

Real-World Informal Procurement: Scenarios You'll Actually Use School Nutrition Programs



Procurement, as we all know, is one of the most complex processes within the child nutrition department. **Every purchase made from the school nutrition account must follow micro, small, or formal procurement procedures and be supported by documentation.** One size doesn't fit all. Knowing what documentation is needed when, depends on the scenario.

This document is designed to guide Maine School Nutrition Programs towards the right procurement approach by using common informal purchasing scenarios as guides. These scenarios, drawn from real life procurement reviews of Maine schools, are organized by cost, purchase frequency, and procurement objective. All three of these factors should be understood before proceeding with a purchase of any size. This thinking often comes too late; this document is meant to bring clarity and intention back to the beginning of the procurement process, no matter what the scenario.

Outlined below are the four approaches to informal procurement included in this document. Specific procurement scenarios are detailed within each section, which contains corresponding procurement procedures, and tools where noted.

1. [Micro-purchase: One time](#), ≤\$15,000; takes very low effort; not driven by lowest price
2. [Micro-purchase: Recurring](#), ≤\$15,000; takes low effort, must spread the wealth; not driven by lowest price
3. [Small purchase: One time](#), ≤\$350,000; takes some effort; need to get lowest possible price
4. [Small purchase: Recurring](#), ≤\$350,000 takes more effort; need to get lowest possible price

- Tools to assist with procurement requirements:

- [How to Create a Market Basket from a Velocity Report](#)
- [Sample Market Basket Template](#)
- [Tips for Writing Product Specifications for a Market Basket](#)

All entities using Federal Funds, including school nutrition programs, must follow procurement regulations found in [2 CFR Part 200](#). USDA School Nutrition Program regulations [7 CFR Part 210, 215, 220](#).

¹ * <https://www.federalregister.gov/documents/2025/08/27/2025-16412/federal-acquisition-regulation-inflationadjustment-of-acquisition-related-thresholds>. Local threshold may be more restrictive

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1. Micro-purchases: One-Time

Frequency: One-time purchase

Dollar Value: Transaction $\leq$ \$15,000*

Procurement Objective: Takes very low effort; not driven by lowest price

Justification A: I need an <i>emergency backfill</i> , and I need it now: such as getting hamburger buns missing from today's delivery; or repairing a dishwasher that stopped working. The transaction will cost less than \$15,000.	Justification B: I want to <i>try a new product</i> or <i>support a local vendor</i> : such as testing a new pizza dough; or purchasing apples from a local farm. The transaction will cost less than \$15,000.	Justification C: I need to make a purchase less than \$15,000 and following a different <i>procurement approach is too time consuming</i> : such as needing to stock up on small wares like aprons, tongs, labels, mitts; annual hood cleaning.
Micro-purchase requirements: - Prices should be considered reasonable. - Keep all receipts/invoices and note your justification for using the micro-purchase method.		

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2. Micro-purchase: Recurring

Frequency: Recurring purchase

Dollar Value: Transaction $\leq$ \$15,000*

Procurement Objective: Takes low effort, must spread the wealth; not driven by lowest price

Justification A:

I need to purchase bread/milk/food on a regular basis, and each transaction will be less than \$15,000.

Note: if you want to get the *lowest cost*, see procedures for [Small Purchase: Recurring](#).

Micro-purchase requirements:

1. Since these purchases are recurring,
 - a. purchases should be distributed equitably among qualified suppliers as much as possible.
 - b. If you're not able to distribute your purchases equitably among vendors, you must be able to document why not. This should happen at least annually.
2. Prices should be considered reasonable.
3. Keep all receipts/invoices and note your justification for using the micro-purchase method.

Compliance Tip:

- If you are buying from the same vendor for recurring micro-purchases, be sure to conduct annual due diligence by looking around to see if other vendors can supply what you're looking for.
- It is best practice to spend roughly the same amount among similar vendors as often as possible (i.e. ~\$1,000 at Food vendor A and ~\$1,000 at vendor B) on an annual basis.
- Document your efforts to "spread the wealth" by using a procurement tracker to log spending among vendors. This will foster good habits and will help you be prepared for your procurement review.

