

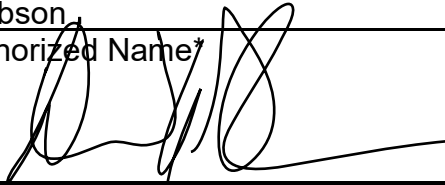
# HO'OKĀKO'O CORPORATION

## PROCUREMENT PLAN CHILD NUTRITION PROGRAMS

This procurement plan contained on the following pages 1 through 12 will be implemented on June 15, 2020, from that date forward until amended. All procurements must adhere to free and open competition. Sponsors must retain all documentation for each procurement per regulations.

David Y. Gibson

Printed Authorized Name\*



Authorized Signature\*

June 18, 2020

Date

\*As referenced in CNP Web:

Executive Contact for National School Lunch Program

Authorized Representative for Child and Adult Care Food Program

Authorized Representative for Summer Foods Service Program

# HO'OKĀKO'O CORPORATION

## PROCUREMENT PLAN

The Ho'okāko'o Corporation will purchase goods, products, and/or services for use in the Child Nutrition Programs (CNP) in compliance with 2 CFR Part 200 as well as 7 CFR Part 225. Procurement standards are specifically located in 7 CFR Part 225.17 and 2 CFR Part 200.317-326. (Note Parts 3016 and Part 3019 have been superseded by 2 CFR Part 200 as adopted and supplemented by USDA in 2 CFR Part 400 for the SFSP and other Child Nutrition Programs.

The primary purpose of this procurement plan is to assure open and free competition, transparency in transactions, comparability, and documentation of all procurement activities. The procurement process practiced by the CNP Sponsor must not restrict or eliminate competition. For example description of goods, products, and/or services to be procured should not contain features that unduly restrict competition. Competition helps assure that goods, products, and/or services will be obtained that best meets your organization's needs.

A new procurement plan does not need to be developed every year. However, an annual review of the approved plan is suggested to assure its relevance to current procedures.

It will be the responsibility of David Y. Gibson to evaluate the procurement needs and forecast the amounts to be purchased so the correct method of procurement will be followed.

A Child Nutrition Program Sponsor must perform a cost or price analysis when purchases are estimated to exceed the Sponsor's most restrictive small purchase threshold (Federal simplified acquisition threshold is currently valued at \$150,000) in connection with every procurement action in excess of the simplified acquisition threshold including contract modifications.

Regardless of procurement method, the following factors will be determined regarding the allowability of costs:

- Be necessary and reasonable for proper and efficient administration of the program(s)
- Be allocable to federal awards applicable to the administration of the program(s)
- Be authorized and not prohibited under federal, state, and local laws.

A Child Nutrition Program Sponsor may set a lower simplified acquisition threshold than the federal simplified acquisition threshold. The most restrictive (lowest) threshold must be used.

Purchasing will be conducted at the most restrictive procurement threshold:

	Federal Procurement Thresholds	CNP Sponsor Procurement Thresholds (fill in)
Micro-purchasing	Less than \$3,500	<u>Less than \$3,500</u>
Small/Informal	Less than \$150,000	<u>\$25,000 threshold for nonfood-service related materials and supplies. \$150,000 threshold for food-service related materials and supplies</u>
Formal	Greater than \$150,000 or any total Food Service Management Contract	<u>Greater than \$25,000 for nonfood-service related materials and supplies, and any total Food Service Management Contract</u>
Equipment	Over \$5,000	<u>Over \$5,000</u>

All staff conducting purchasing will be trained on the procurement procedures. Procurement training available on HCNP's website at: <http://hcnp.hawaii.gov>

Does Ho'okāko'o Corporation have a lower simplified acquisition threshold?

Mark the appropriate answer.  Yes  
 No

List the dollar amount \$25,000

**A. Micro purchase procedures.** This method applies to the purchase of supplies or services when the aggregate dollar amount does not exceed \$3,500 per transaction. These purchases may be awarded without soliciting competitive quotes if the entity considers the price reasonable. Sponsor must maintain written documentation as evidence of this reasonableness in records of all micro-purchases equitably distributed. Purchases must meet program needs and be priced reasonable.

