awarded without solicitation of competitive price quotations if the price is considered reasonable. Such purchases should be distributed equitably among qualified suppliers.
- If a purchase is over the micro-purchase threshold, but under the small purchase threshold, it may be awarded after the solicitation of at least three competitive price quotations. The following procedures will be observed.
  - Written Specifications will be prepared and provided to the vendor.
  - Each vendor will be contacted and given an opportunity to provide a price quote on the same specifications.
  - The School Nutrition Supervisor will be responsible for contacting potential vendors when price quotes are needed.
  - The price quotes will receive appropriate confidentiality before award.
  - Quotes will be awarded by the School Nutrition Supervisor.
  - Quotes awarded will be to the lowest and best quote based upon quality, service availability, and price.
  - The School Nutrition Supervisor 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.
  - Any time an accepted item is not available, the School Nutrition Supervisor will select the acceptable alternate. Full documentation will be made available as to the selection of the acceptable item.
  - The School Nutrition Supervisor is required to sign all quote tabulations, signifying a review and approval of the selections.

## Formal Methods

Above the Small Purchase threshold (> \$10,000), purchases may be procured by three formal methods depending on the circumstances.

- Sealed Bids (IFB)
- Competitive Proposals (RFP)
- Non-Competitive Proposals

### The following procedures apply to both IBF and RFPs.

- An announcement of an Invitation for Bid (IFB) or a Request for Proposal (RFP) will be placed in the Newspaper to publicize the intent of the School Food Authority to purchase needed items.
- The advertisement for bids/proposals or legal notice will be run for at least 10 days.
  - An advertisement is required for all purchases over the districts shall purchase threshold of \$10,000.
  - The announcement will contain a:
    - General description of items to be purchased
    - Deadline for submission of sealed bids or proposals,
    - Address of location where complete specifications and bid forms may be obtained.
    - Contact information for any questions concerning the opportunity
- Each vendor will be given an opportunity to bid on the same specifications.
- The developer of written specifications or descriptions for procurements will be prohibited from submitting bids or proposals for such products or services.
- The IFB or RFP will clearly define the purchase conditions. The following list includes requirements, not exclusive, to be addressed in the procurement document:
  - Contract period
  - SFA is responsible for all contracts awarded (statement)
  - Date, time, and location of bid opening
  - How vendor is to be informed of bid acceptance or rejection
  - Delivery schedule
  - Set forth requirements (terms and conditions) which bidder must fulfill in order for bid to be evaluated
  - Benefits to which the School Food Authority will be entitled if the contractor can not or will not perform as required
  - Statement assuring positive efforts will be made to involve minority and small business
  - Statement regarding the return of purchase incentives, discounts, rebates, and credits to the School Food Authority's non-profit Child Nutrition account.
  - Contract provisions as required in 7 CFR Part 3016.36(i)
  - Contract provisions as required in 7 CFR Part 210.21(f) for all cost reimbursable contracts
  - Contract provisions as required in 7 CFR Part 210.16(a)(1-10) for Food Service Management Company contracts
  - Procuring instrument to be used are purchase orders from firm fixed prices after formal bidding
  - 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)
  - Method of evaluation and type of contract to be awarded
  - Method of award announcement and effective date (if intent to award is required by State or local procurement requirements)

- Specific bid protest procedures including contact information of person and address and the date by which a written protest must be received
  - Provision requiring access by duly authorized representatives of the School Food Authority, State Agency, United State Department of Agriculture, or Comptroller General to any books, documents, papers and records of the contractor which are directly pertinent to all negotiated contracts
  - Method of shipment or delivery upon contract award
  - Provision requiring contractor to maintain all required records for three years after final payment and all other pending matters (audits) are closed for all negotiated contracts
  - Description of process for enabling vendors to receive or pick up orders upon contract award
  - Signed Debarment/Suspension Certificate or statement included in contract or copy of Excluded Parties List System (EPLS).
  - Provision requiring “Buy American” as outlined in 7 CFR Part 210.21(d);
    - Specific instructions for prior approval of all of non-domestic product (s).
  - Specifications and estimated quantities of products and services prepared by SFA and provided to potential contractors desiring to submit bids/proposals for the products or services requested.
- 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 School Nutrition Supervisor and date specified.
  - The School Nutrition Supervisor will be responsible for securing all bids or proposals.
  - The School Nutrition Supervisor will be responsible to ensure all SFA procurements are conducted in compliance with applicable Federal, State, and local procurement regulations.
  - **Award will be given to the most responsible and responsible vendor with the lowest price.**

