

**WINNER SCHOOL DISTRICT 59-2
OFFICIAL SCHOOL BOARD POLICY**



FEDERAL PROCUREMENT POLICY

1. The Winner School District 59-2's plan for procuring items for use in the Child Nutrition Program is as follows: The procurement plan provides for free and open competition, transparency in transactions, comparability and documentation of all procurement activities.

2. If the amount of food purchases is more than the Federal small purchase threshold currently valued at \$250,000, or if the amount of nonperishable goods and services is more than the State of South Dakota small purchase threshold currently valued at \$25,000, formal procurement procedures will be used as required by federal Procurement Standards 2 CFR 200 and South Dakota Codified Law (SDCL) 5-18A-14 and SDCL 5-18A-22(12). Informal procurement procedures (small purchase price quotes) will be required for purchases under the most restrictive small purchase threshold.

The most restrictive dollar amount for each of the following non-profit food service purchase are the following:

Purchased Item	List the Most Restrictive Dollar Amount
Perishable/Food	\$250,000
Nonperishable Goods and Services	\$25,000
Other-Equipment	\$25,000

3. Buy American: By participating in the federal school meal programs, Local Agencies are required to purchase domestic commodities and products for school meals to the maximum extent practicable. This requirement applies only to the school meal programs and not to the Child and Adult Care Food Program or the Summer Food Service Program. Domestic commodity or product means an agricultural commodity that is produced in the US and a food product that is processed in the US substantially (at least 51 percent) using agricultural commodities that are produced in the US.

While rare, two (2) exceptions may exist when:

- a. the product is not produced or manufactured in the US in sufficient, reasonable and available quantities of a satisfactory quality; and
- b. competitive proposals reveal the cost of a domestic product is significantly higher than a non-domestic product.

ALL products that are normally purchased by Distributor as non-domestic and proposed as part of this solicitation must be identified with the country of origin. Distributor shall outline their procedures to notify the school or agency when products are purchased as non-domestic.

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Any substitution of a non-domestic product for a domestic product (which was originally a part of the solicitation), must be approved, in writing, by the Food Service Director, prior to the delivery of the product to the school or agency. Any non-domestic product delivered to the school or agency, without the prior, written approval of the Food Service Director, will be rejected.

The Distributor must affirm their willingness to assert their best and reasonable efforts to ensure compliance with this federal rule.

4. The following procedures will be used for all other purchases:

Category (List what product, services or supplies will be purchased)	Procurement Method (Formal, informal, Micro-purchase or Emergency)	Evaluation Used (Score Card, Bottom Line, or Line Item)	Award Type (Fixed Price Contract, Fixed Price Agreement, Fixed Price Contract based on public CPI)	Duration/Frequency (Weekly, Monthly, Yearly, Per Purchase)
Contract Meals	Formal	State Agency Prototype	Fixed Price Contract based on CPI	1 year with the option to renew once a year for 4 additional years.

5. Good faith effort will be made to include the following affirmative steps:

- a. Place qualified small and minority businesses and women's business enterprises on solicitation list.
- b. Soliciting small and minority businesses and women's business enterprises whenever they are a potential source.

6 Formal bid procedures will be applied on the basis of a:

- ☒ Centralized System (entire School Food Authority)
☐ Individual School (one school building within a School Food Authority)
☐ Multi-School Systems (different School Food Authorities working together)
☐ State Contract (e.g., computers from the BOA, Office of Procurement Mgt contracts)
☐ Combination of above (specify): _____

7. Because of the potential for purchasing more than \$250,000 of food or \$25,000 of goods and services, it will be the responsibility of Business Manager/Food Service Director to document the amounts to be purchased so the correct method of procurement will be followed. SFA will use forecasted product needs and current or past product pricing to complete the cost analysis.

