



Procuring Alabama Fruits and Vegetables

Methods for Child and Adult Nutrition Programs



Development of these standardized worksheets to meet documentation requirements for small acquisitions was a collaboration between the Alabama State Department of Education and the Alabama Department of Agriculture and Industries



Using this resource

This handbook was developed to provide child and adult nutrition programs in Alabama with instructions for the purchase of raw unprocessed agricultural products as defined by the USDA, Food and Nutrition Service (FNS) in 7 CFR 210.21(g), 7 CFR 226.22(n), and related guidance. Raw unprocessed agricultural products may be purchased from farmers, co-ops, food hubs and produce distributors.

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For more details on making local purchases, see the USDA’s Procuring Local Foods for Child Nutrition Programs guide.

Child and Adult Care Feeding Programs may refer to the 2016 Alabama State Department of Education Child and Adult Care Food Program Sample Procurement Plan for more information.

A Review of the Regulations

This section will review the Federal Regulations related to procurement using Micro-Purchasing and Small Purchase Procedures procurement methods.

In 2014 the Federal Office of Management and Budget, Council on Financial Assistance Reform (COFAR), published the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at Title 2, Code of Federal Regulations (CFR) 200. This regulation establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities. A non-Federal entity is a School Food Authority (SFA) participating in the National School Lunch Program/School Breakfast Program (NSLP/SBP) or Program Sponsor for a component of the Child and Adult Feeding Program (CACFP).

Micro-purchasing is defined in 2 CFR 200.67 as a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). The current threshold at the time of publishing is \$10,000.

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable (2 CFR 200.320(a)).

Small purchase procedures defined in 2 CFR 200.320(b) are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Simplified acquisition threshold is defined in 2 CFR 200.88 and means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this part, the simplified acquisition threshold is \$250,000.

Both of these methods of procurement, micro-purchasing and small purchase procedures, cannot be used by an SFA or program sponsor unless the procedures for utilizing, one or both of, them are included in the entities own documented procurement procedures as required in 2 CFR 200.318(a).

Specifications

According to 2 CFR 200.319(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

The Alabama Farm-To-School Act

An Exemption to Small Purchases

The Alabama Farm-To-School Act (Section 16-1-46) modified Alabama’s procurement laws for the purchase of unprocessed agricultural products. The Act was amended in the 2017 Legislative Session permitting all purchases of unprocessed agricultural products by schools receiving federal funding to be subject to federal procurement thresholds.

Unprocessed Agricultural Products are defined as:

Those agricultural products that retain their inherent character. The effects of any of the following handling and preservation techniques shall not be considered as changing an agricultural product into a product of a different inherent character: Cooling, refrigerating, freezing; size adjustment through size reduction made by peeling, slicing, dicing, cutting, chopping, shucking, and grinding; drying or dehydration, or both; washing; the application of high water pressure or cold pasteurization; packaging, such as placing eggs in cartons, and vacuum packing and bagging, such as placing vegetables in bags; butchering livestock, fish, and poultry; and the pasteurization of milk (Section 16-1-46, Code of Alabama 1975) and 7 CFR 210.21(g), 7 CFR 226.22(n).

PRODUCT TABLE 1		PRODUCT TABLE 2	
Products Considered Processed Agricultural Products (Follow State or Most Restrictive Thresholds)		Products Considered Unprocessed Agricultural Products (Follow Federal Thresholds)	
Fruit Canned fruit Fruit cocktails Juice	Baked Goods Baked goods (cookies) Baking mixes Bread Chips, crackers	Fruit Sliced or diced fruit Dehydrated fruit (cranberries)	Milk Pasteurized, unflavored milk
Vegetables Canned vegetables Tomato sauce, salsa Vegetable patties	Grains, Processed Breakfast bars Granola bars Instant grits Instant oatmeal	Whole, fresh fruit Whole, frozen fruit	Grains Whole-form, or ground (Rice, flour, barley, grits, oatmeal)
Meat, Processed Cooked or canned meats Meats with seasoning, preservatives, or binding agents. Deli meat, beef jerky Liquid eggs Sausage, hot dogs	Value-added Items Chili Flavored water Frozen Pizza Sauces (BBQ, Hot sauce) Slushie mixes Spices or spice mix Tea, powdered, bags	Vegetables Sliced, diced, chopped, peeled, mixed, bagged or dried vegetables Whole, fresh vegetables Whole, frozen vegetables	
Milk, Processed Flavored milk (Chocolate, strawberry) Cheese Ice cream Yogurt		Meat Unprocessed meats with no additives or fillers (frozen and ground meat) Fish, including nuggets and fillets with no additives or fillers Poultry (whole or cut) Eggs, whole (packed in cartons)	

