



Ordinance to Increase Purchasing Limits

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,

The University of Tennessee
Municipal Technical Advisory Service
1610 University Avenue
Knoxville, TN 37921-6741
865-974-0411 phone
865-974-0423 fax
www.mtas.tennessee.edu

Table of Contents

Ordinance to Increase Purchasing Limits	3
-----------------------------------------------	---

Ordinance to Increase Purchasing Limits

Reference Number: MTAS-1685

An Ordinance Establishing a Maximum Amount for Purchases Without Public Advertisement and Competitive Bidding

WHEREAS, the City/Town of _____ is subject to the provisions of the "Municipal Purchasing Law of 1983," and

WHEREAS, this law permits municipalities to increase the dollar amount of purchases requiring public advertisement and competitive bidding, and,

WHEREAS, the (*governing body*) has determined that it is in the best interest of the City/Town of _____ to increase said amount.

NOW THEREFORE, BE IT ORDAINED BY THE (*governing body*) of the City/Town of _____, THAT:

Section 1. Public advertisement and competitive bidding shall be required for the purchase of all goods and services exceeding an amount of _____ dollars (\$00,000) except for those purchases specifically exempted from advertisement and bidding by the Municipal Purchasing Act of 1983.

Section 2. Three written quotations are required whenever possible for purchases costing less than the _____ (\$00,000) bid threshold adopted for competitive bidding and public advertisement, but more than _____% of the threshold amount.

Section 3. This ordinance shall take effect from and after its final passage, the public welfare requiring it.

NOTES:

1. **Each municipality should add the appropriate provisions for readings or passages and signatures.**
2. **Municipalities subject to the Municipal Purchasing Law of 1983 that do not have a full time purchasing agent and centralized purchasing authority are authorized to increase the dollar amount required for competitive bidding and public advertisement from two thousand five hundred dollars (\$2,500) to a maximum of ten thousand dollars (\$10,000), by ordinance. See exceptions in Tenn. Code Ann. Section 6-56-306.**
3. **Municipalities that are subject to the Municipal Purchasing Law of 1983 that do have a full time purchasing agent and centralized purchasing authority are authorized to increase the dollar amount required for competitive bidding and public advertisement from ten thousand dollars (\$10,000) to a maximum of twenty-five thousand dollars (\$25,000), by ordinance.**
4. **Three written quotations are required whenever possible for purchases that are less than the competitive bidding and public advertisement bid threshold, but more than forty percent (40%) of it. Municipalities may also require three written quotations whenever possible for purchases that are less than forty percent (40%) of the competitive bidding and public advertisement bid threshold.**

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 07/05/2020 - 3:30am): <https://www.mtas.tennessee.edu/reference/ordinance-increase-purchasing-limits>



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE