



Board of County Commissioners
Office of Purchasing
Title: Term Contracts

Effective Date: 1/13/03 Supersedes Date: 4/23/01

Procedure No: PP-090

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I. Definition

A Term Contract (TC) is a formal contract (not a purchase order) issued for a specified time period (usually one-year intervals but may be for longer intervals depending on market indexes and other relevant conditions of the procurement), as a result of a competitive bid process for specific items to be purchased for the duration of the contract. Each item on the TC has a firm price, and the TC may allow for a firm discount (percentage) off list prices or indexes that are established at the time of award. TC's are awarded for the use by all departments/divisions, and shall be utilized when purchasing a TC commodity.

II. Procedure

1. The user department/division shall notify the Office of Purchasing via submission of a purchase requisition for Term Contract of the need for preparation of an Invitation to Bid, and include appropriate documentation, i.e.; estimated quantities, item descriptions, specifications, etc. The Office of Purchasing may initiate Invitations to Bid for Term Contracts for countywide use as deemed appropriate by the Purchasing Manager (i.e.; office machine repair and office supplies).
2. An Invitation to Bid (ITB) is prepared by the assigned Purchasing Agent utilizing the data supplied by the user department/division, and a draft copy is provided to the user department/division(s) for review and comment.
3. Bid documents are finalized, and a Pre-Solicitation Conference may be held, as appropriate. The user department/division should clarify technical specifications.
4. Bids are received by the Office of Purchasing, a Bid Tabulation sheet is prepared, and copies of each bid submittal are forwarded to the user department/division for review and recommendation of award.

Multiple vendor awards on term contract pricing agreements may be utilized when the County needs a broader base of supply to meet a broader base of needs.

5. Upon concurrence with the user department/division's recommendation, the recommendation for award is submitted for Board award by the Office of Purchasing.



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6. The initial recommendation and award may be for the full term of the contract (i.e. three (3) years) or establish a one (1) year contract in which case renewal options shall be approved annually by the Board.

Note: TERM CONTRACTS are usually limited to a three (3) year contract life. If unique circumstances (i.e. market indexes and other special conditions) exist, that could warrant a longer contract life, then they shall be reviewed on a case-by-case basis with the Purchasing Manager.

7. The Office of Purchasing notifies the vendor and using department/division as to award via issuance of TC documentation and posting on the web page under continuing contracts.
8. Purchase Orders or Blanket Purchase Orders are issued as needed, referencing the TC number.
9. Blanket Purchase Order expenditures of \$50,000.00 or more annually shall have Board approval.

III. General

The Office of Purchasing shall issue an Invitation to Bid, and recommend Board approval of the contract on an item-by-item, lot-by-lot, or all-or-none-total offer basis; whichever is most advantageous to the County.

A primary and a secondary contractor, whenever feasible, shall be awarded. The secondary contractor shall be utilized when the user department/division determines, in writing, that the primary contractor is unwilling or unable to perform, or whenever scheduling or other factors will benefit the user department/division.

Should additional items be requested in writing to be added by the user department/division, said items may be added by the Purchasing Manager in the County's best interest.

Once a contract is established, departments will be notified of the awarded vendor(s) and the line item pricing. The departments may then order directly from the awarded vendor via issuance of a Blanket Purchase Order (BPO) or a Purchase Order (PO) directly to the awarded vendor for the item(s) required. Departments may not order other than those awarded regarding the specific TC. Separate BPO's or PO's may be issued to the vendor for non-contract items.



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IV. Renewals

TC contracts may provide for additional specified renewal periods. The user department/division(s) will be notified prior to expiration of the TC and queried if vendor performance has been satisfactory and if renewal of the contract for an additional period is desirable. **(See Form F0140 A Report of Unsatisfactory Materials and Services@ regarding non-renewal due to unsatisfactory service.)**

The Purchasing Agent will be responsible for providing **Contract Renewal Letter** form #25 together with form letter #24 **Vendor/Suppliers Survey of County Performance** and the **Vendor/Suppliers Survey Form** F0195 to the contractor.

Upon concurrence with the user department(s)/division(s), the recommendation for annual renewal is submitted for Board approval by the Office of Purchasing. In the event that additional time is required to prepare a solicitation, receive offers and award beyond the previously approved period, the Board shall approve such extensions from a recommendation submitted by the Office of Purchasing.

The Clerk's Accounts Payable Section will process payment of invoices for properly purchased and received materials or services.

To ensure that appropriate discounts may be obtained and so that the Prompt Payment Act is adhered to, invoices should be sent directly to the Accounts Payable Section by the vendor. Should the vendor send the original invoice to the user department/division, they must forward the invoice to the Accounts Payable Section immediately upon receipt. Additionally, the user department/division shall forward the Receiving Report or other documentation, which evidences the receipt of goods, to the Accounts Payable Section as authority to pay invoices. Purchases from TC contracts may be reviewed periodically by the Office of Purchasing to assure compliance with County rules and procedures.

The Office of Purchasing may actively monitor all or selected BPO's or PO's to ensure adherence to County procedures.

V. Example

A term contract may be initiated by the Information Resources Department for computer paper, for the use of all departments and divisions for a specific period, and can be renewed for additional specified periods.