

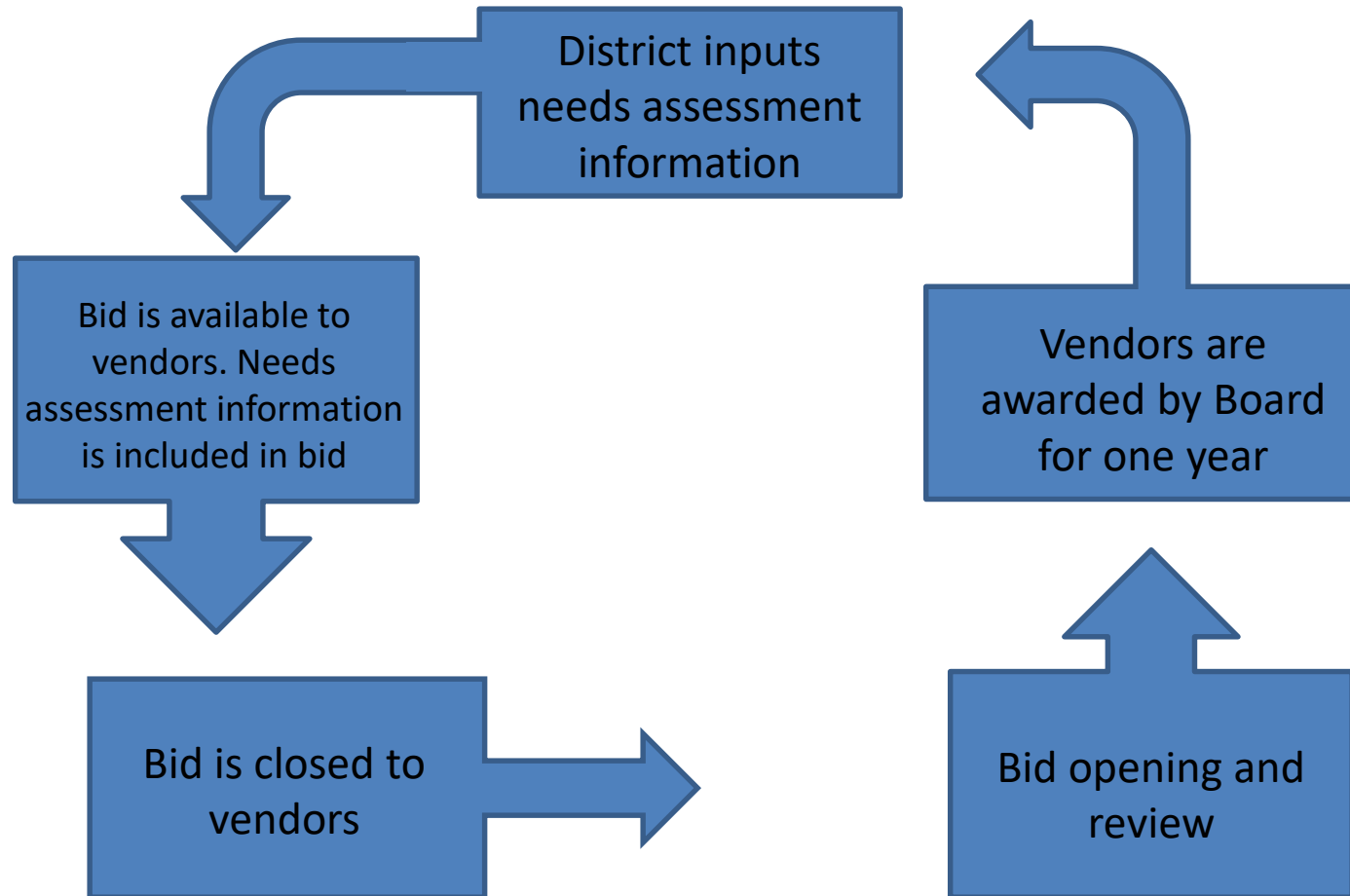


Cooperative Purchasing Basics

Martha Lakey, CTSBO

Region 7 Purchasing & Vendor Services

Purchasing Cycle





Bid Categories

- ❖ 33 Multiple Awarded Vendor Bids
- ❖ 5 Line Item Bids
 - Bread/Milk/Ice Cream/Juice
 - Food Services
 - Classroom Calculators
 - Copy Paper
 - Substance & Alcohol Abuse Testing

Using the Software

Find A Vendor

[Awarded Vendor Spreadsheet](#) | [Individual Category Awards](#)

| | |
|---------------------------------------|----------------------------------|
| Bid | <input type="text" value="Any"/> |
| Commodity / Service Keyword | <input type="text"/> |
| Vendor Name | <input type="text"/> |
| Award Year | <input type="text" value="Any"/> |
| Bid Number | <input type="text"/> |
| <input type="button" value="Search"/> | |

Results

Not all companies listed under 'Vendor Search' are current, since this list contains historical information. Verify company is awarded by viewing 'Approved Bids' in the record or downloading the 'Awarded Vendor Spreadsheet' above.