**e following criteria are used exclusively for RPFs:**

- In awarding a competitive negotiation (RFP), a set of award criterion in the form of a weighted evaluation sheet will be provided to each bidder in the initial bid document materials.
- Price alone is not the sole basis for award, but remains the primary consideration when awarding a contract.
- Following evaluation and negotiations a firm fixed price or cost reimbursable contract is awarded.
- The contracts will be awarded to the responsible bidder/proposer whose bid or proposal is responsive to the invitation and is most advantageous to the SFA, price, and other factors considered.
- Any and all bids or proposals may be rejected in accordance with law.
- The School Nutrition Supervisor is required to sign on the bid tabulation of competitive sealed bids or the evaluation criterion score sheet of competitive proposals signifying a review and approval of the selections.
- The School Nutrition Supervisor is responsible for reviewing the procurement system to ensure compliance with applicable laws.
- The School Nutrition Supervisor is responsible for documentation the actual product specified is received
- Any time an accepted item is not available, the supervisor will select the acceptable alternate.
- In the event a non-domestic agricultural product is to be provided to the SFA, the contractor must obtain, in advance, the written approval of the product.
- The Nutrition Supervisor must comply with the Buy American Provision.
- Full documentation as to the reason an accepted item was unavailable, and to the procedure used in determining acceptable alternates, will be available for audit and review. The person responsible for this documentation is the Nutrition Supervisor
- The Nutrition Supervisor is responsible for maintaining all procurement documentation.

**Noncompetitive Purchases (Sole Source) are highly discouraged, but if used the following procedures apply:**

- Written Specifications will be prepared and provided to the vendor.
- The Nutrition Supervisor will be responsible for the documentation of records to fully explain the decision to use the non-competitive negotiation. The records will be available for audit and review.
- The Nutrition Supervisor will be responsible for documentation that the actual product or service specified was received.
- The Director of Schools will be responsible for reviewing the procedures to be certain all requirements for using single source or non-competitive negotiation are met.
- Non-competitive negotiations shall be used for one-time purchases of a new food item in order to determine food acceptance by students and for samples for testing purposes.
- A record of noncompetitive negotiation purchase shall be maintained by the School Food Authority Official.
- The record of non-competitive purchases shall include, at a minimum, the following:
  - Item name
  - Dollar amount
  - Vendor, and
  - Reason for non-competitive procurement
- A member or representative of the local Board of Education or Governing Board will approve, in advance, all procurements that result from non-competitive negotiations.

### **Emergency Purchases**

In the event of a one-time emergency purchase, the purchase shall be made and a log of all such purchases shall be maintained by Food Service. The following emergency procedures shall be followed:

- All emergency procurements shall be approved by the Director of Schools.
- The school board will promptly be advised of the purchase.
- The following must be documented:
  - Reason for Emergency
  - Item Name and Specifications
  - Vendor
  - Purchase Amount
- If it is necessary, in the course of a pressing need, to make an emergency purchase by means of “piggybacking” on the bid of another district, the following conditions must exist and approved procedures must be followed and appropriately documented as follows:
  - The SFA originating the competitive procurement must have a “piggyback provision” in the original solicitation;
  - Documentation of the emergency requiring the piggybacking must be maintained
  - Approval from the purchasing SFA’s governing board will be obtained and documented;
  - Approval from the SFA that originated the competitive procurement will be obtained and documented;
  - Approval from the Vendor that was awarded the Contract (original solicitation) will be obtained and documented;
  - If required, a public notice of the district’s “Intent to Waive Competitive Bidding” will be issued at least 10 days prior to the regularly scheduled governing board meeting;
  - Approval to piggyback will be obtained and documented from the governing board during a regularly scheduled meeting following the public notice;

- Notification to the Vendor of final approval will be documented and issued;
- A contract with the Vendor will be developed including:
  - The contractor shall agree to retain all books, records and other documents relative to the contract agreement for three (3) years after final payment, or until audited by SFA, whichever is sooner. The SFA, its authorized agents, and/or State and/or USDA auditors shall have full access to and the right to examine any of said materials during said period.

### **Written Code of Standards of Conduct**

**Procedures:** The DeKalb County School District seeks to conduct all procurement procedures:

- in compliance with stated regulations; and
- to prohibit conflicts of interest and actions of 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 supported by a Federal, State, or local award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.

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.

DeKalb County School district procedures seek to avoid acquisition of unnecessary or duplicative items. Consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made to determine the most economical approach.

**Other State or local procurement requirements that may be required.**

# Internal Controls for DeKalb County Board of Education Food Nutrition

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## Procedures at Individual Schools

1. Determine that "collection procedures" submitted annually to the Tennessee Department of Education are implemented properly. Auditors should determine that an annual meal count for reimbursable meals is taken at the point of service. Determine that reimbursable meal counts are accurate and the supplemental sales (a la carte) are not included in the reimbursable meal counts.
2. No school maintains individual bank accounts for cafeteria funds, there is only one bank account and it is handled at the central office. All monies are deposited within three days by the cafeteria managers or asst. cafeteria managers from the school level and then all bank reconciliation procedures and balances are confirmed at the central office by the school nutrition bookkeeper and supervisor. All reconciliation procedures and receipts from daily collection reports are kept on file at the Central Office.
3. Monies are transferred to the County Trustee weekly from the school nutrition bookkeeper, with monthly closing procedures.
4. Managers review collection reports for the manner of recording number of children served by meal (lunch, breakfast, and snack) according to eligibility (free, reduced, full pay, or CEP) to determine if these numbers are used in the report that is consolidated at the Central Office level and then reimbursed to the state as part of the monthly Claim for Reimbursement.
5. Normally the supervisor would check the approval applications to ensure that there are a sufficient number on hand to support the reported free and reduced price meals served, but our district does CEP (Community Eligibility Provision) so no applications are needed for this program in school nutrition.
6. Verification does not apply if the school is under the CEP (Community Eligibility Provision).
7. Looking back at the whole year of reports for number of lunches, breakfast, snacks recorded, cash collections, receipts, etc. and there is differences or unusual variances detected, it should be discussed with the Director of Schools and SATE Auditors.

