

# Using Small Purchase (Informal Procurement) Procedures

The *Informal Bid Quote Worksheet* may be used to document all price quotes received as a result of a School Food Authority's (SFA) solicitation for purchasing products/services with an estimated value of less than the SFA's most restrictive small purchase threshold while ensuring the four key concepts of procurement are being met. SFAs must develop written specifications and technical requirements including the requirement to purchase domestic commodities and products; solicit price quotes from at least three vendors in order to achieve competition and satisfy federal procurement requirements; document the price quotes and all other pertinent information discussed with the responsive bidders; and ensure all bidders receive the same product specifications. All procurement records must be kept for three years plus the current year from the date the last invoice is paid.

## Pre-Bid Instructions (Required for ALL Procurements)

- (1) Build quality business relationships with vendors
- (2) Brainstorm, forecast & budget
  - How will **local** foods be integrated into current CN programs, how many students are involved, how much product is needed and how much can be spent?
- (3) Refer to federal, State & local procurement regulations
  - Estimate the dollar amount of the procurement, determine what threshold the procurement will fall under, and follow the most restrictive regulations.

### Four Key Concepts

1. American Grown
2. Free & Open Competition
3. Federal, State & Local Regulations
4. Responsible & Responsive Vendors

## Small Purchase (Informal Procedures)

- (1) Draft solicitation document
  - Written specifications and technical requirements
  - *Apple example*

Identify and contact a minimum of three vendors, provide the solicitation and document all bids, quotes and correspondence

  - Sample *Informal Bid Quote Worksheet*
  - Solicitation document includes written specifications and technical requirements
  - If by phone, read off solicitation to potential bidders
- (3) Evaluate bidders' responses to your specifications
  - Evaluate each response to determine which are responsive and responsible
  - Document all bids regardless of correspondence method
- (4) Award the contract
  - Determine the most responsive and responsible bidder at the lowest price, document why the vendor was selected, and why unawarded bids were rejected
  - Contact bidder of the best value and arrange for purchasing, ordering and delivery
  - Contact unawarded vendors to notify rejection
- (5) Manage the contract
  - Consistently monitor invoices and product quality to ensure vendors perform according to the agreed upon prices, specifications, technical requirements, terms and conditions
  - Maintain documentation of returns and exchanges

**Target Local!**

- **DO:** include the "Buy American Provision" as a specification
- **DO NOT:** use the word "local" as a specification

### **Responsive:**

*The vendor's product meets specifications*

### **Responsible:**

*The vendor is willing & able to successfully fulfill the terms & conditions*

[www.cn.nysed.gov/farmtoschool](http://www.cn.nysed.gov/farmtoschool)



**Maintain Records**

1. Rationale for the method of procurement
2. Selection of contract type
3. Vendor selection or rejection
4. Basis for contract price

## INFORMAL BID QUOTE WORKSHEET EXAMPLE

<b>Product Name:</b> Apples	<b>Term of Agreement:</b> SY 2018-19: Sep 01 – Oct 30
<b>Specifications:</b>	Granny Smith or local variety, US. Fancy or No. 1, w/ preference for a monthly cafeteria visit
<b>Estimated Quantity:</b>	Prefer (5) 185 count boxes /wk but willing to consider other pack sizes for Dec- Sep
<b>Delivery Requirements:</b>	Delivered w/in 48 hrs at minimum 1x /wk two both Elementary & HS locations
<b>Payment Terms:</b>	Payment will be made directly to vendor w/ 30 days of invoice given all requirements are met
<p><i>"By submitting a proposal/bid, the bidder acknowledges and certifies that his/her company complies with the Buy American provision that the product is of domestic origin or the product is substantially produced in the United States. For these purposes, substantially means over 51% of the processed food is from U.S. produced products. If the bidder is unable to certify compliance with the Buy American Provision, the bidder shall state this in his/her response and provide an explanation as to why it cannot certify compliance."</i></p>	

