Subject: Procurement Standards in the Child and Adult Care Food Program

To: STATE AGENCY DIRECTORS (Special Nutrition Programs) - Colorado DH, Iowa, Kansas, Missouri DH, Montana DHE, Nebraska ED, North Dakota, South Dakota, Utah and Wyoming ED

Some questions have come up regarding procurement and the duration of CACFP contracts. As a result, we are issuing this guidance.

This policy addresses procurement related to food service management company (FSMC) contracts, purchases of food supplies and other services or equipment directly related to the CACFP in which federal funds are utilized. Institutions that contract for meals from a school food authority (SFA) are exempt from these procedures to the extent that contracts with SFAs may be procured noncompetitively.

Section 226.2 of the Regulations defines an FSMC as "an organization other than a public or private nonprofit school, with which an institution may contract for preparing and, unless otherwise provided for, delivering meals, with or without milk for use in the Program."

CACFP procurement involves three distinct types of situations. A "supplier" provides a specific food or nonfood product. A "vendor" prepares complete meals, with or without milk, offsite and delivers those meals to the feeding site. A "management company" prepares and serves complete meals on site at the feeding locations. A supplier is not included in the definition of FSMC but is subject to CACFP procurement provisions. Both a vendor and a management company are included in the definition of FSMC and are subject to CACFP FSMC and procurement provisions.

As with all other federal funds, the primary objective of these procedures is to ensure maximum open and free competition. With the exception of management company (as defined above) contracts, it should be noted that all procurement contracts awarded under the CACFP may not exceed a term of one year and may not be renewed noncompetitively. Management company contracts also may not exceed a term of one year, but may be renewed noncompetitively for up to four years.
If you have questions concerning areas not addressed in this policy, contact my office at (303) 844-0359.

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