Formal procurement must be used when the value of a purchase is greater than $250,000\*. There are two types of formal solicitations are Invitation for Bid (IFB) and Request for Proposal (RFP).

\*Local threshold may be more restrictive.

**Step 1: Forecast Needs and Conduct Price Analysis**

* Forecast product needs by using production records, velocity reports and production records
* Conduct a cost or price analysis to determine the value of the contract

**Step 2: Write Product Specifications**

* Write clear and accurate descriptions including:
	+ Product name
	+ Description
	+ Case pack and weight
	+ Size
	+ Nutrition standards/Child Nutrition (CN) requirements
* If specifying a brand name, “or equivalent” must be listed

**Step 3: Develop a Solicitation - *What is the SFA looking to purchase?***

* Include SFA information (enrollment, # of buildings, meals served, etc)
* Description of the foods or service requested
* Information about pre-proposal meeting (if applicable)
* Date and time for submission of solicitation
	+ Provide adequate time for vendors to respond
	+ Time and location for IFB public opening
* Duration of contract and option for renewals
	+ 1 year with 4 optional renewals
* Type of contract
	+ IFB – results in a firm fixed price; award made to lowest price responsible and responsive bidder
	+ RFP – results in a firm fixed price or cost reimbursable contract (cost plus % is not allowed); award made to lowest price responsive and responsive proposal with additional criteria used in the evaluation; evaluation criteria is clearly identified in the solicitation
* Cost evaluation – will cost be evaluated by item? Product groupings? Bottom line? Market basket?
* Technical Requirements
	+ Delivery days/time preference, staff requirements
	+ How recalls and substitutions will be handled
	+ Buy American provision (food only)
	+ Federal and Maine non-discrimination statements
	+ Required forms and certifications: debarment, lobbying, anti-collusion
* Required contract provisions (as applicable) required by 2 CFR 200:
	+ Debarment/Suspension;
	+ Termination clause ($10,000);
	+ Byrd Anti-Lobbying certification ($100,000);
	+ Administrative/contractual/legal remedies for contractors that breach/violate terms ($150,000);
	+ Clean Air Act($150,000);
	+ Contract work hours/safety standards ($100,000 contracts that involve the employment of mechanics or laborers);
	+ Equal employment opportunity (construction) ($10,000);
	+ Rights to Invention (if applicable);
	+ Davis Bacon (construction) ($2,000)
	+ Procurement of Recovered Materials
	+ Language that the SFA takes steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible

**Step 3: Publicly Advertise the Solicitation**

* Publicly advertise and invite two or more qualified vendors

**Step 5: Evaluate Vendor Responses**

IFB

* Bids are publicly opened at the time and place specified
* Bids may be rejected if the vendor does not meet the requirements as listed in the solicitation and/or they are not able to provide the products as specified in the solicitation. (Responsive and responsible vendor)
* Evaluate cost as specified in the solicitation

RFP

* Proposals may not be opened until after the date specified in the RFP
* Proposals may be rejected if the vendor does not meet the requirements as listed in the solicitation and/or they are not able to provide the products as specified in the solicitation. (Responsive and responsible vendor)
* Proposals must be scored using only the evaluation criteria outlined in the solicitation

**Step 5: Award the Contract**

* Contract awarded to the vendor with the lowest price that is also responsive and responsible (IFB)/ highest scored proposal with price being the primary factor (RFP)
* A signed written contract between the SFA and the selected vendor is required

**Step 6: Monitor the Contract**

* Do invoices and deliveries conform with contract requirements? (price, quality, delivery schedule, …)
* Is the vendor performing under the contract as agreed upon?

**Step 7: Maintain Documentation**

* Solicitation documents
* Emails, letter and other documentation related to the procurement
* All IFB/RFP responses received
* Evaluation documents
* Award notification and denial letters
* Contract renewals