PURPOSE: This standard practice (SP) establishes standards and procedures for delegation of procurement authority.

POLICY: Authority to make contractual commitments for the expenditure of Laboratory funds is delegated only to specific individuals. Authority to make such commitments through procurement transactions is delegated by the President of the University through the Laboratory Director and Chief Financial Officer (CFO), to the Procurement Manager and the Deputy Procurement Manager who may both redelegate authority as appropriate.

SCOPE: This SP applies to the delegation of authority for all Laboratory procurement transactions including agreements, subcontracts, purchase orders, Intra-University Transactions (IUTs), real property leases, DOE Contractor Orders, modifications, and procurement credit card transactions.

Exceptions Certain procurement commitments made pursuant to established Laboratory procedures issued by other Laboratory departments are exempt from the requirements of this SP. Examples include: petty cash transactions, employee travel, special disbursements, library purchases, conference expenses, and corporate credit card transactions for business expenses.

DEFINITIONS:

Delegatee A delegatee is an individual to whom procurement authority has been delegated.

Designated Position A designated position is a position responsible for the procurement of goods and services for the benefit of the Laboratory. Designated positions are procurement supervisors procurement specialists, Distributed Procurement Unit (DPU) buyers, and Facilities project managers.

Issuing Authority The issuing authority is an individual who is authorized to delegate procurement authority to another. For purposes of this SP, both the Procurement Manager and the Deputy Procurement Manager are issuing authorities.

Procurement Authority Procurement authority is the express delegated authority given in writing to a person in a designated position to legally commit the University to the payment of funds by issuing purchase orders, subcontracts, modifications, IUTs, or DOE Contractor Orders.

PROCEDURES:

Delegation of Procurement Authority

Procurement authority and limitations are delegated in writing by the issuing authority to individuals based on an individual's knowledge, experience, performance, training, and the requirements of the individual's position. The determination to delegate authority to an individual rests with the issuing authority and may include limitations on:

- Maximum expenditure authorized for subcontracts and/or modifications;
- Term;
- Type of subcontract; or
- Type of goods or services.

Removal, Reduction, or Limitation of Delegated Authority

Only those individuals with specific written delegation of procurement authority may commit the Laboratory to an expenditure of funds within their levels of authority. Failure to comply with contractual requirements and/or established policies and procedures may result in removal, reduction, or limitation of an individual's procurement authority.

Limitation on Delegated Authority

Procurement authority is limited by the policies and procedures of the University, the Laboratory, and the issuing authority.

University Limitations — The University gives the Laboratory limited authority to execute purchase actions including:

- Purchase contracts, subcontracts, and standard purchase orders for materials, goods, and services;
- Contracts for construction services;
- Appointment of and agreements for Architect-Engineer services;
- Lease of real property;
- Approval of construction bonds;
- Execution of real property easements and rights of way; and
- Execution of Licenses for use of real property.

The University Office of the President issues letters of delegation to the Laboratory Director establishing limits of the Laboratory's authority. For subcontracts for materials, goods, and services, the delegation letter requires:

- Compliance with *University Bylaw 5.1 and Standing Order 100.4(dd)*;

- Issuance of the procurement document in accordance with University and Laboratory policies and procedures;
- That funds are available;
- Approval from DOE, if required;
- Approval from the Treasurer of the Regents for any acquisition or lease/purchase which contemplates or will result in the issuance of *Certificates of Participation* as a source of funds for the transaction; and
- Compliance with the relevant provisions of *Prime Contract DE-AC02-05CH11231*.

Laboratory Limitations — In addition to the University limitations specified above, Laboratory policy further limits procurement authority by specifying maximum dollar commitment levels for designated positions and specifying designated positions permitted to receive authority.

Designated Positions

Procurement — Designated positions within Procurement are job positions which issue or approve purchase actions listed in *University Limitations* above. The CFO delegates procurement authority to the issuing authority, who redelegates authority to personnel within Procurement based on the requirements of the position and on the individual's knowledge, experience, and performance. The issuing authority's delegation cannot be further re-delegated.

