



Texas Department Of Agriculture School Nutrition Programs

P R O C U R E M E N T



OVERVIEW

Contracting entities (CEs) must obtain goods and services at the lowest possible price by utilizing a multi-step process called procurement. The steps in this process include:

- Planning
- Writing specifications
- Announcing/advertising the procurement
- Awarding a contract
- Managing the contract



Procurement standards for the School Nutrition Programs (SNP) can be found in the U.S. Code of Federal Regulations (CFR)¹ and the Administrator's Reference Manual (ARM)². At a minimum, the regulations require participating CEs to do the following:

- Develop and maintain a **written standard (or code) of conduct**—The code of conduct covers conflicts of interest, including organizational conflicts of interest, and governs the performance of employees engaged in the selection, award and administration of contracts.
- Develop and maintain **written procurement procedures**—These procedures must be designed to avoid unnecessary or duplicate acquisitions.
- Conduct procurements in a manner that promotes full and open competition.

TYPES OF PROCUREMENT

Micro-purchase Procedures: The process for procuring goods or services when the dollar aggregate amount does not exceed \$10,000 or the CE's more restrictive threshold. Purchases must be distributed equitably among qualified suppliers.

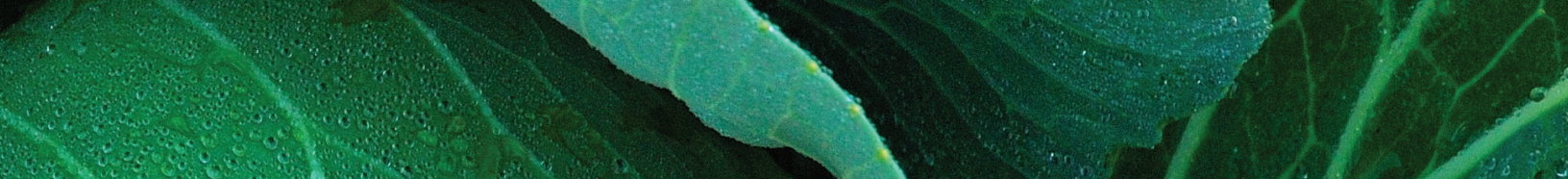
Small Purchase Threshold: The process for procuring goods or services when the total dollar amount is less than the CE's applicable simplified acquisition threshold. TDA's simplified acquisition threshold is equal to or less than \$50,000. The Texas Education Agency's is less than \$50,000.

Formal Purchase Procedures (Invitation for Bid [IFB] or Request for Proposal [RFP]): The process for procuring goods or services when the dollar amount exceeds the CE's most restrictive simplified acquisition threshold.

Noncompetitive Procurement: The process for procuring goods or services through a noncompetitive contract. The ARM details information on when this type of procurement is allowed.

¹ U.S. Code of Federal Regulations, sections 200.318–200.326 and 7 CFR, parts 210, 225, 226, and 250

² USDA Administrator's Reference Manual, Section 15, Program Integrity



All CEs scheduled for a procurement review must submit the following documents to the Texas Department of Agriculture (TDA):

- Written code of conduct
- Written procurement procedures
- Procurement table — a list of all the procurement methods utilized per vendor with dollar amounts found in the Procurement Review tool provided by TDA
- Vendor paid list/summary report — a report from the CE’s accounting system of total expenditures by vendor (nonprofit school food service account funds only)



TDA may also request the additional documents listed below. TDA will notify the CE which additional documents are required based on the CE’s completed procurement table.

(Please note: The below list is not fully all-inclusive and additional documents may be requested. Also, as FSMC is a form of formal procurement and the formal documents in formal procurement such as the solicitation document, contract, amendments, etc. will also be requested.)

Procurement Type

Additional Documentation Type

Micro-purchases	<ul style="list-style-type: none"> • Purchase orders • Receipts/invoices
Simplified Acquisition/ Small Purchases	<ul style="list-style-type: none"> • Solicitation documents • Evaluation of responses • Purchase orders • Receipts/invoices
Formal Procurements	<ul style="list-style-type: none"> • Solicitation documents • Contract provisions • Bidder responses • Evaluation documentation for all responses • Executed contracts • Contract renewal/addendum/amendments, if applicable • Invoices (minimum of 3 vendor invoices identifying goods/ services procured and amount paid) • Cost/price analysis documentation
Food Service Management Company (FSMC)	<p>Base Year Renewal Year</p> <ul style="list-style-type: none"> • Notification to vendors of rejected bids/offers • FSMC invoices (minimum of three FSMC invoices) • Records demonstrating USDA Foods credits total for prior year (both fixed-price and cost-reimbursable contracts) • Records showing the reconciliation of discounts, rebates, credits (cost-reimbursable contracts only) <p>Renewal Year</p> <ul style="list-style-type: none"> • FSMC invoices • Documentation showing the reconciliation of discounts, rebates, credits, (cost reimbursable contracts only) • Documentation demonstrating the reconciliation of USDA Foods (for prior year – both fixed-price and cost-reimbursable contracts)

ADDITIONAL INFORMATION

For more information, please refer to the following:

- National School Lunch Program (NSLP) and School Breakfast Program (SBP) webpages
- Administrator's Reference Manual
 - Section 15, Program Integrity
 - Section 16, Financial System
 - Section 16a, Contract Management
 - Section 17, Procurement
 - Section 17a, Procurement Procedures
 - Section 17b, Buy American
 - Section 17c, Cooperative Purchasing

Please note: List above is not fully all-inclusive and additional documents may be requested.

[SquareMeals.org/Programs/NationalSchoolLunchProgram/NSLPPolicy&ARM](https://www.squaremeals.org/Programs/NationalSchoolLunchProgram/NSLPPolicy&ARM)

Submit inquiries regarding NSLP and SBP to TDA via email to
CE.ProcurementReviews.BOps@TexasAgriculture.gov

For CEs that do not have access to email, please contact TDA at (877) TEX-MEAL.

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Food and Nutrition Division
National School Lunch Program

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