

Chapter 100: Introduction

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101 Why this Guide Was Published

This *Guide to Ordering Goods and Services* (formerly entitled the *Purchasing Procedures Manual*) has been published to communicate to City departments the information you need for ordering goods and services. Purchasing wants you to know how the procurement process works so that you'll know what to do before submitting a form to Purchasing.

City government, like any large organization, has procedures of varying complexity for buying different types of goods and services. In addition, there may be requirements mandated by federal, state or City laws or regulations which apply to particular transactions. Several City departments, including Purchasing, may be responsible for monitoring all departments' compliance with these internal and external requirements, and if a requesting department has missed something, the transaction could be stopped until the problem is fixed.

We don't want that to happen. It's frustrating for requestors, because you get a form returned to you, and it's a problem for Purchasing and other departments, because we all see the form twice.

Finally, some procurement requirements are not routinely monitored by any City agency. From time to time, however, the operations of a department could be reviewed by any of the following organizations, and part of the review could include adherence to procurement requirements:

- the Internal Audits Division, which is part of the Controller's Office.
- the Budget Analyst, a contractor working for the Board of Supervisors.
- an outside auditor, in connection with a grant from the state or federal government.

102 Overview of Centralized and Decentralized Purchasing

Under the Charter and Administrative Code, the City's general approach to procurement is centralized. The Purchasing Department executes contracts for equipment, supplies, general services, and most professional services. (For professional services contracts, the department receiving the service develops the contract and conducts the Request-for-Proposal process or other method of vendor selection.) Several departments execute contracts for construction and architectural and engineering services related to construction. Those departments are: the Airport; the Port; Public Transportation Commission (the Municipal Railway); Public Works; and Recreation and Park.

Many transactions are handled by Purchasing, and departments submit one of the following documents to the Purchasing Department:

- a Requisition for Purchase Order. See Chapter 400.
- a Term Purchase Agreement. See Chapter 500. Purchasing establishes the TPA, and then departments order directly from the vendor.
- a Contract Order. See Chapters 600 and 900.

In **limited** situations, departments may place their own orders with vendors:

- Orders below \$200, which will be paid from a department's Revolving Fund. This category includes petty cash purchases. See Chapter 300, ¶¶303-309. (If a department does not have its own Revolving Fund, the department may place orders below \$200 with vendors and pay the invoices via a Direct Payment Voucher.)

- Orders below \$5,000, when departments use the Departmental Purchase Order form. The procedures are described in Chapter 1000, and funds must be encumbered by the Controller before the department places the orders with the vendor.
- Orders under Term Purchase Agreements established by Purchasing with the vendor. See Chapter 500.
- Orders for the categories of purchases listed in Chapter 300 at ¶312.B.2 and described further in ¶313, which are paid via a Direct Payment Voucher.

For all of these categories, there are restrictions on the types of goods and services departments may order, described in the appropriate part of the *Guide*.

103 “I need something. How do I get started?”

Start with two charts in Chapter 200. Purchasing recognizes that this guide is lengthy and that a reader might not want to take the time to wade through it to find a particular piece of information. We’ve done several things which we hope will help you find what you need fast. They are:

A. How to Order: Chart of the Procurement Process

There is a general starting point in the Guide for readers not sure how to get what they need. On pages 2-7 and 2-8 in Chapter 200 you will find a Chart of the Procurement Process. It lists general and specific types of goods and services, such as printing, building repair, computers, vehicles, and consultants, and provides you with the information on:

- examples of the particular item
- what City department should be consulted for more information
- what form to use to order the good or service
- what you attach to the form
- where you send the package
- other sources of information in the Guide, usually the separate chapter on the particular order form
- what happens to the transaction after it is submitted to the appropriate City office.

B. How to Pay a Bill: Chart of the Payment Process

Suppose an invoice has arrived at your office. How do you get it paid? In City government, that depends on what the initial order was. Purchase order invoices are paid differently from TPA invoices, for example. On pages 2-9 and 2-10 of the Guide is a Chart of the Payment Process, which shows:

- the different types of invoices
- what form to use to pay each type
- what to attach to the form
- where to send the package
- references to other sources of information

- what will happen after the invoice and payment form are submitted to the appropriate City office.

