



## PURCHASES PROCURED WITH FEDERAL FUNDS BY NON-FEDERAL ENTITIES

In accordance with, Office of Management and Budget memo [M-18-18](#) dated June 20, 2018 and statutory changes set forth in the National Defense Authorization Acts (NDAA), the thresholds for simplified acquisitions and micro-purchases are modified as per the table below.

There are five methods of procurement to be followed by non-Federal entities for micro-, small-, and over-threshold purchases as listed in [§200.320](#) of the [Code of Federal Regulations \(CRF\)](#).

#	Method	Aggregate Dollar Amount
1	Micro-purchases	\$10,000 or less
2	Small purchases	\$10,001 to less than \$250,000
3	Sealed-bid purchases	More than \$250,000
4	Competitive-proposal purchases	More than \$250,000
5	Noncompetitive purchases	Sole Source Certification

All methods of procurement must comply with [§200.318](#), General Procurement Standards of the CRF. Furthermore, all purchases must comply with the State System’s documented procedures as per the [Commonwealth Procurement Code](#) including conflicts of interest standards. Purchases must be necessary and must be made by means of open competition (to the extent required by each method listed herein). All purchases must include proper documentation pertaining to one of the following applicable procurement methods.

- 1. Micro-purchases—Purchases < \$10,000**  
 Micro-purchases require fewer terms and conditions, have a lesser competition standard than purchases over the threshold, can be solicited informally, and do not require a cost or price analysis. Purchase Orders may be issued without soliciting competitive quotations if the cost is considered to be fair and reasonable. To the extent practicable, distribution of micro-purchases should be made equitably among qualified suppliers. Splitting procurements to avoid competition is prohibited.
- 2. Small Purchases—Purchases \$10,001 to \$250,000**  
 Quotations **must** be obtained from an adequate number of qualified sources. Use discretion when determining the adequate number of qualified sources and methods of obtaining quotations. Quotations may be obtained in writing or orally from a supplier, or via the Internet. Quotations do not require a cost or price analysis.
- 3. Sealed-Bid Purchases > Simplified Acquisition Threshold (\$250,000)**  
 The sealed-bid procurement method is used when specific parameters are defined and price will be the only consideration for award. Follow the Invitation for Bids (IFB) procedures.
- 4. Competitive Proposal Purchases > Simplified Acquisition Threshold (\$250,000)**  
 The competitive-proposal procurement method is used when there are critical factors to

consider beyond just price. Follow the Request for Proposals (RFP) procedures.

**5. Noncompetitive Purchases**

Special circumstances must be present and applicable for noncompetitive purchases. Follow the Sole Source Certification procedures.

References:

Office of Management and Budget memo [M-18-18](#) dated June 20, 2018

Office of Management and Budget (OMB) Revised FAQs (Updated July 2017)

[§200.318, Code of Federal Regulations \(CRF\)](#)

[§200.320, Code of Federal Regulations \(CRF\)](#)