



Series 100 Administration	Effective Date 03/26/2015	Review Date Three Years	Directive Number 103.2
Chapter 103 - Resource Control			
Reviewing Office <i>Budget Operations</i>			<input type="checkbox"/> New Directive <input checked="" type="checkbox"/> Revised <small>Revisions are in <i>italics</i></small>
References			

GENERAL PURCHASING PROCEDURES

103.2 - 1 POLICY

It is important that all members of the department use the correct and approved procedures for procurement of *goods* and/or services. Failure to do so may result in a financial burden to the city, inability to pay vendors in a timely manner, and/or liability to the involved member. *Under no circumstances shall a member instruct a vendor to provide goods or services or in any way obligate the city of Detroit without proper approval. No vendor shall have the authority to provide goods or services without an approved purchase order.*

103.2 - 2 Procedures

Members shall adhere to the procedures set forth in this directive when submitting requests to purchase goods or services. Generally, purchasing procedures are separated into *two (2)* categories, each defined by the dollar amount of the total cost. Each category has different approval requirements, bid requirements, and closure procedures.

103.2 - 3 Exceptions to Approval Requirements

1. Some items or commodities require approvals by other city departments regardless of the dollar amount of the purchase. These items include publications, memberships, and computer hardware and software. Therefore, regardless of the dollar amount of the purchase, requests for these items shall be prepared in accordance with the procedures set forth for purchases exceeding \$2,000.00.
2. Requests to purchase goods or services, requests for reimbursement for goods or services previously purchased (*after receipt of pre-approval*), or requests for payment of other routine bills shall be submitted on the Purchase, Reimbursement, or Payment Request Form (DPD649) to *Budget Operations*. Attach *any necessary support documentation*. When preparing Form DPD649, special attention should be given to the following sections of the form:
 - a. **Item to be Purchased/Reimbursed/or Paid** - Shall include a complete description of the item or service to be purchased or paid (*i.e. recurring invoices such as DTE Energy, DWSD, etc.*). Include specifications with sufficient detail to ensure the purchase of the correct item. Avoid arbitrary specifications. If the purchase will

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- exceed \$2,000.00, include the names, addresses, and phone numbers of possible vendors in this area.
- b. **Reason for Purchase/Reimbursement/Payment** - Shall include a brief statement describing the need for the purchase, demonstrating that the item is department-related and appears to be reasonable.
 - c. **Review** - The signature(s) of reviewing executives as described in section I shall be recorded in this area. Approval signatures in this section signify that the signer takes responsibility for assuring that the purchase is necessary for department-related operations, and is within the parameters of the various categories described below. Completed forms shall be forwarded to *Budget Operations* for cost/budget analysis, approval, and further processing.

103.2 - 6 Imprest Cash Purchase/Reimbursement up to \$400.00

- 1. This category of imprest cash is intended to provide for purchases of goods or services up to \$400.00 providing that a purchase order is not otherwise required. Purchases in this category must have prior approval. No competitive bidding is required for expenditures within this category.
- 2. Imprest cash shall not be used to purchase supplies and services, which can be routinely, obtained through regular department accounts or for which special approvals are required. Submitting multiple imprest cash requests to cover the purchase of an item exceeding \$400.00 is prohibited.
- 3. Command officers may approve purchases in the amount of \$100.00 or less. Purchases from \$100.01 to \$400.00 require the additional approval of the entities commander.
- 4. The Purchase, Reimbursement or Payment Request Form (DPD649) shall be submitted directly to *Budget Operations*.

103.2 - 6.1 Imprest Cash Purchase Approval and Reimbursement Request (DPD649)

This form is used to request payment to a vendor for goods or services, or to request reimbursement to a member or employee.

103.2 - 6.2 Cash Advance

- 1. This form is used in those circumstances where the vendor requires a cash payment in advance of providing the goods or services.
- 2. After approval by the enmities commanding officer or division commander, the documents shall be forwarded directly to *Budget Operations* for review, approval, and processing.
- 3. If the purchase or reimbursement is authorized, a check will be issued. If the request is not authorized, *Budget Operations* will respond to the command with an explanation.

