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**DEPARTMENT OF
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DIPATTAMENTON ATMENESTRASION

DIRECTOR'S OFFICE

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LOURDES A. LEON GUERRERO
Governor (Maga'ähga)

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Lt. Governor (Sigunda Maga'ähg)

PROCUREMENT POLICY OFFICE (PPO)

Resolution: 2021-002

January 6, 2021

Form of Procurement Commitment

On June 23, 2020, Procurement Policy Office requested legal advice from the Office of Attorney General (OAG) as to the conditions when a purchase order or a contract would be the appropriate commitment for procurement.

On December 28, 2020, a response was received from OAG. A copy of the Information and Guidance was sent to the PPO members. Accordingly, PPO adopts the following regulations for commitment by purchase order or contract:

1. Purchase orders should normally be used for the procurement of supplies or other materials, for procurement of services when the total cost of service to be procured does not exceed \$25,000 and for blanket purchasing agreements for such supplies. If the material to be procured is for items of capital expenditure, additional purchase order requirements will apply.
2. Contracts should normally be used for the procurement of services when the total cost of service exceeds \$25,000 using a standard GSA contract. The Staff Attorney in the Department of Administration, Director's Office will develop a standard contract to be used in the above circumstances for procurements in excess of \$25,000 and less than \$500,000.
3. The Staff Attorney will consult with the Office of the Attorney General to draft a standard contract to be used for procurements in excess of \$500,000.

SLK

AGREED HERETO:



EDWARD M. BIRN

January 6, 2021

Date



STEPHANIE G. FLORES

6 JAN 21

Date

VINCENT P. ARRIOLA

Date



YUKA R.I. HECHANOVA

1/8/2021

Date

TOMMY C. TAITAGUE

Date

SBK