- The Cafeteria Manager is responsible for contacting potential vendor/contractor.
- The Cafeteria Manager is responsible for documentation of records of the purchase, name of vendor/contractor, price, and the written specifications.
- The Cafeteria Manager is responsible for documentation that the actual product was received.
- The Accounts and Compliance Specialist is responsible for documentation that purchases are distributed equitably among qualified suppliers with reasonable prices.
- The Principal is required to sign documentation, confirming a review and the approval of the purchase of the goods, products, and/or services.

**B. Informal/small purchase procedures.** This method applies for purchases of goods, products, and/or services when the aggregate dollar amount is less than \$150,000 (current Federal simplified acquisition threshold) or the Sponsor's simplified acquisition threshold if lower. Quotes from more than one (1) qualified vendor/contractor will be required.

- In developing the written specifications the same information needs to be provided to all vendors/contractors, you may use prices found online, in catalogs, sale flyers, newspapers, prices obtained from grocery stores, farmer's markets, and etc.
- Each vendor/contractor will be contacted and given an opportunity to provide a price quote on the same specifications.
- The Cafeteria Manager is responsible for contacting potential vendors/contractors when price quotes are needed.
- The price quotes are to remain confidential information until the actual purchase has been made.
- Quotes are awarded by Principal. Quotes awarded are to the lowest and best quote based upon price, quality, service availability, and/or justified in writing and approved by the Ho'okāko'o Board of Directors (or designee).

- The Principal is responsible for documentation of records to show selection of vendor/contractor, reasons for selection, names of all vendors/contractors contacted, price quotes from each vendor/contractor, and **written specifications**.
- The Principal is responsible for documentation that the actual product specified is received.
- Any time an accepted item is not available, the Cafeteria Manager will select the acceptable alternate. Principal will document the reason for accepting an alternate and keep the documentation on file.
- Quotes are awarded on the following criteria: Must meet the requirements of the solicited product or service and must have the lowest price. (Examples: quality, delivery, service, etc.)
  1. Price
  2. Scope of work
  3. Purchase description, specifications
  4. Contractual terms and conditions
- The Principal is required to sign documentation, confirming a review and the approval of the purchase of the goods, products, and/or services.
- The Principal is the Sponsors authorized purchaser.

**C. Formal purchase procedures.** This method applies to purchases of supplies or services when the aggregate cost amount is more than \$150,000 or greater than the Sponsor's simplified acquisition threshold or for a Food Service Management Company. The formal procurement method requires the use of an Invitation for Bid (IFB) or a Request for Proposal (RFP).

- The Ho'okāko'o Executive Director is the Sponsors authorized purchaser.
- An announcement of an **Invitation for Bid (IFB) or a Request for Proposal (RFP)** will be placed in the media and websites to publicize the intent of the Child Nutrition Program Sponsor to purchase needed items. The advertisement for bids/proposals or legal notice will be run for one month.
- An advertisement is required for all purchases over the Sponsor's simplified acquisition threshold of \$25,000. The announcement (advertisement or legal notice) will contain a general description of items to be purchased, the deadline for submission of sealed IFB's and RFP's and the address where complete specifications and other procurement documents may be obtained.
- In an IFB or RFP, each vendor/contractor will be given an opportunity to bid on the same specifications.
- The developer of written specifications or descriptions for procurements will be prohibited from submitting bids or proposals for such products or services.
- The IFB or RFP will clearly define the purchase conditions. The following, shall be addressed in the procurement document:

