

GPM Changes Webinar January 25, 2010

Frequently Asked Questions

Q: If an item is not available on a SWC, is a SWC Waiver Request required for all dollar values, or is there a dollar threshold?

A: A SWC Waiver Request is not required if the item you are trying to procure is not available on a Statewide Contract. A waiver is needed only when an item is on a statewide contract and the state entity desires to purchase it from a non-statewide contract supplier.

This waiver must be attached to the PO and, for Team Georgia Marketplace State Entities, must be attached to the Event (not displayed to Bidder) when a competitive solicitation is required as a condition of the waiver

Q: Concerning form SPD-SP014 (Sales & Tax Registration) what is the timeframe for GDOR to issue their written response?

A: Three (3) business days

Q: For multiple suppliers - how do you go about the bid process when one purchase was made let's say 1/2 and the next purchase needs to be made 2/31 and the quantity that you are ordering is needed and time is not in your favor to bid it out.

A: eQuote used for the competitive bidding process. This electronic solicitation application offers minimized posting time, which would allow the solicitation to be completed by the 2/31 deadline. This system also offers the ability to award to multiple vendors, if needed.

The same is true for Team Georgia Marketplace Event posting.

Q: Even though you are purchasing like goods, why does bidding apply if you use different vendors?

A. Purchases totaling \$5,000 and above are required by law to be competitively bid. The purpose for this law is to make certain that goods/services are competed on the open market to obtain the best price from the most responsive, responsible bidder.

The How to Conduct a Self Audit (Compliance) training course details specific instructions for how purchases can be analyzed by NIGP codes. By reviewing the spend data it is possible to determine if it is reasonable to combine like items into a single sourcing event.

Q: What would be considered an emergency purchase?

A: Emergency Purchase is when the health, safety, and/or welfare of the public or public property are at risk. These purchases may include urgently needed items arising from unforeseen causes, but not

limited to, extreme weather conditions or official declared emergencies. Poor planning or the pending expiration of funds does not constitute a valid justification for an emergency purchase.

Q: Can only the APO sign the Emergency, Sole Source and other documents or can the APO authorize the buyer who is handling the purchase to sign the forms?

A: State Purchasing is using the APO/CUPO email authorization as a form of electronic approval since signatures are no longer required on the forms. The electronic approval on any of the forms mentioned in the question is verified by having the APO/CUPO submit those forms from their email address. It is acceptable that another member of the procurement staff prepares the form, but the form must be submitted to the processimprovement@doas.ga.gov by the APO/CUPO so that State Purchasing will have the assurance that the APO/CUPO has reviewed and approved them for submittal.

Q: Are we required to post all Construction bids via eQuote?

A: Yes

Additionally, State Entities using Team Georgia Marketplace are required to post their Construction bids as Strategic Sourcing Events in PeopleSoft.

Q: Is this effective today and do I need to start going back to July 1 to see if they exceed \$5000 so far?

A: All APO/CUPO's are required to manage their procurements by analyzing their purchase data as of the GPM revision dated January 2010. The APO/CUPO can begin analyzing the spend data for the State Entity by running spend queries for purchases made from July 1, 2009 to today's date to determine what was spent to date for the fiscal year. This data will assist APOs/CUPOs to make decisions on where competitive bids /state entity contracts are needed by reviewing what has been purchased to date.

Q: What will happen if vendors do not respond via email to agency contract solicitations? I am afraid that I would not get a response from vendors for cosmetology supplies. Some vendors do not even have a fax.

A: Using eQuote or Team Georgia Marketplace, suppliers would have to respond via eQuote or Team Georgia Marketplace, respectively. Fax responses are not considered a valid response to an electronic solicitation.

Q: Would it possible to award agency contracts to multiple vendors? Not one vendor for cosmetology products will provide 100 % of our needs.

A: Awards can be made to multiple Suppliers using eQuote. Team Georgia Marketplace users can also make awards to multiple suppliers.

