BLANKET PURCHASE ORDERS

I. GENERAL

This policy is to ensure that the use of Blanket Purchase Orders (BPO) for the purchase of goods and services is conducted in accordance with Title 16, FNSB policy and procedure and all applicable state/federal law and regulation.

II. PURPOSE

This policy establishes a uniform process for creating and utilizing Blanket Purchase Orders for the purchase of goods and services.

III. RESPONSIBILITY

A. Department directors shall ensure that their department staff follow the procedures set forth in this policy.

B. Compliance is the responsibility of each Borough employee.

C. General Services is responsible for the administration of procurement policies.

D. Human Resources shall maintain this policy.

IV. POLICY

A. Blanket Purchase Orders are a procurement tool used to balance the timely acquisition of necessary goods and services with the maximization of the purchasing value of public funds and fostering of broad-based competition.

B. Blanket Purchase Orders are limited in use to the following:

1. For the purchase of the following goods or services, with no dollar limitation on individual transactions:

   a. Utilities, or other services, in which the operating costs are fixed by law or ordinance;

   b. Goods or services exempt under Title 16, to include, but not limited to commercial advertising services (newspaper, radio, television, etc.), library books, audiotapes, videotapes, movies, bookbinding services, newspapers and periodicals;

   c. Goods or services from a specific vendor after a brand name determination and sole source determination have been approved by the Chief Procurement Officer.

2. For the purchase of unanticipated goods or services (e.g. office supplies, maintenance parts, paper products, repair services, etc.) that cannot be
purchased cost-effectively in advance through individual purchase orders
and with a unit price not to exceed $5000 per day and a total extended
price (combined price of all items) not to exceed $5000 per day, per
authorized purchaser, and per specific department project.

C. If a department has a requirement to purchase “brand name” goods or services
on an anticipated and repetitive basis within a fiscal period and with an anticipated
total value exceeding $5000/year, the Blanket Purchase Order will not be
approved by the Chief Procurement Officer unless a brand name determination
AND sole source determination (if required) are submitted and approved.

D. If the brand name AND/OR sole source determination is not justified, the
department must conduct a competitive process (RFQ, IFB, etc.) to identify the
brand and/or vendor to be utilized and establish a term contract for the goods or
services.

E. An individual expenditure exceeding $5000 (unit and extended price) and not
meeting the requirements for the use of a BPO for a purchase “with no dollar
limitation on individual transactions” (See Section IV, B, 1 above) cannot be
purchased on an existing BPO.

For example, if a department conducts an RFQ process, even though the low
quoter is a vendor that the department has an existing BPO established with, the
department must enter a new purchase requisition to initiate that purchase. The
purchase cannot be made on the existing BPO.

F. A violation of the Blanket Purchase Order policy will be handled in accordance
with the Unauthorized Purchase Policy.

G. Upon request by the Chief Procurement Officer, departments shall provide
justification for procurement actions and evidence of compliance with this policy.

H. All requests for the initiation of Blanket Purchase Orders will be considered on a
case-by-case basis. The Chief Procurement Officer must approve the BPO
before costs are incurred.

I. Documentation from vendors supporting sole source and brand justifications must
be updated on an annual basis.

V. PROCEDURE

A. Processing Procedures:

1. Regular requisition processing procedures apply to Blanket Purchase Orders.
(See FNSB Procurement Handbook or visit GS intranet site at:
http://intranet.net1.fnsb/gs/SitePages/Home.aspx for detailed instructions.)

2. In addition to the information normally required on a purchase requisition, a
BPO must include the following:
a. "BLANKET PURCHASE ORDER" in all caps typed on the first line of the description block of the purchase requisition.
b. On the second line of the description block, identify the types of goods and services to be purchased with this BPO (office supplies, maintenance services, repair parts, bug spraying services, etc.).
c. Approximately midway down the description block, insert a heading "Authorized Purchasers" and list the name of department staff that can sign for goods and services OR insert the language "Authorized Purchasers as per the attached list." If using attached list, submit list to Purchasing Division with requisition;
d. At the bottom of the description block, insert the expiration date of the BPO to read "These funds lapse on June 30, 200X."
e. In the extended price column, indicate the full amount of funding available for the BPO ($500.00, $4000.00, $10,000 etc.)

Please note: Funding for contracts or contract renewals is to be done with a purchase order, not a blanket purchase order.

