

The information from an RFI can be used to estimate the value of potential contracts and determine which procurement method is appropriate.

Procurement Methods

2 CFR Part 200.320

Informal Procurement Methods

2 CFR 200.320(a)

Informal procurement methods are methods used to procure goods or services when the value does not exceed the SAT, the simplified acquisition threshold, or a lower threshold established by a non-Federal entity. Informal procurement methods are used to expedite transactions which minimize administrative burden and cost. Informal procurement methods include micro-purchases and small purchases.

Micro-Purchase

2 CFR 200.320(a)(1)

A micro-purchase is a purchase of supplies or services in which the total does not exceed the micro-purchase threshold. Micro-purchase thresholds are lower than SATs. The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. Non-Federal entities may establish a threshold higher than the Federal threshold established in the FAR in accordance with Federal procurement regulations.

Micro-purchases may be awarded without soliciting competitive price or rate quotations, if the sponsor considers the price to be reasonable based on research, experience, purchase history or other information, or documentation provided. Sponsors should distribute micro-purchases equitably among qualified suppliers to the maximum extent practicable. For additional information on micro-purchase thresholds see SFSP 01-2022, *Updates to the Federal Micro-Purchase Threshold in 2 CFR 200.320(a)(1)*, December 15, 2021, <https://www.fns.usda.gov/cn/updates-federal-micro-purchase-threshold>.

Small Purchase

2 CFR Part 200.320(a)(2)

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that does not exceed the SAT, as described in 48 CFR 2.101. The SAT is the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. The dollar amount is set by the Federal Acquisition Regulation and updated periodically.

Each procurement is still conducted in a manner that ensures free and open competition. Price or rate quotations must be obtained from an adequate number of qualified sources, as determined by the sponsor, prior to making a purchase. The sponsor must document the date, vendors consulted, and quotes received, including for verbal quotes. For more information, see SFSP 01-2022, *Updates to the Federal Micro-Purchase Threshold in 2 CFR 200.320(a)(1)*, December 15, 2021, <https://www.fns.usda.gov/cn/updates-federal-micro-purchase-threshold>.

Contracts that exceed the SAT may be subject to the required Federal contract provisions found at 2 CFR Part 200, Appendix II. For purchases estimated to exceed the most restrictive SAT, sponsors must conduct a cost or price analysis, as described in 2 CFR 200.324, and a formal procurement method must be used.

Formal Procurement Methods

2 CFR 200.320(b)

Formal procurement methods are required when the value of the procurement for services or goods exceeds the SAT, or a lower threshold established by a non-Federal entity. Formal procurement methods include sealed bids and proposals and require public advertising, unless a non-competitive procurement can be used.

Competitive Sealed Bids

2 CFR 200.320(b)(1)

Bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The public solicitation is an IFB.

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids and the IFB must be publicly advertised.
- The IFB, which will include any specifications and pertinent attachments, must define the items or services to be procured in order for the bidder to properly respond.
- All bids will be publicly opened at the time and place prescribed in the IFB.
- A firm fixed price contract award will be made in writing to the responsible bidder with the lowest responsive bid. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of.
- Any or all bids may be rejected if there is a sound documented reason.

Proposals

2 CFR 200.320(b)(2)

Proposals is a procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. Competitive proposals must be publicly solicited from an adequate number of qualified sources.

The Public Solicitation is a Request For Proposals

An RFP is used to solicit responses in a competitive negotiation procurement method. An RFP is more qualitative in nature, The RFP must be publicized and identify all evaluation factors and their relative importance. Any response must be considered to the maximum extend practical.

- The RFP must be solicited from an adequate number of qualified sources.
- The sponsor must have a written method for conducting the technical evaluations of the proposals received and for selecting recipients.
- Contracts must be awarded to the proposal that is most advantageous to the sponsor, with price and other factors considered.

Noncompetitive Procurement

2 CFR 200.320(c)

There are specific circumstances when noncompetitive procurement can be used. If one or more of the following circumstances apply, noncompetitive procurement may be awarded:

- The total dollar amount of the purchase of goods or services does not exceed the micro-purchase threshold.
- The item is only available from a single source.
- The public emergency for the good or service cannot be delayed by publicizing a competitive solicitation.
- The Federal awarding agency or pass-through entity approves a noncompetitive procurement in response to a written request from the Program sponsor.
- After solicitation of a number of sources, competition is determined inadequate.

Procurement Tips and Strategies

Improving Product Selection and Specifications

Careful selection of products and meals in the procurement process can be critical to the success of a site. Sourcing items that both meet meal pattern requirements and are palatable and appealing to children yields numerous benefits, including:

- Children are more likely to finish snacks and meals, thereby receiving optimal nutrition.
- Food waste is reduced.
- Sites are more likely to maintain or increase participation.
- Program goals of teaching children to enjoy healthy foods and develop lifelong healthy eating habits are facilitated.

