

Informal Procurement Checklist

School Nutrition Programs

Informal procurement may be used when the value of a purchase is less than \$350,000*. There are two types of informal procurement – micro-purchase and small purchase.

*Local threshold may be more restrictive.

Micro-Purchase

Micro-purchase procedures may be used when the value of a purchase is less than \$15,000*. SFAs may choose to establish a higher threshold up to \$50,000 by meeting the self-certification requirements below. Micro-purchases are made without getting price quotes.

Micro-purchase requirements:

- Purchases should be distributed equitably among qualified suppliers as much as possible.
- Prices must be reasonable.
- Documentation must be kept including receipts and justification for using the micro-purchase method.

Self-Certification: SFAs wishing to increase their micro-purchase threshold up to \$50,000 must self-certify annually by justifying why they want to increase the threshold and have supporting documentation of being a low-risk auditee.

Small Purchase

Small purchase procedures may be used when the total purchase amount is less than \$350,000*. With this method, the following steps must be followed:

Step 1: Develop Your Solicitation - *What is it that you want?*

- Anticipate the quantity and value of the item(s) by using production records, velocity reports and production records.
- Develop clear and accurate descriptions of the item(s) to be procured.
- If specifying a brand name, “or equivalent” must be listed.
- The date(s)/duration the item(s) are to be provided.
- Include the Buy American Provision (for food only).
- List other factors, in addition to price, that you are requesting such as quality, delivery schedule, etc.

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Step 2: Contact Vendors for Price Quotes

- Contact multiple qualified vendors via mail, email, or phone. For verbal quotes, you must document the response in writing.
- Provide the solicitation from step 1 to each potential vendor. The same information must be provided to each vendor.

Step 3: Document Vendor Contacts

- Keep written documentation of each vendor contacted.
 - Vendor name and address
 - Contact method
 - Date
 - Contact name & number or email
 - Price quoted
 - Duration of price quote
 - Response or no response

Step 4: Evaluate Vendor Responses

- Review each response – does the vendor meet the requirements of the solicitation? Are they willing and able to provide the products as listed in the solicitation?
- Calculate line item or bottom-line pricing to determine which vendor has the lowest price

Step 5: Select the Vendor

- Select the vendor based on the items requested and the vendor response.
- The award (purchase) goes to the vendor that has the lowest price and can meet the specifications requested in the solicitation and can provide the goods requested.
- If rejecting an offer, document why
- Notify the vendor about the award.
- It is preferable to have a signed written agreement.

Step 6: Consistently Monitor the Contract

- Do invoices and deliveries conform with contract requirements? (price, quality, delivery schedule, ...)

Step 7: Maintain Documentation

- Solicitation documents
- Emails, letter and other documentation related to the procurement
- All quotes received
- Evaluation documents
- Vendor notification