



**State of Georgia
Department of Administrative Services
State Purchasing Division**

Official Announcement # 26-04

DATE: December 17, 2025

TO: State of Georgia Procurement Professionals

FROM: Carrie Steele, Deputy Commissioner of State Purchasing, DOAS 

RE: GPM Section 1.3.4.5. Open Market Purchases Revisions

The Department of Administrative Services (DOAS) State Purchasing Division (SPD) announces revisions to Georgia Procurement Manual (GPM) Section 1.3.4.5. Open Market Purchases effective **December 17, 2025**. This section of the GPM details open market purchases in Tier 4 of the Order of Precedence. If the Agency Procurement Officer (APO)/College/University Procurement Officer (CUPO) determines an open market purchase is the appropriate purchasing method under Tier 4 of the Order of Precedence, the APO/CUPO must purchase the item using competitive bidding procedures.

Revisions and additions to GPM Section 1.3.4.5. Open Market Purchases are made to clarify and provide guidance regarding the competitive bidding threshold. Key revisions are summarized below and detailed in the attached Summary of Georgia Procurement Manual Changes Table (Attachment 1):

- Adding guidance that competitive bidding threshold applies regardless of payment method.
- Adding guidance that competitive bidding threshold applies whether a PO or contract is issued.
- Adding guidance how to determine whether it is “reasonably foreseeable” that the state entity will have a reoccurring need. APO/CUPO should:
 - seek information from internal state entity representatives regarding future purchasing needs,
 - monitor purchases throughout the state fiscal year, and
 - review historical spending patterns to identify reoccurring purchases.
- Adding guidance how to determine whether purchases are “related” for purposes of applying the competitive bidding threshold. APO/CUPO should consider the following:
 - purchases from the same supplier,
 - purchases with the same NIGP code from one or more suppliers, and
 - goods and services within similar categories.
- Creating exception for physical services provided at different geographic locations when available suppliers will vary per geographic location provided cost per location is less than \$25K.
- Creating a stand-alone guide with examples.

SPD will incorporate these revisions into a future update of the [Georgia Procurement Manual](#), which will be announced separately. SPD will conduct a webinar to review these changes. Please distribute this Official Announcement internally. For any questions related to this Official Announcement, please contact spdpolicy@doas.ga.gov.



Attachment 1

Summary of Purchasing Policy Changes Effective December 17, 2025

NOTE: This table summarizes changes to purchasing policy and processes within the Georgia Procurement Manual (GPM) as announced through Official Announcement **#26-04 GPM Section 1.3.4.5. Open Market Purchases Revisions**. In the event of any conflict between this table and the GPM (once published), the revised GPM shall govern.

GPM Section	Description of Change
CHAPTER 1 – STAGE 1 – NEED IDENTIFICATION	
Section 1.3.4.5. – Open Market Purchases	<ul style="list-style-type: none"> Revised the section as follows: <p>1.3.4.5. Open Market Purchases</p> <p>In Tier 4 of the Order of Precedence, the APO/CUPO may elect to go to the open market to identify a source of supply for the needed good or service. If the APO/CUPO determines an open market purchase is the appropriate purchasing method under Tier 4 of the Order of Precedence, the APO/CUPO must purchase the item through the use of competitive bidding procedures as further described in chapters 2 through 7 of this manual unless the needed good/service can be purchased for less than <u>the competitive bidding threshold</u>. <u>All purchases made by a state entity should be based on competitive bidding whenever possible.</u> \$25,000 in which case the good/service may be purchased without competitive bidding pursuant to OCGA 50-5-69*. Although competition is not required for purchases under \$25,000, SPD recommends the comparison of products and prices from at least three suppliers, including any applicable convenience statewide contracts, prior to ordering.</p> <p>Revenue-generating contracts where the State will receive a payment from a supplier rather than the State making a payment to a supplier; cost-savings contracts, where a supplier will</p>

