

**FAP 111-55-00**

**SMALL PURCHASE PROCEDURE FOR GOODS AND NON-PROFESSIONAL SERVICES**

1. This procedure shall not be used for printing or professional service contracts. The small purchase procedure may be used for other purchases by an agency if the cost is estimated to be no more than the amounts listed in Table I.
2. Procurement requirements shall not be parceled, split, divided, or scheduled over a period of time in order to subvert the intent of this procedure. An agency shall make its purchases based on sound business planning with the goals of economy and efficiency in mind and shall consider storage capacity and product shelf life when purchasing commodities. If an agency's projected needs for like items will cost more than what it can purchase under its small purchase limit, the agency shall submit a Purchase Request to the Finance and Administration Cabinet, Office of Material and Procurement Services for commodities and services. Quotes may be obtained by telephone, fax, or by posting a Solicitation to the Commonwealth's eProcurement web site. Refer to FAP 220-10-00 for the small purchase procedure for construction services.

**Table I, Quotations Required for Commodity and Service Purchases**

<b>Agency Small Purchase Limit</b>	<b>One Quote Request for Purchases Equal to or Less Than</b>	<b>At Least Three Quotes Requested or Posted to the Commonwealth's e-Procurement Web Site if Between</b>
\$1,000	\$1,000	N/A
\$3,000	\$1,000	\$1,000 and \$3,000
\$5,000	\$3,000	\$3,000 and \$5,000
Higher than \$5,000	\$5,000	Over \$5,000

3. An agency shall maintain a small purchase order file containing the price quotations requested, quotations received, a tabulation of prices offered, and comments by the agency handling the small purchase concerning the basis for placing the order. The agency shall retain these records for audit and review purposes.
4. Agencies of the Finance and Administration Cabinet shall request quotations as detailed in Table II for commodity and service purchases of less than \$20,000.

**Table II, Price Quotes Required for Finance and Administration Cabinet Agencies,**

Number of Quote Requests Required	For All Purchases, Other than Construction, Costing
One	Less Than \$5000
At Least Three (3) or *Posted the Commonwealth's eProcurement Web Site	Between \$5000 and \$20,000

\*The posting of a request for quotes on the Commonwealth's e-Procurement web site shall satisfy the above requirements.

5. **Master Agreement (MA) and Catalog Master Agreement (CMA) Items.** Items available on MA or CMA may be purchased under small purchase authority from another vendor if the aggregate dollar amount of the total requirement is less than either \$1,000 or the higher amount required for a minimum order in a specific MA or CMA.
6. **Solicitation Procedure for Non-professional Services for Agencies with Small Purchase Limits Less than \$20,000.** If a non-professional service totals between an agency's small purchase limit and \$20,000, an agency may solicit services as detailed in table II. A Master Agreement or Award/Contract shall be created by the agency in the state's procurement system and forwarded to the Office of Material and Procurement Services, along with supporting documentation containing the request for quotations, the number of quotations requested, a tabulation of quotations received and award justification, for electronic approval prior to a purchase of services.
7. **Procedure For Agencies Seeking Delegated Higher Small Purchase Limits**  
The secretary of the Finance and Administration Cabinet may grant to a state agency, with a justifiable need, the limited delegated authority to purchase specific items whose costs frequently exceed the agency's small purchase limit provided in KRS 45A.100(1), in accordance with 200 KAR 5:302.
8. The Office of Policy and Audit may perform periodic procurement audits of the various agencies for compliance with the provisions of KRS 45A and the Finance and Administration Cabinet Manual of Policies and Procedures, and, if an agency demonstrates deficiencies in procurement expertise or practice, shall recommend that the secretary revoke or amend any delegations granted under this policy.