

Department of Administrative Services

Lead. Empower. Collaborate.

Advancing Procurement Compliance

State Purchasing Division

October 4, 2022



Georgia Department of Administrative Services

- The Georgia Department of Administrative Services (DOAS) is an entity of the state executive branch of government.
- DOAS is an “enterprise” agency that serves other state government entities.
- DOAS has five primary business services:
 - State Purchasing
 - Risk Management
 - Human Resources Administration
 - Fleet Management
 - Surplus Property





State Purchasing Division

- Creates and manages **statewide contracts** for commonly needed goods and services
- Collaborates with **state entities on large value, complex, or specialized procurement** activities
- Manages the state's card program
- Assesses compliance and provides guidance, training, and certifications
- Provides procurement systems and tools

Oversees purchase of more than **\$4.5 Billion** in goods and services annually

Ranked #1 and #2 in the Nation by Governing Magazine Excellence in Procurement Ranking of States (2016 – current)



Statewide Contracts

- Statewide Contract Portfolio of **400+ contracts**, providing more than **70 categories** of goods and services
- Available for use by both **state government** entities as well as **local government** entities

Agency Contracts

- Within certain dollar limits, SPD has **delegated authority to state government entities** to establish their own agency contracts to support their unique programs and needs.
- SPD provides oversight and conducts **complex, high-risk, and high-value contracts** on behalf of state entities

Note: Purchases of **\$25,000 or more** must be competitively bid



Small Business & Supplier Diversity Initiative



Governor's Executive Order 07.13.22.01

- Create the position of Small Business & Supplier Diversity Manager
- Hold regular meetings with small business community stakeholders
- Increase outreach to small business community with focus on minority-owned, woman-owned and veteran-owned businesses
- Identify challenges faced by small businesses in the state procurement process
- Prepare recommendations to make state procurement process more easily accessible
- Collaborate with Georgia Department of Economic Development and UGA SBDC Multicultural Business Division
- Report due October 31, 2022

Supplier Community

- Georgia **ranked #5** in the U.S. for the greatest number of **woman-owned firms**; **more than 450,000 woman-owned firms**
- More than **97,000 veteran-owned businesses** within the State of Georgia
- More than 450,000 **minority-owned small businesses**
- Businesses partnering to provide goods and services to state government agencies provide **vital support** to our State entities, colleges and university in their day-to-day operations and service to our citizens



Emergency Purchasing Policy Update Process & Resources

Overview of Emergency Purchasing Policy Revisions

- **Revised Definition** of Emergency Purchase
 - Classification of “**Immediate**” vs. “**Prompt**” **Action** Emergency
- Use of **Competitively Bid Resources** and when to obtain **Informal Quotes**
- **Time Limited Contracts**; when **SPD Prior Approval Required**
- **Ethical Behavior**
 - Acknowledgment of Compliance by APO/CUPO and Business Owner
 - CFO (or designee) Approval of Emergency Circumstances
- **Ongoing Review** of Emergency Purchases
- Clarifying **Documentation of Emergency Justification**

Two Classifications (GPM Section 1.3.5)

Immediate Action

Emergency Purchase:

a serious or urgent situation requiring immediate action to protect persons or property.



Prompt Action

Emergency Purchase:

a serious or urgent situation requiring prompt but not immediate action to protect persons or property.

How quickly must the state entity respond?

What is significance of classification?

1. Factor in **whether state entity should attempt to obtain three informal quotes** prior to making contract award
2. Factor in determining ***when*** the **APO/CUPO must assess** whether there are any **potential conflicts of interests**



Obtaining Informal Quotes (GPM Section 1.3.5.2)

If competitively bid contracts are not available, it is best practice to make any purchase **as competitive as time permits**. If there is **no time to contact suppliers for informal quotes** due to the circumstances of the emergency, the APO/CUPO shall document such circumstances as part of SPD-NI004 Emergency Justification Form.

Immediate Action

Emergency Purchase:

Not required to obtain informal quotes from multiple suppliers



Prompt Action

Emergency Purchase:

To the extent feasible, contact suppliers (**three recommended**) and obtain informal quotes



Contract Duration

- Contracts for emergency purchases should be **limited to the time necessary to respond to the emergency.**
- In the event that an emergency is anticipated to continue for a prolonged period of time, emergency contracts **should be transitioned to competitively bid contracts to the extent reasonably feasible.**
- **Failure to plan** for transition to a competitively bid contract cannot be the basis for continued use of the emergency purchase exception.

