

MEMORANDUM

To: Superintendents
From: Felicia Gavin, Chief of Operations *FG*
Date: August 27, 2018
Subject: Changes to Federal Purchasing Rules

On June 20, 2018, The Office of Management and Budget (OMB) released a Memorandum regarding “Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance”. The implementation of this guidance allows maximum flexibility in granting an exception in allowing grantees to use a higher threshold for micro purchase. However, grantees also must adhere to state and local procurement standards to the extent those standards are more restrictive than federal requirements. (2 CFR § 200.318(b)). This memo will supersede the guidance issued from the MDE on June 22, 2017.

Accordingly, consistent with federal and Mississippi standards, grantees using federal funds to make purchases of *goods (commodities) under \$5,000* and *services under \$10,000* are “micro purchases”. The purchase orders for micro purchases may be awarded without soliciting any competitive quotes if the costs are deemed reasonable. To the extent practicable, these purchases should be distributed equitably among qualified suppliers.

All federal purchases of *goods (commodities) between \$5,001 to \$50,000* and *services between \$10,001 to \$250,000* must have two (2) price quotes from qualified sources.

Any purchase of goods (commodities) above \$50,000 must adhere to House Bill 1109, passed during the 2017 Mississippi Legislative Session. There are exceptions to the bill that include state contract and Express Products List (EPL) purchases. Any services over \$250,000 will need to follow the competitive bidding process outlined in the Uniform Administrative Requirement (2 CFR § 200.320(c)-(d)).

Please ensure that you make the necessary changes to your board policies, procedures and practices to ensure compliance with federal and state audits.

FG:ecc

Enclosure

c: Business Mangers
Federal Programs Directors
Special Education Directors
Career and Technical Education Directors
Child Nutrition Directors