The Purchasing Member is responsible for verifying a company's award status, compiling necessary documents and discounts prior to purchase.

For more information, please review the [FAQ page](#) or call Region 7 Purchasing at (903) 988-6859

Company Name

Contact Information

Awarded Bids

You have not yet searched for anything.

- No log in needed to search for vendors.
- Each district must log in to input
 - needs assessment,
 - download spreadsheet
- One login per district.

Accessing Line-Item Awards



DISTRICTS
for districts

VENDORS
for vendors

VENDOR SEARCH
find vendors

LOG IN
log in to your account

BIDS
notices, sign up, and awards

QUICKLINKS
fast navigation

For Districts

Let Region 7 Purchasing Cooperative help your district's procurement process by providing 39 categories of items to be bid that meet the requirements of the Texas Education Agency Audit Division and the Attorney General's Anti-Trust Office.

Please note that Region 7 Purchasing Cooperative strives to provide your district with a vast selection of vendors that have undergone a legal bid process. We cannot recommend a vendor of choice. It is at the discretion of the district to make purchasing recommendations.

For compliancy on EDGAR & TEC, visit the FAQ page: <https://purchasing.esc7.net/pages/7>

Membership:

Annual Fee: Membership fees are .50 per enrollment (capped at 20,000) plus a \$400.00 administrative fee.

To join the Purchasing Cooperative, we require an [InterLocal Agreement](#) and [Resolution](#). Please mail original documents to the cooperative.

Useful Information:

If you are currently a member district and would like to login to edit/modify/review your profile: [Log In](#)

Line-Item Award: [Copy Paper 2019 - 2021 Award](#)

Line-Item Award: [Classroom Calculators 2019 - 2021 Award](#)

Single-Source Award: [Food Service 2017 -2021 Award](#)

[FOOD1721 Excel Spreadsheet](#) - Will be updated as needed

[Commodity Processing Excel Spreadsheet](#) - Click FOOD1721 Commodity Tab

Single-Source Award: [Substance Alcohol Abuse Testing 18 Award](#) - Extended

Line-Item Award: [BM2021 EXCEL](#)

Line-Item Award: [Bread/Milk/Juice/Ice Cream BM2021 PDF Awards](#)

District Login

You must be logged in to access that page

Login

Login

Password

(case-sensitive)

☐ Remember me

Login

Having trouble logging in?

[Reset my password.](#)

Don't have an account?

[Create a Vendor Account.](#)

Login: abc xy isd

Password: awards123



Google Drive


<https://bit.ly/2MvLe2S>

1. No login or password
2. Save the link
3. Open FOOD SERVICE BID FOR FSDS
4. Download FOOD2021 Award.xlsx
5. Most recent pricing: 2021, Column 'U'.
6. Cell C7 '*Updated 09/25/2020*'



FAQ's of Purchasing Cooperative

- Must complete an agreement each year.
- A vendor can submit under ANY category they see fit.
- Our Terms & Conditions (in every bid) state that the vendor agrees to sell all goods & services to member districts, regardless of category.



‘ I use a co-op’ does guarantee the
legal requirements are met

- Using a cooperative does not release a CE from responsibility.
- Not everything from Labatt is procured.
 - “Major Concat Item”
 - Fresh Produce



RFP

Request for Proposal

- Encompasses catalog discount bid/multiple-vendor awards.
- Meets legal requirements *to point of pricing*:
 - USDA
 - CFR
 - TEC
- CE obtains pricing via best value.

