



Child Nutrition Department Financial Management & Procurement Procedures Manual

July 2022

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USDA Nondiscrimination Statement

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. Mail:

*U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or*

2. Fax: (833) 256-1665 or (202) 690-7442; or

3. Email: program.intake@usda.gov

This institution is an equal opportunity provider.

Section 1 - General Information

The district has established fiscal procedures that apply to all financial transactions regardless of the funding source. The Business Operations & Federal State/Grants Manual provides guidance related to the financial management practices of the district such as general ledger maintenance, segregation of duties, retention of records, data system security and other financial management areas as it relates to federal procurements.

All federal grant funds are subject to compliance with Administrative (EDGAR) and Programmatic (ESSA, IDEA, etc.) regulations for each federal grant award. The procedures contained within this document (Child Nutrition Department Financial Management & Procurement Procedures) shall also comply with the USDA regulations and the Administrator's Reference Manual (ARM), Sections 14, 16 and 17 as they relate to financial management and procurement. Note. If there is a regulatory conflict, the district (a contracting entity or CE) is required to follow the USDA regulations for all Child Nutrition funds (income, allowable costs and procurement).

Section 2 – Financial Management System

The District's financial management system, Munis shall be utilized to expend and track all Child Nutrition expenditures. The financial management system shall be maintained in a manner that provides adequate internal controls over the data integrity, security and accuracy of the financial data. The district's Internal Control Procedures shall apply to the management of Child Nutrition funds. The district's financial management procedures shall apply to all local, state and federal funds, including Child Nutrition funds.

The district shall utilize the Financial Accountability System Resource Guide (FASRG) Account Code Structure to record all payroll and non-payroll expenditures. Additional guidance regarding the FASRG Account Code Structure is available on the TEA Website (www.tea.texas.gov).

At the District level, managing the Child Nutrition Program shall be a collaborative process between the Business, Accounting, Purchasing, Payroll, Human Resources and Child Nutrition Departments. Each respective department shall be responsible for their duties and responsibilities as they relate to the management of state and/or federal grants. The duties of each department are listed below in general terms. Additional, specific duties and responsibilities may be listed within an area of compliance within this Manual.

Business, Accounting and Purchasing Departments (including Accounts Payable)

- Assisting the Child Nutrition Administrator with budgeting Child Nutrition funds. Preparing and posting the initial budget and all amendments to the general ledger.
- Assisting the Human Resources, Payroll and Child Nutrition departments with determining the payroll distribution code(s) for all Child Nutrition staff.
- Preparing all financial records for the annual financial audit and single audit, as appropriate.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Adjusting the general ledger, as appropriate, after the Director of Child Nutrition's reconciliation of the time and effort reports, as appropriate if adjustments are necessary
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (Includes base salaries, stipends and extra-duty rates of pay)
- Managing the day-to-day cash management functions such as depositing Child Nutrition funds, issuing payments to vendors, reconciling bank statements and posting accounts receivables.
- Managing all purchasing and contractual commitments in compliance with the allowable cost principles
- Retaining all financial records for the required length of time (5 years) for audit purposes
- Managing all fixed assets and ensuring compliance with the inventory and disposition Child Nutrition

guidelines

- Prepare the Annual Child Nutrition Financial Report and provide to the Director of Child Nutrition for final review, approval and submission.
- Assisting the Child Nutrition with preparation for Administrative Program Reviews

Human Resources Department

- Assisting the Director of Child Nutrition with the recruitment and hiring of all Child Nutrition funded staff
- Ensuring that all grant-funded staff have a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description on an annual basis)
- Maintaining audit-ready Human Resource employee files for financial audit or single audit purposes, as appropriate
- Retaining all personnel records for the required length of time for audit purposes

Director of Child Nutrition

- Working cooperatively with the campus administrative staff to ensure that all Child Nutrition activities are collaboratively planned and appropriate to each campus.
- Providing supporting documentation for budgeted Child Nutrition funds and submitting all budget amendments to the Business Department.
- Assisting the Human Resources/Payroll department with determining the payroll distribution code(s) for all Child Nutrition funded staff.
- Preparing all Child Nutrition related reports such as monthly claims, annual financial report, inspections, etc.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the Business Department
- Reviewing and approving all purchasing and contractual commitments in compliance with appropriate federal regulations
- Track all procurements by method and document rationale for purchasing decision
- Review all vendor invoices for services, food, non-food, supplies and other goods to ensure that the invoiced amounts are in compliance with purchasing contracts, terms and pricing.
- Submit all invoices to the Accounts Payable department to ensure prompt payment in accordance with the Texas Prompt Payment Act.
- Retaining all application and programmatic Child Nutrition records for the required length of time (5 years) for audit purposes
- Verifying with the HR department that all Child Nutrition funded staff have a job description with the Child Nutrition related duties and funding.
- Preparing for Administrative Program Reviews to include collaboration with the Business Department regarding revenues and expenditures recorded in the Child Nutrition program.
- Review, approve and submit the Annual Child Nutrition Financial Report prepared by the Business Department

Payroll Department

- Maintaining audit-ready payroll employee files for financial audit or single audit purposes, as appropriate
- Retaining all payroll records for the required length of time (5 years) for audit purposes
- Assisting the Human Resources & Child Nutrition departments with determining the payroll distribution code(s) for all Child Nutrition funded staff.
- Receive and review Time and Effort documentation to compare to payroll distribution records.

