

Instructions for Child and Adult Care Food Program (CACFP) Institutions on Competitive Bidding Procedures for Food Service Management Companies



Connecticut State Department of Education
Bureau of Health/Nutrition, Family Services and Adult Education
450 Columbus Boulevard, Suite 504
Hartford, CT 06103-1841

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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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1 – Introduction

CACFP institutions that purchase meals from a food service management company (FSMC), or any organization other than a school food authority that operates its own food service, must comply with competitive bidding procedures when the value of the contracted meals is \$250,000 or more, as described in the U.S. Department of Agriculture (USDA) regulations [7 CFR Part 226](#) and the [National Defense Authorization Act \(NDAA\) for Fiscal Year 2018](#). Sufficient time must be allowed to complete the bid process so that the contract can be awarded and submitted to the CSDE prior to:

- the beginning of operations under that contract; and
- the claiming of meals.

The Connecticut State Department of Education's (CSDE) *Invitation for Bid (IFB) and Contract for Child and Adult Care Food Program (CACFP) Institutions* contains the required forms for competitive bids and is available in the "[Contracts in the CACFP](#)" section of the CSDE's [FSMC](#) webpage.

This document provides instructions to help CACFP institutions complete the CSDE's *IFB and Contract for CACFP Institutions* and comply with the USDA's requirements for competitive bids.

Objective

The USDA regulations ensure that procurement procedures are conducted in a manner that provides maximum free and open competition. Procurement procedures cannot restrict or eliminate competition. Examples of procedures that restrict competition include, but are not limited to:

- placing unreasonable requirements on firms in order for them to qualify to do business;
- noncompetitive practices between firms;
- organizational conflicts of interest;
- insufficient time;
- unnecessary experience and bonding requirements; and
- geographic preferences or inappropriate practices, such as using information prepared by the FSMC (e.g., menus) or negotiating with a bidder.

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Method of Procurement

The competitive sealed bids procedure must be used by CACFP institutions when the bid is expected to be \$250,000 or more. In competitive sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all material terms and conditions of the invitation to bid, is lowest in price. The IFB must contain specifications and pertinent attachments that clearly define the items or services needed to allow bidders to properly respond to the invitation.

Solicitations of Bids and Advertising

CACFP institutions must provide sufficient time prior to the date of the bid opening to allow for preparation and submission of bids. The IFB must be publicized to provide for free and open competition. Generally, this is done by advertising in the major newspaper that serves the area. The advertisement must include the date and time of bid opening, a brief description of what is being proposed and instructions for obtaining a copy of the IFB. Copies of the complete IFB should be mailed to prospective bidders, i.e., vendors that are believed to be qualified and might reasonably be expected to respond. This may include FSMCs that are currently doing business with other institutions. Any amendments or changes to the IFB, as well as any questions and answers resulting from written bidder inquiries, must be submitted to all prospective bidders.

Contracting with Small and Minority Businesses, Women's Business Enterprises and Labor Surplus Area Firms

In accordance with Federal regulations at 2 CFR Part 200.321, 7 CFR Part 226.21 and 7 CFR Part 226.22, 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. 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; and
- (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.

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Submission of Bids

Bidders are asked to submit unit prices on the meal types specified in the contract. Specific items to be submitted with the bid, such as a current health certificate, are stated in the IFB.

Pre-bid Meeting

An institution may conduct a pre-bid meeting, after the IFB is issued and prior to the date bids are due, to provide information and answer questions concerning contract requirements. However, the meeting is not a substitute for formally amending deficient or ambiguous specifications or disseminating requirements in addition to those contained in the IFB. Information about the meeting must be provided to each FSMC that received a copy of the IFB either directly or upon request. Results from the meeting are not considered official until provided in writing to all FSMCs that received the IFB.

Bid Openings

Sealed bids must be publicly opened at the time and place stated in the invitation. Bids received after the stated deadline cannot be considered, unless they are received before award is made and they were sent by registered or certified mail not later than the fifth calendar day prior to the date specified for the receipt of bids. Only sealed bids are valid; unsealed bids must be rejected. Once the bids are opened, the CACFP sponsor must record the name of each bidder and the bid price.

Evaluation of Bids and Award of Contract

The contract is awarded to the responsible vendor whose bid conforms to all terms and conditions and is the lowest price, unless there are sound documented reasons to reject a bid in the best interest of the program. If the contracts must be approved by city/town officials, the board and/or the CSDE, the institution would refrain from making a formal award until approval is received. Approval from the CSDE is required if the bid is \$250,000 or more and/or the CACFP institution is not accepting the lowest bid. The successful bidder should be notified of the institution's intent to recommend acceptance of the bid. Once approval is obtained, a written notice of the award should be made to the successful bidder. This usually accompanies a copy of the signed contract.

Duration and Renewals

The contract duration is limited to one year with the effective beginning and ending dates stated in the contract. The institution may choose, but is not required, to renew the contract for an additional year. Institutions should evaluate the performance of the FSMC in accordance with contract provisions, such as meal quality and adherence to the CACFP meal patterns. USDA regulations allow a total of **four** one-year renewals following the initial contract year. If the renewal option is used, a termination clause must be included in the initial contract.