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4. By the end of the next business day after receiving the goods or services, the commanding officer shall close the transaction by forwarding a copy of the approved DPD649, together with the original receipt or invoice to *Budget Operations*. Packing slips, delivery or account statements will not be accepted as receipts. All receipts and/or invoices submitted shall be for the amount of the check issued.
5. Fiscal Operations personnel shall ensure that receipts and invoices are submitted in a timely manner and review all transactions regularly.

103.2 - 7 Imprest Cash Purchase from \$400.01 to \$2,000.00

1. This level of expenditure requires approval by the bureau Deputy Chief (or organizational equivalent) as well as *Budget Operations*. No purchase shall be made without the required approvals.
2. The Purchase, Reimbursement, or Payment Request *Form* (DPD649) shall be submitted through channels to the Deputy Chief, *Budget Operations*. The form must include a minimum of three (3) bids except in cases of sole source vendors.
3. If the purchase is approved, Fiscal Operations will issue a Departmental Purchase Order.

103.2 - 7.1 Imprest Cash Purchase Authorization (C of D 7-AU (6-96))

1. A *DPD649* must be completed when requesting the purchase of goods or services more than \$400.00 but not exceeding \$2,000.00. The form must be filled out in its entirety except for the *funds analysis and expenditure sections*.
2. Enter the lowest acceptable vendor's name in the appropriate area of the *form*. If the selected vendor was not the low bidder, indicate the reason in this area.

103.2 - 7.2 Vendor/Bid Selection

As of the time of this update the city of Detroit is undergoing changes to these processes in part because of new technological advances. Update is coming soon.

103.2 - 7.3 Receipt of Goods or Services

1. Upon receipt of the goods or services, it shall be the responsibility of the commanding officer receiving the goods or services to immediately and accurately check the shipment for compliance with the specifications and quantities as stipulated on the departmental purchase order. Resolving discrepancies is the responsibility of the commanding officer requesting the purchase. There are no partial deliveries or partial report submitted for purchases in this category.
2. Within two (2) business days of receipt of goods or services, the requesting command shall submit the Department Receiving Report (DPD649-B) directly to Fiscal Operations. All packing slips, delivery orders, account statements, etc. shall be forwarded with the DPD649-B. Vendors are instructed to send invoices directly to

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Fiscal Operations, however, if the invoice is delivered to the unit, it shall be attached to the DPD649-B. Retain a copy of all reports and attachments for the unit/section file.

103.2 - 8 Purchases Exceeding \$2,000.00

1. Generally, all purchases over \$2,000.00 require the issuance of a formal City of Detroit Purchase Order. The City of Detroit *Office of Contracting and Procurement* is responsible for issuing all City of Detroit purchase orders.
2. A Purchase, Reimbursement or Payment Request (DPD649) shall be submitted through channels to the Deputy Chief, *Budget Operations*. It is not required that the command obtain bid prices although the names of possible vendors may be included with the request.
3. If approved, *Budget Operations* will prepare the Purchase Requisition. The request and supporting financial documents will be forwarded to the *appropriate city department for further processing*.
4. *Once the bidding, negotiations, agency approvals, City Council, and FRC approval (if required) are complete, the Office of Contracting and Procurement (OCP) will provide copies of the City of Detroit purchase order to the vendor and Budget Operations. Budget Operations will provide a copy to the originating command. It is the responsibility of the originating command to ensure that the transaction proceeds according to the terms and conditions of the purchase order. The delivery of goods or services shall not be authorized until a purchase order is issued.*

103.2 - 8.1 Delivery of Goods or Services

If delivery is not received in a timely manner as prescribed on the purchase order, the commanding officer requesting the goods or services shall contact the vendor named on the purchase order no later than three (3) days after the scheduled delivery date to determine the cause for delay and to expedite delivery by the vendor. Continued failure to deliver as promised should be reported to the Purchasing Division's buyer whose name appears on the purchase order.