Ohio | Department of Education

John R. Kasich, Governor
Paolo DeMaria, Superintendent of Public Instruction

To: Sponsors Participating in Ohio School Nutrition Programs

From: Andrea Denning, Director
Office for Child Nutrition

Date: May 11, 2018, Revised September 13, 2018

Re: School Nutrition Programs Procurement Review

Purpose

To outline policy and process regarding procurement reviews of School Nutrition Programs (SNP) in Ohio.

It is the responsibility of the state agency (SA) to monitor and ensure compliance of all SNP. This is accomplished through audits, reviews, technical assistance, training guidance materials or other means (7 CFR 210.19 3). As the SA, the Ohio Department of Education (ODE) is mandated to monitor and review procurement practices of school food authorities (SFA) to ensure compliance with federal and state rules and regulations. Per federal regulation, ODE is required to conduct reviews of a SNP sponsor's procurement activities at least once every three years per federal regulation SP-39-2017.

Policy

Procurement reviews are conducted every three years[1] for a sponsor. A procurement review serves to ensure that sponsors follow and meet federal, state and local procurement rules and regulations. The sponsor must provide a listing of all vendors used for school nutrition program expenditures in the reviewed school year. From that list, ODE reviews a random selection of vendors.

Important sponsor deadlines are communicated in the initial notification email. It is the sponsor's responsibility to observe and comply with all dates. Failure to submit required documentation or complete sections may result in a finding and corrective action. Failure to comply with the review may result in withholding payment until the SFA complies.

The procurement review is conducted online. All required information and documentation must be uploaded into the Claims Reimbursement and Reporting System (CRRS). If ODE requests additional documentation from the sponsor, all subsequent documentation must be uploaded into the CRRS. The sponsor can view procurement review results, findings, and/or corrective actions in the CRRS.

[1] The USDA and state agency maintain the right to adjust the three-year review cycle up to five years if such flexibility exists in future reviews.

Any findings and corrective actions are expected to be resolved within 30 days of completion of the procurement review.

Process

The procurement review is conducted entirely in CRRS and takes approximately two months to complete. The following steps outline the review process:

Notification: The SA sends an email notification to the about impending procurement review. The sponsor has two weeks from the date of notification to complete and submit the required information to the SA. The email notification contains important dates and information for the sponsor and includes instructions to complete and submit information for the procurement review.

School Food Authority (SFA) Procurement Table: The SFA procurement table provides necessary information regarding contact information and procurement activities for the assigned review year. This section must be completed before the assigned review date. Multiple sources may be needed to complete the table. The SFA procurement table must be completed within two weeks of notification of the procurement review. Refer to the school nutrition program procurement review checklist for all requirements when completing the table.

Vendor Selection: After completion of the SFA procurement table, ODE selects vendors for review. The SFA is notified of vendors selected and all required vendor documentation for the review. The SFA should use the school nutrition program vendor selection checklist as a guide to ensure all required documentation is uploaded into the CRRS.

Vendor Review: The SFA submits all required vendor documents including the bid, award and supporting documentation of services received. Then, ODE begins review of selected vendors. The approximate time to complete the review is dependent on the sponsor size.

Review Summary and Close: The reviewer notifies the assigned procurement authority when the review is complete and the summary of findings and any corrective action is available in the CRRS. The SFA must respond and resolve findings related to any corrective action within 30 days.

Required Documentation

All required documentation must be uploaded to the CRRS as a review attachment. The following documentation is required for each procurement review. ODE may require additional documentation as needed.

SFA Procurement Table Documents
The SFA must upload the following documents as individual files when completing the SFA Procurement Table.

- **SFA Procurement Procedures**: A document outlining the procurement procedures for the SFA.

- **Written Code of Conduct**: Per the requirement of 2 CFR § 200.318

- **Vendor Paid List**: A comprehensive list of all school nutrition program expenditures per vendor. This list delineates by line item the expenditures for a certain vendor.

Vendor Documents

Once ODE provides notice of vendor selection, the SFA must upload the following documents. SFAs should upload an individual file for each vendor that contains all required documentation.

- **Solicitation Documentation**: Includes copies of requests for quotes, invitations to bid, requests for proposals, published advertisements, etc.

- **Responses**: Includes quotes for informal procurement procedures and bids/proposals for formal procurement procedures

- **Evaluation**: Includes scoring results used to select the vendor. This is only for those which used a competitive proposal method

- **Final Contract**: Includes the final contract and contract notification documentation

- **Amended Contract Language**: Edit if a change was made to the contract

- **Supporting Purchase Documentation**: Includes purchase orders, receipts and invoices

- **Documentation of USDA Foods Value Received**: For processing contracts only

Vendor Types

Sponsors are required to enter vendors in the procurement review tool by type. The vendor type is determined by the procurement method. As such, a sponsor may have multiple purchase types for a single vendor. In this situation, the sponsor is required to enter the vendor and expenditure into each category.

The sponsor must enter all expenditures for each vendor in the SFA procurement pable in the CRRS procurement tool.

Purchase types are defined into the following categories and thresholds:

Micro Purchases: Purchases made without soliciting bids or through a contract and are under the micro purchase threshold. Purchases must be distributed equitably among all qualified vendors.

Small Purchases: Purchases that are valued from the micro purchase threshold to the SA's small purchase threshold or the local education agency's (LEA) small purchase threshold, whichever is lesser. Small purchases are made by soliciting quotes from an adequate number of qualified sources.

Formal Contracts: Purchases made through a formal procurement process such as sealed bids or competitive proposals. A formal contract is mandatory for purchases above the small purchase threshold

Food Service Management Company (FSMC) Contracts: Purchases made through a contract with a FSMC. A FSMC is a commercial enterprise or nonprofit organization that is contracted with an SFA to manage any aspect of the school food service. FSMC's may be public agencies or entities, private, nonprofit organizations or private for-profit companies

Processing Contracts: Purchases made through a contract with a food processor for further processing of USDA foods into end products

Contact and Documentation

Initial communication will be sent to the food service director, treasurer, and the sponsor's superintendent. Following this, the treasurer and the food service director will be contacted for all emails. The sponsor's program specialist will be copied in emails deemed relevant to the procurement review's progression, such as the last email in a back and forth between the reviewer and the sponsor. The reviewer should document emails to be uploaded in the "review attachments" page of the procurement review.