POLICY ALERT

Date: July 18, 2006
Reference: # CACFP DCH 2006-17
To: Child and Adult Care Food Program-Day Care Homes (CACFP-DCH) Sponsors
Subject: Federal Procurement Regulations
Effective Date: Immediately

Purpose

This Policy Alert:
• Supplements Section 7000, Procurement, of the CACFP-DCH Handbook
• Replaces Notice CACFP DCH 2005-02, Contract Procurement

DCH sponsors are prohibited from awarding contracts to any entity that develops or drafts procurement documents.

Implementation

Immediately

Procedure

DCH sponsors cannot allow any entity bidding for a contract award to develop:
• Specifications
• Requirements
• Statements of work
• Invitations for bids
• Requests for proposals
• Contract terms and conditions
• Other procurement documents

DCH sponsors must draft their own specifications and procurement documents. Any DCH sponsor that copies a list of features or evaluation and ranking criteria drafted by a potential vendor and then permits that potential vendor to submit a bid has violated both Federal and State procurement regulations.

It is understood that DCH sponsors have broad discretion in gathering information for use in connection with procurements, any information from potential bidders must be appropriately modified to develop tailored specifications; otherwise these bidders must be excluded from competing for such procurements. This is to ensure objective sponsor performance and eliminate unfair competitive advantage.

Exception: If the DCH sponsor chooses to use a vendor’s information or assistance in developing procurement documents and the vendor is allowed to compete for the award, then the DCH sponsor must not use any CACFP funds for the resulting award.

continued

This Policy Remains in Effect Until Further Notice
Protests
Any action which diminishes open and free competition undermines the integrity of the procurement process and may subject the sponsor to bid protests. Therefore, DCH sponsors must have protest procedures in place to handle and resolve disputes relating to their procurements, and must disclose information regarding a protest to the Special Nutrition Programs.

Adverse Action
If Special Nutrition Programs determines that you have not complied with procurement requirements, you will be required to take corrective action. If corrective action is not taken, DCH sponsors may be placed in the serious deficiency process. Please refer to Policy Alert CACFP DCH 2006-03, *Additional Serious Deficiency Determination for Participating Providers*, for detailed information regarding the serious deficiency process.

Authority
United States Department of Agriculture (USDA) correspondence 2006-SNP-06

Contact
If you have any questions please contact your Area Program Office.