Section 3 – Cash Management

The district Cash Management Procedures shall apply to the collection, deposit and reconciliation of all funds received by the Child Nutrition Program. The district shall comply with the general procurement requirement of the EDGAR (2 CFR 200), the USDA regulations, TDA Section 17 Procurement, procurement state laws and local policies and procedures.

The cash management procedures for Child Nutrition funds shall be as noted below:

Collected by Child Nutrition Department - Cashiers

- Cash and checks collected by a Child Nutrition Department cashier may include the following:
- Student payments for daily meals, a la carte purchases and pre-paid meal account funds
- Adult payments from District staff for daily meals, a la carte sales and pre-paid meal account funds
- Adult payments from non-employees for daily meals or a la carte purchases.
- The Child Nutrition cashier(s) post all cash collections to the automated system.
- By the end of each day, the Child Nutrition Department cashier shall reconcile the cash collected with and submit the collections report to the Child Nutrition Department for approval. After approval, the Child Nutrition cashier(s) shall prepare the deposit for the bank and give to the campus secretary for pickup.
- Deposits which cannot be made on the same day shall be stored in the school's locked safe or until such time as the deposit can be made.
- At the end of the fiscal year, the business office shall reclassify the end-of-year prepaid balances to a deferred revenue account (2310).
- At the end of the fiscal year (Child Nutrition year), the Child Nutrition department shall prepare a report with the uncollected amounts for meals.
- At the end of the fiscal year, the Business Department shall reclassify the uncollected amounts to the general ledger to transfer the funds from the general fund (199) to the Child Nutrition fund (240).

Collected from Texas Education Agency – NSLP Claims

- The Child Nutrition department shall prepare the NSLP monthly claim in accordance with state and federal regulations.
- The Child Nutrition department shall file the claim through the TX-UNPS system according to the established deadlines.
- The Child Nutrition department shall forward a copy of the claim to the business office one day after the close of the month for TRS reporting purposes and posting of the receivable(s) on the general ledger.
- The business office shall post a receivable (1242 – due from federal) to the general ledger to indicate that federal funds are forthcoming.
- Upon receipt of the funds from TEA, the business office shall post the cash receipt to the receivable account using "NSLP Claim "month" as the cash receipt description.
- The Child Nutrition department shall review the CHILD NUTRITION revenues to verify if the federal revenue has been posted to the appropriate account(s).
- As part of the End-of-Month (EOM) procedures, the business office will monitor aged receivables, including the Child Nutrition claim receivables, to ensure that the funds have been received on a timely basis.
- If the business office finds that an aged receivable for the Child Nutrition claim funds exists, the Child Nutrition Department will be notified to allow the department to follow up with TEA.
- At the end of the fiscal year, the business office shall post and carry forward any remaining receivables to the next fiscal year.

Collected from other sources

- The business department shall ensure that all proceeds from the sale of surplus or obsolete NSLP fixed assets are deposited and recorded as miscellaneous revenue in the Child Nutrition fund.
- The business department shall ensure that interest income, if any, shall be allocated and posted to the Child Nutrition on a monthly or annual basis, as appropriate.

The Business Department shall be responsible for reconciling all bank accounts and recording cash balances of the general ledger on a monthly basis.

Section 4 – Disbursement of Child Nutrition Funds

All expenditures in the Child Nutrition program shall be direct charges to the program. The district Accounts Payable Procedures shall apply to the disbursement of Child Nutrition funds such as vendor payments for goods and services.

The Accounting Department shall ensure issue vendor checks on a weekly basis and shall comply with Accounts Payable Procedures.

Section 5 – General Procurement Standards

The district shall comply with the general procurement requirement of the EDGAR (2 CFR 200), the USDA regulations, TDA Section 17 Procurement, procurement state laws and local policies and procedures.

To ensure consistency with the EDGAR, the district shall utilize the acronyms and definitions included in the EDGAR for general terms related to the management of federal grant funds. The [EDGAR Acronyms and Definitions](#) can be found in CFR 200.0 through 200.99. In addition, the district shall also utilize the definitions in the ARM, Section 17.

The district shall utilize a purchase order and encumbrance system to manage the expenditure of Child Nutrition funds unless other methods such as credit cards, direct payments, etc. are authorized prior to the purchase.

All purchases shall be in accordance with the district's School Board Policies (CH Legal and Local) and the district's Purchasing Policies and Procedures. The district purchasing procedures shall comply with all federal, state, and local procurement requirements.

Regardless of the procurement method, the following factors shall be determined regarding the allowability of costs:

- Be necessary and reasonable for proper and efficient administration of the Child Nutrition program (2 CFR 200.404)
- Be allocable to federal awards applicable to the administration of the Child Nutrition program (2 CFR 200.403)
- Be authorized and not prohibited under state and local laws

The following standards will be applied to all procurement methods. Solicitations will:

1. Allow for "full and open" competition
2. Be handled with integrity and fairness to all potential bidders
3. Award responsive and responsible contractors
4. Be fully documented to allow for complete transparency and follow the 5-years record retention requirement

The procurement history records and other procurement records shall be retained in accordance with the federal, state and/or local retention periods, whichever is greater. The procurement records shall be made available to the federal granting agency, pass-through entity (TEA), and auditors, as appropriate.

