

## Market Basket Analysis

A Market Basket Analysis is a procurement practice used to evaluate bids/proposals for a solicitation based on an evaluation of the lowest price a vendor can offer for a representative sample of goods. This analysis is the basis for awarding a contract to a successful vendor.

### Requirements:

- ✓ Must have a written procurement procedure detailing how the Market Basket analysis is conducted to award a contract.
- ✓ Must include language that allows for this type of evaluation in the published solicitation.
- ✓ Must estimate the value of the contract by reviewing purchase history and forecasting.
- ✓ Must select a “representative sample” defined as 75% or more of the estimated value of the contract to be awarded.
- ✓ Must list all goods to be procured under the contract.
- ✓ Must obtain pricing for the remaining listed goods that were not included in the Market Basket analysis prior to the final award.
- ✓ Must maintain records to sufficiently detail the history of the procurement and have available during a review.

### Considerations:

- ✓ A Market Basket Analysis may be used when procuring processed end products containing USDA foods using the Net-Off-Invoice (NOI) value pass through system.
- ✓ A Market Basket Analysis is not appropriate when procuring processed end products containing USDA foods using the fee-for-service pass through system.
- ✓ A Market Basket Analysis is not appropriate for awarding service contracts.

## Reference:

- ✓ [2 CFR 200.320 Methods of Procurement FD-144, SP 04-2018, SFSP 01-2018, CACFP 04-2018 Market Basket Analysis when Procuring Program Goods and Modifying Contracted-For Product Lists](#)

## Resources:

- ✓ [OSPI CNS Procurement webpage](#)

### Acronym Reference

- <b>CACFP</b>	Child and Adult Care Food Program
- <b>CFR</b>	Code of Federal Regulations
- <b>CNS</b>	Child Nutrition Services
- <b>FD</b>	Food Distribution
- <b>OSPI</b>	Office of Superintendent of Public Instruction
- <b>SFSP</b>	Summer Food Service Program
- <b>USDA</b>	United States Department of Agriculture