

QUICK REFERENCE GUIDE

Updated November 1, 2019

Purchase Order Document Types

Document Type is a required field within the Procurement modules in SWIFT. This field differentiates among the functions for a requisition, solicitation, contract, or purchase order.

The Purchase Order Document Type guide provides an overview of the purchase order document types that may or may not reference contracts.

- When an agency generates a purchase order from contracts, the purchase order can be a legal document.
- This legal document creates a request for goods and sometimes services as well as an obligation to pay for them.

The purchase order document types covered in this guide are the following:

- Annual Plan Contract Purchase Order (APK)
- Blanket Purchase Agreement (BPA)
- Blanket Purchase Order against a Contract (BPC)
- Blanket Purchase Order with Multiple Suppliers (BPM)
- Blanket TG/ED/VO Purchase Order (BTG)
- Construction Contract Encumbering Order (CEO)
- Contract Release Order (CRO)
- Department Purchase Order (DPO)
- Direct TG/ED/VO Purchase Order (DTG)
- Emergency Purchase Order (EMR)
- Field Purchase Order (FPO)
- Master Contract Work Order (MWK)
- Master Services Order (MSO)
- P/T Contract Encumbering Order (KEO)
- Purchase Order (POR)
- Real Estate Remodeling Order (RMO)
- Single Source Order (SSO)

1. Annual Plan Contract Purchase Order (APK)

The Annual Plan Contract Purchase Order (APK) is a purchase order document referencing an Annual Plan Agreement (APK contract) that pre-establishes authority to obtain professional/technical services on demand for specific purposes within an approved dollar limit.

OSP reviews and approves each agency's annual plan. They assign an *OSP Contract Release/T-Number* for approved plans. The agency creates a supplier contract with that *T-Number*. Agencies often reference it as the "Annual Plan Memo" with the fiscal year in the *Description* field. Agencies create APK purchase orders that reference the annual plan agreement/contract. Agencies typically place the (APK) purchase order line with a specific supplier or use "PLACEHOLDER" as the supplier for blanket use on each line. SWIFT encumbers these funds within a single fiscal year. Agencies must reference the APK contract and contract line numbers on the APK purchase order.

NOTE: currently a few state agencies manage their annual plans using separate contracts instead of purchase orders. However, you cannot easily tie the purchases against the approved annual plan. Also, you cannot easily view the maximum spent per supplier to make sure you keep within the approved amount.

- Make sure that the *Document Type* is APK.
- Some agencies determine break out the purchase order lines on the purchase order by agency division. Others use functional categories (e.g., training and development).
- Use OSP's forms for creating an agency's Annual Plan Agreement. Make sure that you have the most recent version of it. <http://www.mmd.admin.state.mn.us/mn05002.htm>

2. Blanket Purchase Agreement (BPA)

Use a Blanket Purchase Agreement to set up an "umbrella amount" of money with a single supplier for a specific purpose. You need to establish this purchase order only once each fiscal year. Record receipts and vouchers against it. You can use SWIFT to print a file copy.

- Always search OSP's website to see if there is a contract. If the purchase is a blanket purchase order that references a contract, use Blanket Purchase against a Contract (BPC).
- A BPA can be used with or without a contract.
- The purchase order will default to *Amount Only* on the lines section. This default is locked.
- The default *Dispatch Method* is "Phone." The purchase order defaults to "Phone" and is locked to prevent it from going to the supplier.

3. Blanket Purchase against a Contract (BPC)

A Blanket Purchase against a Contract (BPC) encumbers funds. It sets up an "umbrella amount" of money against existing State Commodity (SCC), Agency Goods (AGC), State Service (SSC), or Agency Service (ASC) contracts. You can also use it against an Interagency Contract (IAC), Joint Powers Contract (JPC), Public/Private Partnership Contract (PPC) or Software License/Maintenance Contract (SAC). You need to establish this purchase order only once each fiscal year. Record receipts and vouchers against it. You can use SWIFT to print a file copy. These default to phone for the dispatch method and is locked.

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- Search OSP’s website for contract releases. The contract release will provide the *Contract ID* and the *Supplier ID*.
- The contract release will also identify any distributors that are listed on the contract.
- Make sure the contract has a valid *Effective Date*. If it is expired, you cannot use it.
- Make sure that the *Document Type* is BPC.
- You must reference the *Contract* and *Contract Line Numbers* on the purchase order.
- SWIFT will validate that a *Contract ID* is referenced on every line of the BPC purchase order.
- The purchase order will default to *Amount Only* on the lines section. This default is locked.
- The default *Dispatch Method* is “Phone.” The purchase order defaults to “Phone” and is locked to prevent it from going to the supplier.

