

Chapter 500: The Blanket Purchase Order

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501 Summary

A. General

If a department expects to spend at least \$25,000 annually for products or services from one vendor, the best procurement method may be a Blanket Purchase Order. It is important to distinguish between the City Blanket Order, which is established by Purchasing, and a Departmental Blanket Purchase Order, which is requested by a department. See sections 505 and 506. For either type of Blanket:

- The department orders the goods or services directly from the vendor, and records a Direct Purchase Order Release in ADPICS for each individual order.
- The vendor delivers the good or services to the department.
- The vendor sends the invoice to the department.
- To process the invoice:
  - An on-line department, in ADPICS, uses the Accounts Payable function to enter the invoice and create a voucher;
  - An off-line department prepares an Encumbrance Payment Request form and submits it to the Controller.
- The Controller pays the invoice.

B. Evolution from Manual Forms to Electronic Systems

When this *Guide* was first published in 1985, the City's procurement system was almost completely paper-driven, both internally and externally. All departments sent Purchasing paper forms to initiate purchases. Externally, the City had on-line ordering for one contract, that for office supplies.

In July 1995, when the City began to implement Online FAMIS and ADPICS, several departments began inputting some transactions, such as Blanket Orders, immediately. Eventually, all departments will do this and the hardcopy forms will go away. At that time, this Chapter's information relating to the forms themselves will be obsolete, but the rest of the Chapter will remain in effect.

In general, this Chapter gives complete information on the manual processes and how to fill out the forms, and summary information on processes to use in ADPICS. The best source of ADPICS information is the *Departmental Accounting System User's Manual, Online FAMIS/ADPICS*.

502 Policy and Procedural Changes for FY 96-97

A. Departmental Blankets below \$25,000 Are Discouraged; Using Prop. Q Instead

With the new fiscal year, Purchasing will begin discouraging departments from establishing Departmental Blankets for less than \$25,000. Instead, departments should use Prop. Q purchasing authority to place orders which, in the past, would have been part of such a

departmental blanket. For more information on Prop. Q purchasing, see Chapter 1000, "The Departmental Purchase Order."

In general, if you request a Departmental Blanket below \$25,000, Purchasing will call you to discuss other ordering methods. Only in unusual circumstances will Purchasing approve the establishment of a Departmental Blanket in this range.

B. Expedited Ordering below \$1,000 for Prop. Q Orders

As noted in the previous section, Purchasing encourages departments to use Prop. Q instead of establishing a Departmental Blanket for less than \$25,000. Effective July 1, 1996, there will be a new ordering mechanism for Prop. Q orders.

For Prop. Q orders below \$1,000, instead of using the Direct Purchase Order process in ADPICS to encumber funds and create a purchase order, a department may simply place to order with the vendor and then process the invoice through the Direct Voucher process in ADPICS. First, however, a department must work with the Controller's Office to pre-encumber budgeted funds for materials and supplies. Then, the department may process invoices against the pre-encumbered funds.

This new procedure should make it easier for departments to process as Prop. Q order a large number of orders which in past years would have been part of Departmental Blankets.

C. Progress Payments Are Discouraged

With the new Fiscal Year, the Controller and Purchasing are strongly discouraging departments from establishing progress payments (by using a DPO progress release) as an ordering method under Citywide Blankets, Departmental Blankets, or Purchase Orders. When Departmental Blankets are established, the Controller will be on the approval path if the Blanket attempts to encumber funds for a series of future orders. Such progress payments will be approved only in unusual circumstances.

These "lump sum" encumbrances are strongly discouraged unless they reflect real obligations.

The Controller and Purchasing's experience has been that progress payments: (1) are not desirable from the standpoint of the City's accounting system; and (2) in general, not necessary to enable the department to order as it needs to.

See the next paragraph for an alternative payment mechanism.

D. ADPICS Direct Vouchers and Departmental Blankets

In addition to the DPO single order release and the DPO progress release, there is a third way to place an order under a departmental blanket, the ADPICS Direct Voucher. It works as follows:

- Establish the total amount, throughout your department, that will be spent under departmental blankets.
- Establish a department level pre-encumbrance in FAMIS for this amount. The Controller will issue specific instructions for how to do this.
- Process the invoices on an ADPICS Direct Voucher form. Put the Departmental Blanket PO number and the commodity code on the form.

Periodically, the Controller will reduce the amount of the pre-encumbrance by the total amount of the ADPICS Direct Vouchers you have submitted. The Departmental Blanket's remaining

balance will not be reduced by the amount of the Direct Vouchers until an ADPICS system modification is made. This is being evaluated.

503 Chart of the Blanket Purchase Order Process

Exhibits 500-1 and 500-2 are charts which summarize what process to use or how to fill out a form, depending on what the department wants to accomplish with a Blanket Purchase Order. The chart highlights how to set up a blanket to begin with and then how to order under it. Exhibit 500-1 describes the process on-line departments use, Exhibit 500-2 the process for off-line departments.

504 Changeover to Online FAMIS and ADPICS

A. Terminology

With the advent of ADPICS, the City's terminology changed. The new terms are:

**City Blanket Purchase Order.** A City Blanket Purchase Order is almost synonymous with a Term Contract. Purchasing separately establishes a Term Contract with the vendor, and sends departments copies of the Award Notice and Bid Sheets, informing departments of the Term Contract and what items or services it contains. In ADPICS, Purchasing establishes the City Blanket Authorization, at which point departments may order off the blanket.

**City Blanket Purchase Order Release.** The document produced by ADPICS when a department places an order under a Citywide Blanket. To place an order, an on-line department uses the Direct Purchase Order process, screen 2360 in ADPICS. An off-line department completes the Departmental Blanket Purchase Order and Release Input Form and submits it to Purchasing. This process **does** encumber funds.

