



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

Official Announcement #03-12

To: All Georgia Agency and College/University Purchasing Officers, Chief Financial Officers, Purchasing Card Coordinators, Facility Managers, and other Purchasing Officials

From: Leslie Lowe
State Purchasing Division Assistant Commissioner

Date: June 15, 2012

Re: Georgia Procurement Manual (GPM) Changes, Webinar Announcement, and Revised Purchasing Card Policy

This communication is to announce updates that will be made to the Georgia Procurement Manual (GPM-V3-September 2011) currently found online at <http://doas.ga.gov/Pages/Home.aspx>. These changes will be effective July 1, 2012. This announcement will serve as official notice of these policy changes until a revised Georgia Procurement Manual is published September 1, 2012, on the State Purchasing website.

Two (2) webinars will be held on June 28, 2012, to provide an overview of the changes detailed in this announcement. We encourage all state procurement professionals to register for one of these sessions at the following links:

10 a.m. session: <https://www1.gotomeeting.com/register/759567000>

2 p.m. session: <https://www1.gotomeeting.com/register/300242024>

Time will be allotted during each session to address questions from this communication or from information presented during the webinar. We encourage you to be prepared to bring any concerns you may have for discussion.

For your convenience, a general summary of the upcoming changes to the GPM, including specific references to sections, is listed on the following pages.

Chapter: Introduction and General Overview

Section	Revision
I.4.4.3.	Added clarity to Fiduciary Duty of procurement professionals to include gaining and retaining public trust and confidence in procurements.
I.6.	Reference to the Open Records Law is changed to the Official Code of Georgia Section 50-18-70 through Section 50-18-77 and a hyperlink is provided to access the specific sections.

Chapter 1: Stage 1 – Need Identification

Section	Revision
1.2.4.	Added best practice to view the NIGP Exempt List online because of periodic updates made by State Purchasing to the list.
1.3.4. Tier 4	Changed requirement for making purchases from consortia approved/cooperative purchasing – approved suppliers: Prior to designating a supplier approved by a consortia or purchasing cooperative as an authorized source of supply, the state entity must publicly advertise its intent to contract with the consortia – approved/cooperative-approved supplier in accordance with Section 2.3.2.2 (Conducting Sole-Source Purchases).
1.3.4.4.	Changed requirement for making purchases from consortia-approved/cooperative purchasing – approved suppliers: Prior to designating a supplier approved by a consortia or purchasing cooperative as an authorized source of supply, the state entity must publicly advertise its intent to contract with the consortia-approved/cooperative-approved supplier in accordance with Section 2.3.2.2 (Conducting Sole-Source Purchases).
1.3.4.5.	Changed the requirement that purchases of \$25,000 or more be based on competitive bidding.
1.3.5.1.	Updated link to revised Purchasing Card Policy effective July 1, 2012. NOTE: See the revised Purchasing Card Policy, effective July 1, 2012, attached to this Official Announcement. Details of the policy revisions are detailed below.
Table 1.7	“Examples - Reasonably Foreseeable or Related Purchases”: Modified examples to reflect the \$25,000 competitive bidding

requirement.

Chapter 2: Stage 2 – Pre-Solicitation

Section	Revision
2.2.2.	Provided a definition for “open” and “fixed quantity” contracts.
2.3.2.1.	Changed the requirement for state entities to establish justification why the needed goods or services should not be procured through open competition for sole-source purchases of \$25,000 or more.
2.3.2.2.	Deleted bullet referencing the sole source process does not apply to: SPD-approved purchases from consortia or cooperative purchasing groups.
2.4. Step 3	Changed the requirement that all solicitation methods are conducted through a formal sealed bidding process with the exception of reverse auctions and informal pricing requests for purchases less than \$25,000
Table 2.6.	<p><u>Changed requirement in Step 4 to:</u></p> <p>The procurement professional must provide public notice of the intended sole-source purchase or contract through a posting to the GPR. The purpose of publicizing the sole-source is to allow the free market to act as a check and balance on invalid sole sources by allowing suppliers to protest a sole source 1) if suppliers believe and can document that they also meet the requirements of the sole source; or 2) if suppliers believe the sole source requirements are unjustifiably restrictive.</p> <p>The total posting period for a sole-source notice is determined by the estimated contract value. If the estimated contract value is \$25,000 - \$249,999.99, the notice is to be posted for a minimum of five (5) business days. If the estimated contract value is \$250,000 or greater, the notice is to be posted for a minimum of fifteen (15) calendar days (mandated by Georgia law).</p> <p><u>Changed requirement in Step 5 to:</u></p> <p>The <u>GPR</u> posting must include the following:</p> <ul style="list-style-type: none">• a detailed description of the goods/services to be purchased, the exact quantity, the per unit price, and the total price (i.e. quantity x unit price); if the exact quantity is not known because the state entity seeks to establish an open contract without seeking bids/proposals (e.g. using sources of supply established by other states, consortia, or

