



Procurement Pitfalls: Lessons You Can't Ignore



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

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TDA Administrator for
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TDA Food & Nutrition School Operations

What We Do





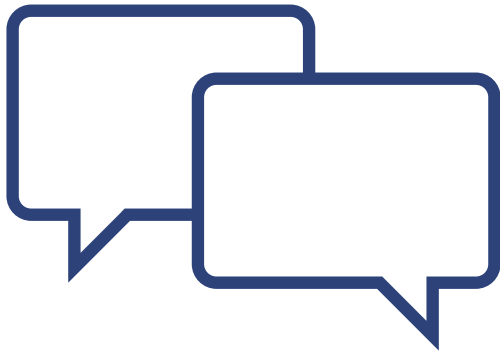
Resources & Questions

Acknowledgement Statement

You understand and acknowledge that:

- The training you are about to take 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.

Why Does This Matter?



Communication



Collaboration



Compliance

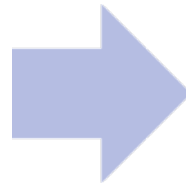
Overview

- Bridging Terms
- Procurement Process & Common Findings
- Procurement Scenarios
- Q&A Time



Bridging Terms Between Departments

Child
Nutrition



Business Office
Procurement
Official

Bridging Terms

Contract Management	Contract Management
Procurement Thresholds	Simplified Acquisition Thresholds
Geographic Preference	Geographic Preference