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3. Small Purchase (Simplified Acquisition Method): One Time

Frequency: One-time purchase

Dollar Value: Transaction $\leq$ \$350,000*

Procurement Objective: Takes some effort; need to get lowest possible price

Scenario A: I need to <i>replace a piece</i> of equipment, such as a combi oven, dishwasher, or walk-in. The transaction will cost less than \$350,000.	Scenario B: I need to <i>purchase</i> generators for backup power for all kitchens and will be working with the Facilities Department. The transaction will cost less than \$350,000.	Scenario C: I need to get a piece of <i>equipment repaired</i> . The transaction will cost less than \$350,000.
Small purchase procedures: - Develop a clear description of the item/service(s) you want: - Confirm terms: delivery/installation/pickup, etc. - It is recommended to specify a “no fuel surcharge.” - Contact multiple vendors for price quotes, be sure to share identical information with each. - Document vendor responses: - Vendor name and address - Date - Contact name & number called or email address used - Price quoted - Duration of price quote - Response or no response received - Select the vendor based on the quote with the lowest price and who meets all the terms you specified in step 1. - Review invoices to verify the vendor charged you the price quoted. - Maintain documentation at every step.		
Compliance tip: - To allow for open and fair competition, write clear specifications; send the same price request to multiple vendors; don’t pit vendors against each other. - If you contact vendors by phone or submit a request through their online portal, make sure to document it and save this communication. - Best practice is to keep all vendor correspondence filed in folders by vendor. Using digital or hard copies is fine. - You may want to create a tool to track each step of small purchase procurement procedures.		

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4. Small Purchase (Simplified Acquisition Method): Recurring

Frequency: Recurring purchase

Dollar Value: Transaction $\leq$ \$350,000*

Procurement Objective: Takes more effort; need to get lowest possible price

Scenario A: I need to purchase bread/milk/food on a regular basis, I want the lowest price, and each transaction will cost less than \$350,000.	Scenario B: I'm looking for someone to provide service/maintenance of equipment. I'd like to use the same person/company repeatedly so they get to know my school and equipment, and each transaction will cost less than \$350,000.
Small purchase procedures: 1. Develop clear and accurate descriptions of the item(s)/service(s) to be procured: a. For Scenario A: Create a Market Basket, a representative sample of your purchases over time, by first requesting a Velocity Report from your prime vendor (<u>See detailed instructions</u> here.) b. For Scenario B: Develop a detailed description of what you're requesting and related terms. 2. Ask for price quotes from multiple vendors by sending them your terms (such as delivery dates/times, etc.) and your Market Basket. Give them adequate time to respond. Save this correspondence. 3. Document vendor responses, save: a. Vendor name and address b. Outreach method c. Date d. Contact name & number called or email address used e. Price quoted f. Duration of price quote g. Response or no response 4. Evaluate quotes for lowest price by calculating line item or bottom-line pricing. 5. You must select the vendor who offers the lowest price <u>and</u> meets your stated terms from step 1. Notify vendor about the award. Save this correspondence. 6. Consistently monitor contract by ensuring that the vendor is doing what they said at the price quoted. 7. Maintain documentation at every step.	

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Compliance tip:

- To allow for open and fair competition, write clear specifications that will allow fair comparison between different vendors; send the identical price request to multiple vendors.
- If you contact vendors by phone or submit a request through their online portal these details must be documented and saved.
- Best practice is to keep all vendor correspondence filed in folders by vendor. Using digital or hard copies is fine.
- You may want to create a tool to track each step of small purchase procurement procedures.

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How to Create a Market Basket from a Velocity Report

To create a Market Basket, you'll want to identify the top-purchased items by volume and dollar value. This information, is available by requesting a Velocity Report from your current vendor. A Market Basket will serve as a representative sample of your recurring purchases that you can then use for competitive bidding.

Step 1: Acquire a Velocity Report

A Velocity Report is a detailed report that has item descriptions and total dollars spent on each item during a specified period of time.

- a) **Call or email your primary vendor** and ask for a Velocity Report covering the last full school year.

Sample script for phone or email:

Hello, I am the school nutrition director for XX school district. I am looking for a detailed Velocity Report that has item descriptions and total dollars spent for each item ordered during July 1-June 30, 202X. Can you please send me this document? My deadline is ____.

Sample Velocity Report

Vendor Item	TYPE	Item Description	Description 2	UOM	Pack Size	Sales In	Total Sales	Case Price	svg/oz
24376	fruit, canned	DICED PEACHES IN JUICE	CHOICE	CS	6/#10	12.00	374.04	31.17	0.194813
64040	fruit, canned	WHOLE MANDARIN ORANGE	AMERICAN ROLA	CS	6/#10	8.00	313.20	39.15	0.244688
003710092433	fruit, canned	DICED PEACHES IN L/S	CHOICE	CS	6/#10	4.00	133.92	33.48	0.20925
11047	fruit, canned	FANCY SWEETENED APPLESAL	CHOICE	CS	6/#10	4.00	120.80	30.20	0.18875
938731171/1010	fruit, dried	SEEDLESS RAISIN	IMPERIAL	CS	144/1.5 OZ	199.00	5,676.13	28.52	0.17827
15302	fruit, canned	FRUIT COCKTAIL IN JUICE	MISSION PRIDE	CS	6/#10	142.00	5,243.73	36.93	0.230798
MCL03622	potato	SPICY SKIN ON SPIRALS	McCAIN	CS	6/4LB	224.00	4,906.16	21.90	0.136891
MCF03761	potato	OVATIONS 3/4" CRINKLE CUT FR	McCAIN	CS	6/5LB	95.00	2,374.00	24.99	0.156184
OIF00215A	potato	PLAIN POTATO TATER TOTS	ORE-IDA	CS	6/5LB	76.00	1,551.20	20.41	0.127566
492277/10326	potato	PREMIUM MASHED POTATOES	BASIC AMERICAN	CS	12/31OZ	8.00	352.40	44.05	0.275313
27000-37854	tomatoes, canned	DICED TOMATOES IN JUICE	ANGELA MIA	CS	6/#10	2.00	39.76	19.88	0.12425
15483	vegetable, canned	WHOLE KERNEL CORN IN LIQUI	CHOICE	CS	6/#10	83.00	2,127.09	25.63	0.160172
7022207425	vegetable, canned	PEAS	CHOICE	CS	6/#10	10.00	311.70	31.17	0.194813