cooperatives), the state entity must include the estimated quantity, the per unit price, and the total estimated value of the open contract (i.e. estimated quantity x unit price),

- the expected term of the contract, to include any renewal options,
- the identity of the sole-source supplier,
- the completed form SPD-PS020 Sole-Source Intent to Award Justification, and
- instructions to interested suppliers to file any challenges to the sole-source determination in accordance with SPD established process for resolving protests.

Chapter 3: Stage 3 – Solicitation Preparation

Section	Revision
3.3.	Reference to the Open Records Law is changed to the Official Code of Georgia Section 50-18-70 through Section 50-18-77 and a hyperlink is provided to access the specific sections.
3.3.1.	For all state entities not using Team Georgia Marketplace™, it is now <i>mandatory</i> to use eSource for processing RFPs. The procurement professional has the discretion to use eSource for RFIs and RFQCs.
3.3.2.	For state entities using Team Georgia Marketplace™, it is now <i>mandatory</i> to use Team Georgia Marketplace™ for RFIs. The following text is removed from this section: Unless directed otherwise by SPD, state entities that are Team Georgia Marketplace™ users should use the GPR or eSource to post any RFIs.
3.5.2.1.	Added NOTE below Table 3.5. to state: Public posting guidelines for sole-source notices are described in Section 2.3.2.2. Conducting Sole-Source Purchases.

Chapter 4: Stage 4 – Solicitation

Section	Revision
4.5.9.	Modified text to direct suppliers to submit proof of insurance directly to the state entity when the solicitation requires insurance

for the period of the contract.

NOTE: State Purchasing is receiving many insurance certificates from insurance companies with no reference to the state entity contract number or state entity name.

- 4.8.2. Added a notice of cancellation will include either a description or a document to detail the reason for cancellation.

Chapter 5: Stage 5 – Evaluation Process

Section	Revision
5.6.6.5.	<p>Modified text to reflect legislative change in Reciprocal Preference Law: Preference is granted in awarding bids or proposals for the same goods or services by such other state (<u>or by any local governments of such state</u>) to suppliers resident therein over suppliers resident in the state of Georgia.</p> <p>The following text is removed from this section: All state entities are required to apply this <i>reciprocal preference</i>.</p>

Chapter 6: Stage 6 – Award Process

Section	Revision
6.3.1.	<p>Added requirement for non-Team Georgia Marketplace™ users to enter the solicitation number in the Purchase Order reference field.</p>
Table 6.5.	<p>“NOA Posting Policy”: Modified the requirement in Team Georgia Marketplace™ for the issuing officer to upload the SPD-AP005 Notice of Award to Team Georgia Marketplace™ and then post it to the GPR for public notice.</p>
Table 6.6	<p>“Purchase Type Codes”:</p> <p>Corrected the Purchase Type Code for Emergency Purchases to reflect EMER.</p> <p>Changed description for State Entity Cooperative/Consortia Purchases (ACC) Purchase Type Code to: State entity’s purchase from its own contract with a consortia-approved/cooperative-approved supplier (See <u>Section 1.3.4.4. - Consortia and Cooperative Purchasing</u>).</p> <p>Changed description for MUL Purchase Order Type to reflect competitive bidding requirements on Open Market Purchases less than \$25,000.</p>

Chapter 7: Stage 7 – Contract Process

Section	Revision
7.3.1.	Modified text to direct suppliers to submit proof of insurance directly to the state entity when the solicitation requires insurance for the period of the contract. NOTE: State Purchasing is receiving many insurance certificates from insurance companies with no reference to the state entity contract number or state entity name.

