

Procurement

The goal of procurement using federal grant dollars is to promote competition that ensures equal consideration is given to all businesses, including small and disadvantaged businesses. Consistent purchasing rules protect against bias and favoritism in the transaction.

Important information to know: General procurement requirements for recipients, other than states, are located in 2 CFR 200.318. The regulations require that procurement activities be performed in an equitable and competitive manner to promote equal treatment, efficiency, and economy in federal grant activities.

Methods of Procurement

Micro-purchase is a procurement method that does not require a bid, quote, or solicitation, if the entity considers the price to be reasonable based on research, experience, purchase history, or other published prices.

- Micro-purchase threshold: \$0-\$10,000

Small purchase is a procurement method used for the acquisition of property or services for which the aggregate dollar amount is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. Small purchases require two or more sources for quotes.

- Small purchase threshold: \$10,001-\$250,000

Sealed bid is a procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

- Sealed bid threshold: \$250,001 and greater

Competitive proposal is a procurement method in which requests for proposals must be publicized and all evaluation factors and their relative importance identified. Proposals must be solicited from an adequate number of qualified sources.

- Competitive proposal threshold: \$250,001 and greater

Noncompetitive (sole source) may be used when the item is available only from a single source; a public exigency or emergency is declared that will not permit a delay resulting from competitive solicitation; a federal awarding agency or pass-through entity expressly authorizes its use in response to a written request; or competition is determined inadequate after solicitation of several sources.

- Noncompetitive proposals threshold: \$10,000 and greater

Notes to Remember

Per 2 CFR 200.318 (i), the grant recipient must have a sufficient procurement system that maintains records to detail the history of procurement. This includes, but is not limited to, rationale for the method of procurement; selection of contract type; contractor selection or rejection; and basis for the contract price.