

# HPS

## Procurement Plan Narrative

### Food, Supplies and Chemicals - Distribution

1. HPS' plan for procuring items for use in the School Nutrition Program is as follows. The procurement plan provides for fair and open competition, transparency in transactions, comparability, and documentation of all procurement activities. The specific procurement procedures are detailed in the SFA's Procurement Procedural Plan.
2. If the amount of purchases is more than the federal small purchase threshold currently valued at \$150,000, or state agency or SFA-approved threshold if less, formal procurement procedures will be used as required by 2 CFR §200.320 and Illinois Department of Education Procurement Code and Regulations. Informal procurement procedures (small purchase) will be required for purchases under the most restrictive small purchase threshold.
3. Because of the potential for purchasing more than \$150,000, it is the direction of (HPS School Food Committee) to utilize the Formal Purchasing method for all HPS contracts.
4. When a formal procurement method is required, HPS will use the following competitive procurement, Request for Proposal (RFP) procedures will apply:
  - A. An announcement of the **RFP** will be placed in the Chicago Tribune, BidNet and the HPS website to publicize the intent of the SFA to purchase needed items. The advertisement for bids/proposals or legal notice will be run for one publication in the newspaper and continuous for the entire bid period on all electronic sources.
  - B. An advertisement is required for all purchases over \$150,000 The announcement (advertisement or legal notice) will contain a:
    - general description of items to be purchased,
    - deadline for submission of questions and the date that written responses will be provided, including addenda to bid specifications, terms, and conditions as needed,
    - date of pre-bid meeting, if provided, and if attendance is a requirement for bid award,
    - deadline for submission of sealed bids or proposals,
    - the address of the location where complete specifications and bid forms may be obtained and
    - date and time of public bid opening.
  - C. In the HPS RFP, each vendor will be given an opportunity to bid on the same specifications.
  - D. The developer of written specifications or descriptions for procurements will be prohibited from submitting bids or proposals for such products or services.

E. The RFP will clearly define the purchase conditions. The following list includes requirements, not exclusive, to be addressed in the procurement document:

- Contract period.
- HPS Illinois School Food Purchasing Advisory Committee is responsible for all contracts awarded.
- Date, time, and location of bid opening.
- How vendor is to be informed of bid acceptance or rejection.
- Delivery schedule.
- Set forth requirements (terms and conditions) that bidder must fulfill in order for bid to be evaluated.
- Benefits to which the SFA will be entitled if the contractor cannot or will not perform as required.
- HPS encouraged the involvement of minority and small businesses and asks for that information in its pre-proposal.
- Statement regarding the return of purchase incentives, discounts, rebates, and credits to the SFA's non-profit school nutrition account as required in 2 CFR Part 200.406.
- Contract provisions as required in 2 CFR Part 200.326.
- Contract provisions as required in 7 CFR Part 210.21(f) for all cost reimbursable contracts.
- Contract provisions as required in 7 CFR Part 210.16(a)(1-10).
- Price adjustment clause HPS only accepts firm and fixed fee pricing in its proposal).
- HPS uses Prime vendor evaluation for its awarded, but has the flexibility to award a dual or multi-source award if it is best for the HPS membership.
- HPS will notify the winning vendor by mail or email. The contract will have a July 1 start date and be a one-year contract with HPS' right to extend for not less than 2 additional 1 year extensions. (Note the time frame as referenced in each HPS contract as outlined under duration).
- Specific bid protest procedures must include contact information of person, address, and the date by which a written protest must be received.
- Provision requiring access by duly authorized representatives of the SFA, SA, USDA, or Comptroller General to any books, documents, papers, and records of the contractor which are directly pertinent to all negotiated contracts.
- Method of shipment or delivery upon contract award.
- Provision requiring contractor to maintain all required records for **three** years after final payment and all other pending matters (audits) are closed for all negotiated contracts. If the contract contains a renewal provision, all records **must** be retained until that contract has expired, final payment has been made, and three years have passed.
- Description of process for enabling vendors to receive or pick up orders upon contract award.
- Signed statement of non-collusion.
- Signed Debarment/Suspension Certificate or statement included in contract or copy of Excluded Parties List System. HPS also checks the SAM website for Debarment verification.

