MEMORANDUM

Date: September 30, 2025

To: Directors and Managers

Via: Lucas Torres-Bull
Procurement Manager

From: Christina Bervaldi
Director of Finance

Subject: **Blanket Purchase Order Policy 2025-2026**

Purpose:
Section 2-771 of the City of Key West Code of Ordinances establishes the City's procurement policies for purchases made by City departments. This policy provides guidance on competitive procurement thresholds and establishes procedures for the use of Blanket Purchase Orders (BPOs) to streamline purchasing operations while maintaining compliance with City procurement requirements.

Procurement Thresholds:
The City's procurement requirements are based on estimated purchase value as follows:

- **Purchases under $1,000.00:** One documented written quote.
- **Purchases $1,000.01 – $5,000.00:** Two documented written quotes.
- **Purchases $5,000.01 – $50,000.00:** Three documented written quotes.
- **Purchases over $50,000.00:** Competitive bid process required.

Blanket Purchase Orders:
To improve efficiency in departmental procurement, the City may establish Blanket Purchase Orders with selected vendors. A Blanket Purchase Order is a contractual arrangement with a supplier that sets a specific dollar limit for purchases, allowing multiple acquisitions to be made under a single purchase order rather than creating individual orders for each item.

- **Individual Purchase Limit:** Each purchase under a BPO may not exceed $500.00. Any item exceeding this limit must be priced separately.
- **Project or Major Repairs:** Purchases associated with specific projects or major repairs must be processed via a stand-alone purchase order, not through a BPO.
- **Contract Compliance:** Items purchased under a contract must fall within the contract scope. Items outside the contract must be procured separately following standard City procurement procedures.
- **Prohibited Purchases:** Services may not be procured under a BPO.
- **Policy Compliance:** Departments must not attempt to circumvent procurement rules by splitting purchases or making multiple trips to avoid competitive sourcing. Violation of this rule may result in loss of BPO privileges.

While Section 2-771 allows small purchases under $1,000.00 to be procured without competition, the City Manager directs that departments make reasonable efforts to obtain competitive pricing. When alternative sources exist, particularly local vendors, departments should strive to secure the most favorable pricing while supporting local businesses.

BPO Tracking and Documentation:
Each department must maintain a detailed log for every Blanket Purchase Order issued, documenting:

- Date of pickup
- Item description
- Quantity
- Responsible staff member
- Purchase amount
- Documentation of efforts to obtain additional quotes

If circumstances prevent obtaining at least one additional quote, the log must include justification (e.g., emergency, sole source, or impracticality of additional competition). This ensures transparency, accountability, and support for local vendor participation.

Each department is required to maintain a log for every blanket purchase order issued to their department. The log, provided below, must record the date of pickup, item description, quantity, staff member responsible, purchase amount, and any documented efforts to obtain additional pricing as outlined above. The Finance Department will conduct unannounced audits of these logs throughout the fiscal year.

Finance Department Oversight:
The Finance Department will conduct unannounced audits of all departmental BPO logs throughout the fiscal year to ensure compliance with City policy and the City Manager's directives.

Compliance and Enforcement:
All departments must strictly follow the Blanket Purchase Order Policy and ensure that accurate, up-to-date logs are maintained for every blanket purchase order issued. Noncompliance with this requirement will be considered a violation of the City's procurement policy and will be subject to the City of Key West Policy and Procedure Manual, including the Code of Conduct.

The City reserves the right to impose additional restrictions or sanctions as deemed necessary to protect the integrity of the procurement process.

Please sign below as acknowledgement of this Blanket Purchase Order Policy for FY 2025-2026.

_____
Department/Division

_____
Printed Name of Director/Manager

_____
Signature of Director/Manager

Blanket Purchase Order Log

Each department shall complete this log for purchases made under the Blanket Purchase Order Policy. The log must document the details of each purchase, including justification where additional quotes could not be obtained. Logs are subject to Finance audit at any time.

Date of Pickup	Description of Item	Quantity	Amount of Purchase	Name of Staff	Vendor(s) Contacted / Quotes	Purchase Order #