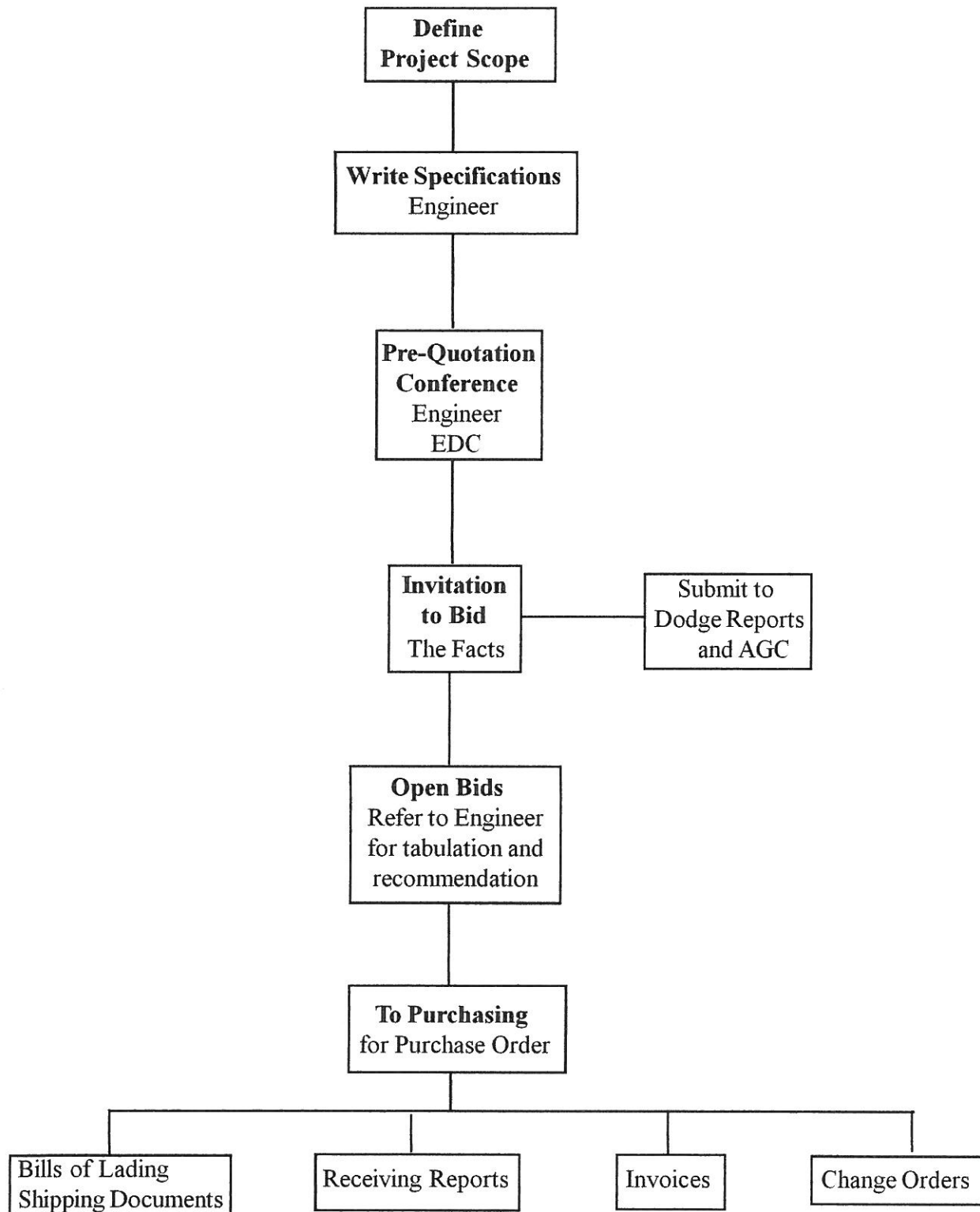


# PROPOSED EDC PURCHASING FLOW CHART



**PURCHASING PROCEDURE**

Effective immediately, the following procedure for all materials and/or labor, both maintenance and capital, shall be observed.

Purchasing is not obligated to purchase from recommended vendor(s) shown on a *purchase requisition*, but reserves the right to inquiry additional potential vendors for price, deliver, f.o.b. point, discounts, styles, quantities, etc. All orders **SHALL** be in writing prior to P.O. **NO EXCEPTION.**

**PURCHASE REQUISITION**

**Less than \$500.00.** A purchase requisition is not required for ANY purchase less than \$500.00. The small, 3 part purchase order book may be used, however, the **TOTAL** price of an individual purchase shall not exceed the \$500.00 maximum.

