

Please see the following Procurement Policy updates being sent on behalf of Mark Mills in the Procurement Services Department:

The Division of Finance (DoF) has launched [Finance Forward](#), a transformation initiative to create a unified financial environment that simplifies operations, safeguards resources, and fosters accountability across the University. The **Procurement Transformation Initiative**, which is one of the Finance Forward portfolio projects, is putting in place two procurement policy changes aimed at simplifying operations and reducing administrative burden across campus. These changes will take effect on **January 1, 2025** and are as follows:

1. **Increase in the Competitive Bid Threshold**

What's Changing

- The University is **raising the University competitive bid limit from \$10,000 to \$50,000.**

This policy change aligns Penn with the \$50,000 micro-purchase bid threshold permitted per Uniform Guidance, thereby reducing the number of transactions subject to audit. This change will reduce the volume of *required* competitive bids on POs by over 70% annually. Proof of competitive bid or substantiated bid waiver will be required for purchases over \$50,000, and proof of formal RFP will be required for purchases over \$250,000.

What's NOT Changing

- Although no longer *required* by the University, buyers should still practice strong stewardship and are encouraged to seek out bids regardless of value to ensure price competitiveness, value optimization, and ample opportunity for small, diverse businesses to compete for Penn business.
- PO receipt requirements and capital thresholds will NOT change.

2. **Increase in P-Card Limits**

What's Changing

- Standard P-Card limits will be increased from **\$1,000 to \$2,500** for a single transaction and from **\$4,999 to \$10,000** for a monthly / total transaction limit.

These raised limits accommodate the higher cost of miscellaneous purchases and align with industry standards. The increased threshold will dramatically decrease the volume of exception-limit requests, which exceeds over 3,000 tickets annually. Procurement Services will provide bolstered back-end monitoring to mitigate risk, while continuing to address certain purchases in real-time to promote the best methods of procurement. Per normal operating practice that is in place today, schools and centers may request limit-exceptions above or below the standard limits by request in [BEN Helps](#).

What's NOT Changing

- P-Card purchase documentation requirements
- Categories of purchases/payments permitted on P-Card
- The dollar limit for other cards, such as the Student, Travel, Meeting, Bookstore, and Fleet cards

Finally, as a reminder to P-Card cardholders, Penn's Tax-Exempt ID is printed on the back of the card and may be used at the time of transaction. To obtain a hard copy of the University's tax-exempt certificate, please submit a request via [BEN Helps](#).

Have Questions?

Please reach out for more information at [BEN Helps](#).

Thank you!

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