GPM Section 1.3.5.3 Time Limited Emergency Contracts

When is SPD approval required?

1

Effective 7/1/2022

New emergency contracts in excess of 12 months requires SPD prior approval

2

Effective 7/1/2022

Renewal or extension of existing multi-year emergency contracts requires SPD prior approval

- ✓ Requests for approval may be submitted to process.improvement@doas.ga.gov.
- ✓ Requests for SPD approval to renew or extend existing multi-year emergency contracts should include information relevant to review, such as a copy of the completed emergency justification form, total spend-to-date, information about the continued need for the goods or services and why transition from the emergency contract to a competitively bid contract is not reasonably feasible. SPD will make reasonable efforts to review and respond to such requests within five to ten business days of receipt of all requested information.

Ethical Behavior (GPM Section 1.3.5.4)

- An emergency purchase **shall not violate** Georgia law, the **Governor's Code of Ethics** (Executive Order 04.01.21.57 or any successive order), the Georgia Procurement Manual, or any other applicable rules.
- The APO/CUPO should **consult with the State Entity's designated Ethics Officer** regarding any potential conflicts of interest, financial interest, or other ethical concerns arising before or after the emergency purchase.



Recusal & Disclosure of Conflicts

Section 4 of the Governor's Code of Ethics

“Employees of agencies shall recuse themselves from any situation in which the employee has a **conflict of interest** or where an employee’s **impartiality might reasonably be questioned** due to the employee’s personal or financial relationship with a participant in the proceeding. Such recusal shall apply to, among other circumstances, **situations where the employee has a financial interest in a business entity that is engaging as a vendor with the employee’s agency, where an employee’s relative has a financial interest as a lobbyist or vendor or an issue pending before the agency; or where the employee has a business relationship with an agency.**”



Identifying Possible Conflicts of Interests (GPM Section 1.3.5.4)

APO/CUPO must make reasonable efforts to identify possible conflicts of interest...

For an **Immediate Action** Emergency Purchase:

- **After** the emergency purchase (will be prompted to attest compliance when completing the Emergency Justification Form)



For a **Prompt Action** Emergency Purchase:

- **Before** the emergency purchase (will be prompted to attest compliance when completing the Emergency Justification Form)

The APO/CUPO may **satisfy this requirement** by contacting the **State Entity's Ethics Officer** and **confirming no business relationship or other possible conflict of interest** has been reported by a staff member of the State Entity with respect to the supplier selected for the emergency purchase.

What if an actual conflict of interest exists?

- If the State Entity's Ethics Officer determines an **actual conflict of interest exists** related to an emergency purchase, then:
 - the State Entity must either **document in writing how the conflict of interest can be mitigated (if possible) or**
 - **obtain** the urgently needed supplies or services **from another supplier.**
- If the **conflict of interest cannot be mitigated** and the **purchase has already occurred**, the purchase order or contract may be subject to termination.
 - In this situation, the APO/CUPO must contact SPD as soon as possible at process.improvement@doas.ga.gov to consult

(GPM Section 1.3.5.4)

Acknowledgements & Approvals (GPM Section 1.3.5.4)

After the emergency purchase has been completed, the APO/CUPO must complete the **SPD-NI004 Emergency Justification Form**.

Effective July 1, 2022, the form requires the following **acknowledgements and approvals**:

APO/CUPO

- ✓ Conflict of Interest Acknowledgement of Compliance

Business Owner

- ✓ Conflict of Interest Acknowledgement of Compliance

CFO

- ✓ Approval of Emergency Circumstances

Note: CFO may designate another individual to approve with SPD prior approval

Review of Emergency Purchases (GPM Section 1.3.5.7)

- Effective 7/1: On an **annual basis**, the APO/CUPO must **review historic spending** to identify **repetitive emergency purchases** and other urgent purchases and assess whether feasible to **establish competitively procured or open agency contracts** for reoccurring emergency needs.
- Ongoing: Emergency purchases are **subject to review by SPD** and any evidence of fraud, waste, abuse or other improper activity may be referred to the Office of Inspector General or other appropriate entity.



Key Takeaways



Consult with state entity Ethics Officer on any possible conflicts of interests related to emergency purchases. Follow all updated emergency purchasing policy procedures effective 7/1/22.



