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| **SUMMARY OF PROCUREMENT REQUIREMENTS BY ESTIMATED CONTRACT VALUE** | | |
| **STATE OF MONTANA PROCUREMENT REQUIREMENTS**  **See 18.4 Part 3 MCA & ARM 2.5 Subchapter 6 for details** | | |
| **Estimated Total Contract Value** | **Materials or Services** | **Procurement Requirements** |
| $0 - $5,000 | Any service or supplies | Competitive bid or proposal is not required. Sponsor may negotiate directly with a selected vendor. |
| $0 - $50,000 | Engineering services |
| $5,001 - $25,000 | Materials, supplies | Limited Solicitation |
| Non-engineering professional services, |
| Construction services |
| > $25,000 | Non-engineering professional services | Competitive bid through a request for proposal (RFP). Price is not the only criteria for selection. |
| >$25,000 | Construction services | Competitive bid for lowest price only. |
| > $50,000 | Engineering services | Competitive bid through a request for qualifications (RFQ). |
| **CONSERVATION DISTRICT PROCUREMENT REQUIREMENTS**  **See Title 76 Chapter 15 Part 10 MCA** | | |
| **Estimated Total Contract Value** | **Materials or Services** | **Procurement Requirements** |
| $0 - $5,000 | Any service | Competitive bid or proposal is not required. Sponsor may negotiate directly with a selected vendor. |
| $0 – $50,000 | Engineering, land surveying, auditing, accounting, legal & architectural services (76-15-1004 MCA) |
| $0 - $80,000 | Vehicles, machinery, equipment, materials, or supplies, or for construction, repair, restoration. (76-15-1005 MCA) |
| $5,001 - $25,000 | Environmental or science services. Any services not listed under 76-15-1004 MCA. | Limited Solicitation |
| >$25,000 | Environmental or science services. Any services not listed under 76-15-1004 MCA. | Competitive bid through RFP. |
| >$50,000 | Engineering, land surveying auditing, accounting, legal & architectural services | Competitive bid through RFQ. |
| >$80,000 | Vehicles, machinery, equipment, materials, construction supplies | Competitive bid for lowest price. |
| **SOLE SOURCE and DIRECT NEGOTIATION** | | |
| If the grant sponsor proposes to suspend procurement requirements by claiming the selected contractor is the sole source of the goods or services required, the DNRC grant manager must review and approve the sole source justification before reimbursement. See guidelines in ARM 2.5.604 and 18-4-302 MCA. | | |
| When none of the responses to invitations for bids or requests for proposals are from a responsible and responsive bidder or offeror, the grantee may reissue the solicitation or directly negotiate with a vendor. See ARM 2.5.608 for the Rules on Direct Negotiation. | | |

**DEFINITIONS**

**See 18-4-301 MCA for details & more terms**

**Construction Bid**: this solicitation requires a bottom line price and the provider is selected based solely on price. The solicitation typically contains considerably more detail than an RFP and is often used for construction services and materials.

**Exigency Procurements**. Under limited circumstances, the needs the flexibility to make

“exigency” purchases, made without following normal purchasing procedures due to

unexpected events or conditions that require immediate action. Exigency procurement is

not authorized because of:

* poor planning on the part of the State;
* convenience, or preference, on the part of the State;
* a desire to prevent funds from reverting at the end of the fiscal year, or
* any reason that seeks to circumvent regular procurement methods.

**Direct Negotiation**: This procurement is accomplished by contacting a preferred provider and negotiating an agreement for services. Competitive bid is not required.

**Limited Solicitation**: Requires at least 3 viable written or oral quotations, if available. The limited solicitation procedure must be documented. If asked, a grant sponsor should be able to give you’re a record of their procurement process including an explanation if 3 viable suppliers were not found.

**Procurement:** acquisition with or without cost, buying, purchasing, renting, leasing, or otherwise acquiring any supplies or services. It includes all functions that pertain to the obtaining of any supply or service, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

**Request for Qualifications (RFQ):** engineering and legal services are typically procured by requesting a statement of qualifications. Sometimes an RFQ response will list rates but does not provide a cost estimate. While project sponsors usually consider price when selecting a provider, it’s not required.

**Request for Proposals (RFP**): this solicitation typically will require a project-specific budget with a cost estimate. Selection will be dependent, in part, on price.

**Sole Source**: Under limited circumstances, due to the unique nature of the requirement, the vendor, or market conditions, the need may be such that it can only be satisfied by soliciting only a single Vendor. Because Sole Source acquisitions take place without the benefit of competition, the State is reluctant to pursue this procurement method. Sole Source procurements for services or supplies exceeding $5K are permissible under the following circumstances:

* The compatibility of current services or equipment, accessories, or replacement parts is of paramount consideration;
* There is no existing equivalent product; or
* Only one source is acceptable, suitable, or available.

Sole Source Justification are outlined in 18-4-306 MCA.

**WHAT ARE THE PROCUREMENT REQUIREMENTS FOR DNRC GRANTS?**

Grant sponsors agree to the following statement when they sign their grant agreement: *Procurement of labor, services, supplies, materials, and equipment shall be conducted according to applicable federal, state, and local statutes.*

Some government entities choose to follow their own procurement requirements, provide law, rules, ordinance, or a written copy approved by their city or county attorney.

**Procurement Law for the State of Montana:** Title 18 Montana Code Annotated (MCA)

**Procurement Rules for the State of Montana:** Administrative Rules of Montana Chapter 2.5

**Procurement Law for Conservation Districts:** Title 76 Chapter 15 Part 10 MCA

[**State of Montana Procurement Manual**](https://spb.mt.gov/Portals/221/A%20PROCUREMENT%20FORMS%20-%20GUIDE/SPBM_A_Chapters_1-13.pdf?ver=2019-12-31-143128-993)