



**State of Oklahoma**  
**Office of Management and Enterprise Services**  
**Purchasing Division**

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**PROCUREMENT INFORMATION MEMORANDUM**

<b>Affected Entities/Personnel:</b> State agencies	<b>Subject:</b> Clarification and Use of Authority Orders and Procedure Guidance
<b>Effective Date of PIM:</b> 04.16.2018	<b>Point of Contact:</b> <a href="mailto:PIM@omes.ok.gov">mailto:PIM@omes.ok.gov</a>
<b>Replaces:</b> 2010-02	<b>Statutory and Rule Reference:</b> 1. None
<b>Approved:</b> Ferris J. Barger, State Purchasing Director	<b>Approval Date:</b> 04.16.2018

As a means of disseminating relevant state procurement information to state entities, the Office of Management and Enterprise Services, Central Purchasing, periodically issues procurement information memoranda. To the extent any information in this procurement information memorandum (PIM) conflicts with information in a previously issued memorandum, the information in this PIM controls.

**Summary**

Central Purchasing, is issuing these guidelines regarding the use of authority orders.

Reference: Office of Management and Enterprise Services: Statewide Accounting Authorization for Purchases also known as “AFP” or “Authority Order”

The Authorization for Purchases document also known as "AFP" or "Authority Order" is an encumbrance document authorized by the Director of OMES which permits an agency to make certain types of purchases not requiring the submission of competitive bids ([74 O.S. § 85.7](#)), or excluded from the purview of the Oklahoma Central Purchasing Act ([74 O.S. § 85.12](#)), and for or on behalf of the state whenever the Director of OMES determines that the best interests of the State are served thereby.

**NOTE: The administrative head of any agency shall be personally liable for obligations incurred in excess of the authorization granted by the Director of OMES. ([62 O.S. § 34.62.3](#))**

## **Approved Uses for Authority Orders**

While supplier-specific POs are recommended, AFP's have been authorized by the Director of OMES for the following uses:

- Regulated utilities or regulated services
- Purchases from another state agency
- To establish an encumbrance for low-dollar purchases made throughout the year;
  - Cannot be used to avoid a statewide or State Use contract
  - such purchases may not exceed \$5,000 to any one supplier over the course of the year
  - may be used to cover non-travel employee reimbursements (less than \$5,000)
- Acquisitions specifically exempt from the Oklahoma Central Purchasing Act (although vendor specific POs are recommended)
- Multiple-payee encumbrances; examples include:
  - Stipends (i.e. teachers, real estate agents, etc.)
  - Grant and scholarship recipients
  - Voter registration commission payments to tag agencies
- To encumber amounts for bank charges
- To encumber amounts to be paid through a purchase-card, under the limitations for p-card use
- Structured court-ordered settlement agreements
- To encumber amounts for payroll

**NOTE:** Agencies under the purview of the Central Purchasing Act are required to request approval of the State Purchasing Director to utilize an authority order for any other type of acquisition not specifically authorized above. To process to request/receive approval is as follows:

- Agency will submit a request to the State Purchasing Director on the agency letterhead stating at a minimum:
  - Specific request
  - Justification for request to include estimated amount and benefit to the agency
  - Statutory references, if applicable
  - Payments made under a previous approved request, if applicable
- Request will be reviewed by the State Purchasing Director
- Letter will be sent from the State Purchasing Director notifying the agency of the approval/denial of the request
- If approved, the agency will proceed with establishing the Authority Order for the specific approved purpose.

## **Practitioner Comments**

1. The introductory paragraph contains a reference acknowledging that this PIM may contain information which conflicts with information in a previously issued PIM. The statement is intended to resolve any such conflict in favor of the most current PIM issued.

2. It is highly encouraged for an agency that will be utilizing an authority order to address in the internal purchasing procedures how an authority order will be utilized and monitored.
3. Authorized uses for an Authority Order as **outlined above** are not subject to the not to exceed 10% increase in the Authority Order pursuant to 74 O.S. §85.4.E.2.c. and 74 O.S. §85.7.A.2.b.

However, an increase to an Authority Order utilization **approved by the State Purchasing Director pursuant to an agency specific request** is subject to the statutory limit not to exceed 10% of the original approval pursuant to 74 O.S. §85.4.E.2.c. and 74 O.S. §85.7.A.2.b.