	Loudoun County Government **Administrative Policies and Procedures**
Title: Delegated Purchasing Authority	**Effective Date**: 2/18/1992
Number: PRO-03	**Date of Last Revision:** 6/25/2007 **Expiration Date:** 4/30/2008

Purpose:

These procedures provide guidance, to Departments with delegated authority, on how to manage routine purchases. Most departments have delegated authority up to $5,000. In addition, a Buyer or Contracting Officer supports each department, with additional support as needed from the Assistant Purchasing Agent and the Purchasing Agent. Individual Out-stationed Buyers with additional authority support the following departments: Fire-Rescue, General Services, Information Technology, MH/MR/SAS, Parks, Recreation & Community Services, and the Sheriff's Office.

Definitions – Methods of Purchase

Purchase Order - Issuance of a purchase order in the County's automated purchasing system. Purchase Orders are mandatory for all contract purchases regardless of the value, unless the contract specifically authorizes credit card purchases/payments, or prior authorization of another method of purchase is given in writing by a Contracting Officer/Purchasing Agent.

Credit Card – Authorized purchase/payment using county issued and assigned card. Encouraged for small purchases. Use of a credit card is authorized for non-contract purchases. Purchases against County contracts are prohibited, unless the contract specifically authorizes credit card purchase/payment, or a Contracting Officer/Purchasing Agent authorizes use in writing. Also, see Administrative Procedures, Credit Card Policy & Procedures (ACC-02).

Petty Cash – Making a purchase with department cash advance or personal funds to be reimbursed. Encouraged for very small purchases up to $50 when a credit card is not available.

Request for Payment – Payment for items/services that are not really purchases (e.g., dues, subscriptions, and registrations), and payments on behalf of clients or other situations as approved by Procurement. The following expenses are exempt from the purchasing procedures outlined herein and should be submitted for payment to the Department of Management & Financial Services, Division of Accounting and Control using a Request for Payment.

- Utilities
- Renewals of dues

- Renewals of Subscriptions (unless the subscription exceeds $30,000)
- Direct payments on behalf of clients (i.e., fuel assistance payments)

Any expenses not listed above MUST be handled in accordance with the procedures outlined herein.

Automated System

Purchase orders are issued through the FAMIS Purchasing system (Purchasing System). Buyer codes will be assigned to trained staff, referred to as "Department Buyers", to issue purchase orders. **DEPARTMENTS SHOULD NOT ISSUE PURCHASE ORDERS "AFTER THE FACT" FOR ORDERS THAT HAVE ALREADY BEEN PLACED BY THE DEPARTMENT. PROCUREMENT WILL NOT ISSUE PURCHASE ORDERS AFTER THE FACT UNLESS IT IS DEEMED NECESSARY FOR REPORTING PURPOSES.**

Remote Printing of Purchasing Documents

To facilitate the Delegated Purchasing Authority Program, purchasing documents issued in the FAMIS PURCHASING System by departments are submitted for remote printing to department laser printers. Purchasing documents issued by departments will be automatically submitted to the designated laser printer of the person who final post or authorizes the document. The department is responsible for distributing copies per Administrative Procedure, Remote Laser Printing & Distribution of Purchasing Documents (PRO-22). Once a department user is set up for remote printing, notify the Procurement office to request a change to a printer and report any problems while printing purchasing documents to ensure continuation of successful printing.

Optional Use

Use of the authority is optional. When issuance of a purchase order is required, the department may still submit requisitions to Procurement for processing.

Training

Training is a pre-requisite to receiving delegation. The department shall have multiple individuals trained, including the Department Head. At least one staff person must have had the training in order to maintain the authority. If not, the authority will be suspended until a staff person is trained.

Contracts

The County has over 300 contracts and has access to hundreds of State and other jurisdictions' contracts. These contracts result in volume purchases and lower prices. The value of these contracts to the County must be maintained. Contract purchases must be monitored to ensure staff award authority is not exceeded.

Use of existing County contracts is mandatory. A master list of contracts and actual contract documents are available on the Intranet. <u>Purchases against County contracts with a credit card are prohibited, unless specifically authorized in the contract, or a Contracting Officer/Purchasing Agent authorizes use in writing.</u>

Form and other vendor-provided contracts typically contain clauses that are not allowed in Virginia (such as indemnification) or are not in the County's best interest (continuous, automatic renewals or subject to the laws of another state). Due to the potentially severe negative impact of signing contracts containing inappropriate clauses, departments are only authorized to sign purchase orders, not separate contracts, including maintenance agreements, service agreement, rental agreements, etc. Procurement Division staff shall review and sign any contracts

<u>Small Purchase Policy</u>

The Board's Purchasing Policy only requires one written or verbal quote for purchases up to $5,000. Purchases may not be split to circumvent this policy. Catalog referrals do not qualify as a quote. A quote requires contact with the vendor and documentation of the following: vendor name, phone, contact person (first and last name), price, item quoted, delivery date, payment terms, and FOB point. The quote sheet function or the purchase order notepad in the Purchasing System must be used to document quotes.

The Policy requires that three written or verbal quotes be solicited for purchases over $5,000 but not more than $30,000. Contracts for goods and nonprofessional services over $30,000 up to $50,000 require informal, written solicitation from at least four vendors and written quotes. Contracts for professional services (as defined by the Virginia Public Procurement Act) over $30,000 require formal competitive negotiation and must be handled by Procurement staff. The written Request for Quotes and written quotes shall be kept on file with the order.

<u>Fixed Assets</u>

A fixed asset is any item that costs $ 5,000 or more, with a useful life of at least one year. All fixed assets are identified and assigned a number at the time the Purchase Order is issued. The Department tags the item upon receipt before the item is sent to the "field." It is important that fixed assets be tagged and accounted for. Since this is more difficult after the item is sent to the "field," **the purchase of fixed assets is exempt from the delegated authority**.

<u>HARDWARE/SOFTWARE PURCHASES</u>

In order to maintain standardization, **hardware and software purchases may not be procured under delegated authority, unless written authorization is given by the Department of Information Technology. A copy of this authorization shall be kept on file with the order.**

Other Exceptions

Previously postage was not allowed under the authority, but is now allowed.

Monitoring of Purchases

Although authority has been delegated, the ultimate responsibility rests with the Purchasing Agent. Purchases will be monitored to ensure compliance. A report has been developed to allow review of Request for Payments for improper purchases. The penalty for abuse will be suspension or revocation of the authority. Abuse includes failure to process purchases through the Purchasing System, failure to obtain and document necessary quotes, failure to use an existing contract, splitting orders to circumvent these procedures, exceeding authority, and unethical actions.

Purchases will be monitored regularly through review of Purchase Orders, Request for Payments, Credit Cards, and department site visits to review documentation.

Responsible Department/Division: Management & Financial Services/Procurement