Minnesota Department of Education

INFORMAL PROCUREMENT (SMALL PURCHASE) PROCEDURES

This procurement method is used when the annual aggregate value of the purchase is less than the small purchase threshold. Small purchases are conducted using specific procedures that are not as rigorous as formal procedures, but still provide competition. Child Nutrition (CN) Program participants are expected to use reasonable practices to obtain the best product at the best price and terms. Small purchase procedures, while relatively simple, must be free from anticompetitive practices and provide full and open competition.

Small purchase procedure

1. Price or rate quotations are obtained from an adequate number of qualified sources.
    a. Adequate means that the number of independent and interested sources contacted provides for full and open competition;
        (1) The recommended number of sources to contact is three; however more than three may be appropriate, with two as a minimum.
    b. Qualified means eligible, able and willing to supply the item or service.
        (1) Eligible means the potential supplier can meet required licensing or certification requirements and is not prohibited, i.e., conflict of interest provisions or other constraints;
        (2) Able means the potential supplier can fulfill the CN program participant's requirements; and
        (3) Willing means the potential supplier has a bona fide interest in obtaining the CN program participant's business.
2. Solicitation documents need not be complex but must provide sufficient information to permit an eligible supplier to respond. At a minimum, this must include:
    a. A description of the goods or services needed, including quantity, required certification, licensing, etc.;
    b. The date by which the goods or services must be provided; and
    c. Any other pertinent terms or conditions required by the CN program participant.
3. Written price or rate quotations must be obtained, with the price or quote valid for a specified time period.
    a. Price and rate quotes obtained orally should be confirmed in writing, identifying the pertinent details of the transaction including:
        (1) The name of the individual soliciting the information;

(2) The name of the company solicited and the individual providing the price or rate quotation;

(3) The date the information was provided;

(4) The goods or services to be purchased, including the quantities upon which the price or rate quote was provided;

(5) All pertinent terms or conditions imposed by either party; and

(6) The duration of the price or rate quotation.

b. A new solicitation must be conducted for purchases that will be made after the current quotation expires.

4. Negotiation of price and terms can be done; however, all potential suppliers should be treated fairly and given the same opportunity to match or better price and terms.

5. Practices that prevent or inhibit full and open competition are prohibited. These practices include:

   a. Intentionally subdividing a purchase to avoid conducting a formal procurement;

   b. Substituting the Federal small purchase threshold when a more restrictive State or local public agency threshold exists;

   c. Failing to contact an adequate number of eligible suppliers. Contacting an inadequate number of eligible suppliers includes:

      (1) Contacting suppliers that are not independent of each other;

      (2) Knowingly contacting suppliers that do not possess the ability to perform; or

      (3) Contacting suppliers that are known not to be interested in supplying the required goods or services.

6. All information used to solicit and select a supplier must be maintained in addition to information documenting the actual purchases made from the successful supplier. This information includes:

   a. Copies of solicitation documents;

   b. Copies of letters, e-mails and faxes soliciting price or rate quotations;

   c. Names and dates of suppliers contacted by phone;

   d. Trip reports identifying suppliers contacted in person;

   e. Copies of price or rate quotations received;

   f. Notification to the successful supplier; and

   g. Purchase documents, such as invoices, bills of lading and canceled checks.

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INFORMAL PROCUREMENT LOG

Item(s) to be purchased and specifications: _____

Supplier	Date	Method of Contact	Discussion	Bid Price	Negotiated

Item(s) to be purchased and specifications: _____

Supplier	Date	Method of Contact	Discussion	Bid Price	Negotiated

Item(s) to be purchased and specifications: _____

Supplier	Date	Method of Contact	Discussion	Bid Price	Negotiated

Annually, pricing of three different items must be documented from three vendors and kept on file.

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Item(s) to be purchased and specifications: **Catering Contract**

Supplier	Date	Method of Contact	Discussion	Bid Price	Negotiated
Food Express	8-10-15	Phone	Small portions, poor quality	$1.65	
Mabel's Meals	6-12-15	Phone	Will deliver	$1.90	
Kurt's Cuisine	8-29-15	Phone	Must pick up, no delivery	$1.35	

Item(s) to be purchased and specifications: **Enfamil Lipil 32 ounce**

Supplier	Date	Method of Contact	Discussion	Bid Price	Negotiated
Sam's Club	6-10-15	Newspaper	30 miles away	$14.35	
Cub Foods	6-16-15	Phone	Agency charge card can be used	$15.98	
Doug's Drug	8-10-15	Visit	30 miles away	$16.79	