

Previously, there has been some confusion surrounding Procurement requirements. The points below should provide clarification on some commonly asked questions. If you have any further questions, please reach out to your Grant Program staff member, or TDEC.Grants@tn.gov

1. A grantee has two options of procurement guidelines to follow while procuring their bids or quotes, and subsequent purchases.

- a. Following the state's Central Procurement Office (CPO) policy.
- b. Following the grantee's own locally adopted procurement guidelines.

If the grantee chooses to utilize their own locally adopted procurement guidelines, the policy should be provided with the procurement request when submitting for **Procurement Approval**. The policy must be consistent with the state's CPO guidelines and local government guidelines (in the case of a non-profit organization), per the Electronic Code of Federal Regulations (ECFR), Office of Management and Budget (OMB) Guidance for Grants and Agreements.

Regardless of using method **a** or **b** above, a grantee must have and use documented procurement procedures.

2. There are two (2) methods of procuring the good or services required for the procurement request.

- a. Quotes
- b. Bids

Quotes should be acquired for small and informal purchases. Depending upon price threshold, one may be accepted, otherwise the grantee should make an effort to provide three quotes. Quotes may be acquired informally (lacking a Notice of Bid Acceptance) from the website or acquired via email from the Supplier, but quotes should be dated and signed by the Supplier. Bids should contain a detailed outline of the goods or services provided, a breakdown of the set price, and must be dated by the Supplier; the winning bid however, must be signed and dated by the Supplier.

Regardless of method, quotes or bids should always be accompanied by a Letter of Recommendation (LOI) dated, on official letterhead, signed by the organization's head.

3. There are three (3) price thresholds per the state's CPO policy, at which point the requirements for procuring goods or services are completed as referenced above.

- a. **\$0.1-\$25,000.00** – Small purchase and no additional quotes needed aside from the one chosen for purchase. Quote must be dated but do not require signature.
- b. **\$25,000.01-\$100,000.00** - Informal purchase and at least three (3) quotes or bids must be included to show lowest price was selected. All bids/quotes must be dated by the Supplier, and the winning bid be dated and signed by the Supplier. Either quotes or bids are accepted at this price threshold.

- c. **\$100,000.01 +** - Must be conducted in a sealed bid process, either in the form of an Invitation to Bid (ITB) or a Request for Proposal (RFP). All bids must be signed and dated by the Vendor. Upon submission or Procurement Activity, bids must be accompanied by the Notice of Bid Acceptance.
- 4. When an amount surpasses the \$25,000.00 price threshold, verification must be provided that the chosen Supplier is not on the federal debarment list. This proof is provided by uploading a PDF document of the search results in the SAMS site.