



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

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Competitive Bidding with Centralized Purchasing Authority

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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Reference Number: MTAS-3004

Public advertisement and competitive bid thresholds are established as part of the Municipal Purchasing Law of 1983. However, with the passage of TCA § 12-3-1212 additional authority to raise the public advertisement and competitive bid limit is available only to those local government entities that have *centralized purchasing* authority and a *full-time purchasing agent*.

By ordinance, the threshold over which public advertisement and competitive sealed bids or proposals are required may be increased to an amount not to exceed \$25,000 for non-emergency proprietary purchases, regardless of language in a charter or private act to the contrary. For purchases costing less than the threshold but more than 40% of the threshold or some lower amount set by the governing body, three written quotations are required whenever possible. For purposes of the bid threshold, purchases of like items are to be aggregated.

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.

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