



POLICIES AND PROCEDURES

Policy # 009

Subj: Division of Purchasing & General Services Multi-Year Contract and Renewal Policy

Effective Date: October 28, 2014

Ref: UCA 63G-6a-1204
Policy # 009

Purpose:

The purpose of this policy is to provide guidance to purchasing agents and state agencies on the usage of multiyear contracts and renewals. This policy reflects the provisions contained within the Utah Procurement Code Section 63G-6a-1204.

Policy:

Multi-Year Contracts.

- (1) Procurement units may issue multi-year contracts in accordance with Section 63G-6a-1204.
- (2) The standard contract term for executive branch procurement units is five years, unless the chief procurement officer or head of a procurement unit with independent procurement authority determines that a shorter or longer term contract is in the best interest of the procurement unit after considering:
 - (a) The cost associated with conducting more than one procurement within a five-year period if a shorter term is required;
 - (b) The impact on competition if a longer term is required;
 - (c) Standard practices for the industry; and
 - (d) The needs of the procurement unit.

Contracts with Renewal Options

- (a) In order to ensure fair and open competition in the procurement process and to avoid costs associated with administering contracts with renewal options, executive branch procurement units shall document in writing why renewal options are in the best interest of the procurement unit taking into consideration:
 - (i) Federal funding requirements;

- (i) The cost associated with administering renewal options;
- (ii) How the cost of the procurement item will be established during any renewal periods; and
- (iii) How the principle of upholding fair and open competition will be maintained.