



# WHAT TO EXPECT DURING YOUR PROCUREMENT REVIEW

Missouri Department  
of Elementary and Secondary Education

# Objectives

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- **USDA Procurement Review Objective:** Participants will know what to expect and be able to complete the USDA Procurement Review
- To answer any questions participants may have of the procurement review process.



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# Procurement 101

# What is Procurement?

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- **Procurement** – A multi-step process for obtaining goods, products, and/or services at the best possible price.



# What is Procurement?



# Selecting the Proper Procurement Method

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- 3 Procurement Methods:
  - Micro-Purchasing
    - Less than \$3,500\*
  - Small Purchase/Informal Contracts
    - \$3,500-\$150,000\*
  - Formal Contracts
    - \$150,000\* or more
    - Sealed Bids/Competitive Proposals

\*Or more restrictive LEA threshold



# Micro-Purchase

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- ❑ **For Purchases Under \$3,500\***
- ❑ **COMPETITION:** Purchases within the micro-purchase threshold can be awarded without soliciting competitive price quotations if the price is reasonable.



# Micro-Purchase

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**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:

- from various suppliers at the same time (the total of the purchases cannot exceed \$3,500\*), or
- 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\*).

\*or more restrictive LEA threshold





# Micro-Purchase Process

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**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.



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# Informal Procurement

Small Purchase

\$3,500 - \$150,000\*



\*Or more restrictive LEA threshold

# Informal Procurement

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When using an Informal Procurement Method schools have a lot more flexibility in how they solicit bids from vendors.

- No public notice requirement
- No closed bid requirement (do not share price quotes during the solicitation process)
- No public opening requirement



# Informal Procurement

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With the Informal Procurement Method, all of the information relating to the solicitation and selection of a vendor must be maintained according to record retention requirements.

- This information includes:
  - copies of solicitation documents
  - copies of any letters, E-mails, or data faxes relating to the procurement
  - names and dates of vendors contacted by phone, and reports on the results of meetings when the contacts were made in person
  - copies of price or rate quotations received
  - notification of the successful vendor
  - any other documents (invoices, canceled checks, etc.) relating to the purchase



# Procurement 101

## Informal Procurement: “Three Bids and a Buy”

**School District Name Here**  
School Nutrition Department  
**INFORMAL QUOTATIONS**  
School Year 2016-2017

DATE: \_\_\_\_\_ Term of Agreement: \_\_\_\_\_

PRODUCT: \_\_\_\_\_

Specifications for product: \_\_\_\_\_

Quantity of Product: \_\_\_\_\_

Delivery Requirements: \_\_\_\_\_

Vendor/Farmer: _____ Phone: _____
Contact Person: _____ E-mail: _____
Date called: _____ Date written quote received: _____
Price: _____
Comments: _____
<b>PURCHASE?</b> Yes No If no, why?

Vendor/Farmer: _____ Phone: _____
Contact Person: _____ E-mail: _____
Date called: _____ Date written quote received: _____
Price: _____
Comments: _____
<b>PURCHASE?</b> Yes No If no, why?

Vendor/Farmer: _____ Phone: _____
Contact Person: _____ E-mail: _____
Date called: _____ Date written quote received: _____
Price: _____
Comments: _____
<b>PURCHASE?</b> Yes No If no, why?

\*\*\*\* Attach any product information and all written quotes received to this form.



# Informal Procurement

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# Formal Procurement

\$150,000 +\*



\*Or more restrictive LEA threshold

# Formal Procurement Methods

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- Value of purchase exceeds Federal, State, or local threshold for small purchases
  - \$150,000 = State/Federal threshold
- More rigorous and prescriptive:
  - Competitive Sealed Bids (i.e. IFB)
  - Competitive Proposals (i.e. RFP)
- Allows for the identification of evaluation factors and their relative importance





