Procurement Mechanism Policy

Effective Date: July 9, 2012

Policy Statement

The following provides policy guidance to faculty, staff, students and others with respect to the use of Purchase Orders and other mechanisms to purchase goods and services on the University’s behalf for business purposes.

Reason For The Policy

The policy ensures that those responsible for purchasing goods and services with University funds utilize the most appropriate mechanism to do so. The policy is designed to maximize the efficiency and convenience of the purchasing process, consistent with good business practices and in full compliance with all applicable federal regulations.

Primary Guidance To Which This Policy Responds

This policy responds to all applicable Federal procurement laws and regulations, including but not limited to OMB Circular A-110 and the Federal Acquisition Regulation (FAR). For a complete listing of purchasing policies that incorporate additional information and links to these federal regulations, see http://www.columbia.edu/cu/administration/policylibrary/responsible_office/pchs.html.

Responsible University Office & Officer

Responsible University Office: Purchasing

Responsible University Officer: Vice President for Procurement Services

Revision History

This policy supersedes the following sections of the University Purchasing Guidelines:

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Who Is Governed By This Policy

This policy applies to everyone working at the University, or working on behalf of the University, who purchases goods and/or services with University funds.

Who Should Know This Policy

All University employees or others responsible for any aspect of purchasing goods and services on behalf of the University should be familiar with and guided by this policy.

Exclusions & Special Considerations

Not applicable.

Policy Text

I. Authorization to Purchase:

Purchases of goods and services may be approved by those authorized by the University to do so via ARC Security roles. It is the responsibility of the requisitioner and approver to ensure that purchases utilize the appropriate mechanism, as defined in Section II of this policy, for each purchase.

II. Approved Purchasing Mechanisms:

Purchases of goods and services may be made using one or more of the following approved purchasing mechanisms:

a. Definitions

i. A Central Purchase Order is a document issued to an approved supplier by the University Purchasing Office confirming an agreement for the supply of goods and services, such as materials, parts, supplies, equipment, repairs, construction and construction related items, and consultant services. A Central Purchase order is issued by the Purchasing Office upon receipt of an approved requisition (via ARC) from a requesting department, submission of documentation (via OnBase) that supports the purchase request, and subsequent approval of the proposed purchase consistent with University purchasing policy. The Purchase Order obligates the University to pay the specified amount for the specified goods and/or services upon confirmation of receipt or completion in accordance with the order’s terms and conditions. Central Purchase Orders are also a mechanism by which encumbrance information for such purchases is electronically recorded in the University’s financial records.

ii. AutosourcePO: An Autosource P.O. is a document issued directly to an approved supplier by a school or department confirming an agreement for the supply of certain purchases of goods without requiring review by the University Purchasing Office. The Autosource P.O. obligates the University to pay the specified amount for the specified goods upon confirmation of receipt or completion in accordance with the order’s terms and conditions. Autosource P.O.’s are also a mechanism by which encumbrance information for such purchases is electronically recorded in the University’s financial records.
iii. **Purchasing Card (P-Card):** A P-Card is a credit card that authorized University personnel may use to purchase goods and services for use by the University.

b. **Choice of Purchasing Mechanism**
The following provides general guidance concerning the choice of the appropriate purchasing mechanisms defined above in Section IIa. For commodity specific application of these guidelines, see Section III below.

i. **Central Purchase Orders:** Central Purchase Orders must be used for purchases in excess of $2,500 and are for non-UwPA’s. Central PO’s must also be used for all services at all dollar thresholds.

ii. **Autosource PO:** Autosource P.O.’s may be used for the purchase of goods and services from University-wide Purchasing Agreement (UWPA) vendors in amounts approved by the University Purchasing Office. Autosource P.O.’s may also be used when the purchase is valued from $1 to $2,500, and will be made from an approved vendor where, when confirmed by Procurement Services, it is not feasible to utilize a P-Card or the vendor requires a PO for delivery.¹

iii. **P-Card:** P-Card is the preferred purchasing mechanism for most goods and minor equipment valued at $2,500 or less. The P-Card is also the preferred purchasing mechanism for limited set of services. For additional policy guidance concerning the use of P-Cards, see [http://www.columbia.edu/cu/administration/policylibrary/policies/pchs/pchs_017.html?base=responsible_office](http://www.columbia.edu/cu/administration/policylibrary/policies/pchs/pchs_017.html?base=responsible_office).

