

Procurement Manual



Procurement Department

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Chief Procurement Officer

Procurement Manual

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A. Introduction

1. The Procurement Department is the centralized authority responsible for procuring quality materials and services at the best possible price and value, ensuring fairness and integrity for the City of Palm Bay (the City) government leaders and citizens.
2. When purchasing commodities and contractual services, the City will attempt to follow sound and prudent business practices, and to promote the full and equitable economic participation of all segments of the community.
3. The Procurement Department seeks to:
 - a. provide for the fair and equitable treatment of all persons interested in the City's procurement practices,
 - b. maximize the purchasing value of public funds through various methods of procurement,
 - c. assure adherence to all laws, regulations, processes and procedures related to City procurement, and
 - d. obtain goods and services in a timely manner to meet departmental needs.
4. This Procurement Manual has been developed to aid all employees directly or indirectly associated with the functions of procurement. This manual will explain and facilitate understanding of the functions, policies and procedures of the Procurement Department.
5. The Procurement Department staff oversees the spending of public taxpayers' dollars and strives to assist client departments in complying with the City's procurement policies, procedures and laws.
6. **QUESTIONS?**
 - a. Call 321-952-3424 or
 - b. Email procurement@pbfl.org

B. Procurement Policy

1. The City's Procurement Ordinance is the primary document that governs the procurement of goods and services. The City's Administrative Codes are for the purpose of implementing ordinances passed by the Council, and to establish a system of written guidelines and procedural directives to conduct business within the City Government. This Procurement Manual, an incorporated attachment to the Procurement Administrative Code(s), provides procedures to comply with the Procurement Ordinance.
2. The Procurement Ordinance additionally establishes the authority of the City Manager and Chief Procurement Officer for procurement-related functions.
3. It is recommended that all pertinent City staff reads the Section 38 Procurement Ordinance of the City of Palm Bay; City Administrative Codes to includes G.15.1 and G.15.2; and this

Procurement Manual for a more complete understanding of procurement policies and procedures.

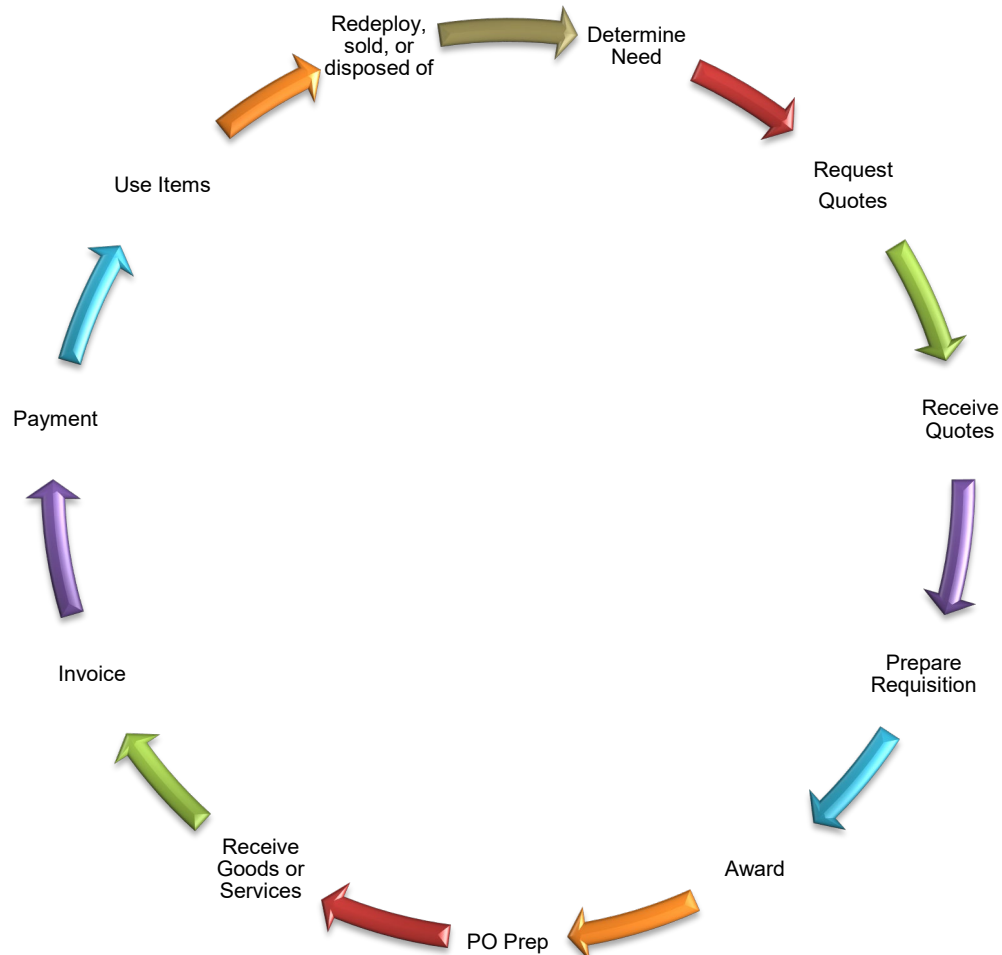
C. Delegation of Certain Purchasing Authority

1. The Procurement Department is governed by federal and state statutes, various laws, policies, procedures and high ethical standards. As such, when that authority is delegated to client departments, the same adherence to policies and procedures is required when the client department expends the City's budgeted funds.
2. The Chief Procurement Officer may further delegate the purchase authority to Procurement Staff and Department Heads within the authority delegated by the City Manager via Administrative Code, to include signature authority, award authority, and small purchases via use of the City's Purchasing Card (P-Card).
3. Client department staff may obtain quotes for purchases up to **\$25,000⁰⁰** in accordance with the procedures and provisions of the Procurement Administrative Codes, Procurement Manual and the Procurement Ordinance.
4. Failure to abide by proper procurement policies and procedures may result in reduction or loss of delegated authority, and/or disciplinary actions.

D. The Procurement Cycle

1. The Procurement Cycle begins with the determination of need and ends with the proper disposal of items that are of no more use to the City. The following activities make up the Procurement Cycle:
 - a. Determination of the need
 - b. Confirmation of funds available (usually with a "To Bid" requisition)
 - c. Solicitation of the quotes, bids, or proposals
 - d. Receipt, documentation of, and evaluation of quotes, bids or proposals
 - e. Preparation of purchase requisition
 - f. Award by Chief Procurement Officer or Council Approval
 - g. Preparation of purchase order and/or contract
 - h. Receipt and inspection of goods – or approval that services were rendered to the department's satisfaction
 - i. Invoice submitted by vendor
 - j. Approval and payment of invoice

- k. Items are utilized to their fullest potential by the requesting department
- l. Items may be redeployed to other departments within the City, sold or otherwise disposed of.



E. Ethics and Vendor Relations

1. City staff must avoid actual or perceived (regardless of its validity) misconduct or compromising behavior during the procurement process. Strict adherence to proper procurement practices must always be followed to protect the reputation of the City.
2. **Gifts:** City staff shall not solicit, accept, or demand from any vendor, any form of personal compensation. This includes gifts, money, goods, services, offers of employment, kickbacks, reciprocal agreements, or discounts for personal gain.
3. Staff shall use caution when dealing with vendors to ensure that proper policies, procedures and ethics are adhered to.

4. All vendors must be afforded equal opportunities to compete.
5. The City will strive to maintain strong and enduring relationships with vendors of proven ability and a desire to meet the City's needs. To accomplish this, procurement activities will be conducted so that all vendors will value the City's business and make every effort to furnish its requirements on the basis of the most economical quantity, suitable quality, timely delivery, excellent service and lowest possible price.
6. New sources of supply will be given due consideration.
7. **Preparation of Specifications:** Any vendor that directly participates in the drafting of a solicitation is not eligible to submit a bid in response to that solicitation. Market research, both informal and formal (Requests for Information), is not considered direct participation.

If a client department receives assistance or advice from vendors in preparing their specifications, they must submit the vendor's name(s) to the Procurement Department. This will assist in ensuring that the procurement process can identify any concerns and can also address any potential proprietary specifications that the vendor may have suggested.

8. **Doing Business with City Employees:** In accordance with Chapter **§112 part 3**, "Code of Ethics for Public Officers and Employees," City employees shall not contract with the City through any corporation or business entity in which they or their immediate family members (spouse, parents, and children) hold a financial interest (e.g. ownership of five percent (5%) or more). See also Ordinance Chapter 38, Section 38.21.
9. **Bid shopping shall NOT be permitted. That is, no one shall obtain pricing from a vendor and request other vendors to meet or beat the disclosed price.** However, this restriction shall not apply to reverse auctioneering.
10. The following ethical standards are based upon those of the Florida Association of Public Procurement Officers and must be adhered to by Procurement staff, who shall:
 - a. Regard public service as a trust and support professional principles of governmental purchasing.
 - b. Believe in the dignity of their office, the real worth of the service rendered by their governmental agency and give first consideration and loyalty to that agency.
 - c. Be guided by integrity and honesty to merit the respect and inspire the confidence of the agency and the public.
 - d. Accept full responsibility for the procurement function.
 - e. Strive for professional development by participating in professional purchasing organizations, and by keeping memberships current.
 - f. Believe that character is the greatest asset in commerce and therefore will not accept gifts or other things of value from vendors.
 - g. Keep City officials and staff fully informed of procurement issues and progress toward resolving such issues through appropriate channels by emphasizing the facts.

- h. Not allow outside influences to enter their relationships with vendors or other employees.
 - i. Provide the highest level of service based upon training, experience and initiative.
 - j. Avoid any behavior which is or may perceive to be unethical or misrepresentative, recognizing that mutually profitable business relations are based upon honesty and fair dealing.
 - k. Be courteous, considerate, prompt and businesslike with their employer, employees, City staff, vendors and the public.
 - l. Understand the needs of all departments, and assist in meeting their needs for operating supplies, equipment, and services.
 - m. Provide a key liaison between vendors and City departments.
11. The staff of the Procurement Department also adheres to the Code of Ethics of the National Institute of Governmental Purchasing, Inc.

F. Unauthorized Purchases

1. Unauthorized purchases are unlawful and prohibited, and are defined as an item(s) that is:
 - a. Purchased prior to receiving a purchasing order "PO" number, or
 - b. Purchased without sufficient funds as determined by the Finance Department, or
 - c. Purchased for personal use, or
 - d. Purchased in the following manner:
 - i. Obtaining items under contract from suppliers other than those holding exclusive City contracts for those specific items, or
 - ii. Providing the Procurement Department false information such as false bids/quotes, or
 - iii. An "add-on" to a previously approved contract or purchase order without first obtaining approval from the Procurement Department, or
 - iv. Splitting orders of the same or like materials/requirements into two or more individual purchases with the intention of circumventing the competitive solicitation requirements.
2. It shall be unlawful for any City officer or employee to order the purchase of any materials

or supplies or make any contract for municipal materials, supplies, or services other than through the Procurement Department, or within the exceptions delineated in this manual. In such circumstances, the City shall not be bound by any purchase order or contract made contrary to the provisions hereof. Any such purchase or contract made contrary to the Procurement Ordinance provision may result in disciplinary action taken against the person committing the unlawful act.

3. All City employees are bound by rules regarding Bid Tampering as defined in F.S. 838.22, including the prohibition from knowingly and intentionally influencing the competitive solicitation of commodities or services by unlawfully disclosing material information concerning a vendor's response, evaluation information, or other aspects of the competitive solicitation that is not publicly disclosed; or by altering or amending a submitted response, documents, or evaluation results for the purpose of intentionally providing a competitive advantage to any person who submits a response; or to knowingly circumvent a competitive solicitation process required by law or rule.
4. No contract or purchase shall be subdivided to avoid the requirements of this Ordinance and/or the Procurement Administrative Codes.
5. Making an unauthorized purchase or improper use of a P-Card may be considered misappropriation of City funds which may result in disciplinary action, up to and including termination, and/or criminal prosecution.