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2 – Competitive Bidding Procedure

CACFP institutions must use the CSDE's standard contract template, *Invitation for Bid (IFB) and Contract*. Each proposed additional provision to the standard contract must be submitted to the CSDE for approval prior to publication.

A public agency may, with approval from the CSDE, use their customary contract if it incorporates all requirements in the CSDE's *IFB and Contract for CACFP Institutions*, including the suspension and debarment certification. The applicable [CACFP regulations](#), 7 CFR Part 226.6(i) and 7 CFR Part 226.21 must be referenced in bid preparation.

The institution must award the contract in accordance with outlined procedures prior to the claiming of meals. Meals provided by the FSMC before the effective date are ineligible for CACFP reimbursement. The FSMC may not subcontract for the total meal, with or without milk, or for the assembly of the meal.

The steps required to contract with a FSMC are summarized below.

1. Complete the CSDE's *IFB and Contract for CACFP Institutions* template and return the completed IFB to the CSDE for approval prior to distribution, including all applicable sections and schedules. The suspension and debarment certification must be attached.

Any additional provision or addendum to the standard contract must be submitted to the CSDE for approval. Any additions or addendum to the standard contract must be highlighted when submitted to the CSDE for approval.

2. Publicly announce at least once, all invitations for bid not less than 14 calendar days before bids are opened. This notification must include the date, time and place of bid opening, a brief description of what is proposed and instructions for obtaining a copy of the IFB. A daily newspaper serving the area of operation must be used for the bid announcement. It is recommended that the IFB also be sent to at least two vendors who are able to provide appropriate service.
3. Notify the CSDE at least 14 calendar days prior to the bid opening. The notification must include time and place of the bid opening.
4. Publicly open all bids at the time and place stated in the announcement. Only properly submitted sealed bids are to be considered.

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5. Submit all bids of \$250,000 or more to the CSDE for approval before accepting a bid. The “Recommendation for Bid Award” form should be used for this purpose (see “Forms” section at the end of this document). The CSDE must respond within 10 working days.
6. Submit all bids to the CSDE for approval before accepting a bid that exceeds the lowest bid. Include the reason that the institution chose the particular bid, using the “Recommendation for Bid Award” form (see “Forms” section at the end of this document). The CSDE must respond within 10 working days.
7. Award the contract and **submit the following documents** to the CSDE:
 - A copy of the IFB provided to bidders.
 - A copy of the public announcement as published, including the name of the newspaper(s) and the date(s) published.
 - A list of all vendors who requested and received the IFB package, including letters from vendors who declined.
 - A list of vendors sent the IFB by the institution.
 - A copy of the bid cover sheet from all vendors who submitted a bid.
 - A copy of the bid quote sheet and vendor letters, as applicable.
 - A copy of the entire contract awarded to the successful bidder, signed and dated by the institution and FSMC. The package must also include the following:
 - signed suspension and debarment certification; and
 - signed lobbying certification.
 - A copy of the award letter, as applicable.
 - Reason for selecting the chosen FSMC.

Submit all information to:

Connecticut State Department of Education
Bureau of Health/Nutrition, Family Services and Adult Education
Child and Adult Care Food Program (CACFP)
450 Columbus Boulevard, Suite 504
Hartford, CT 06103-1841.

For questions regarding the submission process, contact the [CACFP staff](#).

3 – Contract Renewals

The institution and the FSMC may elect to renew the initial contract each year for four years. This renewal can amend the initial contract as needed, for example, to reflect price change, addition/deletion of sites and menu requirements. The renewal must be dated and signed by the representatives of the institution and the FSMC who signed the original contract.

Submit to the CSDE a copy of the renewal, dated and signed by both parties, for the renewal period.

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4 – Forms

The documents and forms referenced in this document are available in the “[Contracts in the CACFP](#)” section of the CSDE’s [FSMC](#) webpage.

Invitation for Bid (IFB) and Contract

<https://portal.ct.gov/-/media/SDE/Nutrition/FSMC/IFBContractCACFP.docx>

Sample Invitation to Bid Announcement for the CACFP

<https://portal.ct.gov/-/media/SDE/Nutrition/FSMC/InvitationBidCACFP.docx>

Sample Recommendation for Bid Award for the CACFP

<https://portal.ct.gov/-/media/SDE/Nutrition/FSMC/RecommedationBidAwardCACFP.docx>

Sample School Food Agreement for Child Care Programs in the CACFP

<https://portal.ct.gov/-/media/SDE/Nutrition/FSMC/SchoolFoodAgreementCACFP.docx>

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This document is available is available at <https://portal.ct.gov/-/media/SDE/Nutrition/FSMC/BidProcedureCACFP.pdf>. For more information on food service management company (FSMC) contracts, visit the CSDE's [FSMC](#) website or contact the [CACFP staff](#) in the Connecticut State Department of Education's Bureau of Health/Nutrition, Family Services and Adult Education, 450 Columbus Boulevard, Suite 504, Hartford, CT 06103-1841.