

1 Hour Professional Standards Training

MICRO PURCHASES

in Child Nutrition Programs



New York State
EDUCATION DEPARTMENT
CHILD NUTRITION KNOWLEDGE CENTER

Procurement

- Obtaining goods and/or services
 - At the best possible price
 - Multi-step process
 - Proper planning is worthwhile and critical
 - Systematic approach





Principles of Good Procurement



Free and open
competition



Fairness and integrity



Responsive and
responsible vendor



Procurement: A multi-step process

Procurement Procedures

Forecasting

Selecting the Proper Procurement Method

Developing a Solicitation

Advertising the Solicitation


Evaluating Proposals/Offers

Awarding the Contract

Managing the Contract



Micro-Purchase Method

- **Aggregate dollar amount \$10,000 or less**
 - **Distribute equitably among qualified suppliers**
 - **Quotes not required if SFA considers the price to be reasonable**
 - **Buy American in effect**
 - **Included in your Procurement policy**
- 



Situations to consider when selecting the Micro Purchase Method. Is this the appropriate method to utilize?



- Does my SFA require price quotes for all purchases?
- Does one vendor provide the best service, or a product accepted better by the students?
- Is it more of an administrative burden to distribute purchases among qualified vendors?

Long story short, the micro purchase method may not be the most appropriate and/or practical procurement method to select in the situations described above.



Micro-Purchase: Basic Steps



**INCLUDE THE USE OF THE
MICRO-PURCHASE OPTION IN
YOUR WRITTEN
PROCUREMENT PLAN**



**DEVELOP WRITTEN
SPECIFICATIONS, REQUIRED
TERMS, CONDITIONS, AND
DOCUMENT ALL PURCHASES.**



**DETERMINE WHAT IS A
REASONABLE PRICE AND KEEP
SUPPORTING
DOCUMENTATION**



**CONTACT VENDOR TO MAKE
THE PURCHASE**



MANAGE THE CONTRACT



Micro Purchase: Implementation

1

Maximize purchasing during a single transaction

2

Do NOT deliberately buy smaller quantities to stay under the micro-purchase threshold

3

Avoid choosing the same vendor/supplier for each purchase

4


Verify the reasonableness of a price

5

Maintain documentation



Questions to Ask



Will this transaction fall below the threshold?

Were purchase prices reasonable?

Did the I spread purchases equitably among all qualified sources?



Benefits of Micro Purchase

Districts can react quickly to changing markets and urgent needs

Helpful for small SFAs or storage limits

Purchasing local



Micro Purchase: Example #1

A SFA's dishwasher breaks mid-week. The repairs will cost less than \$10,000.

Micro-Purchase: Example #2

- A SFA wants to procure fresh produce on a monthly basis due to fluctuating prices in the produce market.



Micro-Purchase: Example #3

- **A small SFA is making purchases for food at local grocery stores and does not have adequate storage. The total cost per week is well under \$10,000.**



The background of the slide is a close-up, slightly blurred photograph of a file folder. The folder is orange and has several tabs visible, labeled with the months 'MAY', 'APR', 'MAR', and 'FEB' in a dark, serif font. The lighting is warm, and the focus is on the texture and color of the folder.

All documentation related to procurement process activity are subject to the record retention requirement.

Procurement Review Process



SFA completes
Procurement Review
Worksheet



SED selects a sample of vendors from
each procurement method and
requests additional documents for
these vendors



SED completes procurement review
and documents any findings,
corrective action, and technical
assistance

Request for Procurement Documentation

SFA Name:

SFA LEA Code:

Reviewer Name:

Due Date:

Based on the procurement information you previously provided, SED has selected to review the following 2018-19 procurements. Please provide copies by close of business, on the due date listed above of the procurement information indicated for the vendors listed in each procurement category. Include any additional information requested in this email with your submission.

Please let me know if you have any questions. These items can be scanned in and emailed to me or copied and mailed in to my address below:

*NYS Education Department
Child Nutrition Program Administration
89 Washington Ave Room 375 EBA
Albany, NY 12234*

Micro Purchases

Micropurchases	
Vendor(s) Selected:	
For each vendor selected, submit:	
✓ Purchase orders and vendor receipts/invoices (3 from one month, 1 per month from 3 consecutive months, or 1 per quarter)	
Please answer the following questions for each selected vendor:	
1. Explain how it was determined that the prices of the products purchased were reasonable:	
Vendor Name:	

Purchases made without first soliciting competitive quotes (Must be under \$10,000)

SED will request:

- Purchase orders and vendor receipts/invoices (3 from one month, 1 per month from 3 consecutive months, or 1 per quarter)
- SFA must explain how it was determined that the prices of the products purchased were reasonable
- SFA must explain how purchases were equitably distributed among qualified sources

Procurement Review Findings



One of the most common procurement review finding

Finding:

-The policy did not have a written code of conduct that provides disciplinary actions for violations by officers, employees, or agents

-The SFA did not take steps to ensure that small, minority, and surplus firms are used when possible. women's business enterprises and labor

-The SFA did not equitably spread purchases among all qualified sources when utilizing the micro purchase method

The SFA did not monitor the FSMC through periodic on-site monitoring

-The SFA did not conduct procurement

Corrective Action:

-The code of conduct will provide for disciplinary actions for violations

-Ensure that small, minority, and women's business enterprises and labor surplus firms are used when possible during all procurement procedures

To the extent practicable, the SFA will distribute micro-purchases equitably among all qualified sources.

-Monitoring the activities of the FSMC to ensure the FSMC is meeting the requirements agreed upon in the management contract

-The SFA will ensure that proper procurement requirements are followed and executed in accordance with federal, State and local regulations and requirements when procuring goods and/or services. A detailed history of every procurement will be kept on file.



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Upcoming Events

Thursday Q & A Forums: Operating the Summer Food Service Program
07/09/2020 - 2:00pm to 3:00pm

30% NY Initiative Webinar
07/15/2020 - 2:00pm to 3:30pm

[MORE INFORMATION](#)

Child Nutrition Programs

Additional Resources

Review additional resources on the Child Nutrition Knowledge Center :

- Writing Specifications
- Small/Informal Purchases
- Formal Purchases
- Buy American
- Procurement Review



This concludes Micro Purchases in Child Nutrition Programs

- New York State Education Department
- **Child Nutrition Program Administration**
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