

## Purchases Exempt by the Purchasing Law

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Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal 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 municipal 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 MTAS website material.

Sincerely,

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## Purchases Exempt by the Purchasing Law

**Reference Number:** MTAS-1631

The following city purchases are exempt from competitive bidding and public advertisement requirements according to the 1983 Municipal Purchasing Law:

- Products and services available only from a single source of supply and those of a proprietary nature (brand name products made and marketed by one having the exclusive right to manufacture and sell);
- Purchases, leases and lease-purchases of real property;
- Emergency purchases; however, there are certain reporting requirements when this exemption is used;
- Purchases, leases, and lease-purchases of \$1,000 or less in any fiscal year do not require public advertisement or competitive bidding. Although not required, it is recommended that you try to get the best deal by soliciting price quotes; and
- Purchases, leases, and lease-purchases of more than \$1,000 but less than \$2,500 do not require public advertisement but do require, whenever possible, at least three competitive quotes. The \$2,500 threshold may be lowered or increased up to \$10,000 by the municipality's governing body. <sup>[1]</sup>

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[1] Cities with populations of not less than 40,000 nor more than 42,500 or populations over 150,000, according to the 2000 federal census or any subsequent census may increase the minimum dollar amount required for public advertisement and competitive bidding to \$25,000, provided that purchases between \$10,000 and \$25,000 are based upon three competitive bids (quotes).

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*DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.*

**Source URL (retrieved on 09/23/2019 - 5:10am):** <https://www.mtas.tennessee.edu/reference/purchases-exempt-purchasing-law>