

Subject: What to do When a PO Exceeds the Target or Total Value of a Contract

Audience: Procurement Directors, Buyers

As we [announced](#) in the July 30, 2012 Weekly Update, the SCEIS Materials Management (MM) Team has modified the SCEIS system to prevent the creation of a Purchase Order (PO) against a related contract when the PO would exceed the target value or total value of the contract. Below is some additional information to assist your agency's buyers if they receive a hard-stop error message when trying to create a PO against a contract that has reached its target or total value. We have also prepared detailed instructions that are posted in conjunction with this message to help you complete the procedures described below.

Reducing the Value of POs Against a Contract

When the cumulative dollar value of POs issued against a contract exceeds the target value of the contract, the buyer receives a hard-stop error message and cannot complete any additional POs. At this point, based on procurement law, either a new contract will need to be solicited and awarded or the target value of the current contract will need to be increased before any further POs can be completed.

The cumulative dollar value of a PO is based on the quantity and dollar value entered on the line item of the PO. Final Invoicing and locking a line item on a PO will **not** reduce the value of orders issued against the contract. Therefore, if a PO is issued against a contract and is no longer needed, the PO should be deleted, provided there are no invoice payments made against the PO. If invoice payments have been made against the PO, then the PO quantity should be reduced to match the invoiced quantity. Deleting the line item or reducing the quantity will ensure that the value of orders issued against a contract is not artificially inflated.

Detailed instructions for completing this transaction are posted in conjunction with this message on the SCEIS Weekly Updates web [page](#), and available at the direct link below:

- http://www.sceis.sc.gov/documents/How_to_Reduce_the_Value_of_POs_Against_a_Contract_Using_Transaction_ME33K.pdf

How to View Target Values of Contracts Using Transaction ME3N

The SCEIS MM Team encourages agencies to use the ME3N transaction to view target values of your contracts. We have prepared a set of detailed instructions, illustrated with screen shots, providing the steps for doing this. These instructions are posted in conjunction with this message on the SCEIS Weekly Updates web [page](#), and available at the direct link below.

- http://www.sceis.sc.gov/documents/Instructions_for_Using_ME3N_Transaction_to_View_Contract_Target_Value_Layout.pdf

If you have any questions about this message, please contact the SCEIS Service Desk at (803) 896-0001 (select option 1 for SCEIS help) or use the email form available at the following link: <http://www.sceis.sc.gov/requests/>.