

Thresholds & Processes *for Arkansas Feeding Program Sponsors*

PROCUREMENT THRESHOLDS & PROCESSES



This session will cover:

- Federal and State procurement terminology
- The variety of procurement methods
- Procurement thresholds for Public and Private Entity Sponsors
- Links to important resources



Procurement Methods

STATE AND FEDERAL TERMINOLOGY



Federal and State processes are parallel but have differing names:

Federal Processes	State Processes
Micro Purchase	Small Order
Small Purchase	Competitive Bid
Sealed Bid (formal)	Invitation for Bid (IFB)
Competitive Proposal (formal)	Request for Proposal (RFP)
Non-Competitive Proposal	Sole Source



Micro Purchase

Micro Purchase (Federal law) is a procurement method used for the acquisition of supplies or services that does not exceed a total purchase price of \$10,000 (unless a more restrictive State or local dollar limit applies). Purchases **do not** have to be procured via small purchase procedures (Federal law)/competitive bid or formal procurement, but should be distributed equally among vendors.

Reference: 2 CFR §200.320(a)



Small Purchase

Small Purchase Procedures (Federal law) are used when the total cost exceeds \$10,000 and is less than or equal to \$250,000 (unless a more restrictive State or local dollar limit applies). A competitive bid or small purchase procedure requires that the Agency solicit at least three (3) bids from vendors.

These bids can come from a phone call, an email, or other method and must be documented. Each vendor must receive the same information.

Reference: 2 CFR §200.320(b)



Sealed Bid

A Sealed Bid (Federal law) is a method of formal competitive procurement when price exceeds \$250,000 (unless a more restrictive State or local dollar amount applies). 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 specifications.

Reference: 2 CFR §200.320(c)



Competitive Proposal

A competitive proposal (Federal law) is another method of formal procurement and is used when the contract exceeds \$250,000 (unless a more restrictive State or local dollar limit applies) and price is not the sole determining factor in the project.

Price should always be the primary factor. However, the award outcome can also be determined by other evaluation factors.

Reference: 2 CFR §200.320(d)



Competitive Proposal

- 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. Price should always be the primary factor.
- Typically, within State procurement, we use a 70/30 split. Cost shall be weighted at least thirty percent (30%) of the total evaluation score for a proposal submitted in response to the request for proposals. Proposals with weighted cost below 30% require prior approval from the State Procurement Director.

Reference: 2 CFR §200.320(d)



Non-competitive Proposal

A Non-competitive proposal (Federal 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.



Non-competitive Proposal

Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.



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Public and Private Entity Sponsors



DHS Department of Childcare and Early Childhood Education partners with public and private entities for USDA feeding programs.

Each kind of entity must follow the prescribed governmental procurement processes and applicable thresholds.

The most restrictive threshold must be followed.



Private Entities

PROCESS FOR SPONSORS THAT ARE NOT CONSIDERED PUBLIC ENTITIES (STATE OR LOCAL GOVERNMENT)



Private Entities

- Use State procurement processes , but
- The Private Entity must follow Federal thresholds unless the entity has a procurement policy with more restrictive thresholds.



Always Follow Federal Thresholds and State Processes in USDA Contracts.

Federal Processes	State Processes	State Threshold	Federal Threshold
Micro Purchase	Small Order	≤\$20,000	<\$10,000
Small Purchase	Competitive Bid	>\$20,000-≤ \$75,000	\$10,000- ≤\$250,000
Sealed Bid (formal)	Invitation for Bid (IFB)	>\$75,000	>\$250,000
Competitive Proposal (formal)	Request for Proposal (RFP)	>\$75,000	>\$250,000
Non-Competitive Bid (formal)	Sole Source	>\$75,000	>\$250,000



Public Entities

STATE AND LOCAL GOVERNMENT ENTITIES ACTING AS SPONSORS



State Entities

- Use State procurement processes,
- Use the Federal threshold for Micro Purchases/ Small Orders. (for purchase greater than \$10,000 and less than \$75,000 use Small Purchase/Competitive Bid processes)
- Use State thresholds for the following;
 - Competitive Bids
 - IFB
 - RFP
 - Sole Source



Always Follow the More Restrictive Thresholds in USDA Contracts.

Federal Processes	State Processes	State Threshold	Federal Threshold
Micro Purchase	Small Order	≤\$20,000	≤\$10,000
Small Purchase	Competitive Bid	*>\$20,000-≤\$75,000	*>\$10,000-≤\$250,000
Sealed Bid (formal)	Invitation for Bid (IFB)	>\$75,000	>\$250,000
Competitive Proposal (formal)	Request for Proposal (RFP)	>\$75,000	>\$250,000
Non-Competitive Proposal	Sole Source	>\$75,000	>\$250,000

*** ALWAYS use the more restrictive \$10,000 Federal threshold. DO NOT use the \$20,000 State threshold.**



County or City Entities

- County, City, or other local government entities use their own procurement processes, but
- Must always use the most restrictive threshold requirement for each purchase amount:
 - Federal, State or local Threshold levels





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/>





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

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

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>



Next Step to Receive Certification for Completion of Training

- Please type the link below onto your browser to complete the survey:

<https://www.surveymonkey.com/r/P9BBWTV>

You will receive your certification of completion from DHS within 2-business days

- You must score a **70% or higher** to receive certificate and credit for the course
- Please upload your certificate in your uploaded documents on the SNP site.



Thank You