

# Tips to Survive your Procurement Review



# Overview

## Review Process Using the Local Agency Procurement Review Tool

State agency provides Procurement Tool to SFA for completion of the SFA Procurement Table; requests SFA's vendor paid list/summary of expenditures from previous school year, documented procurement procedures and written code of conduct. SFA completes SFA Procurement Table and provides other requested documents to the SA.



Using the SFA Procurement Table, the SA identifies the number/types of procurements the SFA entered into & adds information as needed to SFA Procurement Table from vendor paid list. Using the Contract Selection Chart, the SA then determines which procurements to review and selects them for review in the SFA Procurement Table



The SA secures necessary documentation from SFA for selected contracts and answers the applicable review questions in the procurement review tabs using the dropdowns (Yes/No/Not Applicable)



After completing the questions in the review tabs, the SA uses the Summary of Findings tabs to identify areas needing corrective action and issues report to the SFA

# TDA Notification

Your SFA is scheduled to have a SNP PR for the 2015/2016 School Year (SY) – the PR will **evaluate the SY 2015/2016**, including and up to any current (at time of review) procurement (and all associated activities and documentation) conducted by the SFA. TDA has contracted with **J.A. White & Associates, Inc.**, to complete the SNP PRs of School Food Authorities (SFA) in the School Nutrition Program(s) (SNP) on behalf of TDA.

JA White & Associates, Inc. will contact the Child Nutrition Director and Superintendent (as noted in the TXUNPS SNP Application Packet Contracting Entity Application Section) initially to determine SNP PR contact for the SFA and to request SNP PR Documentation needed to conduct the review. If you have any questions, please contact the designated J.A. White & Associates, Inc. reviewer. You may also contact [Mitchell.Tyra@TexasAgriculture.gov](mailto:Mitchell.Tyra@TexasAgriculture.gov), and cc: [NSLP-SBP.BOps@TexasAgriculture.gov](mailto:NSLP-SBP.BOps@TexasAgriculture.gov) with questions.

# Notification from Auditor

Please find attached the Notification of Procurement Review Scheduled for \_\_\_\_\_ ISD - Initial Records Request.

After reviewing the information submitted by your CE we have determined the following initial documents that were required to be submitted with the completed Procurement Tool were not received. Please provide the following document:

- 1) **SFA procurement procedures** (2 CFR 200.318(a) and 7 CFR 210.21(c))
- 2) **Code of conduct** (2 CFR 200.318(c) and 7 CFR 210.21(c))
- 3) **Intergovernmental or inter-entity agreements**, if applicable (2 CFR 200.318(e))

As noted in the attached notification please send all requested information and documents directly to me at [taquino@jawwhite.com](mailto:taquino@jawwhite.com).

# Records Request

Thank you for submitting the completed Procurement Tool and initial documentation as requested for \_\_\_\_\_ ISD. My name is Tom Aquino and I have been assigned to conduct the Procurement Review (PR) for \_\_\_\_\_ ISD. My contact email is [taquino@jawwhite.com](mailto:taquino@jawwhite.com) and my contact phone number is 980-636-9805. Questions regarding the PR can be submitted directly to my email address.

\_\_\_\_\_ ISD must submit the **procurement documentation** requested below for each of the **sampled vendors listed**. The documentation should be sent directly to [taquino@jawwhite.com](mailto:taquino@jawwhite.com). All documentation must be received by *Insert Due Date*. We are reviewing school year 2015/2016.

1. Vendor 1
2. Vendor 2.....

## Documentation Requested:

- **A summary report of expenditures for each vendor for 2015/2016 SY.**
- **Solicitation** (copies of quotes &/or sealed bids/competitive proposals issued & advertisements published, as applicable),
- **Responses** (quotes for informal procurement procedures and bids/offers for formal procurement procedures),
- **Evaluation and or scoring results used to select the contractor,**
- **Final contract awarded and contract notification documentation,**
- **Three invoices/receipts from each vendor**

Thank you for your cooperation in assisting us to conduct the Procurement review for \_\_\_\_\_ ISD and please do not hesitate to contact me with any questions you may have in responding to this records request.

# Summer Notification

Although the current school year is coming to a close, your scheduled Procurement Review remains in process. Based on federal USDA Child Nutrition Program requirements, all PRs must be completed by August 1, 2017. As we work to meet the requirement and close this review, we need to ensure we have your commitment to communicate with us over the summer months and through the closure of the PR.

As such, we are requesting your availability from June 1, 2017 through August 1, 2017, along with the preferred contact information to use during this time.

Please **respond directly to this email**, [edukes@jawwhite.com](mailto:edukes@jawwhite.com), to provide the above requested information, by close of business on Friday, May 19, 2017.

We appreciate your cooperation and your commitment to completing the review for your CE and we will work to complete it as quickly as possible.

This notification is being sent on behalf of Laura Vickery, Procurement Review Project Manager for J. A. White & Associates, Inc.

# Procurement Methods

## 1. **Micro-Purchase**

A micro-purchase is a single purchase or transaction that has a total aggregate cost equal to or less than \$3,500. The total aggregate cost may consist of one product and/or service or multiple products and/or services. Separate aggregate purchases may occur weekly, monthly, or annually.

