POLICY ALERT

Date: August 22, 2007
Reference: # SMP 2007-8
To: Special Milk Program (SMP) Contractors
Subject: Procurement Thresholds
Effective Date: Immediately

Purpose

This Policy Alert:
- REPLACES Policy Alert SMP 2006-11, *Procurement Thresholds*;
- CLARIFIES the appropriate formal advertising methods of procurement; and
- 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 formal advertising methods of procurement:
- Competitive sealed bid
- Request for Proposal (RFP)

Contact

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

This Policy Remains in Effect Until Further Notice