

## **Policy: Purchase Orders and Subcontracts Processing**

**Policy No.: 1331-03**

**Responsible Officer: Senior VP Finance and CFO**

- 1.0** Upon receipt of a fully approved Requisition in SAP, commitments made to suppliers/subcontractors for the procurement of goods or services shall be documented by a Purchase Order or other written agreements such as Consultant Agreement, Licensing Agreement, or via Notice to Proceed including pricing, schedule, quality and warranties. All appropriate terms and conditions including client flow-downs will be stipulated in the Purchase Order, Subcontract or written agreement.
- 2.0** Only members of the Supply Chain Organization can commit funds on behalf of the Company for the procurement of goods and services with the exception of Independent Contractor commitments, low dollar value incidental purchases as governed by the P-Card, reference Policy 1327. A written agreement is required and executed by the goods or services provider and a Supply Chain teammate prior to commencement of work or procurement of goods.
- 3.0** Services performed by an outside entity on behalf of the Company or the Company's client must be covered by a contract, subcontract, master services or teaming agreement. The Company's standard terms and conditions consistent with federal and statutory compliance in the country where goods and services are provided will accompany any of the above documents when authorizing work or procuring goods and/or services.
- 4.0** Supply Chain teammates who support government contracts shall refer to the detailed policies/procedures in the BU.
- 5.0** Where deemed appropriate, a supplier's contract may be used to make purchasing commitments on behalf of the Company. However, this written agreement will be reviewed and if necessary, modified by the Supply Chain Organization and/or Law Department to ensure that the Company's interests are protected in the areas establishment of price, liability protection, warranty, insurance, client requirements, indemnification, and other areas of risk distribution.