G. Competition Thresholds, Agreement Signature Authority & Award Authority

1. Competition Thresholds:

- a. **General:** Federal and state law, the Procurement Ordinance, good business practices, and the responsibility for the expenditure of public and grant funds dictates that the City follow a policy of competitive source selection whenever reasonable. To do so, the City seeks suppliers that will provide quality materials and services at a fair and reasonable price, delivered on time.
- b. Threshold dollar figures apply to both expenditure and revenue contracts.
- c. **Exception:** When by Florida State Statute, City Ordinance, City Administrative Code or this Procurement Manual, commodities or services are exempt from competitive bidding.
- d. Prior to issuing a purchase order, the following are required competition guidelines:

Thresholds	
Total Price	Requirements
\$0 ^{.01} to \$5,000 ^{.00}	<ul style="list-style-type: none"> • Small Purchase via P-Card or purchase order, Department Lead: • Use P-Card based upon authorization levels previously approved per individual employee where possible. • Purchase Requisition/Purchase Order for all other. • Blanket POs (BPOs) for miscellaneous purchases may be used. • One (1) or more written or verbal quotes must be solicited and documented by the client department.
\$5,000 ^{.01} to \$10,000 ^{.00}	<ul style="list-style-type: none"> • Small Purchase via purchase order, Department Lead: • One (1) or more written quote(s) must be solicited and documented by the client department. • BPOs for miscellaneous purchases may be used, with appropriate backup.
\$10,000 ^{.01} to \$25,000 ^{.00}	<ul style="list-style-type: none"> • Small Purchase via purchase order, Department Lead: • Three (3) or more written quotes must be solicited and documented by the client department whenever possible. • BPOs for miscellaneous purchases may be used, with appropriate backup.
\$25,000 ^{.01} to \$99,999 ^{.99}	<ul style="list-style-type: none"> • Purchase via purchase order, Procurement Lead: • Three (3) or more written quotes will be solicited and documented by the Procurement Department. • BPOs for miscellaneous purchases may be used.
\$100,000 ^{.00} and over	<ul style="list-style-type: none"> • Formal purchase via purchase order, Procurement Lead: • Competitive sealed bids, proposals, qualifications, or negotiations will be solicited by the Procurement Department. • BPOs for miscellaneous purchases may be used.

- e. The City Manager has authority to make exceptions to the Procurement methodology for purchases less than \$100,000 if an unusual or unique situation exists, so long as the methodology is still competitive (for example, accepting Department requested quotes as opposed to Procurement lead quotes because the original estimated budget was less than \$25,000, but actual quotes were over \$25,000 and the Department requested quotes are still competitive).

2. Contracts & Agreements Signature Authority:

- a. Contracts, including purchase orders, for the procurement of supplies, services, and construction, are all considered agreements, regardless of what they may be called.
- b. Agreements for services are required when determined to be a policy decision in the City's best interest by the City Manager or Chief Procurement Officer, or when required by Florida State Statute, City Ordinance, City Administrative Code or this Procurement Manual.
- c. To the greatest extent possible, the Chief Procurement Officer or designee will standardize the terms and conditions and contractual clauses of all solicitation

documents, contracts, and purchase orders by developing boilerplates. Procurement will oversee development of agreements for purchases solicited by the Procurement Office, generally over \$25,000 in value.

- d. Agreements which are not developed by the City may be vetted as to form and content by the City Attorney's office and will be reviewed by Procurement for compliance with the Procurement Ordinance, Administrative Codes, and Manual.
- e. The Mayor, City Manager, or Chief Procurement Officer can sign agreements as delegated herein. In addition, the City Manager and Chief Procurement Officer may further delegate signature authority to Procurement Staff and Department Heads.

3. **Award & Amendment Authority:**

- a. **City Council:** The Mandatory City Council approval amount is defined as the minimum purchasing amount at which City Council approval is required. Such purchases must be approved by the City Council prior to execution of the contract or purchase order.
- b. City Council approval of an award recommendation does not constitute a binding contract with the recommended vendor until execution of a purchase order or contract by the City.
- c. **Council approval is required for all the following circumstances prior to execution of the contract or purchase order:**
 - i. Council Approval for purchases or award of contracts solicited via competitive solicitation equal to or greater than one hundred thousand dollars (\$100,000.00) total expenditure for the initial contract term;
 - ii. Council Approval for purchases or award of contracts for items delineated as Exclusions per Ordinance equal to or greater than one hundred thousand dollars (\$100,000.00) total expenditure for the initial contract term (Note: See Section V, Exempt from Competition, for exceptions like Utility bills);
 - iii. Council Approval for purchases or award of contracts for items delineated as Special Procurements per Ordinance equal to or greater than \$25,000 total expenditure for the initial contract term;
 - iv. Council Approval for Construction Change Orders to construction contracts originally awarded for one hundred thousand dollars (\$100,000.00) or more shall be ten percent (10%) of original contract value or one hundred thousand dollars (\$100,000.00) whichever is lower. For calculation purposes, the ten percent (10%) threshold amount is cumulative;
 - v. Council Approval for Amendments to contracts and task orders originally awarded for one hundred thousand dollars (\$100,000.00) or more shall be ten percent (10%) of original contract value or one hundred thousand dollars (\$100,000.00) whichever is lower, except as provided below. For calculation purposes, this the ten percent (10%) threshold amount is cumulative;
 - vi. Contract Amendments to Term Contracts do not require City Council approval and shall be made in accordance with this Procurement Manual.

- vii. All contracts previously approved by Council shall be placed on the City Council agenda for approval of assignments to provide notice to its members and the opportunity to declare a voting conflict pursuant to Fla. Stat. **§112.3143**.
 - a) Novations, mergers, or acquisitions are not considered assignments.
 - b) A novation is a mutual agreement between the parties to a contract for the discharge of a valid existing obligation by the substitution of a new valid obligations (usually the result of a merger or acquisition where Company A purchases the assets and liabilities of Company B, to include the City contract, or when Company A and Company B merge and Company A no longer exists).
 - c) Any questions about whether a name change is an assignment or a novation as the result of a merger or acquisition should be addressed to the City Attorney's office.
- d. For calculation purposes, initial contract term is the duration first agreed to by both parties, prior to renewal options. This is typically one year, but in the case of longer initial term (i.e. two-year initial terms), value is calculated by adding the values of the years comprising the initial term.
- e. The Chief Procurement Officer will prepare a report for Council of competitive solicitations issued by the Procurement Department and awarded which are under the mandatory City Council approval amount. This report shall be prepared as needed, no less than bi-annually, and brought forth as a Legislative Memo for City Council acknowledgement.
- f. **City Manager:** The City Manager has authority to perform all the purchasing and contracting of goods on behalf of the City and delegate said authority herein, including the authority to:
 - i. Award competitive solicitations and sign, on behalf of the City, contractual agreements, purchase orders, task orders, and change orders for the purchase of goods and/or services required by the City of less than the Mandatory City Council approval amount;
 - ii. Sign all contractual agreements, purchase orders, task orders, and change orders, for the purchase of goods and/or services required on behalf of the City that exceed the mandatory City Council approval amount after award approval by the City Council;
 - iii. Approve purchases or award contracts for items delineated as Special Procurements per Ordinance up to \$24,999.99 total expenditure for the initial contract term.
- g. **Chief Procurement Officer:** By the approval of Administrative Code G.15.2, incorporating this Procurement Manual by reference, the City Manager delegates the Chief Procurement Officer authority to:
 - i. purchase and contract for goods and services for the City Council, including the authority to approve all purchases and sign those agreements, contracts, change

orders, amendments and purchase orders for the purchase of goods and services governed by, and within the limits of the Procurement Ordinance, provided they are in conformance with the Procurement Administrative Codes, the law, and all applicable rules and regulations, including this Procurement Manual;

- ii. award competitive solicitations and sign, on behalf of the City, all contractual agreements, purchase orders, task orders, amendments and change orders for the purchase of goods and/or services required by the City of less than the mandatory City Council approval amount and as otherwise stipulated by Ordinance;
 - iii. sign contractual agreements, purchase orders, task orders, amendments and change orders, for the purchase of goods and/or services required on behalf of the City that exceed the mandatory City Council approval amount after award approval by the City Council;
 - iv. delegate said award authority to Procurement Staff or Department Heads.
- h. **Exceptions** to award authority may occur by order of the City Council, or when Florida State Statute, City Ordinance, City Administrative Code or this Procurement Manual provides an alternative award requirement.
4. The following matrices covers competitive thresholds, procurement method, and award authority as further delineated in the Procurement Manual:

AWARD AUTHORITY & PROCUREMENT METHOD MATRIX – Competitive Thresholds

Amount of Spend	MINIMUM # of Quotes Required	Method	Award Method
\$0.01 to \$5,000.00 Commodities, offsite services, work that does not require a SPA	One (1) verbal Seek more if possible	Dept. seeks quotes; use P-card (if authority granted) or requisition	City Manager, delegated to: Chief Procurement Officer. Further delegated via P-Card authority. CPO or designee signs P.O.
\$5,000.01 to \$10,000.00 Commodities, offsite services, work that does not require a SPA	One (1) written Seek more if possible	Dept. seeks quotes; enters requisition	City Manager, delegated to: Chief Procurement Officer or designee signs P.O.
\$10,000.01 to \$25,000.00 Commodities, offsite services, work that does not require a SPA	MINIMUM Three (3) written quotes; dept. should seek more if possible.	Dept. issues Request for Quotes; enters requisition	City Manager, delegated to: Chief Procurement Officer or designee signs P.O.
\$0.01 to \$10,000.00 Construction, services, or installation ON CITY PROPERTY	SMALL PROJECT AGREEMENT REQUIRED ; must be accompanied by one (1) written quote. Seek more if possible	Dept. issues Request for Quotes; completes SPA; gets Risk approval of insurance; enters requisition	City Manager, delegated to: Chief Procurement Officer or designee signs P.O. and SPA
\$10,000.01 to \$25,000.00 Construction, services, or installation ON CITY PROPERTY	SMALL PROJECT AGREEMENT REQUIRED ; must be accompanied by at least three (3) written quotes. Solicit more than 3 if possible.	Dept. issues Request for Quotes; completes SPA; gets Risk approval of insurance; enters requisition	City Manager, delegated to: Chief Procurement Officer or designee signs P.O. and SPA
\$25,000.01 to \$99,999.99	N/A	Procurement Department leads solicitation via formal quote/RFP/RFQ; Dept. enters "To Bid" V#5003 requisition & develops scope/specs	City Manager, delegated to: Chief Procurement Officer or designee signs P.O. and formal contract, where required
\$100,000.00 and over	N/A	Procurement Department leads solicitation via IFB/RFP/RFQ/ITN; Dept. enters "To Bid" V#5003 requisition & develops scope/specs	City Council approves; Chief Procurement Officer or designee signs P.O. and formal contract, where required

AWARD AUTHORITY & PROCUREMENT METHOD MATRIX – Alternate Methods

Description	C.P.O. approval	City Manager approval	Council approval
Cooperative Contract & Piggybacks	\$0.01 to \$99,999.99 Delegated by City Manager	\$0.01 to \$99,999.99 Delegated to Chief Procurement Officer	\$100,000.00 and over
Exemptions as defined in Code of Ordinance Chapter 38 and this Manual	\$0.01 to \$99,999.99 Delegated by City Manager	\$0.01 to \$99,999.99 Delegated to Chief Procurement Officer	\$100,000.00 and over (some exceptions noted, see applicable section)
Sole Source	\$0.01 to \$50,000.00 Delegated by City Manager	\$0.01 to \$99,999.99, where up to \$50,000.00 Delegated to Chief Procurement Officer	\$100,000.00 and over
Standardization	\$0.01 to \$50,000.00 Delegated by City Manager	\$0.01 to \$99,999.99, where up to \$50,000.00 Delegated to Chief Procurement Officer	\$100,000.00 and over
Emergency Purchase	\$0.01 to \$50,000.00 Delegated by City Manager	\$0.01 to Unlimited, where up to \$50,000.00 Delegated to Chief Procurement Officer; Can approve over \$100,000, but requires after action report to Council	\$100,000.00 and over, after action report acknowledgement
Special Procurement	N/A	\$0.01 to \$24,999.99	\$25,000.00 and over

H. Purchasing Cards

1. **General:** These procedures shall simplify the process for obtaining supplies, materials, services, travel, and equipment by making available to certain City employees the authority to make purchases directly with a P-Card.
2. **Objectives:**
 - a. To provide an efficient and effective method of purchasing and paying for supplies/services.
 - b. To reduce the use of petty cash and small value purchase orders \$5,000^{.00} and below.
 - c. To ensure card purchases are in accordance with the City's Procurement Ordinance, and Procurement Manual.
 - d. To reduce the time spent by the Finance Department and the Procurement Department staff in processing transactions.
 - e. To enable the City to receive rebates from the Financial Service provider. The rebates are calculated and split between General Fund, Utilities Funds, Building Fund, and Solid Waste Fund based on card usage.

