

4.10—AUTHORITY TO SIGN CONTRACTUAL DOCUMENTS

The authority for any individual to sign contractual documents on behalf of the University originates with The Board of Regents. The Board of Regents grants to the President the power to delegate such signature authority to appropriate University executives, officers and directors. Unless the President specifically delegates this authority to an individual by formal written communication, the individual may not sign any document whatsoever that binds or has the appearance of binding, the Board of Regents, the University, and/or any element thereof.

Such documents include, but are not limited to, purchase orders, grants, contracts, sub-contracts, licenses, leases, funding documents, applications, extensions and renewals, letters and/or memoranda of understanding, sales orders, assurances, work orders, and the like. The common feature of such documents is the obligation they impose on the University, the breach of which may impose legal liability on the University. Such documents may involve products and services that the University provides to other parties for compensation (revenue), and products and services that the University acquires from other parties in exchange for payment. They may also involve agreements by which duties and responsibilities of the parties involved are formally delineated, even though monetary or other valuable consideration may not be involved.

The delegated authority to sign contractual documents does not carry with it any exemption from other policies and procedures that otherwise govern. For example, the authority to sign a purchase order in the amount of \$100,000 does not exempt that transaction from competition and/or from being processed by the Purchasing Department if such requirement would otherwise apply.

The Vice Presidents for Administrative Affairs shall recommend to the President the positions and names of the individuals who should be authorized to sign contractual documents. Each recommendation shall include the nature of the authority delegated, the areas of activity to which it is limited, and the upper limit of the authority in terms of dollars. Upon Presidential approval:

- The original letter of authorization shall be forwarded to the individual to whom the authority is delegated;
- One copy shall be retained in each of the offices of the Executive Secretary of the Board of Regents,
- the respective Vice President for Administrative Affairs and Legal Counsel.

All such authorizations, regardless of commencement date, shall expire upon termination from the position or upon revocation of authorization.

Except as may be authorized in writing by the University's Office of Legal Counsel, all contractual documents shall be processed through the University's Office of Legal Counsel to ensure that certain legal limitations are not waived, ignored or otherwise abridged.

The Vice Presidents for Administrative Affairs may recommend revocation of the signature authority of any individual at any time to the President. Upon the President's acceptance of the recommendation, the Vice President for Administrative Affairs shall notify the pertinent officers of such revocation and the reason therefore.

The University may use and/or accept electronic signatures to conduct business transactions. Each department may implement specific policies and procedures applicable to the use of electronic signatures, which shall include, at a minimum, (1) identity of the person(s) authorized to use and accept electronic signatures, (2) whether electronic signatures may be used to conduct internal University business and/or transactions with outside parties, and (3) any other limitations or exclusions on the use of electronic signatures. Such departmental policies and/or procedures must comply with guidelines promulgated by the Office of Legal Counsel and the Office of Information Technology. All individuals executing contractual documents on behalf of the University must be otherwise authorized to do so under this Section.

(RM, 3-29-00, p. 26909; 1-27-04, p. 28924; 6-23-04, p. 29151; 9-18-13, p. 33823)

4.11—BUYING AND SELLING GOODS AND SERVICES

4.11.1—POLICY

The University's legal capacity to acquire goods and services from others in exchange for payment, and to provide goods and services to others in exchange for revenue, originates with the Board of Regents. University funds are budgeted on an annual basis, and these budgets are approved by the Board of Regents. The Board of Regents recognizes that this is a large institution with sizeable annual cash flow, and realizes that substantial authority must be delegated.

4.11.2—BUYING GOODS AND SERVICES

The University purchases a substantial volume of goods and services. Except in certain limited situations, University employees shall acquire these goods and services through an open and competitive process aimed at fairness to interested suppliers and best value for the University. Competition allows for the use of new technology in communications and of prior competitive history. Existing contracts established by cooperative associations and state and federal entities that meet the criteria for formal competitive process may be considered competitively bid. University departments are encouraged to request and receive assistance from the Purchasing Department for all purchases, regardless of the dollar amount.

