**Procurement Methods**

**Procurement Methods**

As required by 2 Code of Federal Regulations parts 200.320 Methods of procurement to be followed.

The SFA utilizes the following procurement methods with associated purchasing thresholds.

**Summary of Procurement Methods:**

**Micro-Purchases**

* May be used when contract value is less than $\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Federal and state threshold is $3,500
  + - Must be compliant with 2 CFR § 200.67 and 2 CFR § 200.320(a)

**Small Purchases**

* Also known as 3 Bids and a Buy
* Must be compliant with 2 CFR §200.320(b)
* May be used when contract value is less than $\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + - Federal and state threshold is $150,000

**Sealed Bid**

* Procurement tool used: Invitation for Bid (IFB)
* Must be used when contract value is greater than $\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + - Federal and state threshold is $150,000
* Must be compliant with 2 CFR §200.320(c)

**Competitive Proposal**

* Procurement tool used: Request for Proposal (RFP)
* Must be used when contract value is greater than $\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + - Federal and state threshold is $150,000
* Must be compliant with 2 CFR §200.320(d)

**Procurement by Noncompetitive Proposals**

* Must be compliant with 2 CFR §200.320(f)

# Micro-Purchases

Micro-Purchases: Micro-purchase means an acquisition of products or services where the aggregate amount does not exceed $\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

***Competition***: Purchases within the micro-purchase threshold can be awarded without soliciting competitive price quotations if the price is reasonable.

***Purchases***: To the extent practicable, purchases must be distributed equitably among qualified suppliers with reasonable prices.

This distribution of purchases among qualified suppliers can happen in one of two ways; at the time of the purchase or over several purchasing events. For example a school procuring apples may purchase them either:

1. from various suppliers at the same time (the total of the purchases cannot exceed $3,500), or
2. choose one supplier for the purchase of the apples and another supplier the next time apples need to be purchased (each of the purchases cannot exceed $3,500).

***Reasonable Price***: Ways to verify the reasonableness of a price is to compare previous purchases, have personal knowledge of the item being purchased, or compare to similar items being purchased.

***Records***: Records still need to be kept for all purchases regardless of the procurement method used, including micro-purchases.

***Federal regulatory definition for a micro-purchase (2 CFR §200.67)***

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-federal entity's small purchase procedures. The non-federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is $3,500 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

***Federal regulation for a micro-purchase (2 CFR §200.320(a))***

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-federal entity considers the price to be reasonable.

**Small Purchase**

Procurement by Small Purchase Procedures 2 CFR §200.320(b)

Small purchase procedures are those relatively simple and informal procurement methods used to purchase:

* services,
* supplies, or
* other property that does not cost more than the Simplified Acquisition Threshold.

Small purchase procedures are used when estimated value of the purchase of awarded contract is less than the Simplified Acquisition Threshold.

* Federal and DPI Simplified Acquisition Threshold is $150,000 (2 CFR §200.88).
* School food service department Simplified Acquisition Threshold (sometimes called Small Purchase Threshold) is $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

If small purchase procedures are used, price or rate quotations (bids) must be obtained from an adequate number of qualified sources. This purchase procedure is sometimes referred to as “3 Bids and a Buy.”

* Public notice is not required (example newspaper ad).
* Price or rate quotations can be opened at any time.
* Price or rate quotations can be either verbal or written.
* Awarded contract (purchase) is based on lowest price from a responsible bidder who submits a responsive bid.
* Records must to be kept for all purchases regardless of the procurement method used; including small purchase.

**Sealed Bids**

Procurement by Sealed Bids 2 CFR §200.320(c)

Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid:

* conforms with all the material terms and conditions of the invitation for bids
* is the lowest price.

Sealed Bids purchase procedures are used when estimated value of the purchase of awarded contract is equal to or greater than the Simplified Acquisition Threshold.

* Federal and DPI Simplified Acquisition Threshold is $150,000 (2 CFR §200.88).
* School food service department Simplified Acquisition Threshold (sometimes called Small Purchase Threshold) is $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

\*Procurement tool used for sealed bids is call an Invitation for Bid (IFB)\*

\*Awarded contract (purchase) is based on lowest bid\*

The sealed bid method is the preferred method for procuring construction, if the conditions in 2 CFR §200.320 (c) (1) of this section apply.