IFB

Invitation for Bid

- Co-op obtains pricing.
- Firm fixed contract price
- Meets all legal requirements:
 - USDA
 - CFR
 - TEC

ARM Updates 2020

| | | |
|-----|------------------------|--|
| 17 | Procurement | <ul style="list-style-type: none">▪ Program integrity and internal controls▪ Fully and open competition▪ Procurement methods▪ Solicitation▪ Buy American and other regulatory requirements▪ Advertising▪ Contract awards▪ Contract management▪ Locally grown products▪ Material change▪ Credits, rebates, discounts, and USDA Foods values |
| 17a | Procurement Procedures | <ul style="list-style-type: none">▪ Program integrity and internal controls▪ Procurement procedures and policies▪ Credits, rebates, discounts, and USDA Foods values |
| 17b | Buy American | <ul style="list-style-type: none">▪ Program integrity and internal controls▪ Buy American requirements▪ Third-party contracts |
| 17c | Cooperative Purchasing | <ul style="list-style-type: none">▪ Program integrity and internal controls▪ Cooperative agreements▪ Types of cooperatives▪ Allowed practices▪ Credits, rebates, discounts, and USDA Foods values |



Section 17

Procurement



Definitions

Page 20 of 100

Agreement (for School Nutrition Programs)

Written legal document summarizing contractual obligations between two or more entities. This includes intergovernmental and interlocal agreement.

Allowable

Direct or indirect costs that may be paid by SNP funds.



Definitions

Page 23 of 100

Micro-purchase Method

Single purchase or transaction with an aggregate total cost that does not exceed **\$10,000** whether that purchase occurs weekly, monthly, or annually.



Definition

Page 20 of 100

Agreement (for SNP)

Written legal document summarizing contractual obligations between two or more entities. This includes intergovernmental and interlocal agreement.



Forecasting

Page 25 of 100

Effective forecasting helps to ensure that the CE is able to develop a solicitation that includes accurate specifications and/or technical requirements. When forecasting is **performed** well, there is less likelihood that a material change¹⁸ will occur.

Full and Open Competition

Page 26 of 100

If any aspect of the procurement process has limited the number of possible offerors, the CE must address the issue(s) before awarding a contract. **Action to address limiting competition** includes restarting the procurement process.

17 - Formal Procurement Methods

Decision Chart

Page 40 of 100

Total Purchase Amount

(Firm Fixed-Price Contract for the Aggregate or Total Cost for Products and/or **Services**, as **Outlined with Clear Specifications and/or Technical Requirements in the Solicitation and Contract**)

Total Purchase Amount

(Firm Fixed-Price or Cost Reimbursable Contract for the Aggregate or Total Costs, as Outlined in a Detailed Offer for Providing Products and/or Services in the Solicitation and Contract)

RFP Method

Page 45 of 100

- Rejecting an Offer. Any or all offers may be rejected if there are sound and **causes and/or reasons that have been documented for the rejection. When a CE considers if it has documented cause and/or reason for rejecting an offer, the CE**
 - 1. must avoid arbitrary decisions, i.e., a decision based on personal will or discretion and**
 - 2. must determine if the CE has adequate documentation to support the cause and/reason for rejecting an offer.**

Noncompetitive Method

Page 46 of 100

Approval

The CE is not required to seek TDA approval in this situation as long as the CE has taken appropriate action to ensure that competition was **not restricted** or limited, as described in the *Determination of Restricted Competition* subsection below.

Determination of Restricted Competition

When there is inadequate competition (i.e., the CE receives fewer offers than expected), the CE must take the following actions **to determine if competition has been restricted (limited):**



Pre-Bid Meetings for IFB/RFP Contracts

Page 73 of 100

Offeror Attendance

All **potential** offerors must be invited to the pre-bid conference. ... If only one offeror responds to the public advertisement **to request the solicitation/solicitation packet and express an intention to submit an offer**, the CE may conduct a walk-through of the facility instead of a pre-bid conference.



Consultant Contracts

Page 80 of 100

Short-term or temporary services may include a single consultation or a series of consultations over a defined period of time. If a consultant's contract is reissued multiple times over multiple years, the contract is no longer a temporary contract. See Administrator's Reference Manual (ARM), Section 18, Food Service Contracts for additional information on consultant contracts.



Opening RFPs Received

Page 83 of 100

A CE may open submitted responses from RFP offers to determine if all requested documentation is included with the offer or for clerical errors. If CEs chooses to do this, they should set a specific date for opening offers and set a specific date and method for sending notification for missing documentation or clerical errors. **This includes allowing time for the offeror to submit an updated offer.**



Awarding a Contract with Contingency Approval

Page 85 of 100

If a contract has a contingency approval by TDA or for other purposes, contingency documentation must be submitted and approved before the costs are allowable. Any costs incurred before the contingency approval is resolved, are unallowable.

