

Small Purchasing Procedures

**CACFP iTrain
Simple Lesson Plan**

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EXECUTIVE DIRECTOR
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Intended Audience: CACFP personnel and other child care staff

Description: This lesson explains the three standards of small purchasing procedures.

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Institute of Child Nutrition The University of Mississippi

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Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
2. Fax: (202) 690-7442; or
3. Email: program.intake@usda.gov

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Lesson-at-a-Glance

Time	Topic	Activity	Materials
Introduction			
5 minutes	▶ Introduction and Overview		▶ PowerPoint slide deck ▶ Computer ▶ Pen or Pencils
Objective: Explain how to use the three standards of small purchasing procedures.			
15 minutes	▶ Small Purchasing Standard 1: Written Specifications ▶ Standard 2: Three Quotes ▶ Standard 3: Record Quotes in Writing	▶ Small Purchasing Scenario	▶ Worksheet: Small Purchasing Scenario • Answer Key: Small Purchasing Scenario
Conclusion			
10 minutes	▶ Lesson Summary ▶ Training Evaluation	▶ Speed Action Planning ▶ Training Evaluation (Optional)	▶ Worksheet: Speed Action Planning ▶ Optional: Training Evaluation & Training Certificate
Total Time: 30 minutes			

References

Institute of Child Nutrition. (n.d.). *Procurement basics in child care*. theicn.org

U.S. Department of Agriculture, Food and Nutrition Service.. (2019). *Federal micro-purchase and simplified acquisition thresholds*. <https://www.fns.usda.gov/cn/federal-micro-purchase-and-simplified-acquisition-thresholds>

U.S. Department of Agriculture. (2021). *Agricultural marketing service*. <https://www.ams.usda.gov/>

Internet Resources

▶ Institute of Child Nutrition: www.theicn.org

▶ USDA’s Team Nutrition: www.fns.usda.gov/tn

Preparation Checklist

Instructions: Use the Preparation Checklist to prepare for the training session. Keep track of your progress by checking off tasks as they are completed.

Done <input checked="" type="checkbox"/>	Lesson Tasks
Gather Materials	
<input type="checkbox"/>	▶ Training Script
<input type="checkbox"/>	▶ Computer and Projector Screen
<input type="checkbox"/>	▶ Worksheets and Handouts: <ul style="list-style-type: none"> • Small Purchasing Scenario worksheet • Small Purchasing Scenario answer key
<input type="checkbox"/>	▶ Pens or pencils (one per participant)
<input type="checkbox"/>	▶ Optional: Training Certificate/Evaluation/Feedback Form (one per participant)
Prepare for Lesson	
	Before the training day:
<input type="checkbox"/>	▶ Review the training script and research any relevant State or local requirements. <ul style="list-style-type: none"> • The content reflects the Federal regulations and/or national best practices or standards. However, it’s essential to include any additional State or local requirements when presenting this training.
<input type="checkbox"/>	▶ Make enough copies of the handouts for each participant.
<input type="checkbox"/>	▶ Test the PowerPoint on the computer and projector screen.
<input type="checkbox"/>	▶ Optional: Develop and print a session certificate/evaluation/feedback form (one per participant).
	On the training day:
<input type="checkbox"/>	▶ Place pens or pencils on tables (one per participant).
<input type="checkbox"/>	▶ Distribute materials to each participant.
	On the instructor’s table:
<input type="checkbox"/>	▶ Training Script
<input type="checkbox"/>	▶ Instructor’s copy of handouts and/or worksheets
<input type="checkbox"/>	▶ Optional: Session Evaluation/Feedback Forms

Training Script

Instructor’s Note: Each section below has an accompanying slide(s). Review and share the content for each PowerPoint slide.

Introduction
<p>Welcome!</p> <p>Complete the following tasks:</p> <ul style="list-style-type: none"> ▶ Distribute handouts to the participants. ▶ Welcome the participants to the training. ▶ Introduce yourself to the participants, and allow them to introduce themselves by sharing their name and one thing they would like to get from this training.
<p>Review Current Knowledge</p> <p>Ask posing question: How many of you make purchases of goods and services in your Child and Adult Care Food Program (CACFP) settings? Did you know that one way to buy goods and services is to use a method called small purchasing?</p>
<p>Overview</p> <p>Share core content: Procurement is another way of saying purchasing or buying. Informal procurement includes purchases that are below the Federal limit or threshold of \$250,000. If your State or agency has a limit that is less than \$250,000, then you must stay within the most restrictive limit. Most settings operating the CACFP use informal procurement procedures. Small purchasing and micro purchasing are the two different ways of buying items using informal procurement.</p>
<p>Objective: Explain how to use the three standards of small purchasing procedures.</p>
<p>Small Purchases</p> <p>Ask posing question: What is an example of a small purchase?</p> <p>Share core content: Small purchasing is a method of informal procurement. It simply means that all purchases/transactions are \$250,000 or less.</p> <p>For example, you need to purchase for the month, and the total amount is around \$15,000. This is considered a small purchase because the cost is above the Federal limit of \$10,000.</p> <p>Remember, if your state agency or sponsor has a stricter threshold, then you must follow that threshold.</p>
<p>Standard 1: Written Specifications</p> <p>Share core content: The first step in making small purchases is written specifications. A written specification can include but is not limited to the product, delivery needs main ingredients, CN label, etc. A shopping list or what we call a “draft of written specifications” is required that provides written specifications to each potential vendor. The written specifications should state how much is needed for each product, in both weight and number. The potential vendors should be able to give a price quote based upon the specifications. It is important to document clear and accurate descriptions of exactly what one is looking to purchase so that all vendors have a fair picture of what is being requested.</p>

Examples of Written Specifications

Share core content: For example, to purchase whole strawberries, your specification would include US #1 strawberries, 20 pounds needed.

