

HENRY FORD COLLEGE  
PURCHASING DEPARTMENT

**MEMORANDUM**

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**TO:** HANK Requisition Approvers  
**FROM:** Fred Steiner, Purchasing Director  
**RE:** Bidding Limits, Fiscal Year 2021  
**DATE:** October 9, 2020

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 reported that the CPI measured from August 31, 2019 to August 31, 2020 increased by 1.46%; therefore, the Board approval limit increases by \$364 to \$25,288. Effective October 1st, the dollar thresholds for all categories of competitive bidding increase as follows:

**2020/2021 BIDDING THRESHOLDS**

<b>Dollar Amount</b>	<b>Process</b>
\$0 - \$2,885	Purchasing Agent's Discretion (Policy 2450/Guideline 6320)
\$2,885 - \$9,612	Competitive Quotes (Policy 2450/Guideline 6320)
\$9,612 +	Sealed Bids (Policy 2450/Guideline 6320)
\$14,420 +	Board Approval - Blanket Orders (Policy 2450/Guideline 6320A)
\$25,288 +	Board Approval - Procurement of supplies, materials, and equipment (Policy 2450/Guideline 6320)
\$25,288 +	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)
\$399,154 fee or \$5.6 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 about the above procedures or any other purchasing issue, please contact:  
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