

# WALTON COUNTY BOARD OF COUNTY COMMISSIONERS

Office of Central Purchasing

Procedure No: PP-009

**Title: Blanket Purchase Orders**

**Effective Date:** March 25, 2008

**Revised Date:** May 26, 2015

**I. Purpose:**

Blanket Purchase Orders (BPO's) are used for ongoing expenses for the purchase of indeterminable miscellaneous items, materials, supplies, parts, etc., over a specific period of time (can't extend beyond the fiscal year). Items may be purchased as needed by the user department, against the blanket order number for the term of the BPO, or until the dollar amount is reached. The BPO generally establishes a maximum dollar amount limit, the period covered, and any pertinent terms and conditions. However, since the items to be purchased are unknown at the time of issuance of the BPO, no line item pricing is included.

**II. Procedure:**

A BPO is initiated by a regular Purchase Requisition, and is printed on regular purchase order forms, it indicates that it is a BPO, and is consecutively numbered as with regular purchase orders, and shall contain the following information:

- A. Vendor name and address.
- B. Description and types of items to be purchased (to the extent known).
- C. The period of time the BPO will remain valid (usually only for 90 days).
- D. The maximum dollar amount (cap), which cannot be exceeded (unless increased by a change order). When it is apparent the cap will be insufficient, a change order may be requested by the using department to increase the cap.
- E. Provision for cancellation of the order at any time.
- F. Individual purchase limits (per item) shall be set on BPO's by the Office of Central Purchasing in order to avoid unauthorized expenditure of funds for capital equipment. BPO shall have actual names and positions of authorized purchaser of BPO to initiate.

- G. Name of department/division and any specific personnel authorized to utilize BPO.
- H. Should the user department/division wish to have the account number(s) printed on the purchase order, the number(s) should be entered as the last line of text, while inputting the requisition.
- I. The Purchasing Agent, Finance Director and/or County Administrator will determine when a BPO is to be issued.

After a BPO is issued, the using department/division is authorized to place orders, via telephone or in person, directly with the vendor, when needed. Example: A using department may wish to request a BPO to purchase miscellaneous hardware items from a hardware store for a 60-day period with total expenditures not to exceed a specified dollar amount. The department/division shall be responsible for acknowledging receipts of goods, and thereby, approval of payment. To liquidate a BPO, indicate on the "Receiving" copy "Final" and forward directly to the Clerk's Accounts Payable Section. At the end of the expiration date of the BPO, if funds still exist, the Accounts Payable will liquidate BPO.

Partial payments are made, as items are purchased against the BPO until the dollar amount encumbered for that BPO is reached. Departments/divisions must acknowledge, in a timely manner, the receipt of goods to indicate authority for the Clerk's Accounts Payable Section to pay invoices.

The Accounts Payable Section will process invoices for received materials or services so that any discounts may be obtained. Departments/divisions should monitor the status of the BPO for discounts taken and freight charges applied.

BPO's shall be monitored very closely by the user department as to expenditures, so as not to exceed encumbered amounts and as to time so that the BPO does not lapse before a new one, if needed, is issued, or it is extended via issuance of a change order.

The Office of Central Purchasing and the Accounts Payable Section may monitor all or selected purchases to ensure adherence to County Procedures. The Office of Central Purchasing may take appropriate action, as deemed necessary, should the using department not strictly adhere to County purchasing procedures.

BPO's may be issued for commodities and service. Such needs for BPO's must be discussed with the Purchasing Agent, prior to issuance, to ensure appropriate procurement steps are taken; appropriate terms and conditions, specifications, etc. as applicable are in place; and that appropriate documentation is on file.

**III    Limitations:**

BPO's cannot exceed \$50,000 unless approved by the Board of County Commissioners