



DCP Midstream
370 17th Street, Suite 2500
Denver, CO 80202
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February 25, 2019

Attention: All DCP Midstream Supplier Partners

RE: DCP Midstream Purchase Order Policy

I am writing to ensure our supplier partners understand and support DCP's policies and practices related to purchases and the use of purchase orders. I ask you to support these policies and practices to simplify the purchasing process for DCP employees, and to streamline the invoicing and payment process for our suppliers.

- 1) All purchases for products and/or services are to be initiated exclusively by a valid Purchase Order (PO) or Procurement Card (products only).
 - a. Exception - the sole exception for this policy pertains to emergency purchases outside of normal business hours (Monday – Friday 7a.m. – 5 p.m. MST) and requested for immediate delivery of products and/or services. A PO must be requested and created the following business day for all emergency purchases.
 - b. After the fact purchase orders will not be created except for emergency purchases, as noted above.
 - c. Delivery Due Dates – it is imperative that delivery of goods and services take place on or before the due date on the PO. If the delivery due date cannot be complied with, the supplier should immediately notify the buyer noted on the PO.
- 2) Verbal requests for products and/or services or changes to existing orders – **should not be accepted by supplier**. Request a purchase order or change order. Work shall not commence, nor shall products be shipped or provided, until the supplier is in receipt of an approved DCP Midstream PO.
- 3) Change orders – all changes required to the original PO must be communicated immediately to the DCP requestor and the Buyer identified on the PO and a formal change order must be issued to the supplier prior to the shipment of products and/or performance of services.
 - a. Additionally, if during the performance of services a change in the scope occurs, supplier must immediately contact the DCP requestor and Buyer identified on the PO and request a change order, prior to commencing additional work.
 - b. If supplier identifies the potential of overrunning the costs and scope as originally agreed and captured in the PO, the supplier is to immediately contact the DCP requestor to address.
 - c. Change orders requested after products have been shipped or delivered for pricing or quantity will not be accepted. The original PO must be honored for invoicing and payment. Ensure the PO you are fulfilling is correct when first received, and only fulfil based upon the PO.
- 4) Invoicing – Invoices must be submitted to DCP shortly after the fulfillment of the PO, not to exceed ninety (90) days. **Failure to submit an invoice within 90 days will result in the closure of the PO and rejection of the invoice and payment.** All supplier invoices must include the DCP Midstream PO number, PO line number, quantity, unit price, vendor part number, and description. Invoices must match the PO line items and cannot exceed the price and quantity requested on the PO.
 - a. Invoices submitted without receiving a PO must be submitted with RC, Project/AFE (if applicable) ID, and the DCP Midstream requestor's name.
 - b. **Failure to acquire a PO for products and/or services prior to starting work or failure to submit invoices within 90 days may result in the supplier being removed from DCP's supplier list.**

Please support the DCP 2020 framework of accountability and discipline to drive the proper processes to ensure proper risk management, timely product/service delivery, and payment.

If you have any questions please contact myself or your local buyer.

Regards,

Scott A. Evans
Director - Supply Chain Operations