PROCUREMENT PLAN
CHILD NUTRITION PROGRAM

This procurement plan contained on the following pages 1 through 8 will be implemented on July 1, 2018 from that date forward until amended. All procurements must adhere to free and open competition. Source documentation must be available to determine open competition, the reasonableness, the allowability and the allocation of costs.

Chairman, Board

Date

Executive Director

Date

Procurement Officer

Date

(Rev. ________)

1 of 8
PROCUREMENT PLAN

A. General Procurement Standards
   
   - This co-operative provides this plan to member SFAs participation in the USDA’s Child Nutrition Programs for whom this co-operative provides procurement services.
   - This co-operative uses procurement procedures that reflect state and local law while also ensuring compliance with applicable federal law.

B. Procurement Management

The Bidding Coordinator is primarily responsible for overseeing all procurement for this co-operative on behalf of SFA members that participate in the USDA’s Child Nutrition Programs. This responsibility includes, but is not limited to, the responsibilities set forth below:

   - Managing contacts and overseeing vendors and/or ensuring that vendors perform in accordance with the terms, conditions, and specifications of vendor contracts and/or purchase orders.
   - Ensuring that vendors who develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals are excluded from competing for such contracts and/or purchase orders.
   - Ensuring that all contractual and administrative issues arising out of procurements for the SFA’s food service department is handled in accordance with good administrative practice and sound business judgment.
   - Ensuring that sufficient records detailing the co-operative’s procurement history are maintained.
     - The records maintained for contracts include, at a minimum, the following records:
       - Rationale for methods of procurement
       - Selection of procurement type
       - Selection or rejection of vendor
       - Basis for contract price
     - These records are maintained for at least three years after a contract expires or longer if otherwise required by law.
   - Ensures that the co-operative maintains policies and/or procedures that govern the conduct of employees who are engaged in the selection, award, and administration of contracts for member SFAs. These policies and procedures can be found at http://www.kentuckyvalley.org. These policies and procedures meet the minimum requirements set forth in federal law.
   - Ensures that the co-operative maintains policies and/or procedures that cover organizational conflicts of interest in accordance with the requirements of federal law.
   - Ensures that all procurement transactions conducted for SFA’s food service department is conducted in a manner that provides full and open competition in accordance with federal law.
C. Type of Procurement Conducted on behalf of member SFAs (Check all that apply)

X Co-operative contracts with a third party other than a co-operative recognized under Kentucky state law to conduct SFA procurement.

- Third party procurement services were competitively procured using a competitive bid process.
- A copy of the solicitation and final awarded contract is attached here at TAB ___1_____.
- The third party conducts the following procurement on behalf of the SFA:
  o Primary Vendor-Groceries, Non-Food
  o supplies, etc.
  o
  o
  o
  o

- A copy of the third party’s procurement plan is attached hereto at TAB _____________.

X Co-operative conducts procurement on behalf of SFA members.

- The co-operative conducts the following types of procurement on behalf of the SFA:
  o Milk/Ice Cream
  o Fresh Bread/Bakery
  o Beverages
  o Cleaning Supplies/Paper Products
  o Clean & Sanitize Supplies
  o Pest Control

D. Procurement

Procurement Methods (Check all that apply)

N/A INFORMAL PROCUREMENT
Procurement by Small Purchase Procedure

Co-operative Simplified Acquisition Threshold is ___N/A_______.
The Purchaser for your district is responsible for making purchases using the Small Purchase Procedure. Responsibilities include, but are not limited to the following:

- Contacting potential vendors when price quotes are needed from at least three qualified sources.
- Ensuring the confidentiality of price quotes are maintained until purchase is made.
- Ensuring small purchases are made based on the lowest price.
- Ensuring documentation is maintained and includes at least the written specifications used, identification of vendors contacted, vendor price quotes received, and vendor selected.