**\$501 to \$5,000:** A *purchase requisition* is required for ANY purchase from \$501 to \$5,000 shall require a written quote from a minimum of three (3) possible vendors or, at the discretion of FEDC, the publication one time for two (2) consecutive weeks in the Facts prior to the issuance of a purchase order. The purchase requisition shall require the signature of any two (2) members of the FEDC Board, the City Manager and/or the Mayor.

**\$5,001 - up:** A *purchase requisition* is required for ANY purchase from \$5,001-up shall require publication one time for two (2) consecutive weeks in the Facts, prior to the issuance of a purchase order. **No Exception.**

Upon receipt of quotation(s) on the date specified, the quotations shall be opened, publicly read and referred for comparison and recommendation.

Two (2) members of FEDC, the City Manager, Purchasing Agent, and the Project Manager shall meet as a Project Review or Contract Committee and make recommendation for purchasing to process a purchase order to successful bidder

A *purchase requisition* shall be prepared by the Project Manager based on the recommendation(s) of the Project Review/Contract Review Committee and shall require the signature of the President of FEDC or his designee, and/or any two (2) members of the FEDC Board, the City Manager, and/or the Mayor prior to the issue of a purchase order.

**PURCHASE ORDER**

Upon receipt of approved purchase requisition, a purchase order shall be issued with copies distributed as follows:

Vendor	-	white
Requisitioner	-	canary
Purchasing	-	pink
Receiving	-	goldenrod

Freeport Economic Development Corp.  
**PURCHASING PROCEDURE**

No contract or material(s) **shall** be ordered or requested to be delivered **PRIOR** to the issuance and delivery of a purchase order to vendor(s) from \$501 to \$25,000.

Payments for materials or services rendered **shall** be made **ONLY** to a prime contractor. Payments **WILL NOT** be made to sub-contractors of a prime contractor.

**Receipt of Materials or Labor Performed:** It **shall** be the responsibility of the requisitioner to verify the receipt of Labor performed and/or Materials received *prior to payment of invoice*.

**Invoice(s):** Each and every invoice **shall** plainly show the purchase order number, or change order number along with the f.o.b. point and terms of payment. Any invoice that fails this information **shall** be returned to vendor for correction. Invoices will be processed and paid based on terms of payment specified on the invoice. Invoices with discount payment terms will be given priority in processing. Invoices **shall cover one (1) invoice only**. NO EXCEPTION.

**Change Orders:** Any change in specification(s) on a base purchase order, either an addition, deletion or modification **shall** require a purchase requisition. An addendum purchase order will be prepared with the base purchase order number followed by a suffix, i.e., -A, -B, -C etc. noting the change, deletion or modification in detail, along with the price increase, decrease and f.o.b. point.

**Distribution of the Change Order shall** be the same as for the base purchase order. It **shall** be the *responsibility of the requisitioner* to determine that the changes, labor and/or material(s) are those received and/or performed. and are those being billed prior to any payment of such change.

**RECEIVING**

**ALL SHIPMENTS shall be delivered to the address or location specified on the purchase order unless otherwise specified.**

All materials are received at the stated address or location SUBJECT to inspection and verification the materials are those specified on the purchase order and/or quotation. NO EXCEPTION. Any damage **shall** be noted on the receiving copy of the purchase order along with any deviation from specification(s), i.e., make, model, size, color, quantity, etc., and be signed and dated by the person receiving the material(s) or checking services performed.

The Receiving Report **shall** be forwarded to Accounts Payable for comparison with the items or services rendered and specified on the vendors invoice. The Receiving Report shall be the basis for payment of an invoice.

# F.E.D.C. PURCHASE REQUISITION

Vendor & Address

Terms:

FOB

Purchase Order No.

This number **MUST** appear on ALL shipping papers and invoices

Account No.	Item No.	Quantity	Description	Unit	Total
Requisitioner: _____					<b>TOTAL</b>
Department Head			Mayor	City Manager:	<b>\$</b>
Budget:			Reason for Purchase:		
Balance Remaining					

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**FREEPORTE ECONOMIC DEVELOPMENT CORP.**

200 West 2nd Street - Freeport, Texas 77541

Phone (979) 233-3526 - Fax (979) 233-8867

Purchase Order Number:

This purchase order number MUST appear on all bills of lading, shipping documents, correspondence and invoices

**PURCHASE ORDER**

To:

F.O.B.:

Terms:

Ship to	Bill to
---------	---------

Account	Item	Quantity	Unit	Description	Unit Price	Total

**TERMS AND CONDITIONS**

A separate invoice must be supplied for each shipment. No invoice shall cover materials supplied on more than one purchase order. Purchase Order Number MUST appear on ALL shipments, bills of lading, invoices and documents pertaining to this purchase order.

\_\_\_\_\_  
Requisitioner

\_\_\_\_\_  
Authorized Signature

White - Vendor    Canary - Requisitioner    Pink - Accounts Payable    Goldenrod - City