



Food and
Nutrition
Service

Park Office
Center

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DATE: October 30, 2019

MEMO CODE: SP20-2019; CACFP07-2019; SFSP06-2019 - Revised

SUBJECT: Federal Micro-Purchase and Simplified Acquisition Thresholds for Procurement, Applying the Simplified Acquisition Threshold in the National School Lunch Program, Child and Adult Care Food Program, and Summer Food Service Program Procurement Standards, and School Food Authority Operations

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This memorandum supersedes SP20-2019, CACFP07-2019, and SFSP06-2019, published April 17, 2019, regarding the increase in the value of the micro-purchase and simplified acquisition thresholds (SATs):

- Federal micro-purchase threshold—\$10,000 or less; and
- Federal SAT (as also known as the small purchase threshold)—\$250,000 or less.

These thresholds apply to all Child Nutrition Programs including the National School Lunch Program (NSLP), Child and Adult Care Food Program (CACFP), and the Summer Food Service Program (SFSP). The updates to these thresholds were made effective June 20, 2018.

Agencies are required to implement these changes in the terms and conditions of their awards, and all recipients (State agencies and Program operators) of existing Federal financial assistance awards may implement the changes in their internal controls. In addition to the Federal thresholds, State and local agencies may set more restrictive micro-purchase and/or SATs and thereby impose more restrictive procurement procedures, as authorized by 7 CFR 210.19(e), 225.18(f), and 226.25(b).

In an effort to simplify and create more uniform procurement requirements for all Child Nutrition Program operators, this memorandum supersedes SP01-2013, CACFP 01-2013, SFSP01-2013, and SP03-2013, CACFP 02-2013, SFSP 02-2013, where procurement thresholds are referenced.

Procurement Thresholds in SFSP: This memorandum updates SFSP07-2013 and SFSP13-2014 which linked existing procurement and contract thresholds referenced in Program regulations to the Federal SAT and the value in place at that time.

Procurement Thresholds in CACFP: As noted above, FNS seeks to simplify procurement and create more uniform procurement requirements for all Child Nutrition Programs. Therefore, this memorandum links existing procurement and contract thresholds referenced in the Program regulations to the Federal SAT. The specific CACFP regulations now linked to the Federal SAT are identified below.

Institution FSMC contracts: In the absence of State or local laws, and in addition to the procurement provisions in 7 CFR 226.22, State agencies may mandate that institutions with Program meal contracts of an aggregate value in excess of \$10,000 formally advertise such contracts and comply with procedures intended to prevent fraud, waste, and Program abuse (7 CFR 226.21(a)). Regulations at 7 CFR 226.21(a)(1)–(7) identify the specific procedures, including 7 CFR 226.21(a)(7) which requires that bids totaling \$50,000 or more be submitted to the State agency for approval before acceptance. This memorandum updates the threshold at 7 CFR 226.21(a) and 226.21(a)(7) to link these to the Federal SAT currently set at \$250,000.

Procurement standards: 7 CFR 226.22(i)(1) identifies a small purchase threshold for purchases costing an aggregate dollar value of no more than \$10,000 unless a more restrictive State or local dollar limit applies (under \$10,000). This memorandum updates the \$10,000 threshold at 7 CFR 226.22(i)(1) and links this to the Federal SAT currently set at \$250,000. When established, a more restrictive State or local threshold applies.

School Food Authority (SFA) CACFP Operators: To simplify Program participation for SFAs operating the NSLP and similar to SFSP13-2014, FNS is providing SFAs with the option to comply with the procurement standards found in 7 CFR 210.21 in lieu of the corresponding procurement standards at 7 CFR 226.22. State agency approval is not required to utilize this option.

State agencies are reminded to distribute this memorandum to Program operators. Program operators should direct questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate FNS Regional Office.

Sincerely,

Original Signed

Sarah E. Smith-Holmes
Director
Program Monitoring and Operational Support Division
Child Nutrition Programs