C. Prompt Payment

It's important for all City departments to work together to pay invoices in a timely fashion. This allows the City to take prompt payment discounts, minimizes phone calls from vendors asking when invoices will be paid, and reduces the amount of paper on everybody's desk.

Prompt payment, in addition to being sound business practice, is now codified as City policy. With the extension of the Minority/Women/Local Business Utilization Ordinance, effective July 1, 1992, the City is committed to paying within 60 days of receipt the invoices submitted by certified MBEs, WBEs and LBEs, if the invoices are accurate and the shipments are complete and in accordance with the terms of the orders. Invoices for partial payment, where part of the contract, are proper and covered by the Prompt Payment policy.

Departments should make every effort to review and approve invoices quickly so that all invoices are paid promptly. Delays in payment of invoices can have a "domino effect." If the City is slow in paying a contractor or consultant, these firms, in turn, may be forced to delay paying their subcontractors and subconsultants, who may often be economically disadvantaged MBEs, WBEs and LBEs.

D. Glossary

If you encounter terms you're not familiar with, consult the Glossary, which is Exhibit 100-1 to this Chapter. The Glossary defines words and abbreviations used in the City's procurement process.

E. Using the Table of Contents to Find a Particular Subject

The Guide does not have an Index. The Chapter titles in the Table of Contents indicate the general subjects covered. Each Chapter has its own list of Contents, showing the major section headings. By perusing these subject headings, you should be able to find the pages with the information you need.

104 What City Departments Do in the Procurement Process

This section summarizes the responsibilities of the requesting department, Purchasing Department, Controller and Human Rights Commission as the City purchases goods and services. For more information on specific forms and transactions, consult the appropriate chapter in the Guide.

A. Requesting Department

Most broadly, the requestor is responsible for following all procedures applicable to a particular purchase. This Guide describes many of them. More specifically, The requestor is responsible for the following:

- Identifying what is needed.
- Completing a Requisition for Purchase Order (Chapter 400), Term Purchase Agreement (Chapter 500) or Contract Order (Chapters 600 and 900), and submitting the form to Purchasing. On the requisition, Purchasing needs a complete description of the item so that bidding may be conducted as efficiently as possible.
- Making sure there is enough money in the appropriate account (identified on the ordering form) to pay for the purchase. If there isn't, the Controller will stop the purchase.

- Obtaining any necessary approvals by other departments before submitting the form to Purchasing.
- Evaluating alternate brands, if Purchasing obtains a low bid from a vendor supplying an alternate type or brand of the item the department requested.
- After encumbrance of funds, mailing the Term Purchase Agreement or Contract Order (and accompanying contract) to the vendor. (Purchasing mails a Purchase Order to the vendor.)
- After a good or service is received, verifying that it is what was ordered and is acceptable, then completing the appropriate form to pay the invoice and sending the form to the Controller.

B. Purchasing

When Purchasing receives a **requisition**, Purchasing does the following:

- Reviews the requisition for completeness, and checks that all necessary forms are attached.
- If the purchase will be bid, solicits bids either by phone or in writing. Prepares bid documents if necessary. Lists the transaction in the weekly "Bid and Contract Opportunities" newsletter, a publication sent to all certified MBE/WBEs and available by subscription to other vendors.
- Evaluates bids received and determines the lowest responsive, responsible bidder for each item. Applies the MBE/WBE/LBE bid preferences where applicable.
- Asks the requesting department to evaluate alternate brands if their bid price is lower than that of the brand the department requested.
- Before final award, makes sure the vendor has submitted all necessary forms and sends the transaction to the Controller for encumbrance of funds.
- After encumbrance of funds, mails the Purchase Order to the vendor.

For **Term Purchase Agreements**, Purchasing determines whether the items needed are already part of a term contract (see Appendix A). If they are, then the TPA is generally approved. Otherwise, Purchasing reviews the procurement authority used by the department to justify the purchase. Such authorities include: No-Other-Source; Proprietary; Special Services; Open Market Purchase. Departments are responsible for providing Purchasing with documentation on the procurement authority. Purchasing maintains a file of this documentation, and the file is reviewed periodically and updates requested as necessary. For more information, see Chapter 500. Purchasing also makes sure that the vendor has filed all necessary forms.

