POLICY ALERT

Date: September 22, 2006
To: Special Milk Program (SMP) Contractors
Subject: Procurement Thresholds
Effective Date: Immediately

Purpose
This Policy Alert REVISES the thresholds for procurement in the following subsections of Section 7000, Procurement of the SMP Handbook:
- 7300, Federal Procurement Standards
- 7410, Small Purchase
- 7420, Competitive Sealed Bids
- 7430, Competitive Negotiation

Implementation
Immediately

Procedure
The procurement threshold for purchases has been revised.

Purchases less than $25,000
For purchases less than $25,000, competitive procurement is not required. SMP contractors will use the small purchase procedures. Small purchase procedures require the SMP contractor to obtain price quotations from an adequate number of qualified sources.

Purchases greater than $25,000
For purchases greater than $25,000, competitive procurement is required. SMP contractors must use one of the following methods of procurement:
- Competitive sealed bid
- Formal advertising method

Contact
If you have any questions please contact your Area Program Office.

This Policy Remains in Effect Until Further Notice