EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 3, 2005

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Clay Johnson III
Deputy Director for Management

SUBJECT: Limitation on Use of Special Micro-purchase Threshold Authority for Hurricane Katrina Rescue and Relief Operations

Section 101(2) of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising from the Consequences of Hurricane Katrina (Public Law 109-62) raised the micro-purchase threshold to $250,000 for procurements of property or services to support Hurricane Katrina rescue and relief operations. On September 13, 2005, the Office of Management and Budget provided your Chief Acquisition Officers and Chief Financial Officers with detailed guidance to ensure responsible and effective use of this authority.

After consultation with officials from many of the departments and agencies, we have concluded that the need for the increased micro-purchase threshold authorized by section 101(2) has diminished. We therefore request that agencies not utilize this increased authority unless there are exceptional circumstances. If an agency believes that such exceptional circumstances exist, please contact me directly at 202-456-7070.

This memorandum should be distributed broadly to all individuals (i.e., program, contracting, finance, legal, and other officials) who may have responsibilities associated with micro-purchase authority. Thank you for your prompt attention to this matter.