



DELEGATION OF PURCHASING AUTHORITY

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INTRODUCTION

This delegates purchasing authority to your department and the boards, commissions, public corporations and other agencies under your span of control. It supersedes all previous delegations granted by the Department of Administration. It is made based on the determination that your agency has a satisfactory performance history exercising similar authority; employees trained in procurement matters; and agency procurement policies and procedures which complement AS 36.30, 2 AAC 12 and the Alaska Administrative Manual. It will remain in effect until it is revised or withdrawn. It covers supplies, services and professional services, other than construction and State Equipment Fleet purchases, except where otherwise noted. Prior delegations should be discarded to eliminate any possible confusion.

This delegation is made directly to you as the head of an agency and it authorizes procurements that are specific to your department. Only the Division of General Services (DGS) may award contracts for multiple departments. You may further delegate this authority within your department, provided that you do so **in writing**; and for procurements above \$5,000, that such authority is delegated only to individuals certified under the DGS Procurement Officer Certification Program.

Individuals conducting procurements above \$5,000 need both a written delegation of purchasing authority and certification depending on the dollar amount of procurements they perform.

DGS' Procurement Officer Certification Program recognizes that professional services contracts and amendments may be signed by a non-certified state official, provided a certified procurement officer is responsible for the solicitation, oversees the evaluation, issues the Notice of Intent and drafts the contract or amendment. Additionally, certification is not required for Commissioners, Deputy Commissioners, or other positions above the Director of Administrative Services level that approve Small Procurement Requests for Alternate Procurement (Single Source and Limited Competition).

Procurements must be conducted in accordance with AS 36.30, 2 AAC 12, the Alaska Administrative Manual, and DGS Procurement Information Messages (PIMs). You are responsible for ensuring that the individuals to whom you delegate purchasing authority are certified at the appropriate level and perform procurement duties in a prudent and legal manner.

Your agency's procurement policies and procedures must remain current and in compliance with AS 36.30, 2 AAC 12, the Alaska Administrative Manual, and DGS PIMs. Purchasing violations must be investigated in accordance with Alaska Administrative Manual sections 82.300-350. Per AAM 82.330, a violation report must be submitted to the Chief Procurement Officer for review.

PROCUREMENTS PERMITTED UNDER THIS DELEGATION

(a) You are delegated authority to procure goods, services, and professional services regardless of the estimated value, provided the contract is intended only for your department. Procurements which exceed the amount established for small procurements must be procured through formal competitive sealed bids or competitive sealed proposals in accordance with AS 36.30 and 2 AAC 12. This authority is conditioned on the use of the 5% Alaska Bidder Preference, 5% Alaska Veteran Preference, 10% Alaskan Offerors Preference, and other statutory preferences, as applicable.

The procurement officer must determine in writing that the use of a competitive sealed proposal is more advantageous prior to using the competitive sealed proposals process in lieu of the competitive sealed bid process. However, this determination is not required when procuring professional services or the other supplies and services listed in 2 AAC 12.215.

A solicitation number must be obtained from DGS prior to taking any procurement actions on purchases which exceed the amount established for small procurements. This solicitation number must be referenced on all documents and notices associated with the procurement.

Within five days of award of the procurement, agencies must forward a completed Procurement Report (form 02-115) to DGS for each procurement made under this authority which exceeds the amount established for small procurements.

(b) You may contract directly for small procurements in accordance with AS 36.30, 2 AAC 12 and the Alaska Administrative Manual. The purchasing agency shall make award to the lowest quotation when soliciting quotes, or the informal proposal that is determined to be most advantageous when soliciting informal proposals.

(c) You may purchase directly from contracts in the Contract Award Manual (CAM) according to the terms of the contract. Some of the contracts in the CAM are mandatory-use. Items on a mandatory contract award may not be purchased from another source.

(d) You may procure as necessary in response to an emergency. Prior to making an emergency procurement, a determination of emergency must be made by the Chief Procurement Officer unless there is not sufficient time for the Chief Procurement Officer to make the determination per AS 36.30.310 (generally, if action needs to be taken within 72 hours), in which case, an agency official must make a determination of emergency. The procurement must be made in accordance with 2 AAC 12.450. A record of each agency emergency determination, including a copy of the determination, the procurement document, and a Procurement Report (form 02-115), must be prepared and forwarded to DGS.

(e) If you wish to make a Single Source or Limited Competition procurement which exceeds the limit established for small procurements under AS 36.30, you must complete a Request for Alternate Procurement (RAP), (form 02-100) and obtain Chief Procurement Officer approval as required by AS 36.30, 2 AAC 12 and the Alaska Administrative Manual.

