

## Part I Chapter 07 Thresholds and Delegations

- A. Thresholds – General.** The following not to exceed thresholds apply for procurements by all Commonwealth Agencies for which DGS is to act as the purchasing Agency:

Materials	Dollar Threshold	Services	Dollar Threshold	Construction
No Bid No Documents Agency	≤ \$10,000	No Bid No Documents Agency	≤ \$10,000	See <a href="#">Part IV</a>
Formal Method Agency	\$10,000.01 - \$100,000	Formal Method Agency	\$10,000.01 - \$250,000	
Formal Method DGS	> \$100,000	Formal Method DGS/Agency Delegated	> \$250,000	

1. The estimated dollar value of the “original” contract period is the dollar amount the agency should consider when determining whether or not a purchase falls within a delegated procurement threshold. The agency should not factor in renewal option years and amounts when making this determination.
  - a. An agency should not set an “original” contract period at a shorter time frame with the intention of keeping the contract within a delegated dollar threshold.

- B. Thresholds for Specific Procurements.** The following not to exceed thresholds apply for specific procurements by all Commonwealth Agencies for which DGS is to act as the purchasing Agency:

1. For the repair, maintenance, modification, or calibration of equipment services to be performed by, and repair parts supplied by, the manufacturer of the equipment or by the manufacturer's authorized dealer, agencies are authorized to procure, on a no-bid basis, up to \$25,000. From \$25,000.01 to \$250,000 is Formal Method Agency. Over \$250,000 is DGS Formal Method. This includes maintenance agreements purchased from the Original Equipment Manufacturer (OEM) or an authorized service provider.
2. No thresholds apply for software license maintenance agreements and extensions of software licenses (renewals) **from the software publisher or authorized reseller**; accordingly, agencies are authorized to procure these on a no-bid basis.
3. For agency leasehold construction improvements, agencies are authorized to procure, on a no-bid basis, up to \$15,000 (see [Part I Chapter 12, Real Estate Leases](#)).

4. Purchases under this section that exceed an agency's Purchasing Card transaction limit require appropriate terms and conditions to be attached to the purchase order or other purchasing document.

**C. Small No-Bid Procurements.**

1. **Delegation.** Pursuant to the authority given in Section 514 of the *Commonwealth Procurement Code, 62 Pa. C.S., § 514*, DGS has authorized Agencies to procure on a small no-bid procurement basis provided they do not exceed thresholds identified above with any vendor in a calendar quarter. This procurement process may be found in [Part II Chapter 01, Small No-Bid Procurements](#) of this Handbook.
2. **Limitations.** Agencies are not authorized to make small no-bid procurements if the procurement is the subject of a statewide requirements contract unless either of the following conditions exists:
  - a. Purchases may not be artificially divided to stay under the threshold.
  - b. This method may not be used for recurring shipments for the same material or service.
  - c. The procurement is less than the minimum order amount stated within the contract.
  - d. The off-contract procurement is authorized by DGS as provided in [Part I Chapter 09, Statewide Requirements Contract](#).

**D. Delegated Procurements.**

1. **General Policy.** DGS may delegate authority to make procurements to an agency and may revoke any authority which has been delegated. Any Agency receiving delegation for a procurement shall exercise this delegated authority in accordance with the written requirements of the delegation, the Commonwealth Procurement Code, and this Procurement Handbook.
2. **Specific Authority to Contract.**
  - a. **Materials or Services.** Any Agency may act as a purchasing agency and contract on its own behalf for materials and/or services provided **ALL** of the following requirements apply:
    - (1) The total amount of the procurement does not exceed thresholds identified above unless specific written delegation received from DGS Bureau of Procurement.
    - (2) The material or service is **NOT** on a DGS statewide requirements contract or the Agency has received written delegation from DGS Bureau of Procurement to buy off-contract.
    - (3) It is not a sole source procurement of materials.

- (4) The Agency complies with the requirements and procedures for the following processes, as applicable:
  - (a) Competitive sealed bidding.
  - (b) Competitive sealed proposals.
  - (c) Multiple awards.
  - (d) Competitive selection procedures for certain services.
  - (e) Procurement by persons with disabilities.
  - (f) Sole source procurement (services only).
  - (g) Emergency procurement.

**E. Construction.** See [Part IV](#).

**F. Complete Delegated Authority.** For the following services, the using Agency shall have complete delegated authority to contract. The using Agency shall be the contracting agency:

1. When an attorney, law firm, or a litigation consultant is selected by the Office of General Counsel (OGC).
2. For investment advisors or managers selected by the Public School Employees' Retirement System (PSERS) or the Pennsylvania State Employees' Retirement System (SERS).
3. For financial or investment experts selected by the Office of Budget.
4. For expert witnesses selected by Commonwealth attorneys.

**G. Sole Source and Emergency Procurement.** While DGS has delegated authority to make sole source procurements of services which do not exceed the thresholds established above, all sole source contracts, except contracts for those services that have complete delegated authority listed above, which exceed the dollar threshold for small no-bid procurements must have written pre-approval by DGS. All emergency procurements which exceed the dollar threshold for small no-bid procurements must also have pre-approval by DGS unless the Agency can establish that because of the nature or time of the emergency, proper department officials were not available or the time would not permit contact with DGS.

**H. Special Delegations.** The DGS Secretary (or designee) may delegate or revoke authority to perform specific procurement activity and awarding of contracts. The factors to be considered in making the decision to delegate include:

1. The expertise of the potential delegate in terms of procurement knowledge and any specialized knowledge pertinent to the authority to be delegated.
2. The past experience of the potential delegate in exercising similar authority.

3. The degree of economy and efficiency to be achieved in meeting the Commonwealth's requirements if authority is delegated.
  4. Available resources of DGS to exercise the authority if it is not delegated.
  5. The consistency of delegation under similar circumstances.
- I. Exceptions.** The authorizations and delegations provided in this chapter do not include:
1. The procurement of construction..
  2. The procurement of design professional services.
  3. The procurement of insurance and notary bonds.
  4. The procurement of automobiles (including but not limited to passenger cars, station wagons, buses, sports utility vehicles, vans, and pickup trucks) except short term leases (less than 1 year).
  5. The procurement of maintenance and repairs for Commonwealth-owned automobiles (including but not limited to passenger cars, station wagons, buses, sports utility vehicles, minivans, vans, and pickup trucks).
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**References:**

1. [Part I Chapter 12, Real Estate Leases](#)
2. [Part II Chapter 01, Small No-Bid Procurements](#)
3. [Part I Chapter 09, Statewide Requirements Contracts](#)
4. [Part II Chapter 09, Off-Contract Procurements](#)
5. [Procurement Handbook, Part IV \(Construction Chapters\)](#)