

See Chapter 6 for information regarding procurement requirements

Methods of Procurement

The HOME department will award contracts only to contractors possessing the ability to perform the necessary work required.

Time and Material Type Contracts

Time and material contracts will only be entered into with a determination no other contract is suitable; such a contract will include a ceiling price.

Informal Procurement Method

When the value of the procurement for goods or services under a HOME/HTF/HOME-ARP award does not exceed the *simplified acquisition threshold (SAT)* - \$100,000 (State of Idaho), formal procurement methods are not required. The HOME department may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost.

Irrespective of the procurement method used, the HOME department must ensure conformance with established internal controls, evaluating the risk, and documentation of the method used.

Informal methods used for procurement of property or services at or below the SAT include:

a. *Micro-purchases (Less than \$5,000)*

1. *Distribution:* The acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$5,000. To the maximum extent practicable, the HOME department should distribute micro-purchases equitably among qualified suppliers.
2. *Micro-purchase awards:* Micro-purchases may be awarded without soliciting competitive price or rate quotations as the HOME department considers the price to be reasonable based on research, experience, purchase history, or other information documented. Purchase cards may be used for micro-purchases as approved by the Project Finance Manager & Credit Approval Officer or HOME Programs Assistant Manager.

b. *Small purchases (\$5,001 - \$100,000)*

1. *Small purchase:* For the acquisition of services, the aggregate dollar amount of which is higher than the micro-purchase (\$5,000) threshold, but does not exceed the simplified acquisition threshold. Price or rate quotations must be obtained from at least two (three is preferred) qualified sources.

c. *Formal procurement (Greater than \$100,000)*

When the value of the procurement for services award exceeds the SAT, formal procurement methods are required. Formal procurement methods require following documented procedures, public advertising (unless a non-competitive procurement can be used in accordance with 2 CFR 200.319 or as outlined in section d). The following formal methods of procurement are used for procurement of services above the SAT.

1. *Sealed bids:* A solicitation of formal, advertised bids or proposals by the HOME department will be required. The two most widely used forms of bids are *Request for Proposals (RFPs)* and *Invitation for Bid (IFB)*. Bids are opened by the HOME Department, as directed by the Project Finance Manager & Credit Approval Officer or HOME Programs Assistant Manager.

Responsible bidders will be selected based on: lowest price; conforms to material terms and conditions; has qualified personnel to complete the required tasks; and has organizational capacity to meet the HOME department's timeline.

(a) Sealed bids is the preferred method of formal procurement, if the following conditions are met:

- i. A complete, adequate, and realistic specification or purchase description is available;
- ii. Two or more responsible bidders are willing and able to compete effectively for the business; and
- iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(b) If sealed bids are used, the following requirements apply:

- i. Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening bids. Bids must be publicly advertised;
- ii. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- iii. All bids will be opened at the time and place noted in the invitation to bid;
- iv. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in the bidding documents, factors such as: discounts, transportation costs, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates such discounts are usually take advantage of; and
- v. Any or all bids may be rejected if there is a sound documented reason.

2. *Proposals*: A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:

- (a) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified entities. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- (b) Proposals are evaluated against a written standard to objectively compare responses and make a recommendation for selection;
- (c) Contract must be awarded to the responsible entity whose proposal is most advantageous, with price and other factors considered; and
- (d) The HOME department may use competitive proposal procedures for qualifications- based procurement of architectural/engineering (A/E) professional services whereby an entities qualifications are evaluated and the most qualified entity is selected; subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor,

can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

3. *Noncompetitive procurement (Greater than \$50,000)*

There are specific circumstances in which noncompetitive procurement can be used.

Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

- (a). The acquisition of services and the aggregate dollar amount does not exceed the micro-purchase threshold (\$5,000).
- (b). The item is available only from a single (sole) source. Single (sole) source procurements are purchases of supplies or services without advertising or competition. Single (sole) source procurements do not avoid the contractual process. Single (sole) source procurements are permissible when a reasonable investigation shows there is only one practicable source for the required supply or service. A single (sole) source procurement may proceed when the Project Finance Manager and Credit Approval Officer or HOME Programs Assistant Manager verifies in writing only one practicable source exists. The single (sole) procurement documents must include the following: Name(s) and address of vendor; detailed description of supplies or services; total dollar amount; date; basis for determination only one practicable source exists; delivery specifications; and warranty(s) or terms and conditions associated with the transaction.
- (c). The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation. In the event of a declared emergency or disaster, contracts will require executive approval and should only be used when the time needed to comply with any requirements of applicable laws or policy, would endanger the health or safety of people or property. In these circumstances, the HOME Department will comply with applicable law and policy to the extent practicable and retain all proper documentation.
- (d). IHFA authorizes the HOME department to proceed forward with a noncompetitive procurement in response to a written request, as necessitated to meet required needs of complying with HOME/HTF/HOME-ARP federal awards.
- (e). After solicitation of a number of entities, competition is determined to be inadequate.