Chapter 8: Operational

Section	Revision
Table 8.3.	“Training Certification”: GCPA or Basic Certification should be completed for new APOs/CUPOs within nine (9) months of hire. GCPA or Basic Certification should be completed for all new procurement professionals within twelve (12) months of hire. RFP Certificate should be completed for APOs/CUPOS within nine (9) months of completing GCPA or Basic Certification.
8.3.5.	Corrected the current RFP delegation for RFPs to reflect \$1,000.000.00

In addition to these GPM changes, the definition for **Small Business** and **Georgia Resident Business** has been revised in Question #3 of the SPD-SP042 Supplier General Information Worksheet.

Purchasing Card Policy Revisions

Section	Revision
V.	B. Allowable Purchases 2. Software – Data plans, software, or applications (i.e. “apps”) for State-issued devices such as smart phones (e.g. iPhone, Android, blackberry) and tablets (e.g. iPads) ONLY. Purchases cannot be made for personal devices even if used for State business. 5. Airline tickets and vehicle rentals for state personnel traveling on official State business as defined in the State Travel Regulations published by the State Accounting Office and the Office of Planning and Budget. All rentals must be from one of the Mandatory Statewide Contracts unless approved through the Waiver from Statewide Contract process as defined in Section

1.3.1.1. in the Georgia Procurement Manual.

C. Prohibited Purchases

2. Data plans, software, or applications (i.e. “apps”) for non-State Entity issued devices, including, but not limited to, smart phones (e.g. iPhone, Android, blackberry), laptop computers, or tablets (e.g. iPad).

8.

i. Non-mechanical body shop repairs not covered under the state’s vehicle maintenance contract may be paid for with a purchasing card.

ii. Allowable auto parts purchases must follow the process outlined in the [auto parts flow chart](#).

VII.

B. Legal Issues

O.C.G.A. §50-5-83(b)(12) requires criminal background checks on all employees hired for positions that are eligible for P-Cards. DOAS requires that these requirements be met for all employees using P-Card related accounts and products such as ghost cards, AP Cards and/or ePayables. Although State Entities are not required to run background checks on cardholders at the time of card renewal (every two years), this practice is highly recommended. This also applies to employees who use ghost cards, accounts payable cards, and ePayables accounts.

C. Cardholder Credit Checks

In addition to background checks for all cardholders, O.C.G.A §50-5-83(b)(12) also requires credit checks on all employees issued a purchasing card or who use ghost cards, Accounts Payable Cards, or ePayables cards. Credit checks must be run as an “employment inquiry” so as not to affect the employee’s credit score/rating. Although not required, it is recommended that credit checks also be run at the time of card renewal.

D. Competitive Solicitation

1. O.C.G.A. §50-5-69 requires competitive bidding for all open-market purchases anticipated to be \$25,000 or more. However, O.C.G.A. § 50-5-83 sets the legal Single Transactions Limit for a P-Card transaction at \$5,000 unless made against a Statewide Contract or in compliance with State procurement policy. Use of the P-Card program as a method of payment does not relieve the program participant or the Entity of these

responsibilities.

- i. Because of the legal Single Transaction Limit, all account holders must have a Single Transaction Limit (STL) of less than \$5,000, except as noted below in section C.2.
 - ii. Account holders are prohibited from splitting a transaction between two or more transactions on a single account or two or more transactions on multiple accounts on the same day or on separate days in order to circumvent the any Single Transaction Limit, regardless of the level.
2. Where job responsibilities require account holders to make single purchases of \$5,000 or more:
- i. The State Entity Card Program Administrator can approve Single Transaction Limits over \$5,000 with the approval of the account holder's supervisor and the APO / CUPO when the purchases will be from a statewide contract, an Agency contract, or a mandatory source. However, this approval does not apply to open-market purchases.
 - ii. The State Entity Card Program Administrator must use Form SPD-PC003, Special Approval Request, to obtain one-time approval from the State Cards Program Manager for any single open-market purchase of \$5,000 or more.
3. Account holders who need to make open-market purchases of \$25,000 or more must use the appropriate bid process for any purchase greater than or equal to \$25,000. Complete bid requirements are found in the Georgia Procurement Manual.