

UNIFORM GRANTS GUIDANCE

# Procurement Thresholds for Federal Funds

Effective January 1, 2025

The Uniform Guidance (UG) updates from the Federal Office of Management and Budget increased the Micro-purchase procurement method from \$3,500 to \$10,000 and increased the Small Purchase Procedures threshold from \$150,000 to \$250,000, effective June 20, 2018. Under UG, non-Federal entities must comply with the more restrictive of Federal, state, and entity-level requirements. The following table outlines the procurement methods to be used for the acquisition of goods and services when using Federal funds.

**Note:** Federal and state acquisition thresholds are adjusted periodically.

Procurement Method §200.320	Goods/Supplies	Services	Requirements
Micro-purchase (No quotes required)	Less than \$10,000  Note: Must use more restrictive \$0 Federal threshold instead of no state requirements under \$12,600	Less than \$10,000  Note: Must use more restrictive \$10,000 Federal threshold instead of state exemption for services	<ul style="list-style-type: none"><li>consider price to be reasonable</li><li>distribute equitably among suppliers to the extent practical</li></ul>
Simplified Acquisition Procedures (Relatively simple and informal)	\$10,000 - \$23,800  Note: Must use more restrictive \$10,000 Federal threshold instead of \$23,200 state threshold	\$10,000 - \$249,999  Note: Must use more restrictive \$10,000 Federal threshold instead of state exemption for services	<ul style="list-style-type: none"><li>obtain/document price or rate quotations from a reasonable number of qualified sources (at least three per 24 PS 8.807.1)</li><li>written or documented quotes</li></ul>
Sealed Bids (Formal advertising)	\$23,800 or more  Note: Must use more restrictive \$23,200 state threshold instead of \$250,000 Federal threshold	N/A	<ul style="list-style-type: none"><li>bids are publicly solicited</li><li>firm fixed price contract awarded to the responsible bidder lowest in price</li><li>cost or price analysis for purchases in excess of the Simplified Acquisition Threshold (\$250,000)</li></ul>
Competitive Proposals (Formal RFPs)	N/A	\$250,000 or more  Note: Must use more restrictive \$250,000 Federal threshold instead of state exemption for services	<ul style="list-style-type: none"><li>conducted with more than one source submitting an offer</li><li>price in not used as sole selection factor.</li><li>fixed price or cost-reimbursement type contract is awarded</li><li>cost or price analysis for purchases in excess of the Simplified Acquisition Threshold (\$250,000)</li></ul>
Non-competitive proposals	Appropriate only when these circumstances apply: <ul style="list-style-type: none"><li>Available only from a single source (sole source)</li><li>Public emergency</li><li>After soliciting from several sources, competition is deemed inadequate</li><li>Consult with your (LEA) solicitor</li></ul>		<ul style="list-style-type: none"><li>solicitation from only one source</li><li>used only when qualifying circumstances apply</li><li>fixed price or cost-reimbursement type contract is awarded</li></ul>

Updated 2025 - Reference: [Pennsylvania Bulletin](#)

**NOTE:** State threshold \$12,900 is not applicable to Federal Procurement Thresholds.