Birdville ISD allows the Child Nutrition Department to participate in the following:

1. Agreements
 - a. Inter-governmental agreements (operator-only/ESC)
 - b. Third Party Cooperatives
 - c. Agents
2. Informal Purchases
 - a. Micro-Purchase: any purchase that does not exceed the State threshold of \$10,000.
 - b. Small Purchase Acquisition: any purchase that exceeds \$10,000 but is not greater than the State threshold of \$50,000.
 - c. Birdville ISD does not have a more restrictive Small Purchase threshold.
3. Formal Purchases
 - d. Competitive Bid
 - e. Competitive Proposal (RFP-Request for Proposal)
 - f. Non-Competitive Proposal. TDA “pre-award approval” required

Birdville ISD will use the following 4 phases of procurement:

- i. **Planning.** Below is a list of the first steps that will be taken prior to any purchase.
 - a. What is needed in the way of product/products and/or services?
 - b. When are the products or services needed?
 - c. What is an estimated cost of the products or services needed? Multiple resources will be used to determine an “estimate” of the value or cost. The cost/price analysis will be used to determine the most appropriate procurement method.
 - d. How will we pay for the products and/or services?
- ii. **Forecasting.** Below is a list of the resources to be used for forecasting our needs.
 - a. We will review our past program to determine if the products or services were used in the previous program year.
 - b. Current program needs will be assessed, and product amounts and/or service needs will be determined.
 - c. Upcoming program years will be considered in regard to future needs and possible renewal or extensions of contracts if necessary.
- iii. **Soliciting.** The following general steps will be taken to start the solicitation process. Each procurement is more specifically outlined later in this manual.
 - a. Based on the cost/price analysis in our planning phase, the most appropriate procurement method will be used.
 - b. A general specification with details will be written to document the product or service needed.
 - c. Terms and conditions of the contract will be outlined and reviewed to ensure the solicitation clearly describes our needs and deliverables required.
 - d. Each solicitation will include the following information:
 - I. Deadline (date and time) the quotes or responses are to be received.
 - II. The method the quotes or responses are to be submitted and to whom.
 - III. Evaluation criteria, if any, is used, clearly outlined to include scoring rubric.
 - IV. Date and time by which the solicitation will be awarded.
 - V. Term of the contract and if any renewals or extensions will be allowed.
 - e. Research will be done to identify potential suppliers.

- iv. **Awarding.** Based on the procurement method, the following general processes will be used:
 - a. A winner will be selected using the following methods.
 - b. Equitable distribution for all Micro-Purchases.
 - c. Low bid winner for Small Purchases and IFB's.
 - d. A single winner through evaluation criteria for Small Purchases and RFP's.
 - e. Pre-award approvals must be obtained from TDA for any solicitation that is deemed non-competitive or sole source.
 - f. Multiple winners are selected for RFP's when a "line-item" award approach is taken to procure the best price for each product specified in the solicitation.
- v. **Contract Management.** The following items will be monitored during the life of an awarded contract.
 - a. Quantities specified are made available and delivered.
 - b. Delivery times and schedules are being met per contract terms.
 - c. Product deliveries and/or services are occurring at the correct location if multiple locations are part of the awarded contract.
 - d. Products and/or services are meeting the specifications as described in the solicitation.
 - e. Substitutions of products are being handled as outlined in the Terms and Conditions and are adequate to the specified product.
 - f. Vendor response time to product/service issues is appropriate in regard to each situation, if any.

Section 6 – Procurement Methods: Informal and Formal (2 CFR200.320)

1. Micro-Purchases

The micro-purchase method is an "Informal Procurement Method" for purchases where the aggregate value in a single transaction is at or below \$10,000. This enables the District to purchase supplies or services without soliciting competitive quotes if the school considers the price reasonable. The District may purchase products and/or services that are similar or dissimilar, purchased as a single or collective unit.

- a. All unplanned, non-routine purchases with an aggregate total that does not exceed the threshold of \$10,000 are allowed (2 CFR 200.67) and will include:
 - i. Documentation that explains the reason for the purchase and vendor name.
 - ii. List of items or service purchased.
 - iii. Receipt.
 - iv. All documentation will be kept with payment documents in A/P
- b. Types of Micro-Purchases allowed:
 - i. Emergency and/or equipment repair parts
 - ii. Small to medium catering events
 - iii. Emergency food shortages
 - iv. Staff training and travel expenses
 - v. Small kitchen equipment purchases
- c. The following employee positions have permission to make a Micro-Purchase:
 - i. Child Nutrition Supervisor and Specialist
- d. Eligible vendors.
 - i. Equitable distribution of purchases will be made to all suppliers within an appropriate proximity to the district's school sites
 - ii. Only district-approved and qualified suppliers
- e. Payment for Micro-Purchases.
 - i. Purchase Order will be issued by Purchasing Department

- ii. Payment will be made via check by Accounts Payable Department
- iii. Payment made use procurement card.

2.Small Purchases

The small purchase method is an “Informal Procurement Method” for purchases that exceed the micro-purchase threshold, but have an aggregate amount no greater than the Simplified Purchase Acquisition threshold of \$50,000. The District must contact a minimum of 3 potential suppliers and attempt to get a minimum of 2 quotes.

