



Pennsylvania  
**Department of General Services**

**MEMORANDUM**

**Date:** September 30, 2024

**Subject:** Bureau of Procurement Policy Directive 2024-01

**To:** Deputy Secretaries for Administration  
Procurement Directors  
Procurement Policy Council  
OGC Transactions Practice Group

A handwritten signature in black ink, appearing to read 'R. McNeil, II', with a large, stylized flourish at the end.

**From:** Reginald B. McNeil, II  
Secretary of General Services

**cc:** Brian Esposito, Deputy Secretary for Procurement  
Shawn Smith, Chief Counsel  
Kerry Kirkland, Deputy Secretary for Diversity, Inclusion and Small Business Opportunities

The Department of General Services (Department) is committed to expanding the opportunities for small businesses to provide goods and services to Commonwealth agencies. To further this purpose, the Department is expanding its current Small Business Reserve (SBR) Program to allow agencies to purchase goods and services from registered DGS Small Businesses under a higher small, no-bid threshold.

Section 301(a) of the Commonwealth Procurement Code (Code) grants the Department the authority to set policy governing procurement for executive and independent agencies, as defined in Section 103 of the Code. Pursuant to this authority and as set forth in Section 514 of the Code, the Department may establish a not-to-exceed amount to purchase supplies or services without utilizing a formal bid. The threshold for these small procurements is currently set at \$10,000 and they are commonly referred to as “small, no-bid procurements”. See Procurement Handbook (M215.3), Part I, Chapter 7(A). There are additional thresholds for specific small, no-bid procurements set forth in Chapter 7(B) of the Procurement Handbook.

Under its authority, the Department, through this policy directive, will allow agencies to use the small, no-bid procurement method to purchase goods and services from registered DGS Small

Businesses for purchases between \$10,000.01 and \$25,000. This initiative is an expansion of the current SBR program to increase spend for small business. Accordingly, if an agency needs to purchase goods or services not available under an existing statewide requirements contract, and the cost of such goods or services falls between \$10,000.01 and \$25,000, the agency may use the small, no-bid method of procurement if the purchase is being made from a registered DGS small business.

In order to comply with this Policy Directive, the purchasing agency must find a currently certified DGS small business that is qualified to provide the goods or services needed by using the DGS Supplier Search page on its website. The agency must also ensure that the small business is performing at least 51% of the services being purchased or is an authorized dealer or reseller of any goods.

While these purchases from small businesses under the increased threshold are not subject to competitive procurement requirements, they are still contracts and must be memorialized as such through a purchase order issued in the Commonwealth's Supplier Relationship Management system (SRM) and are subject to all contract requirements such as contractor responsibility checks and other required vendor verifications. Specifications or statements of work and appropriate terms and conditions must be incorporated into the purchase order. In addition, agencies must indicate in SRM that the purchase is being made from a small business by checking the box indicating that this is a SBR purchase.

It is important to note that this increase in the threshold for the small, no-bid method of procurement is only for procurements involving small businesses under the SBR program. There is no change to the existing small, no-bid threshold of \$10,000 and this Directive has no effect on any other purchasing thresholds or thresholds for methods of payment such as the Commonwealth Purchasing Card.

The Bureau of Procurement and the Bureau of Diversity, Inclusion, and Small Business Opportunities shall coordinate to prepare and provide training on this new expansion of the SBR Program for both Commonwealth procurement staff and for the small business community. After a period of review of this initiative, changes will be made to the Procurement Handbook as needed.

This initiative shall become effective and available for agency use on September 30, 2024.