



**To:** APOs and CUPOs

**AUD #24-23**

**CC:** Jim Barnaby, Deputy Commissioner, State Purchasing Division  
Mary Chapman, Deputy Division Director, State Purchasing Division

**From:** Audits, State Purchasing Division (SPD)

**Date:** October 19, 2023

**Re:** Audit of Emergency Purchase Orders (POs) issued by Team Georgia Marketplace™ and University System of Georgia entities in the months of January 2023 through June 2023

### **Audit Objectives**

1. Was an emergency purchase required?
2. Was the emergency justification form (SPD-NI004) completed?

### **Background**

In accordance with O.C.G.A. §50-5-71, SPD has granted the authority to state entities to purchase urgently needed items during emergencies. Emergency purchases shall be limited to those supplies, services, or items necessary to respond to the emergency. On April 12, 2022, the Department of Administrative Services (DOAS) released Official Announcement #22-06, which revised the emergency purchasing policy. These changes became effective on July 1, 2022.

### **Audit Summary**

SPD Audits identified 107 POs totaling \$29.9 million classified as an emergency from January through June 2023<sup>1</sup>. One hundred and six POs totaling \$29.9 million were under the purview of the DOAS, and one PO totaling \$47,200 was not. The emergency PO not under the purview of DOAS was issued by an entity not subject to the State Purchasing Act (section 1.2.1.1 of the Georgia Procurement Manual (GPM)). The 106 emergency POs under the purview of DOAS were issued by 27 different state entities. The state entities that issued the most emergency POs from January through June 2023 are summarized in **Table 1**.

---

<sup>1</sup> This represents the third and fourth quarters of fiscal year 2023.

**Table 1**  
**State Entities under the Purview of DOAS**  
**Emergency POs issued in January through June 2023**

<b>State Entities</b>	<b>PO Amount</b>	<b>Percent</b>	<b>PO Count</b>
Kennesaw State University	\$6,003,847	20%	29
Georgia State University	\$3,136,115	10.5%	15
Natural Resources, Department of	\$1,435,724	4.8%	8
Georgia Institute of Technology	\$792,895	2.6%	6
Labor, Department of	\$25,321	0.1%	5
Juvenile Justice, Department of	\$877,418	2.9%	5
North Georgia Technical College	\$432,154	1.4%	5
Sources: 1) TGM_oEPOo19D_PO_SPEND_BY_BU_DTL; 2) PO queries for Georgia Institute of Technology, Georgia State University, Augusta University; and the 3) PO data provided by the University of Georgia.			

## **Audit Results**

Using the requirements from the GPM and State law as guidance, the audit identified the following:

1. The 106 emergency POs under the purview of DOAS required an Emergency Justification Form. We were able to locate 50 (47%) Emergency Justification Forms.
2. The state entities that issued the remaining 56 emergency POs were contacted regarding the Emergency Justification Form and requested to take action to complete and attach the missing forms to the PO.
3. There were 55 POs totaling \$9.0 million which fell under the Board of Regents Public Works/Construction exemption. Section 1.3.6.1 of the GPM refers to this exemption. Since this type of procurement is exempt under the State Purchasing Act, the POs could have been classified as “CSN” construction, and consequently, no emergency justification form would have been needed. Thirty-one (56%) of these 55 POs did not have the correct Emergency Justification Form.
4. We would like to commend Georgia State University, Athens Technical College, the Department of Public Health, the University of Georgia, the Department of Corrections, the University of West Georgia, Valdosta State University, Chattahoochee Technical College, and the Department of Law, for following the emergency purchase procedures and completing the Emergency Justification Form.

## **Recommendation**

1. For existing emergencies that span fiscal years and now require longer-term solutions and procurements to resolve, APOs and CUPOs are reminded that they should seek advice, guidance, and approval as applicable from SPD Policy via [spdpolicy@doas.ga.gov](mailto:spdpolicy@doas.ga.gov) before
  - a. encumbering additional funds on existing POs
  - b. creating new POs, or
  - c. extending a contractual relationship with a supplier