Invoices for TPAs are sent directly to departments. After approval, invoices for utility bills and for some fixed payment schedules (such as monthly maintenance fees) go directly to the Controller and others through Purchasing. For more information, see Controller's Instructions 1023.2 and 1023.3.

For **Contract Orders**, Purchasing reviews the attached Agreement (which should have been signed previously by the department, the contractor and the City Attorney) to ascertain that legally required provisions are included, and determines whether the vendor has filed all necessary forms. Invoices for all Contract Orders are sent directly to departments. After approval, departments send most of these invoices directly to the Controller, and only a few through Purchasing. For more information, see Controller's Instructions 1023 and 1023.3.

C. Controller

When Purchasing sends a Requisition for Purchase Order, Term Purchase Agreement, or Contract Order to the Controller, the Controller does the following:

- Verifies that there are sufficient funds in the account listed on the form to pay for the purchase, that the account is an appropriate fund for the purchase, and that the transaction has been approved by an authorized person in the requesting department.
- Sends approved purchase orders to Purchasing, and Purchasing mails the purchase order to the vendor.
- Sends approved TPAs and Contract Orders to departments, which mail the documents to the vendor.

When departments send approved invoices and payment documents to the Controller, the Controller: reviews the payment document to determine if it has been properly approved by the receiving department; for Contract Orders, verifies that any required insurance remains in effect; and prepares the warrant and mails it to the vendor.

D. Human Rights Commission

The Human Rights Commission (HRC) has several responsibilities in the procurement process.

1. MBE/WBE/LBE Ordinance

Chapter 12D of the Administrative Code is the MBE/WBE/LBE Ordinance. (See Section 104 below.) Under the Ordinance, HRC certifies companies which meet specified standards as minority-owned, woman-owned or local businesses. These certified companies are entitled to bid preferences.

HRC also works with departments which are conducting Request-for-Proposal or Request-for-Qualification processes, and monitors the MBE/WBE/LBE subcontracting program for construction contracts, the subconsulting program for architectural and engineering services, and contracts for professional services.

2. Nondiscrimination in Contracts Ordinance

Chapter 12B of the Administrative Code is the Nondiscrimination in Contract Ordinance. It requires contractors not to discriminate in employment and to establish affirmative action guidelines. Under this Ordinance, HRC must review and approve companies' workforce breakdown data and, where applicable, affirmation action requirements, before the City can award contracts to the companies.

105 The MBE/WBE/LBE Ordinance

In 1984, the City enacted the Minority/Women/Local Business Utilization Ordinance, often abbreviated as the MBE/WBE/LBE Ordinance. It was extended in 1989 and 1992. The goals of the Ordinance are: increase the opportunities for local businesses which are minority-owned or woman-owned to compete successfully for and to participate in the procurement activities of the City and County of San Francisco; and to compensate partially for the higher administrative costs of doing business in San Francisco.

In accordance with the Ordinance, Purchasing and other contracting authorities grant bid or rating preferences to MBE/WBE/LBEs which have been certified by the Human Rights Commission, and fulfill other responsibilities. Purchasing conducts outreach to potential MBE/WBE vendors, and publishes a weekly newsletter, "Bid and Contract Opportunities," which is mailed to all certified non-profit organizations free of charge and is available to others by paid subscription.

For more information on the Ordinance or its Regulations, call the Human Rights Commission at 252-2500.

106 What's Covered in the Guide, and What Isn't

A. In the Guide

The *Guide* addresses transactions which will go through the Purchasing Department, which include most City purchases of good and services and are submitted to Purchasing on the forms listed below. The *Guide* also covers departmental ordering.

The first set of forms relates to placing an order:

- Requisition for Purchase Order (RPO)
- Term Purchase Agreement (TPA)
- Contract Order (CT)
- Revolving Fund Order--a department makes a revolving fund purchase without going through Purchasing, but when the department needs to replenish its Revolving Fund account, the department prepares a Direct Payment Voucher and submits it to Purchasing.
- Departmental Purchase Order (DPO)--departments may order products (but not services) up to \$5,000 in value by following the procedures in Chapter 1000.

