



Vendor Procurement Guidance for MPOs & RPCs

Receiving Federal Planning (PL) & State Planning and Research (SPR) Funds

Introduction

Metropolitan Planning Organizations (MPO) and Regional Planning Commissions (RPC) sometimes hire vendors, especially consultants, to perform studies and other planning activities on their behalf.

It is WisDOT's policy under 2 CFR 1201.317 that planning organization subrecipients (MPOs & RPCs) should follow the procurement regulations outlined in 2 CFR 200.318-326.

If an organization has more stringent policies, that organization must follow their own procurement guidelines as long as their guidelines do not conflict with state and federal regulations.

This document highlights portions of the procurement guidelines found in 2 CFR 200.318-326, but organizations should consult the full regulation before procuring vendor planning services.

Procurement Methods

2 CFR 200.320 provides the following thresholds and criteria for various level of vendor procurement. **The thresholds listed here and in the regulation are updated at least every 5 years**, so organizations should consult the latest update before choosing a method. The last update as of the time this guidance was created was June 2018.

Micro Purchases (up to \$10,000*)

Micro purchases of supplies and services up to \$10,000 may be awarded without soliciting competitive quotations if the organization considers the prices to be reasonable. To the extent practicable, the entity must distribute micro purchases equitably among qualified suppliers.

Small Purchases (up to \$250,000*)

Services, supplies, or other property between \$10,000 and \$250,000 require the organization to obtain price or rate quotations from an adequate number of qualified sources before awarding the purchase.

Large Purchases (over \$250,000*)

Purchases over \$250,000 may be procured using one of three methods:

- **Sealed Bid (formal advertising)**
Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

* as of the June 2018 threshold update



For sealed bidding to be feasible, the following conditions should be present:

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

If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
- 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;
- All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, 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 that such discounts are usually taken advantage of; and
- Any or all bids may be rejected if there is a sound documented reason.

- **Competitive Proposals**

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- Proposals must be solicited from an adequate number of qualified sources;
- The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered

- **Non-competitive Proposals**

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;



- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.

Qualifications-Based Selection for Architectural/Engineering (A/E) Services

Per 2 CFR 200.320 (d)(5), qualifications-based selection procurement may be used for procurement of architectural/engineering (A/E) professional services. Qualifications-based selection can only be used in procurement of A/E services. Qualifications-based selection cannot be used for other types of services even though A/E firms are a potential source to perform the proposed effort.

Qualifications-based selection methods that comply with the requirements of 23 CFR 172 must be used for procurement of engineering and design related services with respect to a highway construction project. Unless the subrecipient has established a system of internal control to address the specific and unique requirements of administering A/E contracts negotiated in accordance with Federal Acquisition Regulation Cost Principles, contracts for services using qualifications-based selection must follow the procedures for selection and negotiation published in FDM Chapter 8 and be executed as three-party contracts jointly administered by the subrecipient and WisDOT.