There are two types of CBPO releases, the **Progress Payment Type** and the **Single Order** (Exhibit 500-6). The **Single Order** is used to place one order with the vendor. As noted above, the **Progress Payment Type** is used only in the very limited circumstances when a department must encumber money for a series of orders, and only after the Controller approves the request.

**Departmental Blanket Authorization** (Exhibit 500-3). Output document produced by ADPICS, notifies the vendor that the department will be ordering non-contract items. This process does not encumber funds.

**Departmental Blanket Order Release.** The document produced by ADPICS when a department places an order and creates a Release under a Departmental Blanket.

As with Citywide Blankets, releases under a Departmental Blanket are of two types, the **Progress Payment Type** and the **Single Order**. The **Progress Payment Type** is used when a department needs to encumber money for a series of orders, but is established only after the Controller reviews and approves the request. The **Single Order** is used to place one order with the vendor.

B. Comparison of City Blankets vs. Departmental Blankets

Departments use City Blankets to order Term Contract products or services, and may use Departmental Blankets to order non-Term Contract products or services.

- **Ordering Term Contract items under City Blankets:** With ADPICS, Purchasing awards a Term Contract to the vendor, but internally establishes a **City Blanket Purchase Order Authorization** in ADPICS. Departments issue **City Blanket Purchase Order Releases** to make individual orders under the Blankets. In general, funds are encumbered only when the department posts a Release.

- **Ordering Non-contract items under Departmental Blankets:** First the department submits to Purchasing a request to establish a Departmental Blanket. After it is established, the department issues places orders and issues Releases in ADPICS.

For either type of Blanket, the Controller and Purchasing discourage the use of the Progress Payment type of Release, which encumbers funds for a series of future orders. Progress payments are allowed only after the review and approval of the Controller, and only in unusual circumstances.

## 505 The City Blanket Purchase Order

### A. How It Is Established

A City Blanket Purchase Order (also called a "Term Contract") is a contract between the City and a vendor which establishes prices, etc., and allows all City departments to order the Blanket's products or services directly from the vendor. Purchasing requests bids for one or more departments' annual requirements of a good or service. Bid prices are likely to be lower with one annual bid than with scattered bids throughout the year for smaller amounts. City Blankets usually establish firm prices for a fixed period of time.

See Appendix A, "City Blanket Purchase Orders," for a list of all City Blankets.

After a Blanket has been awarded to a vendor, Purchasing sends City departments an Award Notice, which identifies the vendor awarded the Blanket and what products or services the Blanket covers. Departments may begin ordering from the vendor as soon as they receive the Award Notice.

### B. How the Department Orders Under the City Blanket

Once Purchasing has set up the City Blanket, an on-line department may place an order by using the Direct Purchase Order screen in ADPICS. An off-line department would order by submitting a "Departmental Blanket Order and Release Form" to Purchasing. See Section 508 below for information on how to complete the form.

To order under a City Blanket, nothing need be done until the department wants to place its first order. The department issues a Release under the City Blanket (which encumbers funds), ADPICS generates a hardcopy City Blanket Purchase Order Release--Single Order, then the departments either calls the vendor or sends the vendor the Release to place the order.

If a department needs to encumber funds before beginning a series of orders (which is unusual and which the Controller and Purchasing discourage), often referred to as a "lump sum" encumbrance, the department submits a request for the first quarter, based on **quarterly** estimated amounts.

The off-line department would submit a Departmental Blanket Purchase Order and Release Input form to Purchasing first. The on-line department would use the Direct Purchase Order screen in ADPICS. In this case, funds would be encumbered at the outset, and a department would not make separate Releases for individual orders thereafter. In all cases, these large encumbrances must be approved by the Controller.

## 506 The Departmental Blanket Purchase Order

### A. How It is Established

Unlike City Blankets, Departmental Blanket Purchase Orders are established individually between a department and a vendor. The off-line department submits the Blanket Purchase Order and Release Input Form to Purchasing. After Purchasing reviews and approves the

form, Purchasing enters the information into ADPICS. Funds are not encumbered at this point. A hardcopy Departmental Blanket Authorization is printed in Purchasing, which Purchasing sends to the department for mailing to the vendor.

The on-line department uses the Blanket Purchase Order writing process in ADPICS, beginning at screen 2342. After Purchasing reviews and approves the departmental blanket on-line in ADPICS, the Departmental Blanket Authorization is printed in the department, and the department mails it to the vendor.

As with ordering under City Blankets, in unusual circumstances a department may request a Progress Payment DPO ("lump sum" encumbrance) for a series of upcoming orders. Such lump sum encumbrances are discouraged in favor of "single releases" or the Direct Voucher payments. However, the Controller can approve Progress Payment DPOs if they are based on **monthly** estimated spending. In that case, the department would complete both Box 1a, "Department Blanket Purchase Order (DBPO)" area, and Box 1b, "Release Against DBPO." The Controller is on the approval path for Progress Payment DPOs.

B. Ordering under a Departmental Blanket Purchase Order

Departments use the same processes to create Releases under Departmental Blankets as they would under City Blankets. ADPICS prints the Departmental Blanket Purchase Order Release. For off-line departments, ADPICS prints the Authorization in Purchasing. For on-line departments, ADPICS prints the Authorization on printers in the departments themselves.

C. Products and Services on Departmental Blankets

1. No-Other-Source Items

A No-Other-Source (NOS) item is one for which there is only one source of supply, either the manufacturer or a distributor. Because there is no competition, requesting bids from the only source would not be likely to affect the price. Therefore, the procurement process is facilitated if departments order directly from the single source via a DBPO rather than submitting RPOs to Purchasing.

If a department requests an NOS DBPO, Purchasing will ask the department to provide documentation of the sole-source nature of the item or service.