4.11.3—PURCHASES THAT MUST BE PROCESSED THROUGH THE PURCHASING DEPARTMENT

Generally, the dollar amount of a purchase determines whether it must be processed through the Purchasing Department. The dollar limitations are on a per-transaction basis and are not cumulative. However, certain purchases, regardless of dollar amount, must be processed through the Purchasing Department:

- 1) If the purchase involves a contractual document of any kind, or if it is a type of product or service that would reasonably involve a contractual document, it must be signed and approved as provided by Board of Regents' Policy. The College of Continuing Education is authorized to review contractual documents related to conferences and seminars it holds or coordinates pursuant to its mission. The reason for contract review is to avoid obligating the University to any terms or conditions that may conflict with the State Constitution, statutes, or case law; and to avoid binding the University to any duties or liabilities against its best interests. Examples of purchases that must be processed through the Purchasing Department include:
 - Leases
 - Use Licenses (such as for software, intellectual property)
 - Services
- 2) Purchases involving radioactivity (to ensure appropriate regulatory authorities are involved).

- 3) Purchases involving a laboratory animal (to ensure appropriate regulatory authorities are involved).
- 4) Purchases involving space maintenance or minor construction (to ensure that Facilities Management/Site Support can exercise appropriate oversight).
- 5) Purchases involving any other special product or service that requires prior approval from a University department with special responsibility and authority over such product or service.

Because of their extreme importance to the University, purchases of air charter services (such as for athletic teams or other groups) must be processed through the Purchasing Department. The preeminent issues are the health, safety and welfare of University students and employees, the reliability of aircraft, and the reliability and quality of services. Secondary issues are overall value of services and an efficient competitive process. The Purchasing Director shall be responsible for conducting the process. Qualified air charter companies will be identified using stringent standards. Identified companies will be asked to provide offers for air services. The process and award will be conducted competitively and in a manner that fully addresses all vital issues. When the cost of a single air service contract exceeds the purchase authority granted to the President, the President, with the concurrence of the Norman Campus Committee of the Board of Regents, is authorized to make fast track decisions up to \$300,000 if the decision is essential to fulfilling program requirements or if the decision will be to the University's advantage economically.

Unless otherwise exempt, purchases exceeding \$50,000 must be processed through the Purchasing Department. If competition is required, it must be conducted formally. Splitting orders to avoid this dollar limit is prohibited. A professional buyer from the Purchasing Department must place any resulting order.

Unless otherwise exempt, purchases above \$5,000 and not exceeding \$50,000 must be processed through the Purchasing Department. Splitting orders to avoid this dollar limit is prohibited. Competition may be conducted by the ordering department and the results submitted to the Purchasing Department, which may rely on such results, or conduct further competition. A professional buyer from Purchasing Department must place any resulting order.

4.11.4—PURCHASES THAT ARE NOT REQUIRED TO BE PROCESSED THROUGH THE PURCHASING DEPARTMENT

Because of their unique or peculiar nature, the following types of purchases do not require formal competition or processing by the Purchasing Department. The dollar limits are on a per-transaction basis and are not cumulative.

- Purchases by University departments from University Auxiliary Enterprises, Service Units, or other University units engaged in the resale of products or services in accordance with their mission.
- Purchases up to \$50,000 of legal, medical, accounting, consulting, architectural, engineering, interior design, appraisal, landscape design, real estate agency, or similar professional services, only when such services are ordered by executive level officers of the University pursuant to University-wide matters of importance, and

only when such services represent discrete short-term engagements with specific terminal objectives. Purchases of professional services shall be coordinated in advance with the applicable University department; e.g. legal service shall be coordinated with the Office of Legal Counsel.

- Purchases up to \$50,000 of those products or services available through the contracts maintained in the University's electronic marketplace.
- Such other purchases as may be identified by the Vice Presidents for Administration and Finance and approved by the President.

Because they are covered by separate policies and procedures, the following types of purchases do not typically require processing by the Purchasing Department. The dollar limits are on a per-transaction basis and are not cumulative. However, the requirement for competition may still apply, and the requirement for processing by another University department may apply.

- Individual travel costs (airfare, hotel, ground transportation, conference registrations, etc.) by employees attending conferences, seminars, and the like pursuant to official University business (governed by separate policies on travel reimbursement).
- Architectural, engineering, construction, design consultants, and construction management services related to major real property construction and renovation of University capital assets (such services shall be secured be accordance with applicable law).

Unless they are otherwise governed, restricted, or addressed by Board of Regents' policy, purchases of \$5,000 or less do not require competition or processing by the Purchasing Department, although competition is recommended. Splitting orders to take advantage of this dollar limit is prohibited. The ordering department shall ensure that such purchases meet all other requirements including, but not limited to legality, availability of funding, and whether the purchase is allowable, as in the case of a sponsored grant or contract.

