



DOH-CACFP: Number 216 (08/22)
Supersedes Number 110 (revised 05/06)

TO: CACFP Participating Center Sponsors

FROM: Danielle Quigley, MS, RD, CDN *Danielle Quigley, MS, RD, CDN*
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SUBJECT: Purchasing Meals from a Food Service Vendor for Food Service Contracts
Greater than \$250,000

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 Greater than \$250,000 (CACFP-143C) 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 contract, bids, 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 more than \$250,000 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)

Organizations are required to follow formal bidding procedures as outlined in CACFP-143A (Instructions for Invitation for Bid) which include:

- Advertising the bid in the newspaper. The advertisement must appear one time, at least 14 days (30 days is recommended) before the scheduled bid opening.
- Identifying potential Vendors and sending them the Invitation for Bid
- Opening the bids as required – bids must be sealed and opened publicly at the exact date and time indicated.
- Submitting the bids and unsigned contract (CACFP-143C) to CACFP for approval **prior to** notifying the vendors.

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.

Extensions must be submitted to CACFP for approval. The following documents must be sent:

- Completed CACFP-141 (Extension of Vendor Contract)
- Current four-week menu
- Daily delivery invoice, and
- Vendor's current health department permit

If your organization elects not to extend the contract, please follow the procedures for a new contract as outlined above.

Enclosures:

[CACFP-141 2022-08 Extension of Vendor Contract to Provide Meals and/or Snacks](#)
[CACFP-143 A-C 2022-08 Invitation for Bid and Vendor Contract Packet](#)