



**INTERMOUNTAIN POWER SERVICE CORPORATION**

**Written Contract with  
Purchase Order  
Procedures**

**May 2019**

# Maximo Purchase Contracts

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## Overview

The purpose of this document is to define the steps required and usage of a written Contract with a Purchase Order.

The required steps outlined in this document are primarily directed to the following purchase types:

- Purchases for services (onsite or offsite work) that will be performed on what is deemed “critical equipment” by the Contract Administrator.
- Purchases for major pieces of equipment or materials that require special considerations per the Contract Administrator.
- Purchases for “time and material” services.
- Purchases in which Bid Security Bond, Payment Bonds, or Performance Bonds will be required.

**Note:** Many services performed by outside agencies can be completed with a PO ONLY, which is a binding contractual document. **Use a stand-alone PO whenever possible.** A formal written signed contract can be attached to a PO. (Purchasing can assist in determining if the contract application or PO should be used.)

A PO which references a written contract, will clearly be identified in the *PO header description* indicating a brief work scope overview and the words “contract attached.” **Example: Limestone Fines – Contract Attached.**

To maintain consistency and clarity, the *PO line* description will indicate the following: **Reference approved and attached contract no. ####.**

## Collaborative Discussion/Requisition Preparation and Submittal

When a written contract is required, the Requestor must **first** review the contract process with purchasing. (Reference Appendix Contract Tracking Sheets – [Requestor](#) (Appendix 1) and [Buyer](#) (Appendix 2).

1. The Buyer will create a Purchase Order in Maximo. This PO will remain in “waiting approval” status.

The PO number will be used as the specification number on the specification document.

2. The Buyer will notify the Requestor of the specification number to be added to the contract specification document.
3. The Requestor will obtain and create/revise the specifications required for the contract. The complete contract specification and bidders list documents can be found on the **S drive in the Contract Documents folder.**
4. The Requestor will discuss/review all insurance requirements with the Risk Analyst.
5. The Requestor and Buyer will review the specification to ensure that the specification is complete and all HIGHLIGHTED yellow references are complete.
6. A designated Clerk will format the contract and review for proofing and grammatical errors.

**NOTE:** The Requestor will route the contract specification according to the requesting department’s approval process prior to entering the PR.

7. Once the Buyer and Requestor agree that the specification document is complete and correct, the Requestor will save the document in PDF format.
8. The requestor will enter a service PR from the PLANS tab in the Work Order Processing application and **must attach** ALL applicable supporting documentation. Reference [Attachment Labeling Document](#) (Appendix 3) to maintain labeling consistency. Each attachment should be a separate file and in PDF format.
  - Coordinating Committee Meeting resolution number (if over 500,000)
  - Specifications (entire contract previously reviewed with purchasing)
  - Justification memo
  - Budgetary Information
  - Drawings
  - Bidders List
  - Sole Source or Source Directed Memo

## Written Contract Processing (Buyer)

Upon receipt of the approved PR, the Buyer will complete the applicable steps.

### Preparing Request for Quotes

1. Bid packages should be **e-mailed** when possible.
  - The Bid E-mail document will be copied, pasted, and updated. (Reference Bid E-mail document in Purchasing Contracts Master folder.)
  - Ensure all applicable additional bid information is attached to the e-mail.

If bid packages are **mailed**, the Buyer will complete the following steps:

- Prepare the cover letter (Reference Bid Letter in Purchasing Contracts Master folder.)
- Submit entire specifications and any additional bid information to the clerical pool to copy for each suggested vendor.
- E-mail the clerical supervisor the suggested bidder's addresses and request an over- night envelope and address for each bidder.

### Reviewing the Quotes

1. The Buyer will discuss/review the bids with the Requestor.
2. The Buyer will save **ALL** bids in PDF format as an attachment to the PO created and in WAPPR status.
3. The Buyer will route the completed Bid Transmittal document, specifications, and a copy of each bid to the Requestor's Department Head and COO for signature. (Reference Bid Transmittal E-mail to **Staff** document in Purchasing Contract Master folder.)
4. After obtaining signatures, the Buyer will send the Bid Transmittal document, (saved in PDF format), and e-mail the Bid Transmittal document to LA for signature. (Reference Bid Transmittal E-mail to **LA** document in Purchasing Contract Master folder.)
5. The Buyer will review any changes or requests from vendors and if applicable, submit for legal review. Any approved changes to the contract will be completed by the assisting clerk.

