



MEMORANDUM

Date: September 28, 2023

To: Directors and Managers

Via: Jessica Durocher
Central Purchasing Agent

From: Christina Bervaldi
Director of Finance

Subject: **Blanket Purchase Order Policy 2023-2024**

Section 2-771 of the City of Key West Code of Ordinances establishes the City's procurement policies regarding purchases made by the City of Key West. The Code establishes the following policy based on estimated values:

Purchases Under \$1,000.00	One Documented Written Quote
Purchases \$1,000.01 - \$5,000.00	Two Documented Written Quote
Purchases \$5,000.01 - \$50,000.00	Three Documented Written Quotes
Purchases Over \$50,000.00	Competitive Bid Process

In an effort to make the procurement of supplies more efficient for departments, the City will utilize blanket purchase orders with select vendors. Blanket purchase orders are contracts with suppliers with specific dollar limits which allow for purchases using a single purchase order rather than creating many individual purchase orders. Under this blanket purchase order policy, each individual purchase made pursuant to a blanket purchase order may not exceed \$500.00 and any purchases over \$500.00 in value should be separately priced.

Purchases made as part of a project or major repair should be priced out separately and processed through a stand-alone purchase order, not through the blanket purchase order.

No services can be purchased pursuant to a 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. Any department which circumvents the policy will jeopardize their privilege to purchase pursuant to a blanket purchase order.

While Section 2-771 of the Code allows for small purchases with an estimated value of \$1,000.00 or less to be procured without competition therefore making the utilization of blanket purchase orders possible, it is also the City Manager's direction that individual items, or groups of like items, be priced to the maximum extent possible. If there are other known sources, especially local, which could provide the required item, a reasonable attempt should be made to secure the best price possible.

To track blanket purchase order usage and compliance with the City Manager's direction, each department shall maintain a log which documents purchases made pursuant to this policy. This log will become the source document necessary to demonstrate the department's 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 lone 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 according to the preceding paragraph. Logs will be audited by Finance on a no notice basis throughout the year.

Please sign below as acknowledgement of this Blanket Purchase Order Policy for FY 2023-2024.

Department/Division

Printed Name of Director/Manager

Signature of Director/Manager