

Dear Colleagues:

We write today to inform you of financial policies changes – revisions to the Procurement Policy and newly created Contract Management Policy and Delegation of Contract Approval and Signature Authority Policy – that will go into effect on July 1, 2018.

These policies, while separate, work together to make our business processes more efficient, ensure appropriate authorization for contractual commitments, and reduce potential risk associated with the purchase of good and services and contracting with suppliers.

Below is a brief overview of the policies; however, you may find all of the policies by visiting <https://controller.richmond.edu/sourcing-payments/policies.html>.

### Procurement Policy

This comprehensive [policy](#) outlines the requirements and practices for the purchase of goods and services to ensure the appropriate use of University resources. It is the intention of this policy to ensure the timely and cost effective acquisition of goods and services and maximize the University’s purchasing power. Changes include revisions to competition requirements and procurement methods, as well as clarification of the roles and responsibilities of those involved in the procurement process.

The new competition requirements are as follows:

<b>Under \$10,000</b>	<b>\$10,000 to \$75,000</b>	<b>Above \$75,000</b>
Goods and purchased services valued less than \$10,000 in the aggregate and that are not restricted from departmental purchase may be purchased directly by departments with no competition requirement.	The purchaser must solicit a minimum of three written quotations.	Procurement and Strategic Sourcing must manage the purchasing process for items exceeding \$75,000. Procurement will solicit bids from potential sources using the most practical procurement method.

### Contract Management

This [policy](#) provides guidance on how to manage contractual obligations and the risk associated with contracts in order to safeguard University resources by providing clear direction to the University community. This policy defines what a contract is and the roles and responsibilities of those involved in the contracting process.

### Delegation of Contract Approval and Signature Authority

This [policy](#) specifies approval and signature authority for University contracts. All University contracts must be approved and signed in a manner consistent with this policy. Approval and signature authority is assigned based on the categories set forth below.

- *Contracts Requiring Board Approval.* The Delegation of Contract Approval and Signature Authority Policy specifies those contracts that must be approved by the Board of Trustees prior to signature.
- *Limited Delegation Contracts.* Schedule A also contains a list of contracts, by category and contract type, for which approval and signature authority is specifically assigned to the University officers and employees listed in Schedule A. These contracts are referred to as “Limited Delegation Contracts”.

- *General Delegation Contracts.* Contracts for which approval is not limited to the Board of Trustees and that are not listed on Schedule A are referred to in the policy, as “General Delegation Agreements” and approval and signature authority is delegated based on the dollar amount of the contract and title. For example, the policy delegates to Senior Associate, Associate, and Assistant Vice Presidents authority to sign General Delegation Agreements with a value of up to \$50,000.

Individuals to whom contract approval and signature authority is delegated under this policy may not delegate such authority to others.

Procurement and Strategic Sourcing will provide an in-depth review of these policies at information sessions over the next few months. A schedule of these forums as well as instructions on how to sign up may be found at <https://controller.richmond.edu/sourcing-payments/index.html>.

If you have any questions concerning these policies, please contact Jean Hines at [jhines@richmond.edu](mailto:jhines@richmond.edu), or Wendy Burchard at [wburchar@richmond.edu](mailto:wburchar@richmond.edu).

Thank you very much for your attention to and cooperation with these changes, which are intended to better serve our community.

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Executive Vice President and Chief Operating Officer

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