The second set of forms relates to paying an invoice:

- Material Received Report (MRR)--used to authorize payment of an invoice for a transaction begun by an RPO.
- Voucher Payment (VP)--used to authorized payment of an invoice under a TPA.
- Contract Payment Authorization (CP)--used to authorize payment of an invoice under a Contract Order.
- Direct Payment Voucher (DPV)--used in the unusual situation where the City has received an invoice but no Purchase Order or other document was issued to the vendor first. For information on DPVs, see Chapter 300. There are specific types of purchases which should be made on DPVs. DPVs for other types of purchases will be rejected, and the department advised to advise the vendor either to take back the merchandise or to file a claim.

B. Not in the Guide

Some types of transactions do not go through Purchasing and so do not appear in the *Guide*:

- Construction: Construction projects are managed by the following departments: Airport, Port, PUC, Public Works, Recreation and Park. Projects for departments not listed are managed by Public Works. Call one of those departments for more information.
- Rental of office space: The Real Estate Department manages the City's needs for office space. These are situations where the City is a tenant in a building owned by someone else.
- Rental of City property: Some departments, acting as landlords, rent part of their property to tenants. The departments which "own" the property manage the rentals. The departments are: Airport, Port, PUC, Recreation and Park.

- **Concessions:** Concessions are agreements allowing vendors to conduct business in City property, and are managed by the departments “owning” the property.

107 How the *Guide* Is Organized

This section summarizes the *Guide*'s chapters (100 through 1000), the listing of term contracts in Appendix A, and the section on Purchasing Directives.

100: Introduction

Chapter 100 is an introduction to the *Guide*, the procurement process, and the Purchasing Department.

200: Guide to City Procurement and Payment Processes and Related Forms

Chapter 200 contains a summary of how the City orders goods and services and then pays the bills, and includes charts of the process and blank samples of all the forms.

300: The Revolving Fund Purchase and the Direct Payment Voucher

Departments may place orders directly with vendors (instead of submitting a form to Purchasing or other central department) under certain circumstances, including when the order will be paid by the department's revolving fund check or via a Direct Payment Voucher. Chapter 300 describes how the process works, what orders can be placed on a revolving fund or DPV, which cannot, and how the department replenishes its revolving fund account.

400: The Requisition for Purchase Order

Most purchases of goods (as opposed to services) begin with a department submitting a Requisition for Purchase Order to the Purchasing Department. Chapter 400 explains how to fill out the Requisition, what Purchasing does with it, how to receive delivery, and how to approve the invoice. The Chapter lists a number of requirements for particular types of purchases. Departments should pay careful attention to these requirements, because the Requisition may be stopped or returned if something has been missed.

500: The Term Purchase Agreement (TPA)

If a department needs to make many purchases from a particular vendor, the best mechanism may be a Term Purchase Agreement. Chapter 500 explains how TPAs work.

600: The Contract Order

If a department needs professional services, complex equipment, or is buying something on an installment basis, then department submits a Contract Order to Purchasing. The Contract Order is primarily an accounting document and is usually accompanied by a separately prepared contract between the City and the vendor. Chapter 600 describes all the procedures involved.

For professional services, procedures can be complicated. Chapter 900 is devoted exclusively to professional services contracts and leases.

700: Emergency Procurements

Situations arise where departments need goods or services urgently. Some circumstances may meet the statutory definition of an “emergency,” and some may be less urgent. Expedited procedures are available in these cases, and Chapter 700 explains them.

800: Ordering, Inventorying and Disposing of Equipment

The City has additional procedures which apply to buying, keeping track of, and selling equipment. Equipment is defined as something with a useful life of 3 years or more and a price of \$1,000 or more. Chapter 800 describes these procedures and how departments, Purchasing and the Controller interact to fulfill them.

900: Personal Service and Lease Contracts

Developing and managing personal service contracts can be complicated. Chapter 900 presents procedures on the Request-for-Proposal (RFP) process, which is the process used to select the desired contractor. The RFP process is different from the bidding process Purchasing uses, because with an RFP the department will select the contract based on factors in addition to price.

