

HENRY FORD COLLEGE
PURCHASING DEPARTMENT

MEMORANDUM

TO: HANK Requisition Approvers
FROM: Fred Steiner, Purchasing Director
RE: Bidding Limits, Fiscal Year 2018
DATE: September 29, 2017

In accordance with Board policy and State law, the thresholds for competitive bids and contract awards adjust every year by the percentage change in the average consumer price index (CPI) as calculated by the Michigan Department of Education (MDE). MDE has reported that the CPI measured from August 31, 2016 to August 31, 2017 increased by 1.98%; therefore, effective immediately the dollar thresholds for competitive bidding have been revised as follows:

2016/2017 BIDDING THRESHOLDS

Dollar Amount	Process
\$0 - \$2725	Purchasing Agent's Discretion (Policy 2450/Guideline 6320)
\$2725 - \$9078	Competitive Quotes (Policy 2450/Guideline 6320)
\$9078 +	Sealed Bids (Policy 2450/Guideline 6320)
\$13,618 +	Board Approval - Blanket Orders (Policy 2450/Guideline 6320A)
\$23,881 +	Board Approval - Procurement of supplies, materials, and equipment (Policy 2450/Guideline 6320)
\$23,881 +	Bid threshold - Building construction, addition, renovation, or repair (Policy 2450/Guideline 6320)
Below \$30,000	Board Approval without sealed bids - Creative professional services for advertising and promotion (Policy 2950)
\$376,960 fee or \$5.3 million in construction	Bid threshold - Architectural/Engineering Services (Policy 2110)

Note: This information is provided to help departments better plan their expenditures, understand the bid process, and work with Purchasing at the beginning of the procurement cycle - especially with large dollar purchases. Keep in mind that Board guidelines specifically require that "purchases of integrated items shall be treated as one (1) expenditure for the purposes of determining the controls which should be applied to such expenditure." In other words, you can't split one large order into multiple small orders to escape the requirement for bids or quotes. You may distribute this memo to others in your area as needed.

If you have any questions regarding this or any other purchasing matter, please contact me at ext. 6420 or fred@hfcc.edu.