- a. Based on the determination through a cost/price analysis that a purchase will exceed the Micro-Purchase threshold (2 CFR 200.67) but will not exceed the State’s/District’s Simplified Purchase Acquisition (Small Purchase) threshold of \$50,000
- b. Allowable types of Small Purchases:
 - i. Single/one-time purchase with an aggregate amount between \$10,000<\$50,000
 - ii. Multiple purchases of same or similar products and/or services from a prime vendor during the fiscal year with an aggregate amount between \$10,000<\$50,000
- c. Birdville ISD will use the following steps to make a Small Purchase (2 CFR 200.320 [b])
 - i. Identify potential suppliers; who to contact for bids; what is available on the market.
 - ii. Write the product and/or service specification to include details but not restrictive as to exclude competition.
 - iii. Draft the solicitation to include contract terms and conditions, invoice methods, delivery and/or service requirements, duration of contract, and evaluation criteria if any is being used with the scoring rubric.
 - iv. Contact a minimum of 3 vendors (if possible) and provide each one with the same information to include all details of the solicitation. Emailed or faxed documents is the preferred method, but verbal delivery of solicitation details is allowed.
 - v. Document vendor responses to include:
 - 1. Vendor name and contact with email address and phone
 - 2. Contact method
 - 3. Price quoted to include the date received
 - 4. Duration of the price quote
 - 5. If less than 3 quotes are received, explanation of why this occurred will be included in the documentation
 - vi. Award will go to the most responsive and responsible vendor with the lowest price or highest evaluation score if used. A responsive vendor is one whose response conforms to all the material terms and conditions of the solicitation. A responsible vendor is one whose financial, technical, and other resources indicate an ability to perform the services required.
 - vii. All documentation will be kept in a file labeled “Small Purchase Acquisitions”
- d. The following employee positions have permission to make a Small Purchase:
 - i. Child Nutrition Supervisor and Specialist
- e. Eligible vendors.
 - i. All suppliers that have been identified as potential bidders
 - ii. Only district-approved and qualified suppliers
- f. Payment for Small Purchases.
 - i. Purchase Order will be issued by Purchasing Department
 - ii. Payment will be made via check by Accounts Payable Department

3.Capital Expenditures

Texas Department of Agriculture (TDA) requires a CE to get pre-approval on expenditures for Child Nutrition equipment or alterations to equipment, only if the total equipment “per unit” cost is greater than \$5,000.

- a. Birdville ISD will submit a request for approval prior to purchasing the item via email

to TDA including:

- i. District Name, CE ID, and contact information (phone and email address)
- ii. Description of the equipment, including the purpose and how it supports the operation or maintenance of the District
- iii. Provide an estimated cost and whether or not we have sought bid pricing
- iv. Describe how the old equipment (if any) will be disposed of and acknowledge that any proceeds from the disposal will be used to offset the cost of the replacement
- v. Acknowledge that any equipment purchased will be used exclusively (100%) by the District

4.Competitive Sealed Bidding (IFB – Invitation for Bid)

The competitive sealed bidding method is a “Formal Procurement Method” that is used when the contract value is at or above the Small Purchase threshold, which is \$50,000 in the state of Texas. The formal procurement method requires a District to post a public advertisement in a newspaper of general circulation for two consecutive weeks upon release of the solicitation. It is recommended that the District post the advertisement on their website or a trade website, as well as email or make phone calls, as a means of advertising to potential bidders.

- a. Birdville ISD will ensure the following conditions:
 - i. A complete, adequate, and realistic specification or purchase description will be made available
 - ii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price
 - iii. Evaluation criteria will be included in the solicitation in regard to determining a winner if the same price has been received from 2 or more different vendors
- b. Birdville ISD will adhere to the following requirements:
 - i. The solicitation will be publicly advertised
 - ii. Provide detailed information such as response time, date and time responses are to be received, how responses must be submitted, date and time of public opening, and any other pertinent details
 - iii. Provide product and/or service specifications that allow multiple responses
 - iv. Award the contract to the most responsive and responsible bidder. Factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest.
 - v. Any or all bids may be rejected if there is a sound documented reason.
- c. The following employee positions will participate in the IFB Procurement Method:
 - i. Child Nutrition Supervisor and Specialist
 - ii. Director, Assistant Director of Purchasing, Federal Procurement Coordinator and Buyers
 1. Write product or service specifications
 2. Write the solicitation document
 3. Invite potential suppliers to participate
 4. Participate in the opening of the submitted bid quotes and determine a winner
- d. Eligible vendors.
 - i. All suppliers that have been identified as potential bidders
 - ii. Only district-approved and qualified suppliers
- e. Payment for IFB Purchases.
 - i. PO to be created prior to the invoice payment. This is handled through the Accounts Payable Office

5.Competitive Proposals (RFP – Request for Proposal)

A request for proposal is a “Formal Procurement Method” used for purchases when an IFB is not appropriate. An RFP describes in a general way what is needed and requests that vendors submit a proposal for servicing the needs of the district. RFP’s can be used for either goods or services and require the prospective vendor to submit a technical proposal that explains how they will meet the objectives of the solicitation document and a cost element that identifies the costs to accomplish their proposal. Price is to remain the major consideration but can be one of many evaluation factors used to determine the most advantageous winner. The RFP also allows for negotiation as a means to obtain the best value or price.