(f) If you wish to conduct an innovative procurement, you must complete a Request for Alternate Procurement (form 02-100) and secure Chief Procurement Officer approval as required by 2 AAC 12.575. You must then submit a procurement plan to the Department of Law and obtain their approval.

(g) You may purchase directly from a Certified Employment or Youth Job Training Program, in unlimited amounts, without competitive bidding, in accordance with AS 36.30 and 2 AAC 12. A list of Certified Employment Programs is available from DGS.

(h) Your agency's procurement officer is responsible for issuing a decision on a protest of a procurement which exceeds the amount established for small procurements per AS 36.30.580, and for submitting a Protest Report per AS 36.30.605. You or your designee is responsible for resolving protests of small procurements in accordance with 2 AAC 12.695.

(i) You may purchase directly from the Department of Corrections' Prisoner Employment Program (PEP), formerly the Alaska Correctional Industries (ACI) program. Purchases from the Department of Corrections' PEP program are exempt from the procurement code per AS 36.30.850 (c). No special determinations are required. Payment to the PEP for purchases should be made through Agency Journal Entries.

(j) In Juneau, if your agency has mission critical mailing equipment and/or service acquisition needs not satisfied by PC Postage products, the purchase or lease of mailing equipment must be justified and submitted to DGS for approval. In all locations, including Juneau, you may purchase PC Postage products from vendors licensed by the United States Postal Service. Your agency may also procure the USPS' Net-Post Mailing Online fulfillment house services for letters, brochures, post cards, cards and certified mail in unlimited quantities. These services are exempt from the Procurement Code under AS 36.30.850(c).

(k) You may procure employee housing in accordance with AS 36.30, 2 AAC 12 and the Alaska Administrative Manual.

AUTHORITY TO APPROVE REQUESTS FOR ALTERNATE PROCUREMENT (RAPs) WITHIN THE MONETARY LIMITS SET FOR SMALL PROCUREMENTS

As the head of an agency you are delegated the additional authority to approve Requests for Alternate Procurement (RAPs), (form 02-100) in amounts which do not exceed the statutory limit for Small Procurements for:

(a) Single Source procurements for supplies, services, and professional services, in accordance with AS 36.30.300, 2 AAC 12.410-420 and the Alaska Administrative Manual.

(b) Limited Competition procurements for supplies, services, and professional services, in accordance with AS 36.30.305, 2 AAC 12.430 and the Alaska Administrative Manual.

This approval authority may not be delegated below the level of Deputy Commissioner, Assistant Commissioner, or Director of Administrative Services. Agencies are required to provide DGS with a Procurement Report (form 02-115) and copies of all approved Single Source and Limited Competition procurements within five (5) days of the date the procurement is completed.

PROCUREMENT RESTRICTIONS UNDER THIS DELEGATION

(a) You may not procure leased office space.

(b) You may procure non-office leased space estimated to cost no more than \$50,000 for the life of the fixed term of the contract plus any renewal options.

- (c) **You may procure printing** in accordance with AS 36.30, 2 AAC 12, and AAM 83.010 - 83.065.
- (d) **When procuring supplies, services, or professional services under small procurement procedures**, the minimum number of quotations or informal proposals must be sought from Alaskan vendors prior to soliciting any non-Alaskan vendors, unless the procurement officer determines in writing that soliciting the minimum number of quotes or informal proposals from Alaskan vendors is not practical per 2 AAC12.400(f) and AAM 81.220.
- (e) **When procuring supplies, services or professional services through competitive sealed bids or competitive sealed proposals**, you may not solicit vendors located outside Alaska without first securing a determination by the Chief Procurement Officer that limiting competition to Alaskan vendors is not practicable.
- (f) **All service contracts above \$50,000 must be performed in the United States**, unless a waiver is approved by the Chief Procurement Officer. The agency must address why a waiver is in the states best interest and why limiting competition to service providers located in the United States could damage the agency's ability to accomplish its public mission per AAM 81.015.
- (g) **You may not enter into or amend a contract above \$100,000 with a company established and headquartered, or incorporated and headquartered, in a Tier 3 country** as categorized in the most recent United States Department of State's Trafficking in Persons Report unless the company has submitted a certified copy of its policy regarding human trafficking and such policy is approved by the State of Alaska per AAM 81.025.
- (h) **You may not procure from GSA federal supply schedules**, pending further action by GSA, and procedures from DGS.
- (i) **You may not hire employees through the procurement process, or as an exempt procurement under AS 36.30.850**. Under certain circumstances, such as the hiring of foreign nationals who will be working in foreign countries, an agreement that appears to create an employer/employee relationship may be appropriate. These employment agreements [2 AAC 12.990(a)(6)] are not procurements and they are not professional services acquisitions. DOA, Division of Personnel and the Department of Law should review any such proposed employment agreement.

