# **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).

#### Sealed Bids

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. This applies when procuring for goods and services that exceed \$250,000 in the aggregate

This method is primarily used to procure construction contracts

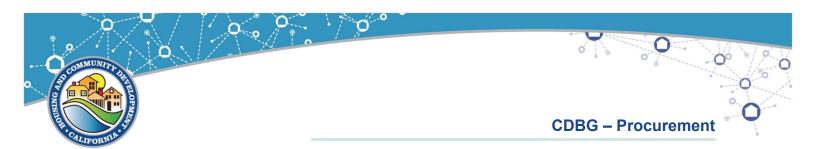
## Competitive Bids

Require the publication of: Request for Proposals (RFP), Request for Qualifications (RFQ), or Request for Information (RFI). For sample publication see Appendix 5.5.

This applies when procuring for goods and services that exceed \$250,000 in the aggregate

This method is primarily used to procure service contracts

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### Sealed Bids Examples

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.

Allowable:

<u>Unallowable:</u> 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.

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