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	<p>receive a payment through the savings recognized by the State; and contracts executed by the State where the supplier will receive payments from an individual or entity other than the State must be competitively procured when the supplier is anticipated to receive more than \$25,000 in payments/revenue. Benefits based funding projects must be procured in accordance with O.C.G.A. § 50-5-77 et seq. and energy savings performance contracts must comply with the requirements of O.C.G.A. § 50-37-1 et seq.</p> <p>Otherwise, all purchases made by a state entity should be based on competitive bidding whenever possible. The state entity may not split reasonably foreseeable or related purchases into two or more transactions for the purpose of circumventing the requirement that any purchase of \$25,000 or more be based on competitive bidding.</p> <p>* Purchases made without competitive sealed bidding, even if allowable under the Purchasing Act, are not eligible for the conflict of interest safe harbors provided in OCGA 45-10-20 et seq. when transacting business with a business in which a state employee or state official has a “substantial interest”. A state entity can only purchase from a business in which a public official has a substantial interest by seeking competitive sealed bids as set forth in OCGA 45-10-20 et seq. or by purchasing from statewide contracts which have been established by competitive sealed bidding.</p> <p>Note: deleted text above moved to new subsection with some additional revisions.</p>						
Section 1.3.4.5. – Open Market Purchases, Table 1.9	<ul style="list-style-type: none"> Removal of Table 1.9 Examples – Reasonable Foreseeable Purchases <table border="1" data-bbox="667 1118 1913 1425"> <thead> <tr> <th colspan="2" data-bbox="667 1118 1913 1187">Table 1.9 Examples – Reasonable Foreseeable Purchases</th></tr> <tr> <th data-bbox="667 1187 1291 1222">If</th><th data-bbox="1291 1187 1913 1222">Then</th></tr> </thead> <tbody> <tr> <td data-bbox="667 1222 1291 1425">A state entity has a history of making regular monthly purchases for office supplies of \$8,000 – \$9,000 each month.</td><td data-bbox="1291 1222 1913 1425">The state entity may use an existing convenience statewide contract for supplies or must establish its own agency contract for office supplies via competitive bidding because its historical spend makes it</td></tr> </tbody> </table>	Table 1.9 Examples – Reasonable Foreseeable Purchases		If	Then	A state entity has a history of making regular monthly purchases for office supplies of \$8,000 – \$9,000 each month.	The state entity may use an existing convenience statewide contract for supplies or must establish its own agency contract for office supplies via competitive bidding because its historical spend makes it
Table 1.9 Examples – Reasonable Foreseeable Purchases							
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		reasonably foreseeable that the recurring quarterly cost will be more than \$25,000.
	<p>A state entity purchases office supplies for \$8,500 on July 10. IT DOES NOT KNOW when it will next purchase office supplies as its history of purchasing office supplies is IRREGULAR AND AD HOC—in the past, the state entity has purchased \$8,000–9,000 in office supplies once in six months or \$8,000 each month for three consecutive months. On September 15, the state entity purchases \$8,000 in office supplies. On October 30, the state entity purchases \$8,500 in office supplies. On November 20, the state entity purchases \$9,000 in office supplies. On March 1, the state entity purchases \$8,500 in office supplies. KNOW when it will next purchase office supplies as its history of purchasing office supplies is IRREGULAR AND AD HOC—in the past, the state entity has purchased \$8,000–9,000 in office supplies once in six months or \$8,000 each month for three consecutive months. On September 15, the state entity purchases \$8,000 in office supplies. On October 30, the state entity purchases \$8,500 in office supplies. On November 20, the state entity purchases \$9,000 in office supplies. On March 1, the state entity purchases \$8,500 in office supplies.</p>	<p>The state entity does not have to seek competitive bids to purchase the office supplies on July 10, September 15, October 30, November 20, and March 1.</p>
	<p>A state entity has 10 a/c units that are all past their normal life span and plans to replace all of the a/c unit compressors at various points in time during the fiscal year. Each of the a/c compressors will cost \$4,000.</p>	<p>The state entity must seek competitive bids for the replacement of the a/c compressors as a group because the state entity PLANS to spend \$40,000—well above the \$25,000 statutory competitive bid requirement.</p>
	<p>A state entity has 10 a/c units which are all past their normal life span but does not have</p>	<p>The state entity does not have to seek competitive bids for the a/c compressors.</p>

GPM Section	Description of Change
	<p>the funds to replace the a/c units — SO THE STATE ENTITY DOES NOT KNOW WHEN OR IF IT CAN REPLACE THE A/C UNITS. The compressor fails in one of the a/c units on July 10 and the state entity finds money to purchase an a/c compressor for \$8,500. On August, 15, another a/c unit compressor dies and so the state entity again finds money to purchase an a/c compressor for \$8,500 in August. On September 1, another a/c unit compressor dies and so the state entity again finds money to purchase an a/c compressor for \$8,500 in September.</p>
<p>New! Section 1.3.4.5.1. Competitive Bidding Threshold</p>	<ul style="list-style-type: none"> • New subsection added: <p><u>1.3.4.5.1. Competitive Bidding Threshold</u></p> <p><u>In accordance with O.C.G.A. § 50-5-69, all purchases of \$25,000 or more must be competitively bid. Unless an exemption applies, the competitive bidding threshold applies to all state entity purchases of goods or services of \$25,000 or more regardless of the payment method and whether a purchase order or contract is issued.</u></p> <p><u>In addition, the competitive bidding threshold applies to the following contracts when the supplier is anticipated to receive payments or revenue from an individual or entity other than the state entity equal to \$25,000 or more:</u></p> <ul style="list-style-type: none"> • <u>Revenue-generating contracts where the state entity will receive a payment from a supplier rather than the state entity making a payment to a supplier;</u> • <u>Cost-savings contracts, where a supplier will receive a payment through the savings recognized by the state entity; and</u> • <u>Contracts executed by the state entity where the supplier will receive payments from an individual or entity other than the State.</u>