- a. Birdville ISD will ensure the following conditions:
 - i. A complete, adequate, and realistic specification or purchase description will be made available
 - ii. The procurement lends itself to a firm fixed price contract or cost reimbursable price
 - iii. The selection of the successful bidder will be made after an evaluation of criteria with price being the “heaviest weighted factor”
 - iv. Negotiation of price or best value will be handled with complete fairness and integrity
- b. Birdville ISD will adhere to the following requirements and required documents (2 CFR 200.316 - 328):
 - i. The solicitation will be publicly advertised
 - ii. Solicitation document will include a cover sheet with the RFP description, contact information, issue date, closing date and opening date
 - iii. Written instructions and bidder information sheet to be completed by the proposer
 - iv. Clear product and/or service specifications
 - v. Clear description of district demographics and product usage (as relevant)
 - vi. Clearly stated evaluation criteria to include scoring rubric
 - vii. Standard and/or Special Terms and Conditions of the contract
 - viii. Discounts, Rebates, and/or credits provisions where applicable
 - ix. Questionnaires as appropriate
 - x. Reference Sheet
 - xi. Provisions per Appendix II to Part 200 of 2 CFR 200:
 1. Equal Employment Opportunity
 2. Davis-Bacon Act
 3. Contract Work Hours and Safety Standards
 4. Rights to Inventions Made Under a Contract or Agreement
 5. Clean Air Act and Federal Water Pollution Control Act
 6. Mandatory standards in compliance with the Energy Policy and Conservation Act
 7. Debarment and Suspension
 8. Byrd Anti-Lobbying Amendment
 - xii. Other Certifications and Affidavits to be included in the RFP:
 1. Texas Family Code
 2. Employment Verification
 3. Records Retention Requirements
 4. Certification of Compliance with EPA Regulations
 5. Certification of Compliance with Buy American Provisions
 6. Non-Collusion Affidavit
 7. Certification of HUB (Historically Underutilized Business)
 8. Terrorist Organizations and Boycotting of Israel
 9. Food/Product Recall and HACCP Procedures
 10. Health and Safety Certificates, Licensing, and Regulation
 - xiii. Awarding of the contract:
 1. Evaluation will consist of product quality, services, or past performance, but not limited to, along with price as the heaviest weighted factor

2. Cost plus percentage of cost will not be allowed as a basis for award (2CFR 200.320)
- xiv. Any or all bids may be rejected if there is a sound documented reason
- c. The following employee positions will participate in the RFP Procurement Method:
 - xv. Child Nutrition Supervisor and Specialist
 - xvi. Director, Assistant Director of Purchasing, Federal Procurement Coordinator and Buyers
 1. Write product or service specifications
 2. Write the solicitation document
 3. Invite potential suppliers to participate
 4. Participate in the opening of the submitted bid quotes and determine a winner
- d. Eligible vendors.
 - i. All suppliers that have been identified as potential bidders
 - ii. Only district-approved and qualified suppliers
- e. Payment for RFP Purchases.
 - i. PO to be created prior to the invoice payment. This is handled through the Purchasing Department
 - ii.

6. Non-Competitive Negotiation and Sole Source Procurements

These types of procurement methods are used to compensate for the lack of competition. This lack of competition may result from overly restrictive solicitation documents, an inadequate number of suppliers in the area or the procurement environment may have been compromised by inappropriate supplier actions (i.e. market allocation schemes). Non-competitive negotiation occurs after the solicitation (sealed bid, competitive negotiation or small purchase) has been issued, but competition on that solicitation has been deemed inadequate.

- a. Non-competitive negotiations or sole source procurements are restricted to specific situations and may only be used when:
 - i. Inadequate competition in a formal procurement method
 - ii. Public emergency exists
 - iii. Goods or services are only available from one manufacturer through only one supplier
- b. Birdville ISD will obtain TDA's approval prior to award and purchase of products or services. All requests for approval must be submitted through the State Agency's online system, TX-UNPS.
 - i. Purchasing Director, Assistant Purchasing Director, Federal Procurement Coordinator, Buyers and Director of Child Nutrition
 1. Verify Proper documentation supplied by vendor
 2. File Sole Source Affidavit and approval documents with the vendor record in the financial system

Section 7 – Bid/Proposal Questions and Protest Procedures

An interested party may protest any of the following situations:

- Solicitation or other request for offers for a contract for the procurement of property or services
- Cancellation of a solicitation or other request
- Award or proposed award of a contract
- Termination of a contract, if the protest alleges that the termination was based on improprieties in the administration of the contract.

Birdville ISD will do the following:

1. Include clear instructions in each solicitation document about questions and protest procedures.
2. Follow all written procedures to resolve protests.
3. Ensure that all protests are resolved.
4. Retain all documentation related to a protest.
5. Notify TDA when a protest is received.

Birdville ISD will address all respondent protests within 24 hours of the bid award. Birdville ISD will provide evaluation scores and pricing at the request of the respondent. Violations of law should be referred to the local, state or Federal authority. (2 CFR, Section 200.318[k])

Birdville ISD will allow respondents to request clarification of information prior to the close of the bid/proposal. These requests must be received a minimum of 3 business days prior to the close of the bid/proposal. Birdville ISD will address the request for additional information as an addendum to all respondents.

Section 8 – Economic Price Adjustments in Vendor Contracts

The economic price adjustments, which allow a District to adjust costs in a contract, must be tied to an appropriate standard or cost index. Relating the price adjustments in a contract to an index allows the District to ensure that increases under the contract are not without basis. For example, if fuel prices are increasing drastically, an appropriate index such as the Consumer Price Index (CPI) will reflect this change.

This index is preferred because the USDA uses this index for the National School Lunch Program (NSLP) yearly funding increases. The intention is that if the USDA increased funding by a certain percentage the District would be able to allow the increase in food cost to rise at the same percentage. Vendors will be able to bid on multi-year contracts that allow for inflation and the District will be able to maintain a consistent level of service and food cost percentage from year to year.