Pricing for All Products for Market Basket Contracts

Page 87-88 of 100

For Example: A CE issues a solicitation asking for 30 pounds of peaches, 80 pounds of tomatoes, 200 pounds of ground beef, .5 pound of black pepper, 1 pound of oregano, and 10 pounds of sour cream.

For the products listed above, the CE plans to use the Market Basket, Simplified Total Cost Analysis in awarding the bid and stipulates in the solicitation that the cost analysis will be based on the total price for the peaches, tomatoes, and ground beef. After receiving bids, the CE (1) evaluates the prices for the peaches, tomatoes, and ground beef for the two pricing options and (2) ensures that the costs for the pepper, oregano, and sour cream are reasonable. Then, the CE chooses the vendor that offers the lowest total price for the peaches, tomatoes and ground beef and offers a reasonable price for the other items.



Section 17A

Procurement Procedures



Section 17a

Page 1 of 24

August 12, 2020

Created *Section 17a, Procurement Procedures* and updated the *Administrator's Reference Manual (ARM)* sections references. Guidance for this new section was taken from *Administrator's Reference Manual (ARM), Section 17, Procurement*.



Section 17a

Page 5 of 24

The guidance in this section is intended to assist contracting entities (CEs) in (1) establishing effective procurement procedures for purchasing products and/or services and for managing contracts and agreements and (2) ensuring that all contracts and agreements are operated according to the applicable procurement regulations and guidance.

For this section, when the word *contract* is used, the guidance applies to both contracts and agreements, as appropriate.

Definitions

Page 6 of 24

Allocable

Assigning a cost, or group of costs, to one or more cost objectives, in reasonable and realistic proportion to the benefit provided or other equitable relationship—the cost meets one of the following principles:

- is incurred specifically for the award/program or
- benefits both the award/program and necessary work and can be distributed in reasonable proportion to the benefits received or
- is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.



Definitions

Page 6 of 24

Allowable

Direct or indirect costs that may be paid by SNP funds.



Section 17B

Buy America



Section 17b

Page 1 of 23

August 12, 2020

Created Section 17a, Buy American and updated the Administrator's Reference Manual (ARM) sections references. Guidance for this new section was taken from Administrator's Reference Manual (ARM), Section 17, Procurement.



Section 17b

- **BUY AMERICAN**

- Provision does not apply to spices. Page 15 of 23.
- Written Procurement Procedures. Page 15 of 23.
- If a CE receives USDA Foods products that do not meet the Buy American requirements, the CE must refuse delivery and report the issue to TDA immediately. Page 18 of 23.
- The Buy American exception is intended to be an occasional occurrence. Therefore, when a CE approves a Buy American exception, the CE cannot make a blanket approval. Page 18 of 23

Section 17b

Page 20 of 23

Requirements for Exception

- Information from the USDA Foods survey list.

USDA uses historical data and commodity forecasts to identify food items for the survey list. However, USDA only purchases food items when there is sufficient quantity at the time USDA issues the solicitation. If an item appeared on the survey list and was later dropped from the list, this is an indication that the product may be in short supply.



Buy American Frequency

2018 Page 17.55

The purchase of a non-domestic food product should be an occasional not frequent occurrence. Each time a non-domestic food product is purchased or delivered, the CE must determine if the Buy American requirements are met.

2020 Page 18

The Buy American exception is intended to be an occasional occurrence. Therefore, when a CE approves a Buy American exception, the CE cannot make a blanket approval.

2020 Page 20 Sources of Exception



Definitions

Page 6 of 24

Audit

Independent examination of accounting and financial records for accuracy, efficiency, and consistency. This is also called the annual audit or single audit.

Audit Report

Final summary of audit findings provided by a financial auditor.

Audit Corrective Action Plan

Plan in which the CE describes the strategies or actions the CE will adopt to address each finding reported in the audit report.



Definitions

Page 7 of 24

Audit Summary Schedule or Work Plan

Document that contains a cumulative list of audit findings by year and explanations of the strategies and actions the CE plans to take or has taken to resolve each audit finding. This summary allows the CE, auditor, or TDA staff member to review the actions planned or taken from year to year to maintain an accurate, efficient, and consistent accounting and financial system.



Definitions

Page 7 of 24

Charge Period

Span of time during which a cost is paid. This payment process includes spreading payments over a period of weeks or months or establishing milestones that are linked to payments.

