

# Procurement Review/ Administrative Review



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## Session Description:

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This session covers the general requirements of procurement reviews and how they interface with the Administrative Review process. We will cover flexibilities that State agencies have in the operation and monitoring of procurement and discuss best practices for balancing these two review processes.





# General Procurement Review Requirements

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## Step-by-step approach:

- Notify SFAs of a procurement review;
- Schedule the review and send a Procurement Table;
- Request documents;
- Conduct the review either on-site, off-site, or both;
- Report review results;
- Require corrective action, if findings of non-compliance are identified;
- Review and approve the corrective action; and,
- Close the review



## Step 1: Notifying SFAs

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- Notification may be by telephone/email/letter/combo
- Notice may be 4-6 weeks or more. Advance notice allows SFAs to:
  - Work with Administrative, Business, and/or Procurement officials to prepare;
  - Complete SFA Procurement Table;
  - Provide procurement documentation



*There is a document checklist!*

## SFA Procurement Table: A Tab for SFAs to input

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- Dollar value of micro-and small purchase thresholds;
- Information on purchases, such as:
  - o Vendors and total paid
  - o Goods/services purchased, and
  - o Competitive procurement method used



# State agency review process: Procurement Selection

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The Procurement Selection Chart determines vendors and # of procurements conducted by method

- Micro-purchase
- Small purchase procedures
- Sealed Bids/Competitive proposals
- FSMC contracts
- Processing contracts, if applicable





## The Procurement Review: Review Tabs

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### Review Tabs:

- General procurement standards
- Procurement Methods:
  - Micro-purchase method
  - Small purchase procedures
  - Sealed Bids/Competitive Proposals
- FSMC
- Processing Contracts



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## Results: Similar to the Administrative Review

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The State agency will:

- Notify the SFA of the review results;
- Establish findings, if non-compliance is identified;
- Require correction, if findings are identified;
- Review corrective action provided; and
- Close the review.





# Questions Procurement Reviews





# Crossroads:

*Administrative Review/  
Procurement Review*



# Intersection: Procurement/Administrative Reviews

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## Design modifications and updates published:

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- Draft FNS Local Agency Procurement Review Tool (SP45-2016, Released June 30, 2016)
- Updated FNS Local Agency Procurement Review Tool (SP03-2017, Released October 6, 2016)
- Additional Flexibilities Provided for State Agencies Conducting Procurement Reviews (SP39-2017, Released June 30, 2017)

### **Administrative Review**

- Addition of Buy American (SY 16-17)
- Modification to the AR for Buy American (SY 17-18)

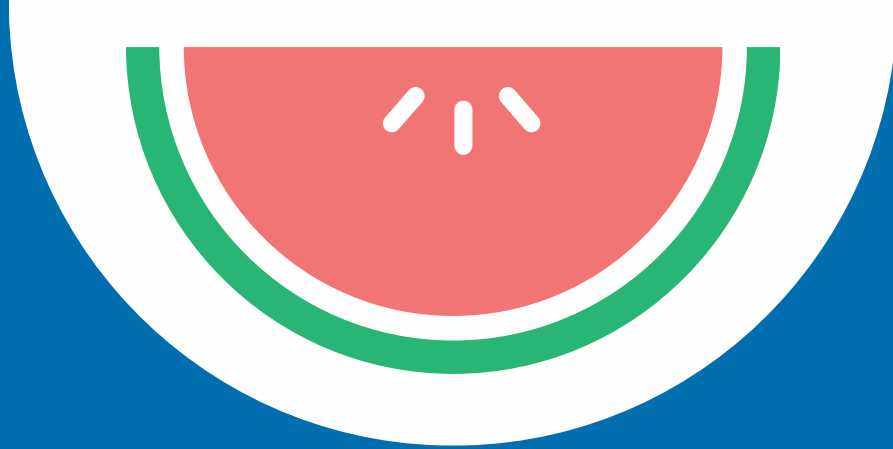


# Modified Design

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# Administrative Review Process

## General Program Compliance



# Administrative Review: General Program .....Compliance.....

## Module: Food Safety, Storage, and Buy American,

- Copy of the food and safety plan
- Inspections
- Buy American



## “Review Procedures” for Module: Food Safety, Storage, and Buy American

- Review a variety of food components to assess if foods are domestic
- Communicate the results to the SA staff conducting the SFA procurement review
- On the procurement review, the SA staff will solicitation and contract document requirements for domestic foods



## Module: General Area—Food Safety, Storage, and Buy American

### A school is compliant:

- If no non-domestic food or food products are found, or
- If non-domestic foods are found, documentation supports exceptions
- If non-domestic foods *exist* and *the SFA* lacks documentation to support exceptions, document and communicate to the SA staff conducting the procurement review



## Procurement Review: Buy American

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Questions for Buy American are procurement method tabs and the tabs for FSMCs and processing.

- Ensures compliance in small purchase procedures and sealed bids/competitive proposals.
- Ensures SFA-FSMC contracts have language in food specifications and the SFAs is monitoring FSMC purchases for domestic foods.



## Buy American Challenges:

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Procurement reviews common challenges:

- No policy/documentated procurement procedures
- FSMCs/distributors not asking/alerting SFAs of substitutes
- Food labels
  - Vended meals are not labeled to ensure compliance
- Contract monitoring

## Administrative/Procurement Review Challenges:

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### **Different review cycles create challenges:**

- Non-compliance with Buy American on the Administrative Review
- Procurement reviews determine the source of non-compliance
- Incomplete technical assistance, or no technical assistance at all, until the procurement review

## Administrative/Procurement Review Challenges:



- Result: Continued non-compliance with Buy American without solving the root of the problem
- Solution delayed until the procurement review identifies Buy American issues in solicitations and contracts, etc.
- State agencies posting procurement review results with the Administrative Review. (*Just Buy American in the Administrative Review.*)



## Administrative/Procurement Review: Options

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- Conduct administrative reviews and procurement reviews of SFAs with FSMCs on the same cycle
- Conduct procurement reviews on the same cycle as the Administrative Review

## Administrative/Procurement Options

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### **Different cycles and non-compliance with Buy American is identified on the Administrative Review:**

- Consider conducting the procurement review that school year, either a full procurement review or a focused Buy American review (procurement procedure and food solicitations/contracts to determine the source of non-compliance

## Administrative/Procurement Review Options:

### State agencies may consider:

- Developing a State prototype food solicitation/contract with language for Buy American requirements;
- Providing sample procurement procedure templates with Buy American language;
- Providing sample exception request forms SFAs can download for use with their distributor/FSMC/processor solicitation and contact documents;
- Training, SFAs on Buy American, procurement procedures, solicitation/contract language, and contract monitoring.

Options



# Questions?

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Thank you for your  
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time!



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