1. In order for sealed bidding to be feasible, the following conditions should be present:
2. A complete, adequate, and realistic specification or purchase description is available.
3. Two or more responsible bidders are willing and able to compete effectively for the business.
4. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
5. If sealed bids are used, the following requirements apply:
6. Bids must be solicited from:
   * + an adequate number of known suppliers,
     + providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments,
     + the invitation for bids must be publicly advertised.
7. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
8. All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly.
9. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of.
10. Any or all bids may be rejected if there is a sound documented reason.

**Competitive Proposals**

Procurement by Competitive Proposals 2 CFR §200.320(d)

The technique of competitive proposals is normally used when:

* more than one source submit an offer.
* either a fixed price or cost reimbursement type contract is awarded

Competitive Proposals purchase procedures are used when estimated value of the purchase of awarded contract is equal to or greater than the Simplified Acquisition Threshold.

* Federal and DPI Simplified Acquisition Threshold is $150,000 (2 CFR §200.88).
* School food service department Simplified Acquisition Threshold (sometimes called Small Purchase Threshold) is $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Procurement Tool: Request for Proposal (RFP)**

Awarded contract (purchase) is based on highest number of points.

* Cost must be most weighted criteria.

An RFP is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

1. RFP must be publicized and identify all evaluation factors and their relative importance. Any response to publicized RFPs must be considered to the maximum extent practical.
2. Proposals must be solicited from an adequate number of qualified sources.
3. Offers cannot be opened until after a close date and time for accepting offers.
4. The schools must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
5. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

**Using a RFP to Procure Products and Services**

A Request for Proposal (RFP) is a solicitation whose associated award evaluation and vendor selection process is predicated on a best value evaluation, rather than strictly upon award to the lowest priced responsive and responsible vendor. This type of evaluation is a sensitive and demanding process, and detailed guidelines have been developed to ensure such evaluations are conducted in an appropriate and accurate manner. The following section provides an overview of those procedures to enable the SFA to prepare for, and participate in, negotiated acquisitions in conjunction with the SFA Purchasing Department.

**Formation and Performance of Evaluation and Selection Committees**

The school food service department is responsible for the review of all proposals for responsiveness before distributing them to the selection committee. A proposer is considered responsive if the proposal conforms in all material respects to the terms and conditions in the solicitation.

**Selection Committees Members**

The school food service department will determine the number and makeup of the selection committee.

1. Each member must have no personal or financial interest in any contractor which has submitted a proposal to the school food service department.
2. Each member must have a professional interest that the recommendations of the committee can be supported and defended legally and ethically.
3. Each member must have a professional interest that the recommendations of the committee will lead to the selection of a contractor which will provide goods or services that is the best value for the school food service department.

The school food service department shall serve as the selection committee organizer and may not award points for proposals.

**First Meeting with Selection Committee**

The school food service department shall conduct a first meeting with the selection committee to ensure that each member has a clear understanding of their duties and responsibilities in the selection process. A copy of these guidelines, the solicitation and any addenda, each proposer’s submittal, and a copy of the evaluation criteria will be distributed to committee members.

**Conflict of Interest**

Once proposals have been received, and it is known which proposers are involved in the evaluation competition, each member of the selection committee will be informed. Each member will be asked if the member has a personal or financial interest in any proposer, and if the member understands and can perform impartially within the selection committee guidelines. If a conflict of interest exists or appears to exist, that member will be disqualified from the committee.

*Committee Rules and Procedures*

All evaluators on the selection committee are required to apply sound and unbiased judgment in awarding points to the proposals for the purpose of ranking them.

It is very important that all selection committee members read the solicitation thoroughly and have a clear understanding of the requirements and evaluation criteria before attempting to evaluate the proposals. All questions should be directed to the school food service department.