Section 9 – Applying Geographic Preferences in Procurement

As amended, the National School Lunch Act (NSLA) allows SFA's receiving funds through the Child Nutrition Programs to apply a geographic preference when procuring unprocessed, locally grown or locally raised agricultural products. This applies to operators of all the School Lunch Programs.

Birdville ISD will apply geographic preference to the procurement of agricultural products that:

- (1) Are unprocessed
- (2) Are locally grown or locally raised
- (3) Have not been cooked, seasoned, frozen, canned, or combined with any other products

Because the NSLP is Federally Funded, geographic preferences cannot be restrictive to local definitions such as city, county, or state lines

Section 10 – Discounts, Rebates and Credits

Birdville ISD requires that all discounts, rebates, and credits accrue back to the school nutrition account. The contractor will be required to identify the amount of each discount, rebate, or other applicable credit on bills and invoices presented to the Birdville ISD. Contractors will be required to identify the method by which they will report discounts, rebates, and credits. All discounts, rebates, and credits will be tracked via monthly invoices or annual velocity reports. Contractors will be required to maintain documentation of costs, discounts, rebates, and credits and make those available to Birdville ISD upon request.

Section 11 – Buy American Provision

Birdville ISD adheres to the Buy American Provision (7 CFR 210.21) when purchasing commercial food products to be served in the district's SNP meals. This provision will be included in all solicitations for food to be used in the school nutrition programs.

Per Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 {Public Law 105-336} added a provision, Section 12(n) to the NSLA (42 USC 1760(n)), requiring School Food Authorities (SFA's) to purchase, to the maximum extent practicable, domestic commodity or product. Section 12(n) of the NSLA defines "domestic commodity or product" as an agricultural commodity that is produced in the United States and a food product that is processed in the United States using substantial agricultural commodities that are produced in the United States. Substantial means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically. Products from Guan, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this provision as territories of the United States. The Buy American provision (7 CFR

Part 210.21(d)) is one of the procurement standards SFA's must comply with when purchasing commercial food products served in the school meals programs.

Birdville ISD will purchase domestic food products per the Buy American Provision unless:

1. The product needed is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality; or
2. Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product

Birdville ISD will maintain all documentation in regard to any food purchases that are deemed "non-domestic" to include cost comparisons if the product is available as a "domestic" product that is seen as unreasonable in cost; or if not available as a U.S. grown product the documentation will include the "country of origin."

Section 12 – Small and Minority Businesses, Women Owned Business Enterprises and Labor Surplus Area Firms and/or Disabled Veteran Business Enterprise (MWDVBE)

Birdville ISD will encourage open competition amongst small, minority, woman, and disabled veteran's businesses by:

1. Reducing barriers in Formal and Informal Contract solicitations by:
 - a. Allowing for businesses that may be MWDVBE to compete on an equal footing. This will be accomplished by having a qualification process where MWDVBE bids are given points equal to the requirements that may be restrictive, such as length of service in business, size of distribution facilities, etc.
 - b. Allowing for extra points in the evaluation if a bidder/proposer qualifies as an MWDVBE
 - c. Structuring contracts to allow "awards to more than one Proposer in the best interest of the District in order to award a portion of the agreement to MWDVBE vendor that may not be able to perform to an agreement that is too large for current financial/logistical capabilities.
2. Structuring Contracts that May allow for Cost Credit to Small, Minority and Women owned businesses:
 - a. Birdville ISD may structure an RFP Formal Procurement agreement to allow for price

variation of not more than 5% of total cost above the lowest responsive bidder to award to a small, minority or women owned business. For example, the lowest bidder was \$100 dollars, a certified small, minority or women owned enterprise bid \$105, the contract maybe awarded to the small, minority or women owned enterprise if it is in the best interest of the District.

3. Providing Positive Outreach
 - a. Birdville ISD will place qualified small, minority and women owned enterprises on solicitation lists; and
 - b. Assure that small, minority and women owned enterprises are solicited whenever they are potential sources

Section 13 – Local Sourced Products: Farm to School Initiative

Birdville ISD is committed to local markets and family farmers in the State of Texas. Our objective is to support the local agricultural economy and reduce the environmental impact of long-distance shipping. Birdville ISD defines “Local Sources Products” as products that are grown within the State of Texas.

When purchasing local sourced products, Birdville ISD will follow the planning phase as stated earlier in this manual and do a cost/price analysis to determine the most appropriate procurement method.

In order to encourage the bidders to purchase locally sourced produce, Birdville ISD may assign additional point values in the “Award of Contract” section of the solicitation that can demonstrate:

1. The bidder is purchasing produce locally by submitting a list of local farmers, their addresses, the produce that is anticipated to purchase from each farm location, and the anticipated harvest dates of the produce
2. The bidder must also agree to the ability to submit a report during the term of the contract that demonstrates continued purchases from local farms

Section 14 – Use of Excess and Surplus Property

Birdville ISD, to the best of the district’s ability, may utilize excess and surplus property when available. The TDA allows a district to use a significant portion of our entitlement (PAL) allocation from USDA to purchase DOD fresh fruit and vegetable products. The TDA manages the solicitation and award of the DOD Produce Vendors. Contracting Entities (CE’s) in the state of Texas and participating in the DOD Fresh Program can receive weekly deliveries as outlined in the awarded contract.

Section 15 – Cooperative Membership and Procurement

The USDA allows for “Purchasing Goods and Services Using Cooperative Agreements, Agents, and Third-Party Services.

