

# SCSC Petition Boot Camp: Budget – Procurement

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# Agenda

-What is “Procurement”?

-Procurement Process



- Specification

- Budget and affordability

- Requisition

- Method of Purchases

- Evaluation & Award

- PO and Receipts

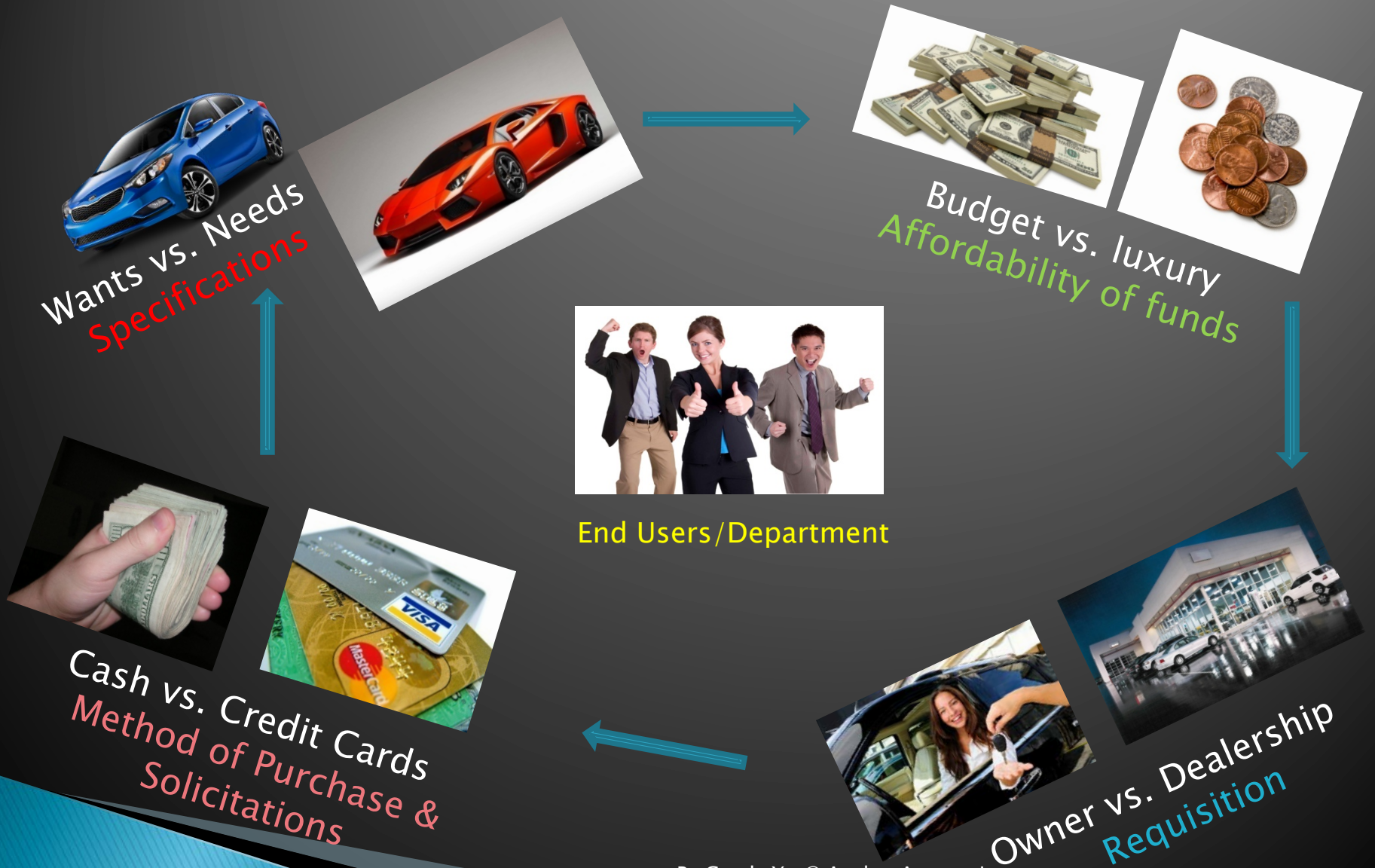
-Procurement Policies

-Q&As

# What is “Procurement”

- ▶ The act of obtaining or buying goods and services.
- ▶ The process includes preparation and processing of a demand as well as the end receipt and approval of payment.

