

Procurement Mechanism Policy

Issuance Date: 07/14/2009

Last Revision: 02/27/2014

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:

Superseded Section No.	Superseded Section Heading
10.07	Check Requests
8.11	Contract/Purchase Order Administration
7.04	Contract Purchase Order
4.02	Delegation of Authority to Departments
4.07	Departmental Authority to Purchase
7.02	EZPO
7.03	Purchase Order
10.01	Purchase Orders Not Required, Purchase Orders, Honoraria
Appendix 6	Delegation Of Authority To Departments For Small Purchases

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

PROCUREMENT MECHANISM POLICY

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 approver to ensure that purchases utilize the appropriate mechanism, as defined in Section II of this policy, is used 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 good and/or service 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 are electronically recorded in the University's financial records.
- ii. **AutosourcePO:** An Autosource PO 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 PO 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 PO'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 \$500 and are non-UwPA's. Central PO's must also be used for the procurement of all services
- ii. **Autosource PO:** Autosource PO's may be used for the purchase of goods and services from University-wide Purchasing Agreement (UWPA) vendors in amounts approved by University Purchasing.
- 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.
- iv. **Direct Payment By Accounts Payable (not requiring a purchase order):** Direct Payment By Accounts Payable may be used regardless of 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 listed in Appendix A of the policy. This list will also be maintained in a guide of approved and preferred procurement mechanisms available on the University's Purchasing web site.
 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.
 3. Purchases of non-restricted goods valued at \$500 or less where P-Card is not a viable option (see footnote below).
 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.v.1.-4. above, Appendix A, and/or the commodity matrix described in Section III below, with the written prior approval of the Executive Director for Purchasing Operations or other authorized 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 Accounts Payable. For further information concerning Accounts Payable policies, see

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 will establish and update a commodity matrix 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. This guidance will also be maintained in the Appendix to this policy.

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 PO 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, Contract Purchase Orders, Change Orders, contracts, and other procurement documents issued by the Office. See [OMB Circular A-110 § .47](#).

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 subject to review by Purchasing and Accounts Payable.

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.

RELATED POLICIES

Procurement Mechanism Guide

<http://procurement.columbia.edu/purchasing/mechanism.html>

P-Card Policy

http://www.columbia.edu/cu/administration/policylibrary/policies/pchs/pchs_017.html

Vendor Validation Policy: <http://policylibrary.columbia.edu/vendor-validation>

Task Order Policy, Section 1.2 of Appendix 11 of Purchasing Guidelines

<http://cpmcnet.columbia.edu/dept/purch/pdf/policies.pdf>

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