

EXECUTING A SMALL ORDER (SO) PROCUREMENT

According to A.C.A § 19-11-204 (13)(A)(i), a small procurement means a procurement not exceeding a purchase price of \$20,000.

In the procurement community, the terms “small order procurement”, “small procurement”, “small order”, and “SO” are used interchangeably to reference this procurement method.

Refer to A.C.A. § 19-11-231 for laws and rules regarding Small Procurements.

A small order is the quickest and easiest procurement method to execute, and it can be used to purchase either commodities or services under the threshold.

Small Orders do not require:

- Creating a PR to initiate the purchase (typically).
- Posting a formal, public solicitation.
- Obtaining formal price quotes from multiple prospective contractors.

To obtain best value for the State, TSS OSP strongly encourages:

- Checking multiple sources to find the best price.
- Requesting a lower cost. (For more information, go to the link for **Negotiation**.)

HELPFUL HINT

An easy way to accomplish competitive shopping is to use the State's Amazon Business account to shop online. Here, you can easily compare pricing on commodities.

Because a small order (SO) purchase is typically under \$20,000, a Purchase Requisition (PR) is not required.

- If an end user makes a request for a purchase which falls under this amount, the buyer can move forward to shop for best value and make the purchase.

Sometimes an end user may not know the anticipated cost of a purchase, therefore a PR is created for it.

- If you are assigned a PR for a purchase that could potentially be a small order, one of the first things you should determine is the expected total dollar amount of the purchase. You can accomplish this through market research.

- If you find the item or service available for under \$20,000, you may begin the process of executing an SO.

The quickest and easiest way to make a small order purchase is with a State credit card. The credit card is often referred to as a purchasing card, or p-card.

You may execute the purchase with a p-card:

1. In person at a retail location.
2. Online.

Be sure to:

- Save all receipts and submit them to your accounting department according to your agency's directives.
- Ask your supervisor about any additional internal credit card procedures that may be required by your agency.

HELPFUL HINT

State agencies are typically encouraged to use a p-card for most small orders. To obtain a card, see your agency's credit card liaison or contact OSP at 501-324-9316 and ask to speak with someone from the credit card services team.

Though it is preferable to use a p-card for most small orders, if your agency does not have a p-card, or the type of purchase cannot be purchased with a p-card, you will create a purchase order document for the purchase.

A purchase order is a legal document submitted to a contractor either through email or in person that:

- Authorizes the contractor to deliver commodities or services.
- Binds your agency to pay for the commodities or services at a later time.
 - Creating a PO commits your agency's budget to a purchase.

The contractor will fulfill the order by shipping the commodities or providing the services documented on the PO. Your agency will receive an invoice from the contractor, and payment will be handled by your accounting office.

HELPFUL HINT

Some contractors do not accept POs for purchases. Check with the contractor first before creating a PO for a purchase.

For agencies who are AASIS users, create the PO by signing into AASIS and completing the PO transaction. The resultant PO document can be printed from AASIS and sent to the contractor. For non-AASIS users, follow your agency's accounting procedures to create a PO for the contractor.

Be sure to clearly identify the commodity or service being purchased. Use an accurate AASIS material number and include an identifying item or model number, and a precise description, to ensure a correct purchase.