

# Procurement Acronyms and Definitions

This document contains commonly used acronyms and procurement definitions for the U.S. Department of Agriculture's (USDA) school nutrition programs. School Nutrition Programs include the National School Lunch Program (NSLP), School Breakfast Program (SBP), Afterschool Snack Program (ASP), Special Milk Program (SMP), and Seamless Summer Option (SSO) of the NSLP. For more information on procurement, see the CSDE's [Procurement for School Nutrition Programs](#) webpage.

## Acronyms

ASP	Afterschool Snack Program
CSDE	Connecticut State Department of Education
FFVP	Fresh Fruit and Vegetable Program
FNS	Food and Nutrition Service, U.S. Department of Agriculture
FSMC	food service management company
GBO	group buying organization
GPO	group purchasing organization
ICN	Institute of Child Nutrition (formerly National Food Service Management Institute)
IFB	Invitation for Bid
LEA	local educational agency
NERO	Northeast Regional Office, USDA
NSLP	National School Lunch Program
RFP	request for proposal
SA	state agency
SBP	School Breakfast Program
SDA	state distributing agency
SFA	school food authority
SMP	Special Milk Program

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SSO	Seamless Summer Option (SSO) of the NSLP
USDA	U.S. Department of Agriculture

### Definitions

**competitive proposal:** A method of procurement whereby a technical proposal is solicited that explains how the prospective contractor will meet the objectives of the solicitation and includes a cost element that identifies the costs to accomplish the technical proposal. While price alone is not the sole basis for award, price remains the primary consideration when awarding a contract under the competitive proposal method. RFP is an example of a competitive proposal.

**cost reimbursable:** Reimburses the vendor for costs incurred under the contract with or without a fixed fee. Allowable costs will be paid from the nonprofit school nutrition account to the vendor, net of all discounts, rebates, and other applicable credits accruing to or received by the vendor. Can result only from a RFP.

**direct discount (processing contracts):** The processor sells finished product to the SFA at a discount from the commercial price. This discount is based on the value of the USDA Foods contained in the end product.

**distributor:** An entity that buys products or product lines, warehouses them, and then resells and delivers them to the retailers or directly to the end users or customers. This includes any organization that purchases products from a processor, stores them, and then resells them to retailers.

**fee for service (processing contracts):** The processor delivers the finished product to the SFA and bills the SFA directly for processing costs and other costs, which excludes the value of USDA Foods.

**fixed price:** A price that is fixed at the inception of a contract and is guaranteed for a specific period of time. A fixed-price contract may also contain an economic price adjustment provision tied to a standard index.

**food service management company (FSMC):** A commercial enterprise or nonprofit organization that is or may be contracted with by the SFA to manage any aspect of the school food service.

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**formal procurement:** A method of procurement used when the value of the procurement exceeds the federal, state, or local (whichever is most restrictive) small purchase threshold. A RFP or IFB must be used.

**group purchasing services:** Private for-profit or not-for-profit organizations that purchase goods and services on behalf of members.

**informal procurement:** A method of procurement that may be used when the value of the procurement falls at or below the federal, state, or local small purchase threshold.

**Invitation for Bid (IFB):** A type of solicitation document used in competitive sealed bidding, where the primary consideration is cost and the expectation is that competitive bids will be received and an acceptance (award) will be made to the responsive and responsible bidder whose bid is lowest in price. An IFB is a formal method of procurement that uses sealed bidding and results in a fixed price contract with or without adjustment factors. The IFB must be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them with sufficient time to respond prior to the date set for opening the bids. The IFB should also describe the minimum standards expected of a responsible bidder in measurable terms.

**material change:** A change to a contract that, if other bidders had known of the change, may have affected their bid. A material change could include changes in scope or cost such as adding child nutrition programs, adding labor or equipment purchasing to the responsibilities of the FSMC, allowing increases in fixed fees not authorized in the original contract, and other changes.

**micropurchases:** Procurement method that can be used when the aggregate purchase is less than \$3,500 or a more restrictive state or local threshold. It enables SFAs to purchase supplies or services without soliciting competitive quotes as long as the SFA considers the price reasonable. To use this method, SFAs must distribute micropurchases equitably among qualified suppliers; develop written specifications and required terms, conditions and contract provisions; and document all purchases.

**net off invoice (processing contracts):** The distributor sells to the SFA at the net price and then uses a report as a rebate application to the processor.

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**noncompetitive proposal:** Procurement through solicitation of a proposal from only one source. Federal regulations [2 CFR 200.320\(f\)](#) state that noncompetitive proposals may be used only when one or more of the following circumstances apply: the item is available only from a single source; the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; the awarding agency authorizes noncompetitive proposals; or after solicitation of a number of sources, competition is determined inadequate. Proposals must include both price and terms using the same procedures that would be followed for competitive proposals. (

**nonprofit school food service:** All food service operations conducted by the SFA principally for the benefit of school children, from which all of the revenue is used solely for the operation or improvement of such food services. If the nonprofit school food service is operated by a FSMC, [7 CFR 210.16\(a\)\(5\) and \(6\)](#) require that SFAs must retain signature authority on the CSDE's SFA agreement, free and reduced-price policy statement, and claims, and must retain control of the quality, extent, and general nature of its food service, and the prices to be charged the children for meals.