- (1) Contract time period
- (2) CNP Sponsor is responsible for all contracts awarded (statement)
- (3) Date, time, and location of bid opening
- (4) How vendor/contractor will be informed of bid acceptance or rejection
- (5) Delivery schedule
- (6) Requirements which bidder must fulfill in order for bid to be evaluated
- (7) Benefits to which the Child Nutrition Program Sponsor will be entitled if the contractor can not or will not perform as required
- (8) Statement assuring positive efforts will be made to involve minority and small business
- (9) Statement regarding the return of purchase incentives, discounts, rebates, and credits to the Child Nutrition Program Sponsor non-profit Child Nutrition account
- (10) Contract and/or purchase orders may be issued for firm fixed prices after formal bidding process
- (11) Price adjustment clause based on appropriate standard or cost index
- (12) Method of evaluation and type of contract to be awarded
- (13) Method of award announcement and effective date (if intent to award is required by State or local procurement requirements)
- (14) Specific bid protest procedures including contact information of person and address and the date by which a written protest must be received
- (15) Provision requiring access by duly authorized representatives of the CNP Sponsor, State Agency, United States Department of Agriculture, or Comptroller General to any books, documents, papers and records of the contractor which are directly pertinent to all negotiated contracts.
- (16) Method of shipment or delivery upon contract award.
- (17) Program Regulations: The contractor shall be in conformance with the applicable portions of the CNP Sponsor's agreement under the program. The contractor will conduct program operations in accordance with 7 CFR Parts 210, 215, 220, 225, 226 and 250. The contractor shall provide products that meet the Public Law 111-296, the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The contractor's products shall meet grade level caloric, sodium, saturated fat, and trans fat requirements as applicable for your program.
- (18) Affordable Care Act: The contractor understands and agrees that it shall be solely responsible for compliance with the patient Protection and Affordable Care Act, Public Law 111-148 and the Health Care and Education Reconciliation Act, Public Law 111-152 (collectively the Affordable Care Act "ACA"). The contractor shall bear sole responsibility for providing health care benefits for its employees who provide services to the CNP Sponsor as required by State or Federal law.
- (19) Buy American Provision (applies to NSLP, SBP, and USDA Foods): The contractor will purchase, to the maximum extent practicable, Hawaii grown or produced commodities or products in accordance with 7 CFR 210.21(d)(3) and 7 CFR 220.16(d). The contractor shall purchase, to the maximum extent practicable, agricultural commodities or products substantially produced and/or processed in Hawaii. "Substantially" means the final processed product contains over 51% locally grown agricultural commodities. This provision applies to all food purchases paid from the nonprofit school food services account. There are limited exceptions to this provision which allow for the purchase of products not meeting the "Hawaii" standard as described above) in circumstances when use of Hawaii products is truly not practicable. However, before utilizing an exception, alternatives to purchasing non-local food products should be considered.
- (20) Disclosure of Lobbying Activities: Pursuant to Byrd Anti-Lobbying Amendment 31 USC 1352, the contractor must disclose lobbying activities in connection with school nutrition programs. If there are material changes after the initial filing, updated reports must be

submitted on a quarterly basis. 7 CFR 3018.100 **(Only applies to contracts over \$100,000)**

- (21) Certification Regarding Lobbying: Pursuant to 31 USC 1352, the contractor must submit a certification regarding lobbying which conforms in substance with the language provided in CFR Part 200.450. No appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions. **(Only applies to contracts over \$100,000).**
- (22) Certificate of Independent Price Determination: The vendor admits that all prices in their Offer have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other Offeror or with any competitor certification regarding non-collusion.
- (23) Civil Rights Compliance: In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.
- Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information required in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (a) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).
- (24) Clean Air Act, Clean Water Act, and Environmental Protection Agency Regulation: The contractor will comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738 and Environmental Protection Agency regulations which prohibit the use, under nonexempt federal contracts, grants or loans to facilities included on the EPA list of Violating Facilities.
- The CNP Sponsor will report all violations to ADE and to the USEPA Assistance Administrator for Enforcement. **(Only applies to contracts over \$100,000)**
- (25) Contract Work Hours and Safety Standard Act: The contractor shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). **(Only applies to contracts over \$2,500).**
- (26) Debarment, Suspension, Ineligibility and Voluntary Exclusion: By signing the Offer & Award form, the contractor shall certify that they have not been debarred, suspended, or otherwise excluded from or ineligible for participations in federal assistance programs under executive order 12549 and 12689. The contractor shall comply with regulations implementing Office of Management and Budget Guidance in Non-procurement Debarment and suspension codified at 2 CFR Part 180 and 2 CFR Part 417. These regulations restrict transactions with certain parties that are debarred, suspended or otherwise excluded from,

or ineligible for, participation in Federal assistance programs or activities. **(Only applies to contracts over \$25,000).**

