

MEMORANDUM

To: Directors and Managers

FR: Mark Finigan, Finance Director



DA: **October 2, 2017**

RE: Blanket Purchase Orders FY 2017-18

Though the Code allows for small purchases less than or equal to \$500.00 in estimated value to be procured without competition provided they meet certain conditions it is the City Manager's direction that individual items (or group of like items) less than \$500.00 in estimated value be priced to the maximum extent possible. The operative phrase is "to the maximum extent possible". If there are known sources (especially local) which could provide the required supply item, a reasonable attempt should be made to secure, at a minimum, one additional quote. A departmental log shall be maintained to document purchases made pursuant to this policy and will become the source document necessary to demonstrate the departments attempt to secure additional competition. If there are circumstances that prevent a department from securing at the minimum one additional quote, the log should clearly identify the basis for procuring from a single source. Examples preventing the procurement from an additional source could be emergency, only one known local vendor or situations in which additional competition efforts do not warrant the additional administrative efforts to source a second vendor. We need to ensure we support all local vendors by creating an environment of full & open competition to the maximum extent possible.

Please be advised that each department shall establish, maintain, and have available for inspection a log for each blanket purchase order for your department. The log should indicate the date of pickup, description of item, quantity, name of staff, amount of purchase and documented attempts to secure additional pricing. No services can be purchased pursuant to a blanket purchase order.

Also, remember that each individual purchase pursuant to a blanket purchase order may not exceed \$500.00. Those purchases over \$500.00 in value should be separately priced & competitively purchased. Purchases made as part of a project/major repair should be priced out separately and processed through a stand-alone purchase order, not through the blanket purchase order.

No attempt shall be made to circumvent this policy by multiple trips to a vendor or "breaking up" a requirement as to avoid competitive purchasing. Logs will be audited by Finance on a no notice basis throughout the year. Any department which circumvents the policy will jeopardize their privilege to purchase pursuant to a blanket purchase order.

Department/Division

Name of Director or Manager

Signature of Director or Manager