Procurement is a multi-step process used to obtain goods and services. All entities using Federal Funds, including school nutrition programs, must follow procurement regulations found in [**2 CFR Part 200**](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200).

USDA School Nutrition Program regulations [**7 CFR Part**](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-A)[**210**](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-A/part-210/subpart-E/section-210.21)**,** [**215**](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-A/part-215/section-215.14a)**,** [**220**](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-A/part-220/section-220.16)**.**

The procurement method you use depends on the estimated dollar value of the goods or services you are purchasing.

**Informal Procurement**Informal procurement may be used when the value of a purchase is less than $250,000\*. There are two types of informal procurement – micro-purchase and small purchase.

**Micro-Purchase Procedures**

Micro-purchase procedures may be used when the value of a purchase is less than $10,000\*. SFAs may choose to establish a higher threshold up to $50,000 by meeting the self-certification requirements below. Micro-purchases are made without getting price quotes and must meet the following criteria:

* Purchases should be distributed equitably among qualified suppliers.
* Prices must be reasonable.
* Documentation must be kept including receipts and justification for using the micro-purchase method.

Self-Certification: SFAs wishing to increase their micro-purchase threshold up to $50,000 must self-certify annually by justifying why they want to increase the threshold and have supporting documentation of being a low-risk auditee.

**Small Purchase Procedures**Small purchase procedures may be used when the total purchase amount is less than $250,000\*. With this method, the following steps must be followed:

* Develop a solicitation document with product specifications.
* Contact vendors for price quotes.
* Document vendor responses.
* Evaluate vendor responses.
* Select the vendor.
* Monitor the contract.
* Maintain documentation.

Please see the Informal Procurement Checklist for specifics about each step.

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

**Invitation for Bid (IFB)**Results in a firm fixed price; award made to lowest price responsible and responsive bidder.

**Request for Proposal (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

**Formal Procurement Procedures**

* Forecast needs and conduct a price analysis.
* Develop a solicitation document – IFB or RFP – with product specifications.
* Publicly advertise the solicitation
* Evaluate vendor responses.
  + IFP - public bid opening
  + RFP – proposals opened after specified date, evaluated using criteria specified in the RFP
* Select the vendor with the lowest price that is also responsive and responsible (IFB)/ highest scored proposal with price being the primary factor (RFP)
* Award the contract.
* A signed written contract between the SFA and the selected vendor is required.
* Monitor the contract.
* Maintain documentation.

Please see the Formal Procurement Checklist for specifics about each step.

**Procurement Policies**

**Procurement Procedures**The SFA must have a procurement plan that reflects actual practices and includes:

* Procurement methods used.
* Reference to Federal, State, and local regulations.
* Language that prohibits unnecessary or duplicative purchases
* Language that supports the use of small, minority and women’s businesses, when possible.
* The procedures should not include any language that unduly restricts competition.
* Language stating that records documenting all procurement activities will be kept.

**Codes of Conduct**The SFA must have written standards of conduct for procurement addressing conflicts of interest. These standards must:

* Prohibit real, or apparent conflicts of interest for employees engaged in selection, award, and administration of contracts.
* Indicate that employees are prohibited from accepting and soliciting gifts/incentives.
* Include disciplinary actions for violations.