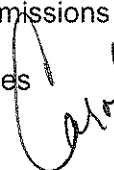


Memorandum



TO: Agency Directors, Appointing Authorities, Boards and Commissions
FROM: Carol Nolan Drake, Acting Director of Administrative Services
DATE: January 31, 2007
RE: Adjustment of Direct Purchase Limits



Section 125.05, subsection (D), of the Ohio Revised Code (ORC) requires a biennial adjustment of the dollar limit on direct purchases to reflect increases or decreases in general prices. To implement subsection (D), the Department of Administrative Services must determine the adjustment to the direct purchase limits. The determination is based on the Consumer Price Index. This year is the sixth year such an adjustment is to be made under the Revised Code, and the next adjustment will be made in January 2009.

Accordingly, we have reviewed the Consumer Price Index and have concluded that the proper adjustment effective January 31, 2007, for the direct purchase limits is an average increase of 6.8 percent. This determination is based on the increase in the Consumer Price Index for U.S. City Average for Urban Wage Earners and Clerical Workers: All items (1982-1984=100) Index (the "CPI-W").

The new direct purchase limits as provided in ORC Section 125.05 are **\$67,000** for services and **\$33,500** for supplies.

Please note that this increase does not change the various Controlling Board thresholds for agency purchases under ORC Section 127.16.

If you have any questions regarding direct purchase limits, please contact Steve Hunter, Administrator of Office of Procurement Services, at (614) 466-7066.