- (27) Energy Policy and Conservation Act: The contractor shall meet the mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act. (Pub. L. 94-163,89 Stat.871)
- (28) Equal Employment Opportunity: The contractor shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations. (41 CFR Chapter 60)
- (29) Record Keeping: The books and records of the contractor pertaining to operations under this agreement shall be available to the CNP Sponsor at any reasonable time. These records are subject to inspection or audit by representatives of the CNP Sponsor, State Agency, the USDA, and the US General Accounting Office at any reasonable time and place. The CNP Sponsor shall maintain such records, for a period of not less than three (3) years after the final day of the contract, or longer if required for audit resolution. (7 CFR 210.23, and 2 CFR Part 200.381)
- (30) Invoicing: The contractor fully discloses all discounts, rebates, allowances and incentives received by the CNP Sponsor from its suppliers. If the contractor receives a discount, rebate, allowance, or incentive from any supplier, the contractor must disclose and return to the CNP Sponsor the full amount of the discount, rebate, or applicable credit that is received based on the purchases made on behalf of the CNP Sponsor. The contractor must identify the amount of each discount, rebate and other applicable credit on bills and invoice presented to the Sponsor for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. (2 CFR 200 and 7CFR 210.21)
- No expenditure may be made from the nonprofit food service account for any cost resulting from a cost-reimbursable contract that fails to include the requirements of 2 CFR 200 and 7 CFR 210.210, nor may any expenditure be made from the nonprofit food service account that permits or results in the contractor receiving payments in excess of the contractor's actual, next allowable costs. (2 CFR 200 and 7 CFR 210.21)
- (31) Termination Clause: The contract may be terminated for cause and for convenience by the CNP Sponsor. Appendix II to 2 CFR Part 200. **(Only applies to contracts over \$10,000).**
- (32) Signed statement of non-collusion.
- (33) For building projects:  
Copeland "Anti-Kickback" Act  
All contracts and sub grants in excess of \$2000 for construction or repair awarded by recipients and sub recipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act.  
Davis-Bacon Act.  
The contractor shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations. (29 CFR Part 5)
- (34) Optional:  
Applying a Geographical Preference. 7 CFR Part 210.21(g)  
A. The Sponsor seeks to increase its purchase of seasonal, minimally processed fresh fruits and raw vegetables as part of the Farm to School Program. Reasons for purchasing local products include the potential cost savings, nutrition education for students, and quality of product.  
B. The contractor will make every effort to provide the Sponsor with locally grown products.  
1. Grown within the Hawaiian islands]  
2. Minimally processed: Includes refrigerating, adjusting size (peeling, slicing, dicing,

- cutting, chopping), washing, packaging and adding ascorbic acid or other preservatives to prevent oxidation or produce (as described in USDA's Final Rule of Geographic Preference).
- D. All products designated under the geographic preference clause shall be labeled with its designating origin (grower name and address/state or area of production) on each case/invoice delivered.
  - E. Locally grown products should be generally free from insect damage and decay (flexible on grading for produce only per USDA guidance). Produce items are to be rinsed, cleaned and packed in appropriate commercial produce packaging such as waxed cardboard boxes or sanitary/reusable bins.
- Specifications will be prepared and provided to potential vendors/contractors desiring to submit IFB or RFP for the products or services requested. Vendors/contractors will be selected using the Sponsor's procedures such as:
    1. Goods, services and construction must be procured from the School's Approved Vendor List.
    2. New vendors must be pre-approved by the Ho'okāko'o Executive Director or his designee.
    3. The School must make a good faith effort to secure a minimum of three (3) written proposals to be obtained and filed at the school.
    4. Awards will be made to the vendor with the lowest proposal, and based on the scope of work, purchase description, specifications, and contractual terms and conditions
    5. Awards that are not made to the vendor with the lowest proposal must be justified in writing and approved by the Ho'okāko'o Board of Directors (or designee)
  - If any potential vendor/contractor is in doubt as to the true meaning of specifications or purchase conditions, an interpretation will be provided by Principal or Executive Director.
  - The Executive Director is responsible for securing all IFB or RFP.
  - The Executive Director is responsible to ensure all CNP Sponsor procurements are conducted in compliance with applicable Federal regulations, State General Statutes or policies of the Sponsor.
  - The following criteria will be used in awarding contracts as a result of bids. (Examples: quality, delivery, service, etc.)
    1. Price
    2. Scope of work
    3. Purchase description, specifications
    4. Contractual terms and conditions
  - In awarding a competitive negotiation (RFP), a set of award criterion in the form of a weighted evaluation sheet will be provided to each bidder in the initial bid document materials. Price alone is not the sole basis for award, but remains the primary consideration when awarding a contract. Following evaluation and negotiations a firm fixed price or cost reimbursable contract is awarded.