2. Proprietary Items

In limited circumstances, a DBPO may be established for the purchase of proprietary items. A proprietary item is one with special characteristics attributable to the manufacturer. The characteristics are so significant for the City's needs and to the use of the item that, if bidding is conducted, only bids for the manufacturer's brand will be considered.

Under §21.18 of the Admin. Code, procurement of patented or proprietary items may be made subject to rules and regulations promulgated by Purchasing. Because the bidding process for proprietary items is restricted, Purchasing requires that departments document their need for a particular brand of item.

When the documentation is provided, Purchasing reviews whether a DBPO is an appropriate method for obtaining the proprietary items.

3. Open Market Purchases (OMPs)

If a department anticipates needing many low-dollar purchases from a particular vendor, but not enough of any particular item to merit bidding and establishing a Term Contract,

then a DBPO for Open Market Purchases can be established. The City makes many of these low-dollar purchases during the year, and it is not practical to request bids for all of them. An Open Market Purchase (OMP) is defined by Purchasing as a transaction not subject to bidding because of its low dollar value (in contrast to, for example, NOS purchases described above).

Open Market Purchase DBPOs are subject to a daily order limit. The limit may be as high as \$1,000, but the department and Purchasing may agree upon a lower limit if appropriate. If goods or services above the limit would be needed, the department could prepare its own Departmental Purchase Order or could submit a Requisition to Purchasing.

For an example of a DBPO for Open Market Purchases, see Exhibit 500-2.

#### 4. Renting or Leasing Equipment

If you need to rent equipment, the DBPO is the preferred method to use. You should also use the City's "Standard Lease Attachment," which is form P-520 and appears as Appendix B-2. Your department, the vendor, and Purchasing sign the attachment. The vendor may ask your department to sign the vendor's rental agreement, in which case the transaction will likely involve both the vendor's form and the City's.

In City terminology, a "rental" is usually a transaction for an unspecified period of time. A "lease" is a transaction for a fixed period of time. A "lease-purchase" is another term for "installment purchase," where the City builds up equity in the equipment and usually owns it outright at the end of the lease-purchase. Lease-purchases must be approved in the City's budget, and usually involve a transaction with the S.F. Finance Corporation, a part of City government.

#### 5. Special Services

Services such as equipment maintenance are appropriate for a DBPO. Computer manufacturers, for example, offer maintenance contracts for equipment which is purchased. Such maintenance is typically a fixed amount per month, whether the equipment requires maintenance that month or not. Over a year, the City would receive twelve invoices for the equipment maintenance, making a DBPO the appropriate procurement method.

The City has a "Standard Maintenance Attachment," form P-530, which is used for most maintenance needs. See Appendix B-3. The attachment is usually used along with the vendor's standard agreement.

#### 507 Amending a Departmental Blanket

Off-line departments submit a Change Order form to Purchasing to modify an existing Departmental Blanket. On-line departments use the Change Order process in ADPICS. Changes could be one or more of the following:

- increase or decrease the total amount of the Blanket;
- shorten or lengthen the period covered.

A sample Change Order appears as Exhibit 500-8.



508 How to Fill Out the Form (for Off-Line Departments)

This form is an **internal** form only. You do not send it to the vendor. The following describes what information is provided by whom in each area of the form.

The form is used in three situations: to create a departmental blanket (Exhibit 500-2); to order items off a Citywide blanket (Exhibit 500-3); to order items off a departmental blanket (Exhibit 500-4).

1. **Document #**

Don't write anything here. In this box, Purchasing uses this space to write the ADPICS document number assigned by the system.

2. **Department**

Enter your department's name and number. Remember, department numbers have been changed with Online FAMIS. **Required.**

3. **Departmental Control No.**

This area is required so that the document can be monitored in Purchasing's tracking system. You must enter a control number in the following format for each document: dd-6nnnn, where "dd" is *your old department number*, "6" is the 95-96 fiscal year, and "nnnn" is a sequence number. For example 91-60001 is the first sequence number used by Purchasing (we used to be Dept. 91) in FY 95-96.

4. **Date:** The date you completed the form, or the date you mailed it to Purchasing.

5. **Page .... of ....**

Indicate how many pages you are submitting to Purchasing. It's usually only one page, in which case you'd write "Page 1 of 1."

6. **#1: Complete for Non-Term Contract TPA-type purchases**

In this area, you can do two things:

- (1) Set up a departmental blanket order. This **does not** encumber funds.
- (2) Set up a progress payment mechanism to order off a Departmental Blanket, subject to the review and approval of the Controller. This **does** encumber funds. You can do this at the same time you do (1), or you can do it later.

**To set up a departmental blanket order, but NOT encumber funds:** Check the top box. In the "Total Estimated Annual Amount" area fill in how much you think you'll be spending under the departmental blanket. You can increase this amount later if you spend more than you estimated. Leave the "Release (Encumbrance) Amount \$" area **blank**.

**To set up a departmental blanket order, AND encumber funds:** Check both boxes. Complete the "Total Estimated Annual Amount" as described above. In the "Initial Release (Encumbrance) Amount" area, indicate how much you want encumbered now. You must justify to the Controller the need to encumber funds in this manner.

**To place an order from a departmental blanket, if funds have not been encumbered:** Leave Box 1a and the "Total Estimated Amount" area blank. Check Box 1b, and in the "Release (Encumbrance) Amount \$" area, enter the amount of the order.

7. **#2: Complete for Term Contract TPA-type purchases**

You use this area when making a single Release from a Citywide Blanket. In the "Initial Release (Encumbrance) Amount" area, fill in the dollar amount of order. In unusual situations, you would use this form to encumber money for a series of future orders. In that case, in the "Initial Release ..." area enter the total amount of money you plan to spend. In the "Detailed Description of Product or Services the Vendor Will Provide," state that this is an encumbrance for a series of orders.

