



Chief Procurement Office

Bill Grunloh, Department of Transportation - Construction

Notice 2016.01

To: IDOT Procurement Personnel

From: Bill Grunloh, Chief Procurement Officer

Date: June 13, 2016

Subject: Small Purchase Threshold Adjustments

This notice is issued to reflect recent changes to the small purchase thresholds. These thresholds show the dollar value of contracts that need not utilize one of the competitive methods of source selection determined to be most appropriate to circumstances. **These small purchase thresholds represent the maximum dollar amount allowed and the Department may enact a more restrictive amount by Department process and procedures.**

Effective May 15, 2016 the small purchase thresholds for procurements under the **authority of the CPO for Illinois Department of Transportation – Construction** will be as follows:

- Individual purchases for supplies or services from any one source that do not exceed \$80,000 may be made without notice, competition (except as outlined in the following “Requirements and procedures”) or use of any other method of procurement prescribed in the Code or this Part. (See Section 20-20(a) of the Code.) Contracts for professional and artistic services that do not exceed \$20,000 for a nonrenewable term of not more than one year will be procured in accordance with this Section.
- Construction purchases, construction supply contracts, and construction-related service contracts that do not exceed \$100,000 may be procured without notice, competition (except as outlined in the following “Requirements and procedures”) or use of any other method of procurement prescribed in the Code or this Part.



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Requirements and procedures:

1. To allow for a minimum amount of purchasing control and transparency all small purchases over \$50,000 shall require informal quotes as well as meet the statutory requirement for disclosures for contracts with an annual value of more than \$50,000. Process and procedures will be forthcoming from the department to assure proper controls and approvals for procurement staff with all small purchases.
2. Department personnel shall make every effort to assure the promotion of small business, diversity and transparency when considering small purchases.
3. Estimated needs shall not be divided in any manner to avoid the use of an established method of procurement. (See Section 20-20(a) of the Code.)
4. Determination of Small Purchase Status
 - 1) In determining whether a contract is under the small purchase limit, the stated value of the supplies or services, plus any optional supplies and services, determined in good faith, shall be utilized. When the value is calculated month-to-month or in a similar fashion, the amount shall be calculated for a 12 month period.
 - 2) If only a unit price or hourly rate is known, the contract shall be considered small and shall have a not-to-exceed limit applicable to the type of procurement (see subsection (a)).
 - 3) If, after signing the contract, the actual cost of completing the contract is determined to exceed the small purchase amount, and the SPO determines that a supplemental procurement is not economically feasible or practicable because of the immediacy of the agency's needs or other circumstances, the SPO must follow the procedures for sole source or emergency procurement, whichever is applicable, to complete the contract.