

14-5. Split Purchases

a. A split purchase is the intentional breaking down of a known requirement to stay within a CH's single purchase limit or the MPT to avoid other procurement methods or competition requirements. Split purchases are prohibited with the GPC (FAR 13.003(c)(2)). Requirements exceeding the MPT should be directed to the contracting office. Cardholders and A/OPCs should check with their legal advisor if unsure whether a proposed purchase would be considered split.

b. The requirement is the total quantity and price known at the time of purchase. If a CH purchases as they become aware of a requirement, the requirement is each purchase. If a CH consolidates purchases and buys once a day, the requirement becomes what was received during that day.

c. Examples of split purchases include, but are not limited to, the following:

1) A single CH making multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit, and the total requirement was known at the time of the first purchase.

2) A single CH purchasing the same/similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit, and the total was known at the time of the first purchase.

3) A single CH making multiple purchases of similar items from the same or multiple merchants over a period of time when the total requirement was known at time of the first purchase and the value exceeds the single purchase limit.

4) Multiple CHs under the same supervision or BO purchasing the same/similar item(s) the same day or in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.

5) Requirements exceeding the MPT (e.g., requirements for monthly recurring services, in which the monthly payment is less than the applicable services MPT, but the known yearly total exceeds the MPT).

d. **What is not a Split Purchase.** Sometimes transactions appear like a split purchase, but they do not meet the definition and are allowable to purchase with the GPC. See common examples below:

1) Multiple purchases to the same vendor which do not exceed the single purchase limit or MPT.

Example. A CH makes two separate \$100 purchases from the same vendor on the same day. This situation is not a split purchase because the combined total of \$200 is below the MPT.

2) Multiple purchases to the same vendor when the CH purchases as requirements are received.

(a) **Example.** A CH receives a \$4,000 purchase request in the morning. He obtains funding and approval and places the order. In the afternoon, the CH receives an \$8,000 purchase request to buy items from the same vendor. He obtains funding and approval and places a second order to the same vendor. This situation is not a split purchase, because the CH was unaware of the second request when he made the initial purchase. Even though the total cost of both purchases exceeded the \$10,000 MPT, the total known requirement at the time of each purchase was below the MPT.

(b) **Example.** A CH receives a \$6,000 purchase request on Monday. He obtains funding and approval

and places the order. On Wednesday, the CH receives a purchase request from the same customer to buy additional items from the same vendor for \$5,000. He obtains funding and approval and places a second order to the same vendor. This situation is not a split purchase, because the CH was unaware of the second request when he made the initial purchase.

Parent topic: [Chapter 14 - Prohibited and Restricted Purchases](#)