

MEMORANDUM

TO: Business Managers, Food Service Directors
FROM: Rosie Krueger, State Director of Child Nutrition Programs
SUBJECT: Changes to Small Purchase Threshold for School Food Service Programs
DATE: February 20, 2019

New legislation impacting the small purchase threshold for food purchases made by Vermont school food service programs went into effect July 1, 2019. [Act 34](#), an act relating to eligibility for farm-to-school grant assistance, was primarily about the Vermont Farm to School Grant Program. However, part of the act amended 16 V.S.A. section 559 to eliminate the state-level small purchase threshold for any food purchases made out of the non-profit school food service account. With the state-level threshold eliminated for these food purchases, the small purchase threshold reverts to the federal small purchase threshold, unless the school food service program is subject to stricter local small purchase procedures. The federal small purchase threshold (or “Simplified Acquisition Threshold”) is currently set at \$250,000.

Please note that this change is only for food purchases, and is only for those food purchases made out of the non-profit school food service account. Any other purchases made out of the non-profit school food service account (such as equipment, supplies or services) are still subject to the \$25,000 small purchase threshold which went into effect in 2018, or any applicable lower local threshold. 16 V.S.A., section 559 still sets a \$15,000 small purchase threshold for certain other purchases outside of the non-profit school food service account, including the construction, purchase, lease, or improvement of any school building; the purchase or lease of an item or items required for supply, equipment, maintenance, repair, or transportation of students; or a contract for transportation, maintenance, or repair services.

Act 34 set a state goal that “by the year 2022 school boards operating a school lunch, breakfast, or summer meals program shall purchase at least 20 percent of all food for those programs from local producers.” It is our understanding that the legislature intended to simplify the procurement process for food purchases to assist school food authorities with purchasing additional local products.

These changes took effect on July 1, 2019. However, please remember that in order to take advantage of this increased flexibility, you may need to make changes to your local level procurement procedures if those procedures set a lower small purchase threshold. For more information on how to conduct purchases using small purchase procedures, please see the Vermont Child Nutrition Programs website, or contact our Child Nutrition Procurement Specialist, Michael Carr, at 802-479-1234.

