

# Thresholds & Processes *for Arkansas Feeding Program Sponsors*

BEST PRACTICES IN FOLLOWING FEDERAL  
PROCUREMENT THRESHOLDS & STATE PROCESSES



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# This session will cover:

- The new Federal thresholds (2 *CFR* § 200)
- Contrast Federal and State terminology
- The variety of procurement methods
- Links to important resources



DHS Department of Childcare and Early Childhood Education follows the Federal procurement thresholds for USDA contracts for feeding programs. Federal thresholds determine the type of procurement that is used for each contract.



# Always Follow Federal Thresholds and State Processes in USDA Contracts.

Old Thresholds	Federal Processes	State Processes	New Threshold
<\$3,000	Micro Procurement	Small Order	<\$10,000

# Micro Procurement/Small Purchase

Micro Procurement (federal law) or a Small Purchase (state law) is a procurement that does not exceed a total purchase price of \$10,000.

Because of the modest price, small purchases do not have to be procured via competitive bids or competitive sealed bids.

Reference: 2 CFR §200.320(a)



# Always Follow Federal Thresholds and State Processes in USDA Contracts.

Old Thresholds	Federal Processes	State Processes	New Threshold
<\$3,000	Micro Procurement	Small Order	<\$10,000
<\$150,000	Small Procurement	Competitive Bid	<\$250,000

# Small Procurement/Competitive Bid

A Small Procurement (federal law) or Competitive Bid (state law) is used when the total project cost of the contract exceeds \$10,000 and is less than \$250,000. A competitive bid requires that the Agency solicit at least three (3) bids from vendors.

Cost is main factor in awarding the contract.

Awards will be made to the lowest bid that meets the procurement requirements, criteria, and specifications.

Reference: 2 CFR §200.320(b)



# Always Follow Federal Thresholds and State Processes in USDA Contracts.

Old Thresholds	Federal Processes	State Processes	New Threshold
<\$3,000	Micro Procurement	Small Order	<\$10,000
<\$150,000	Small Procurement	Competitive Bid	<\$250,000
	Sealed Bid	Invitation for Bid (IFB)	>\$250,000

# Sealed Bid/Invitation to Bid (IFB)

A Sealed Bid (federal law) or an IFB (state law) is the standard method of competitive procurement when the price exceeds \$250,000. An invitation to bid on the procurement is issued to the public and all bids are evaluated at the close of the offering.

The contract is awarded to the lowest bidder that meets the invitation's qualifications.

Reference: 2 CFR §200.320(c)



# Always Follow Federal Thresholds and State Processes in USDA Contracts.

Old Thresholds	Federal Processes	State Processes	New Threshold
<\$3,000	Micro Procurement	Small Order	<\$10,000
<\$150,000	Small Procurement	Competitive Bid	<\$250,000
>\$150,000	Sealed Bid	Invitation for Bid (IFB)	>\$250,000
>\$150,000	Competitive Proposal	Request for Proposal (RFP)	>\$250,000

# Competitive Proposal/Request for Proposal (RFP)

A competitive proposal (federal law) or RFP (state law) is used when the contract exceeds \$250,000 and price is not the sole determining factor in the project.

Vendors propose an overall solution to the requirements outlined in the RFP. Proposals are scored based upon vendor experience, the strength of their overall solution, and any other criteria specified in the bid. The overall proposal is given a weighted score, which is combined with a weighted score for price to determine the best value. Typically, within State procurement, we use a 70/30 split.

Reference: 2 CFR §200.320(d)



# Always Follow Federal Thresholds and State Processes in USDA Contracts.

Old Thresholds	Federal Processes	State Processes	New Threshold
<\$3,000	Micro Procurement	Small Order	<\$10,000
<\$150,000	Small Procurement	Competitive Bid	<\$250,000
>\$150,000	Sealed Bid	Invitation for Bid (IFB)	>\$250,000
>\$150,000	Competitive Proposal	Request for Proposal (RFP)	>\$250,000
NA	Non-Competitive Bid	Sole Source	NA

# Non-competitive Bid/Sole Source

A Non-competitive bid (federal law) or Sole Source Procurement (state law) can be utilized when the needed item is only available from one source or in an emergency when there is not enough time to go through the competitive procurement process. This is not a common type of procurement.



# Always Follow Federal Thresholds and State Processes in USDA Contracts.

Federal Processes	State Processes	New Threshold
Micro Procurement	Small Order	<\$10,000
Small Procurement	Competitive Bid	\$10,000<\$250,000
Sealed Bid	Invitation for Bid (IFB)	>\$250,000
Competitive Proposal	Request for Proposal (RFP)	>\$250,000
Non-Competitive Bid	Sole Source	NA

# Minority & Women-Owned Businesses

DHS supports and promotes economic development in Arkansas by utilizing minority, women, and veteran –owned businesses in our contracting and competitive bidding processes (reference: Arkansas Code §15-4-303/Federal Code §7 CFR 226.22(f))

The Division of Minority Business Enterprise of the Economic Development Commission conducts a certification process for minority businesses.





# LINKS & RESOURCES

DFA Main Procurement Site:

<https://www.dfa.arkansas.gov/procurement>

Bid Opportunities:

<http://www.arkansas.gov/dfa/procurement/bids/index.php>

Procurement Forms and Reporting:

<https://www.dfa.arkansas.gov/procurement/procurement-forms-and-reporting/>

Procurement Training:

<https://www.dfa.arkansas.gov/procurement/procurement-training/>

Arkansas Economic Development Commission site for Minority & Women-Owned Businesses

<https://www.arkansasedc.com/community-resources/Minority-and-Women-Owned-Business-Enterprise-Resources>



# LINKS & RESOURCES

Code of Federal Regulations Title 2—Grants & Agreements:

[https://www.ecfr.gov/cgi-bin/text-idx?SID=d81685851ecad46fd9fd46e3c3103fdb&mc=true&tpl=/ecfrbrowse/Title02/2tab\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?SID=d81685851ecad46fd9fd46e3c3103fdb&mc=true&tpl=/ecfrbrowse/Title02/2tab_02.tpl)

Code of Federal Regulations Title 7—Agriculture: Food & Nutrition Programs:

[https://www.ecfr.gov/cgi-bin/text-idx?SID=d81685851ecad46fd9fd46e3c3103fdb&mc=true&tpl=/ecfrbrowse/Title07/7cfrv4\\_02.tpl#o](https://www.ecfr.gov/cgi-bin/text-idx?SID=d81685851ecad46fd9fd46e3c3103fdb&mc=true&tpl=/ecfrbrowse/Title07/7cfrv4_02.tpl#o)

State of Arkansas Procurement Laws and Rules, Office of State Procurement:

<https://www.dfa.arkansas.gov/images/uploads/procurementOffice/lawsRegs.pdf>

Arkansas State Suspended/Debarred Vendor List:

<https://www.dfa.arkansas.gov/procurement/guidelines/state-suspended-debarred-vendor-list>

Federal Debarment List or System for Award Management (SAM):

<https://www.sam.gov/portal/SAM/##11>



Thank You