FEDERAL PROCUREMENT THRESHOLDS

The Office of Management and Budget (OMB) increased the "Micro-Purchase" threshold from $10,000 to $15,000 and the "Simplified Acquisition" threshold from $250,000 to $350,000 on October 1, 2025. Note: Districts may use the new thresholds as soon as their internal policy is updated and adopted.

The following table outlines procurement requirements *when using federal funds*. **Districts must comply with the more restrictive of federal / state requirements or their own internal policy.**

Federal Procurement of Goods and Services		
Procurement Method	**Goods**	**Services**
Micro-Purchase (informal) - No competition if price is considered reasonable based on research, experience, purchase history, or other information and documentation is maintained to support conclusion; purchases should be distributed equitably among suppliers; purchase cards may be used.	$15,000 or less Must use more restrictive $15,000 federal threshold instead of $40,000 state threshold —OR— $40,000 or less (Districts may self-certify that they meet low-risk auditee criteria and procure goods under micro-purchase requirements within this range; see Note 1 below)	$15,000 or less —OR— $50,000 or less (Districts may self-certify that they meet low-risk auditee criteria and procure services under micro-purchase requirements within this range; see Note 1 below)

Federal Procurement of Goods and Services		
Procurement Method	**Goods**	**Services**
Simplified Acquisitions (Informal) – Obtain/document quotes from a reasonable number of qualified sources (at least three per RCW 28A.335.190).	$15,000 - $75,000 Must use more restrictive $75,000 state threshold instead of $350,000 federal threshold —OR— $40,000 - $75,000 (Districts may self-certify that they meet low-risk auditee criteria and procure goods using small purchase procedures within this range; see Note 1 below)	$15,000 - $350,000 —OR— $50,000 - $350,000 (Districts may self-certify that they meet low-risk auditee criteria and procure services using small purchase procedures within this range; see Note 1 below)
Sealed Bids / Proposals (Formal)	$75,000 or more Must use more restrictive $75,000 state threshold instead of $350,000 federal threshold	$350,000 or more

Federal Procurement of Goods and Services		
Procurement Method	**Goods**	**Services**
Non-competitive proposals	Appropriate only when: - Micro-purchase - Available only from a single source (sole source); this should be rare and be supported by adequate documentation - Public emergency which will not permit delay - Expressly authorized by awarding or pass-through agency in response to written request from district - After soliciting a number of sources, competition is deemed inadequate	
Architecture/Engineering (A&E)	There is no federal or state bid threshold for A&E. If federal funds are used to pay for A&E services, the district must ensure the federal (CFR 200.320(b)(2)) and state (RCW 39.80.030-050) procurement requirements are met.	

Although state bid law (RCW 28A.335.190) has an exemption for the purchase of textbooks, there is no federal exemption for these types of purchases. Therefore, districts must follow the federal bid thresholds (under the Services column above) when purchasing textbooks with federal funds.

Note 1: Effective November 12, 2020, the Uniform Grant Guidance allows nonfederal entities, such as school districts, to self-certify that they are a low-risk auditee and use a micro purchase threshold of up to $50,000*****. See the Code of Federal Regulations (CFR) 200.320(a)(1). In order to use the higher threshold, districts must either:

1. Qualify as a low-risk auditee for your most recent audit, or
2. Perform an annual internal institutional risk assessment to identify, mitigate, and manage financial risks that results in a low-risk assessment.

***** Districts that qualify to self-certify could go up to $50,000 for services and books and $40,000 for other purchases of furniture, equipment, or supplies (RCW 28A.335.190) since these are the most restrictive rules in Washington State. If a district wants to go

above these limits, it must receive approval from its cognizant agency of indirect costs, which is the Office of Superintendent of Public Instruction (OSPI). However, for the other purchases of furniture, equipment or supplies, OSPI could not approve districts to go above $40,000 due to the bid threshold for these items in state law.

In order to qualify as a low-risk auditee using option number 1 above, districts must meet the criteria for a low-risk auditee which can be found in the CFR 200.520. The auditor makes the determination as to whether or not the auditee qualifies as a low-risk auditee. The determination is cited in the federal single audit report under Identification of Major Federal Programs in Section I – Summary of Auditor's Results of the Schedule of Findings and Questioned Costs.

Under option number 2 above, the district must perform an annual internal risk assessment, which is management's process of identifying risks and rating the likelihood and impact of a risk event. In order to qualify under this option, the assessment must demonstrate the district is low risk.

Self-certification must take place on an annual basis; we recommend at the start of each school year (September 1st). Procurement policies must be updated prior to using the new threshold. We also recommend the policy include the self-certification procedures.