Cognizant Agency Related to Indirect Costs

Agency that has primary responsibility for negotiating the indirect cost methodologies for non-federal entities.

Definitions

Page 8 of 24

Cost Analysis

Review and evaluation of each element of cost to determine reasonableness, allocability, and allowability for products and/or services to be procured. A cost analysis will include the total projected cost for the products and/or services to be procured.

Cost Index

Tool designed to show the impact of an economic measure on the price of purchasing a specific type of item. **TDA has approved the use of the Consumer Price Index (CPI) Food Away from Home for this purpose.**

Cost Objective

Program function or activity for which cost data and for which specification is made to accumulate and measure the cost of processes, products, jobs, or other expenses.



Definitions

Page 8 of 24

Cost-Reimbursable Contract

Reimbursable contract that is a formal, legally enforceable contract that reimburses the contractor for costs incurred under the contract but does not provide for any other payment to the contractor with a fixed fee or with a cost-reimbursement fee.

[NOTE: The fixed fee associated with these types of contracts may be called management fees or administrative fees.]

Direct Cost

Expenses that can be identified specifically with a particular cost objective used to meet a specific program goal or goals.



Definitions

Page 9 of 24

Exclusive Contract (Including Exclusive Beverage Contracts)

Contract between an entity or organization and a distributor/vendor that prevents the entity or organization from buying or selling similar products from other distributors/vendors. The distributor/vendor may offer the entity or organization.

Expenditures (Costs)

Amount of money that is spent on an item or service.

Fund Balance (Net Cash Resources)

Net cash resources available in the CE's food service account. A CE must not carry a negative fund balance into the next school year or maintain an excessive fund balance on hand.



Definitions

Page 10 of 24

Internal Controls

Procedures or processes designed to establish and maintain effective internal control over the SNP's financial management system that provides reasonable assurance that the CE is managing the program in compliance with all federal, state, and local regulations and terms and conditions of the program award. These procedures or processes help the CE to (1) define actions related to financial management and the procurement activities, (2) establish standards of ethical conduct, and (3) provide full and open competition.



Definitions

Page 13 of 24

Responsible (Offer)

Capable of providing the product(s) and/or service(s), as described in the solicitation.

Responsive (Offer)

Offer that addresses the terms and conditions of the solicitation, including the specifications and/or technical requirements for product(s) and/or service(s).



Definitions

Page 14 of 24

Terms and Conditions

General provisions, definitions for terminology, renewal options, protests, termination, and other standards inherent to the contract.

Unallowable Cost

Direct or indirect cost that cannot be paid using funds from the nonprofit school food service account because the cost is not reasonable, allowable, and/or allocable. A cost that is unallowable for the CE is also unallowable for a third-party acting on behalf of the CE. The term disallowed is sometimes used in place of unallowable.



Section 17C

Cooperative
Purchasing



Section 17c

Page 14 of 24

August 12, 2020

Created Section 17c, Cooperative Purchasing and updated the Administrator's Reference Manual (ARM) section references. Guidance for this new section was taken from Administrator's Reference Manual (ARM), Section 17, Procurement.



Type of Cooperatives

Page 17 of 24

A CE may belong to more than one cooperative. If the CE has membership in more than one cooperative, the CE must ensure that it establishes a protocol for the types of items or services to purchase from each cooperative. See the Individual CE Purchases through an Operator-Only Cooperative subsection in this section for additional guidance on this topic.



CNP Operator-Only Cooperatives

Page 17-18 of 24

When Membership Fees Are Used: If the fee is prepaid, and the cost of services provided by the agent is less than the fee, the remaining fees must be returned to the members.

NOTE: Your Business Office pays this fee each year. You are not charged additional fees for the line-item bids.



Establishment of a Third-Party Cooperative

Page 22 of 24

The fee a CE pays to join or participate in a third-party cooperative is typically charged to allow the CE to gain access to a price list of products and/or services. For the CE to use these services, the services of the third-party cooperative must be properly procured.



Helpful Forms

- FactSheet Buy American
- MicroPurchase Log
- Small Purchase Log



Questions?

You understand and acknowledge that:

The training you have completed does not cover the entire scope of the program; and that you are responsible for knowing and understanding all handbooks, manuals, alerts, notices and guidance, as well as any other forms of communication that provide further guidance, clarification or instruction on operating the program

Please contact us at purchasing@esc7.net

Martha Lakey 903-988-6859