

Memo to: UH-Downtown/PS Holders
From: Max Castillo
Subject: Blanket Purchase Orders

UH Downtown/PS 05.C.06
Issue No. 2
Effective date: 10/15/01
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1. PURPOSE

This policy defines the circumstances under which a blanket purchase order may be requested and placed. This policy on Blanket purchase orders applies to all University of Houston - Downtown (UHD) units and to all fund sources.

2. DEFINITIONS

2.1 Blanket purchase order: A single order covering a specified period of time for the purchase of a large variety of miscellaneous items from one vendor, not to include equipment, with multiple delivery dates; to be used in a situation where the exact identity of the items and/or the required delivery dates cannot be determined prior to the need for the items.

2.2 Non-competitive blanket order justification: A justification is required when a blanket order exceeding \$10,000, regardless of fund source, involves items which cannot be specified sufficiently to enable effective price competition.

3. POLICY/PROCEDURES

3.1 UHD provides for the use of blanket purchase orders, within the limitations as defined in this policy, to expedite the procurement of various items from one vendor.

3.1.1 Blanket purchase orders may be put in place for anticipated emergency purchases to avoid interruptions in operations; when the vendor will not accept purchase voucher orders; or to avoid the paperwork associated with multiple small, individual purchase documents.

3.1.2 Purchases on blanket purchase orders must follow state purchasing guidelines and may not be used to circumvent bidding or other procurement requirements.

3.2 Blanket purchase orders shall be submitted to price competition in all cases where both of the following conditions exist:

3.2.1 Total requisition amount exceeds \$9,999.99, regardless of fund source.

3.2.2 The exact identity of the items can be specified.

3.3 Non-competitive blanket purchase orders: Blanket purchase orders are exempt from price competition when the total requisition amount is less than \$10,000 regardless of fund source, or when the items on the blanket order are purchased for resale to the public.

3.4 Blanket purchase orders must always identify a maximum purchase amount and a start and end date, not to extend beyond the end of the fiscal year. A new order is required with the new fiscal year.

3.5 Purchases of capital equipment may not be made on blanket purchase orders.

3.6 The cost of any single item procured with the blanket order may not exceed \$10,000, regardless of fund source, unless approved by the manager of the purchasing department under the terms of the blanket purchase order.

3.7 The most cost-beneficial freight charges shall be obtained to the extent possible. When express delivery is required, justification of the need must be furnished, unless

the items purchased are for resale and the freight charges are passed on to the customer.

4. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): Purchasing Manager

Review: Biennial

President

Policy History

Issue #1: 11/01/99