- The contracts will be awarded to the responsible bidder/proposer whose bid or proposal is responsive to the invitation and best meets the needs of the CNP Sponsor, price, and other factors considered. Any and all bids or proposals may be rejected in accordance with law.
- The Executive Director is required to sign on the bid tabulation of competitive sealed bids or the evaluation criterion score sheet of competitive proposals signifying a review and approval of the selections.
- The Executive Director will review the procurement system to check ensure compliance with applicable laws.
- The Executive Director is responsible for documentation that the actual product specified is received.
- Any time an accepted item is not available, the Principal will select the acceptable alternate. The contractor must inform the Principal prior to expected delivery when a product is not available. In the event a non-domestic agricultural product is to be provided to the CNP Sponsor, the contractor must obtain, in advance, the written approval of the product. The Principal must comply with the Buy American Provision (if the Sponsor participates in NSLP, SBP or USDA Foods).
- Full documentation as to the reason an accepted item was unavailable, and to the procedure used in determining acceptable alternates, will be available for audit and review. The person responsible for this documentation is Principal.
- The Executive Director is responsible for maintaining all documentation of the procurement process.

**D. Non-Competitive Negotiation Procedures (only with State Agency approval).** If items are available only from a single source (aka Sole Source) when *the award of a contract is not feasible under simplified acquisition purchase, IFB or RFP* Non-Competitive Negotiation procedures will be used: (must have prior approval from State Agency before executing. (2 CFR 200.320)

- Written Specifications will be prepared and provided to the vendor/contractor.
- The Principal is responsible for the documentation of records to fully explain the decision to use the non-competitive negotiation. The records will be available for audit and review.
- The Principal is responsible for documentation that the actual product or service specified was received.
- The Executive Director is responsible for reviewing the procedures to be certain all requirements for using single source or non-competitive negotiation are met.
- Non-competitive negotiations shall be used for one-time purchases of a new food item in order to determine food acceptance by students and for samples for testing purposes. A record of non-competitive negotiation purchase shall be maintained by Ho'okāko'o Corporation. The record of non-competitive purchases shall include, at a minimum, the following:

- a. Item name
- b. Dollar amount
- c. Vendor/contractor, and
- d. Reason for non-competitive procurement

**E. Emergency Procurement.** If it is necessary to make an emergency procurement to continue service, the purchase shall be made, and a log of all such purchases shall be maintained by the Principal. The following emergency procedures shall be followed. All emergency procurements shall be approved by the Principal. At a minimum, the following emergency procurement procedures shall be documented:

- a. Item name
- b. Dollar amount
- c. Vendor/contractor, and
- d. Reason for emergency

**F. Record Keeping.** The contractor shall agree to retain all books, records and other documents relative to the contract agreement for three (3) years after final payment. The CNP Sponsor, its authorized agents, State Agency, and/or USDA auditors shall have full access to and the right to examine any of said materials during said period. Specifically, the CNP Sponsor shall maintain, at a minimum, the following documents:

- a. Written rationale for the method of procurement;
- b. A copy of the original solicitation;
- c. The selection of contract type;
- d. The bidding and negotiation history and working papers'
- e. The basis for contractor selection;
- f. Approval from the State agency to support a lack of competition when competitive bids or offers are not obtained;
- g. The basis for award cost or price;
- h. The terms and conditions of the contract;
- i. Any changes to the contract and negotiation history;
- j. Billing and payment records'
- k. A history of any contractor claims; and
- l. A history or any contractor breaches.

**G. Equipment Purchases.** If the amount of purchase for equipment is greater than \$5,000, the following procedure is used. Equipment means tangible personal property (including information technology systems) having a useful life of more than one (1) year and per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statements purposes, or \$5,000.