# Procurement Process



# Specifications

## ▶ Products

- Quality
- Quantity
- Group discounts
- Fixed Assets (life)
- Freight
- Delivery Timetable
- Payment Terms
- Brands

## ▶ Services

- Reputation/Experience
- Duration
- Scope of Services
- Terms
- Termination
- Payment Terms
- Specialty
- Ethics

# Affordability of Funds

## Operational Budget

- Cash on hand
- Grants
- Fundraising
- Others

## ▶ Capital project budget

**Be Conservative**

**Be Realistic**

# Requisition

- Date of item needed
- Budget code and approval
- Description of the item
- Vendor selection
  - Suggested vendor
  - Preferred vendor
  - Specialized vendor
  - Debarred or suspended vendors
    - (<http://epls.arnet.gov/>)
- Quantity
- Estimated Costs
- Delivery location

*Hint:*

- Create an excel comparison table
- Apple to Apple, not Apple to orange

# Method of Purchase and Solicitations

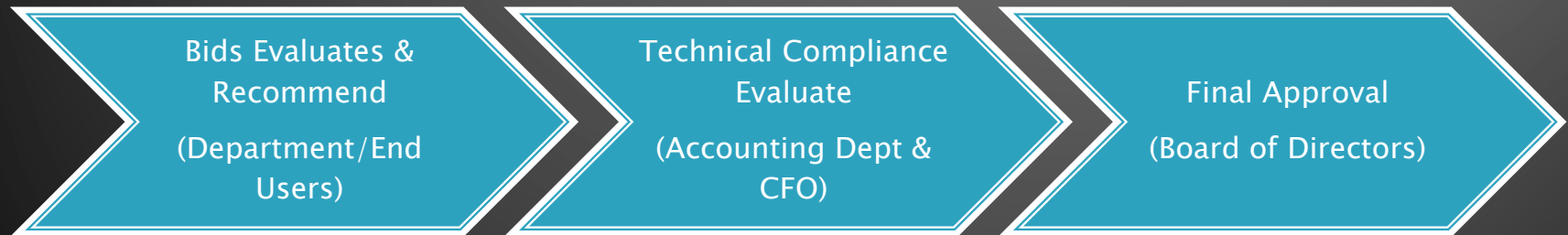
## ▶ Depends on the Dollar Amount – Formal or informal

- Georgia Code Section 20-2-520 requires LUAs to publicly advertise and award through an open and competitive process construction contracts over \$100,000
- Purchases over \$10,000 – All purchases with an estimated total cost of \$10,000 or more require formal competitive sealed bids. (i.e., advertised with a public bid opening)
- Purchases \$5,000 to \$10,000 – All purchases with an estimated total cost between \$5,000 and \$10,000 require informal (non-advertised) sealed bids.
- Purchases \$5,000 to \$2,500 – all purchases with an estimated total cost between \$5,000 and \$2,500 require written quotations from at least three prospective bidders.
- Purchases \$2,500 to \$500 – all purchases with an estimated total cost between \$2,500 and \$500 require quotations (either in person, telephone, fax or written) from at least three prospective bidders.
- Purchases less than \$500– for all purchases with an estimated cost up to \$500, buyers are to use their professional judgment as to source of supply and the number of quotations to solicit.

• *Based on DOE LAUS Manual on Purchasing*



# Evaluation & Award



# Receipt of Goods and Services


## Verify:

- Quality
- Quantity
- Documents receipt – Packing slips, signature, receipts etc.

# Purchase Order / Contract

## Must Have Information:

- Name & Address of vendor
- Shipping address
- Date of purchase
- Delivery date
- Quantity & Measure of unit
- Description of what's purchased
- Unit cost and total cost
- Freight Cost
- Contact person
- Accounting Information (grant or dept)
- Authorized signature



Dane Prairie Systems, LLC  
P.O. Box 294  
Chaska, MN 55318-0294

### Invoice

Date	Invoice #
3/15/2003	25471

**Bill To**

Win2PDF Customer  
2345 Any Street  
City, State, Zip  
Country

**Ship To**

Win2PDF customer  
win2pdf\_customer@e-mail.com

P.O. No.	Due Date	Ship Date	Ship Via
7655	4/14/2003	3/15/2003	Electronically

Item	Description	Qty	Rate	Amount
Win2PDF Pro	Win2PDF Pro, single license	15	49.00	735.00
<b>Total</b>				\$735.00

Please remit to above address

Phone #	Fax #	E-mail	Web Site
612-308-0092	952-361-4207	support@win2pdf.net	www.daneprairie.com

# Procurement Policies

- ▶ Exemptions (Emergency purchase)
- ▶ Ethics (Conflict of interest)
- ▶ Authority (Who)
- ▶ Procedures & Process (How)
- ▶ Purchase thresholds (How Much)

# Q&As

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# Reference

- ▶ [DOE LUAS Manual Chapter 34](http://www.gadoe.org/Finance-and-Business-Operations/Financial-Review/Pages/LUAS-Manual.aspx)  
<http://www.gadoe.org/Finance-and-Business-Operations/Financial-Review/Pages/LUAS-Manual.aspx>
- ▶ Public Advertising  
<http://georgiapublicnotice.com/pages.legal-organs>