

STANDARD PROCEDURE

Aviation Authority

SUBJECT: PROCUREMENT AUTHORITY

Number: S410.01

Effective: 08/30/02

Revised: 04/26/23

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PURPOSE: To establish the procurement authority and delegation thereof for the approval of requisitions and purchase orders, and for the execution of non-Board awarded contracts and ancillary procurement documents as designated by the Chief Executive Officer (CEO), with the exception of legal services procured pursuant to Policy P500, Legal Services.

GENERAL: Except purchases made utilizing purchasing cards, O&M check requests or emergency purchases as defined in Policy P410, Procurement, a purchase order number must be provided at the time of purchase. Purchase orders will only be created from approved requisitions with budgetary funding codes. Only Procurement will create, issue, and update purchase orders. A purchase exceeding \$100,000, except for utilities, government fees, taxes and memberships in professional organizations, will require prior Board approval before Procurement issues a purchase order.

PROCEDURES:

A. Requisitions

1. All non-emergency procurement, except purchases made utilizing purchasing cards or O & M check requests, must have an approved requisition with budgetary funding codes. This is in accordance with Standard Procedures S410.10, Invitation to Bid, Reverse Auction, and Invitation to Quote Solicitations and Small Purchases; S410.11, Government and Cooperative Contracts and Sole Source Purchase, and S410.04 Request for Qualifications and Proposals and Invitation to Negotiate Solicitations.
2. The requesting department (Requestor) is responsible for completing and submitting requisitions.
3. All individuals preparing or approving a requisition must complete requisition and general procurement training.
4. All requisitions must be approved by the individual responsible for the appropriate budgetary funding codes.
5. The CEO delegates the authority to approve requisitions regardless of amount to

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the Executive Vice President (EVP), Vice President (VP) or Director responsible for the appropriate budgetary funding codes associated with the purchase. The CEO also authorizes the EVP, VP or Director to further delegate the approval of requisitions in accordance with Oracle Human Capital Management (HCM) Job Code hierarchy.

- a. Requisitions over \$100,000 – must be approved by the CEO, EVP, VP or Director responsible for the budgetary funding.
- b. Requisitions \$100,000 and less – will be approved in accordance with authorization based on Oracle HCM Job Code hierarchy.

B. Purchase Orders and Delegation of Authority

1. Purchase orders are executed by the VP of Procurement. A purchase exceeding \$100,000, except for utilities, government fees, taxes, memberships in professional organizations, and commercial advertising, will require prior Board approval before a purchase order is issued. Cumulative purchases exceeding \$100,000 over the term of award or contract will require prior Board approval before a purchase order is issued. If a purchase order is amended resulting in the revised total purchase amount exceeding \$100,000, the amendment will require Board approval. It is Procurement's responsibility to conduct analyses of goods and services procured to determine if a competitive selection process would provide a monetary benefit. Individual purchases for the purpose of unbundling with the intent to circumvent Board authorization are prohibited.
2. Approval authorities are designated below; however, the EVP of Finance and Procurement, the VP of Procurement or Procurement Directors, may temporarily delegate the approval of purchase orders within the Procurement department. Temporary delegation must be based on leave or travel that restricts approval authority access and is designated for a specific period of time. Any individual that is granted temporary delegation of purchase order authority beyond the limits established below must first attend a mandatory training program that covers the procurement policies, procedures and thresholds prior to such delegation.

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<u>Title</u>	<u>Approval Authority</u> <u>Up to:</u>
EVP of Finance and Procurement	\$unlimited
VP of Procurement	\$unlimited
Director, Procurement (Capital & Non-Capital)	\$100,000
Senior Manager (Capital, Non-Capital, Materials Management)	\$75,000
Manager, Materials Management, Materials Management Lead, and Senior Property Control Specialist	\$75,000
Senior Procurement Agent, Procurement Agent, and Senior Property Control Specialist/Buyer	\$50,000
Property Control Specialist	\$20,000
Buyer	\$20,000

3. All purchase orders will be executed by the VP of Procurement.
4. If there is a monetary change to a purchase order or contract, the Requestor must forward the approved change document to Procurement. For non-capital improvement program purchases, Procurement will adjust and approve the purchase order accordingly. For capital improvement program purchases, Procurement will forward the approved change document to Finance. Finance will adjust the purchase order accordingly and forward the purchase order to Procurement for approval. Note: approval of any changed purchase order is based on the cumulative total purchase order amount and will require the appropriate level of authorization which may require Board authorization prior to final approval by

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Procurement.

5. In the event an invoice is received that includes fuel surcharge, freight handling, or other ancillary costs not on the requisition or original purchase order, Finance will notify the Requestor. The Requestor will adjust the requisition accordingly and, upon receipt of the approved adjusted requisition, Procurement will adjust the purchase order.

C. Execution of Non-Board Awarded Contracts and Ancillary Procurement Documents

1. The execution of any procurement contract not awarded by the Board, including utilities, government fees, taxes, and memberships in professional organizations, will be executed by the CEO. The CEO may delegate signature authority to the EVP of Finance and Procurement. The EVP of Finance and Procurement may delegate signature authority to the VP of Procurement.
2. The CEO delegates to the EVP of Finance and Procurement and the VP of Procurement the authority to execute payment and performance bonds approved by Risk Management.
3. The CEO delegates to the VP of Procurement or designee the authority to execute ancillary procurement documents such as, but not limited to, notice of intent to award, notice of cancellation, notice to reject all responses, notice of non-responsiveness, and all other correspondence and documents as necessary to properly carry out a procurement.

D. Emergency Purchases

The CEO delegates to all EVPs or designees the authority to declare an emergency and to authorize and approve emergency purchases in accordance with Policy P410, Procurement. The CEO and all EVPs have authority for purchase orders up to \$99 million for emergency purchases only.

APPROVED: Michael Stephens

DATE: 4/26/23