Prime vendor velocity report sorted by product type

Screenshot taken on April 1, 2026 from <https://www.thelunchbox.org/fresh-food-initiatives/salad-bars/procurement/>

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Step 2: Create a Market Basket from a Velocity Report

- a) **Prepare the data:** Confirm the Velocity Report includes detailed descriptions, manufacturer codes, pack sizes, and total quantity sold. Sort the report by total dollar volume (highest to lowest) or by net quantity sold. Filter by top items.
- b) **Establish a Sample Target:** Identify the top items that represent at least 75% or more of the total estimated value of the contract. This is the basis of your Market Basket.
- c) **Define Detailed Specifications:** Ensure every item in your market basket has a clear, detailed description to allow for accurate bidding from vendors (see “[Tips for Writing Product Specifications for a Market Basket](#)” for guidance).
- d) **Adjust for Future Needs:** Adjust quantities based on expected changes in menu, student participation, or vendor supply for the upcoming year. Save this analysis.
- e) **Use this data to populate a Market Basket Template:** The Market Basket is what will be sent to vendors to solicit competitive bids. The template below, for example, has one section, in blue, to be filled out by a school district using the information gained from the Velocity Report, and another section, in orange, that will be completed by the “bidder” or the food company that will be responding to your request.
- f) After a Market Basket has been created, [resume with Step 2 for Small Purchase: Recurring](#).

Sourced from USDA

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<https://www.nd.gov/dpi/sites/www/files/documents/ChildNutrition/SNP/Kitchen%20Counter/Market%20Basket%20Template.xlsx>

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Tips for Writing Product Specifications for a Market Basket

An accurate and clearly written specification is not only required for SNP but it also helps vendors understand exactly what you want so a competitive price can be quoted. Best practices for writing specifications are to use words to describe physical descriptions such as color, size, and packaging, and to use numbers or letters to describe grade, weight, and quality.

These tips are borrowed from "K-12 Specification Guide, A Handbook for Developing Specifications in School Foodservice," by the Urban School Food Alliance, 2025 Edition.

Helpful tips for writing clear and accurate product specifications		
Information to consider including	- Name of product - Description of product - Case pack and weight - Minimum and maximum size and pieces - Main ingredient(s) - Other product ingredients	- Prohibited ingredients - Nutritional standards - Units on which award is made - Quality indicators - Meal pattern requirements/child nutrition (CN) label
Name of product <i>*If specifying a brand, ensure to state that "an equal" product may be offered and describe the performance or other relevant requirements of the product.</i>	- WG Breaded Chicken Nuggets - Milk, Fluid, Unflavored - Apples, Red Delicious - Beans, Green - Cups, Foam	
Product description	Clearly identify the product: - Type - Cut and Shape - Portion Size - Precooked Weight - Frozen, Fresh, or Dry	

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Minimum and maximum sizes or pieces <i>Describes the minimum and maximum size of the product</i>	Possible description may include: - Each serving must weigh a minimum of 3.9 ounces and cannot exceed 4.1 ounces	
Main ingredients <i>Describes the main ingredients</i>	- Pinto beans, black beans - Whole grain-rich tortilla - Deboned white chicken meat	
Unit on which award is made	Describes how the unit price will be determined: - By the case - By the serving - Per pound	
Quality indicators for fruits and vegetables <i>Example: Apples, Fresh: Packed to U.S. Fancy Grade; Red Delicious; 100 count; 40lb Case</i>	- Grade A or U.S. Fancy: First quality private label - Grade B or U.S. Choice: Second quality private label - Vegetables: Grade B or U.S. Extra Standard: Second quality private label - Grade C or U.S. Standard: Third quality private label	
Quality indicators for meats	Beef: - Prime - Choice - Select	Poultry: - Grade A Fish: - Grade A Pork: - Not Graded
Meal pattern requirements/CN label	- Describe if the product has to have a CN label - If it needs to meet certain meal component requirements	