4.11.5—PURCHASES THAT REQUIRE THE ASSISTANCE AND REVIEW OF THE PURCHASING DEPARTMENT

To ensure effective and efficient mission accomplishment, the Purchasing Department, in meeting the requirement for a professional buyer to place an order, may establish for University departments orders that specify time frames, dollar limits, and product/service categories. Such orders may be established in response only to mission-critical needs that cannot otherwise be met timely or that cannot otherwise benefit from the direct involvement of the Purchasing Department. Such orders permit University departments to place orders with vendors, up to the specified dollar limits. Departmental requests for such orders shall be communicated in writing and approved by an administrative officer of the department/school/administrative office before being forwarded to the Purchasing Department. The Purchasing Department shall maintain a list of such orders and provide such list to the appropriate Vice President for Administration & Finance no less frequently than quarterly. The Purchasing Department shall continually review such orders for need and shall audit their usage for compliance with the principles of competition, fairness, and best value. The Purchasing Department may terminate any such order when the need for it no longer exists, if there is evidence of noncompliance, or for similar reasons.

4.11.6—PURCHASES FROM AUXILIARY ENTERPRISES AND SERVICE UNITS

University Auxiliary Enterprises and Service Units offer various products and services for sale. Examples are food services, printing services, and maintenance and repair of working spaces. Any excess of revenues over expenses generated by these entities is used to ensure future operations, renew and replace plant and equipment, and contribute back to the University's education and research missions through Presidential priorities. When a University department purchases such products or services, the University department must allow the related Auxiliary Enterprise or Service Unit first opportunity at the transaction. Such purchases may be awarded to outside vendors only upon sufficient justification or upon refusal by the Auxiliary Enterprise or Service Unit.

4.11.7—SUBMITTING PURCHASES TO THE BOARD OF REGENTS FOR APPROVAL AND REPORTING OTHER PURCHASES

Separate and apart from the policies and procedures governing competition and processing by the Purchasing Department, the following conditions govern those purchases that must be submitted to the Board of Regents for prior approval, those purchases that must be reported to the Board of Regents at least quarterly, and those purchases that are exempt from either the approval or reporting requirements. The dollar limitations are on a per-transaction basis and are not cumulative.

- Purchases over \$1,000,000 must be submitted to the Board of Regents for prior approval; sole source purchases in this category must be identified as such; changes that would increase the financial obligation of the University by more than 15% must be submitted to the Board of Regents for approval.
- Purchases above \$50,000 but not exceeding \$1,000,000 must be reported to the Board of Regents at least quarterly; sole source purchases in this category must be reported separately and identified as such.
- Any agreement or obligation that would establish or make policy for the University, or would otherwise involve substantial or significant expenditures must be submitted to the Board of Regents for approval.
- Purchases of air charter services must be reported to the Board of Regents at the meeting of next earliest opportunity.
- Purchases by University departments from University Auxiliary Enterprises or Service Units are exempt from the approval and reporting requirements.
- Purchases of products, services, and utilities for resale, including minor operating supplies consumed in the resale process, by University Auxiliary Enterprises or Service Units or other University units engaged in the resale of products or services in accordance with their mission, are exempt from the approval and reporting requirements.
- Acquisition contracts that merely establish unit prices, availability and other terms and conditions but which are indefinite as to quantity and delivery must be reported to the Board of Regents if the cumulative orders against them are expected to exceed \$1,000,000 annually.

- Subcontract and subrecipient agreements and the related orders issued pursuant to sponsored grants or contracts that have been ratified by the Board of Regents are exempt from the approval and reporting requirements.
- Purchases of property designated as surplus by federal agencies, state agencies, county governments, municipalities, school districts, other institutions of higher education, and similar bodies are exempt from the approval and reporting requirements.
- Payments to federal agencies, state agencies, county governments, municipalities, school districts, other institutions of higher education, and similar bodies for products and services in situations that cannot reasonably be subjected to the competitive process are exempt from the approval and reporting requirements.

4.11.8—SOLE SOURCE PURCHASES

The following policy regarding sole source purchases explains why a particular action may not be subject to competition. However, it does not affect the criteria governing when a purchase must be processed through the Purchasing Department. Other than the requirement for competition, sole source purchases are subject to the same policies and procedures set forth above.

A sole source purchase is any purchase which, by the specifications needed by the requestor or by the specific restrictions imposed by a funds provider, restricts the action to one supplier or to one brand name. The sole source determination and justification shall not be based upon personal or professional preference of the requestor. Justification shall be objective rather than subjective.

