

OVERVIEW OF PROCUREMENT METHOD OPTIONS

Permitted in accordance with [2 CFR 200.320](#)
 for Contracts & Purchases *funded in whole or in part with Federal Funds**

***Important Notice:** When federal funds are used to fund all or a portion of construction for a project, **ALL** construction contracts for the project are deemed to be funded in whole or in part with the federal funds.

A summary of the four (4) different procurement method options and a brief summary of specifications for each are presented in the table below. Also refer to Chapter 3 of the [CDBG Implementation Handbook](#) and [2 CFR Part 200.320](#).

PROCUREMENT METHOD TYPE	PROCUREMENT METHOD SPECIFICATIONS SUMMARY
OPTION 1 – Small Purchase/ Simplified Acquisition (including Micro- Purchase)	<ul style="list-style-type: none"> • Provision of 2 CFR Part 200.320(a) and Wis. Stat. § 66.0901 • Allowed for non-construction contracts/purchases \$250,000 or less and construction contracts \$25,000 or less • Typically for small quantity of goods/products/supplies or other small contracts • Written quotes from a minimum of 3 providers/vendors required • Solicit in writing and receive quotes in writing; or obtain written quotes online • Select lowest responsive, responsible quote • Inform all responders in writing of decision/selection (if contacted vendors directly to request quotes) • May require approval by governing body (subject to local procurement policy requirements) • Micro-Purchase Exception: Under the provision of 2 CFR Part 200.320(a)(1), if the cost of the good/product/service (including the total quantity needed for the DEHCR grant funded project) will total \$10,000 or less, then solicitation of competitive quotations is not required as long as the Grantee considers the price reasonable. <i>This exception is allowed contingent upon the Grantee complying with its own local procurement policies.</i>
OPTION 2 – Competitive Sealed Bid	<ul style="list-style-type: none"> • Provision of 2 CFR Part 200.320(b)(1) and Wis. Stat. § 66.0901 • Required for non-construction contracts/purchases more than \$250,000 (excluding professional services) and construction contracts more than \$25,000 • For construction contracts; and other large contracts or large quantities of goods/products/supplies • Principally based on price; fixed-price contract • Open public bidding required: public advertisement, adequate time to respond (minimum Class 2 Notice); bids opened publicly • Receive 2 or more responsible bids • Award in writing to lowest responsive, responsible bidder • Approval by the Grantee’s governing body required
OPTION 3 – Competitive Proposal	<ul style="list-style-type: none"> • Provision of 2 CFR Part 200.320(b)(2) • Allowed and most appropriate for professional services • Request for Qualifications [RFQ] (permitted for architectural / engineering (A/E) services only) • Request for Proposals [RFP] (permitted for any type of professional services) • Use pre-established evaluation criteria/scoring method • Committee review/ evaluation to select provider • Most qualified competitor selected; subject to negotiation of compensation • Awarded as fixed price or not-to-exceed contract • May require approval by Grantee’s governing body (subject to local procurement policy requirements)
OPTION 4 – Non-competitive Proposal/Sole-Source	<ul style="list-style-type: none"> • Provision of 2 CFR 200.320(c) • Solicitation from one (1) source • Generally prohibited for DEHCR grant funded projects • May be allowed under certain circumstances (e.g., under urgency or limited supplier provisions within the Code of Federal Regulations; sole bidder circumstances that meet the requirements set forth in Chapter 3 of the Implementation Handbook) • DOA-DEHCR approval of sole source method required prior to contracting/purchase • Approval by Grantee’s governing body required