

PROCUREMENT METHODS FOR EDA AWARDS

Procurement of property and services is a common post-award activity. This resource is intended to support EDA staff in communicating compliance requirements. All EDA recipients must adhere to federal procurement standards in procurements under an EDA award. As with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance), these rules also apply to subrecipients. Recipients are responsible for monitoring subrecipients to ensure compliance with all award conditions and requirements. **Importantly**, per 2 CFR § 200.317, States (and entities that are required by State law to follow State procurement requirements) and Indian Tribes are required to follow their own procurement requirements if they exist (except for four regulations listed in 2 CFR 200.317); therefore, this guidance on procurement methods **does not** apply to States or Indian Tribes. EDA retains the right to request and review award documentation at any point in the period of performance.¹

Informal procurement methods – for procurements up to \$250,000 2 CFR 200.320(a)

Procurement amount	Type of procurement	Requirements
\$10,000 and under Please note that a recipient or subrecipient may be able to increase the micro-purchase threshold to \$50,000 if it complies with the requirements at 2 CFR 200.320(a)(1)(iv).	<i>Micro-purchase</i>	Micro-purchases may be awarded without soliciting competitive price or rate quotations if the recipient or subrecipient considers the price to be reasonable based on research, experience, purchase history or other information and documents its files accordingly. Purchase cards can be used for micro-purchases.
Between \$10,001 and \$250,000	<i>Simplified Acquisitions</i>	If simplified acquisition procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. In general, at least three qualified sources are considered “an adequate number of qualified sources.” However, the recipient or subrecipient may exercise judgment in determining what number is adequate.

¹ Please note that this document is a summary of the procurement methods set out in the Uniform Guidance at 2 CFR 200.320 and is for information only. It does not constitute EDA guidance and does not supersede the language of the Uniform Guidance. To see the full procurement standards, refer to 2 CFR 200.317-200.327. Please contact EDA with questions.

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Formal procurement methods – for procurements over \$250,000

Formal procurements require one of the following methods as appropriate to the type of procurement
2 CFR 200.320(b)

Procurement amount	Type of procurement	Requirements
Over \$250,000	<p>Sealed bids – 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.</p> <p>Preferred in the following conditions:</p> <p>A. A complete, adequate, and realistic specification or purchase description is available;</p> <p>B. Two or more responsible bidders are willing and able to compete effectively for the business; and</p> <p>C. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally based on price.</p>	<p>If sealed bids are used, the following requirements apply:</p> <p>A. Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids;</p> <p>B. The invitation for bids must define the items or services with specific information, including any required specifications, for the bidder to properly respond;</p> <p>C. All bids will be opened at the time and place prescribed in the invitation for bids, and for local governments, the bids must be opened publicly;</p> <p>D. A firm fixed price contract is awarded in writing to the lowest responsive bid and responsible bidder. When specified in the invitation to bid, factors such as discounts, transportation cost, and life-cycle costs must be considered in determining which bid is lowest. Payment discounts must only be used to determine the low bid when the recipient or subrecipient determine they are a valid factor based on prior experience; and</p> <p>E. The recipient/subrecipient must document and provide a justification for all bids it rejects.</p>

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<p>Over \$250,000</p>	<p>Proposals – a procurement method that may result in either a fixed price or cost-reimbursement contract.</p> <p>Used when conditions are not appropriate for the use of sealed bids.</p>	<p>They are awarded in accordance with the following requirements:</p> <p>A. Requests for proposals require public notice, and all evaluation factors and their relative importance must be identified. Proposals must be solicited from multiple qualified entities. To the maximum extent practicable, any proposals submitted in response to the public notice must be considered;</p> <p>B. The recipient or subrecipient must have written procedures for conducting technical evaluations and making selections;</p> <p>C. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the recipient or subrecipient, considering price and other factors; and</p> <p>D. The recipient or subrecipient may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby the offeror's qualifications are evaluated, and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used to procure A/E professional services. It may not be used to purchase other services provided by A/E firms.</p>
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Noncompetitive procurements – applies to noncompetitive procurements of **any amount** 2 CFR 200.320(c)

Procurement amount	Type of procurement	Requirements
Any amount	<p><i>Non-competitive</i></p> <p><i>Please note:</i> noncompetitive procurements are rarely approved.</p>	<p>The noncompetitive procurement method may only be used if one of the following circumstances applies:</p> <p>A. The aggregate amount of the procurement transaction is \$10,000 or less;</p> <p>B. The procurement transaction can only be fulfilled by a single source;</p> <p>C. The public exigency or emergency for the requirement will not permit a delay resulting from providing public notice of a competitive solicitation;</p> <p>D. The recipient or subrecipient requests in writing to use this method, and the federal agency (or pass-through entity, in the case of a subrecipient) provides written approval; or</p> <p>E. After soliciting several sources, competition is determined inadequate.</p>