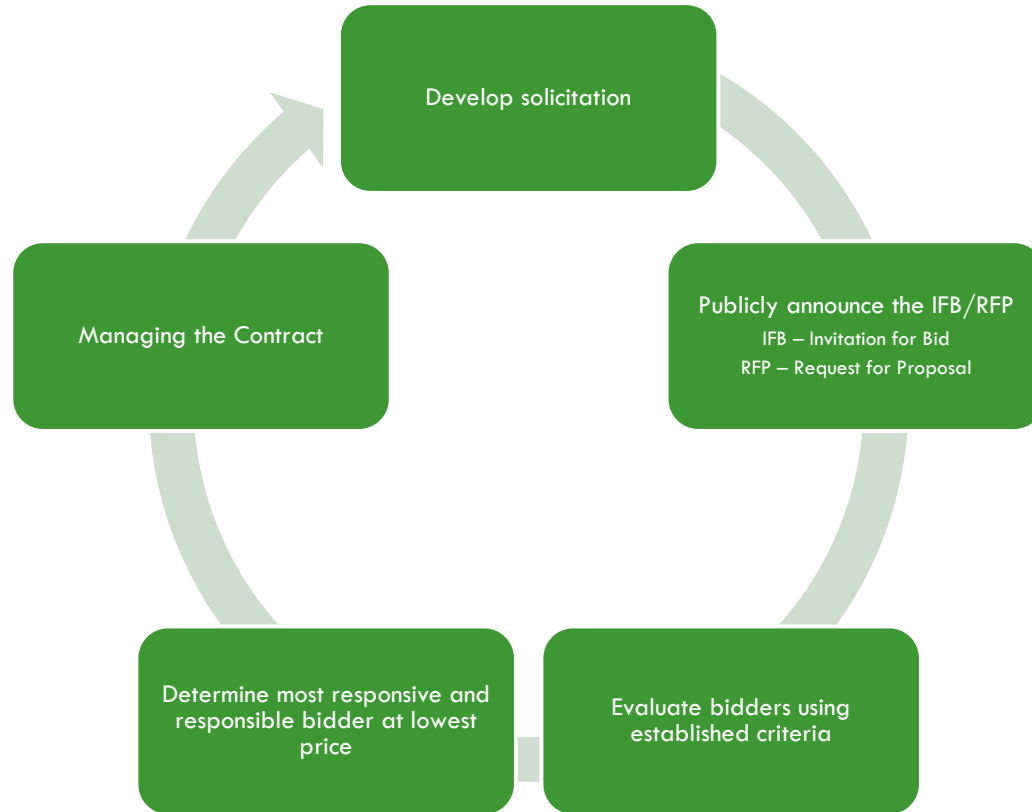
# Documented Procurement Procedures

- Reflect federal, state and local laws and regulations provided that the procurements conform to applicable federal law
- Maintain all records to detail procurement history
- Product specifications
- Ensuring responsive and responsible vendors
- Contract responsibilities, including evaluation, protests, disputes and claims



# Formal Procurement

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# DESE Procurement Review

# Definitions and Acronyms

- **DESE FNS:** Department of Elementary and Secondary Education, Food and Nutrition Services
- **LEA (local education agency):** your district, non-public, or charter school.
- **Procurement:** multi-step competitive process to obtain most responsive products and services at the best prices.



# Overview of Procurement Review

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- ❑ DESE is required to monitor LEAs to ensure all contracts meet Federal statutes/executive orders, and ensure federal regulations are followed (7 CFR 210.21))
- ❑ Requirements (2 CFR 200) apply to all federal grants
- ❑ Procurement reviews will be in the same cycle as the Administrative Review (AR)
- ❑ Review looks at prior school year, e.g., for school year 2017-2018, documents are for SY 2016-2017
- ❑ Procurement reviews may occur off-site or off and on-site



# Why a new review?

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## □ **Procurement**

- is a major responsibility of each LEA.
- has a significant impact on financial stability of the LEA's nonprofit school food service account.

## □ **LEAs are required to**

- follow federal, state and local rules for free and open competition to procure any good and services.
- monitor their contractors to ensure all contract provisions are carried out.



# DESE Procurement Review Process

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1. In the summer prior to the review year, DESE identifies LEAs requiring a procurement review.
  - Remember, any school who is receiving an Administrative Review is also receiving a procurement review.



# DESE Procurement Review Process

- DESE sends a notification email to LEA's Authorized Representative that notifies the LEA about the Procurement review. Specific information in this email includes
  - Documents needed in advance of the review
  - Procurement Review Tool
  - Remember that the review looks at the most recently completed school year.