8. **Purchase Auth. or Contract #**

Indicate the purchasing authority which applies to the departmental blanket order you are requesting. For example, "OMP" (Open Market Purchase) indicates you plan to make purchases up to \$1,000 per day of the items you specify in the "Detailed Description of Products/Services to be Provided by Vendor." "NOS" (No Other Source) indicates the vendor is the sole source of the products or services you will describe later on the form. References to the Proprietary List are also possible, such as "Prop. 6" for medical products or services.

9. **Period Covered**

Indicate how long the departmental blanket order should be in effect.

10. **Term Contract #**

Indicate the number of the Term Contract under which you'll be ordering. Purchasing publishes the list of Term Contract in Appendix A of the *Guide*.

11. **Vendor Name and Address**

Fill in the name and address of the vendor. Specify a division of a company, if applicable.

For the address, use the vendor's current order address, which is the address to mail the vendor its copy of the ADPICS output form. If you checked box 1a, which means you're just setting up a Departmental Blanket, Purchasing will send you, and your department will send the vendor one form, the "Departmental Blanket Order Authorization" form. If you checked box 1b, which means you're setting up the blanket and making an initial release, your department will send the form two forms, the "Departmental Blanket Order Authorization" and the "Departmental Blanket Progress Payment Authorization."

Confirm the current address with the vendor, rather than simply copying the address from an old DBPO. Those addresses were often payment addresses, which were what the City used then on the DBPO, but not now and not on this form.

For the vendor number, enter the current number if you know what it is. Enter the first five digits on the Vendor Number field, and the last two digits (usually "01") in the Sfx field. If you don't know the vendor number, enter the Federal Tax ID number and phone number. The federal ID number is often printed on a vendor's invoice. If the City is doing business with an individual, that person's Social Security number may be the right number to use.

12. **Deliver to**

Enter the location where the items will be delivered. Include a room number if an office delivery is required; include floor number if deliveries might be bulky or heavy and the delivery point is above the first floor. (If the department has a storeroom, delivery is generally made to that location.)

**13. Send Invoices in Duplicate to**

Enter the name and address of the department's unit and person who should receive the invoices from the vendor.

**14. Terms of Payment**

Enter the payment terms the vendor offers. This relates to whether the vendor is offering the City a prompt payment discount. For orders under a City Blanket, the payment terms appear on the Award Notices Purchasing sends to departments when the vendor is selected.

For example, if the vendor's terms are "1% 30 days; Net 31," this means that if the City pays the invoice within 30 days after we receive it, we can deduct 1% of the invoice amount. It also means that the vendor requires full payment by the 31st day. For a \$100 invoice, the City can pay only \$99 if the invoice is paid by the 30th day, but must pay \$100 afterwards.

**15. FOB Point**

Indicate the point at which ownership of the item passes from the vendor to the City. "FOB Destination (or Dest)" is the City's preferred arrangement.

**16. Central Department Use**

Don't write anything here.

**17. Commodity code**

We need to know the commodity or service codes of what you'll be ordering. Consult Purchasing's "Listing of Commodity/Service Codes," and fill in the correct codes.

**18. Detailed Description of Product or Services the Vendor Will Provide**

Provide a specific description of what you will be ordering. In particular, please provide more information than the general description you'll find in the "Listing of Commodity/Service Codes."

**19. Staff authorized to release against this blanket**

List names and phone numbers of the people in your department who are authorized to place orders under this blanket. If your department is on line, include the LOGON IDs for those people.

**20. Attachments**

If you're attaching anything to this form, please list the document(s) here.

**21. Prepared by**

This box needs several items of information. First, list the person who filled out the form, and include that person's telephone and fax numbers. That's probably the first person Purchasing will call if we have questions.

Second, have the person in your department who has authority to approve the transaction sign the form. Then print or type that person's name next to the signature.

## 22. Approvals

If your department's blankets must be approved by a Commission, that organization's representative should sign in the left-hand box. Purchasing does not monitor this box for that kind of approval.

Purchasing will ask the Chief Administrative Officer to sign in the left-hand box if the Blanket exceeds \$50,000.

The right-hand box is used by Purchasing if the Blanket is for products or services, and by the Director of Property if the Blanket is for rental of office space or other property.

## 23. Accounting area at the bottom

There are four accounting lines available, which means you can apportion this Blanket's spending among four accounts.

**Doc number:** Don't fill in anything here. Purchasing will do that.

**Amount:** Enter the amount of the purchase you want charged to a particular account.

**Index code:** Identifies the organization, fund and program structure. Can also look up project, grant, user code, and expense or revenue type. **Required.**

**Sub-object:** Identifies the type of expense. **Required.**

**User code:** Identifies the user. Optional.

**Project:** Identifies the financial project. Optional.

**Detail:** Provides a further breakdown of project for accounting and reporting purposes. Optional.

**Grant:** Identifies the financial grant. Optional.

**Detail:** Provides a further breakdown of the grant for accounting and reporting purposes. Optional.

## 509 In ADPICS, Use the Blanket Purchase Order Writing Process or Direct Purchase Order Process

**To create a departmental blanket,** use the Blanket Purchase Order Writing process, beginning at screen 2342.

**To find out if an item is on a Citywide Blanket,** you can search by commodity or by vendor. To search by commodity, go to the following screen: Commodity Table Inquiry, 1100. A list of line items will display. Type in the keyword that best describes what you want, press Enter, and the list will move to that point. Locate the commodity you want and Select it if there is a "Y" in the "BPO ITEM" column. Then press F11, View BPO. This will take you to the City or Departmental Blanket which contains the item. See the ADPICS Manual for more information.

