Date Filed: September 17, 2026

Witness: Craig Dikeman and Matthew J. Correia
Request from: Office of Education, Outreach, and Enforcement

Question:

(APPROVAL LEVELS) Refer to Response to EOE-050. Explain how the Company monitors adherence to the Company's Delegation of Authority (DOA) policy to ensure that multiple purchase orders or contracts are not used in lieu of obtaining higher levels of approvals.

Response:

The Company enforces compliance with its Delegation of Authority (DOA) policy, mitigating the risk of "splitting" purchase orders or contracts through a combination of automated system controls, spending aggregation practices and procurement oversight, which are effective tools in limiting the potential for this practice.

- System-Driven Approval Workflows: The majority of procurement spend is supported by Ariba Contracts. Ariba systematically enforces hardcoded DOA approval thresholds based on total contract value. System logic prevents requisitioners from bypassing required management approval levels.

- Spend Aggregation & Agent Oversight: Procurement agents continuously monitor requisitions to aggregate spending across business units and vendors. This proactive approach is the best practice that supports the aggregation of fragmented, lower-threshold purchase orders to better leverage our spend and mitigate risk where appropriate and feasible.

- Governance & Auditing: Procurement personnel and business partners regularly monitor ordering patterns to identify opportunities where a competitive bid might be warranted and valuable.

The Company's DOA policy enforces requirements at both the Purchase Order and Contract levels. Within this framework, there will be operational logistics and strategic considerations that appropriately preclude aggregation of materials or services in advance in all cases. However, system controls ensure that every transaction complies with required approval thresholds.

With over 90% of total spend covered under negotiated contracts, the Company balances administrative efficiency with rigorous compliance monitoring to safeguard against policy circumvention.