

**VILLAGE OF WELLINGTON
PURCHASING DEPARTMENT
PURCHASING PROCEDURE MODIFICATION (PPM)**

PPM # 1

Subject: Continuing Contracts/Agreements

Revision Date

June 1, 2016

Effective Date

June 1, 2016

Explanation of Current Policy:

The Village's current Purchasing Manual, adopted by Village Council on February 25, 2014, does not specifically address continuing contracts and agreements executed with no termination date.

New Policy:

Execution of continuing contracts with no termination dates are prohibited, unless otherwise approved by the Village Manager or designee. All contracts/agreements for the purchase of commodities and/or services must be executed for a specified period of time, deemed to be in the Village's best interest. Agreements/contracts may be in effect through the entirety of a specific project.

All contracts and agreements, including but not limited to the following types, shall be entered into for a specified period of time:

1. Multi-Term Contracts
2. Multiple Source Contracting
3. Open-end Contracts
4. Service Contracts
5. Consulting Service Contracts
6. Construction Contracts
7. Annual Contracts
8. Engineering Services Contracts
9. Interlocal Agreements

Any agreements executed for an indefinite period of time will automaticall expire after 36 months unless extended or renewed.

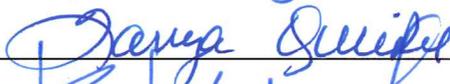
Impact of Change in Policy:

Eliminating continuing contracts will allow the Village to better track contracts/agreements which are set to expire at a certain date or once a project is completed. Additionally, term specific contracts will ensure the Village is paying current market rates and It will also eliminate the unecessary risk of having active contracts executed for prolonged periods of time.

Director of Purchasing



**Director of Administrative and
Financial Services**



Village Manager