- f. To ensure that the City bears no legal liability due to inappropriate use.
- g. To provide for disciplinary action if a P-Card is misused.

3. **Authorization:**

- a. Purchasing authority and responsibility are delegated to the ordering department enabling an authorized cardholder to place orders directly with vendors.
- b. The P-Card system validates the transaction at the point of sale against preset limits. All transactions are approved or declined electronically by the Financial Service provider based on established criteria. The authorization criteria may be adjusted periodically as needed and may include, but are not limited to, the following:
 - i. Single purchase limit
 - ii. Monthly spending limit
 - iii. Approved merchant category codes

NOTE: Point of Sale (POS) is a place where a customer executes the payment for goods or services. A POS transaction may occur in person or online with receipts generated either in print or electronically.

4. **Responsibilities:**

a. **Card Holder:**

- i. Attend an initial training session, and refresher training as needed or directed.
- ii. Personally take receipt of the card and sign a ***Purchasing Card Acceptance Agreement***.
- iii. Carry and secure the P-Card.
- iv. Have access to the tax exemption certificate to be able to provide each vendor with a copy, if requested.
- v. Ensure that the City's P-Card is NOT used for any personal purchases.
- vi. Comply with all Florida State Statutes, purchasing policies, the Procurement Ordinance, and the Administrative Code(s).
- vii. Determine availability of budgeted funds before ordering.
- viii. Order materials and services.
- ix. Collect and save all sales receipts.
- x. Log phone orders and request receipts thereof.
- xi. Match receipts with monthly card statements and submit to the department P-Card representative.

- xii. Review the monthly card statement with the department P-Card representative.
- xiii. Identify any disputed charges and notify the department P-Card representative and the Financial Service provider.
- xiv. Immediately notify the Financial Service provider and their department P-Card representative in the event the P-Card is lost or stolen.
- xv. Surrender the P-Card to the department P-Card representative upon transfer to another department or termination of employment.

b. Department P-Card Representative:

- i. Review monthly statements with cardholder.
- ii. Assign and/or verify the appropriate accounting codes.
- iii. Assist cardholders with disputed item(s).
- iv. Obtain the Department Director's signature on each payment request / authorization form and statement.
- v. Allocation and sign-off of transactions must be done in BOA Works by the fifth (5th) business day of the month.
- vi. Forward signed statements, all receipts, and any supporting paperwork to the Accounts Payable Division by the 15th of the following month.
- vii. Immediately notify the P-Card Administrator of employee(s) who end employment or transfer to another department, collect card(s) from cardholders and complete **Purchasing Card Cancellation Form**. Have Department Director sign then forward form and card to Procurement.
- viii. Notify the P-Card administrator immediately of lost, stolen, or other P-Cards requiring termination.
- ix. Conduct annual inventory of cards.

c. Department Director:

- i. Request P-Cards for authorized employees.
- ii. Set departmental and cardholder spending limits within established guidelines.
- iii. Designate department P-Card representative.
- iv. Collect P-Cards of terminated or transferred employees from the department P-Card representative, sign Purchasing Card Cancellation Form and send card and form to the Procurement Department's P-Card Administrator.

- v. Approve each ***Purchasing Card Transaction Log/Monthly Report***, or similar form for the department, and approve transactions in the Financial Service provider online portal (or designate an approver on his/her behalf).
 - vi. Review audit findings for action.
- d. **Procurement Department's P-Card Administrator or designated P-Card Coordinator:**
 - i. Coordinate issuance and cancellation of cards.
 - ii. Provide training to all new cardholders and periodic refresher training classes, as needed.
 - iii. Maintain procedures and cardholder guides/manuals.
 - iv. Evaluate P-Card feedback from suppliers and cardholders.
 - v. Ensure rebate checks are received in accordance with agreement with the Financial Service provider.
 - vi. Conduct audits as requested by the CPO.
- e. **Chief Procurement Officer:**
 - i. Approve requests for P-Cards submitted by the Department Director.
 - ii. Designate the Procurement Department's P-Card Administrator.
 - iii. Coordinate program policy issues.
 - iv. Participate in ongoing program reviews.
 - v. Coordinate and maintain internal controls, including audit type and frequency.
- f. **Accounts Payable Division:**
 - i. Receive approved monthly statements from all cardholders.
 - ii. Receive consolidated statement from the Financial Service provider.
 - iii. Confirm that all charges are authorized by the client Department Directors and that charges do not violate P-card usage.
 - iv. Notify department P-Card representative when approved monthly statements are not received.
 - v. Pay all monthly charges from the consolidated statement.
 - vi. Process accounting data.
 - vii. File and store relevant paperwork.

5. Procedures:

a. Requests for and issuance of P-Cards:

- i. When determining P-card authorizations, Department Heads must consider the associated risk of authorizing purchases within pre-determined limits vs. the administrative cost of other procurement methods (i.e. requisition and PO), while also considering operational efficiency. In addition, Department Heads may consider that the City receives revenue as a rebate from P-card use.
- ii. Each P-Card will include the cardholder's name, the City's name and logo, the City's tax exemption number, and the expiration date.
- iii. The P-Card issuing company/Financial Service provider will not have individual cardholder information other than the Cardholder's work address. No credit records, social security numbers, etc., of the cardholder will be maintained.
- iv. All requests for new P-Cards and for any changes must be made in writing (using the ***P-Card Request Form***) by the client Department Director to the Chief Procurement Officer. Purchasing cards will not be issued to new employees who are in their probationary period of employment unless specifically required by Department Director for employee to perform their job responsibilities. In the latter event, a minimum period of 30-days for card issuance will be applied. The following information must be included in the request for proper coordination with the Financial Service provider:
 - a) Employee name
 - b) City employee identification number
 - c) Department and Division
 - d) Date of Hire
 - e) Provide a justification for the employee to have a P-Card
 - f) Provide additional justification for the need for a P-Card during probation, if applicable
 - g) Types of purchases to be made:
 1. General purchases
 2. Travel
 3. Recreation/Special Events
 4. Technology
 - h) Single transaction dollar limit

- i) 30-day card dollar limit
- j) The cardholder will be required to personally take receipt of the card and sign ***Exhibit B -Purchasing Card Acceptance Agreement***.
- k) The Procurement Department's P-Card administrator or P-Card Coordinator will conduct mandatory training with the cardholder in the proper use of the card and will give the cardholder a copy of the P-Card Administrative Procedures.

b. Lost or Stolen P-Cards:

- i. In the event that a P-Card is lost or stolen and it is discovered during normal business hours, the cardholder must immediately notify the Financial Service provider and the department P-Card representative who will confirm that the Financial Service provider has taken action.
- ii. If a P-Card is lost or stolen outside of normal business hours, the cardholder must immediately notify the Financial Service provider and advise the department P-Card representative at their next earliest opportunity.
- iii. The Procurement Department's P-Card administrator must be notified in all instances.
- iv. The Financial Service provider's phone number (888-449-2273) is provided on the Procurement Department's intranet site.
- v. The cardholder will be responsible for reporting all information necessary to reduce the liability to the City for a lost or stolen card.

c. Termination or Transfer of Cardholder:

- i. When an employee terminates their employment with the City or is transferred to another department, the department P-Card representative must complete the ***Purchasing Card Cancellation Form***, collect the P-Card, cut it in half, and submit the card to their Department Director, who will sign and forward the form and card to the Procurement Department's P-Card administrator.
- ii. If the client department is unable to collect the P-Card when an employee terminates, the department P-Card representative must immediately notify the P-Card administrator via e-mail, who will ensure that the card is cancelled immediately. Additionally, the Purchasing Card Cancellation Form shall be completed and forwarded to the Procurement Department's P-Card administrator.

6. Limitation of Use of P-Cards:

- a. **Cardholder Use Only:** Only the employee whose name is embossed on the card may use the P-Card. No other person is authorized to use the P-Card.

- b. **City Purchases Only:** The cardholder may only use the P-Card for City authorized purchases. The P-Card shall not be used for personal use. Use of the card for personal purchases will require immediate reimbursement, may be considered an unauthorized purchase (see Section F of this manual), and may result in disciplinary action, which includes dismissal and/or criminal prosecution.
- c. **Dollar Limitations:**
 - i. Department Directors shall set limits for each cardholder to include a single transaction limit, and a 30-day card limit. Requests for spending limit changes must be initiated by using the **P-Card Request** form, and be approved by the Department Director, and forwarded to the Chief Procurement Officer for processing.
 - ii. A purchase may be made for multiple items, but the total purchase cannot exceed the cardholder's single transaction or 30-day card limit.
 - iii. Purchases shall not be split to stay within the single transaction limit.
- d. **Budget Limitations:** The cardholder must ensure that budgeted funds are available to cover the amount of any purchases made.
- e. **Other Conditions:**
 - i. The vendor may not charge sales tax. The cardholder shall provide the vendor with a sales tax exemption certificate when requested. The City's tax-exempt number will be printed on the face of each card issued.
 - ii. All items purchased online or by telephone must be delivered by the vendor within the 30-day billing cycle. The order should not be placed without this assurance.
 - iii. The cardholder shall check with the vendor when ordering by phone or check the catalog from which the cardholder is ordering to make sure shipping is included in the price quoted. If the total price including the shipping charges exceeds the cardholder's limit, then the cardholder may not use the P-Card for the purchase (a purchase order should be used to procure the item).
 - iv. All hotel accommodations and/or other travel expenses must be pre-approved. A copy of the approved Travel Authorization must be attached to the invoice when submitted to the Accounts Payable Division for payment.
 - v. Cardholders shall not authorize or approve their own **Purchasing Card Transaction Log/Monthly Report**, or similar form.
- f. **Prohibited Use:** Examples of prohibited uses of P-Cards include, but are not limited to:
 - i. Cash Advances
 - ii. Unauthorized travel and training expenditures

- iii. Gas/fuel (Use either a City issued gas-card or a City fuel facility)
- iv. Personal items
- v. Personal services
- vi. Entertainment
- vii. Alcohol
- viii. Recurring charges (e.g. magazine subscriptions, equipment maintenance, storage units, etc.) unless otherwise approved by CPO, in writing
- ix. Purchase of services that require Risk Management review and insurance coverage, except in the event of emergency as defined in this Manual.

7. Procedure for Making and Paying for Purchases:

a. Telephone or Online Orders:

- i. When placing a telephone or online order, the cardholder must confirm that the vendor will charge the P-Card when shipment is made so that receipt of the supplies may be certified on the monthly statement of account.
- ii. The cardholder shall request the customer's copy of the charge slip be sent with the order or e-mailed directly to them. Packing slips are not sufficient documentation as receipts and will only be permitted in instances where the cardholder documents unsuccessful attempts to obtain a receipt/invoice.
- iii. Charge slips should identify the merchandise purchased. If the merchandise is not sufficiently identified on the charge slip provided by the merchant, the cardholder should describe the merchandise sufficiently enough for the department P-Card representative and Department Director to determine the purchase was for legitimate City purposes.
- iv. The charge slip will be retained by the department P-Card representative until forwarded to the Accounts Payable Division with the monthly statement.

b. Missing Documentation:

- i. If the cardholder does not have documentation of the transaction to send with the statement, a description of the purchase must be attached.
- ii. Continued incidents of missing documentation may result in disciplinary action.

c. Payment and Invoice Procedures:

- i. The Financial Service provider will send either electronic or hard-copy billing statements to the cardholder, and one consolidated statement for all cardholders to the Accounts Payable Division. This statement will list all transactions processed during the previous 30 days.

