BLANKET PO GUIDELINES

DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

Blanket purchase orders are typically used for the acquisition of assorted commodities or services from a known vendor for departments that have predictable but varied program needs. The range of commodities or services covered by the blanket purchase order should be defined as narrowly as possible. Note that blanket purchase orders are not, in general, appropriate in most situations. Requests for blanket purchase orders are subject to review by Procurement to ensure the appropriateness of use.

Use this guide for appropriate set up and usage of Blanket Orders and for streamlined review/approval by Procurement.

I. **When blankets are acceptable for use:**
   - ✓ Users should create single-supplier blanket requisitions.
   - ✓ Blanket amounts should be limited to a single fiscal year.
   - ✓ Blankets must be created as service line (dollar receiving, not quantity receiving).
   - ✓ Small dollar items only.
   - ✓ The goods or services are small recurring purchases (e.g. utility bills, hardware store)
   - ✓ The goods or services specified on a blanket may *NOT* change over time.
   - ✓ The order may involve variable dollar amounts and/or quantities.
   - ✓ The maximum dollar amount should not exceed $20K:
     - • PO amount should be for $20k or less unless exemption justification is included on the internal memo field.
     - • Departments are responsible for available funding on the Blanket PO and to process a "change order" when an increase is necessary.
   - ✓ Be sure applicable freight/shipping is applied correctly.
   - ✓ Include appropriate attachments with requisitions (e.g. calculation of annual spend).

II. **When blankets are *NOT* acceptable for use:**
   - ✓ Not for contracts or state contract items.
   - ✓ Not for items which should be procured by competitive bidding (projected dollar amount over $20K).
   - ✓ Do not split purchases to circumvent the competitive process.
   - ✓ Not for recurring fixed payments.

III. **Why blankets have limitations:**
   - ✓ Compliance with State of Arkansas procurement regulations
   - ✓ Audit (appropriate, compliant, and non-fraudulent purchases)
   - ✓ Consistency to ensure appropriate data/reporting