

STATE OF VERMONT
AGENCY OF ADMINISTRATION
DEPARTMENT OF FINANCE AND MANAGEMENT

Subject: **Purchase Orders, Contracts and BDA's**

Effective Date: **July 1, 2008**
Revised: **September 1, 2016**

Applicable To: **All State Agencies and Departments**

Issued By: **Department of Finance & Management**

Approved By: **Andy Pallito, Commissioner**

PURPOSE

This procedure outlines the mandatory use of Purchase orders, Procurement Contracts and BDA's (Blanket Delegation of Authority) in the State of Vermont's VISION financial system.

BACKGROUND

The Purchasing Module is the entry point for all purchase orders. There are four functions of a purchase order: to initiate a purchase with a vendor, to track payments and usage against a statewide contract, to track payments against a department specific contract and to serve as the control for encumbering funds as purchases and payments are executed.

The procurement contract functionality within the Purchasing Module performs three major functions. It enables the Office of Purchasing and Contracting (OPC) to establish statewide vendor contracts to be utilized by all departments. Tracking purchases against these contracts is critical to the State's ability to maximize its purchasing power. The procurement contract functionality also allows departments to track payments against a department specific maximum dollar or quantity contract. This is a critical internal control function of VISION to assure contract limits are not exceeded. The performance page on the procurement contract provides a mechanism to track performance contracts and compliance with performance measures.

PROCEDURE & GUIDELINES

The following will govern the use of Procurement Contracts, Purchase Orders and BDA's in the VISION Financial System.

1. All Contracts for Services and Commodities shall be entered as a procurement contract in VISION and numbered using a VISION system generated contract number regardless of the dollar amount in accordance with Agency of Administration (AOA) Bulletin 3.5.
2. The description field on the procurement contract for all Service Contracts must be descriptive enough to ascertain the type of service being provided. Entering descriptions such

- as “Contractual Services”, “Third Party Services”, department name or acronym is not sufficient.
3. All approved Contract Amendments which change the duration, end date, or maximum amount of the contract must be entered and documented in VISION so that the procurement contract in VISION reflects all approved amendments. The contract amendment number from the AA-14 must be included in the contract activities documentation on the procurement contract in VISION.
 4. AVISION Purchase Order must be prepared and charged to the appropriate VISION procurement contract when making payments in VISION on contracts for services and commodities, regardless of dollar amount in accordance with AOA Bulletin 3.5 (with the exception of Personal Service, Zero Dollar and some Financial Transaction contracts as defined by AOA Bulletin 3.5.)
 5. All payments processed against a contract for service or commodities shall be coded using the appropriate expenditure accounts per the VISION Chart of Accounts.
 6. Purchases made on contract by utilizing the State of Vermont Purchasing Card are exempt from requiring a Purchase Order. Authorized contracts for Purchasing Card utilization are defined in the State of Vermont Purchasing Card Policy.
 7. All PO vouchers and regular vouchers processed under the authority of a BDA must include the BDA number in the item field of the voucher line.
 8. The procurement contract in VISION must be closed when all payments against the contract have been made and the contract is complete. (This includes closing procurement contracts that are for contracts documented in VISION but payments are not made out of VISION i.e.; Personal Service, Zero Dollar, some Financial Transaction contracts as defined by Bulletin 3.5.)

PROCEDURE WAIVERS

Departments who are unable to meet the requirements of this Procedure must submit a written waiver request to the Commissioner of Finance and Management. The request must be submitted by your appointing authority. The waiver request must explain the circumstances that prevent compliance with this Procedure and must include an acceptable alternative. An approved waiver does not eliminate a department’s requirement to track contract payments and facilitate compliance with 3 VSA § 344(a), (b).

Departments granted waivers will need to demonstrate the ability to track contracts outside of VISION by contract number, vendor, description, maximum amount, dates (inception and expiration), cumulative payments made and future obligations. Departments will have to demonstrate the existence of controls in place to assure contracts cannot be over expended.

If you have any questions or need clarification on any aspects of this procedure, please contact the VISION Support team at 828-6700 (option 2) or at Vision.FinHelpdesk@Vermont.gov.