

School Nutrition Program Procurement Review Findings Lessons Learned

Avoiding the Pitfalls!

The Texas Department of Agriculture (TDA) provides this information to assist you, as a Contracting Entity (CE), in identifying potential problems. Avoiding these pitfalls will help you comply with program requirements and receive full reimbursement for eligible expenses. Most of all, preventing these common findings will help you and TDA achieve the goal of ensuring that healthy meals and snacks are provided for children.



Preventing Common Procurement Review Findings

- Develop written procurement procedures that contain all required components and train staff on each process to ensure compliance and success in procuring all contracts.
- Assign a staff member(s) to check all procurement contracts and processes are included and compliant.
- Schedule time(s) to maintain the paperwork and check for completeness and accuracy.
- Refer to the Administrator's Reference Manual Section 17a Procurement Procedures when developing your procurement procedures.
https://squaremeals.org/Portals/8/files/ARM/ARM_Section17a_ProcurementProcedures_210816.pdf



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Food and Nutrition Division
Summer Meal Programs

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General Procurement Procedures

Educational Institutions, Private Non-Profit, & Government Agencies

- CEs did not have documented procurement procedures.
- CEs did not perform a cost or price analysis in connection with every procurement above the Simplified Acquisition Threshold, including contract modifications.
- CEs did not provide disciplinary actions for violations by officers, employees, or agents.

Examples

- Procurement procedures do not include:
 - micro-purchase threshold
 - Buy American Provision
 - exceptions to provision
 - contract management
 - record retention
 - written standards for full and open competition
 - written standards for contract management
- Procurement procedures do not include a process to perform a cost or price analysis.
- Procurement procedures state that a cost or price analysis is only done for purchases rather than any purchase above the Simplified Acquisition Threshold.

Effects on the CE

- TDA will require Corrective Action for noncompliance.

Suggested Steps to Take

- Develop written procurement procedures that contain all required components and guide staff through each process successfully.
- Assign a staff member to check all procurement contract processes are included and compliant.
- Refer to the Administrator's Reference Manual Section 17a Procurement Procedures when developing your procurement procedures.

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Formal Contracts

Educational Institutions, Private Non-Profit, & Government Agencies

- CEs did not evaluate and award bids/offers as published in the solicitation.
- CEs did not ensure contractors performed in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- CEs did not provide sufficient oversight of the procurement of formal contracts to ensure contractors performed by the terms, conditions, and specifications of their contracts.
- CEs' Invitation for Bids or Request for Proposals did not include all Buy American requirements .

Examples

- CEs did not include complete criteria in the solicitation or did not use the criteria in the solicitation when evaluating and awarding the contract.
- CE did not require certifications from offerors.
- CE did not retain documentation justifying why an exception to the “Buy American” provision is appropriate.
- CEs did not ensure all items and prices invoiced were in accordance with the terms, conditions, and specifications of the contract or purchase order.

Effects on the CE

TDA could take the following actions:

- Require Corrective Action for noncompliance.
- Deem any costs as unallowable.

Suggested Steps to Take

- Develop contract management procedures that guide staff through each process successfully and ensure documentation of procedures are easily accessible to all staff.
- Document the evaluation criteria published in the solicitation. Develop a process to ensure the same criteria are used to evaluate and award bids/offers.
- Establish a record management process to ensure all Buy American exceptions are documented and retained.

Food Service Management Company (FSMC)

Educational Institutions

- CEs were not compliant with contract payments using the nonprofit food service account.
- CEs did not establish an advisory board composed of parents, teachers, and students to assist in menu planning or collect documentation to verify the advisory board's involvement in menu planning.

Examples

- CEs were charged for unallowable and/or duplicative costs by the FSMC.
- Invoices from the FSMC show that pricing for meal equivalents was not charged at the rate in the original contract.
- CEs did not ensure invoices are correct and maintain documentation that supports each invoice.
- CEs did not establish an advisory board.

Effects on the CE

- TDA will require Corrective Action for noncompliance.
- Require to Rebid the FSMC Contract
- Fiscal Action

Suggested Steps to Take

- Develop a process to evaluate invoices and reject items that are unallowable or duplicative.
- Train all staff members and double-check all invoices and charges.

Small Purchases

Educational Institutions & Private Non-Profits

of CEs' procurements were not in compliance with the requirements for the appropriate threshold.

Examples

- CEs did not collect quotes, provide specifications to vendors, or obtain vendor responses for this purchase.
- CEs had no documented procurement procedures, cost analysis, forecasting, or contract management to evidence the CE attempted to follow the requirements for small purchases.

Effects on the CE

TDA could take the following actions:

- Require Corrective Action for noncompliance.
- Require a return of funds to the nonprofit food service account for unallowable expenses.

Suggested Steps to Take

- Develop a process to review thresholds and ensure all requirements are met for the appropriate threshold before solicitation or purchase.
- Develop a system to keep all the required documents organized. Schedule time to maintain the paperwork.

Micro Purchases

Educational Institutions & Private Non-Private

- CEs did not spread purchases equitably among all qualified sources.
- CEs did not ensure each transaction with its vendor was below the micro-purchase threshold.

Examples

- CEs made 30+ purchases with a single vendor and no purchases with any similar vendors.
- CEs exceeded the micro-purchase threshold .

Effects on the CE

TDA could take the following actions:

- Require Corrective Action for noncompliance.
- Require a return of funds to the nonprofit food service account for unallowable expenses

Suggested Steps to Take

- Develop a process to ensure purchase thresholds are not exceeded.
- Review planned micro purchases to ensure they are distributed equally among all qualified sources.