

Jefferson County Government

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3 Jefferson County will follow the basic purchasing principles and guidelines as established in Tennessee
4 Code Annotated (TCA) and as outlined in the County Purchasing Manual prepared by County Technical
5 Assistance Service (CTAS).

6 7 **Definitions:**

8 **Purchase Requisition** – Is a formal request for a purchase to be made. It is a pre-printed purchasing
9 requisition form that is used to convey the purchase request to the purchasing department. It contains
10 pertinent information such as goods or items to be purchased, cost of those goods, and the account that is to
11 be charged. The purchasing agent will check requisitions to make sure funds are budgeted to cover this
12 expense before processing.

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14 **Purchase Order** – The written contract between the buyer and the seller that confirms and finalizes the
15 purchase of goods or services. The purchase order gives the supplier the authority to ship and charge goods
16 to the buyer. It is a legal document and must contain all the elements of information related to the purchase
17 (quantity, price, description of goods or service, PO date, and PO number). A purchase order is a
18 preprinted form. A purchase order will not be created before a purchase requisition has been completed
19 and approved.

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21 **Blanket Purchase Order** – This is a written contract between the buyer and seller as well, but a blanket PO
22 is used with vendors that are used very frequently. They can be used to buy various types of goods or
23 could be the same type of goods. This type of PO describes what types of purchases will occur (such as
24 “miscellaneous parts” or “office supplies”). A blanket PO is established for a dollar amount that is
25 sufficient to last a long period of time, but the established amount will not be allowed to be greater than the
26 amount budgeted for the account it is set up to charge.

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28 **Blanket PO Release** – A release is a notification to the purchasing department that your are going to
29 purchase goods against the blanket PO that has been established. A release is required each individual time
30 you execute a purchase against your blanket purchase order. It must identify the release number, the date
31 of the release, description of what is being purchased, and the amount of the purchase. The purchasing
32 department will log the releases against the blanket PO in order to track the dollar amount of purchases
33 against the blanket purchase order. The information supplied in the release will also be used by purchasing
34 and accounts payable as a audit instrument to pay the invoice when it is received.

35 36 **The Purchasing Cycle**

- 37
38 1. A need to purchase is recognized by a department

- 1 2. The department creates a purchase requisition and forwards to purchasing/finance.
- 2 3. Finance checks to see if funds are available to make the purchase.
- 3 4. If funds are available in the budget and if bids or quotes are not required, finance then creates a
- 4 purchase order and returns to the requestor. The requesting department may now place the order
- 5 with the vendor.

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7 *Note: If the amount exceeds the county's dollar limit then the purchasing department will request bids and quotes as*
8 *required, and then create the purchase order after bid quotations have been analyzed.*
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- 10 5. Goods or services are received from the vendor and invoice is received. If the invoice is sent to the
- 11 ordering department then the department head should sign it as approved and forward to finance for
- 12 processing.
- 13 6. The requesting department should sign the gold copy of the purchase order when material or service
- 14 is received and return it to finance. This will serve as the receiving report.
- 15 7. Finance will match the invoice and purchase order to make sure they agree, and if so the vendor
- 16 will be paid.

17 18 **Blanket Purchase Order**

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20 The purpose of a blanket purchase order is to allow a department that uses a vendor on a regular basis to
21 create one (1) purchase order with an amount sufficient to cover many purchases during a specific amount
22 of time. Use of a blanket purchase order allows the user to purchase quicker and requires less paperwork to
23 implement. Users are required to issue a blanket release against the blanket purchase order each time they
24 purchase against the PO. Below are the steps for using a blanket purchase order.

- 25
26 1. The department recognizes the need for a blanket purchase order.
- 27 2. The department creates a purchase requisition and forwards to purchasing/finance. The department
- 28 should identify the amount requested and the time frame to be covered.
- 29 3. Finance checks to see if funds are available in the account identified to make the purchases on this
- 30 blanket PO. If so the purchase order is created and returned to the requestor.
- 31 4. As the user department needs to purchase against the blanket PO, the user will notify the purchasing
- 32 department in order to assign a release number (includes what is being purchased, quantity, price).
- 33 5. Purchasing will log all releases per blanket PO and keep for future reference to vendor invoices.
- 34 6. The user department may place the order with the vendor after the release is assigned.
- 35 7. Invoices should be sent to finance for payment. Invoices will be matched to blanket releases and
- 36 delivery ticket before being paid.
- 37 8. If a match cannot be made between invoice and blanket release, the requestor will be contacted for
- 38 resolution.
- 39 9. After payment is made all documents will be filed in the finance department.
- 40 10. Each amount paid against a blanket purchase order will be tracked in the finance system and a
- 41 status report will be available for each blanket purchase order. The status report will show the
- 42 amount established, individual purchases against the PO, and the balance remaining.

43 44 **Emergency Purchases**

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46 Purchases under true emergency situations may be made without the necessity of following the county's
47 normal purchasing procedures. Emergency purchases shall be limited to needs arising that are not

1 normally foreseeable. Emergency purchases are not allowed if a department fails to properly plan for the
2 need. If an emergency arises outside of normal business hours for the purchasing department, then the
3 department has the authority to proceed with the purchase and forward the purchase requisition or blanket
4 release data to the purchasing department immediately when the purchasing department is back at work.
5 The bid and quote process will be waived during emergency situations.
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7 **Professional Services**

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9 Contracts for professional services such as attorneys, architects, engineers, and financial advisors cannot be
10 competitively bid. However the cost for professional services should be solicited and the cost of such
11 service should be considered in awarding a contract for professional services. All professional service
12 contracts entered into must require:

- 13 1.) Detail Statement of Work from the service provider
- 14 2.) Detail List of Deliverables that itemizes all services to be rendered and supporting documentation
15 such as construction drawings, floor plans, summary reports, etc..
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17 Payment of invoice for professional services will not be made until approval has been received by the
18 department or project manager. The invoice must reference work performed. Further information
19 regarding Professional Services can be viewed in T.C.A. 12-4-106.
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