Bridging Procurement Processes Between Departments

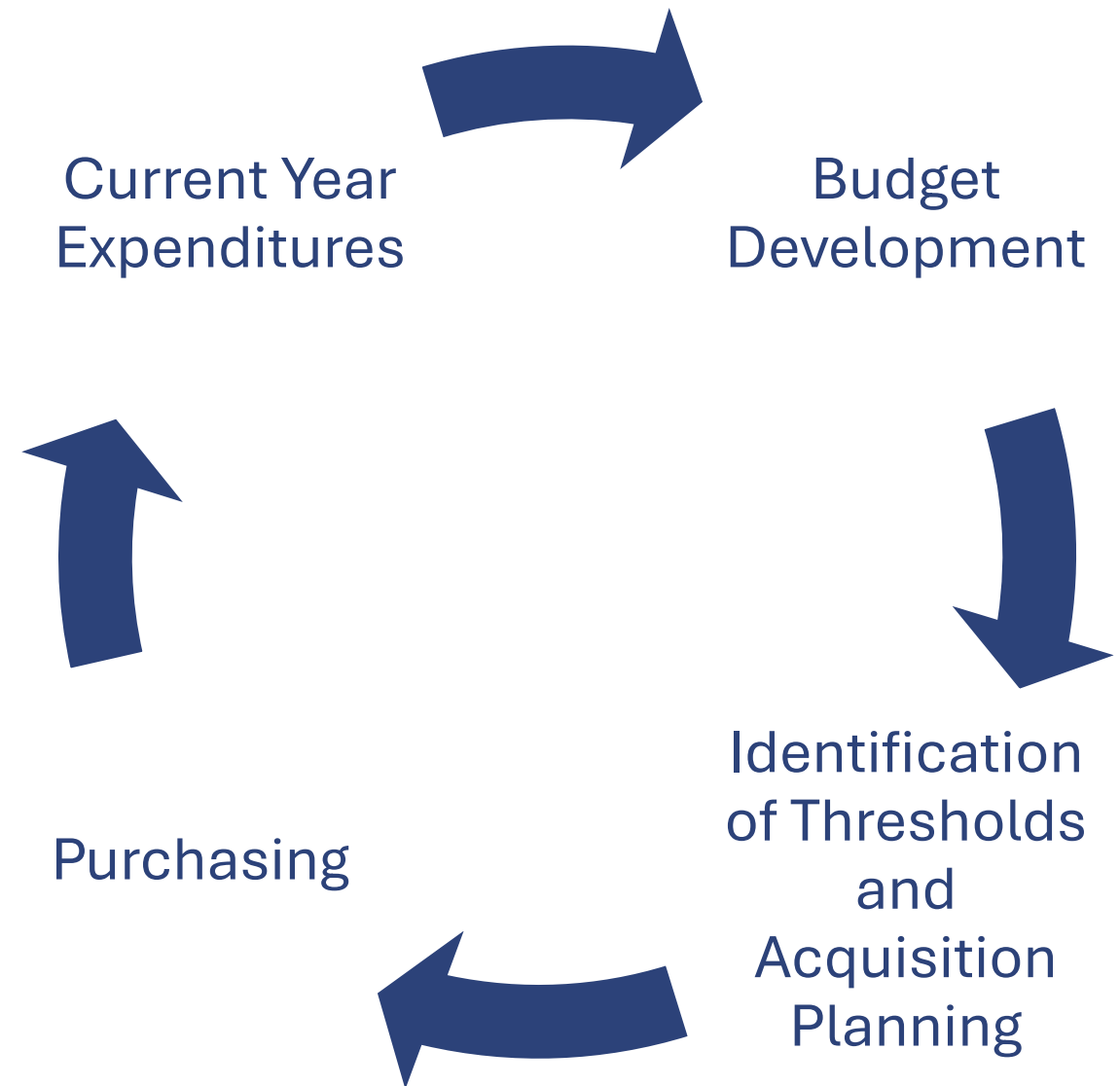
Cyclical
Planning

Effective
Systems

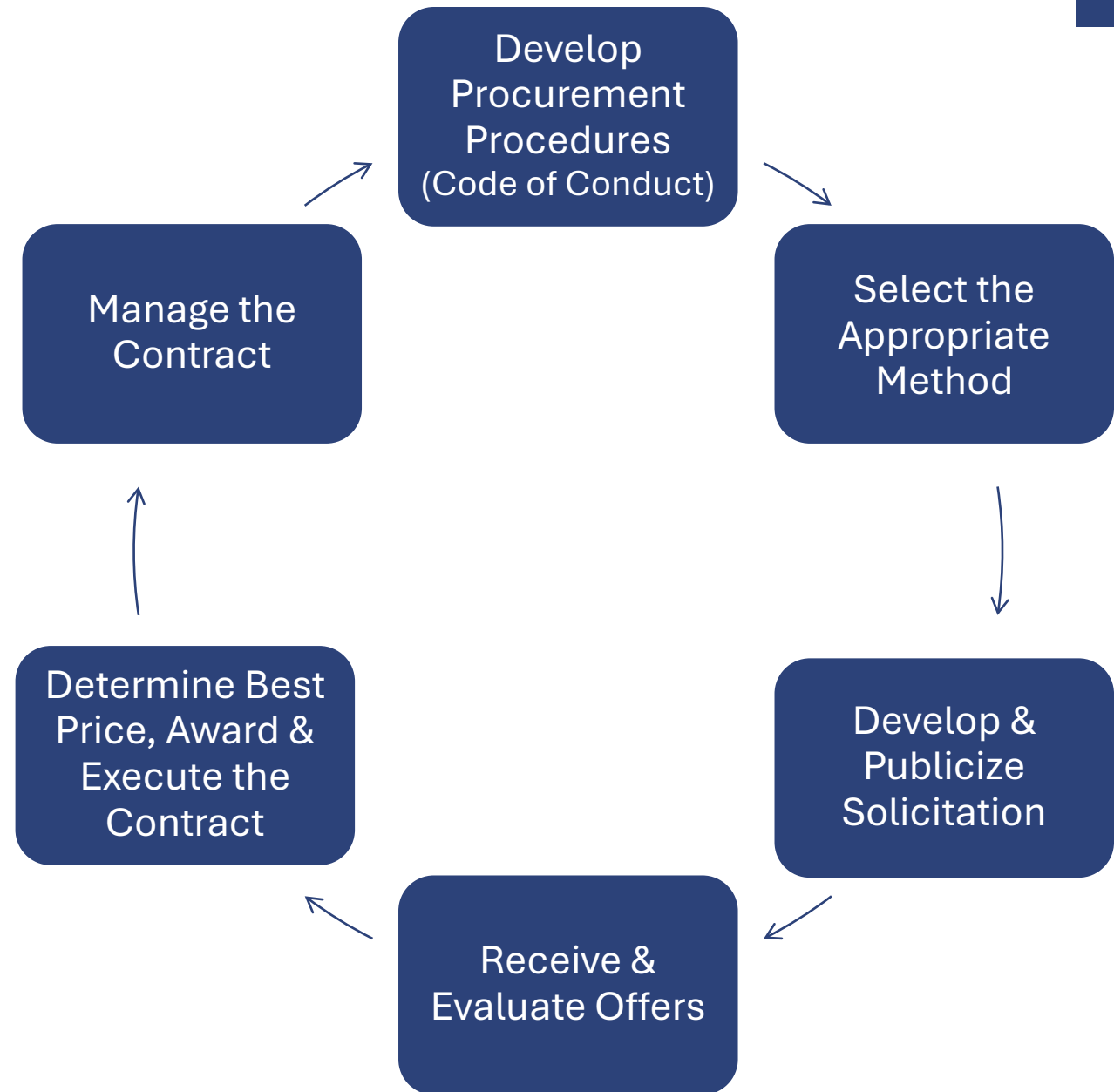
Review
Frequency

Review Areas

Cyclical Planning



Effective Procurement System



Procurement Review Frequency



Self-Op CEs



FSMC

Additional reviews as needed

Procurement Review Areas



Procurement
Procedures



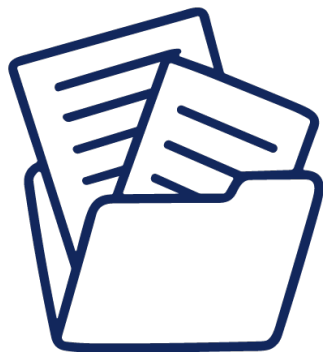
Purchasing
Documents



Other

Procurement Top Findings

Common Procurement Findings



Over
Responsive



Contract
Management



Limiting Fair &
Open Competition

Over Responsive



Additional Services

Contract Management



Invoice
Findings



FSMCs

Goods &
Services



Vended
Meals



Contract Management: Consultants



Intended to be
Short Term



Can't Provide
Duplicate
Services



Can't Provide
Compliance Support

Limiting Fair & Open Competition



Overresponsive
Awards



Arms-Length
Transaction Awards



Published Evaluation
Criteria Not Followed



Catalog
Bids

How To Avoid Findings



Cyclical
Planning



Document Review
by ESC



What Would You Do?

Scenario One:

A school district purchased a freezer for \$16,000 using a Group Purchasing Organization Quote.

Question: What considerations should be made before completing the purchase?

Answer:

- Is it an allowable expense?
- Is the price reasonable: cost/price analysis?
- Which threshold should be applied?
- Do you need TDA approval prior to purchase?



Question: Does TDA need to approve the purchase?

Answer:

Yes. As of October 1, 2024, equipment purchases over \$10,000 require prior approval.



Question: Why is the quote unallowable?

Answer:

Since a small purchase threshold is required, at least two quotes are required from qualified vendors.



Scenario Two:

