



Rural Development

December 11, 2019

Bruce W. Lammers
Administrator

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TO: State Directors
Rural Development

ATTN: Program Directors, Coordinators, Specialists,
State Architects and Construction Analysts

FROM: Bruce W. Lammers /s/ **Bruce W. Lammers**
Administrator
Rural Housing Service

SUBJECT: Federal Micro-Purchase and Simplified Acquisition Thresholds and
Applying the Simplified Acquisition Threshold for All Housing and
Community Facilities and Rural Business and Cooperative Service
Programs

This memorandum notifies Rural Development Program Directors, of the June 20, 2018 memo received from the Office of Management and Budget (OMB), OMB M-18-18, authorizing increases to the value of the micro-purchase and simplified acquisition thresholds. In accordance with recent statutory changes set forth in the National Defense Authorization Acts (NDAA) for Fiscal Years 2017 and 2018, the thresholds under Federal financial assistance awards are increased as follows:

- Federal micro-purchase threshold - increased from \$3,500 to \$10,000 and
- Federal simplified acquisition threshold (formerly known as the Federal small purchase threshold) - increased from \$150,000 to \$250,000.

RD is applying these changes to all Rural Development simplified acquisition actions. Further, this guidance implements an approval process for RD Program recipients that want to request micro-purchase thresholds higher than \$10,000. RD Program recipients may submit a written request with the threshold level being requested and justification(s) for approval of a higher micro-purchase threshold to their RD State Office. State Offices will submit a written request with the threshold level being requested and justification(s) for approval of a higher micro-purchase threshold to their appropriate authority.

EXPIRATION DATE:
December 31, 2020

FILING INSTRUCTIONS:
Housing Programs

The Agency is required to implement these changes in the terms and conditions of their awards, and all recipients of existing Federal financial assistance awards must implement the changes in their internal controls. State and local agencies may set lower micro-purchase and simplified acquisition thresholds and thereby impose more restrictive procurement procedures as authorized by 7 CFR 210.19(e), 225.18(f), and 226.25(b). Questions or concerns should be addressed to William Downs, Rural Housing Service, William.downs@usda.gov.