- ii. The cardholder and/or the department P-Card representative must review the statement and note any errors. Card charge slips/receipts of all items listed on the statement should be attached to the statement. Account numbers must be written on the receipt.
 - iii. If the Department Director is not satisfied that the purchase was necessary and for official use, the cardholder must either return the merchandise and provide a credit voucher proving the item(s) were returned for credit or send a personal check, which must include the appropriate amount for (uncharged) state sales tax, with an explanation including the account number to be credited to the Accounts Payable Division. A copy of the check and explanation must be forwarded to the Chief Procurement Officer. The Accounts Payable Division will ensure that the amount added to the check for state sales tax is remitted to the State of Florida. In the event the Department Director determines that it was an unauthorized purchase, paragraph 8 (Abuse/Violations) of this section of the Manual shall apply. The cardholder may be responsible to reimburse the City for Florida sales tax charged.
 - iv. The Department Director or designee shall review the statement and sign the form. By signing the form, the Department Director or designee is certifying that all charges are appropriate and authorized and that the attached receipts confirm all charges. Once the Department Director or designee has reviewed and signed the form, the statement and supporting documents are to be forwarded to the Accounts Payable Division by the 15th of the following month.
- d. **Disputes:**
- i. If items purchased with the P-Card are defective, the cardholder must return the item(s) to the vendor for replacement or credit.
 - ii. If the vendor refuses to replace or correct the faulty item, or if the item is billed but not received, the purchase will be considered in dispute.
 - iii. Cardholder shall complete the **Customer Statement of Dispute** form then call Bank of America to resolve. A copy of the form shall be sent to the Procurement P-Card Administrator and included with the cardholder's statement of account before the **Purchasing Card Transaction Log/Monthly Report**, or similar form is forwarded to the Accounts Payable Division.

8. **Abuse/Violations:**

- a. Participation in the City's P-Card Program is a convenience that carries responsibilities along with it. Although the card is issued in a cardholder's name, it is City property and must be used with good judgment.
- b. Improper use of the card may be considered misappropriation of City funds which may result in disciplinary action, up to and including termination, and/or criminal prosecution.
- c. Cardholders are expected to comply with internal control procedures to protect City assets. This includes keeping receipts, reconciling monthly statements, and following

proper P-Card security measures.

- d. If a cardholder abuses the program or violates the procedures, the Department Director must notify the Chief Procurement Officer in writing using the ***Purchasing Card Policy Violation Notification*** form.
- e. The Chief Procurement Officer, or designee, will conduct operational and compliance audits to determine if the program is being abused or procedures are being violated. If the Chief Procurement Officer, or designee, finds that abuse or violation has occurred, the Chief Procurement Officer shall immediately notify the cardholder's Department Director.
- f. Misuse of the P-Card may result in disciplinary and/or other appropriate action. Acts of abuse, misuse, and violation, include but are not limited to:
 - i. Purchases more than authorized limits.
 - ii. Purchases without, or more than, budgeted funds.
 - iii. Purchase of unauthorized or prohibited supplies/services.
 - iv. Making multiple transactions to circumvent purchase limits.
 - v. Failure to provide proper documentation, receipts, invoices, monthly statements, etc.
 - vi. Purchase of capital items.
 - vii. Purchase from vendors which creates a conflict of interest.
 - viii. Purchase from vendors who are suspended or disbarred.
 - ix. Purchase of personal items/services.
 - x. Purchases made by someone other than the named cardholder.
 - xi. Failure to report a lost or stolen card in a timely manner.
 - xii. Purchases in violation of **§112.313**, Florida Statutes, where the cardholder is purchasing from a business owned by his or her immediate family member.

9. Disciplinary Action Guidelines:

- a. The Chief Procurement Officers shall notify the City Manager and Department Director of all improper or unauthorized uses of a P-Card.
- b. The Chief Procurement Officer, at the request of the Department Director or City Manager, may suspend or terminate cardholder privileges for improper or unauthorized use.
- c. Improper or unauthorized use of a P-Card will subject the employee to appropriate

disciplinary action as defined in the Human Resources Admin Code 1-31, Section 31.8 (Rule 8).

I. Initiating the Procurement Process

1. The purchase requisition serves to inform the Chief Procurement Officer of the needs of the client department, and to correctly and completely define the item(s) requested.
2. Any exceptions to this process may be approved by the Chief Procurement Officer.
3. **Requisition Preparation:**
 - a. **Lead Time:**
 - i. The purchase requisition must be prepared sufficiently in advance of the need and scheduled on the basis that will allow the Procurement Department time to secure competition, place the order, manufacture, ship and receive the item(s)/services.
 - ii. Failure to do so may create an emergency, cause an undue amount of expediting, cause an increase in shipping costs due to the requirement for overnight delivery, or the material may not be on hand when needed.
 - b. **Responsibility:**
 - i. A purchase requisition is electronically entered in HTE and authorized departmental staff approve the purchase requisition.
 - ii. If the department obtains written, e-mail or telephone quotes (documented in writing), all information concerning the quote should be entered on the quote screen (preferred) or on the non-printing "Comments" screen of the electronic requisition.
 - iii. Additional purchase requisition information to be included are:
 - a) The name of the vendor(s) providing quotes
 - b) Vendor number which includes billing and order address, contact person, phone number, and email address
 - c) Item description(s)
 - d) Quantity and unit of measure of item(s) or service(s)
 - e) Unit price
 - f) Required delivery date
 - g) Contract term (start/end dates), if applicable

- h) FOB Point (Free-on-Board: where ownership of the goods changes from the vendor to the City)
 - i) Shipping costs
 - j) Payment terms
 - k) Accounting codes
 - l) Delivery address
 - m) Contract number, expiration date, and verification of pricing, (if applicable)
 - n) Any special instructions
 - iv. The requisitioning department should state the purpose for which the material or service is to be used (for example, furniture for assistant director's office, name and room number). Such information provides an audit trail and assists in recordkeeping and reporting purposes, as necessary.
 - v. Copies of all documentation must be electronically provided to the Procurement Department.
- c. **Trade-in or Replacements:**
 - i. Purchase requisitions for replacement(s) of autos, trucks, road machinery, etc. must include the fixed asset number (if applicable), make, model, trade-in amount, and a general description of the equipment to be traded or sold.
 - ii. The trade-in of items must be approved by the Chief Procurement Officer prior to the trade. See Surplus Property Disposal, Section BB.
 - iii. A properly completed and executed **Surplus Property Disposal Justification Form** must be forwarded to the surplus property coordinator in the Procurement Department, and to the fixed asset control person in the Finance Department to remove the property from the departmental equipment records.
- d. **Routing of Requisition:**
 - i. All internal department processes must be followed.
 - ii. Input a purchase requisition in the HTE Administrative system and forward it along the approval path. When preparing a purchase requisition, verify that the documentation provided contains all the information listed above. (Note: A handbook on requisition entry procedures can be found on the Intranet, under Procurement Training).
 - iii. If a vendor number is needed, have the Vendor complete a Vendor Worksheet, provide a W-9, and forward to Procurement for entry.
 - iv. Ensure all backup documentation is transmitted electronically to Procurement with the requisition number referenced. Retain a full copy of all backup in the

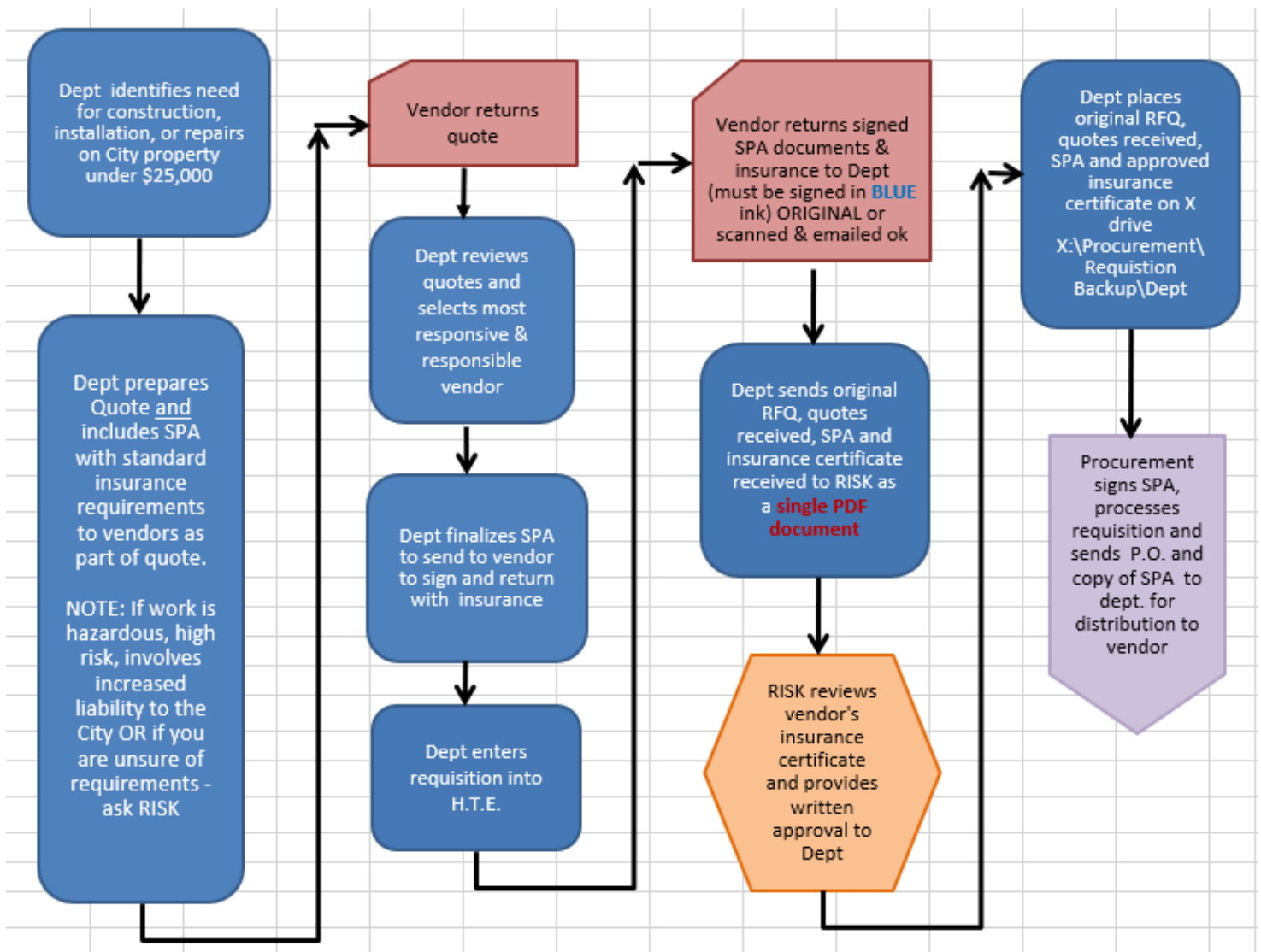
department for their records.

- v. The requestor shall submit the purchase requisition through the approval path that normally includes; the requester, supervisor, manager, director, and the Finance Director or designee, prior to any action by the Procurement Department.
- vi. Purchase requisitions will be returned to the client department if they are not properly prepared, or if there are insufficient funds.
- vii. Specialized purchases, such as IT Equipment, Telephone Equipment, Vehicles, and Capital items (fixed asset, non-consumable with a normal expected life of one year or more and a value of \$5,000 or more) require additional departmental approvals prior to Procurement review.
- viii. The Procurement Department, or others along the approval path may accept, or reject and return with instruction/comments.
- ix. Upon receipt of all required quotes and/or backup justification from the client department or vendor, purchase requisitions will be electronically transmitted to the Procurement Department, who will process, approve, and convert the requisition into a purchase order.