iv. **Direct Payment By Accounts Payable (not requiring a purchase order):**
Direct payment by Accounts Payable may be made regardless of the dollar value for purchases of goods or services that do not require a Purchase Order of any kind and where another purchasing mechanism is not preferred or required as outlined elsewhere in this section. Commodity purchases and other transactions that may be paid for via direct payment include:

1. Commodities and services as listed in the Procurement Mechanism Guide.
2. Legal fees approved by the Office of the General Counsel in accordance with University policy. For further information, see [http://www.columbia.edu/cu/ogc/policies/ret_out_counsel.htm](http://www.columbia.edu/cu/ogc/policies/ret_out_counsel.htm).
3. Purchases of non-restricted goods valued at $500 or less where a P-Card is not a viable option.
4. Purchases of construction services completed through the VPay system and pursuant to a Task Order agreement.
5. Payments for other goods and services not explicitly covered by Sections IIb.iv.1.-4. above or the Procurement Mechanism Guide

¹ Autosource PO’s transactions for purchases of certain restricted commodities (freezers, radioactive materials, animals, ethyl alcohol, narcotics, and refrigeration equipment) require prior approval from one or more oversight departments.
described in Section III below, with the written prior approval of either the Executive Director for Purchasing Operations or a Purchasing Contract Officer in consultation with appropriate Accounts Payable personnel. Upon approval of such requests, the commodity matrix will be updated accordingly.

Payment may be made for the above purchases by submitting an invoice or check request directly to the Accounts Payable Department. For further information concerning Accounts Payable policies, see [http://www.columbia.edu/cu/administration/policylibrary/responsible_office/acpy.html](http://www.columbia.edu/cu/administration/policylibrary/responsible_office/acpy.html)

III. Matrix of Approved and Preferred Procurement Mechanism(s) by Commodity:
The University Purchasing Office has established and maintains a Procurement Mechanism Guide consistent with the general guidance provided above in Section II, which indicates the approved and preferred procurement mechanism(s) for each commodity category, as well as the University-wide Purchasing Agreement vendors associated with the category.

IV. Contract/Purchase Order Authority and Administration:
The University Purchasing Office is designated to make purchases on behalf of Columbia University, as formally delegated by the University Trustees via the University’s senior officers in accordance with the University’s signature authority policy. The University Purchasing Office is responsible for contract and Purchase Order administration, that can include monitoring vendor performance, pricing, etc. Only authorized staff in the University Purchasing Office can sign contracts on behalf of Columbia University. The issuing department is responsible for maintenance of all Autosource P.O. and P-Card related documents associated with purchases it has initiated. The University Purchasing Office is responsible for maintenance of the file for all Purchase Orders, Change Orders, contracts, and other procurement documents issued by the Office. See [OMB Circular A-110 § 4.47](http://www.columbia.edu/cu/administration/policylibrary/responsible_office/acpy.html).

V. Authorization for Exceptions to Procurement Mechanism Use and/or Dollar Authorization:
The Vice President for Procurement Services, Executive Director for Purchasing Operations, or Executive Director for Accounts Payable shall have the authority to grant exceptions for the use of a particular procurement mechanism and the dollar authorization associated with a mechanism, as well as the authority to revoke exceptions. Exceptions will be granted in writing and are subject to review by the Purchasing and Accounts Payable Department.

Definitions

University-Wide Purchasing Agreements
A University-Wide Purchasing Agreement (or Term Agreement or Task Order Contract) is a University-wide contract that takes advantage of the University’s buying power and ensures that the University, through negotiated pricing, obtains the best overall value for products and services for which there are repetitive purchases, taking into account pricing structure; quality, delivery and service; support, training, exchange and return policies; compatibility with University systems and technology; financial stability; and other organization requirements.

Contact

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Cross Reference to Related Policies:

Procurement Mechanism Guide
http://procurement.columbia.edu/purchasing/mechanism.html

Accounts Payable Policy

P-Card Policy
http://www.columbia.edu/cu/administration/policylibrary/policies/pchs/pchs_017.html

Vendor Validation Policy: URL TBD

Task Order Policy, Section 1.2 of the Vendor Qualification and Purchasing of Facilities Services