Purchasing Methods



Micro Purchase Procedures

A school may make a purchase **up to \$10,000** for unprocessed agricultural products from farmers, co-ops, food hubs or produce distributors. Micro purchases are documented as a single purchase and include specifications, terms and conditions, and the total cost. While micro-purchases are allowable, program operators should consolidate purchases, as appropriate, to achieve the most economical procurement approach. This means that combining multiple micro-purchases into a small purchase, sealed bid/ competitive proposal purchase may sometimes save the SFA or operator money or administrative work. The micro-purchase threshold may not be used in lieu of applicable procurement methods that may achieve a more economical approach.

How is micro-purchasing defined?

Title Two of the Code of Federal Regulations in Part 200 defines micro-purchasing as: Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) (2 CFR 200.67). The current Federal micro-purchase threshold has been set to \$10,000 as of May 2018.

How does a school food authority or program sponsor use micro-purchasing for procurement?

A Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable (2 CFR 200.320(a)).

A micro-purchase is an optional procurement method allowing schools to make purchases up to \$10,000 *or the local restriction* without soliciting competitive quotes for the aggregate value of the single purchase. Schools are encouraged to solicit multiple vendors to find the highest quality product at the lowest price.

1. Review existing contracts with distributors to ensure language to purchase off contract is included in the agreement for the item/service you wish to procure.
2. Develop written specifications to be communicated to a qualified vendor. Goods and services must be quoted at a *fixed price*. 2 CFR 200.319(c)
3. Document the price quote from the vendor using the Purchase Documentation Worksheet or a similar method of documenting the price. The school food authority must determine if a quoted price is considered reasonable.
 - a. If the price is not reasonable, the SFA or program sponsor may need to contact another vendor. If this occurs, the SFA or program sponsor is no longer using micro-purchasing, but is now using small purchase procedures and may use the Small Purchase Procedures Worksheet to document additional steps for completing a small purchase procedures procurement.

What to Avoid when making a micro purchase.

- SFAs and program sponsors may not deliberately purchase small quantities or divide one purchase into smaller purchases to stay under the micro purchase threshold.
- SFAs and program sponsors may not use the same vendor for each micro purchase when other qualified vendors are available. Micro purchases are intended to be distributed equitably among qualified vendors.

Micro Purchase Documentation

This document is used for Micro Purchase Procedures for the purchase of unprocessed agricultural products only

PRODUCT SPECIFICATIONS

Be as clear and concise as possible. Determine in advance of speaking with any potential vendor what you expect the highest quality of the product to be after it is delivered.

DELIVERY REQUIREMENTS

Specify the number of schools the vendor will deliver to and expected timeframes for delivery. When working with local vendors, consider the option to have a centralized delivery location.

Product Fresh, Frozen, Chopped, Grade #1 or #2, mixed lot, juicers, etc.	Variety <i>(Optional)</i>	Quantity Requested Pounds, Cases, Bushels etc.	Time requested Once a month/ Twice a month for 3 months etc.	Packaging Specifications 40lb per case, boxed, etc. <i>(Optional)</i>
Delivery Requirements				

CONTACT LIST

One vendor may be solicited to make a micro purchase. If more than one vendor provides you a quote or price and can meet your specifications and the price is reasonable, you are now using small purchase procedures.

Farmer/Farm Business			
Address			
Phone		Email	

CONTACT LOG

Contact the vendor determined to be most responsible and responsive and capable of providing the highest quality product requested. The SFA must message contacts and document the vendor’s response. It is important to document your effort to maintain fair and competitive purchasing and to identify the method of procurement used. If you find the price to be unreasonable and choose to contact a second or third vendor, you are no longer using micro purchasing, you are now using small purchase procedures.

Contacted Vendor	Date	Meets Product Specifications (Yes/No)	Meets Delivery Requirements (Yes/No)	Quote	Accepted /Declined

PURCHASE RECORD Total Product Delivered: _____ Total Price: _____

ATTACH copy of Invoices. *Invoices should reflect any return and signature of kitchen employee.*
Save this for reference and procurement review documentation.

