The following summarizes the four procurement methods allowable for your Small Cities contracts:

Competitive Sealed Bids (Figure FM-I): Used when the procurement lends itself to a fixed price contract, if you have provided all prospective bidders with specifications or purchase descriptions, and if two or more responsible bidders are prepared to compete for the contract. The minimum procedures required will be 1) solicit bids in writing prior to bid opening date; 2) formally advertise the bids in newspapers of general circulation and minority publications; 3) include all specifications and clearly define all items in advertisements; 4) open bids publicly at the specified time and place; and 5) reject bids if given sound reasons.

Competitive Negotiation (Figure FM-J): Most often used to procure professional services. You will need to solicit proposals from a number of qualified vendors through a published Request for Proposal, which will contain all information relevant to the contract. Negotiations will be conducted with two or more bidders who have been determined to be competitive and responsible on technical, pricing and performance levels. Bidders submit final proposals after negotiations have been completed, and you should select the offer that best meets the evaluation criteria you have established. Unsuccessful bidders must be promptly notified.

Small Purchases: Used only if the goods and services to be procured will cost less than $25,000 in the aggregate. Utilizing your existing purchase order system and documents, competitive price quotations should be obtained from a number of qualified vendors prior to purchasing any items.

Noncompetitive Negotiation: Acceptable only when the other three cannot be used. For example, if the item is only available from one vendor, or if there is insufficient competition following bid solicitation, you may need to use a noncompetitive process. Be sure to document all procedures and the rationale used in selection, and to check with DECD prior to employing this procurement method.

In addition to a general statement requiring compliance with applicable State and Federal regulations and the bonding guarantees noted above, there are a number of provisions you must include in your contracts and bid specification packages in the following conditions:

- Construction contracts must include a provision for compliance with the Contact Work Hours and Safety Standards Act (see Labor Standards section).

- Construction contracts in excess of $2,000 must include provisions for compliance with the Davis-Bacon Act and the Copeland Anti-Kickback Act (see Labor Standards selection).

- Negotiated contracts must include a provision allowing local, state, and Federal access to all pertinent documents for audits, examinations, and investigations.

- Contracts in excess of $10,000 must include provisions allowing termination for just cause, and the conditions and procedures for such termination.

- Contracts in excess of $100,000 must contain provisions for compliance with the Clean Air Act (42 USC 1857(h), the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency requirements (40 CFR Part 15).

* Your files should not only contain all bid packages, proposals received, and final contract, but should also include records that document reasons leading to the selection of procurement method and contract type, and the evaluation processes used for contract award. You may wish to keep a Bidders Log and Contracts Register which summarize the relevant aspects of the bids received.