

## CONTRACTING AND PURCHASING SERVICES POLICY MANUAL

 <b>NORTHERN ARIZONA UNIVERSITY</b>	<b>POLICY PUR 503-01</b>
	Section: Vendors
	Page 1 of 1
	Responsible office: Purchasing
	Origination date: 07/01/1996
<b>Subject: Contract Term</b>	Effective date: 07/01/1996
Source: University policy ABOR 3-803	Revision date:

### PURPOSE

To specify the length of time authorized for procurement contracts.

### POLICY

#### **PUR 503-01-01: One Year Contracts with Options to Renew**

Contracts generally will not extend beyond the end of the fiscal year, but may be written for a one-year period with options to renew for a stated number of additional years, generally not to exceed a total term of 5 years. The term of the contract and the conditions of renewal must be included in the invitation to bid.

#### **PUR 503-01-02: Contracts for five years or less**

Contracts may be written for a period of time not to exceed five years if:

1. The director of Contracting and Purchasing Services determines it to be advantageous to the university to do so.
2. Funds are not obligated beyond the end of a fiscal year on state-appropriated funds.
3. Funds are not obligated beyond the expiration date of the grant or contract for sponsored project.
4. The contract includes a funding-out clause or the ability to cancel without penalty at the end of each fiscal year.

#### **PUR 503-01-03: One Year Contracts with Options to Renew**

Contracts for a period of time exceeding five years require the written approval of the president or a designee who determines in writing that such a contract would be advantageous to the University.

### CROSS REFERENCE

PUR 303-00 Competitive Bidding (Complete Section)