Q: How are we supposed to foresee purchases to create open contracts? Most of our purchases are based on enrollment and immediate need.

A: Clear instructions are presented in the How to Conduct a Self-Audit (Compliance) training course that is taught by Professional Development. This course provides instructions on how to analyze procurement data for various results. Maintaining knowledge of what is being purchased is critical for the APOs/CUPOs to understand where their resource time should be spent on creating state entity contracts. Reviewing purchase data from the previous year also helps in this analysis.

Although spend data and/or needs may vary, the mission of the entity normally remains constant, so this should not be an issue unless the mission of the entity was to change.

Q: We had a vendor in another state to NOT accept our sales and use tax exemption form, what do we do when the vendor will not accept the form?

A: The State of Georgia tax exemption form does not apply when making purchases to suppliers who reside in another state. However, if the procurement is awarded at or in excess of \$100k, then the State and Use Tax form required by the State of Georgia, and is required to ensure that the Supplier is a taxpayer to the State of Georgia and is in good standing.

Q: Must the State & Use Tax form be submitted to GDOR by BOR entities or is this optional as well?

A: The State and Use Tax form is statutorily required for all solicitations valued at or exceeding \$100k and it includes construction solicitations. All state entities must submit this form, completed by the anticipated awarded supplier to the Georgia Department of Revenue (GDOR) for authorization. This written authorization must be received prior to the execution of the contract.

Q: –For construction projects, must the State & Use Tax form be submitted to GDOR by BOR entities or is this optional as well?

A: The State and Use Tax form is statutorily required for all solicitations valued at or exceeding \$100k, this includes construction solicitations. All state entities must submit this form, completed by the anticipated awarded supplier to the Georgia Department of Revenue for authorization. This written authorization must be received prior to the execution of the contract.

Q: Is utilizing eQuote for construction projects mandatory or optional for BOR?

A: eQuote usage is mandatory for all state entities, unless the state entity is a Team Georgia Marketplace user. As a Team Georgia Marketplace, users use the Strategic Sourcing module within PeopleSoft to post construction projects.

Q: Do you have guidelines to help determine similar items in regards to establishing agency contracts?

A: Refer to the 7-Stage Open Contract document. This document was created to provide guidance for applying the seven stages for Creating, Bidding and, awarding of Open Entity Contracts.

In addition, the Compliance of the \$5K Bidding Requirement document provides helpful information regarding examining the entity spend by NIGP codes for determination where like items can be

consolidated into a single solicitation for an agency contract. In addition, the ow to Conduct a Self Audit (Compliance) training course provides instructions on how to do this.

Q: Why are we being held responsible for prior purchases when this process was rolled out January 25th?

A: --The APO/CUPO has always been ultimately responsible for all purchases within their state entity procurement department. State Purchasing has recently developed training and tools to assist state entities in managing their purchases. These resources will help state entities to plan better for their needs and to manage compliance of all procurements.

Q: How do we know if we are Team Georgia Marketplace partners?

A: You are a Team Georgia Marketplace partner if your state entity has taken part in Team Georgia Marketplace implementation roll-out. The state entities that have implemented Team Georgia Marketplace to date are: DOAS, DHS, GDC, DJJ, Dept of Audits, DNR, GTA, Georgia Forestry Commission and DCH.

Q: If the statewide vendor cannot supply the materials requested and an outside vendor can provide the product, are we allowed purchasing over the \$5,000 threshold within the fiscal year? As an example, this happens frequently with one of our vendor who supplies medical products.

A: If the statewide supplier cannot supply the requested materials and the statewide contract is considered Mandatory, then a SWC Waiver Request must be submitted to SPD for approval. If approval is granted by State Purchasing and the purchase is \$5,000 or greater; then, the State Entity must process the procurement as a competitive bid.

SPD (specifically the issuing offer noted on the Statewide Contract) should be notified when the statewide contract supplier is not fulfilling the obligations of the contract to provide the commodities/services. It makes it difficult for SPD to effectively manage statewide contracts without having the appropriate information about the supplier's non performance of the contract.