# DESE Procurement Review Process

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- Documentation that will be requested:
  - Documented Procurement Procedures (Procurement Plan)
  - Written Code of Conduct
  - Vendor Paid List
  - Procurement Tool



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# Documentation

# Procurement Plan

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- LEAs are required to have a written procurement plan that complies with applicable federal laws.
- The procurement plan must include the process the LEA follows for any procurement event, including thresholds, procurement method, frequency, advertising requirements, bid protest procedures, etc.
- Must also include any State and local laws and requirements (they could be more restrictive than federal)



# Procurement Plan Questions

- Does your Procurement Plan include:
  - Requirements to conduct cost or price analysis for all formal bids and/or contract modifications?
  - Steps to assure that small, minority and women's businesses enterprises and labor surplus firms are used when possible?



# Code of Conduct

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- 7 CFR 3016.36(b)(3) currently requires entities receiving Federal funds to develop and implement a written code of conduct designed to govern the performance of employees engaged in procurement.
- Written Codes of Conduct and performance of employees engaged in procurement of Program goods and service.



# Code of Conduct

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- ❑ Does the code of conduct prohibit soliciting or accepting gratuities, favors or anything of monetary value from contractors or parties of subcontracts?
- ❑ Does the code of conduct include disciplinary actions for violations?



# Templates

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- A Procurement Plan and Code of Conduct template can be found at this link:
  - <https://dese.mo.gov/procurement-review-information>



# Vendor Paid List

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- Report from LEA's accounting system that
  - identifies all vendors paid from nonprofit food service account.
  - summarizes total amount paid to each vendor for the period of review. (the most recently completed year).

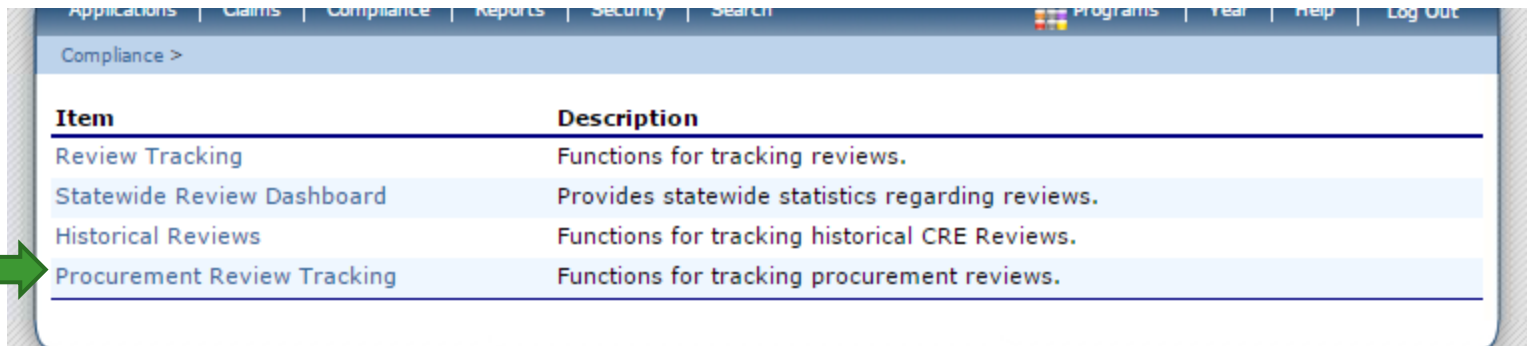




# Procurement Review Tool

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- Will be available on the DESE web applications



The screenshot shows a web application interface with a navigation menu. The menu is titled 'Compliance >' and contains a table with two columns: 'Item' and 'Description'. The 'Procurement Review Tracking' item is highlighted in light blue, and a green arrow points to it from the left.

Item	Description
Review Tracking	Functions for tracking reviews.
Statewide Review Dashboard	Provides statewide statistics regarding reviews.
Historical Reviews	Functions for tracking historical CRE Reviews.
Procurement Review Tracking	Functions for tracking procurement reviews.