Chapter 900 also covers leases of complex equipment, transactions which also use the Contract Order form.

1000: The Departmental Purchase Order

A Charter revision in November 1993 enabled Purchasing to authorize departments to make their own purchases of commodities up to \$5,000. Chapter 1000 describes the procedures departments follow when placing their own orders. Several categories of purchases either are subject to special procedures or may not be purchased by departments.

Before decentralized purchasing began in July 1994, Purchasing conducted training for departments which were interested in the program. More training is planned as demand warrants.

Appendix A: Listing of Term Contracts

Term Contracts are pricing agreements established by Purchasing for goods and services the City uses in large amounts. By soliciting bids for these needs, the City obtains significantly lower prices than would be paid if orders were scattered throughout the year. Appendix A lists all contracts in effect as of the date of publication and contains important ordering information.

Purchasing Directives

After Appendix A are Purchasing Directives, which are issued from time to time and detail policy and procedures for ordering specific items. The Directives should be used in conjunction with this guide because they identify additional ordering requirements for various goods and services.

Purchasing issues a Directive instead of updating the appropriate chapter of the Guide because:

- the information must be transmitted to departments quickly;
- the procedures may change often, or may be temporary, making it more practical to keep them separate.

Where possible, over time Purchasing incorporates Directive information into the body of the *Guide*. As a result, though the Directives are numbered consecutively as they are issued, gaps eventually appear in the series.

At the beginning of the Directives section is a one-page listing (page D-1) of the complete history of the Purchasing Directives, indicating when each Directive was issued and rescinded and whether it is still in effect.

108 Distribution of the *Guide*

Purchasing has distributed one or more copies of the *Guide* to all departments, often to a department's business manager or head accountant. Anyone in City government may obtain a *Guide* by calling 554-6212, but in the interests of saving time, money and paper, Purchasing encourages departments to request only as many copies as they really need.

Purchasing maintains a roster of people to whom copies of the *Guide* are assigned, and the roster is updated periodically.

109 Organization of the Purchasing Department

Purchasing has three divisions:

- The Buying Division, which purchases most of the goods and services for City government. Part of the Buying Division operates the Central Warehouse at 2650 Geary and manages the sale and disposal of City property.
- The Central Shops Division, which maintains most of the City's vehicle fleet, manufactures equipment for the Fire Department, and maintains the City's drawbridges.
- The Reproduction and Mail Services Division includes City Hall's Reproduction Bureau and Mailroom. Reproduction provides copying and related services and the Mailroom handles interoffice and outgoing U.S. mail.

The Buying Division has centralized and decentralized operations. The centralized group is in City Hall, and consists of several buying teams, their managers, an invoice section, and support personnel. The department's senior management is also located in City Hall. The decentralized groups are at the following satellite locations: Airport; PUC/Muni, Public Works, Recreation and Park, San Francisco General Hospital.

110 The Charter, Administrative Code, and Rules and Regulations

The Purchasing Department, like all City departments, is governed by provisions of the City Charter, the Administrative Code, other City codes, and applicable rules and regulations. In the Charter, Sections 7.100-7.104 describe the procurement process. In the Administrative Code, Chapter 21, "Purchasing Procedures," addresses, almost exclusively, the operation of the Purchasing Department. There are other references to Purchasing in other City codes.

The Charter and the Administrative Code authorize the Purchasing Department to issue rules and regulations on certain subjects, such as revolving funds. This *Guide* serves as regulations for those subjects.

111 Training Program for Departments

The Purchasing Department periodically conducts a two-part training program for departments. One part, presented more often, will review how to fill out forms, particularly the Requisition for Purchase Order. The other part, presented less often, will cover specific types of purchases, such as printing, chemicals, equipment, etc.

112 Vendor Booklet, "How To Do Business with the City and County of San Francisco"

To help current and prospective vendors, Purchasing has published a booklet which provides an overview of how City government buys goods and services. The booklet is entitled "How To Do Business with the City and County of San Francisco." The booklet is available for sale to vendors. When it was first published, copies were distributed to all City departments.

113 For More Information

If you need more information on the City's procurement process, call Purchasing. If your department has a satellite purchaser, call the satellite office. Otherwise, call Purchasing's main office in City Hall, 554-6743.