### Submitting and Awarding Contract

Upon completion of LA approval on the Bid Transmittal, the Buyer will complete the following steps to obtain contract signatures.

#### **Successful Bidders Signature**

1. The Buyer will prepare the contract for the successful bidder's signature.

2. The specifications document will be revised to include the contract agreement and bidders documentation to create the final contract by completing the Contract PDF Revisions procedure. (Reference: Contract PDF Revisions procedure in Purchasing Contract Master folder.)
  - Ensure the bid information is replaced with successful bidder's pages.
  - Revise the cover sheet.
  - Insert updated Contract Agreement document.

Contracts should be **e-mailed** when possible.

- E-mail the completed contract to the successful bidder.  
(Reference Signature Required E-mail document in Purchasing Contracts Master folder).

If contracts are **mailed**, the Buyer will complete the following steps:

- Prepare the cover letter.  
(Reference: Signature Required Letter in Purchasing Contracts Master folder).
- E-mail the clerical supervisor the successful bidder's address and request an over-night envelope and address label.
- Print the final contract for mail.

#### **COO Signature**

1. The Buyer will ensure the successful bidder's signature is incorporated in the contract. (The signature sheet may need to be replaced with the signature.)
2. E-mail the completed contract to the COO for signature.  
(Reference Signature Required E-mail document in Purchasing Contract Master folder – The e-mail message will be updated with applicable names and information).

#### **LA Signature**

1. The Buyer will ensure the COO's signature is incorporated in the contract. (The signature sheet may need to be replaced with the actual signature.)
2. E-mail the completed contract to LA for signature.  
(Reference Signature Required E-mail document in Purchasing Contract Master folder – The e-mail message will be updated with applicable names and information).

#### **Completing Contract Formalities**

The following may be required to complete the contract process.

Rejection notices should be **e-mailed** when possible.

- The Rejection E-mail will be copied, pasted, and updated.  
(Reference Rejection E-mail in Purchasing Contracts Master folder).

If rejection notices are **mailed**, the Buyer will complete the following steps:

- Prepare the rejection letter.  
(Reference Rejection Letter in Purchasing Contracts Master folder).
- E-mail the clerical supervisor the bidder's addresses and request an over-night envelope and address for each bidder.

The Buyer will return bonds.

### Initiating Written Contract

1. The Buyer will complete the following steps to finalize the written contract process.

Contracts should be **e-mailed** when possible.

- E-mail the completed contract to the successful bidder.  
(Reference Approved Contract E-mail in Purchasing Contracts Master folder).

If contracts are **mailed**, the Buyer will complete the following steps:

- Print completed contract.
- E-mail the clerical supervisor the vendors address and request an over-night envelope and address label.  
(Reference Approved Contract Letter in Purchasing Contracts Master folder).

### Approving the Purchase Order

The Buyer will ensure that all applicable documentation is attached to the PO in WAPPR status. Attachments may include the following:

- All bidders
- Signed Bid Transmittal
- Reference e-mails
- Signed Contract

The Buyer will approve the PO and send to vendor, if applicable.

A PO which references a written contract, will clearly be identified in the *PO header description* indicating a brief work scope overview and the words “contract attached.” **Example: Limestone Fines – Contract Attached.**

To maintain consistency and clarity, the *PO line* description will indicate the following: **Reference approved and attached contract no. ####.**