1. The selection committee meetings must follow the appropriate requirements for public meetings at the school.
2. Selection committee members are prohibited from communicating with anyone, either verbally or in writing, regarding the proposals, outside of the scheduled and publicly noticed selection committee meetings. Violations may have legal and ethical ramifications. If a contractor or proposer contacts a committee member, the member must refer the contractor or proposer to the school food service department. Selection committee members are prohibited from participating in individual meetings, informal consultations, lunches, entertainment or any other direct or indirect contact with contractors or proposers.
3. After receipt of proposals, each committee member must review and evaluate each proposal independently, without discussing their evaluation with other committee members.
4. Evaluations must be based on the criteria established in the solicitation. All criteria must be scored. If a member elects to score only some of the proposals or criteria, the evaluations completed by that member will be thrown out in order to prevent skewing of the final scores.
5. Evaluations must be both qualitative and quantitative based on the evaluation criteria outlined in the solicitation. If a member enters a score of zero (0) in any category, that member must identify the deficiency and provide a written explanation for the zero (0) score. All scores and comments become part of the solicitation and contract file and are subject to disclosure under the Florida Public Records Law. Committee members should have a reasonable, rational, and consistent basis for their scores, and be prepared to explain their scores in the event of a protest or inquiry.
6. Prior to the selection committee meeting, any questions, clarifications, or additional information to a proposed by the committee must be submitted in writing through the school food service department. The school food service department is responsible for obtaining a written response from the proposer and sharing the response with all committee members prior to the first meeting.
7. Score sheets must be completed prior to the committee meeting where rankings will be determined. After the selection committee members have independently completed the initial review and scoring of all proposals, the committee will convene and openly discuss the proposals. Members may adjust their initials scoring based on their interpretation of any additional information gained from the committee’s discussions. After all discussions have been completed each committee member shall finalize their scores. Each member is required to sign the score sheet and any note pages and submit them to the school food service department as part of the public record.
8. Score sheets will be tabulated and ranked from the highest to the lowest by the school food service department.
9. Depending on the outcome of the scoring, the committee will recommend one of the following:
   * Award the contract to the highest ranked proposer; or
   * Short-list the top ranked proposers and request scheduling of oral presentations,
10. If the committee recommends awarding the contract to the highest ranked proposal, no further action is required by the selection committee.
11. If oral presentations are requested, the selection committee shall identify which proposers will be asked to provide oral presentations. The selection committee may request oral presentations from as many proposers as necessary; however, it is recommended that the committee come to a consensus and request presentations only from the top-ranked proposers.
12. When oral presentations are requested by the selection committee, the members shall submit a written request to the school food service department for specific areas needing additional explanation and/or clarification or any other information the committee would like the proposers to provide during the oral presentations.
13. All proposers selected for oral presentations will be notified in writing by the school food service department, identifying the date, time, location, with a uniform script listing the specific questions or information requested by the selection committee to be addressed at the presentation.
14. Prior to the oral presentations, the school food service department will provide the evaluation criteria and score sheets to the selection committee.
15. During the oral presentations, committee members will be able to ask questions of the proposers for a clear understanding of each proposer’s position.
16. After oral presentations are completed, the committee will have the opportunity to continue discussions among themselves. After discussions are completed, each member shall finalize their scores. Each member is required to sign the score sheet and any note pages, and submit them to the school food service department as part of the public record.
17. Score sheets will be tabulated and ranked from the highest to the lowest by the school food service department. The award recommendation will be for the proposer with the highest ranked score.
18. The selection committee shall work with the school food service department on a recommendation to award for processing through the school board or as appropriate.
19. All internal workings of the selection committee shall be kept confidential until the committee has completed its work and all proposers have been officially notified of the selection.

**Noncompetitive Procurements**

Procurement by Noncompetitive Proposals 2 CFR §200.320(f)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

**Procurement tool: Request for Proposal (RFP)**

Awarded contract (purchase) is based on negotiations.

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The USDA FNS or DPI expressly authorizes noncompetitive proposals in response to a written request from the non-federal entity; or
4. After solicitation of a number of sources, competition is determined inadequate.

**Emergency Procurements**

If necessary the school food service department may conduct emergency purchase to continue uninterrupted service, the purchase shall be made using noncompetitive negotiation to establish contract terms and price. A log of all such purchases shall be maintained and reviewed monthly by the school food service department. The log of emergency purchases shall show:

* Item name
* Dollar amount
* Vendor
* Reason for emergency

**Sole Source Procurements (Limited Competition)**

Sole source procurement are purchases of a specific item which is available from only one contractor who is the sole manufacturer and distributor of the item. The school food service department must document its justification for needing the item and why only this specific item will meet this need.

When faced with a sole source procurement, the school food service department must obtain DPI approval, and then go directly to the one source to negotiate terms, conditions, and prices.

If the school food service department receives an inadequate number of responses to its solicitation and it is determined the procurement resulted in a lack of competition, the school food service department must review the solicitation document to ensure no overly restrictive requirements or specification were used, an inadequate number of contractors were solicited, or not enough time was provided for contractors to respond to the solicitation document.