

## FAP 111-55-00

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

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1. The small purchase procedure may be used for agency purchases in accordance with KRS 45A.100. This procedure shall not be used for printing or Professional Service Contracts (PSCs).
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.
  - a. 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.
  - b. 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 Requisition (RQS) to OPS for commodities and services. Quotes may be obtained by mail, electronic mail, facsimile or by posting the request to the state's eProcurement website.
  - c. Refer to FAP 220-10-00 for the small purchase procedure for construction services.
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. **Master Agreement (MA) Items:** Items available on a MA 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. Agencies finding a comparable item at a lower price than what is listed on the MA shall contact the OPS buyer for review and discussion with the vendor holding the MA. Procurement requirements shall not be parceled, split, divided or scheduled over a period of time in order to subvert the intent of this procedure.
5. **Solicitation Procedure for Non-Professional Services for Agencies with Small Purchase Limits Less than \$20,000:** If a non-professional service is more than an agency's small purchase limit, but is less than \$20,000, an agency may solicit non-professional services by obtaining one (1) quote up to \$5,000, or at least three (3) quotes or posted to the state's eProcurement website, if between \$5,000 and \$20,000.
  - a. A Purchase Order (PO2) shall be created by the agency in the state's eProcurement system and forwarded to OPS, 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.
  - b. For purposes of a term contract, the contract period shall not exceed twelve (12) months. A renewal clause shall be included in the Solicitation in order to extend any resulting contract. Prices shall remain firm for the initial contract period. The contract may be renewed for only one (1) additional year. Under no circumstance may an agency modify a non-professional service contract to exceed \$20,000 per year.
6. **Procedure for Agencies Seeking Delegated Higher Small Purchase Limits:** The secretary of the FAC may grant to a state agency, with a justifiable need, the 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 KRS 45A.100(3) and 200 KAR 5:302.
7. The Office of Policy and Audit may perform periodic procurement audits of the various agencies for compliance with the provisions of KRS Chapter 45A and the FAC Manual of Policies and Procedures, and, if an agency demonstrates deficiencies in procurement expertise or practice, shall recommend that the secretary of the FAC revoke or amend any delegations granted under this policy.

Relates to: KRS 45A.100; 200 KAR 5:302