To purchase green beans, your specification might include 15 US Green Beans #10 can. Another example would be 30 gallons of Milk, 1%, Gallon.

Refer to the USDA Marketing Service website (<https://www.ams.usda.gov/>) for additional information.

Standard 2: Three Quotes

Share core content: Once you have determined the specifications, obtain at least three quotes for the purchases. You can obtain quotes by using email, catalogs, websites, or phone calls in any combination. Consider writing a script for phone calls or face-to-face contact so that all vendors have the same information. Be sure to include delivery fees and/or travel expenses that could add to the price of the quote. However, email is most ideal because it is easiest for documentation purposes.

Standard 3: Record Quotes in Writing

Share core content: All quotes must be recorded in writing. A price quote log is typically provided by your State agency. The lowest bid given for a product must be used for purchase. Quotes are recorded based upon the written specifications.

Specifications		Quotes		
Product	Amount	Vendor A	Vendor B	Vendor C
US Green Beans #10	20 Cans	\$29.60	\$33.40	\$29.00
US Strawberries #1	20 Pounds	\$50.20	\$55.15	\$49.40

Based on the quotes recorded in this table, Vendor C would be awarded the contract because it offers the lowest prices.

Activity: Small Purchasing Scenario
Time: 10 minutes

- ▶ **Purpose:** The purpose of the activity is for CACFP professionals to recall and apply the three standards involved to decide on the best vendor awarded for small purchases.
- ▶ **Materials Needed:** Small Purchasing Scenario worksheet and Pen/Pencil
- ▶ **Instructions:** Have participants work in pairs and distribute the worksheet with multiple vendor quotes. Using the quotes provided, review the information, and decide which vendor must be awarded the contract for the small purchase. Allow participants 5 minutes to complete this activity. Then review answers together as a group.

Conclusion

Lesson Conclusion

Share core content: Remember to follow the three standards to be sure that your purchases comply with regulations.

Standard 1: You must have a draft of written specifications.

Standard 2: Obtain three quotes by email, catalogs, websites, or phone calls.

Standard 3: All quotes must be recorded in writing and the lowest bid must be used for purchase. Delivery expenses can be included when making this decision.

It's important to note that there may be additional requirements for small purchases within each state. Contact your State agency or sponsoring organizations for additional requirements.

Ask posing question: What questions do you have concerning the requirements for tofu in CACFP?

Activity: Speed Action Planning
Time: 5 minutes

- ▶ **Purpose:** This purpose of this activity is to establish future steps for applying the information in their workplace.
- ▶ **Materials Needed:** Speed Action Planning worksheet, Planner or Cell Phone Calendar App, and Pencil/Pen
- ▶ **Instructions:** Distribute the Speed Action worksheet. Inform participants that it is important to develop a plan for using the training's information. Ask them to take 1–2 minutes to answer the following three questions to establish an action plan.
 - What did you learn in this training?
 - How will you apply this information in your current or future role?
 - When will you apply this information?

Once the participants have finished, encourage them to save this goal to a planner, calendar app, or other sources to ensure they follow through with their plan. Following this activity, dismiss the participants from the training.

Thank You!

Complete the following tasks:

- ▶ Conclude the training.
- ▶ Refer participants to the Institute of Child Nutrition for additional information at helpdesk@theicn.org or 800-321-3054.
- ▶ Distribute any certificates or evaluations.

Small Purchasing Scenario

Sunshine Child Care operates two different child care centers with 100 children enrolled. They are renovating the kitchen areas for both sites, will need meals delivered each day for the next six weeks, and are looking for a vendor. Using what we know about making small purchases, who should get the award? In your groups, discuss if all three steps are in the quote and which vendor should get the award.

Meal Service	Vendor A	Vendor B	Vendor C
Two meals and one snack, 100 children for 30 days	\$3.50 per child each day. Total: \$10,500	\$3.50 per child each day, a one-time delivery fee of \$500. Total: \$11,000	\$4.50 per child each day, delivery included. Total: \$13,500

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More information is needed for Vendor A—the delivery amount is not specified.

All other discussions should include:

1. A draft of written specifications
2. Three quotes by email, catalogs, websites, or phone calls
3. Quotes recorded in writing. The lowest bid must be used for purchase.
Delivery expenses can be included when making this decision.

Speed Action Planning

Instructions: Today’s training featured key information on small purchasing procedures. Answer the following three questions to establish a plan for using the information.

1. What did you learn in this training?

2. How will you apply this information in your current or future roles?

3. When will you apply this information (e.g., one week, one month, six months, etc.)?



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