4. Goods and Services from \$0^{.01} to \$25,000^{.00}:

- a. Purchases from **\$0^{.01} to \$5,000^{.00}** require one (1) verbal quote. A written quote is required if a Small Project Agreement (SPA) is required. See below.
- b. Purchases from **\$5,000^{.01} to \$10,000^{.00}** require a minimum of one (1) written quote.
- c. Purchases from **\$10,000^{.01} to \$25,000^{.00}** require a minimum of three (3) written quotes.
 - i. The written quotes are required to be obtained by the client department, electronically sent to the Procurement Department.
 - ii. If three (3) written quotes are not attached, the purchase requisition will be returned to the client department.
 - iii. Verbal quotes are NOT acceptable for purchases \$5,000^{.00} and above.
 - iv. A 'No Bid' is only acceptable if it is in writing by a vendor believed to be able to provide the goods or services, or unless otherwise approved by the Chief Procurement Officer.
- d. **Small Project Agreement (SPA):**
 - i. A SPA is a bi-lateral agreement utilized for small purchase construction, installation, repairs, or other services as determined by the City's Risk Manager, where the vendor signs and agrees to provide insurance as determined by the Risk Manager. Utilized for defined purchases under \$25,000.

- ii. The SPA contains standard insurance limits set by the Risk Management Division. Any exceptions to these limits must be requested and approved by the Risk Manager. The insurance requirements shall be included in the department's quote request.
- iii. Prior to issuance of a purchase order for any work or services on City property, the vendor is required to provide a Certificate of Insurance complying with the limits of insurance required for commercial general liability, auto liability, and workers' compensation.
- iv. It is the client department's responsibility to ensure that all vendors produce Certificates of Insurance prior to the issuance of purchase order.
- v. The insurance certificates shall be forwarded to the Risk Management Division for approval. A copy of the insurance certificate and Risk's approval shall be electronically forward to the Procurement Department as part of the requisition backup.
- vi. Contact the Risk Management Division with any questions on insurance limits and requirements.
- vii. The SPA Process is as follows:



e. **Department-Lead Quote Requests:** Provide the following information to all vendors when soliciting quotes:

- i. Deadline for receiving quotes
- ii. Complete description of item(s)
- iii. Quantity required
- iv. Model or Stock # / or approved equal
- v. Color
- vi. Size and/or weight
- vii. Accessories itemized, if any

- viii. Delivery requirements (after receipt of order) or time for completion requirements
- ix. FOB Destination, prepaid and added (preferred method)
- x. Insurance requirements/limits (if for services)
- xi. Warranty requirements
- xii. Minimum order requirements
- xiii. Additional charges applicable (i.e., handling, inside delivery, permit fees)

f. Ensure that the vendor's written quote includes the following;

- i. Full vendor name
- ii. Mailing address
- iii. Telephone and email address
- iv. Name of person quoting
- v. Complete description of item, including model #, color, size, etc.
- vi. Quantity and unit of measure
- vii. Unit price and extension/total
- viii. Quote number
- ix. Date of quote
- x. Invoice payment terms
- xi. Guarantee and Warranty coverage
- xii. Shipping costs

5. Goods and Services - \$25,000⁰¹ and above:

- a. Input a requisition with a vendor number #5003 ("To Bid") in the HTE administrative system with the estimated dollar amount, in order to obtain all required approvals and to assure that sufficient funds are allocated for the purchase.
- b. Purchase requisitions must be prepared far enough in advance to permit the Procurement Department time to obtain competitive prices, review/evaluate submittals obtained, submit for Council approval if necessary, and to allow sufficient time for delivery of goods and/or services in order to meet the department's requirements.
- c. A formal competitive solicitation will be prepared upon receipt of the approved purchase requisition.

- d. The Procurement Department will review the request to assure adherence to required procedures and policies. The Chief Procurement Officer shall determine the appropriate method of procurement, and solicitation document:
 - i. Procurement-lead quote (estimated \$25,000.01 to \$100,000)
 - ii. Invitation for Bids
 - iii. Request for Proposals
 - iv. Request for Qualifications
 - v. Invitation to Negotiate
- e. The Procurement Department will consult with Risk on all Insurance Requirements prior to solicitation issuance.
- f. **Specifications/Scope of Work:** The initial preparation of specifications and/or scope of work is the responsibility of the client department, who shall provide the Procurement Department with sufficient information for preparing a formal competitive solicitation. Specifications must be definite and permit maximum competition whenever possible. Specifications must provide an adequate description of the product or service required, including any drawings, charts, etc., and may include a range of acceptable sizes, measurements, etc., such as “axle must be between six and eight feet”.
- g. Procurements equal to or greater \$100,000^{.00} require City Council approval prior to issuance of a PO or contract.

6. **Purchase Orders:**

- a. A purchase order is a legal contract with a stated vendor to purchase a specific item(s) or service at a specific amount of money.
- b. Deletions, additions, changes or increases in the amount to be spent on the purchase order must be made via change order, as described herein.
- c. The purchase order authorizes a vendor to deliver the goods or services as specified and obligates the City for that particular purchase.
- d. A purchase order can only be issued by the Procurement Department.
- e. Pre-numbered, computer generated purchase orders are issued upon receipt of an authorized purchase requisition, after approval of any required competitive solicitations, and after Council approval when required.
- f. **Distribution:** Electronic copies of purchase orders are provided to the designed department representative, who then places the order with the vendor. Exceptions are made as determined by the Procurement Department, to include the mailing of the original purchase order with countersigned agreement to vendors for construction projects.
- g. When issued in conjunction with a competitive solicitation, purchase orders shall

reference the Procurement-issued solicitation number, thereby incorporating all terms and conditions, scope of work, and specifications thereof by reference.

- h. Upon receipt of ALL goods or services, the department must complete a Receiving Report in H.T.E. Note any variation in quantity or damage.
- i. Send all partial payments, final payments and Receiving Reports directly to the Accounts Payable Division.

7. **Blanket Purchase Orders**

- a. **General:** BPOs should be used to eliminate many small repetitive orders. Items may be purchased as needed by the client department against the BPO for the term of the BPO, or until the dollar amount is reached. Blanket Purchase Orders (BPO) may be used for:
 - i. The purchase of indeterminable miscellaneous items, materials, supplies, parts, etc., over a specific time (usually one fiscal year) on a demand basis. Line item pricing and quantities are not included.
 - ii. Encumbrance (at time of service receipt) and payment purposes for a contract or Contract for Services that requires monthly or multiple payments.
 - iii. Encumbrance (at time of item receipt) and payment purposes regarding an Invitation for Bids that has been awarded, which require monthly or multiple payments.
 - iv. Encumbrance and payment purposes for utilities.
 - v. On-going non-professional services contracts, such as **repairs**.
- b. A BPO will **not** be issued for items/work that is specific. Example: Quotes should be received for specific work such as "*installation of a new air conditioning system for an on-site storage building.*" When in doubt, call the Procurement Department.
- c. A BPO will **not** be used for any procurement of goods, supplies or services of any type that are funded through a project that has a Project Number assigned.
- d. A BPO for services that requires a SPA shall have a quote with as-needed rates (for example, an hourly rate and a material mark-up) or shall have a written quote requested per job. It is the department's responsibility to ensure quotes and invoices match the rates on file.
- e. The BPO should be issued at the beginning of the service period or fiscal year for the entire amount that is expected to be spent through the current fiscal year, ending **September 30th**. BPOs will not be issued for time periods that extend beyond the fiscal year (exception: when expending Grant funds, the BPO may expire accordingly).
- f. To ensure that total spend against multiple BPOs to the same vendor does not exceed the competitive thresholds, only one BPO may be issued to each supplier for each department annually. The Chief Procurement Officer may permit exceptions to this

rule with justification.

- g. **BPO Request:** A BPO is initiated by submitting a purchase requisition. At a minimum, the BPO description should include:

- i. The verbiage: **“BPO for _____”** (indicate a general description of the goods/services that the supplier sells. *Example:* Misc. Vehicle Repairs, Misc. Office Supplies, Toner Cartridges, Copying and Printing, Recycling of Fluorescent tubes).
- ii. The Expiration Date (contract expiration date or September 30th, whichever is earlier) *(the Procurement Department will automatically include the expiration date).*
- iii. The Maximum Expenditure for the entire fiscal year (this may be increased or decreased via change order, if needed.)
- iv. Reference the Invitation for Bid (IFB) or Contract number that the BPO is issued against, when applicable.
- v. A statement that the BPO can be cancelled with 48 hours’ notice. *(The Procurement Department will automatically include this statement).*
- vi. A statement that no individual item may be in excess of \$5,000⁰⁰. This provision is included to ensure that capital items are not purchased via a BPO. *(The Procurement Department will automatically include this statement, when appropriate.)*

- g. **Procedure:**

- i. **Placing Orders:** After a BPO is issued, the client department shall place orders when needed, via telephone, Email, or in person, directly with the supplier. The department shall be responsible for acknowledging receipt of goods, and thereby, approval of payment.
- ii. **Employee Identification:** Only City employees with proper City identification are permitted to place orders against BPOs, with department supervisor approval. Employees should provide their name to the vendor for vendor’s reference on invoice with each order placed.
- iii. **Monitoring by Procurement:** The Procurement Department may monitor all or selected purchases to ensure adherence to procedures. The Procurement Department may take appropriate action, as deemed necessary, should a client department not adhere to the Procurement Manual.
- iv. **Payment:** Payments are made as items are purchased against the BPO until the dollar amount encumbered for that BPO is reached. Client departments must acknowledge, in a timely manner, the receipt of goods to indicate authority for the Accounts Payable Division to pay invoices. The Accounts Payable Division will process invoices for received materials or services so that any discounts for prompt payment may be obtained. Client departments

should monitor the status of the BPO for discounts taken and freight charges applied.

- v. **Monitoring by Departments:** BPO expenditures shall be monitored very closely by the client department, so as not to exceed BPO limit or budget amounts.
- vi. **BPO's for Term Contracts:** Certain suppliers require the client department to submit an order form to indicate exactly what goods/services are required. A BPO should be issued to these suppliers and must be in place prior to placing any orders.

8. **Contracts:**

- a. When deemed appropriate, the awarded bidder / proposer shall execute a written formal contract signed by the Chief Procurement Officer, City Manager or Mayor. This document is a binding legal written agreement between the City and the Contractor that obligates both parties to certain terms, conditions and responsibilities.
- b. When using a contract, the Procurement Department will use a standardized contract to the greatest extent possible. Contracts normally incorporate the terms and conditions of the solicitation; the proposers' response to the solicitation; the result of any negotiations; any special conditions, exhibits, etc.

9. **Term Contracts:**

- a. A term contract is a type of contract in which a source of supply is established for a specified period for specified services or supplies, but with no commitment to purchase a particular quantity; usually characterized by an estimated or minimum quantity, with the possibility of additional requirements beyond the minimum, all at a predetermined unit price. May be referred to as a time and material contract.
- b. Most often a term contract is a formal contract issued for specified items for an established period (usually in 1-year intervals), customarily because of a competitive solicitation process. The solicitation document includes estimated quantities and shall allow for actual quantities to be either more or less than the stated estimated quantities.
- c. Term contracts are generally for (3) years to five (5) years, including the initial term and any extensions, depending on the goods and services contracted. However, the contract term may be issued for a longer term at the discretion of the Chief Procurement Officer.
- d. Each item on the term contract should have a firm price or percentage discount or a percentage mark-up, which is established from the solicitation process. The items listed on the term contract may be commonly used by several departments or may be specific to one department based on estimated annual usage. When placing orders, the contract number must be referenced, and the order must be for items listed on the contract only, unless the solicitation included a percentage off for "balance of line."
- e. A primary and a secondary supplier, whenever feasible, may be awarded. The

secondary supplier shall be utilized when the client department determines in writing that the primary supplier is unwilling or unable to perform, if the contract is terminated prior to the expiration date, or whenever scheduling or other factors will benefit the City.

