

Commissioner's Memo
5/13/2021

Purchase Price Threshold for Bidding Commodities

Memo Information

Memo Number **FIN-21-050**

Memo Date 5/13/2021

Memo Type Informational

Unit Fiscal & Administrative Services

Regulatory Authority Ark. Code Ann. § 6-21-304

Response Required NO

Attention Federal Programs; Superintendents; Principals; Technology Coordinators; Test Coordinators; General Business Managers; Teachers; Gifted & Talented Coordinators; Curriculum Coordinators; Bookkeepers; School Counselors; Techstart Coordinators or Contact Name

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Memo Text

Ark. Code Ann. § 6-21-304 requires the Commissioner of Education to adjust the purchasing threshold for bidding amounts under Ark. Code Ann. § 6-21-304(a)(1)(A) by the percentage change in the Consumer Price Index (CPI) for All Urban Consumers or its successor. This adjustment shall be done by July 1 of each year.

The increase in the CPI for this category during the 12-month period ending April 2021 was 1.5%. Therefore, the purchasing threshold for bidding under Ark. Code Ann. § 6-21-304 will increase from \$21,284 to \$21,604 for the 2021-2022 school year.

See below for calculation:

	Purchasing threshold for bidding under Ark. Code. § 6-21-304	CPI – All Urban Consumers	Percentage Change for the 12 month period ending April 2021
2020-2021	\$21,284	\$257.067	1.5%
2021-2022	\$21,604	\$260.926	1.5%

While the legislation does not provide a specific source for the CPI data, the Arkansas Department of Education (ADE) recognizes the Bureau of Labor Statistics' as a valid source of CPI data.

The CPI data used for the percentage increase calculation is found at <https://data.bls.gov/cgi-bin/surveymost?bls>.

Under "Price Indexes", choose CPI for All Urban Consumers (CPI-U) 1982-84=100 – CUUR0000SA0. Scroll down to the bottom of the page and click on "Retrieve Data".

Please note that, if your district sets a lower threshold in policy, you must adhere to the district's more restrictive policy. Additionally, for purchases using federal funds, you must consult federal procurement law and use the more restrictive threshold.