4. Blanket Purchase against Multiple Suppliers (BPM)

BPMs encumber funds and do not reference a contract. This purchase order type does not have a one-to-one relationship with a particular supplier. It is an “umbrella amount” of money set up for a specific purpose to be spent with multiple suppliers. The purchase order only needs to be established once each fiscal year. Receipts and vouchers are recorded against it.

- Make sure that the *Document Type* is BPM.
- It is set to *Amount Only*. This default is locked.
- The *Supplier Number* defaults to “PLACEHOLDER”. Agencies can replace “PLACEHOLDER” with the actual supplier on the voucher.
- The *Dispatch Method* is defaulted to “Phone” and is locked to prevent it from going to the supplier.

5. Blanket Targeted Purchase Order (BTG)

Use this purchase order type only for purchases from TG/ED/VO suppliers under the Equity Select program. TG/ED/VO suppliers are Targeted (TG), Economically Disadvantaged (ED) and Veteran Owned (VO). Use this type of purchase order to set up an “umbrella amount” of money with a single supplier for a specific purpose that ranges from greater than \$5,000.00 up to \$25,000.00. It defaults to quantity of “1” and amount only. Both fields are locked. You need to establish this purchase order only once each fiscal year. Record receipts and vouchers against it. You can use SWIFT to print a file copy. It can be used for contract and non-contract purposes.

- The supplier must be currently TG, ED or VO certified.
- If referencing a contract, use *Contract Document Types* of AGC, ASC, or PTK.
- Make sure that the *Document Type* is BTG.
- The purchase order total amount \$5,000.01 up to \$25,000.00.
- The purchase order will default to *Amount Only* on the lines section. This default is locked.
- The *Dispatch Method* is defaulted to “Phone” and is locked to prevent it from going to the supplier.

6. Construction Contract Encumbering Purchase Order (CEO)

Contract Encumbering Orders (CEO) pre-encumber funds. They set aside funds for a specific purchase. There is no legal obligation to spend it. Agencies typically use CEO requisitions for Building Construction Contracts, Other Construction Contracts or Roadway Construction Contracts. Use a Contract Encumbering Order (CEO) requisition to pre-encumber funds for a contract that will result in a CEO purchase order. A requisition is an internal document that agencies use to request a purchase. SWIFT creates the pre-encumbrance through the budget check process in SWIFT.

- Reference the construction related contract (e.g., BBC, OCC, or RWC).
- Make sure that the Document Type is CEO.

7. Contract Release Order (CRO)

Use a Contract Release Order (CRO) on purchase orders where there is a contract referenced in all lines of the purchase order. Record receipts and vouchers against it. You must reference the contract and contract line number on the purchase order. Typically, you will dispatch CRO purchase orders to the supplier.

- Use the CRO to place orders against existing State Commodity (SCC), Agency Goods (AGC), State Service (SSC) or Agency Service (ASC) contracts.
- It may also be used for an Interagency Contract (IAC), Joint Powers Contract (JPC), Public/Private Partnership Contract (PPC) or Software License/Maintenance Contract (SAC).
- Make sure that the *Document Type* is CRO.
- Search OSP's website for contract releases. The contract release will give the *Contract Number* and *Supplier ID*.
- The contract release will also identify any distributors that are listed on the contract.
- Make sure the contract has a valid *Effective Date*. If it is expired, you cannot use it.
- Make sure the *Category Code* is accurate for the purchase.
- Make sure that the *Document Type* is CRO.

8. Department Purchase Order (DPO)

Use a Department Purchase Orders for purchases within the buyer's Authority for Local Purchase (ALP) up to and including \$10,000.00. Typically, agencies dispatch DPOs to the supplier. If the DPO is over \$10,000.00, use an Open Market Requisition (OMR) requisition document.

- Make sure that the *Document Type* is DPO.
- Currently OSP requires that agencies obtain bids for DPOs and add response documentation for low dollar bids on the purchase order.
 - Obtain one bid for \$5,000.00 and less; two bids for \$5,000.01 to \$10,000.00.
 - If there are two more bids, you will need to enter them on the **Response Documentation** link accessed on the on the header of a purchase order.

Purchase Order

Business Unit G1001 Origin: 514 Management Services PO Status Open

PO ID NEXT Approval Exception Budget Status Not Chk'd

Copy From [dropdown] Hold From Further Processing

▼ Header

*PO Date 11/28/2018 Response Documentation Doc Tol Status Valid

- The **Response Documentation** page tracks the informal bids that agencies receive as part of the ALP buying procedure.
- For one bid that becomes the purchase order, you do not need to enter it into the response documentation.
- When two bids are required, enter both the winning supplier (supplier used on purchase order) and the additional supplier who bid on the purchase.
- If you are using response documentation, enter information about the bidding results. Enter the *Supplier ID*, *Supplier Location* and the *Bid Amount*. Validate or enter the *Bid Date*.