- Provision requiring “Buy American” as outlined in 7 CFR Part 210.21(d); specific instructions for prior approval of all of non-domestic product(s).
  - All contracts in excess of \$10,000 must address termination for cause and for convenience, including the manner by which it will be affected and the basis for settlement.
- F. Specifications and estimated quantities of products and services prepared by HPS and provided to potential contractors desiring to submit bids/proposals for the products or services requested.
- G. If any potential vendor is in doubt as to the true meaning of specifications or purchase conditions, interpretation will be provided in writing to all potential bidders by Reny Thrall HPS Bid coordinator and date specified.
- H. The HPS Illinois School Food Purchasing Advisory Committee will be responsible for securing all bids or proposals.
- I. Each HPS member will be responsible for ensuring all SFA procurements are conducted in compliance with applicable federal, state, and local procurement regulations.
- J. In awarding a competitive negotiation (RFP), a set of award criterion in the form of a weighted evaluation sheet will be provided to each bidder in the initial bid document materials. Price alone is not the sole basis for award, but remains the primary consideration when awarding a contract. Following evaluation and negotiations, a firm-fixed price or cost reimbursable contract is awarded.
- K. The contracts will be awarded to the responsible bidder/proposer whose bid or proposal is responsive to the invitation and has offered the highest evaluation score (RFP). Any and all bids or proposals may be rejected in accordance with law.
- Reny Thrall is required to sign on the bid tabulation of competitive sealed bids or the evaluation criterion score sheet of competitive proposals, signifying a review and approval of the selections.
  - HPS and its legal council will review the procurement system to ensure compliance with applicable laws.
  - SFA is responsible for documenting that the actual product specified is received.
  - Any time an accepted item is not available, the SFA will select the acceptable alternate. The contractor must inform SFA a product is not available. In the event a non-domestic agricultural product is to be provided to the SFA, the contractor must obtain, in advance, the written approval of the product. The SFA must comply with the Buy American Provision.
  - HPS requires the Awarded Distributor to indicate on the electronic ordering platform if the Country of Origin is the United States.
  - Full documentation as to the reason an accepted item was unavailable, and to the procedure used in determining acceptable alternates, will be available for audit and review. The person responsible for this documentation is SFA.
  - The SFA and HPS are responsible for maintaining all procurement documentation.
5. Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms will be maximized by following the procedures outlined in 2 CFR 200.321.

6. Procurement of recovered materials will be maximized as applicable by following the procedures outlined in 2 CFR 200.322.
7. A cost or price analysis will be conducted by HPS in connection with every procurement action in excess of the Simplified Acquisition Threshold, including contract modifications as outlined in 2 CFR 200.323. This is performed by the HPS Illinois School Food Purchasing Advisory Committee.
8. The federal awarding agency or the Illinois Department of Education will be allowed to review all records that detail the procurement if any of the conditions stipulated in 2 CFR 200.324 exist. The Illinois Department of Education will review HPS' procurement.
9. The district will ensure that the bonding requirements stated in 2 CFR 200.325 are met HPS does not require a performance bond.
10. Miscellaneous provisions:
  - New product evaluation procedures will include:
    - The SFA agrees that the reviewing official of each transaction will be the SFA.
    - Payment will be made to the vendor when the contract has been met and verified, and has met the SFA's procedures for payment (if prompt payment is made, discounts, etc. are accepted).
    - Specifications will be updated as needed. Minimally HPS sends a letter twice annually to outline any changes in the contract.
    - If product is not as specified, HPS Illinois School Food Purchasing Advisory Committee will deduct points from the scoring matrix
    - Vendors with documented performance issues where the issue was not resolved may be excluded from the bidding process for one contract period (optional—not regulatory).
11. Emergency or "pressing need" purchases: If it is necessary to make a one-time emergency procurement to continue service or obtain goods, the purchase shall be made and a log of all such purchases shall be maintained by the SFA. The following emergency procedures shall be followed. All emergency procurements shall be approved by the SFA. At a minimum, the following emergency procurement procedures shall be documented:
  - item name,
  - dollar amount,
  - vendor, and
  - reason for emergency.
12. HPS shall agree to retain all books, records, and other documents relative to the award of the contract for three years after final payment. Specifically, HPS shall maintain and make available to SFA, at a minimum, the following documents:
  - written rationale for the method of procurement,
  - a copy of the original solicitation,
  - the selection of contract type,
  - the bidding and negotiation history and working papers,
  - the basis for contractor selection,

- approval from the Illinois Department of Education to support a lack of competition when competitive bids or offers are not obtained (when applicable),
- the most heavily weighted basis for award is cost or price,
- the terms and conditions of the contract,
- any changes to the contract and negotiation history,
- billing and payment records (responsibility of SFA),
- a history of any contractor claims, and
- a history of any contractor breaches.

13. HPS Board of Managers, HPS Advisory Committee Members and all HPS Staff review the HPS Code of Ethics on an annual basis. Each person mentioned above is required to complete a Conflict of Interest Disclosure Form each year. In addition, all respondents of the RFP for HPS Illinois School Food Purchasing Program are required to complete a Code of Conduct Form.

The following conduct will be expected of all persons who are engaged in the selection, award, and administration of contracts supported by School Food and Nutrition Program Funds. A code of conduct policy or procedure will define these expectations. These written standards of conduct include:

- No employee, officer or agent of the SFA shall participate in the selection or in the award or administration of a contract supported by program funds if a conflict of interest, real or apparent, would be involved.
- Conflicts of interest arise when one of the following has a financial or other interest in the firm selected for the award:
  - the employee, officer, or agent,
  - any member of the immediate family,
  - his or her partner,
  - an organization which employs or is about to employ one of the above, and
- The SFA employees, officers, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.
- Penalties for violation of the standards of code of conduct of the School Nutrition Program should be:
  - reprimand by Board of Education,
  - dismissal by Board of Education, and
  - any legal action necessary.

**Other state or local procurement requirements that may be required.**