




SUBJECT: Bureau of Procurement Policy Directive 2021-1
New Technology Pilot Program and Product Demonstrations

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

cc: Kenneth J. Hess, Deputy Secretary for Procurement
Janice M. Pistor, Chief Procurement Officer
Charles E. Anderson, Chief Counsel

FROM: Curtis M. Topper 
Secretary of General Services

DATE: January 4, 2021

With the rapid pace of emerging technology in materials, services, and information technology (collectively referred to as new technology), the Commonwealth needs to be able to test or view those new technologies to determine if such new technologies would meet developing Commonwealth needs. Formal procurement methods and contracts are not always agile enough to enable the Commonwealth to run short term pilot programs or conduct product demonstrations of new technology and can require significant amounts of time to accomplish. Accordingly, I am implementing, effective January 4, 2021, the ability for agencies to conduct short term pilot programs and product demonstrations of new technologies.

An Agency may submit a request to the Department of General Services' Chief Procurement Officer for approval of a pilot program and/or product demonstration for new technology. Such request shall detail the proposed pilot program and/or product demonstration, the cost to the agency to participate in the pilot program and/or product demonstration, the potential use/impact for the agency, and the anticipated term of the pilot program and/or product demonstration.

Upon review of the request, the Chief Procurement Officer or designee may authorize the agency to enter into no-bid agreements for pilot projects and/or product demonstrations with vendors or prospective vendors for the purpose of testing and evaluating new technology provided that such agreements are in accordance with the contents of this Policy Directive as set forth below:

- (1) are for a period not to exceed twelve months from the initiation of the pilot project or demonstration, unless an initial term or extension beyond initial one year is approved by the Chief Procurement Officer;
- (2) do not grant any exclusive rights to the vendor, nor provide any in-kind, or advertising commitments by the Commonwealth;



- (3) provide for appropriate indemnification of the Commonwealth;
- (4) provide for Commonwealth ownership of any data generated during the testing and observation period;
- (5) provide for the return of any equipment, hardware, software licenses, or other tangible personal property used for the pilot program and/or product demonstration;
- (6) are terminable at will by the Commonwealth;
- (7) unless approved by the Chief Procurement Officer, do not exceed \$50,000 in cost to the Commonwealth to participate, inclusive of any required acquisitions of technology software or hardware and related services, for the term of the pilot program or product demonstration agreement, including any and all approved extensions;
- (8) are in adherence with all policies of the Commonwealth; and
- (9) projects that impact enterprise information technology resources must be approved by the Office of Administration Office of Information Technology via the enterprise IT Investment review process in accordance with ITP-BUS002 <https://www.oa.pa.gov/Policies/Documents/ITP-BUS002.pdf>.

Each pilot project or product demonstration must be established by an agreement that shall be subject to review and approval as set forth in the Commonwealth Attorneys Act and Commonwealth policies. All agreements entered into under this Policy Directive are subject to the Pennsylvania Right-to-Know-Law.

Pilot project and/or product demonstration agreements may not serve as a basis for any non-competitive purchase and may not serve as the primary basis of the public interest justification of any sole source approval relating to the relevant agreement.

In the event that an Agency seeks to procure a similar technology, product or service as the one that is part of the pilot project or project demonstration through the Commonwealth's competitive procurement process, relevant information regarding the pilot project or project demonstration and the technology, product, or services tested will be made available to all competing proposers/bidders.

A report of all executed agreements for pilot projects and product demonstrations will be provided to the Chief Procurement Officer on an annual basis.

This Policy Directive shall be effective January 4, 2021, when all Agencies will be able to utilize this process for pilot project agreements and product demonstration agreements. A new chapter will be added to Part I of the DGS Procurement Handbook to implement this program.