

TITLE: POLICY AND PROCEDURE FOR THE USE OF BLANKET PURCHASE ORDERS		PROCEDURE NO: 02-012
		SUBMITTED BY: Judy S. Carter Director of Purchasing
		APPROVED BY: Carlos A. Gimenez City Manager
EFFECTIVE DATE: OCTOBER, 2002	SUPERCEDES NO:	PAGE NO: 1

PURPOSE: To increase efficiency and productivity in the purchase of small dollar repetitive items by the certified departmental purchasing agents assigned to City Departments and Offices.

Reasons for using blanket orders and the typical manner in which they assist in the purchasing function are:

1. Reduction in the quantity of paper work required for the acquisition of small dollar value goods and services purchased on a repetitive basis.
2. Decentralize the actual act of ordering materials on a day-to-day basis while maintaining centralized control over the selection of vendors and the establishment of prices, terms, and other conditions

SCOPE: The scope of this policy and procedures shall be limited only to the acquisition of small dollar value goods and services purchased on a repetitive basis unless a contract has been awarded by the City Manager or the City Commission.

CONDITIONS FOR USE:

A Blanket Purchase Order is a purchase order which has been issued to a vendor against which multiple purchases may be made for a specified period of time. Similar to a regular Purchase Order, City department funds are obligated (i.e., encumbered) upon the establishment and issuance of a Blanket Purchase Order.

Blanket Purchase Orders are issued for supply-type commodities and services only.

When repeated purchases of the same type of commodity item or services are anticipated, multiple purchase requisitions may be eliminated by submitting one purchase requisition to establish a Blanket Purchase Order. Blanket Purchase Orders may also be used for the purchase of goods and services for contracts that have been competitively Bid and Awarded.

PROCEDURES:

Blanket Purchase Orders Not Exceeding \$1,000

1. The user department shall submit a requisition to the Purchasing Department. The requisition shall include the name of vendor and the maximum amount anticipated to be purchased in the fiscal year (not to exceed \$1,000, including Change Orders).
2. **The user department may request one (1) Blanket Purchase Order per vendor, per fiscal year.**
3. Purchasing will review all requests and, if appropriate, issue the Blanket Purchase Order to the vendor.
4. At the beginning of each fiscal year, the Purchasing Department will issue the Blanket Purchase Order to encumber funds showing the annual expenditure which has been provided by the user departments. Blanket Orders will expire on September 30th of the fiscal year it is issued.
5. The Blanket Order to the vendor will include the maximum amount that can be ordered during the period, billing instructions, and all other information that is normally shown on a purchase order.
6. Persons who use this procedure must always refer to the Blanket Purchase Order number when placing orders with vendors.
7. Departments will maintain a running tabulation (log) of expenditures made under the Blanket Order and shall not exceed the authorized limit of the Blanket Purchase Order.

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Blanket Purchase Orders Not Exceeding \$5,000

1. The user department shall submit a requisition to the Purchasing Department which shall include a representative sampling of a minimum of five (5) items which are anticipated to be purchased under the Blanket Purchase Order, and the maximum amount anticipated to be purchased in the fiscal year (not to exceed \$5,000, including Change Orders).
2. **The user department may request one (1) Blanket Purchase Order, per commodity in which no other Blanket Purchase Order has been issued, per fiscal year.**
3. Purchasing will review all requests and, if appropriate, will solicit quotations on the representative sampling of items provided by the user department, from a minimum of three (3) firms. A Blanket Purchase Order will be issued to the lowest responsive, responsible bidder.
4. At the beginning of each fiscal year, the Purchasing Department will issue the Blanket Purchase Order to encumber funds showing the annual expenditure which has been provided by the user departments. Blanket Orders will expire on September 30th of the fiscal year it is issued.
5. The Blanket Order to the vendor will include the maximum amount that can be ordered during the period, billing instructions, and all other information that is normally shown on a purchase order.
6. Persons who use this procedure must always refer to the Blanket Purchase Order number when placing orders with vendors.
7. Departments will maintain a running tabulation (log) of expenditures made under the Blanket Order and shall not exceed the funded limit of the Blanket Purchase Order.

Blanket Purchase Orders Exceeding \$5,000

1. Blanket Purchase Orders exceeding \$5,000 will not be issued unless a contract has previously been bid and awarded by the City Manager or City Commission.
2. The user department shall submit a requisition to the Purchasing Department which shall include the Bid and Resolution numbers.
3. Purchasing will review all requests and, if appropriate, will issue a Blanket Purchase Order.
4. The Blanket Order to the vendor will include the maximum amount that can be ordered during the period, billing instructions, and all other information that is normally shown on a purchase order.
5. Persons who use this procedure must always refer to the Blanket Purchase Order number when placing orders with vendors.
6. Departments will maintain a running tabulation (log) of expenditures made under the Blanket Order and shall not exceed the funded limit of the Blanket Purchase Order.

SPECIAL NOTE: The Purchasing Department will conduct periodic reviews of the use of Blanket Purchase Orders by the user departments to determine if the scope and intent of the blanket order procedure is being followed. Failure by departments to utilize and follow the blanket order procedure as it is intended, may be sufficient reason to withdraw the privilege of its continued use as a purchasing tool.