



*Your Child Nutrition
Support Staff*

February 3, 2017

Mrs. Terri Birchard, Business Manager
Erie County Technical School
Agreement No. 105-25-280-7
8500 Oliver Road
Erie, PA 16509-4699

Dear Mrs. Birchard:

A Procurement Review was recently conducted for the School Year 2015-16 to assess compliance of all procurement activities utilizing funds from the non-profit school food service account in accordance with 2 CFR, Part 200.317-200.326 (previously in 7 CFR Parts 3016 and 3019). The Pennsylvania Department of Education (PDE), Division of Food and Nutrition (DFN), was required to conduct the review of all School Nutrition Program procurement activities and CN Resource assisted DFN with conducting the Procurement Review.

Attached is a comprehensive list of all the Technical Assistance with applicable resources and examples. In addition, attached is a Corrective Action Plan that must be reviewed and completed. Please review the Corrective Action Plan and respond by **March 6, 2017**.

Please email or fax the Corrective Action responses to procurement@cnresource.com or 480.325.9967.

I appreciate the courtesies extended by you and your staff during the review. If you have questions or need assistance concerning the procurement review, please call our office at 866-941-6368.

Thank you,

Attachments



Emily Bryner | Procurement Specialist
[p] [866.941.6368](tel:8669416368) [f] 480.325.9967
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Corrective Action Plan

SFA Name: Erie County Technical School

Agreement Number: 105-25-280-7

Corrective Action Plan Due Date: **March 6, 2017**

Procurement Review Area: General Procurement Practices

Question: 3) Does the SFA/LEA's have documented Procurement Procedures?

Finding: The SFA submitted procurement procedures that were not in compliance with federal regulations.

Regulation: 2 CFR 200.318(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

Required Corrective Action: In response to this finding, the SFA must develop and submit procurement procedures, which reflect applicable State, local, and tribal laws and regulations, specific to their food service program to become compliant with this provision. An example of Procurement Procedures is attached. It is recommended the SFA watch the Procurement Webinar given by PDE in April 2016 found in PEARS > Application > Download Forms > Procurement > PDE-SNP-080 Procurement Webinar Recording – April 2016.

Please email or fax the Corrective Action responses by **March 6, 2017** to procurement@cnresource.com or 480.325.9967.

If you have any questions, please feel free to contact CN Resource at 1-866-941-6368 or at procurement@cnresource.com

Thank you,

Attachments



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Technical Assistance

SFA Name: Erie County Technical School

Agreement Number: 105-25-280-7

Procurement Review Area: General Procurement Procedures

Question: 5) Does the SFA/LEA take steps to assure that small, minority and women's businesses enterprises and labor surplus firms are used when possible?

Regulation: 2 CFR 200.321 (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. (b) Affirmative steps must include: (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

Comments and Technical Assistance: The SFA has not documented or shown that they are taking the steps necessary to ensure that small, minority and women's businesses enterprises and labor surplus firms are used when possible. Going forward, in order to be compliant with this provision, the SFA must document the steps necessary to ensure that small, minority and women's business enterprises and labor surplus firms are used when possible. The SFA should work with their solicitor to ensure that they are including steps outlined in the above stated regulation in their written procurement procedures.

Procurement Review Area: Micro Purchases

Question: 4) Based on a review of invoices/receipts, is the SFA compliant with the use of the micro-purchase method?



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Regulation: 2 CFR 200.320 (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (\$200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

Comments and Technical Assistance: The SFA is compliant with the micro purchase method; however, the SFA should keep in mind that they must distribute micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified and such suppliers offer effectively equivalent rates, prices, and other terms. If only one vendor is available, the SFA must document the reason to be compliant with this provision. It is recommended the SFA review their micro purchases to ensure they are not overusing the micro purchase procurement method. Micro purchasing is a tool to be used in certain situations, such as sampling a new product, supporting a harvest of the month program, or emergency purchases. These purchases may be made without soliciting competitive quotes. Micro purchases must be reasonable and need to be distributed equitably among qualified suppliers.

Procurement Review Area: Processing

Comments and Technical Assistance: The SFA receives their USDA Foods via Brown Box. The SFA also uses the State approved processors and distributors and was a part a cooperative group that conducted a formal bid for their USDA Foods. The Pennsylvania Department of Education, Division of Food and Nutrition, will provide guidance in the future regarding Processing Contracts. The SFA may need to adjust procedures upon release of that guidance.