

FAP 111-37-00
CONTRACT TYPES

1. **Award/Contract:** An Award/Contract is established to purchase a specific quantity or amount at a specific price.
 - a. Partial payment is not permitted on an Award/Contract unless authorized by the Finance and Administration Cabinet's Office of Material and Procurement Services or other issuing agency, on the document. A Receiving Report indicating partial or final delivery shall be used to authorize payment for commodities on a purchase order. Payment for services may be made without a Receiving Report. All payments against a contract shall be made in the state's procurement system, using a Receiving Report or Invoice that references the contract.
 - b. If a delivery time is specified and the goods or services are not delivered on time, the agency shall contact the vendor and, if the vendor fails to resolve the problem, the agency shall file an official Vendor Tracking document with the Office of Material and Procurement Services.
 - c. When delivery is made, the agency shall inspect the product for compliance with contract specifications, completeness, and condition, explaining any exposed damage on the bill of lading or waybill before accepting delivery. The agency shall notify the vendor and the delivering carrier of any concealed damages, within seven (7) days after delivery, and note any damage or discrepancies in the Receiving Report.
2. **Purchase Order:** This type of contract is established by a state agency to purchase a specific quantity or amount at a specific price from another state agency.
3. **Catalog Master Agreement:** A Catalog Master Agreement shall establish a price agreement, for use by two or more state agencies, with a vendor for supplying specific goods and services at specific unit prices during a specified time period. An "All State Agency" Catalog Master Agreement may be used by any state agency. A Catalog Master Agreement may contain an option to renew for an additional time period.
 - a. A state agency shall buy from a Catalog Master Agreement unless exempted in the contract terms by the Office of Material and Procurement Services or the issuing agency, or as stated in subsection (c) and FAP 111-55-00.
 - b. A Catalog Master Agreement may be issued by the Office of Material and Procurement Services if the **annual** estimated expenditure exceeds \$20,000. In this instance, the Office of Material and Procurement Services may issue an "All State Agency" Catalog Master Agreement.
 - c. Items covered by an "All State Agency" Catalog Master Agreement may be purchased locally, not from the Catalog Master Agreement, if the aggregate dollar amount of the total requirement is less than \$1,000 or the amount stipulated in the Catalog Master Agreement.
 - d. Procurement requirements shall not be parceled or split over a period of time in order to subvert the intent of this policy.
 - e. A Catalog Master Agreement shall be issued by the Office of Material and Procurement Services or the Transportation Cabinet's Division of Purchases. An agency shall not add additional items to a Catalog Delivery Order or Invoice that are not listed on a Catalog Master Agreement.
4. **Master Agreement:** A Master Agreement shall establish a price agreement between an individual agency and a vendor for supplying specific goods and services at specific unit prices during a specified time period. A Master Agreement may contain an option to renew for an additional time period.

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- a. Partial payments may be made against a Master Agreement. An agency may initiate payment against a Master Agreement by using an Invoice that references the document in the state's procurement system.
- b. A Master Agreement in which the annual estimated expenditure exceeds \$20,000 shall be issued only under the authority of the Office of Material and Procurement Services, with the exception of a Personal Service Contract, Memorandum of Agreement, or grant agreement.

(KRS 45A.135)