During an administrative review, as required by 7 CFR Part 210.18, and audits as required by 2 CFR 200.501 the Sponsor's equipment purchases will be reviewed. Sponsors may purchase any equipment from the Pre-Approved Capital Equipment List (see HCNP Website) following proper Federal, State, or local procurement procedures, as applicable, without submitting a *Capitol Equipment Purchase Request* to Agency for approval.

- Written specifications will be prepared and provided to vendors.
- Each vendor will be contacted and given an opportunity to provide a price quote on the same specifications. A minimum of two (2) vendors shall be contacted.

- The price quotes will receive appropriate confidentiality before award.
- If using USDA funding for the purchase, the CN Sponsor will seek prior approval from the Hawai'i Department of Education by completing the Capital Expenditure Pre-Approval Request.
- Quotes will be awarded by Principal. Quotes awarded will be to the lowest and best quote based upon quality, service availability, price, and or justified in writing and approved by the Ho'okāko'o Board of Directors (or designee).
- The Principal is responsible for documentation of records to show selection of vendor, reasons for selectin, names of all vendors contacted, price quotes from each vendor, and written specifications.
- The Principal is responsible for documentation that the actual product specified is received.

**H. Code of Standards of Conduct.** The Child Nutrition Program Sponsor must maintain a written code of standards of conduct (2 CFR 200.318 and 7 CFR210.21) that includes procedures that governs the performance of its officers, employees, or agents who are engaged in the award and administration of contracts supported by Child Nutrition Program Funds.

The following conduct will be expected of all persons who are engaged in the awarding and administration of contracts supported by Child Nutrition Program Funds.

- No employee, officer or agent of the Ho'okāko'o Corporation and School shall participate in the selection or in the award or administration of a contract supported by program funds if a conflict of interest, real or apparent, would be involved.
- Conflicts of interest arise when one of the following has a financial or other interest in the firm selected for the award:
  - a. The employee, officer or agent;
  - b. Any member of the immediate family;
  - c. His or her partner;
  - d. An organization which employs or is about to employ one of the above;
  - e. A less-than-arms-length transaction. This is one party's ability to control or influence the other party to the transaction. A less-than-arms-length transaction occurs:
    - i. when a transaction is conducted between related parties, meaning that the integrity of the transaction could be compromised;
    - ii. When one party to the transaction is able to control or influence the actions of the other party.

Examples could include:

    1. Hiring the CEO's brother as a janitor.
    2. Purchasing goods or services from a business owned by an officer, employee, or relative of the Sponsor's entity.
    3. Agreement for computer maintenance between a business and person who are related to the Sponsor's employees or board members.
- The Ho'okāko'o Corporation and School employees, officers or agents must not solicit or accept gratuities, favors, or anything of monetary value from prospective contractors/vendors, potential contractors, or parties of subcontract.

- The Ho'okāko'o Corporation must set standards when financial interest is not substantial, or the gift is an unsolicited item of nominal value and may be acceptable.
- Disciplinary actions for violation of the code of conduct of the Ho'okāko'o Corporation will be the following actions: (list appropriate actions for your organization).

Any breach of the procurement policy will be reported at the time of discovery (1) by the Principal to the Ho'okāko'o Executive Director for leadership review and direction, and (2) by the School Business Manager/Account Clerk to the Ho'okāko'o Account and Compliance Specialist for administrative documentation.

- I. **Minority, Women Owned and Small Business.** A Child Nutrition Program Sponsor (applies to CACFP and SFSP only) must take all necessary affirmative steps to assure that minority business, women business enterprise, and labor surplus area firms are used when possible. (2 CFR 200.321, 7 CFR 226.22, and 7 CFR 225.17)

The following affirmative steps must be used in determining if a firm is available:

- Placing qualified small and minority businesses and women's business enterprises on the solicitation lists;
- Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises.

A resource available to use is Certification Office for Business Inclusion and Diversity (COBID). This site provides information on Minority/Women Business Enterprise (MWBE), Emerging Small Business (ESB) and Disadvantaged Business Enterprise (DBE).

- J. **Intergovernmental Agency.** The CNP Sponsor is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. (2 CFR 200.318)
- K. The CNP Sponsor entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a federal concern. Violations of law will be referred to local, State, or Federal authority having proper jurisdiction. (2 CFR 200.318)