VI. SUPPLEMENTAL INFORMATION

A. References –
   1. FNSB Title 16
   2. General Services Procurement Handbook
   3. Small Dollar Purchasing Policy, FNSB 70.07
   4. Unauthorized Purchases Policy, FNSB 70.08

B. Definitions –
   1. Blanket Purchase Order – a purchase order issued to a vendor in order that authorized staff may make multiple purchases or payments over a set period of time.
   2. Brand Name Procurement – a procurement in which only one brand has been determined to meet the requirements of the department for quality, performance and other salient characteristics. A brand name procurement requires a competitive procurement process if more than one source is available for the supply, service or construction item.
   3. Chief Procurement Officer – the Borough’s principal purchasing official. The Director of General Services serves as the Chief Procurement Officer for the Borough.
   4. Sole Source Procurement – a procurement for which, after a good faith review of available sources, it is determined that there is only one source for the required supply, service or construction item. A sole source purchase does not require a competitive procurement process.
   5. Term Contract – a contract in which a source of supply is established for a specified period of time for specified services or supplies at a pre-determined price.
C. Attachments: Procurement Fact Sheet

D. Revision History

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Procurement Fact Sheet

This document is a condensed, easy to read version of the Fairbanks North Star Borough Procurement Policies and Procedures. For further clarification or more information, refer to the General Service Portal http://intranet.net1.fnsb/gs/SitePages/Home.aspx.

1. Delegations of Authority:
   - Your department director has been delegated the authority to purchase items up to $20,000.
   - Know what your delegation allows you to do and the required procurement procedures.

Fiscal Responsibilities:
   - Determine that sufficient and appropriate funds are available for the purchase.
   - All professional services encumbrances must be approved by the Chief of Staff.

Legal Responsibility:
   - All purchases of goods or services made by departments and employees must be in compliance with Borough Code Title 16 – Public Procurement and Surplus, state law and federal law.

2. Competition Requirements:
Remember, you must solicit the minimum number of quotes from local vendors.

   - Purchases with FNSB purchasing card (P-Card) $0 - $4,999.99..............no competition required
     purchase must adhere to the P-Card rules
     must comply with the P-Card eligibility
     ensure fair and reasonable price

   - Goods and Services under $4,999.99..........................................................no competition required
     ensure fair and reasonable price
     local vendor preference

   - Goods and Services $5,000 - $9,999.99....................................................3 written quotes

   - Goods and Services $10,000-$19,999.99....................................................3 written quotes
     Chief Procurement Officer (CPO) approval required before the invitation to quote

   - Goods and Services over $20,000..............................................................RFP or IFB
     CPO approval required before the solicitation

   - Professional Services.................................................................RFP required
Dollar Threshold:

**Under $4,999.99**
- Local bidders preference;
- Insurance for services;
- Purchase Requisition or P-Card;
- Alaska business/contractors license for services.

**$5,000-$9,999.99**
- Written RFQ signed by vendor;
- Three written quotes, Request for Quotation (RFQ – FNSB template) for goods and services;
- Local bidders preference applies, if possible;
- Quotes tabulation;
- Multi-year RFQ requires Service Contract;
- Alaska business license for services;
- Insurance for services;
- Purchase Requisition.

**$10,000-$19,999.99**
- Written RFQ approved by CPO, or
- Written informal Request for Proposals (iRFP) approved by CPO;
- Local bidders preference applies, if possible;
- Written RFQ (RFQ – FNSB template) signed by vendor;
- Multi-year RFQ requires Service Contract;
- Quotes Tabulation;
- Alaska business license for services;
- Insurance;
- Purchase Requisition.

**Over $20,000**
- Formal Solicitations: Request for Proposals (RFP) or Invitation for Bid (IFB);
- Local bidders preference in the solicitation applies, if possible;
- Written determination of selection;
- Alaska business license;
- Insurance;
- Encumbrance document;
- Procurement report;
- RFP/All RFP correspondence;
- Proposal log sheet;
- Admin review;
- Evaluations/score sheets;
- Notice of intent to award;
- Any appeals;
- Any waivers;
- Solicitation and fact sheet;
- Ads, ad orders, affidavit of publication.

Policy FNSB NO. 70.70 – Attachment 1
Created 11/01/17
3. Determining the Dollar Value of a Procurement:
   
   **Take into consideration:**
   
   - Total price,
   - Include all renewal options,
   - Freight costs for goods,
   - Similarity of products,
   - Predictability of procurement.

   Artificial division or fragmentation of a procurement in order to circumvent the law is prohibited and will be considered a purchasing violation.

4. Specifications:
   
   - Always state exactly what you want.
   - Avoid unique requirements.
   - List enough essential characteristics to ensure that any product which meets all of them would be sufficient to meet your needs.
   - Make sure all potential quoters receive exactly the same information.

5. Solicitation Sources:
   
   - Contact vendors: make sure all vendors receive the same information.
   - Written solicitations: send letters of interest to vendors.
   - Notification letter.
   - Contractor's list: available from GS/Purchasing.
   - Catalog prices: make sure you have applied any discounts due and include delivery.

6. RFQ Amendments to Procurements:
   
   - Anticipated amendments: must have been known at the time of procurement. Information should be included in the original RFQ.
   - Unanticipated amendments: unforeseen circumstances must be within the scope of the contract.

