

CORRECTIVE ACTION PLAN

DISTRICT/SCHOOL/AGENCY NAME: Pleasantville Board of Education


REPORT NAME: SCHOOL NUTRITION PROGRAM PROCUREMENT REVIEW


CONTACT PERSON: Daile Dixon-White      POSITION/TITLE: Business Administrator

PHONE NUMBER: 609-383-6800 ext. 2551

RECOMMENDATION NUMBER	RECOMMENDATION	APPROVED CORRECTIVE ACTION	PERSON RESPONSIBLE FOR THE IMPLEMENTATION OF THE CORRECTIVE ACTION	EFFECTIVE DATE OF IMPLEMENTATION
	<ul style="list-style-type: none"><li>The SFA should review the invoices to ensure that all charges are in accordance with the contract.</li></ul>	The SFA has and will conduct reviews of all FSMC charges.	BA	22/23

CERTIFICATION: I/we certify that the corrective actions noted above have been approved and the person(s) responsible for the implementation of the corrective actions have been properly notified of their responsibilities for the implementation of the corrective actions.

  
Agency Representative

  
Agency Representative

3/18/23  
Date

3/15/23  
Date



# Pleasantville Public Schools

Mrs. Daile Dixon-White  
Business Administrator/Board Secretary  
E-mail: [white.daile@pps-nj.us](mailto:white.daile@pps-nj.us)



*Home of the Greyhound*

Phone: (609) 383-6800 ext. 2551  
Fax: (609) 677-8118

March 15, 2023

Resolution No. 3.15

**I Certify**, The Division of Food and Nutrition completed a Procurement Review of your district's School Nutrition Program in accordance with Federal Regulation (2 Part 200.317 – 200.326) for the Fiscal Year 2020-2021 (July 1, 2020, through June 30, 2021).

BE IT RESOLVED, that the Board of Education, upon the recommendation of the Acting Superintendent accepts the district's Corrective Action Plan for the Procurement Review of the School Nutrition Program.

Motion by: Alejandrino Alberto Second by: Julio Sanchez Yea: √ Nay:     

Roll Call:

Member	Yes	No	Abstain	Absent
Alejandrino Alberto	√			
Cassandra Clements	√			
Yadira Falcon				√
Andrea Gray	√			
Anny Melo	√			
Elysa Sanchez				√
Julio Sanchez	√			
Sharnell Morgan	√			
Doris Rowell	√			

*SEVEN YEAS; Motion Carries*

Thank you,

Daile Dixon-White,  
Business Administrator/Board Secretary  
DW/nb

**Pleasantville Public School**

Business Administration Office 801 Mill Road 3<sup>rd</sup> Floor • P.O. Box 960 • Pleasantville, New Jersey 08232

[www.pps-nj.us](http://www.pps-nj.us)

January 18, 2023

Ms. Daile White, Business Administrator  
Pleasantville Public Schools  
801 Mill Rd.  
Pleasantville, NJ 08232

**Agreement # 001-04180**

Dear Ms. White:

The New Jersey Department of Agriculture, Division of Food and Nutrition ("NJDA"), has engaged PKF O'Connor Davies to complete the Procurement Review of your School Food Authority's (SFAs) School Nutrition Program in accordance with Federal Regulation (2 Part 200.317 – 200.326) for the Fiscal Year 2020-2021 (July 1, 2020, through June 30, 2021).

The objective of the review of your School Nutrition Program was to identify opportunities for improvement as it relates to the procurement process. Areas of focus included:

- Procurements selected for review were made in a full and open competitive manner, where required;
- The district formally adopted a Code of Conduct for Procurement for all employees involved in the procurement of goods and services pertaining to the School Food Service Account;
- The district formally adopted Procurement Procedures governing the procurement of goods and services for the School Food Service Account;
- Formal procurements selected for review included required specifications, as identified in the federal procurement review tool; were properly advertised, when required; bids and quotations were properly evaluated when received; contracts were properly awarded by the district, and contracts selected for review were monitored by the district;
- District employees monitored the operations of the Food Service Management Company ("FSMC"), if applicable; and,
- Program-related requirements, as identified in the federal procurement review tool, were met and properly documented.