To search by vendor, go to screen 2456, Blanket POs by Department, 2456. At screen 2456, in the "Department" field, enter "City" and press Enter. This generates a list of all Citywide blankets, sorted by vendor.

**To order an item on a Blanket Purchase Order,** use the Direct Purchase Order process, beginning at screen 2360.

510 Summary of the Preparation of the Blanket Order Release form and Distribution of the Output Document

A. The Requesting Department

To set up a departmental blanket, the off-line department completes the form as described in Sec. 505, setting forth in appropriate detail the products or services needed. The department **may not** place orders with the recommended vendor at this step. On-line departments use the Blanket Purchase Order writing facility in ADPICS.

Any necessary documentation must be attached to the form. Documentation could include a justification for the Blanket to qualify as a Sole Source or Proprietary purchase. For on-line departments, do a screen print of the Blanket Purchase Order screen, attach the documentation to the screen print, and send the package to Purchasing.

To make a release, the off-line department completes the form and sends it to Purchasing. The on-line department uses the Direct Purchase Order facility in ADPICS.

B. Purchasing

For a description of the issues Purchasing considers when reviewing the DBPO, see Section 507, "Common Problems with the Departmental Blanket." The department should try to ensure that those problems are not encountered.

After Purchasing approves the transaction, Purchasing inputs the data into ADPICS or gives on-line approval of the Blanket. Depending on the type of transaction, a different output document will be generated. See ¶D. Final Distribution below.

C. Controller

When a departmental blanket is being set up, the Controller usually does not review the transaction. Only if a department requests to encumber funds will the Controller review the request, in which case the department must justify the need to set up the blanket in that manner.

When a release is made, the FAMIS approval process is on-line. The system verifies all accounting information, including the availability of funds and accuracy of the index and subobject codes. If everything is in order, the system encumbers the funds. This approval causes the Blanket Purchase Order output form to print automatically in Purchasing (for off-line departments) or at the requesting department's site (for on-line departments).

D. Final Distribution

The form which will be sent to the vendor is printed in Purchasing for off-line departments and at the departments' site for on-line departments. Any of the following output documents (described in 502 above) could be generated:

- To establish a Departmental Blanket, a **Departmental Blanket Authorization** (Exhibit 500-3);
- To order items on Departmental Blankets, **Departmental Blanket Order Release**.
- To order items on City Blankets, a **City Blanket Purchase Order Release**.

511 Common Problems with the Departmental Blanket Order

The most frequent problems that cause delays in processing the Departmental Blanket are:

- A. The description of the goods or services does not have enough detail. For example, "miscellaneous supplies" or "miscellaneous services" or "hardware" are too general.
- B. Incorrect commodity code.
- C. The document tries to extend an existing Blanket, but does not refer to the existing Blanket or provide a justification for the extension.
- D. The Blanket lists items covered by a City Blanket with a particular vendor, but lists a different vendor under "Contractor."
- E. The Blanket requests items on a No-Other-Source or Proprietary basis, but Purchasing does not have the department's documentation to purchase those items on that basis.

512 Changing a Departmental Blanket, for Online Departments

To change a departmental blanket, an online department uses the BPO Change Order process, beginning at screen 8600.

513 Changing a Departmental Blanket, for Offline Departments: the ADPICS Change Order Request Form

A. The Form

The form is used by departments without on-line access to ADPICS to modify or cancel Departmental Blanket Purchase Orders or Purchase Orders.

B. How to Complete the Form

The following describes what information to provide in each area of the form.

1. **Department Name:** Enter your Department name.
2. **Department Control Number:** Enter a unique department control number, not eh same control number listed on the original document.
3. **Date:** Enter the date this form was completed.
4. **Document Number:** Enter the document number of the Blanket Purchase Order of Purchase Order you want to modify or cancel.
5. **Document Type:** Check the appropriate box to indicate the type of document you want to modify or cancel.
6. **Change Order Type:** Check the appropriate to indicate the type of change order needed for the document. If you are cancelling a document, skip areas 6 and 7 and go to area 8.
7. **Amount:**
  - a. **Original Amount:** Enter the initial amount the document was set for.
  - b. **Previous Modifications:** Enter the total amount of previous decreases or increases to the initial amount.

- c. **As Modified to Date:** Enter the current document amount. This excludes the increase or decrease you're asking for now.
- d. **Requested Modification:** Enter the amount of the increase or decrease you are requesting.
- e. **New Amount as Requested:** Enter the new total amount.

514 The Encumbrance Payment Request, and How to Complete It

A. The Form

To approve payment of invoices for Blanket Orders, the department completes an Encumbrance Payment Request Form. The form's Instructions are on the back. A sample completed form appears as Exhibit 500-9. The form was distributed to departments in October 1995, and is also used to pay invoices for Purchase Orders and Contract Purchase Orders. The form superseded three forms used before ADPICS: the MRR, the Voucher Payment, and the Contract Payment Authorization.

Departments should pay their Blanket Invoices at least monthly, if not more often. The City's MBE/WBE Ordinance has a Prompt Payment policy, committing the City to paying invoices within 30 days. In addition, paying invoices promptly is a sound business practice.

B. How to Complete the Form

On the back of the form are Instructions for completing it. Although the Instruction items are numbered for reference, the corresponding areas on the form are not. The following information supplements the numbered Instructions:

8. Total of Invoices

Enter the total amount of the invoices. Do not adjust the total for any prompt payment discount the vendor may offer. For example, if the invoice is for \$100, and the invoice's payment terms state 2%/30, net 31, enter \$100, not \$98. The Controller's Office will calculate the discount.

10. Department Control No.

The department may use this area for any internal numbering system used to monitor payment requests. It is for the department's internal use only.

