

**Summary of Required Procurement Methods**

<b>\$ Threshold</b>	<b>Procurement Method</b>	<b>Procedures</b>
<b>Purchase of Meals</b>		
<b>Contract with Public or Private School</b>		
	<b>Vendor Agreement</b>	Use the DPI <i>CACFP Vendor Agreement to Provide Meals/Snacks</i> as the contract unless DPI has approved your agency to use an alternate contract.
<b>Contract with Vendor that is not a School</b>		
<\$150,000	<b>Vendor Agreement (Small Purchase Method)</b>	<ol style="list-style-type: none"> <li>1. Contact at least three vendors and obtain price service quotations.</li> <li>2. Keep a log of contacted vendors' price and service quotations. Use the DPI form <i>Record of Potential Vendors Contacted (Under \$150,000)</i> for this documentation.</li> <li>3. Use the DPI <i>CACFP Vendor Agreement to Provide Meals/Snacks</i> as the contract with the selected vendor, unless DPI has approved your agency to use an alternate contract.</li> </ol>
≥ \$150,000	<b>Competitive Sealed Bid or Competitive Proposal</b>	Follow same procedures as specified below.
<b>Purchase of Food, Supplies, and Services (Administrative, Employment, Consultants etc)</b>		
The dollar threshold is per aggregate cost amount. <i>An aggregate cost is a purchase of one or more items or services from one or more suppliers at the same time or purchases of goods or services from a supplier for a specified period of time.</i>		
<b>Informal Procurement Methods (two types)</b>		
< \$3,500	<b>(1) Micro-Purchase</b> Obtaining price quotations for selecting suppliers is not required when:	<ol style="list-style-type: none"> <li>1. Must consider costs as reasonable.</li> <li>2. To the extent practicable, purchase goods equitably among competitors. → Cannot micro-purchase if the <i>Small Purchase</i> method or formal procurement methods will result in less cost.</li> </ol>
<\$150,000	<b>Small Purchase</b>	<ol style="list-style-type: none"> <li>1. Obtain price quotations from an adequate number of qualified sources or competitors (at least 3 if possible).</li> <li>2. Maintain records of obtained price quotations and selected suppliers for making purchases.</li> </ol>

\$ Threshold	Procurement Method	Procedures
<b>Formal Procurement Methods (two types)</b>		
<p>≥ \$150,000</p>	<p>(1) <b>Competitive Sealed Bid Invitation for Bid (IFB)</b></p> <p>Use when a complete, adequate, and realistic specification or purchase description can be provided within the IFB and the selection of a successful bidder can be made principally on the basis of price.</p> <p>A firm fixed priced contract is awarded to the bidder submitting the lowest priced bid conforming to the terms and conditions of the IFB.</p>	<ol style="list-style-type: none"> <li>1. DPI must approve your agency’s IFB prior to its release.</li> <li>2. Within the IFB, define the required specifications and service for which are being solicited excluding any unallowable cost provisions. Detail any documents that must be submitted as part of the bid. <i>Example: within IFB for meal service contracts, require the bidders to submit menus with serving size information for each item and specifications describing the foods to be used in the preparation of meals.</i></li> <li>3. Include within the IFB where and when the bids must submitted and will be opened publicly. At least 21 days must be allowed between public announcement of the IFB and the deadline for submission of bids.</li> <li>4. The bid must be announced with a formal advertisement (legal notice) and the IFB must be sent to adequate known suppliers. <i>Example: for meal service contracts, send to known food service management companies, restaurants, health facilities, schools etc.</i> <b>A formal advertisement must include:</b> <ol style="list-style-type: none"> <li>a. The name, address, and telephone number of the contracting agency;</li> <li>b. How to obtain the IFB;</li> <li>c. A brief and general description of the contracting requirement;</li> <li>d. The deadline for bid submissions; and</li> <li>e. The date, time and place of the bid opening.</li> </ol> </li> <li>5. The bid opening must be done after the final deadline for submission of bids. All submitted bids cannot be opened until the bid opening. <i>Local and tribal governments must open bids publicly and read them aloud.</i></li> <li>6. Do not announce contract award at bid opening. Contracting agency must examine lowest price bid to determine responsiveness to IFB.</li> <li>7. Contract must be awarded to supplier submitting the lowest price bid, unless the bid is un-responsive or not responsible and cannot be awarded based on any unallowable cost provisions. <i>An “un-responsive” bid does not meet the requirements stated within the IFB; a bidder that is “not responsible” isn’t willing and able to furnish the specified goods and services.</i></li> </ol>

<b>\$ Threshold</b>	<b>Procurement Method</b>	<b>Procedures</b>
<p><b>≥ \$150,000</b></p>	<p><b>(2) Competitive Proposal Request for Proposal (RFB)</b></p> <p>Use when the procured services or products cannot be fully described in the bid specifications because of their complexity and technical nature.</p> <p>Either a fixed price or cost-reimbursement type contract is awarded.</p>	<ol style="list-style-type: none"> <li>1. DPI must approve your agency’s RFB prior to its release.</li> <li>2. A RFP must be prepared detailing the contracting agency’s requirements and objectives. It must not include any unallowable cost provisions and identify all evaluation factors with their relative importance. Cost must be the primary evaluation factor.</li> <li>3. The RFP must be formally advertised and the RFPs must be sent to known qualified suppliers.</li> <li>4. The deadline for submitting proposals must be set for two to six weeks after publication of the RFP, depending on the complexity of the procurement.</li> <li>5. The contracting agency must have written procedures for conducting technical evaluations of the submitted proposals and for selecting the responsible vendor.</li> <li>6. Following the evaluation of all submitted proposals, a contract must be awarded to responsible vendor with the overall cost and technical proposal that is most advantageous to the contracting agency. Contracts cannot be awarded based on any unallowable cost provisions.</li> </ol>