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# SUPERINTENDENT OF PUBLIC INSTRUCTION

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September 5, 2018

( ) Action Required  
(X) Informational

BULLETIN NO. 081-18 FEDERAL FISCAL POLICY

TO: Educational Service District Superintendents  
School District Superintendents  
School District Business Managers

FROM: Chris Reykdal, Superintendent of Public Instruction

RE: Federal Procurement Threshold Changes

CONTACT: Amy Harris, Director of Federal Fiscal Policy  
360-725-6280, [Amy.Harris@k12.wa.us](mailto:Amy.Harris@k12.wa.us)

## PURPOSE/BACKGROUND

On June 20, 2018, the Office of Management and Budget (OMB) issued a Memorandum (M-18-18) to announce updates for procurements made under federal financial assistance awards. The threshold for micro-purchases for grants and cooperative agreements raised from \$3,500 to \$10,000, and the threshold for simplified acquisitions increased to \$250,000 for all recipients.

Local Educational Agencies (LEAs) should revise their internal procurement policies to implement the new thresholds. This will help ensure they have sufficient documentation to show appropriate internal controls and compliance with federal requirements. The Code of Federal Regulations (CFR) §200.318(i) states the nonfederal entity "must maintain records sufficient to detail the history of procurement," which include "rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

The OMB memo, M-18-18, is available at  
<https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>

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The following table outlines procurement requirements *when using federal funds*. The LEA must comply with the more restrictive of federal, state, and LEA requirements.

Procurement Method	Goods	Services
Micro-Purchase - No required quotes. However, must consider price as reasonable, and, to the extent practical, distribute equitably among suppliers.	<p style="text-align: center;">\$10,000 or less</p> <p style="text-align: center;">Must use more restrictive \$10,000 federal threshold instead of \$40,000 state threshold</p>	<p style="text-align: center;">\$10,000 or less</p>
Small Purchase Procedures (Informal) – Obtain/document quotes from a reasonable number of qualified sources (at least three).	<p style="text-align: center;">\$10,000 - \$75,000</p> <p style="text-align: center;">Must use more restrictive \$75,000 state threshold instead of \$250,000 federal threshold</p>	<p style="text-align: center;">\$10,000 - \$250,000</p>
Sealed Bids / Competitive Bids (Formal)	<p style="text-align: center;">\$75,000 or more</p> <p style="text-align: center;">Must use more restrictive \$75,000 state threshold instead of \$250,000 federal threshold</p>	<p style="text-align: center;">\$250,000 or more</p>
Non-competitive proposals	<p>Appropriate only when:</p> <ul style="list-style-type: none"> <li>- Available only from a single source (sole source)</li> <li>- Public emergency</li> <li>- Expressly authorized by awarding or pass-through agency in response to written request from district</li> <li>- After soliciting a number of sources, competition is deemed inadequate</li> </ul>	

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## INFORMATION AND ASSISTANCE

For questions regarding this bulletin, please contact Amy Harris, Director of Federal Fiscal Policy at 360-725-6280 or email [Amy.Harris@k12.wa.us](mailto:Amy.Harris@k12.wa.us). The OSPI TTY number is 360-664-3631.

This bulletin is also available on the [Bulletins and Memoranda](http://www.k12.wa.us/BulletinsMemos/bulletins2017.aspx) page of the OSPI website. ([www.k12.wa.us/BulletinsMemos/bulletins2017.aspx](http://www.k12.wa.us/BulletinsMemos/bulletins2017.aspx)).

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Chief of Staff

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