# Procurement Review Tool

**Procurement Authority** [Edit](#)

Does your business office close for summer or another extended period time not associated with a holiday?

If yes, what date range is your business office personnel not available? From:                      To:

**Procurement Authority Staff** [↑](#)

Add Staff Count: 0

Action	Name	Position/Title	Responsibilities	Contact Information
<b>No Staff Entered</b>				

**Small Purchase Threshold Information** [Edit](#)

What is the small purchase threshold for the LEA/SFA? \$ 10,000.00

What is the small purchase threshold for the State, if applicable? \$ 150,000.00

**Group Purchasing Organizations, Group Buying Organizations and Third Party Entities** [Edit](#) [↑](#)

Did the SFA pay a membership fee, join at no cost, or otherwise enter into an agreement with a Group Purchasing Organization (GPO), Group Buying Organization (GBO) or third party entity?

If Yes, Provide Organization Name/Type

Add Count: 0

Action	Organization Name	Organization Type
<b>No Organizations Entered</b>		

**Vendors**

Type	Vendor Count	# Selected for Review
Micro Purchases	1	0
Small Purchases	0	0
Formal Contracts	0	0
FSMC Contracts	0	0
Processing Contracts	0	0



# Procurement Review Tool

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- Identify if your business office is closed for summer or any other time not associated with a holiday
- Identify staff involved in procurement
- Identify LEA's small purchase threshold
  - If the LEA's threshold is more restrictive than the State's \$3,500 threshold, the LEA's threshold is used.
- Identify if LEA is part of a group purchasing organization (GPO) or co-op



# Procurement Review Tool

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- Identify if LEA's business office is closed for an extended period of time.

**Procurement Authority** [Edit](#)

Does your business office close for summer or another extended period time not associated with a holiday?

If yes, what date range is your business office personnel not available? From: To:



# Procurement Review Tool

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- Identify the LEA's staff that are involved in Procurement



Procurement Authority Staff				
Add Staff				Count: 0
Action	Name	Position/Title	Responsibilities	Contact Information
No Staff Entered				

## Procurement Authority Staff

Name:

Position/Title:

Responsibilities:

Contact Information:



# Procurement Review Tool

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- Identify LEA's small purchase threshold
  - If the LEA's threshold is more restrictive than the State's \$150,000 threshold, the LEA's threshold is used

Small Purchase Threshold Information		Edit
What is the small purchase threshold for the LEA/SFA?		\$ 10,000.00
What is the small purchase threshold for the State, if applicable?		\$ 150,000.00



# Procurement Review Tool

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- Identify if LEA is part of a group purchasing organization (GPO) or co-op

**Group Purchasing Organizations, Group Buying Organizations and Third Party Entities** Edit ⬆

Did the SFA pay a membership fee, join at no cost, or otherwise enter into an agreement with a Group Purchasing Organization (GPO), Group Buying Organization (GBO) or third party entity?

If Yes, Provide Organization Name/Type

Add Count: 0

Action	Organization Name	Organization Type
<b>No Organizations Entered</b>		



# Procurement Review Tool

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- Identify Micro Purchases
  - Any purchases from \$0-\$3,500, or most restrictive threshold
- Identify Informal Small Purchases
  - Any Purchases from \$3,500 to \$150,000, or most restrictive threshold






# Procurement Review Tool

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- Identify Micro Purchases
  - Any purchases from \$0-\$3,500, or most restrictive threshold



Vendors		
Type	Vendor Count	# Selected for Review
Micro Purchases	0	0
Small Purchases	0	0
Formal Contracts	0	0
FSMC Contracts	0	0
Processing Contracts	0	0



# Procurement Review Tool

## □ Micro Purchases

**Micro Purchases** X

---

Vendor Name:

Vendor ID:

Goods/Services Provided:

Total Paid to Vendor:

How many purchases were made from this vendor during the school year?

