



Notice 2013.07 General Services

To: State Purchasing Officers, Procurement Compliance Monitors, Agency Purchasing Staff, CMS BOSS

From: Matt Brown *MB*

Date: January 23, 2013

Subject: Small Purchase Thresholds Modification for Supplies, Services and Construction: \$50,000

CC: Procurement Policy Board

This CPO Notice is effective January 23, 2013 and amends CPO Notice 2013.01.

Under Section 20-20 of the Code, small purchases may be made without competitive sealed bidding. This notice increases the requirement for competitive bidding for supplies and services to those purchases \$50,000 and above and for construction to those purchases \$70,000 and above.¹ The small purchase threshold for bidding professional and artistic services remains at \$20,000 and above. This increase is consistent with a Procurement Policy Board recommendation to increase the small purchase bidding requirements.

Increasing the bid threshold provides significant administrative relief for agencies and shortens the time needed to contract for small purchases. The new bid threshold allows agencies to contract with qualified small businesses for transactions without going through a competitive solicitation process. Additionally, since procurements valued under \$50,000 are specifically set-aside for qualified Illinois small businesses (CPO Notice 2012.04), matching the bidding threshold for supplies and services to the small business set-aside amount creates greater contracting opportunities for Illinois' small businesses.

Last summer the Chief Procurement Office launched an initiative to instill best practices and increase oversight to ensure agencies appropriately follow the requirements associated with making small purchases. In that time period, the Chief Procurement Office provided small purchase training to 282 state procurement employees, implemented a quality assurance review of agency small purchase practices, and increased the number of qualified small business vendors ready to respond to the State's small purchase needs. The combined efforts of agencies and the CPO resulted in the state awarding nearly \$65 million in FY 12 state contracts to qualified Illinois small businesses, an increase in value of 38.9% from FY 11. Please contact Scott McKinnery, SPO for Small Business, at 217-558-3723 if you have any questions related to small purchase contracting or if you would like additional training.

For questions related to this notice, please contact the CPO's Office at 217-558-2231.

¹ Per CPO Notice 2013.01, the previous competitive bidding requirement for supplies and services was \$35,000 and above and for construction was \$42,000 and above.