16. Department ... Approved By

The department head, or the department head's designee, signs on the "Approved By (Dept. Head)" line. That person's current signature card must be on file with Purchasing and the Controller.

515 For On-Line Departments, How to Enter Invoice and Voucher Information in ADPICS

In ADPICS, an on-line department must do two things. First, enter invoice information into ADPICS, starting at the Invoice Header Entry screen, 1500. Second, create the voucher to pay the invoice, starting at the Voucher Header Entry screen, 1410.

516 Summary of the Preparation and Distribution of the Encumbrance Payment Request

The Encumbrance Payment Request form is used to authorization payment of invoices for three types of transactions: Purchase Orders, Blanket Purchase Orders, and Contract Purchase Orders. In

general, the department reviews the invoice, compares it to the Blanket Order Release, and, if the department receives the products or services it ordered and they are acceptable, completes the Encumbrance Payment Request form and sends it and the invoice to the Controller. The Controller's reviews the form for accuracy of the accounting information.

The only exception to this routing involves invoices for rental of property, including office space. For these transactions, the department sends the form and invoice to the Real Estate Department.

#### 517 Common Problems with Blanket Order Invoices

As noted in the previous section, the Controller reviews the invoice and the form for ... In an eventual audit of the department, the auditors will check if any of the following problems occurred:

- A. The invoice does not list the quantity and the unit price of each item provided. For an invoice with this problem, the department should call the vendor, explain the problem, and return the invoice with the request that it be corrected.
- B. The invoice does not describe the items provided. Same procedure as A.
- C. The invoice price does not match the unit price on the City Blanket Order. The department should call the vendor and explain the problem. If the vendor agrees, the vendor could send a corrected invoice or could agree that the department could change the original invoice and pay the revised amount.
- D. The invoice charges, and the Encumbrance Payment Request approves charge for, late charges not allowed by the Blanket.
- E. The department has split OMP orders of greater than \$1,000 to circumvent the bid process.
- F. The form lists City Blanket items that were not procured from the vendor who was awarded the City Blanket.
- G. The OMP limit of \$1,000 per day has been exceeded.



Exhibit 500-1: Blanket Order Process, for On-line Departments

What do you want to do?	What process do on-line departments use?	What does the Purchasing Department do?	What does the Controller do?	What form is generated?
How does Purchasing establish the Citywide Blanket in the first place?	None.	Awards Term Contract to vendor. In ADPICS, establishes City Blanket Authorization.	Nothing, because this is not a financial transaction.	Purchasing sends vendor a Contract Acceptance, and sends depts an Award Notice, and a list of products or services on the Blanket.
Encumber funds for a series of future orders under a City Blanket.	Direct Purchase Order, with progress payments	Nothing, because this is a financial transaction only.	Reviews department's justification. Approves.	City Blanket P.O. Release--Progress Payment Type
Create a Departmental Blanket Order; no money encumbered	Blanket Order Writing	Reviews and approves. Documentation may be required.	Nothing, because this is not a financial transaction.	Departmental Blanket Authorization
Create a Departmental Blanket Order; and encumber money for a series of orders	Blanket Order Writing. After the Blanket is established, Direct Purchase Order, with progress payments	Reviews and approves creation of the Blanket. Documentation may be required. Purchasing does not review the encumbrance request.	Controller does not review the creation of the Blanket. Does review encumbrance request. May approve.	First, the Departmental Blanket Authorization. Second, Dept. Blanket PO Release--Progress Payment Type
Place an order under a Citywide Blanket, where no funds were encumbered earlier	Direct Purchase Order	Nothing.	Encumbers funds.	City Blanket P.O. Release--Single Order
Place an order under a Citywide Blanket, where funds were encumbered earlier	Call the vendor.	Nothing.	Nothing.	No form sent.
Place an order under a Departmental Blanket, where funds were not encumbered earlier.	Direct Purchase Order	Nothing.	Encumbers funds.	Dept. Blanket P.O. Release--Single Order
Place an order under a Departmental Blanket, where funds were encumbered earlier.	Call the vendor.	Nothing.	Nothing.	No form sent

Exhibit 500-2: Blanket Order Process, for Off-Line Departments

What do you want to do?	What form do off-line departments use?	What does the Purchasing Department do?	What does the Controller do?	What form is generated?
How does Purchasing establish the Citywide Blanket in the first place?	None.	Awards Term Contract to vendor. In ADPICS, establishes City Blanket Authorization.	Nothing, because this is not a financial transaction.	Purchasing sends vendor a Contract Acceptance, and sends depts an Award Notice, and a list of products or services on the Blanket.
Encumber funds for a series of future orders under a City Blanket.	Submit the Dept. Blanket Order and Release form; complete Box #2.	Nothing, because this is a financial transaction only.	Reviews department's justification. Approves.	City Blanket P.O. Release--Progress Payment Type
Create a Departmental Blanket Order; no money encumbered	Submit the Dept. Blanket Order form; complete Box #1a	Reviews and approves. Documentation may be required.	Nothing, because this is not a financial transaction.	Departmental Blanket Authorization
Create a Departmental Blanket Order; and encumber money for a series of orders	Submit the Dept. Blanket Order form; complete Boxes #1a and #1b	Reviews and approves creation of the Blanket. Documentation may be required. Purchasing does not review the encumbrance request.	Controller does not review the creation of the Blanket. Does review encumbrance request. May approve.	First, the Departmental Blanket Authorization. Second, Dept. Blanket PO Release--Progress Payment Type
Place an order under a Citywide Blanket, where no funds were encumbered earlier	Submit the Dept. Blanket Order form, completing Box #2	Nothing.	Encumbers funds.	City Blanket P.O. Release--Single Order
Place an order under a Citywide Blanket, where funds were encumbered earlier	Call the vendor.	Nothing.	Nothing.	No form sent.
Place an order under a Departmental Blanket, where funds were not encumbered earlier.	Submit the Dept. Blanket Order form, completing Box #1b	Nothing.	Encumbers funds.	Dept. Blanket P.O. Release--Single Order
Place an order under a Departmental Blanket, where funds were encumbered earlier.	Call the vendor.	Nothing.	Nothing.	No form sent