Distributed Procurement Unit (DPU) Buyers — Designated DPU buyers may execute individual subcontracts for standard supplies and services within the authority specified by the issuing authority, and not to exceed the DPU buyer's purchase card limit as set by the CFO. DPU buyers must complete all specified procurement training, including the duties, obligations, ethics, and limitations of the delegated authority as described in SP 13.4, *Purchase Card Program*.

Facilities Project Managers - Designated Facilities project managers may issue field directed changes for construction subcontracts and purchase orders within the authority specified by the issuing authority.

Exercising Procurement Authority

Delegation of procurement authority may be constrained by a dollar limitation. This is known as the "signature authority level." Personnel in designated positions are authorized to sign subcontracts and purchase orders on behalf of the Regents of the University of California for any amount up to their delegated signature authority level. Actions in excess of the individual's delegated authority must be referred through the line

management chain to a person with the necessary signature authority for review and execution.

In-Process Action Review and Approval

Various actions require review and/or approval by an appropriate level of line management, as follows:

- Subcontracts and purchase orders in excess of the procurement specialist's delegated authority must be reviewed by appropriate line management to reach the individual with signature authority sufficient to execute the action.
- Subcontracts and agreements must be executed by an individual with signature authority sufficient for the cumulative expenditures or estimated value as if the subcontract or agreement was for an individual subcontract.
- Determinations of nonavailability of a domestic product to waive the *Buy American Act* must be approved by the procurement supervisor. The Procurement Manager, or designee, must approve all requests for waiver when DOE approval is required (see SP 25.1, *Buy American Act*).
- Requests for exception to standard terms and conditions (see SP 52.1, *Exceptions to Terms and Conditions*) must be reviewed by the procurement supervisor before being forwarded to Laboratory Counsel. Laboratory Counsel will review and approve the exceptions prior to submission to the DOE Contracting Officer.
- Organizational Conflicts of Interest (OCI) packages requiring avoidance or neutralization must be approved by the procurement supervisor. OCI packages requiring mitigation plans must be reviewed by the Procurement Manager and Legal Counsel before being forwarded to DOE for action (see SP 9.3 *Organizational Conflicts of Interest)*.
- Approval from DOE must be requested for solicitations or awards in accordance with any thresholds stipulated in the Contracting Officer's approval of the Laboratory's procurement system. (see Prime Contract Appendix G).

Recission of Procurement Authority

Procurement authority will be rescinded whenever a delegatee changes job responsibilities such that procurement authority is no longer required or terminates employment from the Laboratory. The issuing authority may also rescind or modify the delegation if it is determined that the delegatee is not complying with the terms, limits, and conditions of the delegation. This rescission is initiated by the issuing authority.

Documentation

The Procurement Manager ensures that a record is kept of all delegations, revisions, and rescissions of procurement authority. The issuing authority will ensure that all appropriate University personnel specified in the University delegation letter are notified when procurement authority is issued, modified, or rescinded.

Procurement's Department Administrator is responsible for maintaining a procurement authority file covering all Procurement delegations.

RESPONSIBILITIES:

Procurement Specialist

The procurement specialist shall:

- Comply with all applicable requirements of the Prime Contract, Standard Practices, and other Laboratory requirements; and
- Commit the Laboratory to an expenditure of funds only within his/her delegated authority.

Procurement Supervisor

The procurement supervisor shall:

- Approve *Buy American Act* waivers, and forward them to the Procurement Manger, or designee, when DOE approval is required;
- Review exceptions to standard terms and conditions before forwarding to Laboratory Counsel; and
- Approve OCI packages requiring avoidance and neutralization.

Procurement Manager

The Procurement Manager shall:

- Ensure a record of all delegations of authority is maintained,
- Approve *Buy American Act* waivers when DOE approval is required, and
- Review OCI packages before they’re forwarded to DOE for action.

Department Administrator

The Department Administrator shall maintain a procurement authority file covering all Procurement delegations.

Delagatee

The delegatee shall exercise delegated authority within the written limitations specified by the issuing authority.

Issuing Authority

The issuing authority shall:

- Review requests for delegation of procurement authority,
- Delegate authority as may be considered appropriate,
- Rescind delegated authority as appropriate, and
- Notify all appropriate University personnel when delegation letters are issued, modified, or rescinded.