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TO: CACFP Participating Center Sponsors

FROM: Danielle Quigley, MS, RD, CDN *Danielle Quigley, MS, RD, CDN*
Director, Child and Adult Care Food Program

SUBJECT: Purchasing Meals from a Food Service Vendor for Food Service Contracts
\$250,000 or less

I. Purpose and Scope

This Child and Adult Care Food Program (CACFP) memorandum outlines the procurement procedures that CACFP Sponsors must follow when purchasing meals from an outside source. Sponsors that enter into a contract to purchase meals from a vendor or caterer are responsible for ensuring that all food service operations conform to federal, state, and local laws, and to the terms and conditions set forth in the contract.

CACFP has a standard Vendor Contract \$250,000 or Less (CACFP-142) for Sponsors to use when purchasing prepared meals from a Vendor. Initial contracts are for a one-year period and may be extended on a yearly basis for up to 4 years, for a total contract of 5 years.

All CACFP Sponsors who contract with a Vendor are responsible for managing and monitoring the contract. Sponsors must ensure that all meals meet CACFP requirements and that all supporting documents are kept on file for CACFP review. This includes the signed contract, price quotes, four weeks of menus, daily delivery invoices, monthly invoices, and the Vendor's health department permit.

Per Federal regulation, all potential Vendors must have an opportunity to compete on a fair and equal basis. Therefore, no employee, officer or agent of a Sponsor can participate in the selection or award of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. All less than arm's length and related party transactions must be disclosed to CACFP and require specific prior written approval.

II. Procedures for Public Organizations

Public agencies including public schools, hospitals, colleges, government, etc. are not required to use CACFP's standard Vendor Contract. They should follow their own agency's procurement rules and use their own contracts. Approval by CACFP is not required. The public institution is still responsible for managing and monitoring the contract to ensure compliance with CACFP requirements and a price per meal must be established.

The remainder of this memo does not pertain to public organizations.

III. Procedures for Private Non-profit and For-profit Organizations when the cost of vended meals will be \$250,000 or less per year

All private non-profit and for-profit institutions are required to use CACFP's standard Vendor Contract. When the Vendor Contract expires at the end of one year or when the contract has been extended four times, a new contract is required.

A. Initiating a Contract (Year 1)

To compare costs, an organization provides the same menu to multiple Vendors and requests a written or verbal price quote. A minimum of three price quotes are required. Sponsors should ask for price quotes only from Vendors who can meet the needs of the program. Select the Vendor who is the most responsive and demonstrates the greatest potential to perform successfully under the terms and conditions of the proposed contract with the lowest price.

New Sponsors and Sponsors who are vending for the first time must submit the contract (CACFP-142) with the selected vendor, all price quotes, the menu the vendor will use, a daily delivery invoice and the Vendor's health department permit to CACFP for approval. The contract should be signed by the vendor, but the Sponsor should not sign until all documents are reviewed and approved by CACFP.

Refer to CACFP-142 (Vendor Contract \$250,000 or Less) for detailed instructions.

B. Contract Extensions (Years 2-5)

The extension clause in the contract allows Sponsors to extend the existing contract, on a yearly basis for up to 4 years, for a total contract of 5 years. The terms and conditions of the original contract must remain the same, except for the price. The price per meal may be negotiated but the combined total price of all meals cannot be greater than 5% of the original contract or previous extensions' price.

The sponsor must keep the completed extension, a current four-week menu, daily delivery invoices, and the Vendor's current health department permit on file for four years. These extensions are not required to be submitted to CACFP for approval.

If a contract value increases from less than \$250,000 per year to more than \$250,000 per year, it is not eligible for extension and formal bidding procedures must be followed to obtain a new contract.

Refer to CACFP-141 (Extension of Vendor Contract to Provide Meals and/or Snacks) for detailed instructions. If your organization elects not to extend the contract, please follow the procedures for a new contract as outlined above.

Contracts and corresponding forms are available by emailing CACFP@health.ny.gov or calling the CACFP Orders line at (518) 402-7262.

Enclosures:

[CACFP-141 2022-08 Extension of Vendor Contract to Provide Meals and/or Snacks](#)
[CACFP-142 2022-08 Vendor Contract \\$250,000 or Less](#)