GPM Section	Description of Change
	<p><u>Benefits based funding projects must be procured in accordance with O.C.G.A. § 50-5-77 et seq. and energy savings performance contracts must comply with the requirements of O.C.G.A. § 50-37-1 et seq.</u></p>
<p>New! Section 1.3.4.5.2. Reasonably Foreseeable or Related Purchases</p>	<ul style="list-style-type: none"> New subsection added: <p><u>1.3.4.5.2. Reasonably Foreseeable or Related Purchases</u></p> <p><u>The state entity may not split reasonably foreseeable or related purchases into two or more transactions for the purpose of circumventing the requirement that any purchase of \$25,000 or more be based on competitive bidding. In determining whether it is reasonably foreseeable that the state entity will have a reoccurring need to purchase goods or services, the APO/CUPO should seek information from internal state entity representatives regarding future purchasing needs, monitor purchases throughout the state fiscal year, and review historical spending patterns to identify reoccurring purchases. If it is likely that the state entity will have a reoccurring need to purchase goods or services which, in aggregate, would meet or exceed the competitive bidding threshold, then the APO/CUPO must comply with the competitive bidding procedures of the manual.</u></p> <p><u>To determine whether individual purchases are related for purposes of applying the competitive bidding threshold rule, the APO/CUPO should consider the following factors which must be considered in combination:</u></p> <ul style="list-style-type: none"> <u>Purchases from the same supplier. Generally, purchases from the same supplier would be considered related purchases. The APO/CUPO should carefully monitor spend with an individual supplier and include written documentation explaining why individual purchases are unrelated if the purchases, in aggregate, will exceed the competitive bidding threshold within a single fiscal year.</u> <u>Purchases with the same NIGP code from one or more suppliers. Generally, purchases that may be categorized with the same NIGP code may be considered</u>

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	<p><u>related purchases. The more detailed and specific the NIGP code, the more likely that the purchase would be considered a related purchase.</u></p> <ul style="list-style-type: none"> <p><u>Exception for physical services provided at different geographic locations when available suppliers will vary per geographic location. Generally, one or more suppliers providing the same physical services at a single geographic location would be considered related services. However, when a state entity requires the same physical service to be performed but at different geographic locations and generally contracts for these locations independently, the purchase may be considered unrelated and secured without competitive bidding provided the cost of providing services at the specific geographic location is less than the competitive bidding threshold. For example, the state entity maintains multiple offices across the state that require janitorial services and the suppliers available to perform these services will vary per geographic area. In this example, the state entity's purchase of janitorial services in different geographic locations would not be considered related purchases and could be acquired without competitive bidding provided the cost per location will be less than \$25,000 per state fiscal year. The APO/CUPO must exercise reasonable judgement when applying this exception and is encouraged to consider opportunities to contract with Georgia small businesses.</u></p> <p><u>Goods and services within similar categories. As a best practice, APOs/CUPOs should also consider items that would fall within similar categories and would normally be purchased together as related purchases. For example, writing pens, paper clips, and staples would be considered related purchases in that they are likely to be available for purchase together from suppliers offering office supplies. As another example, disposable utensils, paper plates, and paper napkins would be considered related purchases in that they are likely to be available for purchase together from suppliers offering disposable paper and plastic products.</u></p> <p><u>Additional guidance and examples of reasonably foreseeable or related purchases for purposes of applying the competitive bidding threshold rule are available through the following resource: Georgia Competitive Bidding Threshold – Sample Purchasing Scenarios and Guidance. The APO/CUPO should identify opportunities where it may be advantageous to establish fixed pricing, obtain volume discounts or secure an available source of supply with</u></p>

GPM Section	Description of Change
	<p><u>established contract terms for a fixed period of time when the need for the good or service is reasonably foreseeable to occur on an ongoing basis.</u></p>
<p><i>New!</i> Section 1.3.4.5.3. Purchases Less than Competitive Bidding Threshold</p>	<ul style="list-style-type: none"> • New subsection added <p><u>1.3.4.5.3. Purchases Less than Competitive Bidding Threshold</u></p> <p><u>Although competition is not required for purchases less than \$25,000*, SPD recommends comparing products and prices from at least three suppliers, including any applicable convenience statewide contracts, prior to ordering.</u></p> <p><u>*As a reminder, state employees and public officials must comply with Georgia law governing ethical behavior, conflicts of interests and prohibitions on certain business transactions with state entities (O.C.G.A. 45-10-20 et seq.). State employees should consult with the state entity's ethics officer for further guidance.</u></p>