- f. Term contracts with an estimated annual value of \$100,000 or more require Council approval to award. However, since the value is an estimate only and may vary over the term and subsequent renewal periods, Council approval is not required to renew the contract and not required if the actual spend exceeds the estimated value as long as budgeted funds are available as determined by the Finance Department.

10. Renewal of Contracts:

- a. To allow for renewal or extension of contracts by the Procurement Department without further Council approval, the Council Agenda Item shall include a statement such as: "Council approval is requested to establish a ____-year term contract, renewable by the Procurement Department for _ () additional ____-year terms."
- b. Should the client department and the supplier wish to renew the contract, the Chief Procurement Officer shall renew the contract for additional periods of time. This may be done via issuance of a written addendum.
- c. In the event additional time is required to prepare and/or award a competitive solicitation, the Chief Procurement Officer shall have the authority to extend an existing contract for the necessary time period.

11. Purchases that Involve Federal Excise Taxes:

- a. There are certain purchases that have Federal Excise Taxes associated with them. These purchases include but are not limited to fuel, ammunition, guns, and some telecommunication purchases. The City is exempt from paying these taxes. Vendors may submit excise tax forms to the Finance Department or to the client departments, to comply with the Department of the Treasury Internal Revenue Service guidelines in Publication 510 Excise Taxes.
- b. Any forms sent to the departments must be forwarded to the Finance Department, who will ensure proper execution. The Procurement Department will scan and forward a copy to the vendor.
- c. Upon receipt of an invoice by the client department, any charges for Federal Excise Taxes must be disapproved for payment.

12. Pre-payments and Partial Payments to Vendors:

- a. Monies may not be paid to vendors before they have provided goods or services to the City.
- b. Partial payments are allowed in some instances; however, a vendor must have provided goods or services commensurate with the amount allocated in the partial payment request.

- c. Deposits may be approved by the Chief Procurement Officer in **limited** circumstances.

J. Change Orders & Amendments

1. Purpose

- a. A change order provides a mechanism and departmental authority to amend the purchase order (PO).
- b. A change order usually is issued to revise the quantity, add shipping, or make approved changes in pricing.
- c. If a written contract supports the purchase, the Department will furnish a written quote from the vendor requesting the change, and Procurement will prepare a contract amendment prior to processing the PO change order in HTE.
- d. If the project is a construction project, the department will prepare a Construction Change Order, approved by the Department Head, which will be forwarded to Procurement for the CPO's countersignature prior to processing the PO change order in HTE.

2. When Required:

- a. Change orders must be processed for all changes that increase the dollar value, add or delete scope elements, or otherwise change the terms of the contract.
- b. Change orders do not need to be processed for decreases in the purchase order amount, unless necessary for the record (i.e. ongoing construction projects).

3. Approval Requirements

- a. Change Orders or Amendments to non-construction, firm fixed price, project specific purchases, contracts, and task orders originally awarded for \$100,000 or more:
 - i. Council Approval is required for Change Orders or Amendments which exceed 10% of the original contract value, or \$100,000, whichever is lower.
 - ii. Chief Procurement Officer can approve all Change Orders or Amendments below that value.
- b. Change Orders or Amendments to construction contracts originally awarded for \$100,000 or more:
 - i. Council Approval is required for Change Orders or Amendments which exceed 10% of the original contract value, or \$100,000, whichever is lower.
 - ii. Chief Procurement Officer can approve all Change Orders or Amendments below that value.

- c. Any Change Order or Amendment to a contract that was **not** originally awarded by City Council, but which causes the total contract value to exceed \$100,000 must be approved by City Council.
- d. Change Orders or Amendments to term contracts of any value, whether initially approved by Council or not, can be approved by the Chief Procurement Officer.
- e. Change Orders or Amendments to any contract awarded by the City Manager or Chief Procurement Officer for less than \$100,000, including competitive solicitation, sole source contracts or emergency contracts, can be approved by the Chief Procurement Officer.
- f. Departments may request a contingency budget allowance with Council award of their item, thereby increasing the amount of the budget to permit the change order process to proceed as described herein.
- g. Departments may request waiver of Council approval for change orders over 10% of the project or over \$100,000 from Council at contract award. It is the department's responsibility to justify the necessity for waiving Council approval (example: expediency of project completion, or because \$100,000 would be incremental to overall project value).

4. **HTE Procedures**

- a. Identify the purchase order (PO) that needs to be changed. NOTE: Change orders can only be issued in the HTE administrative system to PO's that are currently open and active.
- b. Follow the directions for Purchase Requisition Entry. Identify the purchase requisition request as a "Change Order" to the existing PO and include the PO number.
- c. The change order will be processed and printed on a standard purchase order form, and shall indicate the change order number, and specific changes that are authorized.

K. Formal Competitive Solicitations

1. **Methods of Procurement:**

- a. The Chief Procurement Officer shall determine the appropriate method of procurement for each project or request from a client department pursuant to Procurement Ordinance Chapter 38.
- b. The methods of formal competitive procurement used by the City include:
 - i. Competitive Sealed Bidding Process via Invitation for Bids (IFB)
 - ii. Competitive Sealed Proposals Process via Request for Proposals (RFP)
 - iii. Request for Qualifications (RFQ)

- iv. Competitive Negotiations Process via Invitation to Negotiate (ITN)
- c. The City may conduct a pre-qualification process in which the responsibility of potential vendors/contractors is evaluated and may then limit acceptance of bids or proposals to those vendors/contractors deemed qualified in such process.
- d. The Procurement Department may also conduct a multi-step competitive solicitation by combining elements of both competitive sealed bids and sealed proposals.
- e. The Chief Procurement Officer may issue a competitive solicitation or negotiate for used equipment when deemed to be in the best interest of the City. The mandatory Council approval amounts shall remain applicable to such procurements.

2. Specifications and Scope of Work:

- a. The preparation of specifications and/or Scope of Work is the responsibility of the client department, or their consultant(s), with review and input by the Procurement Department.
- b. The Procurement Department reserves the right to challenge specifications to allow open competition.
- c. Specifications shall permit open and unrestricted competition except on non-competitive materials or services (standardization, sole source, etc.).
- d. Specifications should define the level of performance required rather than a specific brand name, whenever possible. For the benefit of suppliers and the department, specifications must clearly and concisely define the client department's needs.
- e. Descriptions of the items or services required need to be written as to avoid confusion and the possibility of items or services not meeting requirements or expectations.
- f. Client departments are encouraged to use the following guidelines when preparing specifications:
 - i. Written in an "active voice." Ex: The axle shall be steel.
 - ii. Should be clear, definite and concise to provide sufficient detail to provide prospective bidders enough information to prepare bids.
 - iii. Whereas specifications should not normally be restricted to a specific brand, a brand name and model number or equal may be referenced to reflect the quality expectations and convey a general style, type, or quality thereof.
 - iv. Allow for a range of acceptable sizes/measurements.

3. **Prior to issuing a Formal IFB or RFP:** The Chief Procurement may direct staff to determine if there is a State Contract, Cooperative Control, or any IFB/RFPs available for piggybacking, and determine if it is in the City's best interest to utilize them.

4. **Public Notice:** Public notice of the solicitation shall be published on the Procurement

Department's website for a reasonable period prior to solicitation opening.

- a. An official notice of the formal solicitation opportunity shall be sent electronically to all suppliers who have registered for the commodity code(s) that is assigned to the solicitation. Supplemental suppliers can be added to the distribution list.
- b. For construction projects – advertisements will be completed in accordance with **§255.0525**, Florida Statutes. The public notice shall include:
 - i. Solicitation Number;
 - ii. Solicitation Title;
 - iii. Description of the goods/services being procured;
 - iv. Contact Person;
 - v. The due date, time, and location for delivery;
 - vi. Pre-Bid or Pre-Proposal Conference information;
 - vii. Location of the public opening, if applicable (i.e. projects in accordance with 255.0525);
 - viii. A statement notifying bidders/proposers that they may not have contact with any City staff other than the named contact person regarding the Solicitation;
 - ix. Bid security required, if any;
 - x. Any other information as deemed appropriate.
5. **Pre-Bid or Pre-Proposal Conference:** A pre-bid or pre-proposal conference shall be held when determined to be in the City's best interest in order to clarify the City's needs, explain the solicitation process, ensure the bidders/proposers understand what to include with their submission, and answer questions. In attendance shall be:
 - a. The Chief Procurement Officer, or designee (usually the Procurement Agent assigned), who will chair the meeting;
 - b. Technical Expert: a representative of the client department, who is thoroughly knowledgeable on the specifications and/or scope of work, who shall be prepared to answer technical questions;
 - c. Staff with special expertise (example: Information Technology Department staff member when purchasing computer equipment);
 - d. Any other staff members as deemed appropriate by the Chief Procurement Officer
6. **Addenda** shall be issued by the Procurement Department as needed. Written approval by the client department is required unless the Addenda does not include any material changes (example: extension of the due date). The addenda will be distributed electronically via the

same method used to post the solicitation.

7. **Solicitation Submission:** Submittals must be received no later than the time and date and at the location specified in the solicitation document. Submittals shall NOT be accepted after such time and date or at any other location than specified. It shall be the bidders' or proposers' sole responsibility to ensure that their bid reaches the specified place for receipt of bids at or before the due date/time.
8. **Withdrawal of Bids, Proposals or Qualification Submittals:** Bidders shall be allowed to withdraw their bids at any time prior to bid opening, provided sufficient identification is provided.
9. **Rejection of Bids, Proposals or Qualification Submittals:** The Chief Procurement Officer may accept or reject any portions of submittals or all submittals.
10. **Non Construction or Repairs Solicitation Opening:** In accordance with Florida State Statute section 119.07(1) and 24(a) Article I of the State constitution, sealed bids, proposals or replies received by an agency pursuant to a competitive solicitation are exempt from Public Record until such time as the agency provides a notice of an intended decision or until 30-days after opening the bids, proposals, or final replies, whichever is earlier. As such, the Chief Procurement Officer will determine whether a public opening shall occur. If a public opening occurs, it will occur at the time and place specified in the solicitation. Only the name of each bidder or proposer shall be announced.
11. **Construction or Repairs Solicitation Opening:** In accordance with Florida State Statute 255.0518, when opening sealed bids or the portion of any sealed bids that include the prices submitted that are received pursuant to a competitive solicitation for construction or repairs on a public building or public work, open the sealed bids at a public meeting conducted in compliance with s. 286.011. The public opening will occur at the time and place specified in the solicitation. The total amount of each bid and the name of the bidder shall be announced in the public meeting. Line item pricing will not be read aloud.
12. **Solicitation Cancellation or Postponement:** Prior to execution of a purchase order or contract, the Chief Procurement Officer may elect to cancel the solicitation, cancel and resolicit, or postpone the date or time of submission or opening.
13. **Corrections, Additions, and Withdrawal of Submittals:** The following shall govern the correction of information submitted in a bid when that information is a factor to the responsiveness of the bid:
 - a. The Chief Procurement Officer may waive informalities or irregularities.
 - b. Errors in the extension of unit prices stated in a bid or proposal, obvious errors submitted in a bid or proposal, or error in multiplication, division, addition, or subtraction in a bid or proposal may be corrected by the Chief Procurement Officer prior to award. In such cases, the unit prices shall not be changed. When bidders quote in words and in figures on items on the bid form, and the words and figures do not agree, the words shall govern, and the figures shall be disregarded. Errors must be readily apparent on the face of the bid form.
 - c. Nothing herein is intended to prohibit the acceptance of a voluntary reduction in price

from a low bidder after bid opening, and prior to award or commencement of work, provided such reduction is not conditioned on, or does not result in, the modification or deletion of any specifications or conditions contained in the Invitation for Bids.