___N/A_________ is responsible for overseeing the small purchase process.
• Requirements are identified that must be fulfilled as well as all other factors used in evaluating bids or proposals.

○ Solicitation Requirements for cost reimbursable contracts
  • The school food authority must include the following provisions in all cost reimbursable contracts, including contracts with cost reimbursable provisions, and in solicitation documents prepared to obtain offers for such contracts:

(i) Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority;

(ii)(A) Contractor will separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or (B) Contractor will exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification;

(iii) Contractor's determination of its allowable costs will be made in compliance with the applicable Departmental and Program regulations and Office of Management and Budget cost circulars;

(iv) Contractor will identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the school food authority for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit.

(v) Contractor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract; and

(vi) Contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the State agency, or the Department.

○ **ALL** contracts contain provisions covering the following, as applicable.

  • Contracts for more than the simplified acquisition threshold address administrative, contractual, or legal remedies in instances where contractors
violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

- All contracts in excess of $10,000 address termination for cause and for convenience including the manner by which it will be effected and the basis for settlement.

- When a federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

- Contracts in excess of $150,000 contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

- Contract awards are not made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.”

N/A NON-COMPETITIVE NEGOTIATION

Non-competitive negotiation is used when items are available ONLY from a single source and when the award of a contract is not feasible under small purchase or formal purchase procedures.

N/A is responsible for handling emergency purchases. Responsibilities include, but are not limited to the following:

- Ensuring that written specifications are prepared and provided to the vendor.
- Ensuring that a record of non-competitive negotiation is maintained including, at a minimum, the following:
  - item name
  - dollar amount
  - vendor, and
  - reason for non-competitive procurement

- Kentucky Department of Education, School and Community Nutrition approves, in advance, all procurements that result from non-competitive negotiations.
- Ensuring documentation that the actual product or service specified was received is maintained.

EMERGENCY OR “PRESSING NEED” PURCHASES

N/A is responsible for handling emergency purchases. Responsibilities include, but are not limited to the following:

- Ensuring that the actual product or service specified is received.
- Ensuring that a record of the emergency purchase procedure is maintained and available for audit and review. The record includes, at a minimum, the following:
  - item name
  - dollar amount
  - vendors contacted, and
  - reason for emergency

- Kentucky Department of Education, School and Community Nutrition approves, in advance, all emergency procurements that exceed $20,000.00.

Procurement by Category (Check all that apply)

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- Co-operative utilizes the following methods for the following purchase categories:

<table>
<thead>
<tr>
<th>Category</th>
<th>Procurement Method</th>
<th>Evaluation Used</th>
<th>Contract Award Type</th>
<th>Contract Duration/Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries/Food (Third Party)</td>
<td>Formal/RFP</td>
<td>Score Sheet</td>
<td>Term Contract</td>
<td>1 year w/4-1 year renewals optional</td>
</tr>
<tr>
<td>Dairy</td>
<td>Formal/IFB</td>
<td>By Price</td>
<td>Term Contract</td>
<td>1 year</td>
</tr>
<tr>
<td>Fresh Bread/Bakery</td>
<td>Formal/IFB</td>
<td>By Price</td>
<td>Term Contract</td>
<td>1 year</td>
</tr>
<tr>
<td>Beverages</td>
<td>Formal/IFB</td>
<td>By Price</td>
<td>Term Contract</td>
<td>1 year</td>
</tr>
<tr>
<td>Cleaning Supplies</td>
<td>Formal/IFB</td>
<td>By Price</td>
<td>Term Contract</td>
<td>1 year</td>
</tr>
<tr>
<td>Clean &amp; Sanitize</td>
<td>Formal/IFB</td>
<td>By Price</td>
<td>Term Contract</td>
<td>1 year</td>
</tr>
<tr>
<td>Pest Control</td>
<td>Formal/IFB</td>
<td>By Price</td>
<td>Term Contract</td>
<td>1 year</td>
</tr>
</tbody>
</table>