




City of Arts & Innovation

City of Riverside Administrative Manual

Effective Date: 07/2003
Last Review Date: 12/2022
Latest Revision Date: 12/2022
Next Review Date: 12/2025
Policy Owner(s): Finance Department

Approved:


Michael D. Moore Department
Michael D. Moore (Dec 29, 2022 17:07 PST)
City Manager

SUBJECT:

Annual Purchase Orders

PURPOSE:

To establish a formal procedure for the accountability and issuing of Annual Purchase Orders and the encumbering of funds for such purposes.

SOURCE OF AUTHORITY: Purchasing Resolution Article Eleven

POLICY:

Annual Purchase Orders are issued to cover the estimated current budget year requirements for Goods and Services which are consistently used by City departments in their daily operations where small repetitive purchases are made from the same supplier. Annual Purchase Orders must follow the procurement and approval requirements as set forth in the Purchasing Resolution. The following items shall NOT be acquired through Annual Purchase Orders: equipment or tools costing more than \$10,000 including sales tax; items carried in Central Stores; or items unrelated to the stated requirements of the Annual Purchase Order.

PROCEDURE:

Responsibility	Action
Purchasing	1. Notifies departments in April of each year by memo and attaches copies of all current Annual Purchase Orders issued for their department.
Originating Department	2. Prepares Purchase Requisition prior to the beginning of each fiscal year for the estimated annual amount required for materials, supplies or services and lists names of City employees authorized to make purchases on the Annual Purchase Order.

PROCEDURE:

Responsibility	Action
Purchasing	3. Obtains approval electronically in Oracle from the Department Head or designee.
	4. Requisition is automatically routed to Purchasing.
	5. Prepares Annual Purchase Order after all required procedures for selection of suppliers have been met. <ul style="list-style-type: none"> a. Performs procurement process for requisitions in accordance with the current Purchasing Resolution, based on Citywide aggregate vendor and commodity/service spend per fiscal year. b. Verifies approval from City Council or Board of Public Utilities was obtained, if required. c. Obtains notification of signed contract from Legal Department where applicable. d. Verifies Business Tax License, Insurance, and other licenses as applicable.
	6. Routes electronically in Oracle for required signatures. <ul style="list-style-type: none"> a. Purchasing Manager - \$250K - \$1M b. Chief Financial Officer/Treasurer or Assistant CFO – Over \$1M
	7. Annual Purchase Order is automatically issued to Department Requestor and Vendor.
	8. Prepares Material Release from Blanket Purchase Order in UWAM system and obtains approval from Department Head or designee through system workflow.
	9. Provides the materials or supplies to the requesting department. FOB Destination shipping preferred.
Supplier	10. Mails invoice to the Ship To address on Purchase Order or provides to person picking up materials.
	11. Signs the second and third copies of the Purchase Authorization or original release indicating delivery.
Originating Department	12. Files the third copy of the Purchase Authorization or original release.
	13. Prepares Purchase Order Partial Payment (Attachment 1), as applicable.
	14. Attached duplicate copy of Purchase Authorization or material release, packing slip, supplier's receipt, and Purchase Order Partial Payment in Oracles Invoice Module that is approved by Department Head or designee, which is then automatically sent to Accounts Payable through the workflow.

PROCEDURE:

Responsibility	Action
Accounts Payable	15. Receives above documents and processes for warrant/check covering total purchases.

Attachments:

1. Purchase Order Partial Payment, Form No. FINAP:OL