Q: Many medical items from statewide mandatory vendor is often on backorder for medical supplies. Understanding that a wavier is required with up to 5 days for approval, do we need to proceed with an emergency purchase and complete that justification form?

A: In the event the medical items are required for maintaining the health, safety, and/or welfare of the public or public property; then, an emergency justification is appropriate.

Q: With the different furlough days for agencies and DHS who provides final approval of the requisitions, will additional justification/documentation be required to proceed with processing a purchase order with time of the essence to get items for the hospital? By delaying the requisition cycle, the requisition could convert to an emergency purchase. Some vendors do require hard copy purchase orders and will not send orders until the PO is received.

A: The resolution to this issue requires that the state entities involved establish internal procedures to address the requisition approval process and the requisition cycle time you are experiencing. Requisitions in Team Georgia Marketplace are routed to the corresponding approver as soon as submitted and the approver receives an email notifying him/her that a requisition has been submitted for approval. High requisition cycle times are due to operational procedures that must be resolved to attain the efficiencies provided by Team Georgia Marketplace. For example, if an approver will be out of the office because of vacation, an alternate user can be temporarily assigned for that time period as the approver for that person so that requisitions can flow through the approval process in a timely manner. Internal procedures should be established to address emergency needs and expediting the approval process.

Q: If the APO is employed by DHS, does the APO complete the Statewide Contract Waiver?

A: The APO/CUPO is required to submit the Statewide Contract Waiver Request. If this question is referring to one state entity having an APO from another state entity, an internal process should be determined by these two entities on how these will be processed. Advise processimprovement@doas.ga.gov of this information once it is determined.

Q: Is there a policy/procedure regarding the Sales & Use Tax form for purchases under \$100,000? Is there policy/procedure for when a vendor is denied?

A: Upon the receipt of the completed Sales and Use Tax form, submitted by the anticipated awarded supplier, the State Entity must email the form to tsd-state-contractors@dor.ga.gov. This form is required for all subsequent renewals, if the solicitation results in an Open Contract.

In the event the supplier fails the Georgia Department of Revenue review, the denied supplier should be given a reasonable time frame in which to correct the issue.

Q: On form NI0008, the GPM states 5 days response and the form indicates 10 days, which is correct?

A: There was an error on the initial Statewide Waiver Request form that was originally posted. It has now been corrected and the revised form has been posted on the DOAS web site. The correct response is 5 days.

Q: Is there a procedure for the Sales & Use Tax compliance for Contract Renewals (do not see anything on this in the GPM)?

A: Even though SPD currently does not have a policy regarding this issue, it would be in the best interest of the State for the State Entity to validate that the supplier's taxes have been paid.

Q: Does the prompt notification of staff changes for APOs/CUPOs apply to SPD also? (i.e. has the SPD org chart been updated recently?)

A: Yes. State Purchasing is addressing our current organizational information posted on the web site. The updated organizational information will be updated soon.

Q: How do you extend an eQuote solicitation if you are within 24 hours of the original closing date/time? As a result of a protest on the solicitation, how would you know how long to extend it for?

A: To extend an eQuote date/time closing, you issue an addendum. The addendum should provide sufficient enough time to the extended closing date/time in which to resolve the issue(s) that prompted an extension of the bid closing date and time.

Q: You cannot show a denied vendor as Denied by DOR because the NOIA or NOA forms do not have a drop-down choice for this.

A: SPD is working on correcting this issue in the NOIA and NOA forms.

Q: With regards to the Request for Waiver on the Statewide Contracts, what are we to do when we do not receive a response to the request within the 5 days? Wait? Proceed? Send another Request to a higher level at SPD?

A: Contact Process Improvements at SPD at processimprovement@doas.ga.gov for resolution.