If you need more information on accounting and finance, call the Controller's Office.

If you need more information on the MBE/WBE/LBE Ordinance, call the Human Rights Commission (252-2500) or the buyer in Purchasing who handles the commodity or service you're considering.

Glossary

This Exhibit defines words and phrases which are part of the City's procurement process. In this process, Purchasing and departments may use terms which:

- are applicable only to San Francisco city government and convey no inherent meaning to someone outside government. Examples: OMP, NOS, Purchaser (i.e., the Director of the Purchasing Department).
- are used throughout industry, but convey some information applicable only to San Francisco. Example: equipment, vs. materials and supplies, vs. services.
- are used identically by San Francisco and industry. Example: FOB.

<u>Term</u>	<u>Definition</u>
Bid	The formal price solicitation process which allows prospective vendors to compete for furnishing goods and services sought by the City.
Contract	A contract includes all the written conditions of purchase between a vendor and the City for the furnishing of and payment for goods and services. Thus, the following transactions are covered: Purchase Order; Term Purchase Agreement; Contract Order. Most often, "contract" refers to either: the bid document or agreement (along with the acceptance document); a Purchase Order; a Contract Order and its associated personal services contract; or a Term Contract. See "personal services contract" and "term contract." See Chapter 600.
Contract Modification (CM)	The document(s) used to change some of the provisions (written terms and conditions) of a contract already in place. Changes could relate to: extending period of performance; adding money to the contract, up to the amount stated in the original contract; other changes. The internal accounting form is the Contract Modification (Controller's form 0901-03), signed by the City and the vendor. In addition, Purchasing's Contract Amendment form (P-550) can be used to describe the contractual changes in more detail. In contrast to the Contract Order, the Contract Modification must be signed by the contractor before processing. See Chapter 600.
Contract Order (CT)	Controller's form 0901-01, originated by a user department requesting Purchasing to enter into a detailed agreement with a vendor to supply goods or services. See Chapter 600.
Contract Payment Authorization (CP)	Controller's form 0901-04, initiated by a user department and sent to the Controller verifying that goods or services have been provided and that payment should be made in accordance with the provisions of an encumbered and certified Contract Order or a Contract Modification form. See Chapter 600.
Contractor	The term used in construction contracts to refer to the entity providing the services. By contrast, "vendor" is generally used in contracts for goods and non-construction services.

Term	Definition
Controller	As used in the <i>Guide</i> , refers to the Controller's Office rather than the individual. The Controller's Office is the accounting authority for City government, reviews and reports on all financial transactions, and makes encumbrances and disbursements which are proper and legal.
Departmental Purchase Order (DPO)	A form used by departments to place their own orders for some commodities, up to \$5,000. The form is designated form P-800. See Chapter 1000.
Direct Payment Voucher (DPV)	Controller's form 0901-05, sent by a user department to Purchasing or the Controller to secure a reimbursement to the department's Revolving Fund following a procurement of goods or services, or for other limited uses. See Chapter 300.
Emergency Procurement	Any purchase, lease or rental situation where it is necessary to procure goods or services immediately to make repairs, to safeguard the lives or property of the citizens of the City, or to maintain public health or welfare as a result of extraordinary conditions. Requires a declaration of emergency from the department head and City Attorney approval. An emergency procurement must comply with §7.100 of the Charter, but not the official advertising requirements of §§21.6 and 21.7 of the Administrative Code. Compare "Urgent Procurement." See Chapter 800.
Encumbrance	An obligation, chargeable to a budget appropriation, by a user department to pay for a specific purchase. The encumbrance is made and certified by the Controller before Purchasing releases an order to a vendor.
Equipment	The City uses the Controller's definition: useful life of 3 years or more; costing at least \$1,000.
Equipment Requisition Attachment	Purchasing form P-356, the document accompanying a Requisition for Purchase Order which used by the department to list the special features and use requirements of equipment being requisitioned.
FOB	Free on Board. The point where title and risk of loss pass from seller to buyer. The FOB point can be at any point between origin and destination mutually agreeable to buyer and seller.
FOB--Destination	Title and risk of loss pass to buyer upon receipt of shipment. Shipper is responsible for initiating claim against carrier.
FOB--Origin or Ship Point	Title and risk of loss pass to buyer when goods leave shipper's dock. Buyer or consignee initiates claim against carrier.
Invoice	The bill submitted by vendors to the City as a demand for payment of goods or services provided under the provisions of a contract.

