



# County Technical Assistance Service

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## Dollar Threshold Requirements

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Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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## Dollar Threshold Requirements

Reference Number: CTAS-918

Purchasing Law	Formal Bids	Informal Bids	Statute
County Purchasing Law of 1983	Public advertising & competitive bidding for purchases of \$10,000 & over. CLB authorized to lower dollar amounts of competitive bidding. This act does not apply to counties with private acts if the private act provides for advertising & competitive bidding in excess of \$10,000 or a lesser amount established by private act.	Any purchase costing less than \$10,000 may be made without competitive bids & public advertisement, but whenever possible be based on three (3) competitive bids.	Formal Bids - 5-14-204 Informal Bids - 5-14-205 CLB authorized to lower dollar amount: 5-14-206
CFMS of 1981	The finance committee authorizes the dollar limits for competitive bids but not to exceed amount authorized by state law for the highway & education departments or other amounts established by law.	Any purchase costing less than \$10,000, or \$25,000 (with CLB approval), may be made without competitive bids & public advertisement, but whenever possible be based on three (3) competitive informal bids/quotes.	5-21-120(a) 12-3-1212
County Purchasing Law of 1957	If the amount of the expenditure or sale is estimated to exceed \$500, sealed bids shall be solicited, unless the CLB by resolution establishes a higher amount not to exceed \$25,000 (threshold for the highway department must be at least \$10,000).	All purchases or sales not requiring bid solicitation may be made without competitive bids & public advertisement, but whenever possible be based on three (3) competitive bids.	Formal Bids - 5-14-108(c)(1) Informal Bids - 5-14-108(d)(1) 12-3-1212
County Uniform Highway Law (CUHL)	Public advertising & competitive bidding for purchases of \$10,000 & over except for repair of heavy road building machinery or other heavy equipment or emergencies.	Any purchase costing less than \$10,000 may be made without competitive bids & public advertisement, but whenever possible be based on three (3) competitive bids.	Formal Bids - 54-7-113 Informal Bids - 54-7-113
Education	If following the local governing body's purchasing procedures, bid limit as provided in those policies. If <b>NOT</b> following local governing body's purchasing procedures: Population < 40,000, public advertising & competitive bidding for purchases of \$10,000 or more, except for emergencies. Population >= 40,000, public advertising & competitive bidding for purchases of \$25,000 or more, except for emergencies. Contracts for construction or additions of existing buildings in excess of \$10,000/	Any purchase costing less than \$10,000/\$25,000 (see population requirements) may be made without competitive bids & public advertisement, but whenever possible be based on three (3) informal bids/competitive quotes.	Formal Bids – 49-2-203(a)(3)(B), 49-2-203(a)(3)(B)(iii) Informal Bids – 49-2-203(a)(3)(C) Construction Contracts – 49-2-203(a)(3)(D)

<b>Purchasing Law</b>	<b>Formal Bids</b>	<b>Informal Bids</b>	<b>Statute</b>
	\$25,000 made by competitive bids with at least 10 days advance public notice.		
Counties over 150,000	Competitive sealed bids or proposals for non-emergency or non-propriety purchases for \$10,000 and above. These counties may retain their present competitive bidding conditions or establish different limits by private act or charter provision.	Authorized to make purchases under \$10,000 without competitive bids.	12-3-1204
Counties with Centralized Purchasing Authority & Full-Time Purchasing Agent	Any county municipality, utility district, or other local government entity with centralized purchasing authority and a full-time purchasing agent is authorized to increase, by resolution or ordinance, the formal bid threshold to an amount not to exceed \$25,000, notwithstanding any charter provision, private act, or other law to the contrary.	Requires at least 3 written quotations when possible for purchases between the bid threshold and 40% of the bid threshold (or a lower amount established by the governing body).	12-3-1212

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