

TO: Sponsors of the School Nutrition Programs

FROM: Amanda Dakan
Supervisor, Procurement Review & FSMC Contracts

DATE: September 12, 2018

RE: Updated Procurement Thresholds

MESSAGE:

Effective June 20, 2018, Federal procurement thresholds have been increased to \$10,000 from \$3,500 for micro-purchases and to \$250,000 from \$150,000 for informal purchases. These updates are pursuant to Memorandum M-18-18, [*Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance*](#), issued by the U.S. Office of Management and Budget (OMB).

As a reminder, School Food Authorities (SFAs) can always choose to use a stricter procurement method if it will result in a better price.

Below is a chart containing the applicable thresholds.

Purchase of PERISHABLE Products/Services		
Amount	Type of Procurement	Procedure
≤\$10,000	Micro-purchase	Non-competitive
>\$10,000 – ≤\$250,000	Informal	At least 3 quotes
>\$250,000	Formal	Sealed bids (IFB or RFP)
Purchase of NON-PERISHABLE* Products		
Amount	Type of Procurement	Procedure
≤\$10,000	Micro-purchase	Non-competitive
>\$10,000 – <\$20,100	Informal	At least 3 quotes
≥\$20,100	Formal	Sealed bids (IFB or RFP)
* NON-PERISHABLE – Canned goods, dry goods, supplies, equipment, etc. Equipment ≥\$5,000 must have prior approval from DFN.		

Perishable Products/Services:

Micro-Purchase – 2 CFR §200.320
Informal Purchase – 24 PS §504 (d)
Formal Purchase – 2 CFR §200.318 - §200.326

Non-Perishable Products:

Micro-Purchase – 2 CFR §200.320
Informal Purchase – 24 PS §807.1
Formal Purchase – 24 PS §807.1