<u>Term</u>	<u>Definition</u>
Lease	The Contract Order or Term Purchase Agreement, and the accompanying contract, temporarily granting exclusive right of use and possession to the City for any material or equipment specified in the contract for a fixed period of time. See Chapter 900.
Lease-Purchase	An installment purchase, where the City makes periodic payments for an item (usually equipment), builds up equity in the item, and at the end of the lease-purchase either owns the equipment outright or can purchase it for a nominal sum, typically \$1. See Chapter 900.
• Material Received Report (MRR)	Part of the Purchase Order package generated from the Requisition for Purchase Order form. When Purchasing receives the invoice, Purchasing sends the MRR to the department which received the goods. The department sends the signed MRR to Purchasing to verify the receipt of goods or services ordered by the Purchase Order. See Chapter 400.
Open Market Purchase (OMP)	The procurement of goods or services by Purchasing without using the bid process.
P.O.D.	Proof of Delivery. Signed delivery receipt or bill of lading showing delivery has been made to consignee.
Packing/ Delivery Slip	The packing slip or delivery slip is attached to the outside of the box containing what was ordered, and it lists the contents of the box.
Procurement	The acquisition--through leasing, renting or buying--of goods or services from a vendor.
Proposal	A bid of \$50,000 or more which requires official advertising.
Purchase Order (PO)	The document generated by the Requisition for Purchase Order, issued by Purchasing, and authorizing a vendor to furnish the good or services specified. See Chapter 400.
Quotation	A bid of less than \$50,000, which does not require official advertising.
Rental Agreement	The Term Purchase Agreement or Purchase Order, and the accompanying contract, temporarily granting exclusive right of use and possession to the City for any item specified in the agreement, generally on a month-to-month basis.
Requestor	The person who submits the requisition. Synonymous with "user," though "user department" means a department rather than an individual.
Requisition for Purchase Order (RPO)	The form (9101-16) signed by an authorized individual in the user department and sent to Purchasing requesting procurement of specific item(s), and which becomes a Purchase Order once approved by Purchasing. See Chapter 400.

Term	Definition
Revolving Fund Order	The procurement of goods or services of small value (less than the maximum limit set by Purchasing) paid from the user department's revolving fund account without prior approval from Purchasing. For needs which are small, immediate, and unanticipated. See Chapter 300.
Revolving Fund Voucher	When a department replenishes its revolving fund account, the department completes a Revolving Fund Voucher, describing all the revolving fund purchases which have been made and which are being reimbursed. See Chapter 300.
Service Report	The document provided by a vendor listing services performed for a user department, usually for repair or maintenance of equipment.
Technical Representative	The person in the user department responsible for an order's technical specifications, and usually responsible for contract administration or technical acceptance of a purchase.
Term Contract	An agreement awarded by Purchasing to a contractor to provide specific goods or services for a fixed period of time at a firm bid price. Purchasing solicits bids based on the estimated quantity of items the City will use during, the upcoming contract period (usually one or two years). Price may be subject to escalation as provided in the contract. See Appendix A.
Term Purchase Agreement (TPA)	Controller's form 0901-12. When awarded by Purchasing, the TPA authorizes departments to make recurring purchases of goods and services from a vendor without using the Requisition for Purchase Order. The TPA would be awarded based on a Term Contract or for proprietary or OMP purchases. See Chapter 500.
Unit	The minimum quantity in which a good or service can be ordered from a vendor, and the quantity at which the good or service is priced. See Exhibit 400-2 for unit designations.
Vendor	The person, partnership or corporation supplying goods or services to the City under a Purchase Order or TPA.
Voucher Payment (VP)	Controller's form 0901-14, used by departments and approved by Purchasing, to generate payment to a vendor for an order or series of orders placed pursuant to a Term Purchase Agreement. See Chapter 500.