## 2. **Small Purchase**

A small purchase may be used when products and/or services have an aggregate total for a single or total purchase that is equal to or less than \$50,000. The small purchase method results in a contract between the district and the vendor.

Price quotes from at least three responsible and responsive vendors. Quotes may be obtained orally or in writing. Documentation of price quotes must be retained.

## 3. **Sealed Bids**

An invitation for bid (IFB) is a competitive procurement method for a fixed-price contract. An IFB contract is awarded in writing to the most responsible and responsive vendor whose price is the most advantageous to the program.

## 4. **Request for Competitive Proposals (RFP)**

An RFP is a competitive procurement method that includes specifications and/or technical requirements or products and/or services to be provided under a fixed price (fee) in a cost reimbursable or firm fixed-price contract where vendors submit a detailed offer for providing the products and/or services. An RFP contract is awarded to the most responsible and responsive vendor whose offer is most advantageous to the program. Price and other factors are considered.

# Procurement Tool

|    |   |                         |   |
|----|---|-------------------------|---|
| 1  | <b>(Insert Name of School Food Authority Here)</b>  |                         |   |
| 2  | <b>SFA Procurement Table</b>  |                         |   |
| 3  | <b>Procurement Authority (List staff at the LEA/SFA level responsible for procurement)</b>  |                         |   |
| 4  | <i><b>SFA Instructions:</b> List name(s), position(s)/title(s) and contact information of those person(s) authorized by the LEA/SFA as procurement agent(s) and who is/are responsible for procurement under state and federal program regulations, including Child Nutrition Program requirements.</i> |                         |   |
| 5  | Name  | Position/Title          | Responsibilities (Ex: conducts micropurchases, small purchase procedures, develops IFB/RFPs, monitoring etc.) |
| 6  |   |                         |   |
| 7  |   |                         |   |
| 8  |   |                         |   |
| 9  |   |                         |   |
| 10 |   |                         |   |
| 11 |   |                         |   |
| 12 |   |                         |   |
| 13 | <b>Small Purchase Threshold Information: <i>SFA Instructions: Answer questions below.</i></b>   |                         |   |
| 14 | What is the small purchase threshold for the LEA/SFA?   |                         |   |
| 15 | What is the small purchase threshold for the State, if applicable?  |                         |   |
| 16 | <b>Group Purchasing Organizations, Group Buying Organizations and Third Party Entities <i>SFA Instructions: Answer questions below.</i></b>   |                         |   |
| 17 | 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?  |                         |   |
| 18 | <b>Micro Purchases (Purchases from vendors valued at \$3,500 or below)</b>  |                         |   |
|    | Name of Vendor  | Goods/Services Provided | Total Paid to Vendor  |
|    |   |                         | How many purchases were made from this vendor during the school year?   |



# Findings

- Categorized by:
  - General Procurement Practices
  - Micro Purchases
  - Small Purchase Procedures/Informal Procurement Review
  - Formal Procurement Procedures
  - Observations

Given 1 calendar week from day of notification of findings to provide the Corrective Action Plan.

# Findings

- Based on findings for Klein ISD: evaluation is very black and white. Yes is yes, no is no.
- Examples:
  - Micro Purchase: Did not “distribute micro-purchases equitably among qualified suppliers” for the \$142.50 worth of purchases to Gordon Foods (Glazier at the time). Gordon was the TDA awarded commodity distribution center for the Houston-area.
  - Small/Informal Purchase: SNA was a selected vendor. Sited for not obtaining adequate quotations.
  - Formal Purchase: Verbiage on the procurement for Formal Purchases asks for the value of the contract. 3 vendors were selected from this section. All 3 were contracts utilized by our district. The true value of the contracts were all > \$1 million. The amounts spent by our department alone were < \$150,000. We were cited for entering a vendor in the tool incorrectly.

# Corrective Action Plan

## Required Corrective Action:

- a) Provide a description of the circumstances that resulted in the noncompliance.
- b) Develop and submit with this CAP a step- by-step process/ procedure to ensure the non-compliance does not re-occur.
- c) The submitted process/procedure must include: -Who will be responsible for each task/function/step in the procedures (by position/title) - The date the process/procedure was or will be implemented (mm/dd/yyyy) -How often will the process/ procedure be completed, (e.g., daily, weekly, monthly), -Oversight measures that will be taken to ensure the non-compliance does not reoccur.
- d) It is recommended that the CE's Procurement Official attend a Procurement training within the next 12 months that may be offered through their ESC Region or other official training site that offers Procurement training for School Operations.

# Tips & Lessons Learned

- Utilize your district purchasing and/or business office, if applicable.
- Business office may be a good resource to run reports for purchases within the needed time frame.
- Consider the time periods and contracts with regard to the school year, fiscal year, and contract year.
- Start with invoice dates within the school year of review, not purchase order dates.
- Start quickly as some documentation may be in a storage facility and require time to retrieve.
- If requesting information/documentation, do so by email and send read receipt.

# Tips & Lessons Learned

- Refer to CFR for clarification on findings.
- Helpful contact for BuyBoard contracts:

Connie W. Burkett  
Contract Administrator  
BuyBoard / TASB  
12007 Research Blvd  
Austin TX 78759  
Phone: 800-695-2919, ext 7152  
Fax: 800-211-5454