A district is interested in purchasing produce grown within 50 miles of the district and only during the time of year when the produce is in season.

Question: How can the district do this without an RFP?

Answer:

Great News!

USDA allows small purchases to be used in place of formal procurement, provided that no item on the invoice exceeds the small-purchase threshold.



Remember:

The specification is clear if it includes a local definition in the quote that covers sizing, grade, and packaging, and does not limit fair and open competition.



Carrots, any size, grown within 50 miles



Carrots, cut and packaged in 3-oz packages.

Scenario Three:

A district is interested in purchasing local beef that is a higher cost than the products from a currently awarded RFP or Cooperative.

Question: What should the district consider?

Answer:

- What is the district defining as local?
- Can this preference be added to an existing RFP or will a new solicitation need to be made?
- What is the projected annual cost for these products?



Remember:

If a school district prefers local products, the solicitation must include a definition of the term “local” to avoid limiting fair and open competition.

Ex: 50 miles, state of Texas, domestically grown



Scenario Four:

A district is interested in implementing new guidance allowing whole milk for lunch. Because this is new, neither the cooperative nor the RFP includes whole milk.

Question: What can a district do?

Answer:

- Cost/price analysis.
- Small purchase while it is being added to RFP or Cooperative.
- Conduct IFB if it exceeds \$100,000.
- **Documentation is key!**



Questions?



Leave Us Your Feedback!



Contact Us



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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

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