Comments:

Selected for Review:

**Save**



# Procurement Review Tool

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- Identify Informal/Small Purchases
  - Any Purchases from \$3500 to \$150,000, or most restrictive threshold

Vendors		
Type	Vendor Count	# Selected for Review
Micro Purchases	0	0
Small Purchases	0	0
Formal Contracts	0	0
FSMC Contracts	0	0
Processing Contracts	0	0



# Procurement Review Tool

## □ Informal/Small Purchases

**Small Purchases** x

Vendor Name:

Vendor ID:

Goods/Services Provided:

Total Paid to Vendor:

Was this a one-time purchase or did the SFA use this vendor for multiple purchases?

Did the SFA receive more than one response to its solicitation?  
 Yes  No  N/A

Was this vendor/contract obtained through a GPO/GBO/non-SFA only coop?  
 Yes  No  N/A

If yes, please select the GPO/GBO/third party:

Comments:

Selected for Review:

**Save**



# Procurement Review Tool

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- Identify Formal Procurements
  - Vendor
  - Goods/Services Provided
  - Contract Value
  - Solicitation Type (IFB or RFP)
  - Contract Type
  - Duration
  - Number of responses
  - Amendments



# Procurement Review Tool

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- Formal Procurements
  - Any purchases more than \$150,000, or most restrictive Threshold

Vendors		
Type	Vendor Count	# Selected for Review
Micro Purchases	0	0
Small Purchases	0	0
Formal Contracts	0	0
FSMC Contracts	0	0
Processing Contracts	0	0



# Procurement Review Tool

## Formal Contracts

Vendor Name:

Vendor ID:

Goods/Services Provided:

Contract Value:

Solicitation Type (IFB or RFP):

Contract type (Fixed Price or Cost Reimbursable):

Contract Duration:

Did the SFA receive more than one response to its solicitation?

Yes  No  N/A

Was this vendor/contract obtained through a GPO/GBO/non-SFA only coop?

Yes  No  N/A

If yes, please select the GPO/GBO/third party:

Were any amendments made to this contract after it was awarded?

Yes  No  N/A

Comments:



# Procurement Review Tool

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- Identify FSMC contracts
  - Vendor
  - Goods/services provided
  - Contract value
  - Solicitation type (IFB or RFP)
  - Contract type
  - Duration
  - Number of responses
  - Amendments





# Procurement Review Tool

Vendors		
Type	Vendor Count	# Selected for Review
Micro Purchases	0	0
Small Purchases	0	0
Formal Contracts	0	0
FSMC Contracts	0	0
Processing Contracts	0	0



# Procurement Review Tool

### FSMC Contracts

Vendor Name:

Vendor ID:

Goods/Services Provided:

Contract Value:

Solicitation Type (IFB or RFP):

Contract type (Fixed Price or Cost Reimbursable):

Contract Year:

Did the SFA receive more than one response to its solicitation?

Yes  No  N/A

Was this vendor/contract obtained through a GPO/GBO/non-SFA only coop?

Yes  No  N/A

If yes, please select the GPO/GBO/third party:

Were any amendments made to this contract after it was awarded?

Yes  No  N/A

Comments:



# DESE Procurement Review Process

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- LEAs submit completed procurement review tool and all requested documents to reviewer by specified due date.



# DESE Procurement Review Process

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- Based on the responses provided on the Procurement Review Tool, DESE will notify the Authorized Representative specifying additional documents needed for specific procurements.



# How does DESE select procurements to review?

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- Type of procurements
  - Informal procurement/small purchase
  - Formal procurement/IFB and RFP
- FSMC contract



# DESE Procurement Review Process

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- After completing review of all required documentation, DESE conducts exit conference with all applicable parties.



# DESE Procurement Review Process

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- Within 30 days, DESE provides report that identifies
  - Areas requiring corrective action
  - Corrective action due date



# DESE Procurement Review Process

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- LEA will submit Corrective Action on the DESE Web Applications

## Review Tools

Action	Description
View   Modify	Review Information
View   Modify	LEA Contact Information
Detail	SFA Procurement Table <b>Staff: (0) Vendors: (0)</b>
Detail	Review Forms <b>Vendors Selected for Review: (0)</b>
View   Modify	Corrective Action Documents (0)
Detail	Review Attachments (0)





# DESE Procurement Review Process

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- DESE reviews and approves all corrective action, and then sends a letter closing the procurement review to the authorized representative.



## Contact Us

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