

## 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 \$150,000 (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.**