

CITY OF DENTON

POLICY/ADMINISTRATIVE PROCEDURE/ADMINISTRATIVE DIRECTIVE

SECTION: FINANCE	REFERENCE NUMBER: 407.06
SUBJECT: PURCHASING AND CONTRACTING FOR SERVICES	INITIAL EFFECTIVE DATE: 10/01/82
TITLE: WAREHOUSE AND CENTRAL STORES OPERATIONS	LAST REVISION DATE:

1. *Centralized Warehousing.* The Purchasing Agent shall operate a warehouse and yards in which the stores and material inventory for all the City's operations are maintained.
2. *Inventory Control.* Purchasing will maintain an inventory control system which accounts for the stock levels and use of all the City's stores and material inventories. Purchasing will control inventory material through the exclusive use of stock numbers as submitted to Information Services. These numbers must appear on all Bill of Material forms and Receiving/Disbursal Reports.

Purchasing will conduct physical inventory verifications on specific items monthly, quarterly, or as necessary. On all items there will be a physical inventory conducted yearly.

3. *Central Receiving.* The warehouse will receive all merchandise, material, and supplies that are requisitioned by the warehouse, the supplies ordered for storage in the warehouse, and the incoming freight so designated by the Purchase Order.
4. *Purchase of Warehouse Inventory.* Warehouse personnel will originate purchase requisitions for replacement merchandise and supplies through proper purchasing policies and procedures. They shall maintain adequate inventory to prevent outages, but levels will not be so high that funds are tied up needlessly. To assist in maintaining proper levels, departments must give advance notice of work order requirements and large purchases as soon as possible.

Using departments will prepare purchase requisitions for new items or increased stock and submit them to the warehouse. Warehouse personnel will process requisitions through the warehouse with stock numbers, assigned locations, and then send to the purchasing office as per purchasing policies and procedures. Using departments must furnish a copy of all work orders to the warehouse for proper inventory.

5. *Bill of Materials.* Disbursements are made through the use of a Bill of Material form properly filled out with stock numbers for all material and supplies. Credits are issued on returned material and supplies by use of a credit Bill of Material form presented with the return items.
6. *Disposal of Scrap and Obsolete Materials.* Warehouse personnel will receive, store, and dispose of scrap and obsolete material as per purchasing policies G. 1., G. 2., and C. 2.

POLICY/ADMINISTRATIVE PROCEDURE/ADMINISTRATIVE DIRECTIVE (Continued)

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7. *Security.* The Purchasing Agent shall secure the warehouse and yards. Under no circumstance shall unauthorized personnel be permitted access without supervision to the secured areas.
8. *Central Stores.* The Purchasing Agent shall operate a central stores for the convenience of the City operations. The Purchasing Agent shall publish and update a catalogue of items available at the Central Stores. City departments must obtain their supplies from the Central Stores when they are available.
9. *Outgoing Mail.* The Purchasing Agent provides for a mail pickup in City Hall once a day. Postage shall be applied as required.
10. *Use of Utility Bills for Information Distribution.* The Purchasing Agent shall insert and mail utility bills. Unless otherwise directed by the City Manager, the Purchasing Agent shall not permit information inserts with the utility bill which do not directly relate to a City-sponsored function, service, or operation.