

Procurement by Sealed Bids 2 CFR §200.320(c)

Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid:

- conform with all the material terms and conditions of the invitation for bids
- 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 and DPI Simplified Acquisition Threshold is \$250,000 (2 CFR §200.88).
- School may have a lower Simplified Acquisition Threshold or Small Purchase Threshold.

Procurement tool: **Invitation for Bid (IFB)**

Awarded contract (purchase) is based on **lowest bid**.

The sealed bid method is the preferred method for procuring construction, if the conditions in 2 CFR §200.320 (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

- i. A complete, adequate, and realistic **specification or purchase description is available**;
- ii. **Two or more responsible bidders** are willing and able to compete effectively for the business; and
- iii. The procurement lends itself to a **firm fixed price contract** and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

- i. 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**;
- ii. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly

respond;

iii. All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be **opened publicly**;

iv. A **firm fixed price contract** award will be made in writing 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

v. **Any or all bids may be rejected if there is a sound documented reason.**