NOTICE

Date: June 30, 2006
Reference: # NSLP/SBP 2006-15
To: National School Lunch/School Breakfast Program (NSLP/SBP) Contractors
Subject: Record-Keeping Requirements

Purpose
This Notice reemphasizes and clarifies record retention requirements, in relation to contract and procurement documentation.

Procedure
When a contract is continued or renewed annually or recorded at other intervals, the retention period for the records of the contract period starts on the date the final payment is recorded in connection with the final renewal of the contract and not the initial contract execution. The three-year and 90-day record retention period does not begin until the final contract renewal period has expired and/or the final payment is recorded, whichever occurs first.

Actions such as bid protests, litigation, and audits may result in an extension of the three year and 90-day record retention period. In such cases, the records must be retained until the completion of the action and resolution of all issues arising from it, or the expiration of the regular three year and 90-day period whichever occurs latest.

Examples of such records are:
- A written rationale for the method of procurement
- A copy of the Request for Proposal or the Invitation For Bid
- The selection of contract type (fixed price or cost reimbursable)
- The bidding and negotiation history
- The basis for contractor selection
- Approval from Special Nutrition Programs (SNP) to support a lack of competition when competitive bids or offers are not obtained
- The basis for award cost or price
- The terms and conditions of the contract
- Any changes to the contract and negotiation history
- Billing and payment records
- A history of any contractor claims
- A history of any contractor breaches

continued
Adequate procurement methods and records as described in the NSLP/SBP Handbook, Section 7000, are required for receiving program payments. If procurement records generated during the performance of the contract award do not demonstrate compliance with applicable procurement requirements, the following penalties may occur:
- Disallowance of costs
- Termination of contract
- Request contractor to issue a stop work order
- Debarment or suspension
- Other actions deemed appropriate

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