The Procurement Review Process
PROCUREMENT REVIEW

CHILD NUTRITION PROGRAM ADMINISTRATION
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
The Procurement Review Worksheet

### Procurement Review Worksheet

- **SFA Name:**
- **LEA Code:**

**Instructions:** Follow steps 1-3 answering all questions completely. Return completed worksheet to your CI representative along with a copy of the following documents:
  - 2018-2019 vendor paid list that identifies the total amount paid to each vendor from the nonprofit school food service account
  - Purchasing policy
  - Purchasing code of conduct (if not included in the procurement policy)

#### Step 1: List individuals in your SFA that are responsible for procurement:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Role</th>
<th>Responsibilities</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Step 2: What is the SFA's micro-purchase threshold?  
*What is the SFA's small purchase threshold?*

#### Step 3: Obtain the Nonprofit School Food Service Account vendor paid list from the 2018-2019 school year (July 1, 2018 to June 30, 2019). Complete the chart below for each vendor on your 2018-2019 Nonprofit School Food Service Account vendor paid list.

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Method of Procurement</th>
<th>Number of Price Quotes Received/Offered</th>
<th>General Goods/Services Provided</th>
<th>Total Paid to Vendor</th>
<th>How many purchases made at vendor?</th>
<th>Type of Solicitation</th>
<th>Type of Contract</th>
<th>Amendments made to this contract</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Procurement Review Sheet
Documents to Submit

• Purchasing Policy
• Purchasing Code of Conduct
• Vendor Paid List
## Request for Procurement Documentation

<table>
<thead>
<tr>
<th>SFA Name:</th>
<th>SFA LEA Code:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviewer Name:</td>
<td>Due Date:</td>
</tr>
</tbody>
</table>

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

- Purchases made without first soliciting competitive quotes (Must be under $50,000)

- 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
Small/Informal Purchases

- Vendors were informally contacted for quotes prior to purchasing (must be below the small purchase threshold)
- SED will request:
  - Purchase orders and vendor receipts/invoices (3 from one month, 1 per month from 3 consecutive months, or 1 per quarter)
  - Solicitation Document (showing what was solicited for)
  - Responses Received (price rate/quotations)
Formal Contracts (BOCES & Other)

<table>
<thead>
<tr>
<th>Formal Contracts/Sealed Bids</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vendor(s) Selected:</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

For all BOCES contracts selected, submit:

- Purchase orders and vendor receipts/invoices (3 from one month, 1 per month from 3 consecutive months, or 1 per quarter) *For fixed-price contracts with price adjustment provisions, provide one invoice per month during which the price was fixed, or one for two months during which the price(s) were adjusted

- Contract Performance Documentation (description of procedures used by the SFA to ensure contractors performed in accordance with the terms, conditions, and specifications of the contract)

- Final contract awarded

For all other contract selected, submit:

- Cost/Price Analysis (SFA’s independent estimate before receiving bids or proposals)
Food Service Management Company Contracts

- 3 Monthly Operating statements
- Corresponding invoices (must be consecutive)
- Value of USDA foods
Processing Contracts

• Vendors who were informally contacted for quotes prior to purchasing must be below the small purchase threshold

• SED will request:

• Purchase orders and vendor receipts/invoices (3 from one month, 1 per month from 3 consecutive months, or 1 per quarter)

• Solicitation Document (showing what was solicited for)

• Responses Received (price rate/quotations)

• Direct Diversion sheet from OGS
## Corrective Action Plan (CAP) Form

**Procurement Review: Micro Purchases**

- **Finding:** Based on a review of invoices/receipts, the SFA utilized the micro purchase method for vendor transactions above the $10,000 threshold. [2 CFR 200.320(a)]

- **Corrective Action:** The SFA will ensure that all micro purchase transactions are below the $10,000 threshold. In the future, the SFA will conduct the appropriate method of procurement in accordance with all federal, State and local procurement regulations and requirements.

