

DoD Changes Micro-Purchase and Simplified Acquisition Thresholds

Written by Nick Sanders

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The 2018 National Defense Authorization Act (NDAA) [changed](#) the micro-purchase threshold—increasing it from \$3,500 to \$10,000. It made the change by revising Section 1902(a)(1) of Title 41, United States Code. Further, the 2018 NDAA

[changed](#)

the Simplified Acquisition Threshold (SAT), increasing it from \$150,000 to \$250,000 by revising 41 U.S.C. Section 134. The NDAA applies primarily to the Department of Defense, but the statutory change meant that the two acquisition thresholds in the FAR were out of sync with their authorizing statutes. Thus, the Civilian Agency Acquisition Council

[issued](#)

a Class Deviation that permitted civilian Agency level Class Deviations to implement the threshold changes in advance of official rule-making.

Is this a big deal? Maybe.

FAR 2.101 provides the official definition of “micro-purchase threshold” and “simplified acquisition threshold.” We note that both of those definitions are somewhat complex and driven by circumstance; the exact circumstances determine what the exact threshold is. So when we state “\$10,000 and \$250,000” those are the general thresholds that apply in most circumstances; but you need to know that the exact threshold that applies to your circumstances may be different.

FAR Part 13 discusses the acquisition procedures used by government buyers/contracting officers for purchases below each of those thresholds. Generally, micro-purchases are made via government purchase card and purchases between the micro-purchase threshold and the SAT are made via purchase order. The point is that Part 13 procedures are fast and easy and relatively uncomplicated, especially compared to the Part 15 procedures used for negotiated procurements. So raising the thresholds means that more acquisitions will be subject to the less intrusive and less burdensome procedures. This is a good thing.

On April 13, 2018, the DoD [issued](#) a Class Deviation implementing the higher thresholds. Interestingly, DoD chose to raise the micro-purchase threshold to \$5,000, not \$10,000 as the NDAA demanded. (The \$10,000 threshold was implemented only for certain limited circumstances that do not seem to be envisioned in the NDAA language.)

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That same Class Deviation raised the SAT to the full \$250,000 (except when a higher SAT is authorized by certain circumstances).

All this is good news.