

PROCUREMENT METHODS OVERVIEW

Arkansas Procurement Law addresses a variety of procurement methods that can be used. The typical methods of procurement are:

1. Small Order (SO)
2. Competitive Bidding (CB)
3. Invitation For Bid (IFB)
4. Request For Proposal (RFP)

As you might expect, the procurement processes for smaller procurements are simpler and less formal. Conversely, procurement processes tend to become more complex and formal as the dollar amount involved in a potential procurement increases.

Purchases not exceeding the amount of \$20,000 are referred to as a “small procurement” or a small order (SO). Small orders do not require competitive bidding, but maximum competition should be used to the extent practicable to obtain the best value for the State. The SO purchase threshold is \$40,000 if the vendor is a certified woman-owned or minority-owned business enterprise. You can read more about this in Section 4.3 of this manual.

Purchases above the SO threshold but at or below \$75,000 can be made on the basis of simple price comparison between three or more competing quotes, where possible. This procurement method is called quote bidding or “competitive bidding” (CB). You can refer to Ark. Code Ann. § 19-11-234 in our compilation of Arkansas Procurement Law and Rules for more information about the competitive bidding process.

The CB, IFB, and RFP methods of procurement are all referred to as “solicitations” since all these methods require soliciting a bid or response from multiple prospective contractors.

Typical Procurement Methods

Type	Small Order (SO)	Competitive Bid (CB)	Competitive Sealed Bid Invitation for Bid (IFB)	Competitive Sealed Proposal Request for Proposal (RFP)
Method	No price quotes required. No public posting required.	Email Prospective Contractors to obtain at least 3 price quotes. No public posting required.	Publicly posted solicitation (5-90 days) requesting a sealed price quote. Requires a public opening.	Publicly posted solicitation (5-90 days) requesting a sealed technical proposal and a separately sealed cost proposal. Requires a public opening.
Cost Threshold	Up to \$20,000 or up to \$40,000 if the Prospective Contractor is a <i>Certified Minority-Owned</i> or <i>Certified Woman-Owned Business</i> .	Up to \$75,000	\$75,000 and up	\$75,000 and up
Contractor Selection	Based on agency policy, but competition should be used to the greatest extent possible.	Based on low cost	Based on low cost	Based on highest total score from evaluation of technical proposals (70%) and calculated cost score (30%).
Discussion/Negotiation	Requesting a lower cost is encouraged.	Requesting a lower cost is encouraged.	Negotiation is encouraged to achieve a lower cost and/or better contract value.	Negotiation is encouraged to achieve a lower cost and/or better contractual value.
Examples	Commodities: Office supplies, medical supplies, uniforms, equipment, and books. Services: lawn care, pest control, security guard services.	Commodities: Office supplies, medical supplies, uniforms, equipment, and books. Services: lawn care, pest control, security guard services.	Commodities: furniture, license plates, IT equipment Services: mailing services, transcription services, basic medical services	Services: actuarial services, advertising and marketing services, banking services
Ark. Code	§ 19-11-231	§ 19-11-234	§ 19-11-229	§ 19-11-230

A printable copy of the Typical Procurement Methods job aid above may be [found here](#).

KEEP IN MIND

Always follow Arkansas Procurement Law, the policies and best practices established by OSP, and the policies of your State agency as they apply to the procurement method you choose.