- d. A bidder who alleges a judgmental error of fact shall not be permitted to withdraw his/her bid after bid opening. If such bidder unilaterally withdraws his/her bid without permission after bid opening, the Chief Procurement Officer may suspend the vendor for up to two years, dating from the date of unilateral withdrawal, and retain any bid security submitted with the bid.
 - e. A bidder who alleges a non-judgmental error of fact may be permitted to withdraw his/her bid only when it is determined by the Chief Procurement Officer that there is reasonable proof that such a mistake was made and, if the bid is the low bid, that the intended bid cannot be determined with reasonable certainty. If a bidder unilaterally withdraws his/her bid without permission after bid opening, the Chief Procurement Officer may suspend the vendor for up to two years, dating from the date of the unilateral withdrawal, and retain any bid security submitted with the bid.
14. **Responsiveness:** Responsive refers to a person or firm who has submitted a bid, proposal, offer, quote, or response which conforms in all material respects to the competitive solicitation documents and all of its requirements at the time of opening the responses. Determination of whether an omission, error or failure to conform is material is at the sole discretion of the City.
- a. A bid shall be considered responsive only if it conforms to the requirements of the solicitation document concerning pricing, surety, insurance, specifications of the goods or services requested, and any other matter unequivocally stated in the solicitation as a determinant of responsiveness.
 - b. A lack of conformity on certain matters which are non-substantive in nature may be considered a technicality or irregularity and may be waived by the Chief Procurement Officer.
 - c. The Procurement Department shall determine the responsiveness of the bidders. Factors include:
 - i. The number and scope of non-conforming conditions attached to the submittal.
 - ii. Completed and included all forms as required by the solicitation.
 - iii. Supplied all necessary information, certificates of insurance, and bonds with their submittal.
 - iv. An authorized representative has signed all forms.
15. **Responsibility:** Responsible refers to a contractor, business entity or individual who is fully capable to meet all the requirements of the solicitation and subsequent contract. Must possess the full capability, including financial and technical, to perform as contractually required. Must be able to fully document the ability to provide good faith performance.
- a. Should a client department have concerns about whether an intended awardee bidder

or proposer can perform the needed service or provide the necessary materials when and as needed, notify the Procurement Department, who will schedule a meeting with the bidder or proposer, the department's representative, and the Chief Procurement Officer (or designee) to discuss the City's concerns and the bidder's/proposer's plan for performance.

- b. Should a solicitation require specific information regarding responsibility of bidders/proposers (such as evidence of licensure) and said documentation is not furnished or otherwise verifiable, said bidder may be declared non-responsible, and their bid shall be rejected.
- c. **Determination of responsibility of a bidder:**
 - i. The Chief Procurement Officer may determine that the information submitted concerning the responsibility of the bidder/proposer is so administratively inadequate as to warrant a rejection of the submittal based on a lack of demonstrated responsibility.
 - ii. The Chief Procurement Officer may, after solicitation opening, request additional information from the bidder/proposer concerning his/her responsibility to perform; and the bidder/proposer may voluntarily, after opening, provide additional or corrective information concerning his/her responsibility. The Chief Procurement Officer shall consider this, and all other information gained prior to the time of award or rejection in making his/her determinations and recommendations concerning bid/proposal acceptance and award.
 - iii. Bidders/proposers must provide information as may be requested by the Chief Procurement Officer concerning the responsibility of such bidder/proposer by the date specified. If such bidder fails to supply the requested information by the date specified, the City shall base the determination of responsibility upon any available information or may find the prospective bidder/proposer non-responsible.
- d. Factors to be considered in determining if the standard of responsibility has been met include whether, in the City's determination, a prospective vendor/contractor has:
 - i. The ability, capacity and skill of the firm to perform the contract or provide the service required;
 - ii. Whether the firm can perform the contract or provide the services promptly, or within the time specified, without delay or interference;
 - iii. The character, integrity, reputation, judgment, experience, and efficiency of the firm;
 - iv. The quality of performance of previous contract or services;
 - v. The previous and existing compliance by the firm with laws and ordinances relating to the contract or services;

- vi. The sufficiency of the financial resources and ability of the firm to perform the contract or provide the service;
- vii. The quality, availability and adaptability of the supplies or contractual services to the particular use required;
- viii. The ability of the firm to provide future maintenance and service;
- ix. Other pertinent factors as determined by the Chief Procurement Officer.

16. Amendment/Changes after Award:

- a. The Chief Procurement Officer may authorize changes/amendments for capital improvements, construction, and goods and/or services within the overall scope of the project/procurement as defined in Section J.
- b. If the amendment/change order exceeds the maximum amount permitted, the City Council must approve the amount of the amendment/change order.
- c. If the change is outside the scope of the original project or procurement as determined by the Chief Procurement Officer and is:
 - i. \$100,000.00 or more: A new IFB must be issued;
 - ii. between \$10,000.01 and \$100,000.00: Competitive quotes shall be requested;
 - iii. less than \$10,000.00: The procurement shall be handled as a separate small purchase and may be awarded to the current contractor.
 - iv. **Exception:** If formal bidding or quoting would cause a significant delay or other adverse impact on the project, a new contract with the existing contractor may be negotiated, provided said contractor is qualified and available to perform on the new project, or is capable of securing the services of a qualified subcontractor.
- d. Extensions of time frames for completion of contracts may be authorized by the Chief Procurement Officer.

17. Vendor and Contractor Performance:

- a. The integrity, reliability and qualifications of a bidder or offeror, with regard to the capacity in all respects to perform fully the contract requirements, shall be determined by the agency prior to the award of the contract and shall be monitored by the Department throughout the contract term.
- b. The Chief Procurement Officer is authorized to remove any vendor from the vendor list maintained pursuant to Code of Ordinance Chapter 38 for failing to fulfill any of its duties specified in a contract with the City.
- c. **Default** – if a vendor is in default on any contract with the City, the agency shall follow the procedures contained herein:

- i. The City shall notify, in writing, any vendor who fails to adhere to contract terms and conditions. This notice shall state the nature of the failure to perform and provide a time certain for correcting the failure (such reasonable time is generally not less than 10 days after receipt of such notice, unless determined by the Chief Procurement to be shorter in the City's best interests). The notice will also provide that, should it fail to perform within the time provided, the vendor will be found in default and the agreement will be terminated.
- ii. Unless the vendor corrects its failure to perform within the time provided, or unless the City determines on its own investigation that the vendor's failure is legally excusable, the City shall find the vendor in default and shall issue a second notice stating (i) the reasons the vendor is considered in default and (ii) that the City will reprocur or has reprocured the commodities or service.
- iii. If suspension or debarment is determined appropriate by the Chief Procurement Officer, the defaulting vendor will be notified. Pursuant to Procurement Code of Ordinances, the suspended or debarred vendor will be advised of their right to initiate written protest proceedings within five (5) business days after the date of notification.
- iv. Reprocurement of substitute commodities or contractual services may be accomplished by first attempting to contract with the next eligible awardee under the original solicitation, when applicable. If the City fails to contract with the next eligible awardee, it may continue in this manner sequentially through all eligible awardees until a vendor willing to perform at acceptable pricing under the solicitation's terms and conditions is found. Alternatively, the City may elect to disregard previous solicitations, if any, and reprocur the commodity or contractual services pursuant to all applicable requirements of the Procurement Code of Ordinance.
- v. Until such time the City is satisfied that further instances of default will not occur, the defaulting vendor may not be eligible for award of a contract by the City. To satisfy the City that further instance will not occur; the defaulting vendor shall provide a written corrective action plan addressing the original grounds for default.
- vi. The forgoing provisions do not limit, waive or exclude the City's remedies against the defaulting contractor at law or in equity.

18. Project Completion:

- a. Upon completion and close-out of each project/contract, the project manager or client department contract administrator shall prepare a Vendor Performance Evaluation form to document their level of service and indicate whether they are recommended for future awards.
- b. A copy shall be provided to the Procurement Department for inclusion in the solicitation and vendor files.

L. Competitive Sealed Bid Process

1. **Invitation for Bids:** The Invitation for Bids (IFB) process shall be the preferred method of procurement and shall be awarded to the lowest responsive and responsible bidder. The Invitation for Bids (IFB) shall include the specifications and all contractual terms and conditions applicable to the procurement.
2. **Bid Process:**
 - a. Contact the Procurement Department early in the process for:
 - i. IFB preparation suggestions;
 - ii. providing sample copies of previously completed or similar IFB's for consideration;
 - iii. reviewing the scope of work;
 - iv. establishing dates and timeframes;
 - v. other assistance.
 - b. The client department prepares and submits the scope of work or specifications and general requirements to the Procurement Department.
 - c. The complete IFB document is prepared, which includes the General Conditions, Special Conditions, Scope of Services/Technical Specifications, minimum qualifications, and pricing form.
 - d. **Phases:** The IFB process may include any or all of the following phases:
 - i. Public Notice
 - ii. Pre-Bid Conference
 - iii. Addenda
 - iv. Submission/Receipt of Sealed Bids
 - v. Opening
 - vi. Review for responsiveness (Procurement)
 - vii. Tabulation
 - viii. Review for responsibility (Department)
 - ix. Reference checks
 - x. Site Visits (example: facility and equipment capability, reference customer sites)

- xi. Additional qualifications review
- xii. Recommendation of Award
- xiii. Award

3. **Bid Evaluation:**

- a. The Procurement Department shall provide the bid tabulation and full copies of the bids to the client department for review, and a written recommendation of award.
- b. The Procurement staff assigned to the IFB shall review each bid thoroughly and determine whether the client department's recommendation is accurate. If not, a meeting with the client department's representative shall be held.

4. **Bid Award:**

- a. **Award of \$100,000.00 and Over:** The Chief Procurement Officer shall prepare a recommendation of award for the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the IFB, and shall ensure it is placed on the City Council Agenda for approval of award.
- b. In the event only one bid is received, the City may award to the sole bidder, rebid, or negotiate with the sole bidder if the price is deemed to be unreasonably high.
- c. The City reserves the right to accept or reject any and all bids and/or to make award to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the IFB document and whose award will, in the opinion of the City, be in the best interest of and most advantageous to the City.
- d. When bids are awarded to other than the lowest responsive, responsible bidder, a statement of the reason(s) will be documented for the approval by the Chief Procurement Officer and the client Department Director and made a part of the IFB file.
- e. When no acceptable bids are received, the City may:
 - i. Revise the specifications and re-bid, or
 - ii. Purchase the goods/services on the open market at the best price and terms available, if approved by the Chief Procurement Officer.

5. **Tie Bids:** If two (2) or more bids received are for the exact same total amount or unit price, quality and service being equal, the IFB shall be awarded in the following order:

- a. **Drug-Free Workplace:** A bidder that verifies that it has a bona-fide drug-free work workplace in accordance with **§287.087**, Florida Statutes. Said bidder must have included a Drug-Free Workplace form with their bid.
- b. Tie bids for printing shall be awarded in accordance with **§283.35**, Florida Statutes.

- c. Local Vendor: By selecting the local bidder over a non-local bidder; for purposes of this section, a local bidder shall be defined by the following:
 - i. First, whether the bidder has a principle place of business within Palm Bay, Florida.
 - ii. Second, whether the bidder has a principle place of business within Brevard County, Florida.
- d. If both/all bidders involved in the tie are the same class of local bidders, the award shall be determined by the Chief Procurement Officer or designee (usually the Procurement Agent) with at least one witness drawing lots.

M. Competitive Sealed Proposal Process

1. Determination of Method of Procurement:

- a. When it is determined by the Chief Procurement Officer that the use of competitive sealed bidding is neither practical, nor advantageous to the City due to the technical or specialized nature of the goods and/or services sought, or **best value** procurement will result in selection of the best qualified proposer at a reasonable price, the City may utilize the competitive sealed proposal process.
- b. A **Request for Proposals (RFP)** is the solicitation document that is used when there are evaluation criteria in addition to price that are required to make an award.
- c. An RFP may be used for various nonprofessional, professional, auditing, technical, and consultant services which are not subject to the Consultants' Competitive Negotiation Act (CCNA), **§287.055**, Florida Statutes. RFPs may also be used for technical or major equipment purchases and may or may not include pricing as a criterion.

2. RFP Process

- a. Contact the Procurement Department early in the process for:
 - i. RFP preparation suggestions;
 - ii. providing sample copies of previously completed or similar RFP's for consideration;
 - iii. reviewing the scope of work;
 - iv. establishing dates and timeframes;
 - v. other assistance.
- b. The client department prepares and submits the scope of work or specifications, evaluation criteria, and general requirements to the Procurement Department.

