

PROCUREMENT GUIDE – Price Thresholds & Bidding Procedures

Procurement less than \$500: The department or agency may proceed with a vendor of its choosing, but the Division of Purchases (“Division”) recommends contacting, if available, a certified Minority or Women-owned Business Enterprise (MBE/WBE) or a “Local Vendor.” A “Local Vendor” is a non-foreign, domestic business enterprise whose principal office, according to the Corporate Database maintained by the Secretary of State at <http://ucc.state.ri.us/CorpSearch/CorpSearchInput.asp>, is located within the State of Rhode Island.

Master Price Agreement (MPA) Requirement: Departments and agencies shall first utilize an applicable MPA to the extent one is available. If there is a certified MBE/WBE on an MPA covering services, the department or agency is required to get a quote from the certified firm. Refer to specific MPA Contract User Guide for further information. Should an MPA not be available, the department or agency should utilize the below process. If an MPA vendor is ultimately utilized, departments and agencies do not need to submit this form to the Division. For more information on available MPAs, please call the Division of Purchases and/or visit its website (contact information listed above).

Three written quotes required: For general procurements between **\$500 and \$5,000 (\$10,000 for construction services)**, at least three (3) written quotes shall be obtained through e-mail, fax or the internet. At least one of the quotes must be from a certified MBE/WBE, assuming there is an MBE/WBE capable of providing the goods or services. Additionally, at least one (1) of the three (3) required quotes must be from a local vendor, again assuming there is a local vendor capable of providing the goods or services. This “local vendor” may be the same vendor used to satisfy the MBE/WBE requirement, but agencies must still get a total of three (3) written quotes for any procurement under this delegated small purchase authority.

Procurements will comply with sub-recipient procurement policies and procedures, and at a minimum, conform to Rhode Island State Purchasing Laws pursuant to Title 37 Chapter 2. Sub- recipients are also required to abide by Federal law and the standards identified in the Procurement Standards sections of 2 CFR Part 200; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Below is extracted information from the State Purchasing Law:

- For general procurements from **\$1 to \$499** per transaction, a sub-recipient may use a vendor of their choice.
- For general procurements from **\$500 to \$2,500** per transaction, a state agency official may obtain three (3) telephone quotes. Each potential vendor must be provided a written copy of quote either by regular mail, e-mail, or fax.
- For general procurements from **\$2,500 to \$5,000** per transaction (\$10,000 for construction) at least three (3) written quotes should be obtained through normal mail, personal delivery, e-mail, fax or web quote. Must demonstrate, by memorandum of record, that at least one MBE/WBE was considered to the extent practical.
- For general procurements from **\$5,000 to \$10,000** per transaction an invitation is required to Bid Process¹ or covered under Master Price Agreement (MPA).
- **\$10,000 or Greater** - All of the above are required along with pre-approval from RIEMA. Submit all documentation from each step in the bidding process to RIEMA for pre-approval.

¹ All procurements **≥ \$5,000** must be post for bid in the Providence Journal for a minimum of (72) hrs., allowing for a minimum of (30) days for potential vendors to respond. Please notify RIEMA, **prior to purchasing**, if procurements will involve the RI MPA or Single/Sole Source purchasing procedures.

In order to get the most cost-effective pricing, as a general rule, departments and agencies should award contracts to the lowest responsive and responsible bidder. However, there is an exception regarding the State's interest in supporting Minority Business participation. When awarding to an MBE/WBE that was not the low bidder, section 5.12.1.2.3 of the State of Rhode Island Procurement Regulations and section 25(b) of the Regulations' Appendix A - General Conditions of Purchase, allow selection of the MBE's/WBE if its price quote is within a competitive range, not to exceed five percent (5%) higher than the lowest responsive price offer) for a product or service.

The record shall include an objective statement explaining the basis for the decision. It is important that the person obtaining the quotes set a deadline by which all written quotes must be received or the process may not have closure. This also ensures that the vendors have an equal opportunity to participate.

(R. I. Gen. Laws § 37-2-22 and RIEMA Non-Disaster Sub-Recipient Grant Management Handbook - March 2021)