

## MEMORANDUM

TO: ALL DEPARTMENTS

FR: JIM SCHOLL, CITY MANAGER

DA: OCTOBER 17, 2011

RE: BLANKET PURCHASE ORDERS Fiscal Year 2011-12

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

Also, remember that each individual item purchased pursuant to a blanket purchase order may not exceed \$500.00 – those items over \$500 in value should be priced & competitively purchased separately. Purchases made as part of a project/major repair should be priced out separately and processed through purchasing not through the blanket.

There is one change from prior years in the Blanket Purchase Order policy. Previously, individual items less than \$500 in anticipated value could be procured without competition provided they met certain conditions; supplies not associated with a project or major repair. As we move into Fiscal Year 2011-12 it is my desire that individual items less than \$500 in anticipated value be priced to the maximum extent possible. The operative phrase is “to the maximum extent possible”. If there are known local sources which could provide the required supply item, a reasonable attempt should be made to secure at the minimum one additional quote. The departmental log maintained to document purchases made pursuant to this policy should be 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 of procuring 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. The change in policy is to ensure we support all local vendors by creating an environment of full and open competition to the maximum extent possible.**

**No attempt should be made to circumvent the policy by multiple trips to the 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 ability to purchase pursuant to a blanket purchase order.**