

## Federal and State Procurement Standards and Thresholds

Procurement thresholds and standards are rules that guide how government entities—whether federal, state, or local—acquire goods and services. These rules ensure that procurement is fair, transparent, and provides the best value for taxpayer dollars.

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## 1. General Federal Procurement Standards (2 CFR 200)

- **Resource:** 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
- **Scope:** This regulation applies to non-federal entities (e.g., states, local governments, nonprofits) that receive federal awards. It includes procurement standards, cost principles, and audit requirements.
- **Key Sections:**
  - **2 CFR §200.317 – Procurements by States:** States must follow their own procurement policies and procedures for purchases made with both federal and non-federal funds.
  - **2 CFR §200.318 – General Procurement Standards:** Non-federal entities must oversee procurements to ensure compliance with federal standards, maintain competition, and avoid conflicts of interest.
  - **2 CFR §200.320 – Methods of Procurement:**
    - **Micro-purchases:** Purchases under **\$10,000**. No competitive quotes are required but must be equitably distributed among suppliers.
    - **Small purchases:** Purchases up to **\$250,000**. Requires price or rate quotes from an adequate number of qualified sources.
    - **Sealed bids:** For contracts over **\$250,000**. Bids are publicly solicited and contracts are awarded to the lowest responsive and responsible bidder.
    - **Competitive proposals:** Used when sealed bidding is not appropriate (for contracts over **\$250,000**). Requires evaluation of factors beyond price.
    - **Non-competitive procurement:** Allowed under limited circumstances, such as a sole-source supplier, public emergency, or inadequate competition.
  - **2 CFR §200.323 – Contract Cost and Price:** A cost or price analysis must be performed for every procurement action, including contract modifications, to ensure reasonableness of the price.

## 2. Federal Acquisition Regulation (FAR) (48 CFR)

- **Resource:** 48 CFR Chapter 1 – *Federal Acquisition Regulation (FAR)*
- **Scope:** FAR governs the acquisition of goods and services by executive agencies of the federal government. It covers all phases of procurement, from planning to contract administration.
- **Key Sections:**
  - **48 CFR §1.102 – Guiding Principles:** Emphasizes competition, fairness, and efficiency in federal procurements, with the goal of obtaining the best value for the government.
  - **48 CFR §6 – Competition Requirements:** Requires full and open competition for government contracts unless an exception applies (e.g., sole source awards under limited conditions).
  - **48 CFR §13 – Simplified Acquisition Procedures:**

- **Micro-purchase threshold:** Purchases under **\$10,000**. Purchases may be made without soliciting competitive quotes as long as prices are considered reasonable.
- **Simplified Acquisition Threshold (SAT):** For purchases up to **\$250,000**. Agencies can use simplified procurement procedures to reduce administrative costs and expedite the process.
- **Exceptions:** The micro-purchase threshold can be increased to **\$20,000** for purchases in the U.S. and **\$30,000** for overseas purchases in support of contingency operations.
- **48 CFR §19 – Small Business Programs:** The FAR encourages participation of small businesses in federal procurement. Small business set-asides are required for contracts between **\$10,000** and **\$250,000**, meaning these contracts are exclusively reserved for small business competition.

### 3. Contract Types (48 CFR Part 16)

- **Resource:** 48 CFR Part 16 – *Types of Contracts*
- **Scope:** This part outlines the various contract types available in federal procurement, each suited to different project risks and goals. Contracts include:
  - **Fixed-price contracts:** Used when costs are relatively certain. The price is fixed, regardless of the contractor's cost.
  - **Cost-reimbursement contracts:** Used when costs are uncertain, and the government agrees to cover the contractor's costs within an agreed-upon ceiling.
  - **Incentive contracts:** Provide financial incentives to the contractor to meet or exceed certain performance goals.

### 4. Debarment and Suspension (2 CFR Part 180)

- **Resource:** 2 CFR Part 180 – *OMB Guidelines to Agencies on Governmentwide Debarment and Suspension*
- **Scope:** This section ensures that debarred or suspended parties do not participate in federal procurement and nonprocurement activities.
- **Key Points:** Any contractor or individual who has been debarred or suspended is prohibited from participating in contracts with federal agencies.

### 5. Key Procurement Thresholds:

- **Micro-purchase threshold:** **\$10,000** (can increase to **\$20,000** domestically and **\$30,000** overseas during contingency operations).
- **Simplified Acquisition Threshold (SAT):** **\$250,000**.
- **Sealed bids and competitive proposals:** Required for contracts over **\$250,000**.
- **Small business set-asides:** Contracts between **\$10,000** and **\$250,000** are reserved for small businesses.