A major component of a sole source purchase is the determination of fairness of price. Even though a material, service or supplier may truly fit the conditions of sole source, the requestor shall demonstrate that the related price is fair and reasonable.

Any requestor or buyer who knowingly executes a sole source purchase when, in fact, it is not one, may be subject to administrative action.

The Purchasing Director is responsible for developing and maintaining the specific guidelines and forms necessary for requestors to document and justify proposed sole source purchases, and has the authority to challenge and deny requested actions that lack sufficient justification. The completed and executed forms shall be an integral part of the procurement file, available for inspection and audit by appropriate authorities.

4.11.9—PROPERTY CONTROL AND CAPITALIZATION OF CERTAIN PURCHASES, GIFTS OR OTHER ACQUISITIONS

In addition to the policies and procedures governing the acquisition of products and services, the following requirements apply to certain purchases, gifts or other acquisitions.

Capital assets coming under the control of a University department, whether through purchase, gift or otherwise, shall be recorded in the University's inventory system. Additionally, capital assets that are movable shall be tagged. If a movable capital asset is transferred from one location to another, the transferring department shall report such movement to the appropriate inventory control office, and the new location shall be recorded in the system.

For purposes of this policy, a capital asset is one that meets the federal useful life and cost criteria specified in the Office of Management and Budget Circular A-21, as may be amended or superseded.

The President or President's designee may impose inventory controls above and beyond those required in OMB circular A-21, as may be amended or superseded.

4.11.10—ACQUISITION OF SURPLUS PROPERTY

The following University officers are authorized to sign contractual documents and enter into negotiations as necessary in the acquisition of surplus property from federal agencies, state agencies, county governments, municipalities, school districts, other institutions of higher education, and similar bodies:

- President
- Vice Presidents for Administration & Finance
- Controllers
- Assistant Controllers
- Purchasing Director
- Purchasing Director's Designee

4.11.11—SIGNIFICANT EMERGENCIES

The President shall have authority to direct University Administration to enter into such transactions as may be necessary for the University to timely respond to significant emergencies. For purposes of this policy, a significant emergency is an event of substantially harmful or catastrophic impact, whether resulting from natural or human causes. Examples of such events are addressed in the National Incident Management System (NIMS) literature and guidance. However, the President shall have the authority contemporaneously to declare any event as "significant" based upon his/her judgment and assessment of the developing situation. In such instances, the President shall keep the Chair of the Board of Regents timely informed of the attendant facts and circumstances. All material transactions shall be reported back to the Board at the earliest opportunity.

4.11.12—SELLING GOODS AND SERVICES

The University provides a substantial volume of goods and services for compensation. To protect and preserve the University's interests and ensure that it remains in compliance with all applicable laws and regulations, related contractual documents must be processed through the University's Legal Counsel Office and any other appropriate office (for example, Grants and Contracts Administration, the Controller, Public Affairs). Such contractual documents should be signed only after all appropriate and required reviews and approvals have been completed. Only an individual to whom the President has delegated the appropriate authority to sign contractual documents in the nature of the document in question may sign the document. Each document involving annual revenues of \$125,000 or more shall be submitted to the Board of Regents for ratification. Additionally, if the agreement would establish or make policy for the University, or would otherwise involve a substantial service to be performed by the University, it must be submitted to the Board of Regents for approval.

Separately, the selling or disposing of excess or obsolete University property shall be carried out in all respects in compliance with governing laws and regulations. Examples of such property are, without limitation, desks, chairs, equipment, furniture, and vehicles. Only appropriate departmental authority (such as vice president, dean, or department head) may declare property as excess or obsolete. The Vice Presidents of Administration & Finance of each campus shall establish the detailed procedures necessary to ensure that University property is sold or disposed of properly. The detailed procedures shall specifically address and require the complete and irreversible destruction of data on any device (e.g., computers, copiers, printers, PDAs, pads, etc.) that may contain such data.

(RM, 5-10-73, pp. 12157 61, amended 6-13/14-73, 7-26-73, 11-8-73, 12-13-73, 6-13-74, 1-9-75, 9-1-77, 2-8-79, 12-18-80, 9-7-88, 12-7-88, 5-17-89, 6-14-90, 3-7-91, 7-18-91, 12-4-92, 3-29-00, 1-27-04; 6-23-04, p. 29151; 6-23/24/25-08, p. 31291; 9-19-11, p. 32773; 9-18-13, p. 33824; 5-7-15, p. 34665)