October 9, 1993

Reply to attn of: MWCN-100*:* NT 6

Subject: FY 93 School Programs Policy Memorandum #4

Bid and Procurement Requirements Between School Food Authorities

State Directors

Child Nutrition Programs

This is to confirm the policy regarding the bidding and procurement responsibilities when one school food authority (SFA) plans to purchase meals from a separate SFA. The responsibilities will differ depending on whether the SFA providing the meals is under a food service management company (FSMC) contract.

The longstanding FNS policy has been that an SFA may contract with another SFA to provide meals in the Child Nutrition Programs without going out for bid. This is allowable even though total amounts may exceed $10,000. However, this is only the case when the provider SFA is not under a FSMC contract. The SFA providing the meals must be functioning under what is commonly called "self-operating".

SFAs must follow all applicable federal bidding and procurement requirements when meals will, potentially, be provided by an SFA that is already under a FSMC contract. As always, if the SFA which will be providing meals has not yet entered into a FSMC contract and another SFA will receive their meals from this SFA, the requirements for both SFAs should be written into the contract prior to being awarded.

If you have any questions regarding this policy, please contact our office.

Signed by Theresa E. Bowman

THERESA E. BOWMAN

Regional Director

Child Nutrition Programs