

PO and Contract Term

1.0 OBJECTIVE

All purchase orders associated with a contract must be established for the full term of a contract and obligation on behalf of the University.

2.0 RESPONSIBILITY

Purchasing staff are responsible to enforce this policy with departments to require appropriate paperwork to support the creation of a purchase order for the full term of an associated contract.

3.0 INSTRUCTIONS

When working with a department on a contract and associated PO, staff must inform the department to provide a requisition to establish a PO for the full term of the contract.

If a requisition is received from a department to establish a PO for one year with the intention to submit additional requisitions on an annual basis to renew the PO until the contract expiration, the requisition must be rejected and a request issued to the department to submit a revised requisition with required signature approvals to support the full term and dollars of the contract.

As an example, if a contract is established for 5 years, the PO should be established for 5 years.

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