Informal procurement may be used when the value of a purchase is less than $250,000\*. There are two types of informal procurement – micro-purchase and small purchase.   
\*Local threshold may be more restrictive.

**Micro-Purchase**

Micro-purchase procedures may be used when the value of a purchase is less than $10,000\*. SFAs may choose to establish a higher threshold up to $50,000 by meeting the self-certification requirements below. Micro-purchases are made without getting price quotes.

Micro-purchase requirements:

* Purchases should be distributed equitably among qualified suppliers as much as possible.
* Prices must be reasonable.
* Documentation must be kept including receipts and justification for using the micro-purchase method.

Self-Certification: SFAs wishing to increase their micro-purchase threshold up to $50,000 must self-certify annually by justifying why they want to increase the threshold and have supporting documentation of being a low-risk auditee.

**Small Purchase**

Small purchase procedures may be used when the total purchase amount is less than $250,000\*. With this method, the following steps must be followed:

**Step 1: Develop Your Solicitation - *What is it that you want?***

* Anticipate the quantity and value of the item(s) by using production records, velocity reports and production records.
* Develop clear and accurate descriptions of the item(s) to be procured.
* If specifying a brand name, “or equivalent” must be listed.
* The date(s)/duration the item(s) are to be provided.
* Include the Buy American Provision (for food only).
* List other factors, in addition to price, that you are requesting such as quality, delivery schedule, etc.

**Step 2: Contact Vendors for Price Quotes**

* Contact multiple qualified vendors via mail, email, or phone. For verbal quotes, you must document the response in writing.
* Provide the solicitation from step 1 to each potential vendor. The same information must be provided to each vendor.

**Step 3: Document Vendor Contacts**

* Keep written documentation of each vendor contacted.
  + Vendor name and address
  + Contact method
  + Date
  + Contact name & number or email
  + Price quoted
  + Duration of price quote
  + Response or no response

**Step 4: Evaluate Vendor Responses**

* Review each response – does the vendor meet the requirements of the solicitation? Are they willing and able to provide the products as listed in the solicitation?
* Calculate line item or bottom-line pricing to determine which vendor has the lowest price

**Step 5: Select the Vendor**

* Select the vendor based on the items requested and the vendor response.
* The award (purchase) goes to the vendor that has the lowest price and can meet the specifications requested in the solicitation and can provide the goods requested.
* If rejecting an offer, document why
* Notify the vendor about the award.
* It is preferable to have a signed written agreement.

**Step 6: Consistently Monitor the Contract**

* Do invoices and deliveries conform with contract requirements? (price, quality, delivery schedule, …)

**Step 7: Maintain Documentation**

* Solicitation documents
* Emails, letter and other documentation related to the procurement
* All quotes received
* Evaluation documents
* Vendor notification