

PR Finding/CAP Report

5/17/2017

ESC Region Number 14

Procurement Analyst: Laura Vickery

Due Date: 5/24/17

Findings Section

General Procurement Practices

Question on SNP Procurement Tool:

5. Does the SFA/LEA take steps to to assure that small, minority and women's businesses enterprises and labor surplus firms are used when possible? [2 CFR 200.321]

Findings:

The SFA/LEA does not take steps to assure that small, minority and women's businesses enterprises and labor surplus firms are used when possible, as required per [2 CFR 200.321].

Finding Description:

The CE did not provide any records or documents that indicate how the CE will assure that small, minority and women's businesses enterprises and labor surplus firms are used when possible.

Required Corrective Action:

- a) Provide a description of the circumstances that resulted in the noncompliance.
- b) Develop and submit with this CAP a step- by-step process/procedure to ensure the non-compliance does not re-occur.
- c) The submitted process/procedure must include: -Who will be responsible for each task/function/step in the procedures (by position/title) -The date the process/procedure was or will be implemented (mm/dd/yyyy) -How often will the process/procedure be completed, (e.g., daily, weekly, monthly), -Oversight measures that will be taken to ensure the non-compliance does not reoccur.
- d) It is recommended that the CE's Procurement Official attend a Procurement training within the next 12 months that may be offered through their ESC Region or other official training site that offers Procurement training for School Operations.

Small Purchase Procedures

Vendor	Heartland School Solution
Total Paid	\$8079.76

Question on SNP Procurement Tool:

3. Were price or rate quotations obtained from an adequate number (2 or more) of qualified sources? [2 CFR Part 200.320(b)/7 CFR 3016.36(d)(1)]

Findings:

Price or rate quotations were not obtained from an adequate number (2 or more) of qualified sources, as required per [2 CFR Part 200.320(b)/7 CFR 3016.36(d)(1)].

Finding Description:

The CE did not provide documentation supporting the requirement to obtain an adequate number (2 or more) of qualified sources to submit quotes for the products being purchased. No documentation was provided by the CE indicating that solicitation activities were conducted for purchasing the products obtained from this vendor.

CE did not submit documentation to determine compliance for the following questions posed via the SNP procurement review tool:

Did the SFA restrict competition by [2 CFR Part 200.319(a)(1-7)]:

- a. Placing unreasonable requirements on firms to qualify for business? [[2 CFR Part 200.319(a)(1)/7 CFR 3016.36(c)(1)(i)];
- b. Requiring unnecessary experience or excessive bonding? [2 CFR 200.319(a)(2)/7 CFR 3016.36(c)(1)(ii)]
- c. Specifying a "brand name" product, not allowing "an equal" product to be offered? [2 CFR 200.319(a)(6)/7 CFR 3016.36(c)(3)(i)/7 CFR 3019.44(a)(3)(iv)]

Were clear and accurate descriptions of the technical requirements provided for the product, or service being procured? [2 CFR 200.319(c)(1)/7 CFR 3016.36(c)(3)(i)/7 CFR 3019.44(a)(3)(i)]

Did the solicitation include a requirement that goods must be produced and processed in the United States ("Buy American")? [7 CFR 210.21(d)]

Did the SFA maintain records sufficient to detail the significant history of the procurement? [2 CFR 200.318(i)/7 CFR 3016.36(9)]

Was the correct vendor selected based on the products/services requested and the vendor responses provided? [2 CFR 200.320(b)]

Required Corrective Action:

- a) Provide a description of the circumstances that resulted in the noncompliance.
- b) Develop and submit with this CAP a step- by-step process/procedure to ensure the non-compliance does not re-occur.
- c) The submitted process/procedure must include: -Who will be responsible for each task/function/step in the procedures (by position/title) -The date the process/procedure was or will be implemented (mm/dd/yyyy) -How often will the process/procedure be completed, (e.g., daily, weekly, monthly), -Oversight measures that will be taken to ensure the non-compliance does not reoccur.
- d) It is recommended that the CE's Procurement Official attend a Procurement training within the next 12 months that may be offered through their ESC Region or other official training site that offers Procurement training for School Operations.

Vendor	Gandy's Dairies
Total Paid	\$12696.44

Question on SNP Procurement Tool:

3. Were price or rate quotations obtained from an adequate number (2 or more) of qualified sources? [2 CFR Part 200.320(b)/7 CFR 3016.36(d)(1)]

Findings:

Price or rate quotations were not obtained from an adequate number (2 or more) of qualified sources, as required per [2 CFR Part 200.320(b)/7 CFR 3016.36(d)(1)].

Finding Description:

The CE provided documentation that they used their purchasing group West Texas Food Service (WTFS) to obtain this Vendor through sealed Bid. However, only one Vendor's bid was provided by the CE. The bid award documentation by WTFS did not include the name of Rotan ISD as one of the CEs awarding the bid to this vendor. Additional documentation provided by the CE for awarding this bid did not include any documentation to support that 2 or more vendor bids were obtained and no bid award documentation reflecting the selection of this vendor was submitted.

CE did not submit documentation to determine compliance for the following questions posed via the SNP procurement review tool:

Did the SFA maintain records sufficient to detail the significant history of the procurement? [2 CFR 200.318(i)/7 CFR 3016.36(9)]

Was the correct vendor selected based on the products/services requested and the vendor responses provided? [2 CFR 200.320(b)]

Required Corrective Action:

- a) Provide a description of the circumstances that resulted in the noncompliance.
- b) Develop and submit with this CAP a step- by-step process/procedure to ensure the non-compliance does not re-occur.
- c) The submitted process/procedure must include: -Who will be responsible for each task/function/step in the procedures (by position/title) -The date the process/procedure was or will be implemented (mm/dd/yyyy) -How often will the process/procedure be completed, (e.g., daily, weekly, monthly), -Oversight measures that will be taken to ensure the non-compliance does not reoccur.
- d) It is recommended that the CE's Procurement Official attend a Procurement training within the next 12 months that may be offered through their ESC Region or other official training site that offers Procurement training for School Operations.

Observations Section**General Procurement Practices****Question on SNP Procurement Tool:**

3. Were price or rate quotations obtained from an adequate number (2 or more) of qualified sources? [2 CFR Part 200.320(b)/7 CFR 3016.36(d)(1)]

Observation:

The Written Procurement Procedures provided by the CE did not contain all the required elements based on the USDA Child Nutrition Procurement requirements [2 CFR 200.318(a)]. Specifically, the CE's procurement procedures did not include the made in the United States Provisions (Buy American) [7 CFR 210.21(d)] and did not include obtaining TDA approval for sole source vendors [2 CFR 200.320(f)(1-4)/7 CFR 3016.36]. USDA guidance on procurement procedures allows for the stated missing elements to be cited as an Observation only until the end of this school year.

Comments:

Provided CE technical assistance through the PR Finding Report that the CE's Procurement Procedures provided did not include all the general area elements. CE must complete the development and approval process for their Procurement Procedures that would meet the USDA Child Nutrition Program requirements to be effective by the end of this school year. Referred CE to Section 17 for Procurement in the Administrative Reference Manual (ARM) found on the TDA website www.squaremeals.org for reference. CE strongly encouraged to obtain technical assistance from their local Region ESC Specialist(s).