<b>#1</b>	<b>Vendor:</b> Art's Apples	<b>Date Contacted:</b> 04/03/18
	<b>Contact Person:</b> Arthur	<b>Written Quote Rec'd?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<b>Phone # /Email:</b> Arthur@Art'sApples.F2S (visited store to obtain prices)	<b>Duration of price quote:</b> 60 days
	<b>Price / Quantity:</b> \$39 /box (extended price- \$2.50/lb)	<b>Contract awarded?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Comments:</b> Will provide GS &amp; Red Jackets; Arthur agreed to visit the school in Sep while apples are featured as "Harvest of the Month" and during farm to school week (Oct)  <math>[\\$39 (5)] * 8 \text{ wks} = \\$1560</math></p> <p style="text-align: right; color: red;"><b>Most responsive and responsible bidder at the lowest price</b></p>		

<b>#2</b>	<b>Vendor:</b> Olivia's Orchard	<b>Date Contacted:</b> 04/01/18
	<b>Contact Person:</b> Olivia Benson (Olivia_Benson@Oliviasorchard.F2S)	<b>Written Quote Rec'd?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<b>Phone # /Email:</b> ✓ Spoke to via phone – (518) 555.4698	<b>Duration of price quote:</b> N/A
	<b>Price / Quantity:</b> -----	<b>Contract awarded?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p><b>Comments:</b> No apples this year, does have berries. Recommends trying back next fall.</p> <p style="text-align: right; color: red;"><b>Vendor is not responsive</b></p>		

<b>#3</b>	<b>Vendor:</b> Apple Crunch, Inc.	<b>Date Contacted:</b> 04/01/18
	<b>Contact Person:</b> Farmer Fred	<b>Written Quote Rec'd?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<b>Phone # /Email:</b> (518) 555.4156 / FarmerFred@Applecrunch.F2S	<b>Duration of price quote:</b> 60 days
	<b>Price / Quantity:</b> \$37 /box	<b>Contract awarded?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p><b>Comments:</b> Price provided by phone, confirmed in writing (included in folder). Will not guarantee visit to cafeteria. A monthly \$5 surcharge will be charged for delivery to only one site  <math>[\\$37 (5)] * 8 \text{ wks} = \\$1480 + (\\$5 * 2) = \\$1490</math></p> <p style="text-align: right; color: red;"><b>Not Responsible - Does not meet specs or delivery req's</b></p>		

Signature of Person Completing this form: <i>Jane Procurement, FSD</i>	Date: 04/15/18
--	----------------

# SAMPLE INFORMAL BID QUOTE WORKSHEET

<b>Product Name:</b>	<b>Term of Agreement:</b>
<b>Product Specifications:</b>	
<b>Estimated Quantity:</b>	
<b>Delivery Requirements:</b>	
<b>Payment Terms:</b>	
<i>"By submitting a proposal/bid, the bidder acknowledges and certifies that his/her company complies with the Buy American provision that the product is of domestic origin or the product is substantially produced in the United States. For these purposes, substantially means over 51% of the processed food is from U.S. produced products. If the bidder is unable to certify compliance with the Buy American Provision, the bidder shall state this in his/her response and provide an explanation as to why it cannot certify compliance."</i>	

<b>#1</b>	<b>Vendor:</b>	<b>Date Contacted:</b>
	<b>Contact Person:</b>	<b>Written Quote Rec'd?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
	<b>Phone # /Email:</b>	<b>Duration of price quote:</b>
	<b>Price / Quantity:</b>	<b>Contract awarded?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Comments:</b>		

<b>#2</b>	<b>Vendor:</b>	<b>Date Contacted:</b>
	<b>Contact Person:</b>	<b>Written Quote Rec'd?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
	<b>Phone # /Email:</b>	<b>Duration of price quote:</b>
	<b>Price / Quantity:</b>	<b>Contract awarded?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Comments:</b>		

<b>#3</b>	<b>Vendor:</b>	<b>Date Contacted:</b>
	<b>Contact Person:</b>	<b>Written Quote Rec'd?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
	<b>Phone # /Email:</b>	<b>Duration of price quote:</b>
	<b>Price / Quantity:</b>	<b>Contract awarded?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Comments:</b>		

<b>Signature of Person Completing this form:</b>	<b>Date:</b>
--	--------------