



Tool 5-3 – Informal Procurement

The informal procurement method allows Grantees to expedite the procurement of lowest-dollar small purchase transaction and minimize the associated administrative burden and costs. There are two types of informal procurement: micro-purchase and small purchase. These are referred to as “informal procurement actions” because advertising is not required. For additional details, refer to section 5.5 Methods of Procurement of the Grants Management Manual (GMM).

<p>Micro-Purchase procurement of items that</p>	<p>Allows for a pool of vendors</p>	<p>Primarily used to procure</p>
<p>Small Purchase procurement of goods and</p>	<p>Allows for the procurement</p>	<p>Primarily used to procure</p>

Below are examples of goods and services that may be procured through a micro-purchase and small purchase. Please note the goods and services in the unallowable line item may be procured through a formal procurement process. For additional details, refer to Tool 5-4 Formal Procurement.

Micro-Purchases

Allowable:

Purchase of office supplies that total less than \$10,000 in the aggregate.

Unallowable:

Purchase of services (consultant or contractor) services regardless of cost.



Small Purchases

Allowable:

Procurement of a construction contractor to rehabilitate a public facility with a total cost of less than \$250,000.

Unallowable:

Procurement of the same construction contractor to rehabilitate a public facility that ended up costing \$250,001 due to an unforeseen cost.