**piggybacking:** When an SFA joins an existing agreement. This is only allowable if the SFA is joining an existing agreement between the CSDE, local government, or group purchasing service and a goods/services provider when the agreement was procured consistent with applicable regulation.

**processing contract:** USDA Foods further processing allows state distributing agencies and school districts to contract with commercial food processors to convert raw and/or bulk USDA Foods into a variety of convenient, ready-to-use end products.

**processor:** Any commercial facility that processes or repackages USDA Foods. Commercial enterprises that handle, prepare, and/or serve products or meals containing USDA Foods on site solely for the individual recipient agency under contract are exempt under this definition. For more information, see the definition in [7 CFR 250.3](#).

**procurement:** The process of obtaining goods and/or services in accordance with applicable rules and regulations.

**rebate (processing contracts):** The SFA pays a distributor for processed end products and then the SFA completes a rebate form and submits to the processor for payment of USDA Foods value.

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**Request for Proposal (RFP):** A type of solicitation document used for the formal procurement method of competitive proposals. The RFP identifies the goods and services needed and all significant evaluation factors. The RFP is publicized and used to solicit proposals from a number of sources. Negotiations are conducted with more than one of the sources submitting proposals, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. Competitive proposals may be used if conditions are not appropriate for the use of competitive sealed bids.

**responsible:** Vendor possesses the ability to perform successfully under the terms and conditions of the procurement award, e.g., informal or formal (RFP or IFB) procurement documents.

**responsive:** Vendor provided all information required by the solicitation and product or service meets the SFA's specifications and requirements.

**school food authority (SFA):** The governing body that is responsible for the administration of one or more schools and has the legal authority to operate the USDA school nutrition programs, e.g., National School Lunch Program, School Breakfast Program, Afterschool Snack Program, Special Milk Program, Fresh Fruit and Vegetable Program, and Seamless Summer Option of the NSLP.

**sealed bid:** A formal method of procurement (Invitation for Bid (IFB)) in which bids are publicly solicited, resulting in the award of a firm-fixed price contract to the responsible bidder whose bid is responsive to the IFB, conforms to all the material terms and conditions of the invitation for bids, and is lowest in price. In the case of local and tribal governments, the IFB must be publicly advertised. Bids must be solicited from an adequate number of known suppliers, providing them with sufficient time to respond prior to the date set in the IFB for opening the bids. For local and tribal governments, the bids must be opened publicly.

**simplified acquisition threshold:** The dollar amount below which a non-federal entity may purchase property or services using small purchase methods. Non-federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at [48 CFR Subpart 2.101](#) (Definitions) in accordance with 41 U.S.C. 1908. As of this publication date, [2 CFR 200.88](#) sets the simplified acquisition threshold at \$150,000, but this threshold is periodically adjusted for inflation.

**small purchase procurement:** An informal procurement process when the estimated amount of the purchase falls below the applicable small purchase threshold. To use this method, SFAs must develop and provide written specifications to the vendors; acquire bids from at least two, but preferably three sources for price quotes; award the contract to the responsive and responsible bidder with the lowest price; and maintain all documentation.

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**small purchase threshold (simplified acquisition threshold):** The maximum value at which a SFA can use informal procurement procedures. The federal small purchase threshold is \$150,000. States and locals may have lower, more restrictive thresholds.

**solicitation:** A document used by the SFA to acquire goods and/or services. Solicitations must incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Solicitations must also identify all of the contract provisions required by federal procurement regulations, requirements, terms, and conditions which the offerors must fulfill and all other factors to be used in evaluating the bids or proposals.

**USDA Foods:** Foods purchased by the USDA. USDA Food Programs support domestic nutrition programs and American agricultural producers through purchases of domestic agricultural products for use in schools and institutions.

**vendor:** A merchandiser of complete meals, meal components, or raw materials.

**vendor paid list:** A report from the SFA accounting system that identifies all vendors paid from the nonprofit food service account and summarizes the total amount paid to each vendor for the prior school year.

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For more information, visit the CSDE's [Procurement for School Nutrition Programs](#) webpage or contact the [school nutrition programs staff](#) in the CSDE's Bureau of Health/Nutrition, Family Services and Adult Education, 450 Columbus Boulevard, Suite 504, Hartford, CT 06103-1841.

This form is available at <https://portal.ct.gov/-/media/SDE/Nutrition/NSLP/Procure/ProcureDefinitions.pdf>.

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