

## The Order of Precedence! Purchasing in the State of Georgia

Did you know that you must first check with Mandatory sources before going out to the Open Market to procure goods and services? No? Compliance with the Order of Precedence is **mandatory**. Information regarding the Order of Precedence can be found in the [Georgia Procurement Manual \(GPM\)](#) in Section 1.3.

There are **three questions** that you should ask yourself when you find that there is a need to purchase a good or service:

1. **Is the needed good/service exempt from the State Purchasing Act?**
2. **Can the needed good/service be satisfied through the use of an existing contract or established and approved source of supply?**
3. **Is special approval necessary?**

If the procurement professional determines that the needed good/service is **not** exempt from the State Purchasing Act or the competitive bidding requirements have not been waived, the next key question is whether a current contract exists to satisfy the purchasing need or whether the procurement professional will need to conduct a sourcing event. To answer this question, the procurement professional must follow the Order of Precedence, beginning with Tier 1 mandatory statewide contracts to Tier 2 (existing state entity contracts), Tier 3 (statutory sources), and continuing to Tier 4 (convenience statewide contracts GEPS products, piggyback purchases, open market), as defined in the diagram below.

### 1.3.1. Tier 1 - Mandatory Statewide Contracts

Statewide contracts are established by SPD for use by all state entities as appropriate. By aggregating common purchasing needs of state entities, SPD can establish the most competitive levels of pricing and services for the state as a whole. There are two types of statewide contracts:

- **Mandatory statewide contracts.**
- **Convenience statewide contracts.**

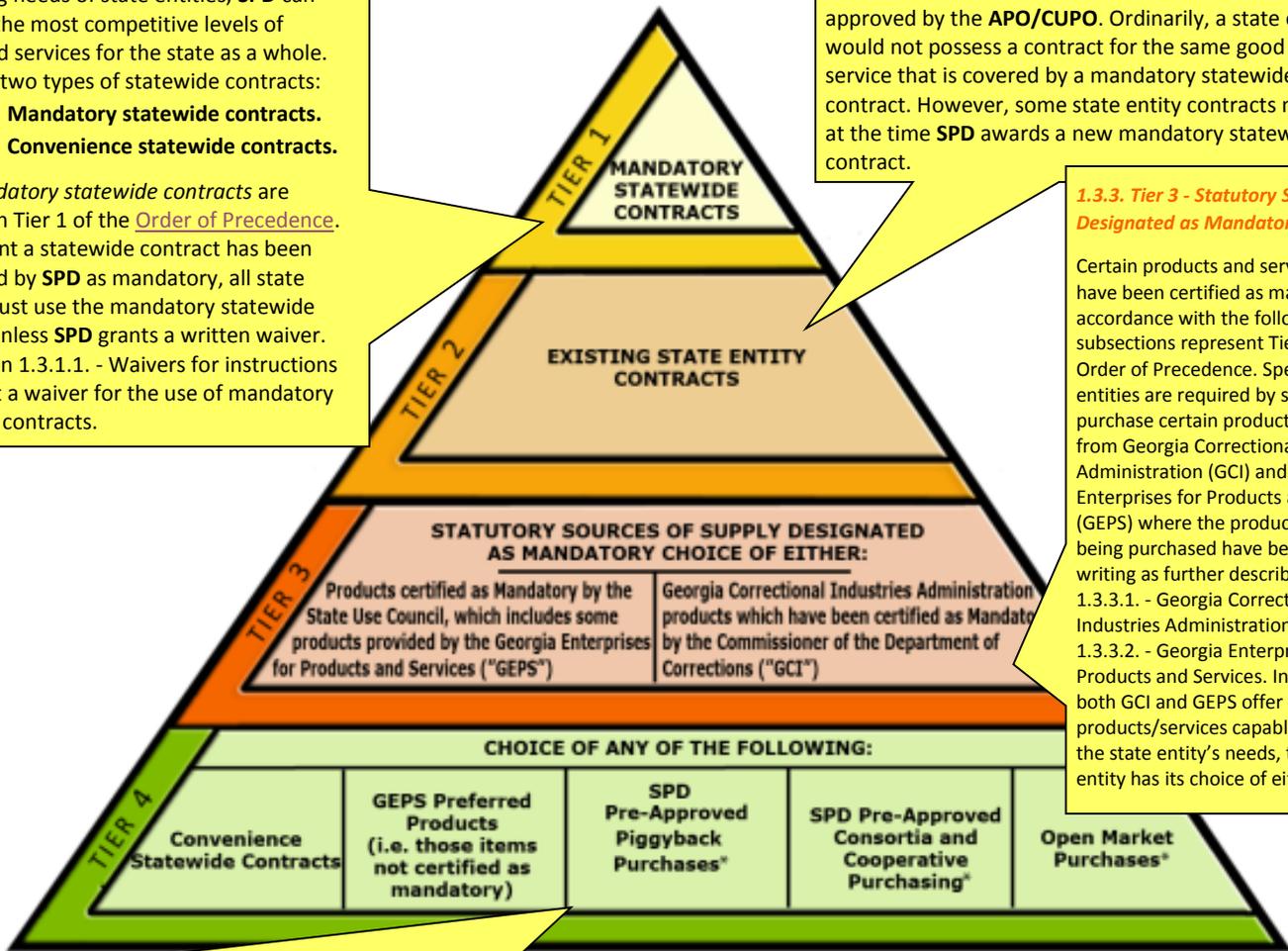
Only *mandatory statewide contracts* are included in Tier 1 of the [Order of Precedence](#). In the event a statewide contract has been designated by SPD as mandatory, all state entities must use the mandatory statewide contract unless SPD grants a written waiver. See Section 1.3.1.1. - Waivers for instructions to request a waiver for the use of mandatory statewide contracts.

### 1.3.2. Tier 2 – Existing State Entity Contracts

Existing contracts held by the state entity represent the Tier 2 of the Order of Precedence. The state entity must purchase goods/services that are available on existing contracts for that particular state entity and any deviations from such contracts must be documented and approved by the APO/CUPO. Ordinarily, a state entity would not possess a contract for the same good or service that is covered by a mandatory statewide contract. However, some state entity contracts may exist at the time SPD awards a new mandatory statewide contract.

### 1.3.3. Tier 3 - Statutory Sources Designated as Mandatory

Certain products and services which have been certified as mandatory in accordance with the following subsections represent Tier 3 of the Order of Precedence. Specifically, state entities are required by statute to purchase certain products and services from Georgia Correctional Industries Administration (GCI) and Georgia Enterprises for Products and Services (GEPS) where the products/services being purchased have been certified in writing as further described in Section 1.3.3.1. - Georgia Correctional Industries Administration and Section 1.3.3.2. - Georgia Enterprises for Products and Services. In the event both GCI and GEPS offer certified products/services capable of meeting the state entity's needs, the state entity has its choice of either source.



### 1.3.4. Tier 4 - Convenience Statewide Contracts, Preferred Products, Piggyback Purchases, Consortia or Cooperative Purchasing and Open Market Purchases

If the APO/CUPO cannot satisfy the purchasing need using Tier 1, Tier 2 or Tier 3, then the APO/CUPO may pursue any one of several options available in Tier 4 of the Order of Precedence. The options available in Tier 4 include using a convenience statewide contract, purchasing a preferred product, making an SPD-approved piggyback purchase, contracting with a consortia approved or cooperative approved supplier after satisfying the public notice requirements of Section 1.3.4.4. Consortia and Cooperative Purchasing, or making an open market purchase.