Please note that the Federal Procurement Review Tool questionnaire and procedures performed, including sections pertaining to general procurement procedures, micro-purchases, small purchases, formal procurements, food service management company contracts, and USDA commodity processing contracts, as applicable. Each section includes numerous questions and sub-questions that may or may not apply to your SFA. Therefore, the following only includes those sections/questions that required a comment, technical assistance (TA), or a Corrective Action Plan (CAP). The questions that were not applicable to your district/school have not been included in this report. The review included SFA records that were requested by and submitted to PKF O'Connor Davies for review.



## **AREAS INCLUDED IN THE REVIEW**

### **PROCUREMENT REVIEW AREA: General Procurement Practices**

**Regulation:** 2 CFR 200.318 (a)

The non-Federal entity must use its own documented procurement procedures, which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

As part of our TA, the District should update the current procurement procedure to the most recent version as provided by the Department of Agriculture.

### **PROCUREMENT REVIEW AREA: Micro-purchases**

**Regulation:** 2 CFR 200.320 (a) Procurement by micro-purchases.

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price reasonable. Two procurements with Mazzeo Fruit & Produce and Staples were reviewed, with no exceptions noted.

### **PROCUREMENT REVIEW AREA: Small Purchases**

**Regulation:** 2 CFR 200.320(b)

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. The SFA reported one small purchase. The purchase with Lunchtime Software was for proprietary software. No exceptions noted.

### **PROCUREMENT REVIEW AREA: Formal Procurements (IFB or RFP)**

2 CFR 200.320(b) requires that procurement by formal procedures are those formal procurement procedures; Request for Proposals or Invitation for Bids methods used for securing services, supplies, or other property that are at or exceed the \$250,000 threshold. This section was not applicable as the SFA did not report any formal procurements on the SFA Procurement Table, and the SFA's Vendor Payment History did not report any individual procurements more than the appropriate threshold amount.

**PROCUREMENT REVIEW AREA: Food Service Management Company Contracts– Sodexo Inc. and Affiliates**

**Regulation:** 7 CFR 210.16(a)

Any school food authority may contract with a food service management company to manage its foodservice operation in one or more of its schools. However, no school or school food authority may contract with a food service management company to operate an a la carte food service unless the company agrees to offer free, reduced price and paid reimbursable lunches to all eligible children. Any school food authority that employs a food service management company in the operation of its non-profit school food service shall comply with outlined contract provisions as detailed in the federal procurement tool.

**Question:** Did the SFA monitor the FSMC through periodic on-site monitoring? **See Comments and Technical Assistance.**

**Comments/Technical Assistance:**

7 CFR 210.16 (a) (3) requires the SFA to monitor the FSMC through periodic on-site visits. The SFA did provide the SSO Self Assessment Tool as the SFA was operating under the SSO requirements for the period under review. As part of the TA, the SFA should use Form #330 for future on-site monitoring

The contract with Sodexo was a fixed meal price. For May 2022, we could not reconcile the invoiced amount to the number of meals served and the agreed-upon fixed meal price. As part of the CAP, the SFA should review the invoices to ensure that all charges are in accordance with the contract.

**PROCUREMENT REVIEW AREA: Food Service Management Company Contracts– Payroll Protection Program (NJDA – CPR Unit Memo - February 25, 2021 - Payroll Protection Plan (PPP) Loan Guidance/Clarification)**

If a Food Service Management Company received a PPP loan and used the funds to pay allowable billed expenses related to the Child Nutrition Program, such as labor expenses, which was then charged as normal to the SFA, and the loan was subsequently forgiven, the same expenses cannot be paid for with both forgiven PPP funds and Child Nutrition Programs funds. The Child Nutrition Programs funds used to pay for the same expenses paid for by forgiven PPP funds must be returned to the SFA school food service account.

