

OVERVIEW OF PROCUREMENT METHOD OPTIONS

Permitted in accordance with 24 CFR 85.36(d) for Contracts & Purchases *funded in whole or in part* with CDBG Funds*

(Revised 9/22/2021)

*Important Note: When CDBG 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 CDBG funds.

Small Purchase / Simplified Acquisition (& Micro-Purchase)	Competitive Sealed Bid	Competitive Proposal	Non-competitive Proposal / Sole-Source
<ul style="list-style-type: none"> • Provision of 24 CFR 85.36(d)(1) • 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: If the cost of the good/product/service (including the total quantity needed for the CDBG project) will total \$10,000 or less, then solicitation of competitive quotations is not required as long as the UGLG considers the price reasonable. <i>This exception is allowed contingent upon the UGLG complying with its own local procurement policies.</i> 	<ul style="list-style-type: none"> • Provision of 24 CFR 85.36(d)(2) • Required for non-construction contracts/purchases >\$250,000 (excluding professional services) and construction contracts >\$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 governing body required 	<ul style="list-style-type: none"> • Provision of 24 CFR 85.36 (d)(3) • Allowed and most appropriate for professional services • Request for Qualifications [RFQ] (permitted for architectural / engineering (A/E) services only) or 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 governing body (subject to local procurement policy requirements) 	<ul style="list-style-type: none"> • Provision of 24 CFR 85.36(d)(4) • Solicitation from one (1) source • Generally prohibited for CDBG 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 this chapter) • DOA-DEHCR approval of sole source method required prior to contracting/purchase • Approval by governing body required