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Emergency or “Pressing Need” Purchases

1. If it is necessary to make a one-time emergency procurement to continue service or obtain goods, the purchase shall be made, and a log of all such purchases shall be maintained by the Business Manager/Food Service Director. The following emergency procedures shall be followed. All emergency procurements shall be approved by the Business Manager/Food Service Director. At a minimum, the following emergency Procedures shall be documented:

- Item name
- Dollar amount
- Vendor, and
- Reason for emergency

2. If it is necessary, in the course of a pressing need, to make an emergency purchase by means of “piggybacking” on the bid of another district, the following conditions must exist and approved procedures must be followed and appropriately documented as follows:

- The LA originating the competitive procurement must have a “piggyback provision” in the original solicitation;
- Documentation of the emergency requiring the piggybacking must be maintained;
- Approval from the purchasing Winner School’s governing board will be obtained and documented;
- Approval from the LA that originated the competitive procurement will be obtained and documented;
- Approval from the Vendor that was awarded the Contract (original solicitation) will be obtained and documented;
- If required, a public notice of the Winner School’s “*Intent to Waive Competitive Bidding*” will be issued at least 10 days prior to the regularly scheduled governing board meeting;
- Approval to piggyback will be obtained and documented from the governing board during a regularly scheduled meeting following the public notice;
- Notification to the Vendor of final approval will be documented and issued;
- A contract with the Vendor will be developed including:
 - The contractor shall agree to retain all books, records and other documents relative to the contract agreement for three (3) years after final payment, or until audited by LA, whichever is sooner. The LA, its authorized agents, and/or State and/or USDA auditors shall have full access to and the right to examine any of said materials during said period.

Micro-Purchases

1. According to the 2 CFR 200.67, micro-purchases can be utilized to minimize the administrative burden and cost of completing an informal or formal procurement process for very small purchases. Micro-purchases make

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it possible to make purchases in emergency situations to continue uninterrupted service. No informal quotes are required in micro-purchasing. Please keep in mind that with all procurement, the use of federal taxpayer dollars requires you to use funds to maximize free and open competition. Micro-purchases are not exempt from this requirement.

2. Micro-Purchases may be used when the following conditions are met:

- One aggregate transaction does not exceed \$10,000
- Purchases are equitably distributed among qualified vendors
- Prices are reasonable

3. Micro-purchasing MAY NOT be used instead of required procurement methods.

4. Things to remember when using micro-purchasing are:

- The Winner School must distribute micro-purchases between multiple suppliers to “share the wealth” as long as the price is considered reasonable.
- The items being purchased should be examined to see if purchasing them in a different manner could result in a better price. Micro-purchasing may not be used when another procurement method may achieve a more economical approach.
- For example, you cannot purchase your weekly food supplies from one vendor all year long, as long as each of the weekly invoices do not exceed the micro-purchase threshold of \$10,000. Using this example, the Winner School must use an informal or formal procurement method to evaluate the best vendor. Micro-purchasing is meant to be used for smaller purchases that cannot otherwise be estimated for long term use over the school or fiscal year.

5. The following procedures will be used for routine micro-purchases:

Micro-Purchase Procedures Table

Vendor	Good or Service	Reasoning	Duration/Frequency
Cash-Way Distributing	Smallwares, small kitchen equipment	No local source available. Reasonable pricing/shipping cost	As needed basis, rotate between amazon.com and Cash Way Distrib.
Amazon.com	Smallwares, small kitchen equipment	No local source available. Reasonable pricing/shipping cost	As needed basis, rotate between amazon.com and Cash Way Distrib.
Hillyard	Cleaning supplies	Bulk products at low cost	Monthly
Wordware	Computer system/support	No local source available	Annual
Central Restaurant	Larger kitchen equipment	No local source available	As needed

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Products			
Winner Plumbing & Heating	Repairs, services and parts	Local source for emergencies/products	As needed basis, rotate between Jason Jankauskaas and Winner Plumbing & Heating
Jason Jankauskaas	Repairs, services and parts	Local source for emergencies/products	As needed basis, rotate between Jason Jankauskaas and Winner Plumbing & Heating
H & O Electric	Repairs, services and parts	Local source for emergencies/products	As needed basis, rotate between Kucera Electric and H & O Electric
Kucera Electric	Repairs, services and parts	Local source for emergencies/products	As needed basis, rotate between Kucera Electric and H & O Electric

Small Purchase Procedures (also known as Quotes or the Informal Procurement Method)

A. If the amount of purchases for items are less than the district's small purchase threshold, the following small purchase procedures, including quotes will be used. Quotes from an adequate number of qualified sources will be required.