**Comments/Technical Assistance:**

As part of the TA, the SFA should review with the FSMC if they received any PPP loan funds from either round one or round two of the programs and the status of those loans. The SFA should obtain copies of the PPP loan application and the supporting documentation. As applicable, as part of the SFA's TA, the SFA should document that any forgiven PPP funds due to the SFA have been requested and received

**Regulation:** 7 CFR 250.54. (c) USDA Commodity - *Review requirements for the recipient agency.*

The recipient agency must ensure that the food service management company complies with the requirements of this part through its monitoring of the foodservice operation, as required in 7 CFR parts 210, 225, or 226, as applicable. The FSMC should provide monthly reports and certify the amounts on the report. The recipient agency must also conduct a reconciliation at least annually (and upon the termination of the contract) to ensure that the food service management company has credited it for the value of all donated foods received for use in the recipient agency's food service in the school or fiscal year, including, in accordance with the requirements in §250.51(a), the value of donated foods contained in processed end products.

**Question:** Is the SFA conducting a reconciliation at least annually and at contract termination to ensure the FSMC has credited it for the full value of all USDA food received? [7 CFR 250.54.(c) and 250.51(a)]

**Comments/Technical Assistance:**

The FSMC did provide the monthly credit for commodities used on its invoices. As part of the TA, the SFA should reconcile the monthly amounts to ensure the full yearly value of USDA Commodities accepted was credited by the FSMC.

**Regulation: 7 CFR 210.21(d)(2)(i) Buy American Provisions – *Technical Assistance***

For all SFA's and any entity that procures food for an SFA, the following sections of the Buy American Provisions apply and should be reviewed to ensure compliance going forward.

As Part of our TA, the SFA should review the following additional compliance areas:

- Did the entity include the Buy American Provisions in accordance with 7 CFR 210.21 (d) (2)(i) in all bid and quotation specifications and contracts?
- Did the SFA review vendor purchase records to ensure compliance with the Buy American Provision?
- Did the SFA monitor the receipt of foods/inventory to verify that all products were in compliance with the Buy American provisions?
- Did the FSMC certify the percentage of 51% U.S. content in the products supplied to the SFA?
- Did the FSMC use alternative domestic foods prior to requesting SFA approval to purchase non-domestic foods?
- Did the FSMC or third-party entity submit and document the request for an exemption prior to purchasing non-domestic foods?



**PROCUREMENT REVIEW AREA: Net Cash Resources**

In reviewing the Foodservice financial statements, we noted the fund's net cash resources exceeded the allowable three-month expenditure average. As part of the SFA's TA, the District should submit a plan to remedy the excess to the New Jersey Department of Agriculture.

**PROCUREMENT REVIEW AREA: Processing Contracts for USDA Commodities**

The examination of records included a review of the USDA Food Commodity Acceptance Report in determining the extent that the SFA utilized its USDA commodity entitlements. The review determined that the SFA underutilized its entitlement. The SFA should be aware that the underutilization of USDA commodities has a direct negative impact on the Food Service Account's operations.

**SUMMARY**

As noted below, there are two areas for which a CAP is required. Attached is a sample Corrective Action Plan format for use by the SFA in response to the finding. The Corrective Action Plan should be submitted to this office within thirty days of the date of this report.

- The SFA should review the invoices to ensure that all charges are in accordance with the contract.

As part of your Corrective Action Plan, you should include the names of the individuals responsible for the implementation of the corrective actions. The staff members responsible for implementing the corrective actions should attend all applicable training sessions on procurement regulations, policies, and procedures presented by the NJDA during the 2022-2023 fiscal year.

We received the complete cooperation of all the Pleasantville Public Schools officials and Sodexo Inc. and Affiliates. We greatly appreciate the courtesies extended to the members of our team. If you have any questions regarding this report, please do not hesitate to contact David Gannon at 908-967-6855 or [dgannon@pkfod.com](mailto:dgannon@pkfod.com) or Douglas Triplett at 864-561-0508 or [dtripllett@pkfod.com](mailto:dtripllett@pkfod.com).

Sincerely,

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Cranford, New Jersey