This informational circular is being issued to define the basis for determining the level of authorization necessary for agency purchases from a single supplier during the budget year.

K.S.A. 75-3739(e) allows the Director of Purchases, with the approval of the Secretary of Administration, to delegate authority to any state agency to make purchases of less than $25,000. Under this statute, the Director of Purchases has generally authorized for state agencies to spend up to $5,000 with one supplier during each fiscal year. The fiscal year has been defined to be equivalent to the budget year. Under this authorization, the agency has the ability to spend up to $5,000 with one supplier using their delegated purchasing authority during a budget year, in addition to any spend which occurs using a prior authorization and/or state contract.

Example: An agency has a contract with a supplier for shoes. The agency has already purchased $10,000 of contracted items. With the same supplier, the agency makes a purchase of socks for $500 for which there is no contract. The agency can use their delegated purchasing authority for the $500 purchase of socks without approval from the Office of Procurement and Contracts. If the agency discovers later in the same budget year that they need to buy an additional $4,500 of socks, then authorization from the OPC must be attained prior to the commitment to purchase the additional socks.

Please see the chart below.

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**Amount of Allowable Agency Spend with a Supplier in a Single Budget Year**

<table>
<thead>
<tr>
<th>Prior Authorization</th>
<th>State Contract</th>
<th>Agency Delegated Purchasing Authority</th>
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For individual purchases with one supplier which are under $5,000, but total spend for the supplier is $5,000 or greater for the budget year, approval from the OPC is required unless the items for that supplier are already on state contract or a prior authorization has already been obtained. See the attached document which provides instructions on how to obtain OPC approval.

Attachment

DH:sz