Small Purchase Procedures

*Use of the small purchase method (informal procurement) for local food purchases ensures: fair competition among growers; federal and state regulations are met and products may be more cost-effective than micro-purchasing; therefore, districts can consistently purchase large amounts of local product for seasonal menus. The state established small purchase threshold allows the use of the informal procurement method to buy unprocessed agricultural products when total purchases from a single vendor do not exceed **\$250,000 per purchase**.*

Small Purchase Method

PRODUCTS REQUESTED: The school food authority must determine products, specifications and projected value of the total purchase before soliciting vendors. Once the desired items, specifications and the projected cost are determined and do not exceed the small purchase threshold/Simplified Acquisition Threshold, contact vendors to get price quotes. In the product description table, state the product items you are interested in receiving. List all products and requested variety, quantity, time frames and preferred packaging. Child Nutrition Programs can expand a list of produce items to solicit vendors in an excel document.

PRODUCT SPECIFICATIONS: School food authorities may not procure products until all specifications are determined. Select product specifications by checking the box next to the written specification or write in one of your own. Per federal regulations, specifications must be fair and competitive, and not unduly restrictive 2 CFR 200.319(c). Specifications may be written on a separate sheet of paper and attached to the Small Purchase Procedures document if additional space is needed.

LOCAL may **NOT** be considered a specification. Adding geographic restrictions is considered limiting; therefore, wording such as “grown 25 miles from the school district” cannot be used as a specification.

PROVIDE PRODUCT DESCRIPTIONS AND SPECIFICATIONS TO VENDORS: Small purchases are frequently referred to as “Three bids and a buy.” Attempt to find at least three vendors that may include farmers, produce distributors, co-ops or food hubs. Provide product specifications to each vendor. Products requested and specifications may be mailed, emailed or communicated over the phone. Vendors must be aware of all specifications before supplying a quote.

Document Vendor Information

Use the vendor information chart in the Small Purchase Procedures Worksheet.

PRICE QUOTES Contact vendors to receive price quotes for specified products. At least two price quotes are required the USDA recommends receiving three quotes. All quotes must be documented when using small purchase procedures. If you are unable to find three vendors that met your specifications, provide documentation for the reasons why more vendors were unable to be found. Specifications may be evaluated to find if the provided specifications are overly restrictive.

Document Quotes and Award Contract

AWARD CONTRACT The contract will be awarded to the vendor who is responsive, responsible, and can provide the product sought at the lowest price. If two vendors meet all specifications, the vendor with the lowest price wins the bid. The school food authority will manage contracts and document product quality, price and compliance to ensure vendor responsibility.

FORMAL CONTRACT If a formal contract is being awarded, the contract must contain all of the necessary clauses and requirements required for a contract(s) those required in formal procurement, including the appropriate language cited in 2 CFR 200.326.

Small Purchase Procedures Worksheet

This document is used for Small Purchase Procedures for the purchase of unprocessed agricultural products only.

PRODUCT DESCRIPTION

Be as clear and concise as possible. Remember to include the number of deliveries requested and preferred packaging. Determine in advance of speaking with any potential vendor what you expect the quality of the product to be after it is delivered (clean of field debris, time of day for delivery, GAP certification documentation, grade, value added processes, etc.).

DELIVERY REQUIREMENTS

Specify the number of schools the vendor will deliver to and expected timeframes for delivery. When working with local vendors, consider the option to have a centralized delivery location.

Product(s)/Quality	Variety <i>(Optional)</i>	Value Added Process	Packaging Specifications	Time requested	Quantity Requested
Apples, Oranges, Lettuce, Grade #1 or #2		Fresh, Frozen, Chopped, mixed lot, juicers, etc.	40lb per case, boxed, etc.	Once a month/Twice a month for 3 months etc.	Pounds, Cases, Bushels etc.
Delivery Requirements					

PRODUCT SPECIFICATIONS

The specifications table below lists examples of product specifications tailored for local products. Determine the product specifications you want from a vendor. Place a check in the box beside the desired specifications or write in your own specifications. Communicate all selected and written specifications with farmers, produce distributors, co-ops or food hubs over the phone, by mail or through email. Local preference may **not** be used as a specification.