Sponsors may want to consider any number of the following when developing bid specifications:

- Taste;
- Grade;
- Appearance;
- Cultural acceptability;
- Seasonality; and
- Geographic Origin.

The *Summer Meals Nutrition Guide*, <https://www.fns.usda.gov/sfsp/nutrition-guide>, has more information on developing food specifications.

Local Procurement Strategies

In many regions across the country, summer brings new opportunities to source local foods. Sponsors may decide to include local products that increase the quality and appeal of meals, provide more nutrition education opportunities for children, and support local food producers, as well as the local economy.

Local foods can span the entire plate and can be included within all components of a meal. While fruits and vegetables are a logical starting point for summer meal providers, grains, beans, fish, poultry, and meat can also be sourced locally during the summer months. When buying local meat, poultry, game, and eggs, sponsors must meet the conditions of the permit which has given them authority to operate as a food service establishment.

For specific guidance on purchasing local meat and other local foods, see:

- SFSP 01-2016, *Procuring Local Meat, Poultry, Game, and Eggs for Child Nutrition Programs – REVISED*, November 20, 2023, <https://www.fns.usda.gov/cn/procuring-local-meat-poultry-game-eggs>.

- *Procuring Local Foods* for Child Nutrition Programs, <https://www.fns.usda.gov/f2s/procuring-local-foods>.

Factors to Consider When Adding Local Foods

Defining Local

Sponsors have the flexibility to define what constitutes as “local” to best align with what is available in their geographic area. A variety of factors can impact how “local” may be defined, including seasonal availability, State or municipal boundaries, product pricing and availability, and logistical considerations.

For example, a sponsor’s definition of “local” may change with the seasons; during the school year, a district may decide that their definition of “local” is within the State, but during the summer months, the district may select a narrower definition due to a greater abundance of local products available during that season. For the purposes of farm to school or farm to summer activities, there is not a Federal definition of “local”.

Sourcing Local Products

Sponsors can find local foods through a variety of sources. When conducting initial market research, sponsors may request their distributor or meals vendor label the source of origin for their products, and in doing so may find that the vendor is already providing local products. If a vendor is not already sourcing locally, the sponsor may ask them to do so in the future and include language in product specifications or solicitations that communicate a preference for products from local sources.

Sponsors may survey their area to see if there is a food hub that is buying and aggregating food from local producers. If buying directly from a farm is a viable option, sponsors may wish to start by surveying producers in their area through phone calls, farm visits, or a stop by the local farmer’s market to see what’s available during summer months. Sponsors that have access to a garden may consider planting specifically for the Program. Sponsors can utilize USDA *Local Food Directories*, <https://www.usdalocalfoodportal.com/#directories>, to find nearby farmers markets, food hubs, and on-farm markets. Many states also offer similar state-focused local food directories.

Methods of Procurement

Sponsors use the same procurement methods for sourcing locally grown, raised, or caught unprocessed agricultural products as they do with all other foods.

Sponsors may choose to apply a geographic preference option when purchasing unprocessed agricultural products. To differentiate between the concept of a geographic preference option and the strategies permitted under it, this Guide will refer to the core strategies as a “defined scoring advantage” and “local as a specification”. The geographic preference option allows sponsors to use a defined scoring advantage for unprocessed agricultural products grown, raised, or caught locally, use local as a specification for unprocessed agricultural products, adopt a mix of both strategies, or elect not to use any of these approaches. There are many ways to source local products by using a geographic preference option or other product specifications and technical requirements that target local when following the informal or formal bidding process or targeting local producers and vendors that sell local unprocessed agricultural products through the informal process. A sponsor must ensure that its definition of local does not overly restrict free and open competition.

If a sponsor is making a purchase under the micro-purchase threshold the sponsor may do so without obtaining price quotes provided the price is reasonable and purchases are distributed equitably among qualified suppliers. For purchases below the most restrictive applicable SAT, a sponsor can simply gather three quotes from producers that meet their definition of local, and guarantee that the food comes from a local source.

If making a purchase that is over the SAT, the sponsor may include language in the solicitation that will target foods from local sources. For instance, the bid request can state that a responsive vendor will provide product within 24 or 48 hours of harvest, or that they will offer farm field trips. A product specification may include a variety of produce that is native to the sponsor’s region. As with any procurement, sponsors must ensure that these requirements are not restricting competition.

Geographic Preference

The geographic preference option applies to unprocessed locally grown, raised, and caught agricultural products. A sponsor may decide to use the geographic preference option, as described in 7 CFR 225.17(e), to source unprocessed locally grown, raised, and caught agricultural products.