Birdville ISD may participate in a purchasing cooperative when it is determined to be in the best interest of the district. As a governmental agency, Birdville ISD has the option to legally join a “governmental agency or Education Service Center (ESC) agency” purchasing cooperative through an Interlocal or Inter/Agency Agreement. Birdville ISD will submit a written request to the awarded vendor of the bid/RFP to piggyback on a specific agency/co-op’s bid. If approved by awarded vendor, Birdville ISD will obtain all final bids/requests for proposal documentation from the cooperative or lead district. When utilizing a "piggyback" contract, Birdville ISD will ensure the following:

1. The procurement was conducted in accordance with applicable Federal, State and local regulations.
2. The contract contains a clause that permits other agencies to "piggyback."

3. The addition of Birdville ISD to the contract does not create a material change as outlined in the contract per 2 CFE 200.318[e] that states a material change occurs when the change in scope of the contract is significant enough that potential bidders might have bid differently had they been award of the impacts from adding additional agencies.
4. All documentation related to the contract will be obtained and retained, information includes:
 - a. Solicitation
 - b. Verification of Published Advertisement
 - c. Contract Terms and Conditions
 - d. Evaluation Criteria, if any
 - e. Responses
 - f. Notification of Awarded vendor(s)
 - g. Documentation of any extensions or Amendments

Section 16 – Unnecessary or Duplication of Goods/Services

Birdville ISD will avoid acquisition of unnecessary or duplicative items/services. Purchases will be justified using the following criteria:

1. Purchaser will determine if there are like items in the District that may not be in use and consider transferring item before determining if purchase is necessary
2. The item is being considered for menus or is needed to serve, prepare, receive, transport or store an item on the menu
3. The item is replacing an obsolete, broken, damaged or outdated piece of equipment

Section 17 – Recalls

Birdville ISD will use the following procedures in regard to products that have been recalled, or are discovered to be defective or faulty:

1. The Child Nutrition Director/Manager/Program Coordinator will register for email notifications of recalled products through USDA Food Safety and Inspection Service (usfsis@public.govdelivery.com) and/or recalls.gov or any other viable resource in regard to food and product safety and recalls
2. Vendors' Recall procedures may be requested with every Small Purchase, IFB and RFP procurement method used
3. Any notices or alerts from awarded vendors or distributors in regard to a recalled product will be handled immediately, following all instructions from the vendor or distributor in regard to the handling of the recalled product
4. Actions may include but not be limited to:
 - a. Disposal of all affected product
 - b. Photos of products affected, documentation of case lot numbers, distributor codes or any other pertinent information as documentation of product origin
 - c. Removal of affected product to a safe area to be picked up by the vendor or distributor
 - d. Credits issued for all affected product that could not be used

Section 18 – Code of Conduct

This Code of Conduct has been created to establish and maintain effective oversight over the Birdville ISD Child Nutrition Department's financial management system that provides reasonable assurance that the Birdville ISD Child Nutrition's Department is managing the program in compliance with all federal, state,

and local regulations and terms and conditions of the program award and; To establish and maintain effective oversight over those definitive actions related to the procurement process, establish standards of ethical conduct for procurement actions, and provide full and open competition in all procurement actions.

As representatives of the Birdville ISD Child Nutrition Department, all employees are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgment. Employees are expected to be principled in their business interactions and act in good faith with individuals both inside and outside the Birdville ISD. The following Code of conduct shall govern the performance, behavior and actions of the Birdville ISD Child Nutrition Department, including employees, directors, officials, or agents who are engaged in any aspect of procurement, including – but not limited to – purchasing goods and services; awarding contracts; or the administration and supervision of contracts.

- No employee, director or agent of the Birdville ISD Child Nutrition Department shall participate in the selection, award or administration of a bid or contract supported by federal funds, if a conflict of interest is real or apparent to a reasonable person.
- Conflicts of interest may arise when any employee, director or agent of the Birdville ISD Child Nutrition Department has a financial, family or any other beneficial interest in the vendor selected or considered for an award.
- No employee, director or agent of the Birdville ISD Child Nutrition Department shall award contracts to, or show favoritism toward a member of his/her immediate family, spouse's family or to any company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid which violates the spirit or intent of Federal, State and local procurement laws and policies established to maximize free and open competition among qualified vendors. Those circumstances where interests, financial or otherwise, are not substantial or are within the limits of applicable Federal, State and local laws and the policies and procedures of the Birdville ISD, the Superintendent's Cabinet shall determine whether the conflict is material under the circumstances.
- The Birdville ISD Child Nutrition Department employees, director, and agents will not solicit gifts, including but not limited to travel packages or other incentives, and/or donations from prospective contactors. However, incentive language may be included as part of the competitive procurement (formal bid and request for proposal) solicitation language to acquire the most favorable terms for the operation and benefit of the non-profit Child Nutrition account. Such incentives include but are not limited to volume rebates, timely payment discounts, program promotion assistance, upfront savings, etc....