CITY AND COUNTY OF SAN FRANCISCO  
DEPARTMENTAL BLANKET AUTHORIZATION

BPO ID: EPFAS 038802

PRINT DATE: 06/18/95

PAGE : 02

ITEM	COMMODITY ID	UOM	MAX QUANTITY	UNIT PRICE	TOTAL PRICE
1	9340-20 FIRE DETECTION SYSTEMS, EQUIPMENT & SUPPLIES	EA	1.00	250,000.0000	\$ 250,000.00

LAST ITEM PRINTED

Exhibit 500-5: Departmental Blanket Purchase Order and Release Input Form, for Ordering Items on a Term Contract

CITY/COUNTY OF SAN FRANCISCO INTERNAL USE ONLY -- Please Print or Type

**ADPICS/FAMIS - FY 95-96**  
**CITY/COUNTY OF SAN FRANCISCO**  
**DEPARTMENTAL BLANKET PURCHASE ORDER**  
**AND RELEASE INPUT FORM**

**INSTRUCTIONS:**  
 (1) COMPLETE BOX #1 OR #2 - NOT BOTH  
 (2) COMPLETE ALL OTHER UNSHADED ITEMS

**DOCUMENT NUMBERS**  
 DEPARTMENT: Purchasing 91  
 DEPARTMENT CONTRACT NO.: PR 64036  
 DATE: 6-29-95  
 PURCHASING AUTHORITY: 1 of 1  
 FUND: 7-1-95  
 LEBA: 7-31-95

**SECTION #1: Non-Term Contract TPA-type purchases**  
 DEPARTMENT BLANKET PURCHASE ORDER (DBPO)  
 RELEASE AGAINST DBPO

**SECTION #2: Term Contract TPA-type purchases**  
 X RELEASE AGAINST CITY TERM CONTRACT

TOTAL ESTIMATED AMOUNT FOR PERIOD COVERED \$ \_\_\_\_\_  
 RELEASE (ENCUMBRANCE) AMOUNT \$ \_\_\_\_\_

RELEASE (ENCUMBRANCE) AMOUNT \$ 2,500  
 (MUST EQUAL SUM OF ACCOUNTING LINES)

VEHICLE # 18950  
 FELLOW # 39036  
 PHONE # (800) 241-2500

ADDRESS: Unisource Corp.  
 P.O. Box 3900, Dept. 39036  
 San Francisco 94139

REPRODUCTION & MAIL SERVICES, ATTN: CONRAD  
 875 STEVENSON, ROOM 125  
 SAN FRANCISCO, CA 94103-0917

COMMODITY OR SERVICE CODE # 9700-07  
 (RECORDED WHEN BOX #1 IS CHECKED)

DETAILED DESCRIPTION OF PRODUCT OR SERVICES  
 Contract paper (bond)

**STAFF AUTHORIZED TO RELEASE AGAINST THIS BLANKET (For on-line Departments use only)**

NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_ FAMIS ID: \_\_\_\_\_

1. \_\_\_\_\_ 3. \_\_\_\_\_  
 2. \_\_\_\_\_ 4. \_\_\_\_\_

PREPARED BY (P#) Conrad Mancenido  
 Phone # 554-6427 Fax # 554-4801

APPROVED BY (S#) Gen Najarro  
 (Print Name)

APPROVALS

CHIEF ADMINISTRATIVE OFFICER  
 BOARD OR COMMISSION

REAL PROPERTY LEASES & ADMT - DIRECTOR OF PROPERTY

Line No.	Amount	Sub-Object	User Code	Project	Grant
	2,500.00	04951			

ADDITIONAL ATTACHED  
 No. of Pages

DBPO 05-17-95 007303-14 017





CITY AND COUNTY OF SAN FRANCISCO

PAGE : 01

CITY BLANKET PURCHASE ORDER RELEASE -- SINGLE ORDER

PO NUMBER: POAC96000002  
PO AMOUNT: \$ 542.50

TO: ALLSTAR FIRE EQUIP INC  
13450 BROOKS DR #A  
BALDWIN PARK CA 91706-0000

PO PRINT DATE: 07/02/95

CONTACT: JILL HOPPER  
VENDOR PHONE: (818) 813-2333  
VENDOR ID: 23401

TERMS: NET  
FOB : DEST

BPO # : BPSF96000003

DELIVERY DATE OR ARO: 07/15/95

EFF DATE: 07/01/95  
EXF DATE: 07/01/96

DELIVER TO: ANIMAL CARE AND CONTROL  
123 MAIN STREET  
SAN FRANCISCO CA 12345-0000

AUTHORIZED SIGNATURE: \_\_\_\_\_  
ORIGINAL ORDER MUST BE SIGNED TO BE VALID

DATE : \_\_\_\_\_  
PHONE: \_\_\_\_\_

MAIL INVOICE (SHOWING ORDER NUMBER) TO:  
ANIMAL CARE AND CONTROL  
ACCOUNTS PAYABLE SECTION  
124 MAIN STREET  
SAN FRANCISCO CA 12345-0000

TERMS:

This Purchase Order is a single order against the City Blanket Authorization (also known as a Term Contract) referenced by the BPO number above.

The "PO" number on this document must appear on your invoices.

This Purchase Order is subject to the Terms and Conditions contained in the Contract Proposal. Any Terms and Conditions on the reverse of this form do not apply.

