



ARIZONA DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT OFFICE

TECHNICAL BULLETIN No. 040

TITLE **Small Dollar Purchases**
REVISION **Number 4**
DATE **February 2, 2015**

I. Authority

- A. Applicable Statute
- A.R.S. § 41-2511 Authority of the director
 - A.R.S. § 41-2512 Delegation of authority or functions by the director
 - A.R.S. § 41-2535 Procurements not exceeding a prescribed amount; small businesses; simplified construction procurement program
- B. Applicable Administrative Code
- A.A.C. R2-7-201 State Procurement Administrator: Duties and Qualifications
 - A.A.C. R2-7-202 Delegation of Procurement Authority to State Governmental Units
 - A.A.C. R2-7-D304 Purchases of \$10,000 and Less
- C. Arizona Constitution
- Article 2, Section 36 Preferential treatment or discrimination prohibited; exceptions; definition

II. Definitions

- A. Agency Chief Procurement Officer. The person within a state governmental unit, who is acting under specific, written authority from the state procurement administrator in accordance with R2-7-202 or any person delegated that authority, in writing, under R2-7-203. The term does not include any other person within a state governmental unit who does not have this written delegation of authority. [Source: A.A.C. R2-7-101]
- B. Arizona State Contract. A contract established or authorized by the state procurement administrator for use by state governmental units and eligible procurement units. [Source: A.A.C. R2-7-101]
- C. Governor's Executive Order. An order issued by the governor of Arizona to establish boards or commissions or to authorize the performance of other functions that are appropriate to the executive authority of the governor. [Source: AZ State Library, Archives and Public Records, Law and Research Library Div.]
- D. Procurement Officer. Any person duly authorized to enter into and administer contracts and make written determinations with respect to the contracts. Includes an authorized representative (POR) acting within the limits of the authorized representative's authority. [Source: A.R.S. § 41-2503]

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- E. Purchasing Card (P-Card). A card used to conduct purchase or payment activities. [Source: GAO Technical Bulletin No. 2008-1]
- F. Small Business. a for-profit or not-for-profit organization, including its affiliates, with fewer than 100 full-time employees or gross annual receipts of less than \$4 million for the last complete fiscal year. [Source: A.A.C. R2-7-101]
- G. Small Dollar Purchase. Purchases of \$10,000 and less. [Source: A.A.C. R2-7-D304]
- H. State Governmental Unit. Any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of this state. [Source: A.R.S. § 41-2503]

III. Policy

It is the policy of the State of Arizona that state governmental units may, but are not required to, obtain competitive quotes for small dollar purchases.

- A. The limit for small dollar purchases is \$10,000 inclusive of tax and freight in all cases.
- B. This policy does not modify or waive the state governmental unit's obligation to purchase from small businesses as required by A.R.S. § 41-2535.
- C. State governmental units shall actively seek and buy from small businesses.
- D. This policy does not discriminate against or grant preferential treatment to any individual or group on the basis of race, sex, color, ethnicity or national origin in the operation of public contracting.
- E. The decision not to obtain quotes may be made based upon the procurement officer's experience and knowledge of the market. State governmental units must seek competition if they have reason to believe that pricing quoted is not competitive with market rates and if the quality of the material or service does not meet the state governmental unit's requirements.
- F. State governmental units may use purchasing cards as a method of purchasing or making payments for small dollar purchases in accordance with General Accounting Office (GAO) requirements.
- G. State governmental units should be vigilant in monitoring small dollar purchases and shall maintain adequate records to facilitate auditing and ensure compliance with the Arizona Procurement Code.

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IV. Effective

This Technical Bulletin is hereby authorized and effective this 2nd day of February 2015, unless otherwise revised or repealed.

A handwritten signature in cursive script, reading "Barbara M. Corella", is written over a horizontal line.

Barbara M. Corella, C.P.M., CPPB

State Procurement Administrator