

Policy Summary:

Blanket purchase orders are a necessary tool to provide operations with a quick way to obtain materials and supplies to keep crews working efficiently. To provide for an efficient, effective, and secure blanket purchase order system, internal controls and procedures must be adhered to so that information received concerning purchases on the blanket purchase order system provide accountability as to where supplies or materials were actually used. Blanket purchase orders must indicate who purchased the materials and also the work order or building/job location. This will provide accountability of City funds, and an informative flow of documentation for accounts payable, budget, audit, and supervisory personnel.

I. POLICY

According to the Purchasing Manual, a “blanket order” is an arrangement where the City contracts with a vendor to provide a range of materials and services on an “as required or over-the-counter basis”. The terms of the order will state a period of time purchase order is valid and a maximum dollar limit. The purchase on a blanket order is to provide a time saving purchasing method for acquiring re-occurring materials and services which are no on annual contract. For ordering, departments will order material by phone or in person using the purchase order number assigned monthly.

II. PROCEDURES

- A. Employees authorized to purchase items on blanket purchase orders will be designated in writing by the Department Director. Each of these employees will have an identification card that will be presented to the vendor before they will honor the purchase. The ID card will be returned to the department upon termination of the employee and before the final check can be released.
- B. The employee will provide the vendor with the blanket purchase order number when making a purchase.
- C. Each item purchased will be listed on the vendor sales document by item name or description. Part or model numbers only will not be accepted as a description. At the time of purchase, City employees will tell vendor that a full description is necessary on the sales document and invoice.
- D. The City of Waco employee receiving and/or picking up the materials or supplies will:
 - 1. Present an identification card that has his/her picture on it. The ID will have an employee number that will be entered on the sales document. This pertains to all purchases on a blanket purchase order, including asphalt, gravel, cement, etc.
 - 2. Sign (if not legible, print) full name and department on the vendor sales document. No initials will be accepted.
 - 3. Date the sales document.
- E. The City will not permit a vendor to keep an invoice open at the request of an employee. Any merchandise not taken must be on a separate invoice.
- F. After the City employee receives a copy of the vendor sales document, the employee is to provide additional information on the document to support the purchase. This shall include the following:
 - 1. expense coding and if available, a work order number or a copy of work order attached

CITY OF WACO

BLANKET PURCHASE ORDER POLICY

Policies and Procedures

GFP&P-2

Page 2 of 2

Revised 03/01/95

2. building name and/or building number or job location
3. location within the specified building or job address
4. any other information that will identify the location or job done.

Basically, the question of who, what, when, where, and how much should be provided.

- G. The detailed sales document and blanket requisition should be verified by the supervisor in charge and remitted on a timely basis to Fiscal Services for payment.
- H. Each vendor the City of Waco utilizes for blanket purchase orders will be informed of the above requests.
- I. Training of current and new supervisors will be held on a regular basis for blanket and other purchasing procedures. Purchasing procedure training will be provided for cardholders.
- J. Projects should be planned where items can be purchased and issued from the warehouse instead of emergency purchases on blanket purchase orders.
- K. Petty cash should be utilized where feasible for purchases under \$100 when it is impractical to acquire the goods or services through the normal purchasing process.
- L. Capital outlay items over \$400 and individual tools over \$100 cannot be purchased on a blanket purchased order.
- M. Employees that violate blanket-purchasing procedures are subject to having their purchase authorization removed. Further consequences of violating this policy could result in disciplinary action up to and including termination.
- N. The enforcement of the above procedures must come from each department director and/or division manager.

Approved: JNH:

