

Federal Procurement Requirements Summary – 2 CFR Part 200

Non-federal entities, including non-profit organizations, should review the requirements, compare them to their current policies and procedures, and consult with legal counsel to evaluate.

Procurement Method	Threshold	Implementation Requirements
<p>Micro-Purchases (Informal): Purchases that do not require rate quotation or competitive price solicitation in order to minimize associated administrative burden and cost. To the maximum extent practicable, purchases are to be distributed equitably among qualified suppliers. 200.320(a)(1)</p>	<p>Anything below \$10,000 is a micro-purchase. This is the current threshold established in the Federal Acquisition Regulation (FAR).</p>	<ul style="list-style-type: none"> • No requirements to competitively bid or get quotes if the price is reasonable based on research, experience, purchase history, or other information that is documented accordingly. • Local procurement policy still applies meaning if your local rules require competitive bids or quotes then these requirements must be followed and documented. • Non-Federal entities may establish a threshold higher than the Federal threshold established in the FAR. Guidance is provided in 200.320(a)(1)(iv) and (v).
<p>Small Purchases (Informal): These are the purchases that fall in between a micro-purchase but are less than the Simplified Acquisition Threshold (SAT) threshold. 200.320(a)(2)</p>	<p>Below the \$250,000 (current SAT).</p>	<ul style="list-style-type: none"> • Non-Federal entity is responsible for determining an appropriate SAT based on internal controls, an evaluation of risk, and its documented procurement procedures which must not exceed the threshold in the FAR. • When applicable, a lower SAT used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. • Solicit quotes from adequate number of qualified sources.
<p>Sealed Bids/Competitive Bidding (Formal): Applicable to construction contracts, regardless of contract price. 200.320(b)(1)</p>	<p>Required when the amount of money being spent on a contract for goods or services exceeds \$250,000 (current SAT).</p>	<ul style="list-style-type: none"> • Follow documented procedures • Complete, adequate, and realistic specification or purchase description • Publicly advertise bid solicitation (contract for firm fixed price) unless a non-competitive procurement can be used. • Sufficient response time provided for bid • Bids opened publicly • Awarded to the responsible bidder whose conforming bid is lowest in price. • Written contract
<p>Proposals (Formal): Proposals are used for fixed price or cost</p>	<p>Proposals are used when conditions are not appropriate for</p>	<ul style="list-style-type: none"> • Contract awards should be given to a responsible firm with the most

reimbursement contracts. Used for architectural/engineering and other professional services. 200.320(b)(2)	the use of sealed bids for a contract more than \$250,000 (current SAT).	advantageous proposal, taking into account price and other factors identified in the RFP. <ul style="list-style-type: none"> • Award for Architectural/engineering services may strictly be based on qualifications and does not need to factor in price. • Follow requirements in 200.320(b)(2).
Non-Competitive: There are specific circumstances in which noncompetitive procurement can be used. 2 CFR 200.320(c) .	Exceptions to requirements for small purchase or formal method competitive rules.	Allowed if one or more of the following circumstances apply: <ul style="list-style-type: none"> • The anticipated acquisition cost for the property or services does not exceed the established micro-purchase threshold; • The item is available only from a single source; • There is a public urgent need or demand, or otherwise emergency, for the required goods or services and the requirement to publicize a competitive solicitation will cause delay. • Competition is determined inadequate after solicitation results in inadequate response.

Overarching federal standards under 2 CFR Part 200 include:

<ul style="list-style-type: none"> • Ensure full and open competition – Design specifications and requirements to not be prohibitive to potential bidders. 200.319(a) and (b) 	<ul style="list-style-type: none"> • Contracts must have a firm price, or an amount that cannot be exceeded must be set. 200.318 (j) 	<ul style="list-style-type: none"> • Affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible. 200.321
<ul style="list-style-type: none"> • Have an ethics code covering conflicts of interest. 200.318(c) 	<ul style="list-style-type: none"> • Only enter into contracts with responsible contractors. 200.318(h) 	<ul style="list-style-type: none"> • Maintain records sufficient to detail history of procurement. 200.318(i)
<ul style="list-style-type: none"> • Avoid buying duplicative items 200.318 (d) 	<ul style="list-style-type: none"> • Perform cost or price analysis for contracts over \$250,000. 200.324 	<ul style="list-style-type: none"> • Other potentially required contract provisions. 200.327 (Appendix II to Part 200).
<ul style="list-style-type: none"> • Purchase domestically (to the greatest extent practicable. Should be indicated as contract provision. 200.322 	<ul style="list-style-type: none"> • Purchase recovered material –certain materials in excess of \$10,000 must contain highest percentage possible. 200.323 	<ul style="list-style-type: none"> • Prohibition on certain telecommunications and video surveillance services or equipment. 200.216(a)
<ul style="list-style-type: none"> • Construction contracts must contain Equal Opportunity Clause, 41 CFR 60-1.4(b). (Appendix II to Part 200) 	<ul style="list-style-type: none"> • Contracts for more than \$10,000 must address termination for cause or convenience. (Appendix II to Part 200) 	<ul style="list-style-type: none"> • Contracts for more than \$250,000 must address administrative, or legal remedies for breach of contract. (Appendix II)