Q: With the Emergency Purchase process, you call for SPD notification within 1 day. Does the clock start ticking on the discovery date of the Emergency? Or should this be from the date of resolution of the emergency?

A: The Emergency Purchase justification should be submitted to processimprovement@doas.ga.gov as soon as the state entity knows that an emergency purchase is needed. The purchase documentation should be submitted to State Purchasing within 1 day of making the purchase.

Q: With the \$5000 purchases, is that a calendar year or fiscal year?

A: Fiscal year.

Q: During a quarterly review we realize the same vendor was used during two different months for the same or similar items how do we maintain compliance since the orders occurred within different months and were each under \$5,000?

A: When realizing your entity has exceeded the \$5,000 threshold, you should document the file with a corrective action plan to prepare a solicitation and competitive bid for the items as soon as possible.

Q: How do state entities that have only one procurement person on staff possibly review all of the spend data and bid state entity contracts for all of the possible commodities and services that may be purchased during any given fiscal year?

A: SPD Professional Development has created the course "How to Conduct a Self Compliance Audit" to assist you with this requirement and will assist you in understanding how to review the purchase data. Once you have analyzed the spend data, the APO/CUPO can document a plan of action and prioritize needs for bidding the needed entity contracts.

Q: When do you use a SWC waiver? Would you give an example?

A: When the commodity/service is available on a mandatory Statewide contract, but does not meet the requirements/needs of the state entity.

Q: Will the \$5K limit be raised due to the increase cost of goods and services?

A: No. In order to raise the \$5k bidding rule, the legislation must review and change the law.

SPD will pursue legislation in the future to increase this threshold. However, this requires a change in the purchasing law and will require the approval of the legislature.

Q: Can the waiver from state contract be used to attain IT services outside the GAIT 2010 contract?

A: —Yes, if your state entity is one of the pilot entities.

Q: Should Sales & Use Tax Registration be completed prior to renewal letters going out to vendors or should that be completed after the vendor has agreed to renew a contract?

A: The Sales and Use Tax form should be attached to the supplier's renewal request sent by the state entity. Upon the receipt of the completed Sales and Use Tax form, submitted by the anticipated awarded supplier, the State Entity will email the form to tsd-state-contractors@dor.ga.gov. Once the authorization from Georgia Department of Revenue has been received, the State entity may proceed with the execution of the contract.

Q: Where do you find \$5000 bidding threshold in OCGA?

A: **Official Code of GA Annotated (O.C.G.A.)** § 50-5-69 states: If the needed supplies, materials, equipment, or service can reasonably be expected to be acquired for less than \$5,000.00 and is not available on state contracts or through statutorily required sources, the purchase may be effectuated without competitive bidding.

The code further indicates that supplies, materials, equipment, or service must be competitively bid if \$5,000 or greater and are not an exempt purchase.

Q: If I understand this correctly, once total purchases from a vendor reach \$5000 in a state fiscal year, all other purchases from that vendor must be done through a state entity contract. Is this correct?

A: Correct. Any additional purchases should be competitively bid. By developing a state entity contracts, the state entity would eliminate the need to process multiple solicitations over a given fiscal year.

Q: How do you determine like purchases, say for purchases of Food?

A: The easiest is to review all the 5-digit NIGP codes located under the 3 digit category.

SPD highly recommends that you attend the How to Conduct a Self Audit (Compliance) training course to receive instructions on how to conduct this analysis.

Q: Would you please review the piggyback purchasing procedure in Team GA Marketplace?

A: SPD will be providing a Team Georgia Marketplace Supplier Contracts training webinar to review this issue as well as other changes to that module.

Q: Is the state not monitoring Agency purchases to determine the need for state contracts? With this ruling, my agency would need numerous agency contracts and with the budget as it is we can't hire additional buyers to meet this administrative ruling.

A: The State is monitoring state entity purchases to determine the need for Statewide Contracts. Review and monitoring of the spend on each state entity is the responsibility of the APO/CUPO in order to work strategically and anticipate the state entity needs.