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**APPENDIXES**



## Contract Tracking

### Requestor

Title: \_\_\_\_\_

Buyer: \_\_\_\_\_

Total Amount: \_\_\_\_\_

Bids Due: \_\_\_\_\_

	Completed
<b>Collaborative Discussion</b>	
Collaborative Discussion (Requestor and Buyer)	
Obtain Spec No. _____ (Also commodity code, service item, contract no.)	
Obtain Specifications (S drive in the Contract Documents folder.)	
Risk Analyst (review and insurance/liability requirement)	
Final Purchasing Review (prior to submitting PR)	
<b>Create a Standard Service Purchase Requisition</b>	
Obtain Existing/Create Work Order No. _____	
Create a Service PR (service line type)	
Add required attachments (label correctly and in PDF format)	
<b>Reviewing Bids</b>	
Review with Buyer	

## Contract Tracking

### Buyer

Title: \_\_\_\_\_

Requestor: \_\_\_\_\_

Total Amount: \_\_\_\_\_

Bids Due: \_\_\_\_\_

Contract Administrator: \_\_\_\_\_

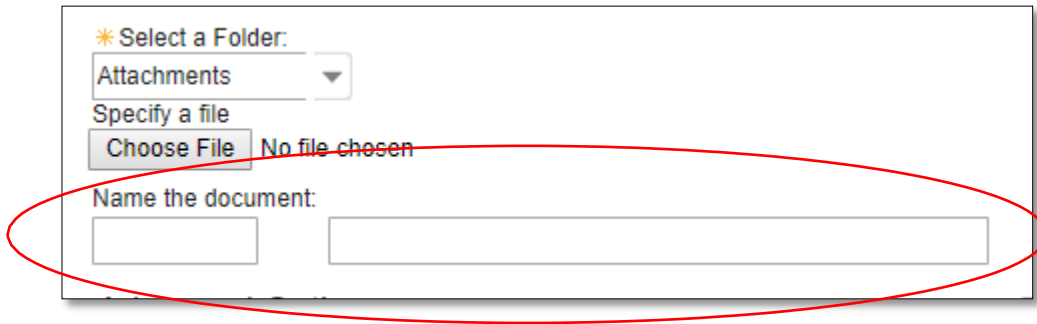
	Done
<b>Collaborative Discussion</b>	
Collaborative Discussion (Requestor and Buyer)	
Final Purchasing Review (prior to submitting PR)	
<b>Processing a Standard Service Purchase Requisition</b>	
Add approved service PR to PO in WAPPR status	
Prepare Request for Quotes	
<b>Reviewing Bids</b>	
Review with Administrator	
Prepare Bid Transmittal Document/Obtain Signatures	
Legal Review (if applicable)	
<b>Submitting and Awarding Contract</b>	
Revise Specification (include contract agreement, bidders documentation, cover sheet)	
Obtain Signatures	
<b>Completing Contract Formalities</b>	
Submit Rejection Notices	
Return Bonds	
<b>Initiating Written Contract</b>	
Send Successful Bidder Contract	
Notify Accounting/Requestor (vendor name, contract amount, number, administrator)	
Notify Maximo Analyst (ensure contract administrator is listed in CA group to receive report)	
<b>Completing/Approving Contract</b>	
Update Attachments (delete or add current versions)	
Approve PO	

## Attachment Labeling

In order to maintain consistency, all attachments should be labeled as outlined below.

**NOTE:** Attachments should be in PDF format. (IPSC can send 200MB file size.)

1. When saving an attachment, two fields are available for entering text.
  - The first field, "Name the document" will reference the TYPE of attachment.
  - The second field will reference the DESCRIPTION of the attachment.



2. Refer to the following table when labeling attachments.

NAME THE DOCUMENT	DESCRIPTION
Backup	Additional Approval, Memo, Justification, Acknowledgement, Approved SDS
Bidders List	Bidders List
Bid Transmittal	Approved Bid Transmittal
Contract	Approved Contract
Drawing	Drawing
Quote	Company Name
Resolution No.	Resolution No.

**Backup**-----All documents pertaining to the purchase. Identify each document in the "Description" field

**Bidders List** -----Identify as Bidders List

**Bid Transmittal**-----Identify as "APPROVED" Bid Transmittal. (Includes all signatures)

**Contract** -----Identify as "APPROVED" Contract (Includes all signatures)

**Drawing**-----Identify as Drawing

**Quote**-----Identify with each company name

**Resolution No.** -----Identify as Resolution No