

Micro Purchase Method

The micro purchasing method is usually used by small SFAs or by any SFAs for very small or unplanned purchases, like replacement or repair of equipment or for items that are purchased in small quantities like replacement trays, office items and/or extermination services. This method of procurement allows for purchasing without soliciting competitive price quotations as long as the price is reasonable and falls below the required purchasing threshold.

When can the micro purchase procurement process be used?

The micro purchase method can be utilized when the estimated dollar value of the contract for or purchase(s) for the year is below \$10,000 or a lesser amount if the SFA has a more restrictive threshold. SFAs should check their districts procurement procedures/policies to determine if their SFA has a smaller threshold for when they can utilize the micro purchase method. For example, if your district has a more restrictive threshold that states that only purchases under \$5,000 can utilize the micro procurement method, then you would follow your districts more restrictive policy.

When estimating the purchase amount, the estimate should be based on the estimated/planned value of the contract/purchase(s) over the year. When planning for your purchases for an upcoming year, all micro purchases should be assessed to see if the most economical approach would be to purchase all of the items together from the same vendor. Purchases cannot be split to purposely fall below the threshold. If the purchase(s) is/are greater than \$10,000 (or lower based on your SFAs threshold) you will need to use either the small or large (formal) purchase method.

Requirements of the Micro Purchase Process

- 1) Reasonable – all purchases utilizing the micro purchase method must be reasonable. In order to verify that the price is reasonable, the SFA could compare previous purchases, conduct online research and/or compare to similar items being purchased.
- 2) Distribute purchases equitably among qualified suppliers – Example: If you purchase a small amount of paper each school year and you usually purchase paper about 3 times

per year, you would want to purchase the paper from a variety of sources if possible. Perhaps you would purchase paper from Walmart one time, Staples another time and Kinko's the third time. When doing this you would want to ensure that the different prices met requirement number 1 above, the prices all being reasonable, if they are not then you can purchase from the same store. Another concern you may run into is that there is only one store that carries paper close to the school, for example if the other stores are an hour away, then there could be an exception and the paper can be purchased from the same store.

- 3) Documentation – Maintaining documentation for all purchases is required no matter the method of procurement. Generally, the types of documentation that you would maintain for micro purchases includes price comparison information, invoices and receipts. If there were multiple purchases but the SFA was unable to distribute the purchases among a variety of vendors maintain documentation of the reasoning. Any and all documentation that assisted the SFA with the purchase should be maintained as well.

This fact sheet is intended to be a quick summary of the Federal Regulations in 2 CFR 200. Please note that the \$10,000 threshold is the federal threshold and if the SFA has a more restrictive threshold then the more restrictive threshold must be followed. If you have any questions regarding procurement, please contact our staff via email or phone at the contact information provided below. We are here to help!

Illinois State Board of Education – Nutrition Department



www.isbe.net/nutrition



Email: nutritionprocurement@isbe.net



Phone: 800-545-7892 (IL Only) or 217-782-2491