



TO: All State Agencies, Boards, Commissions and Institutions

FROM: Stephen A. Hunter, CPPA  
Administrator 

SUBJECT: Purchase Order, Unit of Measure

DATE: September 7, 2007

The Office of Procurement Services has received numerous calls regarding the unit of measure listed on DAS contracts for non-IT supplies and services. Most of these questions pertain to entering purchase orders in OAKS and use of a unit of measure in lieu of amount. The purpose of this letter is to offer an explanation as to why we must use the unit of measure on purchase orders.

Units of measure (i.e.: each, hour, gallon, package) have been used on DAS term contracts since the inception of the CAS system in 1988. This permitted agencies to correlate unit costs with quantity of individual items ordered and received to ensure that the agency received what was ordered. Another advantage of having this detail on the purchase order would be to create a listing of what was purchased, by item that could then be shared with the vendors to give them an accurate picture of what the State had purchased. Vendors would then use this detail on future bids affording greater discounts. Unfortunately, CAS did not track purchases by item and would only provide total dollars spent which provided minimal information to vendors.

Accurate detail on what was purchased, when items are purchased and by which agency is critical detail that vendors must have when preparing their bid pricing. This assists them in planning and enables them to offer deeper discounts and other value-added features in their bid responses. The State will benefit by providing as much purchase detail as possible.

When OAKS was being developed, purchase detail was a priority requirement of the purchase system. It is essential that we be able to track what items are being purchased, during what time periods, by which agencies and in what volumes. This not only assists DAS in determining product areas that might be good candidates for new contracts, but enables us to give our bidder community accurate detail for them to develop their competitive bid prices. Listing only the dollar amount of the purchase is helpful, but it does not provide DAS or the vendor community with an accurate picture of what the state buys. Thus, the reason why DAS contracts will list specified units of measure for most of the term contracts.

There are certain product and service contracts where the total dollar volume will suffice and we will permit use of amounts on these contracts. Although listing a unit of measure, in lieu of an amount, on the purchase order may create some minor difficulties entering P.O.'s in OAKS, it is necessary to obtain the valuable information to enable DAS to continue receiving significant discounts on the contracts. There may be instances where the conversion of the contract from CAS to OAKS resulted in an incorrect use of units of measure. If such are located, please contact the State Purchasing Analyst listed on the front of the contract. These situations will be handled on a case-by-case basis.