

Procurement by Micro-Purchase 2 CFR §200.320(d)

The technique of competitive proposals is normally used when:

- each purchase cannot exceed \$10,000
- more than one supplier can provide the goods/services solicited

COMPETITION: Purchases within the micro-purchase threshold can be awarded without soliciting competitive price quotations if the price is reasonable.

PURCHASES: To the extent practicable, purchases must be distributed equitably among qualified suppliers with reasonable prices.

This distribution of purchases among qualified suppliers can happen in one of two ways; at the time of the purchase or over several purchasing events.

For example, a school procuring apples may purchase them either:

- (1) from various suppliers at the same time (the total of the purchases cannot exceed \$10,000), or
- (2) choose one supplier for the purchase of the apples and another supplier the next time apples need to be purchased (each of the purchases cannot exceed \$10,000).

REASONABLE PRICE: Ways to verify the reasonableness of a price is to compare previous purchases, have personal knowledge of the item being purchased, or compare to similar items being purchased.

RECORDS: Records still need to be kept for all purchases regardless of the procurement method used, including micro-purchases.

Federal regulatory definition for a micro-purchase (2 CFR §200.67)

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-federal entity's small purchase procedures. The non-federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,500 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

Federal regulation for a micro-purchase (2 CFR §200.320(a))

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-federal entity considers the price to be reasonable.