Use updated SPD-NI004 Emergency Justification form for all emergency purchases



CFO (or SPD-approved designee) must approve emergency circumstances reported in the Emergency Justification



Seek SPD prior approval before creating any new emergency contracts in excess of 12 months



Seek SPD prior approval before renewing/extending existing emergency contracts



Send any questions to process.improvement@doas.ga.gov

Purchasing Card Updates

State Purchasing Card Program

cardprograms@doas.ga.gov



Policy updates effective March 2022

P-Card Program Oversight	Foundation	Split Transactions	Sales and Use Tax
Non-Compliant Program	Card Program Administrator	Cardholders	Transaction Limits
Documentation	Permitted Use	Emergency Purchases	Global Edits and General Cleanup

Annual P-Card Self-Assessment



Due December 1



Webinar and announcement



Forms and instructions located on our website

Overview of Statewide Staffing Contracts

Three Statewide Staffing Contracts

- **Management Consulting**
SWC# 99999-SPD-SPD0000162
12 suppliers
Solicitation currently posted
- **IT Temporary Staffing Services**
SWC #99999-001-0000149
Supplier, Computer Aid, Inc. (CAI)
- **Administrative Temporary Staffing**
SWC #99999-001-SPD0000136
9 suppliers
Regional Award (5 Regions)



Management Consulting

Scope of Services:

- In scope--Operations, Strategic Planning, Procurement, Human Resource Management
- Not In Scope--Information Technologies/System Integration, Finance, Accounting, Audit, Tax & Environmental Services

Pricing:

- Fixed rate card; option to use project-based pricing model or an hourly rate pricing model
- Right to request proposals and review consultant qualifications through Statement of Need (SON); work should be documented in a detailed Statement of Work (SOW)

Approvals Required:

- Engagements **\$500K** or greater require SPD approval & minimum of three (3) proposals from the Awarded Supplier list
- Engagements under **\$500K** do not need SPD Approval unless:

A change order increases the amount of the original engagement to **\$500K or greater**

IT Temporary Staffing Services

Scope of Services:

- Managed Services Provider (MSP)
 - Vendor Management System (VMS)
 - Network of Staffing Resource Providers (SRP)
- **Pricing:**
 - Hourly Rate by Job Title
 - Fixed price project work
 - Percentage Markup
- Conversion Fee: If hired prior to completing 520 hours of a work assignment, the agency is required to pay a conversion fee equal to 160 hours at the contractor's rate of pay.
- Approvals Required: ***Applies only to Projects***
 - Georgia Technology Authority (GTA) Approval required for projects budgeted at **\$1M or greater**; completed and signed form required
 - SPD Approval Required for Projects budgeted at **\$500K to \$3M**; justification form required with entity APO/CUPO and CIO sign off
 - Engagements **\$3M** or greater are required to be competitively bid unless the entity has a written waiver from SPD.

Administrative Temporary Staffing

- **Scope of Services:**
 - Staffing Categories in Scope:
 - Professional Staffing
 - Administrative Staffing
 - Industrial Staffing
 - Healthcare Staffing
- **Pricing:**
 - Not to exceed Hourly Rate by Job Title
 - Percentage Markup
- Conversion Fee: If hired prior to completing 520 hours of a work assignment, the agency is required to pay a conversion fee equal to 160 hours at the contractor's rate of pay.
- Recent Amendment:
 - Updated rate card (hourly rates); and
 - Updated insurance coverages (i.e., Professional Liability to specify medical malpractice if providing medical care providers)

Agency Sourcing

Agency Sourcing Core Responsibilities

- One-time approval of Delegated Approval Authority
 - Oversight of RFP
 - Grant One-Time Request to Exceed DPA
 - Issuing Officer on behalf of an entity for complex RFP
- Sole Source approvals greater than \$500k
- Cooperative approval over DPA
- Agency procurement development subject matter expertise
- APO/CUPO Mentoring, Training, and Technical Assistance
- Assist DOAS Legal in review of protests



Helpful Things to Remember

- The Georgia Procurement Manual (GPM) is the official source for all administrative rules issued by the DOAS through SPD to govern purchases made by certain state government entities.
- Solicitations take time.
- Procurement staff need program support and subject matter experts' assistance.
- Sole Sources are not a quick way to procure.
- Procurement pipelines should be set early and shared with DOAS for all procurements exceeding DPA.



SAVE THE DATES

APRIL 25 – 27, 2023

Jekyll Island Convention Center
Jekyll Island, GA

**You're invited to the 2023 GPC
Annual Event!**

Questions? Contact us at
gpc.info@doas.ga.gov

Hosted by the Georgia Department
of Administrative Services (DOAS)
State Purchasing Division
www.doas.ga.gov





State Purchasing
