

SPLIT PURCHASING

What are the red flags?



Split purchasing is a single procurement, intentionally divided into two or more purchase orders or contracts to avoid review or competitive selection.

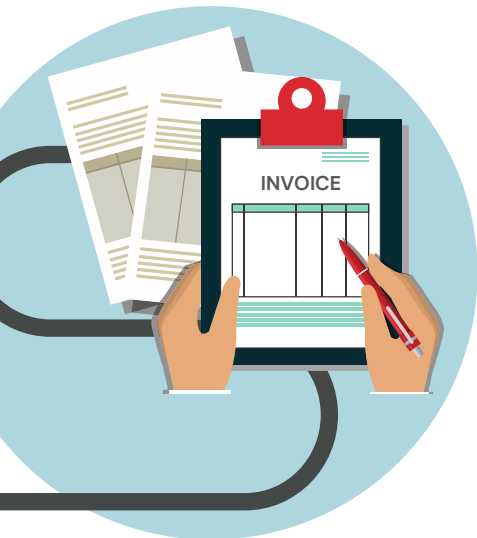


SIMILAR PROCUREMENTS

Look out for two or more similar procurements from the same supplier in amounts just under competitive bidding limit or upper level review limit.

UNDUE SEPARATION

Investigate unjustified separation of purchases. An example would be separate contracts for labor and materials, each of which is below the competitive bidding limit, but over the limit when combined.



SEQUENTIAL INVOICES

Be aware of sequential purchase orders or invoices under the upper level review limit or competitive bidding limit.

CHANGE ORDERS

Contracts under the competitive bidding limit, followed by change orders that increase contract amounts can indicate a purchasing scheme.



TIPS FOR PREVENTING PURCHASING SCHEMES

- A program designed to prevent and detect purchasing schemes should establish specific training courses for purchasing and approving officials. The courses should be tailored to the specific responsibilities associated with each role in the purchasing process.

Visit www.sfgov.org/whistleblower to see how to file a report.

