

Memo to: UH-Downtown/PS Holders
From: Dr. Juan Sánchez Muñoz, President
Subject: Blanket Purchase Orders

UH Downtown/PS 05.C.06
Issue No. 6
Effective date: 03/19/2018
Page 1 of 4

1. PURPOSE

This document 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) departments and to all fund sources, with the exception of federal funds. Blanket Purchase Orders are not an acceptable method of procurement for federal funds per the [Uniform Administrative Requirements \(Circular A-81\)](#). Please refer to the University of Houston-Downtown [Fund Codes](#), which include federal funds, for more information.

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. It should not be used for services.
- 2.2 Non-Competitive Blanket Order Justification: A justification is required when a blanket order exceeding \$10,000 involves items which cannot be specified sufficiently to enable effective price competition.

3. POLICY

- 3.1 University of Houston-Downtown (UHD) provides for the use of Blanket Purchase Orders, within the limitations as defined in this document, 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.
- 3.2 Non-Competitive Blanket Purchase Orders: Blanket Purchase Orders are exempt from price competition when the total requisition amount is less than \$10,000 or when the items on the blanket order are purchased for resale to the public.
- 3.3 The cost of any single item procured with the blanket order may not exceed \$10,000 unless approved by the Purchasing Coordinator under the terms of the Blanket Purchase Order.

- 3.4 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. PROCEDURES

- 4.1 Purchases on Blanket Purchase Orders must follow state purchasing guidelines and may not be used to circumvent bidding or other procurement requirements.
- 4.2 Blanket Purchase Orders shall be submitted to price competition in all cases where both of the following conditions exist:
- 4.2.1 Total requisition amount exceeds \$10,000, this applies to all funds sources except federal funds.
- 4.2.2 The exact identity of the items can be specified.
- 4.3 Blanket Purchase Order requisitions must clearly indicate that the request is for a blanket order and not a conventional purchase.
- 4.4 Blanket Purchase Order requisitions 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.
- 4.5 Purchases of capital equipment may not be made on Blanket Purchase Orders.
- 4.6 The names of at least two people authorized to order using the blanket order must be indicated.
- 4.7 When a Blanket Purchase Order exceeds \$10,000 and the exact identity of the items cannot be specified sufficiently to submit the request to price competition, a [Non-Competitive Justification](#) must be provided. This justification shall include all of the following information:
- 4.7.1 An explanation of the need for a blanket order, rather than multiple vouchers, or a requisition with specifications to allow the Purchasing Department to submit to price competition using the normal purchase order process
- 4.7.2 An explanation of how the Non-Competitive Blanket Order will realize cost savings compared to multiple vouchers or standard purchase orders
- 4.7.3 A justification for the selection of the vendor that is to receive the Non-Competitive Blanket Order

- 4.8 When preparing the requisition, the Purchasing Department may be contacted for assistance in determining whether the order must be submitted for competition and, if so, in preparing a valid set of specifications.
- 4.9 The Purchasing Department will reject requisitions with inadequate Non-Competitive Blanket Order Justifications and change orders that result in the blanket order exceeding the authorized maximum limit.
- 4.10 Only the persons authorized on the Blanket Purchase Order may place orders.
- 4.11 When placing orders, freight charges shall be limited and minimized to the extent possible by ordering in reasonable quantities and allowing sufficient time for shipment through lower cost methods. Departments are responsible for monitoring and/or justifying shipping costs.
- 4.12 Each invoice must reference the original purchase order number.
- 4.13 Situations requiring special handling should be addressed to the Purchasing Department and/or Accounts Payable as appropriate.

5. EXHIBITS

There are no exhibits associated with this policy.

6. REVIEW PROCESS

Responsible Party (Reviewer): Purchasing Coordinator

Review: Every three years on or before August 1st.

Signed original on file in Employment Services and Operations.

7. POLICY HISTORY

Issue #1: 11/01/99

Issue #2: 10/15/01

Issue #3: 08/12/10

Issue #4: 11/19/14

Issue #5: 03/09/15

8. REFERENCES

[UHD Fund Codes](#)

[State of Texas Procurement Manual](#)

[Non-Competitive Justification](#)

[Uniform Administrative Requirements \(Circular A-81\)](#)

