



# University of Pittsburgh Policy

## Department Purchasing Authority and Responsibilities

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Category: Financial Affairs

Section: Purchasing

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Policy Number: FN 07 (formerly 05-02-05)

Effective date: September 5, 2017

Responsible University Officer:

- Senior Vice Chancellor and Chief Financial Officer

Responsible Department

- Purchasing Services Department

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### **POLICY STATEMENT**

This policy establishes the purchasing authority for departments and their associated responsibilities. It also describes purchases that are prohibited.

Delegation of authority to University Departments is done in writing through board resolution, policy, or from the Senior Vice Chancellor and Chief Financial Officer.

The limit on departmental purchasing authority is \$15,000 per purchase for goods or services unless otherwise stated in the written delegated authority.

Approval from the Purchasing Services Department is required for purchases that exceed \$15,000 unless processed through a Delegated Purchasing Unit. Delegated Purchasing Units must obtain approval for purchases in excess of their delegated limit. Further restrictions can be applied to individual purchasers by department managers.

Circumventing the established purchase authority by dividing purchase commitments into smaller transactions is prohibited.

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### **DEFINITIONS**

Delegated Purchasing Unit – Departments who have been delegated authority to make purchases in excess of the \$15,000 limit as delegated by a board resolution or from the Senior Vice Chancellor and Chief Financial Officer.



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### STAKEHOLDERS

- Department buyers and administrators
- Office of the Chief Financial Officer
- Financial Records Services

### RESPONSIBILITIES

University purchasers

#### Specifications

- Provide specifications that permit fair and equitable consideration from all known sources qualified to meet the University's requirements including:
  - General Description of items/services
  - Manufacturer and model number
  - Quantity
  - Physical characteristics
  - Compatibility and integration requirements
  - Required delivery date
  - Other pertinent requirements
- Consult with subject matter expert, competent specialists, or others to secure any technical assistance required for completing specifications.

#### Source Selection

##### (bidding)

- Utilize University contracted suppliers as found in the Required Use of Contracted Suppliers policy 05-02-15.
- Attempt to obtain bids when no University contracted supplier is available for purchases of \$15,000 or less.
- Obtain formal competitive bids for purchases greater than \$15,000.
  - The Purchasing Services Department reserves final decision in the selection of sources during competitive bidding.
  - Make positive effort to provide bid opportunities to diverse, minority and women owned businesses.
- Complete a written justification when the competitive bidding requirements are not met as described in the Directed or Sole Source Purchase Justification policy 05-02-17.

#### Contract Form

- Utilize written or electronic forms of contract for purchases of goods and services approved by the Purchasing Services Department to mitigate the risk of financial loss to the University.
- Purchase orders must be sent to suppliers using procedures established by the Purchasing Services Department.
- Verbal orders are prohibited.
- Understand the legal consequences of the commitments made on behalf of the University.
- Have sufficient knowledge to recognize situations that require consultation with University authorities on tax, legal, liability, and insurance matters.



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- Identified situations should be forwarded to the employee's supervisor or to the Purchasing Services Department.
- Do not allow work to commence (especially construction or repair work) or a product to be accepted without a properly executed contract to avoid possible claims or damage suits.

### Grants, Contracts, Sponsored Programs, Restricted Funds

- Comply with University policies as well as the specific expenditure policies of grants, contracts, sponsored programs or restricted funds.

### Prohibitions

- The following are prohibited purchases:
  - Personal purchases using any University purchasing method.
  - Political contributions. See the Political Contributions policy 05-02-05.

### Training

- Complete required on-line Purchasing Fundamentals training.

### Record Keeping

- Retain records in compliance with the University Financial Records Retention Schedule.

### Conflicts of Interest

- Comply with the Conflict of Interest and Procurement Relationships policy 05-02-02.
- Comply with the Code of Ethics policy 05-02-03.

### Purchasing Services

- Assist in developing specifications as requested by departments.
- Assist in the competitive bidding process when requested by departments.
- Provide input or require additional sources during competitive bidding process.
- Oversee the proposal evaluation process to achieve fair and open competition.
- Consult with the Office of University Counsel when developing non-standard terms and conditions as needed.
- Establish procedures for departments to process purchase orders.
- Establish and maintain online purchasing training providing users with basic knowledge of purchasing policies and procedures.
- Comply with the Conflict of Interest and Procurement Relationships policy 05-02-02.
- Comply with the Code of Ethics policy 05-02-03.

### Delegated Purchasing Unit

- Comply with delegated purchasing limits and restrictions.
- Comply University Purchasers responsibilities in the Department Purchasing Authority and Responsibilities policy 05-02-05.



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## CONTACTS

| Subject                           | Contact                             | Phone            | Email                          |
|-----------------------------------|-------------------------------------|------------------|--------------------------------|
| Departmental Purchasing Authority | Panther Express<br>Customer Service | 412-624-<br>2578 | pptcustomerservice@pitt.fo.edu |

## OTHER UNIVERSITY POLICIES, PROCEDURES, AND RESOURCES

### Policies

|   |          |
|---|----------|
| <a href="#">Conflict of Interest and Procurement Relationships, and University Policy</a> | 05-02-02 |
| <a href="#">Code of Ethics</a>  | 05-02-03 |
| <a href="#">Authority for Management of Procurement</a>                                   | 05-02-14 |
| <a href="#">Competitive Bidding</a>   | 05-02-16 |
| <a href="#">Directed or Sole Source Purchase Justification</a>                            | 05-02-17 |
| <a href="#">Political Contributions</a>   | 05-06-05 |

### Procedures

None

### Resources

- [Financial Records Retention Schedule](#)
- [University Contracted Suppliers](#)

## HISTORY

Updated 9/5/17 TEY