Purchase Contract

Policy:	Number:	Last Update:
Purchasing-Purchase Contract	Budget & Finance 95-5	7/15/2013

1.0 Purpose

To provide a means by which purchases of goods or services can be made from a licensed, private business (vendor) when the cost will exceed $8,000 and the purchase is neither exempt from the $8,000 Direct Voucher limitation nor covered by a Blanket Contract.

2.0 References

2.1
Department of Finance and Administration Services (FAS) Purchasing Rules on Informal Quotes and Competitive Bid Policy

2.2
Department of Finance and Administration Services (FAS) Purchasing Rules on Sole Source Policy and Sole Source Form.

2.3
This procedure is used together with the Expenditure Pre-Authorization (EPA) procedure.

2.4
Department of Finance and Administration Services (FAS) Purchasing Violation Policy and Noncompliant Purchasing Form.

2.5
City of Seattle WMBE policy

2.6
For questions or clarification on this procedure, please contact the Accounts Payable Supervisor or Contracting Manager.

3.0 Policy

3.1
HSD staff may not obligate the City for the cost of goods or services in excess of $8,000 per invoice and $47,000 for the year without a contract (called a Blanket Contract or Purchase Contract) authorized by the Department of Finance and Administrative Services (FAS) Purchasing Unit, unless the purchase is exempt from the Direct Voucher limitation or is covered by a Blanket Contract.

3.2
Informal Quotes process is required when the per invoice amount is over $8,000 but total cumulative invoices for the year is less $47,000. Review the following City policy on the proper process.

3.3
Competitive Sealed Process is required when the per invoice amount is over $8,000 and the total cumulative invoices for the year is over $47,000. Review the following City policy on the proper process.

3.4
In reference to sections 3.2 and 3.3, depending on the nature of the purchase, a purchase may be considered a sole source. Review the following City purchasing policy on sole source . Should the sole source policy apply, complete the City's sole source form.

3.5
Expect four (4) to six (6) weeks to negotiate a Purchase Contract. There are no restrictions to how far in advance you may submit an EPA to initiate a purchase order.

3.6
The Accounts Payable staff are the only authorized HSD staff to generate requisitions for Purchase Contracts to DAS.

4.0 Procedure

4.1
Initiate the EPAA procedure. Fill in all the required information and provide supporting documentation based on the respective City purchasing policy such as preferred vendor, special requirements that you might have and where the order should be delivered. Be sure to include the date by which the order must be filled. If you have a suggestion for a specific vendor, please include justification for a specific vendor.

4.2
Submit approved EPAA to your division's finance analyst, who will submit the documentation to Contracting Manager.

4.3
The order will be placed directly by the Department of Finance and Administration Services (FAS) Purchasing Unit to the vendor selected. Do not place the order yourself unless instructed to do so by DEA Purchasing Services or Contracting Manager.

4.4
Accounts payable will process these invoices as DOC TYPE "P". Accounts payable will process invoices for payment only when sufficient documentation is provided.

5.0 Policy Noncompliance

For EPAA noncompliance, review section 6.0 of EPAA policy.

For City Purchasing noncompliance, complete Noncompliant Purchasing Form. If you made a purchase without following City rules, HSD accounts payable will not be able to process the invoice. Completing the Noncompliant Purchasing Form will not correct the rule violations, but will provide a mechanism by which payment can be made to the vendor. Noncompliant purchases are flagged as DOC TYPE "NC" in Summit financial system.

Sign and route the Noncompliant Purchasing Form to your supervisor and submit to your finance analyst. The form will be submitted to the City Purchasing Director via HSD Contracting Manager. The City Purchasing Director will review the violation and authorize accounts payable to pay the invoice.

Please review the following link for additional information.