1. Written Specifications will be prepared and provided to the vendor.
2. Each vendor will be contacted and given an opportunity to provide a price quote on the same specifications. A minimum of two vendors shall be contacted.
3. The Business Manager/Food Service Director will be responsible for contacting potential vendors when price quotes are needed.
4. The price quotes will receive appropriate confidentiality before award.
5. Quotes will be awarded by Business Manager/Food Service Director. Quotes awarded will be to the lowest and best quote based upon quality, service availability and price.
6. The Business Manager/Food Service Director will be responsible for documentation of records to show selection of vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and written specifications.
7. The Business Manager/Food Service Director will be responsible for documentation that the actual product specified is received.

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8. Any time an accepted item is not available, the Business Manager/Food Service Director will select the acceptable alternate. Full documentation will be made available as to the selection of the acceptable item.
9. Bids will be awarded on the following criteria:
 - a. Lowest Price is the primary factor
 - b. Quality/Service
 - c. Delivery Method
10. The Business Manager/Food Service Director is required to sign all quote tabulations, signifying a review and approval of the selections. All vendors that submitted a response must be notified that they were either selected or not selected.
11. Audit Requirement: At minimum of once per agreement or contract period, 10% of purchased items or a minimum of three items, whichever is greater, will be checked for price accuracy, meets specification requirements, Buy America requirement. Business Manager/Food Service Director will document items reviewed on a procurement audit log, recorded their name, date and the results of the audit.
12. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

B. If items are available only from a single source when the award of a contract is not feasible under small purchase, sealed bid or competitive negotiation, NON-COMPETITIVE NEGOTIATION procedures will be used:

1. Request for sole source purchasing will be made to the State Agency, Child and Adult Nutrition Services.
2. Written Specifications will be prepared and provided to the vendor.
3. The Business Manager/Food Service Director will be responsible for the documentation of records to fully explain the decision to use the non-competitive negotiation. The records will be available for audit and review.
4. The Business Manager/Food Service Director will be responsible for documentation that the actual product or service specified was received.
5. The Business Manager/Food Service Director will be responsible for reviewing the procedures to be certain all requirements for using single source or non-competitive negotiation are met.
 - Noncompetitive negotiations shall be used for one-time purchases of a new food item in order to determine food acceptance by students and for samples for testing purposes. A record of non-competitive negotiation purchase shall be maintained by the Business Manager/Food Service Director. The record of non-competitive purchases shall include, at a minimum, the following:

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- Item name
- Dollar amount
- Vendor and
- Reason for non-competitive procurement

A member or representative of the local Board of Education or Governing Board will approve, in advance, all procurements that result from non-competitive negotiations.

Standards of Conduct

The following standards of conduct will be expected of all persons who are engaged in the procurement process, including informal purchases, selection, awarding and the administration of contracts or agreements supported by the Winner School's Nonprofit Food Service fund per 2 CFR Part 200.310©.

These written standards of conduct include:

1. No employee, officer or agent of the Winner School District 59-2 shall participate in the selection or in the award or administration of a contract supported by program funds if a conflict of interest, real or apparent would be involved.

Conflicts of interest arise when one of the following has a financial or other interest in the firm selected for the award:

- a. The employee, officer or agent;
- b. Any member of the immediate family;
- c. His or her partner;
- d. An organization which employs or is about to employ one of the above.

2. All employees, officers and agents of the Winner School that participate in the selection or in the award or administration of will attest either to no conflicts of interest or declare all real or apparent conflicts of interest on an annual basis. Business Manager/Food Service Director will retain this documentation along with current program year procurement documentation.

3. Employees, officers or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements including:

- a. Entertainment
- b. Hotel Rooms
- c. Transportation
- d. Gifts
- e. Meals

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4. The Winner School may set a standard for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The Winner School defines nominal value at \$25.
5. Any employee or board member (owner) who violates any of these standards of conduct shall:
 - a. Receive a written reprimand by the Winner School's Board of Education on the first offense;
 - b. Serious or repeated violations will result in dismissal by Winner School's Board of Education;
 - c. Serious or repeated violations of the standards of conduct may result in legal action.

For further questions, contact:

Superintendent/Federal Program Representative 605-842-8101