## 6. Cost Principles (2 CFR Part 200, Subpart E)

- **Resource:** 2 CFR Part 200, Subpart E – *Cost Principles*
- **Scope:** Governs allowable and unallowable costs under federal awards. Costs must be reasonable, allocable, and consistent with policies and regulations.
- **Key Sections:**
  - **2 CFR §200.403 – Factors affecting allowability of costs:** Costs must be necessary, reasonable, and allocable to the project.
  - **2 CFR §200.404 – Reasonable costs:** Costs must reflect what a prudent person would pay under similar circumstances.

### References:

- **2 CFR Part 200** – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*  
[2 CFR 200](#)
- **48 CFR Chapter 1** – *Federal Acquisition Regulation (FAR)*

State Procurement thresholds:

#### Alabama

- **Resource:** Alabama Department of Finance – Division of Purchasing
- **General Guidelines:** Competitive bidding required for contracts over \$15,000.

#### Alaska

- **Resource:** Alaska Department of Administration – Division of General Services
- **General Guidelines:** Competitive bidding for purchases over \$100,000; informal bids for smaller amounts.

#### Arizona

- **Resource:** Arizona Department of Administration – State Procurement Office
- **General Guidelines:** Competitive procurement for contracts exceeding \$100,000.

#### Arkansas

- **Resource:** Arkansas Department of Finance and Administration – Office of State Procurement
- **General Guidelines:** Bids required for contracts over \$10,000.

#### California

- **Resource:** California Department of General Services – Procurement Division
- **General Guidelines:** Contracts over \$50,000 require competitive bids.

**Colorado**

- **Resource:** Colorado State Purchasing & Contracts Office
- **General Guidelines:** Formal bids for contracts over \$25,000.

**Connecticut**

- **Resource:** Connecticut State Contracting Standards Board
- **General Guidelines:** Competitive bidding for contracts over \$50,000.

**Delaware**

- **Resource:** Delaware Office of Management and Budget – Government Support Services
- **General Guidelines:** Competitive bidding required for purchases over \$50,000.

**Florida**

- **Resource:** Florida Department of Management Services – Division of State Purchasing
- **General Guidelines:** Competitive bidding required for contracts over \$35,000.

**Georgia**

- **Resource:** Georgia Department of Administrative Services – State Purchasing Division
- **General Guidelines:** Competitive bids required for contracts over \$25,000.

**Hawaii**

- **Resource:** Hawaii State Procurement Office
- **General Guidelines:** Competitive sealed bids for purchases over \$100,000.

**Idaho**

- **Resource:** Idaho Division of Purchasing
- **General Guidelines:** Formal bidding required for contracts exceeding \$100,000.

**Illinois**

- **Resource:** Illinois Procurement Gateway
- **General Guidelines:** Competitive bidding for contracts over \$100,000.

**Indiana**

- **Resource:** Indiana Department of Administration – Procurement Division
- **General Guidelines:** Contracts over \$75,000 require competitive bidding.

**Iowa**

- **Resource:** Iowa Department of Administrative Services – Central Procurement and Fleet Services Enterprise

- **General Guidelines:** Competitive bids required for contracts over \$50,000.

#### **Kansas**

- **Resource:** Kansas Department of Administration – Procurement and Contracts
- **General Guidelines:** Competitive bidding for contracts over \$25,000.

#### **Kentucky**

- **Resource:** Kentucky Finance & Administration Cabinet – Division of Procurement Services
- **General Guidelines:** Competitive bidding required for contracts over \$40,000.

#### **Louisiana**

- **Resource:** Louisiana Division of Administration – Office of State Procurement
- **General Guidelines:** Formal bids required for contracts over \$25,000.

#### **Maine**

- **Resource:** Maine Division of Purchases
- **General Guidelines:** Competitive bidding required for contracts over \$10,000.

#### **Maryland**

- **Resource:** Maryland Department of General Services – Office of State Procurement
- **General Guidelines:** Competitive bids required for contracts over \$15,000.

#### **Massachusetts**

- **Resource:** Massachusetts Operational Services Division
- **General Guidelines:** Formal bids required for purchases over \$50,000.

#### **Michigan**

- **Resource:** Michigan Department of Technology, Management & Budget – Procurement
- **General Guidelines:** Formal bidding required for purchases over \$50,000.

#### **Minnesota**

- **Resource:** Minnesota Department of Administration – Office of State Procurement
- **General Guidelines:** Competitive bids for contracts over \$25,000.