Quality		Farm Practices		Delivery	
<input type="checkbox"/>	Produce free from insects, damage, and decay	<input type="checkbox"/>	Product is sourced from a farm or facility that complies with food safety standards	<input type="checkbox"/>	Vendor can deliver directly to multiple school sites as specified
<input type="checkbox"/>	Vendor can provide state of origin	<input type="checkbox"/>	Product is packaged as specified	<input type="checkbox"/>	Vendor can deliver directly to centralized location as specified
<input type="checkbox"/>	Product is refrigerated after harvest	<input type="checkbox"/>	The farm name is labeled on product or it is otherwise specified	<input type="checkbox"/>	Products are rinsed, cleaned, and packed in appropriate packaging
<input type="checkbox"/>	Product is of high quality and free from spoilage	<input type="checkbox"/>		<input type="checkbox"/>	Vendor can deliver product within 24-72 hours of harvesting (unless frozen)
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

Save this for reference and procurement review documentation.

Vendor Information and Quotes

CONTACT LIST

List all potential vendors that will be responsible, responsive and can provide the product(s) you are aware of and desire to purchase from.

Farmer/Farm Business			
Address			
Phone		Email	

Farmer/Farm Business			
Address			
Phone		Email	

Farmer/Farm Business			
Address			
Phone		Email	

CONTACT LOG

Contact vendors determined to be most responsible and responsive and capable of providing the product requested. Document the vendor's response. It is important to document your effort to maintain fair and competitive purchasing and to identify the method of procurement used.

Contacted Vendor	Billing Address	Date	Meets Product Specifications (Yes/No)	Meets Delivery Requirements (Yes/No)	Quote	Accepted/Declined

AWARD CONTRACT

The contract will be awarded to the vendor who meets all the selected specifications and can provide the product at the lowest price. The school food authority manages all contracts and keeps documentation on product quality, price and compliance to ensure vendor responsibility.

PURCHASE RECORD Total Product Delivered: _____ Total Price: _____

ATTACH copy of Invoices. *Invoices should reflect any return and signature of kitchen employee.*
Save this for reference and procurement review documentation.

Checklist for Purchasing of Local Produce

Name of Producer/Farm _____

City _____ State _____ Zip _____

Telephone _____ E-mail _____

Products to be purchased

Is liability insurance required? YES (Dollar amount _____) NO

Production Practices	Yes	No	N/A
Are wells protected from contamination?			
If irrigation is used, what is its source? <input type="checkbox"/> Well <input type="checkbox"/> Stream <input type="checkbox"/> Pond <input type="checkbox"/> Municipal <input type="checkbox"/> Other			
Are farm livestock and wild animals restricted from growing areas?			

Product Handling	Yes	No	N/A
Are harvesting baskets, totes, or other containers kept covered and cleaned (with potable water) and sanitized before use?			
Is harvesting equipment/machinery that contacts the products kept as clean as possible?			

Transportation	Yes	No	N/A
Is transport vehicle well maintained and clean?			

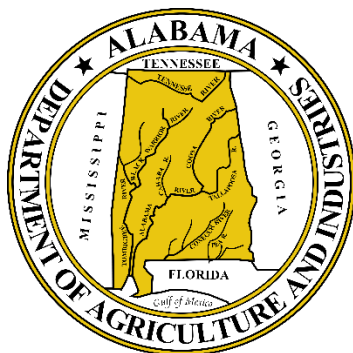
Facilities	Yes	No	N/A
Is potable water/well tested at least once per year and results kept on file?			
Are food contact surfaces regularly washed and rinsed with potable water and then sanitized?			
Do workers have access to toilets and hand washing stations with proper supplies?			

Worker Health and Hygiene	Yes	No	N/A
Is a worker food safety training program in place?			
Are workers instructed not to work if they exhibit signs of infection (e.g., fever, diarrhea, etc.)?			

I confirm that the information provided above is accurate to the best of my knowledge.

Signature of Seller:

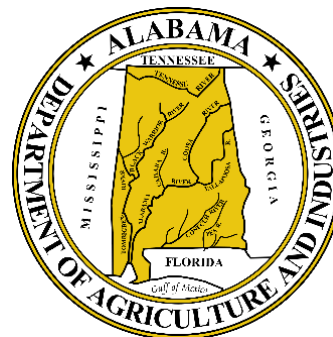
_____ Date: _____



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