



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

August 24, 2024

Dollar Threshold Chart

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained 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 CTAS website material.

Sincerely,

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Dollar Threshold Chart

Reference Number: CTAS-918

| Purchasing Law | Formal Bids | Informal Bids | Statute |
|-----------------------------------|---|--|---|
| County Purchasing Law of 1983 | Public advertising & competitive bidding for purchases costing over the maximum applicable amount established in T.C.A. § 12-3-1212 (\$25,000 in counties with non-centralized purchasing). Exceptions include emergency purchases, sole-source purchases, fuel products, and lease or lease purchase agreements costing less than the maximum amount. | Any purchase costing less than the maximum applicable amount established in T.C.A. § 12-3-1212 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 (up to \$50,000 in counties having centralized purchasing and a full-time purchasing agent pursuant to T.C.A. § 12-3-1212). | Any purchase costing less than the applicable maximum amount established in T.C.A. § 12-3-1212 may be made without competitive bids & public advertisement, but whenever possible be based on three (3) competitive bids. | § 5-21-120(a) |
| County Purchasing Law of 1957 | If the amount of the expenditure or sale is estimated to exceed the maximum applicable amount established in T.C.A. § 12-3-1212 (up to \$50,000 in counties with centralized purchasing and a full-time purchasing agent) sealed bids shall be solicited. Several exceptions apply. See T.C.A. § 5-14-108. | 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) |
| County Uniform Highway Law (CUHL) | Public advertising & competitive bidding for purchases of \$25,000 & over except for repair of heavy road building machinery or other heavy equipment or emergencies. | Any purchase costing less than \$25,000 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 an LEA chooses not to follow the local governing body's purchasing procedure, all purchases of supplies, furniture, fixtures and materials of every kind estimated to exceed the maximum applicable amount established in T.C.A. § 12-3-1212 (up to \$50,000 for LEAs with centralized purchasing and a full-time purchasing agent) must be made on competitive bids, which must be solicited by advertisement in a newspaper of general circulation in the county. Newspaper advertisement may be waived in the event of emergency. | Purchases costing less than the maximum applicable threshold established in T.C.A. § 12-3-1212 (up to \$50,000 for LEAs with centralized purchasing and a full-time purchasing agent) may be made in the open market without newspaper notice, but must, whenever possible, be based upon at least three (3) competitive bids. T.C.A. 49-2-203(a)(3)(C). | 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) |
| Counties over | If the LEA chooses not to follow the local governing body's purchasing procedures, the board shall contract, following open bids, for the construction of or additions to school buildings in excess of applicable amounts established in T.C.A. § 12-3-1212. Competitive sealed bids or proposals for non-emergency or non-proprietary purchases | Authorized to make purchases under the | § 12-3-1204 |

| Purchasing Law | Formal Bids | Informal Bids | Statute |
|-----------------------|--|---|----------------|
| 150,000 | that exceed the maximum applicable amount established in T.C.A. § 12-3-1212 (up to \$50,000 in counties with centralized purchasing and a full-time purchasing agent). These counties may retain their present competitive bidding conditions or establish different limits by private act or charter provision. | maximum applicable amount established in T.C.A. § 12-3-1212 (up to \$50,000 in counties with centralized purchasing and a full-time purchasing agent) without competitive bids. | |

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