



Tool 5-4 – Formal Procurement

Grantees must follow one of the two formal procurement methods to purchase goods and/or services that exceed \$250,000 in the aggregate. The two formal procurement methods include: sealed bids and competitive proposals. For additional details, refer to section 5.5 Methods of Procurement of the Grants Management Manual (GMM).

<p>Sealed Bids</p> <p>Require the publication of an Invitation for Bid (IFB) solicitation to ensure bidders submit uniform and responsive bids. For sample solicitation see Appendix 5.7.</p>	<p>This applies when procuring for goods and services that exceed \$250,000 in the aggregate</p>	<p>This method is primarily used to procure construction contracts</p>
<p>Competitive Bids</p> <p>Require the publication of: Request for Proposals (RFP), Request for Qualifications (RFQ), or Request for Information (RFI). For sample publication see Appendix 5.5.</p>	<p>This applies when procuring for goods and services that exceed \$250,000 in the aggregate</p>	<p>This method is primarily used to procure service contracts</p>



Sealed Bids Examples

Allowable:

Procurement of a construction contractor to rehabilitate a public facility and make ADA improvements with a total cost of more than \$250,000 when there is a complete, adequate, and realistic scope of work.

Unallowable:

Procurement of a construction contractor to rehabilitate a public facility with an unknown / inadequately described scope of work.

Competitive Proposals Examples

Allowable:

Procurement of a consultant to provide administrative and compliance services for the CDBG-CV award.

Unallowable:

Procurement of a construction contractor to make unspecified improvements at the public library.