

# Other Procurement Methods Summary

## Procurement by Small Purchase - 2 CFR §200.320(b)

Small purchase procedures are those relatively simple and informal procurement methods used to purchase:

- services,
- supplies, or
- other property that does not cost more than the Simplified Acquisition Threshold.

Small purchase procedures are used when estimated value of the purchase of awarded contract is less than the Simplified Acquisition Threshold.

- Federal and DPI Simplified Acquisition Threshold is \$250,000 (2 CFR §200.88).
- Transit Agency may have a lower Simplified Acquisition Threshold or Small Purchase Threshold.

If small purchase procedures are used, price or rate quotations (bids) must be obtained from an adequate number of qualified sources. UG does not define adequate number of qualified sources, FTA recommends three (3).

- Public notice is not required (example newspaper ad).
- Price or rate quotations can be opened at any time.
- Price or rate quotations can be either verbal or written.
- Awarded contract (purchase) is based on lowest price from a responsible bidder who submits a responsive bid.
- Records must be kept for all purchases regardless of the procurement method used; including small purchase.

## Procurement by Sealed Bids 2 CFR §200.320(c)

Bids are publicly solicited, and a firm fixed price contract is awarded to the responsible bidder whose bid conforms with all the material terms and conditions of the invitation forbids and is the lowest price.

Sealed Bids purchase procedures are used when estimated value of the purchase of awarded contract is equal to or greater than the Simplified Acquisition Threshold.

- Federal Simplified Acquisition Threshold is \$250,000 (2 CFR §200.88).
- State or transit agency may have a lower Simplified Acquisition Threshold or Small Purchase Threshold.

Invitation for Bid (IFB) Awarded contract (purchase) is based on lowest bid. For sealed bidding to be feasible, the following conditions should be present:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business;
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally based on price. If sealed bids are used, the following requirements apply:
- Bids must be solicited from: an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments
- The invitation for bids must be publicly advertised

- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services for the bidder to properly respond.
- All bids will be opened at the time and place prescribed in the IFB and opened publicly
- A firm fixed price contract will be awarded to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest.
- Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- Any or all bids may be rejected if there is a sound documented reason.

### **Procurement by Competitive Proposals 2 CFR §200.320(d)**

The technique of competitive proposals is normally used when more than one source submits either a fixed price or cost reimbursement type contract is awarded Competitive Proposals purchase procedures are used when estimated value of the purchase of awarded contract is equal to or greater than the Simplified Acquisition Threshold.

- Federal and DPI Simplified Acquisition Threshold is \$250,000 (2 CFR §200.88).
- State or Transit Agency may have a lower Simplified Acquisition Threshold or Small Purchase Threshold.

A Request for Proposal (RFP) is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- (1) RFP must be publicized and identify all evaluation factors and their relative importance. Any response to publicized RFPs must be considered to the maximum extent practical;
- (2) Proposals must be solicited from an adequate number of qualified sources;
  - Offers cannot be opened until after a close date and time for excepting offers;
- (3) Agency must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.