

contract, and the district does not have copies of 7 CFR 210.21, 7 CFR 3015, 3016, 3019, 3017, and 3018, please contact this office.

If the exclusive beverage contract does not include the federal Child Nutrition programs, the contract does not have to comply with the USDA procurement regulations cited above, but it must still comply with the appropriate state procurement requirements.

E. Procurement Process

The following are additional excerpts from **7 CFR Part 3016**, which must be followed during the procurement process.

- **Code of Conduct**

7 CFR Part 3016.36 (b) (3) A School Food Authority (local school district) **"will maintain a written code of conduct governing the performance of their (SFA) employees engaged in the award and administration of the contract. No employee ...shall participate in selection or in the award or administration of a contract supported by Federal funds if a conflict or interest, real or apparent would be involved."**

7 CFR Part 3016.36 (b) (3) (iv) This regulation states: **"...employees...will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties...."**

- **Non-geographic Preference**

7 CFR Part 3016.36 (c) (2) A School Food Authority (local school district) **"will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals..."**

- **Selection Procedures**

7 CFR Part 3016.36 (c) (3) (i) The request for proposal (RFP) or invitation to bid shall: **"incorporate a clear and accurate description of the technical requirements for the material,**

product, or service to be procured. Such description shall not... contain features, which unduly restrict competition."

7 CFR Part 3016.36 (c) (3) (ii) The RFP or invitation to bid shall: **"Identify all requirements which offerors (vendors) must fulfill and all other factors to be used in evaluating bids or proposals."**

- **Access to Contractor Records**

7 CFR Parts 3016.36 (i) (10) **"Access by the grantee (state agency), the Federal grantor agency (USDA), the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions."**

7 CFR 3016.36 (i) (11) Regulations require **" retention of all required records for three years after ... the final payments and all other pending matters are closed."**

To participate in the United States Department of Agriculture (USDA) Child Nutrition Programs, the district signs an agreement with the Arkansas Department of Education. In this School Food Authority Agreement between the Arkansas Department of Education and the local education agency, the school district agrees to make all accounts and records pertaining to its school food service available to both the state and federal audit for review. Comply with other contract provisions, as required by 7 CFR 3016.36(i), EEO, Clean Air, etc.

F. Sales Tax

Except for the soft drink tax, schools are exempt from the sales tax on food. They are not exempt from the sales tax on non-food items used in the operation of the school foodservice program.

It is the responsibility of a non-resident vendor to be registered with Arkansas to collect Arkansas tax. If you have a vendor who is not collecting sales tax, you may contact Sales and Use Tax Section, Arkansas Department of Finance and Administration, P. O. Box 1272, Little Rock, AR, 72203, or at (501) 682-7104.