If you are unsure whether a procurement will result in an employer/employee relationship, check with the Department of Personnel and the State Accountant in the Division of Finance. If the services you require result in an employer/employee relationship, the person must be hired through the personnel system, not the procurement system [(AAM 81.010 and 2 AAC 12.990 (a)(6)].

SPECIFIC AUTHORITY

- (a) **The Commissioner of the Department of Natural Resources** may procure, in unlimited amounts, fire fighting equipment and supplies directly from the Federal Government, through GSA.
- (b) **The Commissioner of the Department of Natural Resources** may procure, in unlimited amounts, concession contracts for State parks in accordance with AS 41.21.020-027.
- (c) **The Commissioner of the Department of Transportation and Public Facilities** may purchase, in unlimited amounts, docking terminal and ancillary facilities, including office space and services such as line handling, ticket sales, reservations, vehicle staging, and passenger waiting rooms for the Alaska Marine Highways System.

GENERAL REQUIREMENTS:

(a) Agencies are to submit requirements for all telephones (including cell phones) and telephone systems, leased or purchased telephone lines or circuits, radios and the following types of equipment directly to the Department of Administration, Enterprise Technology Services: data communications, electronic navigation, paging, public address, video transmission, teleconferencing, video conferencing, image transmission and telecommunications. Data communications equipment includes but is not limited to: modems (with the exception of Hayes compatible PC dial-up modems), bridges, routers, multiplex equipment, and terminal control units. Telephone systems include: voice over Internet protocol (VOIP), key systems, telephone switches, desk-top instruments, voice mail, automated attendant, automated call sequencers, and similar equipment.

(b) Agencies are to ensure information technology systems, solutions, and services are compliant with State Information Technology and Security Policy and statewide Technology Management Council (TMC) standards. The Department of Administration, State Security Office establishes statewide Information Technology Security Policy and the TMC establishes statewide technology standards. State agencies are not allowed to procure other brands or solutions without receiving a TMC waiver nor deploy solutions that are not in compliance with State Information Technology and Security Policy. The procurement officer is also required to make a written determination for all brand specific technology purchases (see PIM 70, Brand Specific Determinations and Standards).

(c) Agencies are to submit requirements for construction, State Equipment Fleet vehicles, mobile homes, portable shelter units, and prefabricated and/or sectional office, housing or shelter units directly to the Department of Transportation and Public Facilities.

COMPETITIVE BIDS OR PROPOSALS NOT REQUIRED

(a) Competitive bids or proposals are not required to procure vessel maintenance and repair if the work is done by an Alaskan marine maintenance and repair facility per AS 36.90.050.

(b) Competitive bids or proposals are not required for the goods and services exempted under AS 36.30, Article 10, General Provisions or Appendix 1 to AAM. 82. When conducting an exempt procurement, you must ensure the supplies, services, or professional services qualify as an exemption under AS 36.30.850 or Appendix 1. Check with the Division of General Services if you are unsure whether a particular item is exempt from AS 36.30.

(c) Competitive bids or proposals may not be required for certain goods or services acquired under AS 36.30, Article 9, Intergovernmental Relations. Cooperative purchases with qualifying entities may be made after approval of a cooperative purchasing agreement by DGS.

FORMS AND REPORTS AGENCIES ARE REQUIRED TO PROVIDE TO DGS

Agencies are required to provide DGS with copies of the following forms and reports within five (5) days of the date the procurement is completed:

- (a) Procurement Report Form,**
- (b) Agency approved single source RAPs,**
- (c) Agency approved limited competition RAPs,**
- (d) Agency determinations of an emergency, and**

(e) Records of innovative procurements.

VIOLATIONS

Violation of procurement statutes, regulations, the Alaska Administrative Manual, or the terms set forth above may be cause for the revocation of part or all of this delegation by the Chief Procurement Officer and/or revocation or reduction of an individual's Procurement Officer Certification issued by DGS. Violations may also result in employee discipline by the purchasing agency up to and including dismissal.

A person who contracts for or purchases supplies, equipment for the state fleet, services, professional services, or construction in a manner the person knows to be contrary to the requirements of this chapter or the regulations adopted under this chapter is liable for all costs and damages to the state arising out of the violation. A person who intentionally or knowingly contracts for or purchases supplies, equipment for the state fleet, services, professional services, or construction under a scheme or artifice to avoid the requirements of this chapter is guilty of a class C felony (Ref. AS 36.30.930 Civil and Criminal Penalties).

cc: Office of Management & Budget
Legislative Audit
Lt. Governor's Office
Division of General Services