7. Evaluating Quotations:
   
   - Quotes must meet all the minimum specifications (e.g. delivery date).
   - A "no quote" response from a vendor who normally carries the item or provides the service is a viable quote.
   - Take into account all applicable preferences.

8. Professional Services:
   
   A professional service is defined as a service that requires specialized knowledge and training or in-depth experience in a particular field or discipline.
   - Professional services of an architectural or engineering nature, as defined by the laws of the State of Alaska which are required to be performed or approved by a person licensed, registered, or certified to provide such services. (Code §16.32.010)
9. **Formal Solicitation Process (RFP or IFB):**
   - Department initiates with fund verification;
   - GS/Purchasing works with department to build bid.

10. **Preferences:**
    Local Bidder preference is allowed by the Borough Code (Title §16.16.050). The preference is to support local economic development.
    - Small dollar procurements are required to solicit local vendors;
    - 5% is added to the in state, out of borough bid;
    - 10% to the out of state bid.

11. **Contract Awards:**
    - The GS/Purchasing Department establishes contract awards for departments based off formal solicitations or assists Departments with small dollar and multi-year procurements.
    - Purchase requisitions are used to establish and renew contract awards and to ensure funds for the contract award.
    - Once a contract has expired, it is no longer valid.
    - Copies of form contracts are available on-line in w:\fnsb\contracts.

12. **Vendor Performance:**
    - Document all problems;
    - Contact GS/Purchasing for any problems with contract award vendors;
    - Complete a contract evaluation for Professional Service Contracts if the work performed was less than satisfactory or if above average;
    - Document continuing problems – fill out a vendor performance form and submit to GS/Purchasing.

13. **Requests for Alternate Procurements (RAPs):**
    - Sole Source (Borough Code §16.12.030), CPO approval prior to initiating a purchase requisition is required;
    - Emergency (Borough Code §16.12.050), CPO approval prior to initiating a purchase requisition is required;
    - Brand Name (Borough Code §16.16.030 & §16.16.040), CPO approval prior to initiating a purchase requisition is required.

All RAPs now include proof of the research done justifying the requested exemption. Requesters should include a listing of contacts, telephone numbers, support documentation, and an itemized finding of facts.

14. **Emergency Procurements:**
    Department contacts the CPO or delegated authority who will authorize others to make emergency procurements of supplies, services or construction items when there exists a threat to public health,
Procurement Fact Sheet

welfare or safety. Emergency procurements shall be made with such competition as is practicable under the circumstances. (Borough Code §16.12.050)

- Written determination explains contractor selection based on the emergency and for the selection of the particular contractor (contractor’s name, the amount and type of the contract, a listing of the item(s) procured under the contract) and the identification number of the contract file.
- Report to GS/Purchasing.

15. Procurement Code Exemptions:

- Governmental agencies;
- Certified employment programs;
- Book binding services;
- Employee moving expenses;
- Periodicals;
- Conference attendance fees;
- Advertising;
- Insurance;
- Legal Services;
- Registration fee for training classes, seminars, etc., and training/instruction materials (books/manuals, instructor fees and expenses);
- Bond Rating Agency Fees;
- Renewal of license/maintenance fees for existing software with the software systems developer;
- Programming development/enhancement services for existing software with the software systems developer;
- Professional Services up to $20,000, a one-time unanticipated requirement for a professional service.

16. Procurement Code Restrictions:

May not directly procure:

- Anything to do with telephones or telecommunications equipment;
- Construction;
- Vehicles;
- Leased office space;
- Construction involving leased space;
- Computer or software related items;
- Janitorial;
- Copy paper and envelopes.

May procure as restricted and within delegation:

- Business cards,
- Brochures & flyers,
- Modular furniture.
17. **Unauthorized Expenditures:**
- Purchases to Ebay.com or any similar online auction vendor;
- Purchase of goods/services for personal use;
- Printing of a personal nature;
- Flowers and gifts;
- Over-the-counter drugs & supplies with the exception of hand sanitizer and tissue for reception areas;
- Prepayment of supplies/services;
- Dues for personal membership in associations or organizations;
- Nonfunctional office fixtures;
- Food, beverages unless for boards and commissions (P-Card restriction);
- Kitchen utensils, cutlery, and tableware for department/division (P-Card restriction);
- Fuel, Adult products, Travel or TA related items (P-Card restriction);
- Repair of leased or purchased items that are under repair/maintenance agreement (P-Card restriction);
- Rental or lease of any product or service that requires signing of a lease, rental agreement or contract (P-Card restriction);
- Insurance Premiums (P-Card restriction);
- Other purchases that do not comply with FNSB Purchasing Policy and Procedures.

**Note:** Policies and procedures cannot cover every issue, exception or contingency that may arise in purchasing/procurement process and therefore purchasers should use common sense and good judgement in the use of government resources.

18. **Procurement Violations:**
- Receive written notification from GS/Purchasing;
- Cooperate with the investigation;
- Comply with recommendations that result from the investigation.