The Cash Discount period begins when the order is received at the correct address, or when a correct invoice is received at the above invoice address, whichever is later.

CONTINUE





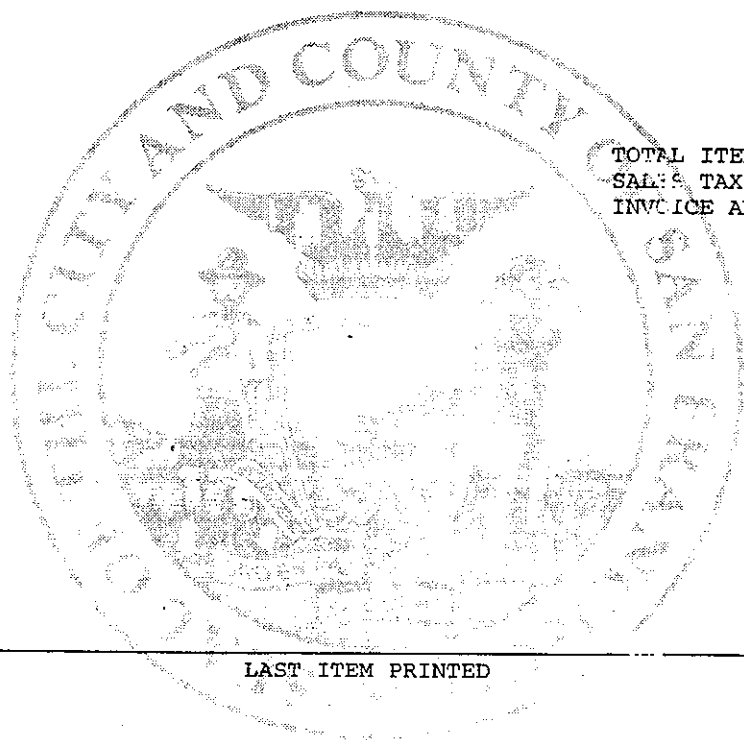
CITY AND COUNTY OF SAN FRANCISCO

PAGE : 02

CITY BLANKET PURCHASE ORDER RELEASE -- SINGLE ORDER

PO NUMBER: POAC96000002  
 PO AMOUNT: 542.50

ITEM	COMMODITY ID	UOM	TAX	QUANTITY	UNIT PRICE	TOTAL PRICE
1	9340-20 FIRE DETECTION SYSTEMS	EA	Y	1.00	500.0000	500.00



TOTAL ITEM AMOUNT \$ 500.00  
 SALES TAX \$ 42.50  
 INVOICE AMOUNT \$ 542.50

LAST ITEM PRINTED

CITY/COUNTY OF SAN FRANCISCO PURCHASING DEPARTMENT  
 (Please List Only One Document Per Form and Print or Type)

**ADPICS CHANGE ORDER REQUEST FORM**

Department Name: Police 38	Department Control Number: 38-60085	Date: 12-5-95	
Document Number: BPPC96-000070 <small>(ENTER ONE DOCUMENT NUMBER ONLY)</small>	Departmental Blanket Purchase Order: <input checked="" type="checkbox"/> Purchase Order Release: <small>(CHECK ONE BOX ONLY)</small>	Cancel Document: Increase Document: <input checked="" type="checkbox"/> Decrease Document: <small>(CHECK ONE BOX ONLY)</small>	Original Amount: \$ 5,000 Previous Modifications: \$ As Modified To Date: \$ Requested Modification: \$ 1,000 New Amount As Requested: \$ 6,000 <small>(USE ONLY IF INCREASED/DECREASING DOCUMENT)</small>
If the modified Purchase Order Release amount exceeds the Blanket Purchase Order amount check "YES" and attach a Change Order form to increase BPO by difference, if not check "NO"			
Note: The modified purchase order release (PO) encumbrance amount cannot exceed the total blanket purchase order (BPO) remaining amount. If it does, attach a separate change order request form to increase the BPO. Please be sure to include copies of all relevant attachments to the Change Order request form(s).			
Give A Brief Explanation For Change Order Request: The Department obtained one additional horse.			
Attachments, Please Identify By Title Or Description:			
Prepared By (Print Name): John Doe Phone: 553-0000 Fax: 553-1111	Purchasing Approval		Chief Administrative Officer/Board Or Commission Approval (If Required)
Approved By (Print Name): Rita Roe		Signature:	

Exhibit 500-9: Encumbrance Payment Request for a Blanket Order Invoice

ADPICS/ S - FY 95-96

CITY/COUNTY OF SAN FRANCISCO

ENCUMBRANCE PAYMENT REQUEST FORM

FM F

DEPARTMENT Animal Care and Control 76
DEPARTMENT CONTROL NO. 76-61416
DATE 7-25-95

(DOC PREFIX)

P	O	A	C	9	6	0	0	0	0	2
---	---	---	---	---	---	---	---	---	---	---

ENCUMBRANCE DOCUMENT NO.

Vendor Name: Allstar Fire Equip.

Vendor Remittance Address: 13450 Baldwin Dr., #A

Baldwin Park, CA 91706

SCHEDULED PAYMENT (Y/N)  N

PARTIAL PAYMENT

FINAL PAYMENT

DUE DATE  0  8  0  3  9  5

Encumbrance Amount \$ 542.50

**SUMMARY INVOICE/S INFORMATION**

No. of Invoices Attached 1

Total of Invoices \$ 542.50

DEPARTMENT

Prepared By: John Doe

Phone # 554-BARK

Fax # 554-MEOW

Approved By: Rita Roe  
(Department Head)

CONTROLLER

Approved By: \_\_\_\_\_  
DATE

Entered By: \_\_\_\_\_

ADDENDUM  
ATTACHED

Nos. of Pages \_\_\_\_\_