DATE: October 6, 2016

MEMO CODE: SP 03-2017

SUBJECT: Draft Tool for Local Agency Procurement Reviews for School Food Authorities in SY2016-2017 - Revised Tool

TO: Regional Directors
    Special Nutrition Programs
    All Regions

    State Directors
    Child Nutrition Programs
    All States

This memorandum provides information on the revised Draft Local Agency Procurement Review Tool (Tool) posted to PartnerWeb. While the concepts of the Tool remain the same, the revision provides clarity, improves functionality, and expands instructions for school food authorities (SFAs) and State agencies. The changes are summarized as follows:

<table>
<thead>
<tr>
<th>Review Tab</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview of a procurement review</td>
<td>Revised flowchart format.</td>
</tr>
<tr>
<td>SFA procurement table</td>
<td>Reduced GPO questions; removed duplicate columns; improved functionality linking content in the table with review tabs.</td>
</tr>
<tr>
<td>State agency procurement selection chart</td>
<td>Reduced the number of processing contracts to focus on ensuring SFAs utilize USDA Foods to their planned assistance level and competitively procure processing services.</td>
</tr>
<tr>
<td>General standards</td>
<td>Streamlined, clarified, and reduced the number of questions.</td>
</tr>
<tr>
<td>All procurement method tabs (micro-purchase, small purchase procedures, sealed bids/competitive proposals, FSMCs and processing)</td>
<td>Added a review of 3 vendor invoices in the contract management section of each tab to ensure SFAs are monitoring contractor performance as required by 2 CFR 200.318(b).</td>
</tr>
<tr>
<td>FSMC review tabs</td>
<td>Changed the FSMC tabs to reflect when each tab will be used. The State agency pre-approval FSMC checklist is used in</td>
</tr>
</tbody>
</table>
Using Updated Tool for SY 2016-17 Reviews:

State agencies are expected to implement the updated Tool as soon as possible. If any State agency has begun conducting procurement reviews using the Tool posted on June 30, 2106, FNS expects these State agencies to transition to the revised Tool for reviews commencing on or after November 1, 2016. State agency use of the procurement review materials will be evaluated during management evaluations.

Training on the Draft Local Agency Procurement Review Tool will be conducted during a face-to-face conference session at the State agency/USDA meeting October 31-November 2, 2016 in Crystal City, VA. However, if a State agency needs additional training, it may request this from the appropriate Regional Office.

State agencies should direct any questions concerning this guidance to the appropriate FNS Regional Office.

Sarah E. Smith-Holmes
Director
Program Monitoring and Operational Support Division
Child Nutrition Programs

Attachment