#### **Mississippi**

- **Resource:** Mississippi Department of Finance & Administration – Office of Purchasing, Travel and Fleet Management
- **General Guidelines:** Competitive bidding for contracts over \$50,000.

**Missouri**

- **Resource:** Missouri Office of Administration – Division of Purchasing
- **General Guidelines:** Formal bids required for contracts over \$25,000.

**Montana**

- **Resource:** Montana Department of Administration – General Services Division
- **General Guidelines:** Formal bidding required for contracts over \$25,000.

**Nebraska**

- **Resource:** Nebraska Department of Administrative Services – Materiel Division
- **General Guidelines:** Competitive bids required for contracts over \$50,000.

**Nevada**

- **Resource:** Nevada State Purchasing Division
- **General Guidelines:** Formal bids required for purchases over \$50,000.

**New Hampshire**

- **Resource:** New Hampshire Bureau of Purchase and Property
- **General Guidelines:** Formal bids required for contracts over \$10,000.

**New Jersey**

- **Resource:** New Jersey Department of the Treasury – Division of Purchase and Property
- **General Guidelines:** Competitive bidding for contracts over \$40,000.

**New Mexico**

- **Resource:** New Mexico General Services Department – State Purchasing Division
- **General Guidelines:** Competitive bidding required for contracts over \$60,000.

**New York**

- **Resource:** New York State Office of General Services – Procurement Services
- **General Guidelines:** Formal bids required for contracts over \$50,000.

**North Carolina**

- **Resource:** North Carolina Department of Administration – Division of Purchase & Contract
- **General Guidelines:** Competitive bidding required for contracts over \$25,000.

**North Dakota**

- **Resource:** North Dakota Office of Management and Budget – Central Services Division



- **General Guidelines:** Formal bidding required for purchases over \$50,000.

#### **Ohio**

- **Resource:** Ohio Department of Administrative Services – Office of Procurement Services
- **General Guidelines:** Competitive bidding for contracts over \$25,000.

#### **Oklahoma**

- **Resource:** Oklahoma Office of Management and Enterprise Services – Central Purchasing Division
- **General Guidelines:** Formal bids required for contracts over \$50,000.

#### **Oregon**

- **Resource:** Oregon Department of Administrative Services – Procurement Services
- **General Guidelines:** Formal bidding required for contracts over \$150,000.

#### **Pennsylvania**

- **Resource:** Pennsylvania Department of General Services – Bureau of Procurement
- **General Guidelines:** Competitive bidding for contracts over \$10,000.

#### **Rhode Island**

- **Resource:** Rhode Island Department of Administration – Division of Purchases
- **General Guidelines:** Formal bids required for contracts over \$5,000.

#### **South Carolina**

- **Resource:** South Carolina Department of Administration – Division of Procurement Services
- **General Guidelines:** Formal bids required for contracts over \$10,000.

#### **South Dakota**

- **Resource:** South Dakota Bureau of Administration – Office of Procurement Management
- **General Guidelines:** Competitive bids required for purchases over \$25,000.

#### **Tennessee**

- **Resource:** Tennessee Department of General Services – Central Procurement Office
- **General Guidelines:** Formal bids required for contracts over \$50,000.

#### **Texas**

- **Resource:** Texas Comptroller of Public Accounts – Statewide Procurement Division
- **General Guidelines:** Competitive bidding for contracts over \$25,000.

**Utah**

- **Resource:** Utah Division of Purchasing and General Services
- **General Guidelines:** Formal bids required for contracts over \$50,000.

**Vermont**

- **Resource:** Vermont Department of Buildings and General Services – Office of Purchasing & Contracting
- **General Guidelines:** Competitive bids required for purchases over \$15,000.

**Virginia**

- **Resource:** Virginia Department of General Services – Division of Purchases and Supply
- **General Guidelines:** Formal bids required for contracts over \$100,000.

**Washington**

- **Resource:** Washington Department of Enterprise Services – Contracts and Procurement
- **General Guidelines:** Competitive bidding for purchases over \$100,000.

**West Virginia**

- **Resource:** West Virginia Department of Administration – Purchasing Division
- **General Guidelines:** Formal bids required for contracts over \$25,000.

**Wisconsin**

- **Resource:** Wisconsin Department of Administration – State Bureau of Procurement
- **General Guidelines:** Competitive bids required for contracts over \$50,000.

**Wyoming**

- **Resource:** Wyoming Department of Administration and Information – Procurement Services Division
- **General Guidelines:** Formal bidding required for purchases over \$25,000.