## Internal Controls for DeKalb County Board of Education Food Nutrition

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### Procedures at Individual Schools

8. The School Nutrition Supervisor prepares a menu for each school in compliance with the USDA minimum meal pattern requirements for food components. The cafeteria managers review the menus and keep production records at the school level and turn them in weekly so the supervisor can review them properly and document any noncompliance if necessary.
9. The cafeteria manager's document food supply management procedures and test procedures for safeguard food receipts, usage, and inventory. The manager turn in a monthly inventory to the supervisor and she documents any deficiencies with inventory management and control practices.



# Internal Controls for DeKalb County Board of Education Food Nutrition

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## Procedures at Central Office

1. The School Nutrition Supervisor identifies the types of activities which are either specifically allowed or prohibited by the laws, regulations, and the provisions of contracts or grant agreements pertaining to the program.
2. The School Nutrition Supervisor and Bookkeeper makes sure to have adequate procedures for capturing data on eligible meals served and preparing claims for reimbursements and that they contain controls providing reasonable assurance that all meals reported to the State agency for reimbursement (1) contain all required food items, (2) are based on accurate counts, and (3) are served to eligible children.
3. Need to review reimbursement claims on file at the LEA to determine that the claims were correctly prepared.
4. Test supporting documentation to determine that activities were allowable and properly classified.
5. Test transactions for conformance with the following criteria:
  - (1). Supported by appropriate documentation, such as approved purchase orders, receiving reports, vendor invoices, cancelled warrants, bids, and were correctly charged as to amount, and period.
  - (2). Authorized or not prohibited under state or local laws or regulations.
  - (3). Consistent with the allowability of costs provisions of the Uniform Guidance, or limitations, if any, in the program agreement, program regulations, or program statute.
  - (4). Reasonable and necessary for the performance and administration of the nutrition program.
  - (5). Applied uniformly to federal and non-federal activities.
  - (6). Not included as a cost or used to meet cost sharing requirements of other federally-supported activities of the current or a prior period.
  - (7). For actual costs, (Not based on budgeted or projected amounts.)
  - (8). Determine that any administrative cost charged to the program are proper and school system has supporting documentation for these charges.

## Internal Controls for DeKalb County Board of Education Food Nutrition

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### 6. Test payroll transactions for conformance with criteria in the Uniform

Guidance to determine:

- (1). The individual's total wage or salary was reasonable for the service rendered; i.e., it was consistent with wages or salaries paid for similar work in other activities of the entity (or in the local labor market).
  - (2). The payroll charge was supported by documentation prescribed in the OMB Uniform Guidance.
  - (3). The payroll charge was supported by personnel activity reports; e.g., time and attendance records.
  - (4). Charges for leave, employee insurance, pension plans, etc., were reasonable and required by law, employee agreements, or an established policy of the entity and were distributed equitably to federal programs and other activities.
  - (5). Charges for authorized absences such as annual leave, sick leave, etc., were allowable and were allocated equitably to all federal programs and other activities.
7. Compare claims for reimbursement to supporting documentation. Determine that costs for which reimbursement was requested were paid accordingly.
  8. Determine if an inventory of program equipment is maintained and verify that Program property is tagged or otherwise identified as such.
  9. Review purchases of equipment from program funds for the year examined and verify that equipment has been identified as program equipment and added to the inventory.
  10. Review equipment disposals.
  11. Test purchases to ascertain if statutes and procedures were followed in the procurement of goods and services.
  12. Compare contracts or purchases expected to exceed \$25,000 to the exclusions list in the federal System for Award Management (SAM) to determine payments are not made to suspended or debarred parties.
  13. Program income for the Nutrition program includes children's payments, adult payments, earnings on investments and other local revenues.  
Recording of Program Income—perform tests to verify that program income was properly recorded in the accounting records.

## Internal Controls for DeKalb County Board of Education Food Nutrition

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14. Trace data on the claims for reimbursement to all financial records.
15. Determine that the net cash balance does not exceed three months expenditures requirements unless a plan has been submitted to and approved by the state Dept. of Education. If such a plan has been filed and approved, determine that the plan is being followed and the programs are operated on a non-profit basis.
16. Paid Lunch Equity. Determine the average price of paid lunches (exclude the free and reduced lunches) for the month of October for the previous school year. Then determine if average is above the federal reimbursement rate (\$2.59 for FY 13-14). If the average is below federal rate, the school system must either raise the prices for paid lunches or make a contribution to the school lunch program from non-federal sources. This step does not apply if all schools are under the Community Eligibility Provision (CEP)