Section 19 – Incentives, Gratuities or Kickbacks

- In accordance with the State of Texas Department of Agriculture (TDA) "Administrative Review Manual" (ARM) Section 16, 16.18, Birdville ISD Child Nutrition Department employees, officials; and/or agents acting on the Birdville ISD Child Nutrition Department behalf; any member of the immediate family of the Birdville ISD Child Nutrition Department employee, officer, or agent acting on the Birdville ISD Child Nutrition Department's behalf; or business partner of the employee, officer, or agent acting on Birdville ISD Child Nutrition Department's behalf cannot accept anything of value from a vendor. Incentive, gratuities, or kickbacks include, but are not limited to, personal gifts or gratuities that may be construed to have been given to influence the purchasing process.
- Although such practices may be accepted in the private sector, giving and receiving gifts in the public sector may constitute a violation of law. Gift to a Public Servant is a Class A misdemeanor offense if the recipient is a government employee who exercises some influence in the purchasing process of the governmental body.
- A Birdville ISD Child Nutrition Department employee or former employee must not knowingly use

confidential SNP information for the actual or anticipated personal benefit or benefit for any person or entity.

- Birdville ISD will apply disciplinary actions for violations of above stated standards by Birdville ISD Child Nutrition Department employees, officers, or agents acting on the Birdville ISD Child Nutrition Department behalf.
- Birdville ISD Child Nutrition Department will provide guidance to each employee, officer, or agent acting on the Birdville ISD Child Nutrition Department's behalf at the time of hire on how to avoid undue influence. Birdville ISD Child Nutrition Department will offer training and provide all employees, officers, and agents acting on behalf of Birdville ISD Child Nutrition Department a copy of Birdville ISD's Employee Manual that addresses professional and ethical standards.
- Birdville ISD Child Nutrition Department requires any employee, officer, or agent acting on behalf of Birdville ISD Child Nutrition Department to disclose in writing any possible situations where there is an appearance of incentives, gratuities, or kickbacks being received.
- Birdville ISD will consult with their attorney or legal counsel if there is a question about whether a specific situation is a conflict of interest.

Section 20 – Benefits Received

- Birdville ISD Child Nutrition Department employees; officials; agents acting on the Birdville ISD Child Nutrition Department's behalf; any member of the immediate family of the Birdville ISD Child Nutrition Department employee, officer, or agent acting on the Birdville ISD Child Nutrition Department's behalf; or business partner of the Birdville ISD Child Nutrition Department employee, officer, or agent acting on Birdville ISD Child Nutrition Department's behalf must not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.
- When incentives are offered by the contractor and accepted by an individual, the incentive must become the property of Birdville ISD Child Nutrition Department. Under no condition can the incentive become the property of an individual. The Birdville ISD Child Nutrition Department use the following written procedures on how it will avoid unallowable practices based on benefits received:
 - CBB(Legal)
 - CH(Legal) Under Conflict of Interest

Section 21 – Certification Regarding Lobbying

Lobbying certification requirements are applicable to grants, sub-grants, cooperative agreements, and contracts exceeding \$100,000 in federal funds. Birdville ISD Child Nutrition Department uses the following procedures:

- Documentation: Birdville ISD Child Nutrition Department will take actions to ensure that the proper documentation is prepared, shared as required, and retained.
- Use of Funds: Birdville ISD Child Nutrition Department requires that federal funds must not be paid by or on behalf of the Birdville ISD Child Nutrition Department to any person influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

Section 22 – Debarment and Suspension

Birdville ISD and their subcontractors must not make or permit any award, sub-award, sub-grant, or contract with an individual or entity that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs, per the TDA Administrative Review Manual (ARM), Section 16.20.

- Birdville ISD Child Nutrition Department will include a debarment and suspension certification in every written agreement with subcontractors. Birdville ISD may rely upon a certification of a subcontractor that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless it knows that the certification is erroneous.
- Birdville ISD Child Nutrition Department will require the subcontractor to sign and submit the TDA form entitled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Covered Contracts (H2048)12” and maintain the signed form with its contract record.
- Birdville ISD Child Nutrition Department will print the page from the System for Award Management (SAM) which indicates the subcontractor is not presently debarred or otherwise excluded from participation in the contract by any federal department or agency or by the State of Texas and will maintain that document on file with the contract documents. The System for Award Management can be accessed at www.sam.gov.

Section 23 – Staff Purchase of Items on Awarded Contracts

Birdville ISD Child Nutrition Department does not allow any employee, officer or agent acting on behalf of Birdville ISD Child Nutrition Department to take advantage of Birdville ISD Child Nutrition Department’s procurement by purchasing off an awarded contract. Per the ARM, Section 16.22, Confidentiality and Program Integrity, this type of activity as actually accepting the cash difference between the bid or discount price and the amount the individual would have paid for the item in the regular retail market. This is a financial incentive. When an individual pays for the purchase, the payment does not remove the financial incentive. Even if the contractor were to charge retail price, the individual would still be receiving the convenience of a personal delivery and would be accepting a favor from the contractor—therefore, this is an unallowable practice.

Section 24 – Contracting with Persons and Companies for Assistance in Developing a Solicitation

Per the ARM, Section 16.22, Confidentiality and Program Integrity, when acquiring goods and services, contracting entities (CEs) may contract with agents or companies that provide technical information in drafting procurement specifications and/or technical requirements. This provision is intended to encourage program administrators to obtain information from as many sources as possible to assist them in drafting procurement documents.

- Potential Offerors or Interested Parties Involved in Developing a Solicitation Birdville ISD Child Nutrition Department will not accept a contractor or other interested party’s offer if the contractor or other interested party assisted with or drafted the procurement specifications and/or technical requirements, procedures, or documents.

Section 25 – Food Taken From Schools

Birdville ISD Child Nutrition Department does not allow any employee, officer, or agent acting on behalf

of the Birdville ISD Child Nutrition Department to take food or leftover food (including milk) from the premises for personal use, personal gain, or benefit to another person or entity.