Procurement Policy Changes for FY15

As we complete FY14, we are performing a review of various Procurement policies. This review is comprehensive, taking into account the impact of these policies to the Department of Budget & Finance (DBF), Department of Procurement and Contract Administration (DPCA), the Internal Audit Department, District Court and the Field. We have also noted areas of repeated errors and rework. As a result of the review, the Department of Procurement and Contract Administration has made two changes to current policies. For this memo, AOC will refer to Circuit Courts, Appellate Courts, and Programs.

The first change related to Express POs does NOT apply to District Court. Under the guidance of District Court Headquarters, DISTRICT COURT will continue to create Express POs for purchases under the State Contracts/ BPOs and the Judiciary Contracts/ BPOs.

1. Express Purchase Orders (Express POs) – AOC

Express POs have been used to purchase small ticket items under the State Contracts/ Blanket Purchase Orders (BPOs). However, after a review of the policy, the decision was made that Express POs will no longer be REQUIRED for purchases under the State Contracts/ BPOs for purchases less than \$2,500. These contracts include Rudolph's Office Supply, Staples, Md. Correctional, etc. The voucher can be processed without adding an Express PO. Express POs are Optional for these Contracts/ BPOs. You may continue to create Express POs if they meet the business practices of your Court or Program, or if they are requested by the vendor.

Express POs will continue to be REQUIRED for purchases under the Judiciary Blanket Contracts as a way for the DPCA to track the contract values. They are also required for any purchases under State Contracts/ BPOs for purchases over \$2,500. Express POs over \$2,500 will be routed via Workflow to the Department of Procurement and Contact Administration for review.

Purchases under the State Contracts/ BPOs-

Purchases ≤ \$2500 AOC Express PO NOT Required

Purchases > \$2500- AOC- Express PO Required

Purchases under the Judiciary Blanket Contracts-

All Purchases - AOC & DC - Express PO Required

The process for creating an Express PO has not changed and the Quick Tip Sheet - *Creating an Express Purchase Order* is still valid. The list of Contract/BPOs can be found under the heading of *Procure-to-Pay- Creating an Express Purchase Order*. If you have any questions about the need for an Express PO, please contact the DPCA for assistance.

2. Creating Receipts for Services Contracts-

The second change (below) is related to Receipts for Services on Purchases Orders created by DPCA. This change applies to District Court and the AOC.

Receipts are a way to indicate that goods have been received. Currently, Receipts are not required for Express POs created by the AOC Field User for purchases under \$2,500. However, Receipts are required for all purchase orders created by the Department of Procurement and Contract Administration, referred to as Corporate POs. However, after a review of the policy, it was determined that Receipts will no longer be required for <u>Services</u> under the Corporate POs. Instead, when POs are created for purchases of Services, they will default to Receipt Optional. Purchase orders created by DPCA for <u>Goods</u> will be set to Receipt Required.

Purchase Orders Created by the Department of Procurement and Contract Administration-

Purchase of Services No Receipt Required

Purchase of Goods- Receipt Required

If you have purchases from a vendor for both Goods and Services, please make sure you create separate lines on your requisition, so separate lines will be created on your purchase order. If there is any question by DPCA as to whether the item is considered Goods or Services, the POs will default to Receipt Required. The Line Details on your purchase order will indicate if receiving is required. If you want Receipts for Services on your Purchase Order, please indicate this request on your Requisition.

These changes are intended to give you the option to eliminate steps that may not be necessary for your business practices. If there are any questions, please feel free to contact the Department of Procurement and Contract Administration at 410-260-1421.

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Director

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