- **Technical Assistance:** Methods of Procurement
  - Guidance on Procurement Methods

- **Finding:** If the SFA paid a membership to a club warehouse, third-party entity, etc., the purchases made from this entity were not necessary, reasonable, and/or equitably distributed among all qualified sources/vendors. [2 CFR 200.320(a)]

- **Corrective Action:** The SFA will ensure all purchases made from club warehouses, third-party entities, etc. are necessary, reasonable, and equitably distributed among all qualified sources/vendors.

- **Technical Assistance:** Guidance on Procurement Methods: Thresholds

- **Finding:** Based on a review of invoices/receipts, the SFA was not compliant with equitably spreading purchases among all qualified sources/vendors. [2 CFR 200.320(a)]

- **Corrective Action:** To the extent practicable, the SFA will distribute micro-purchases equitably among all qualified sources/vendors.

- **Technical Assistance:** General Procurement Information

- **Finding:** The SFA was not compliant with maintaining sufficient records to detail the significant history of the procurement process. [2 CFR 200.318(i)]

- **Corrective Action:** The SFA will ensure that records are sufficiently maintained to detail the significant history of the procurement process. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of the contract type, solicitation documents/specifications, contractor selection or rejection, and the basis for the contract price (as applicable). These records, along with all other procurement documentation, will be retained on file for three years plus the current year.

- **Technical Assistance:** Record Retention Relating to Procurement

---

**Corrective Action Plan & Technical Assistance**

<table>
<thead>
<tr>
<th>Vendor(s)</th>
<th>Finding(s)</th>
<th>Corrective Action</th>
<th>Technical Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Based on a review of invoices/receipts, the SFA utilized the micro purchase method for vendor transactions above the $10,000 threshold. [2 CFR 200.320(a)]</td>
<td>- The SFA will ensure that all micro purchase transactions are below the $10,000 threshold. In the future, the SFA will conduct the appropriate method of procurement in accordance with all federal, State and local procurement regulations and requirements.</td>
<td>- Methods of Procurement Guidance on Procurement Methods</td>
</tr>
<tr>
<td></td>
<td>- If the SFA paid a membership to a club warehouse, third-party entity, etc., the purchases made from this entity were not necessary, reasonable, and/or equitably distributed among all qualified sources/vendors. [2 CFR 200.320(a)]</td>
<td>- The SFA will ensure all purchases made from club warehouses, third-party entities, etc. are necessary, reasonable, and equitably distributed among all qualified sources/vendors.</td>
<td>- Obtaining Quotes</td>
</tr>
<tr>
<td></td>
<td>- Based on a review of invoices/receipts, the SFA was not compliant with equitably spreading purchases among all qualified sources/vendors. [2 CFR 200.320(a)]</td>
<td>- To the extent practicable, the SFA will distribute micro-purchases equitably among all qualified sources/vendors.</td>
<td>- General Procurement Information</td>
</tr>
<tr>
<td></td>
<td>- The SFA was not compliant with maintaining sufficient records to detail the significant history of the procurement process. [2 CFR 200.318(i)]</td>
<td>- The SFA will ensure that records are sufficiently maintained to detail the significant history of the procurement process. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of the contract type, solicitation documents/specifications, contractor selection or rejection, and the basis for the contract price (as applicable). These records, along with all other procurement documentation, will be retained on file for three years plus the current year.</td>
<td>- Micro Purchase Procedures CN Snip-Its on Micro Purchases</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Micro Purchase Threshold Guidance on Procurement Methods: Thresholds</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Record Retention Relating to Procurement</td>
</tr>
</tbody>
</table>
**Procurement Review Common Findings**

**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 women's business enterprises and surplus labor firms are used when possible.

- 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.
IF THIS SEEMS OVERWHELMING...

- START EARLY
- ASK QUESTIONS
- SUBMIT REQUESTED INFORMATION BY REQUESTED DATES
- BE RESPONSIVE
- USE YOUR TEAM TO GET PREPARED
This concludes the Procurement Review Process

New York State Education Department
• Child Nutrition Program Administration

• (518)473-8781
• CN@nysed.gov