

FREQUENTLY ASKED QUESTIONS
Procurement Memorandum 2020-07
FAR Class Deviation to Increase the Micro-purchase Threshold
May 14, 2020

1. **Why did DOC issue a deviation rather than wait for the FAR Case to raise the micro-purchase threshold?**

Answer: It will take time to work the FAR Case. By implementing the new authority now, DOC can achieve administrative efficiencies and provide more flexibilities to support the mission.

2. **How does the change in the micro-purchase threshold affect FAR Subpart 22.4-Labor Standards for Contracts Involving Construction?**

Answer: The change in the micro-purchase threshold has no effect on the Construction Wage Rate Requirements statute, previously known as the Davis-Bacon Act (DBA). The DBA threshold remains at **\$2,000** for construction, alteration, or repair (including painting and decorating) of public buildings or public works within the United States.

3. **How does the change in the micro-purchase threshold affect FAR Subpart 22.10-Service Contract Labor Standards?**

Answer: The change in the micro-purchase threshold has no effect on the Service Contract Labor Standards statute, previously known as the Service Contract Act (SCA). The SCA threshold remains at \$2,500 for services.

4. **I have several purchase requests under the new micro-purchase threshold of \$10,000 that have not been processed, should I send them back to the requester and ask them to use the Purchase Card?**

Answer: The deviation does not automatically raise the purchase card limits. Any increases to purchase card limits will be processed in accordance with Commerce Acquisition Manual 1313.301, *Purchase Card Program*. The CO should consider the advantages of using FAR Subpart 13.2 micro-purchase procedures instead of FAR Subpart 13.3 simplified acquisition procedures.

5. **Does this deviation supersede all DOC published guidance or policy that state the micro-purchase threshold is at or below \$3,500?**

Answer: Yes, this deviation supersedes all references to micro-purchase threshold being at or below \$3,500 in DOC publications, policies, and training materials.

6. **Will the increase in micro-purchase threshold affect emergency thresholds?**

Answer: No, the flexibilities authorized during emergency situations are covered in FAR Part 18-*Emergency Acquisitions* and are not affected by the increase to the micro-purchase threshold.

7. How will the increase in the micro-purchase threshold affect the fair opportunity requirements under FAR 16.505(b)?

Answer: The micro-purchase threshold in FAR 16.505 is set by Statute at \$2,500 and increased to \$3,500 for inflation. Therefore, the identified dollar amount remains at \$3,500.

Therefore, orders *exceeding \$3,500* must "provide each awardee a fair opportunity to be considered" (FAR 16.505(b)(1)(i)).

8. How will the increase in the micro-purchase threshold affect the Federal Supply Schedule ordering procedures under FAR 8.405?

Answer: The micro-purchase threshold in FAR 8.405 is tied to the definition in FAR 2.101 and is changed accordingly to \$10,000. Other than this dollar threshold increase, there is no impact to the ordering procedures under FAR 8.405.

9. How will the increase in the micro-purchase threshold affect assisted acquisitions?

Answer: This deviation is only applicable to DOC procurements. Assisted acquisitions must follow the policies of the customer agency, so long as the policies do not conflict with DOC's or any other agency's authority or responsibility (see FAR 17.501(d)). Contracting Officers for assisted acquisitions should work with customer agencies to determine if a similar class deviation has been issued.

10. How will the increase in the micro-purchase threshold affect IT acquisitions made with the purchase card?

Answer: If the amount of the purchase is greater than **\$3,500**, the IT Compliance in Acquisition Checklist shall be completed for the transaction. If the acquisition is \$3,500 or less, bureau CIO approval procedures apply, which may require the cardholder to submit an IT Compliance in Acquisition Checklist. See Section 6.6 of Commerce Acquisition Manual 1313.301.

11. Can bureaus implement additional controls to manage purchase card holders with higher single purchase limits?

Answer: Yes. Bureaus are encouraged to establish additional controls to manage cardholders with higher single purchase limits. Examples of additional controls include: limiting single purchase limit increases to only those cardholders who have a demonstrated need for higher limits; requiring additional training and/or certifications; and restricting delegations to the purchase of supplies.

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