9. Direct Targeted Purchase Order (DTG)

Use a Direct Targeted Purchase Order (DTG) only for purchases from TG/ED/VO suppliers under the Equity Select program. TG/ED/VO suppliers are Targeted (TG), Economically Disadvantaged (ED) and Veteran Owned (VO). Use this type of purchase order to set up a specific amount of money with a single supplier for a specific purpose that ranges from \$5,000.01 up to \$25,000.00. DTGs are typically dispatched to the supplier. They are quantity-based. You can use this document type for contract and non-contract purposes.

- The supplier must be currently TG, ED or VO certified.
- If referencing a contract, use *Contract Document Type* of AGC or ASC.
- Make sure that the *Document Type* is DTG.

10. Emergency Purchase Order (EMR)

Use the EMR purchase order for an emergency purchase according to the Department of Administration's emergency purchasing policy. The use of this purchase order type bypasses the Human Rights certification. Typically, you will dispatch these purchase orders to the supplier.

- Make sure the requested transaction falls within the definition of an emergency before proceeding.
- Make sure that the *Document Type* is EMR.
- Select an *Exception Type* of emergency.
- Include a *Justification*.
- You can find the definition, policy and forms for EMRs on the ALP Manual on OSP's website.

11. Field Purchase Order (FPO)

The Field Purchase Order (FPO) limit is \$5,000.00. Use a FPO in accordance with Policy 2 of the ALP Manual. FPO documents encumber. One bid is required. Record receipts and vouchers against it. You can use SWIFT to print a file copy. Do not dispatch these purchase orders to the supplier.

- Make sure that the *Document Type* is FPO.
- The *Dispatch Method* is phone. It is the default and is locked.

12. Master Services Order (MSO)

MSOs are rarely used. Agencies can use the Master Services Order (MSO) for services against Master Contracts (MSC). OSP and agencies set up master contracts to address potential non-professional/technical service needs. Record the receipts and vouchers against it. You can use SWIFT to print a file copy. Do not dispatch these purchase orders to the supplier. Enter the contract and contract line number on the MSO. MSO's encumber funds to a specific supplier identified on the master contract. Master Contracts do not encumber. They may run for multiple years. A Master Services Contract is a fixed price contract.

13. Master Contract Work Order (MWK)

Master Contract Work Order (MWK) purchase orders are the encumbrances against the individual MWK contracts that are placed with suppliers under the Master Contract (MPK). A MWK purchase order encumbers the funds for a specific supplier. For more information about creating a MWK, refer to the SWIFT reference guides.

- Creating a purchase order from the MWK supplier contract will populate most of the fields including the *PO Reference*, which comes from the contract's description.
- The *Expiration Date* is required.
- The *Document Type* is MWK.

14. Professional/Technical Related Contract Encumber Purchase Order (KEO)

Professional/Technical Related Contract Encumbrance Orders (KEO) encumber funds against Professional/Technical (P/T) related contracts. They default to *Amount Only* and distribute by amount. KEOs reference the contract on all purchase order line(s). Use KEOs to encumber against P/T contracts that end in a "K" (except for MWK & APK contracts). The default dispatch method is to 'Phone'. This default is locked. You can use SWIFT to print a file copy. If the P/T contract crosses multiple years, create a separate purchase order for each fiscal year.

- A KEO references other "encumbering contracts" such as ASK, EAK, GRK, IAK, JPK, LDK, LSK, PPK, PTK, RWK).

15. Purchase Order (POR)

A Purchase Order (POR) is the document SWIFT creates when your agency processes an Open Market Requisition (OMR) through SWIFT's Strategic Sourcing module and awards it to a supplier. SWIFT relieves the requisition's pre-encumbrance and creates an encumbrance when the agency saves and budget checks the purchase order.

- SWIFT creates a POR when an agency awards an event and uses the Strategic Sourcing module to create a purchase order from the event.
- An OMR requisition precedes the event.
- After the agency completes the bidding and awards the event, SWIFT automatically creates the POR.

16. Real Estate Remodeling Order (RMO)

Use this purchase order type for remodeling of leased space if the cost is between \$2,500.01 and \$8,000.00. For amounts up to \$2,500.00, use a **DPO** document type. Enter the lease number on the purchase order for tracking purposes. For improvements above \$8,000.00, amend the RMK (Real Estate Remodeling) contract first. Then use a KEO order to encumber.

17. Single Source Order (SSO)

A SSO is used when only one supplier can provide the goods or services.

- An SSO requires completion of the **Single Source Justification Form**, which must be attached to the purchase order at the header level.
- Make sure that the *Document Type* is SSO.