- c. The complete RFP document is prepared, which includes the General Conditions, Special Conditions, RFP Schedule, Scope of Services/Technical Specifications, proposers' submittal instructions, requirements of the proposals, and the evaluation & award criteria (weights are assigned to each evaluation criteria by its relative importance, with the total weight equaling 100 points).
- d. **Phases:** The RFP process may include any or all of the following phases:
 - i. Public Notice (NOTE: The RFP document is generally released to the vendor community with proposals due back normally between 3-5 weeks from the release date but must be noticed at least fourteen (14) calendar days prior to the opening)
 - ii. Pre-Proposal Conference
 - iii. Addenda
 - iv. Submission/Receipt of Sealed Proposals
 - v. Opening
 - vi. Review for responsiveness (Procurement)
 - vii. Evaluation Team initial review
 - viii. Written additional questions and answers
 - ix. Individual presentations and discussions
 - x. Demonstrations (example: technology products or services)
 - xi. Reference checks
 - xii. Site Visits (example: facility and equipment capability, reference customer sites)
 - xiii. Additional qualifications review
 - xiv. Recommendation of Award
 - xv. Award

3. **Evaluation Factors**

- a. Evaluation factors may include, but may not be limited to any or all of the following criteria:
 - i. Qualifications, experience and ability of the proposed primary firm
 - ii. Qualifications, experience and ability of subcontractors
 - iii. Qualifications, experience and ability of the project manager

- iv. Qualifications, experience and ability of the project team
 - v. Technological expertise
 - vi. Proposer's method of approach and operational plan
 - vii. Facilities, equipment and capabilities
 - viii. Quality of their product compared to others in the marketplace
 - ix. Implementation procedures
 - x. Past performance of the primary firm
 - xi. Similar projects completed satisfactorily
 - xii. Proposed timeline for completion of the work
 - xiii. Willingness and ability to meet time and budget requirements
 - xiv. Knowledge of the local area, or how the location of the firm impacts the firm's ability to deliver services to the City
 - xv. Price
 - xvi. Any other pertinent factors for evaluation
- b. The RFP shall state the weight of each criteria, including price, if price is included as a criteria.
- c. Scoring Definitions for non-price factors:
- 0** = No information provided for the specific criteria. Proposer failed to address the criteria. No documentation was provided.
 - 1** = **"Poor"**: Proposal is lacking or inadequate in most basic requirements for the specific criteria.
 - 2** = **"Below Average"**: Proposal meets many of the basic requirements for the specific criteria but is lacking in some essential aspects.
 - 3** = **"Average"**: Proposal adequately meets the minimum requirements of the specific criteria and is generally capable of meeting the City's needs.
 - 4** = **"Above Average"**: Proposal more than adequately meets the minimum requirements of the specific criteria and exceeds those requirements in some aspects.
 - 5** = **"Excellent"**: Proposal exceeds the minimum requirements in most aspects of the specific criteria.

4. Evaluation Team Responsibilities:

- a. An Evaluation Team (E-Team) shall be assembled by the Chief Procurement Officer prior to the advertisement of the RFP to evaluate and score each proposal and determine a short-list of qualified firms, if applicable, and recommend award.
- b. The Chief Procurement Officer, or designee, will serve as the non-voting chairperson.
- c. E-Team members must attend a training session instructed by a member of the Procurement staff to ensure they understand the selection process and their duties.
- d. Procurement staff shall provide each member of the E-Team a complete copy of each proposal, a copy of the RFP document including all addenda, instructions, and score sheets.
- e. After receipt of the proposals, each member of the E-Team must complete an E-Team **Conflict of Interest Statement**. Should a member acknowledge that he/she has any actual, potential or perceived conflict of interest from either the proposing vendors or for the subcontractors and subconsultants proposed by each vendor, which can be found in each submittal, he/she may be removed from the E-Team. A replacement will be made by the Chief Procurement Officer.
- f. Procurement staff will arrange for a date, time and place for the E-Team's first meeting.
- g. The E-Team is generally comprised of a minimum of three (3) and a maximum of five (5) voting members.
- h. There may be occasions where a client department requests that various members from their department participate in the evaluation. These staff members can add valuable insight to the selection as a resource (such as reviewing the draft RFP document and suggesting vendors for the Proposers List). They can participate in an advisory capacity as non-voting members of the E-Team.
- i. To the greatest extent possible, a supervisor and an employee under that supervisor will not serve on the same team as voting members.
- j. The E-Team is most often comprised of City staff, but other knowledgeable people may be selected. There are certain occasions and circumstances that some of the E-Team will be comprised of members that are not a City staff as determined by the Chief Procurement Officer (example: from another entity or a citizen that is knowledgeable in the field, a professor who specializes in the subject, or a retired expert who was formerly employed in the same specialty). A primary objective in selecting the E-Team is to select members who are knowledgeable in the subject matter of the solicitation. Other criteria may be selecting individuals that have a vested interest in the contract, or someone that will be affected by the outcome of the selection, or City staff experienced in serving on E-Teams and evaluation proposals. Members must be able to render an objective recommendation as to which proposal is most advantageous to the City. For example, an E-Team may be two members from the client department and one qualified member from another department that is knowledgeable in the field or experienced with E-Teams.
- k. Each voting member of the E-Team must review and score the proposals

independently, before the first meeting. The preliminary scoring matrix must be filled out prior to the first E-Team meeting. The E-Team shall review and evaluate proposals received solely in accordance with the criteria set forth in the RFP document.

- l. All meetings of the E-Team and all correspondence concerning the evaluation are considered to be conducted in the 'sunshine,' and subject to **§119** and **§286**, Florida Statutes. Therefore, no discussion or correspondence may take place between E-Team members or with any potential proposer, without the reasonable public posting and notification of the meeting. Direct discussion between E-Team members and proposers is NOT permitted unless during a scheduled, exempt oral presentation, discussion, or Q&A session. Any questions or requests for clarification must be addressed to the Chairman of the E-Team, who may contact a proposer, as appropriate.
- m. The E-Team then meets to discuss the proposals and attempt to obtain consensus on the scoring for each criteria in each proposal.
- n. As may be provided in the RFP document, discussions may be conducted by the E-Team, with short-listed proposers for the purpose of clarification, and to assure full understanding of, and conformance to, the solicitation requirements, and to clarify their proposal and qualifications.

5. **Evaluation of Proposals:**

- a. Proposals may be evaluated only by using the weighted criteria listed in the RFP document. No other criteria may be used.
- b. The criteria of "Previous Work for the City": Should the City have on-hand **Vendor Performance Evaluation** forms for any of the proposers, they may be utilized in the evaluation of this criteria.
- c. The initial evaluation must be based solely upon the proposal submitted; no other or additional information may be used.
- d. Scoring and rating details will be identified and included in the RFP for each evaluation criteria, so that proposers know how heavily each criteria is weighed.
- e. When price is one of the evaluation criteria in the RFP document, the Procurement staff will provide the scores for price to the E-Team based on a standard mathematical formula. Subjective based cost-scoring may be used if disclosed as such in the RFP.
- f. The E-Team should begin with a general discussion of their task, and a review of the proposals received.
- g. It is important to enter comments on the scoring sheets, particularly when giving a high or low score, to support the rationale for the score if it is required at a later date.
- h. The E-Team Chairman may request and tabulate written references and make a report to the E-Team or assign an E-Team member to do so. Reference checks are typically completed on the short-listed firms only, however, can be expanded to other firms at the request of the E-Team.

- i. The **competitive range** is defined as:
 - i. the group of the most highly rated submittals (usually with an average score of 4 or more) considered to have a reasonable chance of being selected for award and who are therefore chosen for additional discussions/oral presentations;
 - ii. the group of the most highly rated submittals equal to or less than the stipulated maximum number to be short-listed in the RFP document.
- j. After discussion, members will review their scoring matrixes and the Procurement staff person shall complete a tabulation. Based on these scores, the proposals shall then be ranked. From this ranking, the finalists, normally the top two to four may be chosen for oral presentations, depending on the competitive range of proposals.
- k. Evaluations may also be done by consensus scoring.
- l. The E-Team may decide to have site visits, or on-site demonstrations as needed. After all site visits and on-site demonstrations, scoring and ranking shall be completed to determine the top ranked proposer.
- m. Final E-Team documentation will be completed by the Chairman and provided to the Chief Procurement Officer for review. The Chief Procurement Officer reserves the right to request additional analysis/review by the E-Team if he/she deems additional evaluation is warranted.
- n. All records of the E-Team meetings, including recordings, notes, score sheets, and matrixes become public records in accordance with **§119**, Florida Statutes. It is the responsibility of the E-Team chair to make sure that all records are placed in the RFP file. All records are available for review by any or all proposers or interested parties in accordance with **§119**, Florida Statutes.
- o. **Best and final offers (BAFO)**: The City reserves the right to request one or more BAFO(s) from one or more short-listed firm(s).

6. **Award of Proposals:**

- a. The Chief Procurement Officer will forward the E-Team results to the Department Director primarily responsible for the project.
- b. A recommendation for award shall be prepared by the Department Director and sent to the Chief Procurement Officer for review and consent.
- c. The Chief Procurement Official shall ensure that the recommendation for award is placed on the City Council's agenda, if required.
- d. When price is not one of the evaluation criteria, the ranking may be sent to the City Council for permission to negotiate and award negotiated agreement, as appropriate.
- e. Notice of the intent to award shall be posted on the Procurement Department's solicitation posting service.

- f. In the event only one proposal is received, the City may award to the sole proposer, re-solicit, or negotiate with the sole proposer if the price is deemed to be unreasonably high.
- g. The City reserves the right to accept or reject any and all proposals and/or to make award to the proposer whose proposal meets the requirements and criteria set forth in the RFP document and whose award will, in the opinion of the City, be in the best interest of and most advantageous to the City.
- h. When no acceptable proposals are received, the City may:
 - i. Revise the specifications and re-solicit, or
 - ii. Purchase the goods/services on the open market at the best price and terms available, if approved by the Chief Procurement Officer.

7. Tie Proposals or Qualification Submittals:

- a. When evaluation of Proposals results in identical ranking with regards to the responses from two (2) or more Proposers, the City shall determine the order of ranking using the method outlined below:
- b. First, the Procurement Department facilitator will attempt to obtain consensus scoring from the Evaluation Team. If that cannot be achieved, the process is as follows:
 - i. The individual raw scores of each Evaluation Team member will be totaled, one criterion at a time, beginning with the highest weighted criterion.
 - ii. The Proposer with the higher/highest total raw score for the highest weighted criterion will be ranked ahead of the remaining tied Proposers.
 - iii. If the total raw scores for the highest weighted criterion results in a tie, then the criterion for the next highest weighted criterion's raw scores will be added, continuing with the remaining criterion in order of descending weights, until the tie is broken.

N. Request for Qualifications

- 1. **Solicitation Document:** A Request for Qualifications (RFQ) shall be used as the solicitation document.
- 2. **General:**
 - a. The RFQ process shall be used when determined to be the best method of procurement by the Chief Procurement Officer, and shall also be used when required by **§287.055**, Florida Statutes, the Consultants' Competitive Negotiation Act (CCNA).
 - b. The RFQ process for the acquisition of professional architectural, engineering, landscape architectural, surveying and mapping services shall be in accordance with **§287.055**, Florida Statutes, the Consultants' Competitive Negotiation Act (CCNA).

- c. In the event that a project is federally funded through the State of Florida Department of Transportation Local Agency Program (LAP), the requirements of the State of Florida Department of Transportation Local Agency Program (LAP) Critical Requirements Checklist for Professional Services Certification shall be incorporated into this Procedure.
- d. This type of solicitation is qualification based similar to the Request for Proposal (RFP) process previously delineated in this manual, except for specific differences described herein.

3. **Procedures:**

- a. The City must publicly announce, in a uniform and consistent manner, each occasion when professional services must be procured for a project the basic construction costs of which is estimated by the City to exceed the threshold amount provided in **§287.017**, Florida Statutes, for CATEGORY FIVE (currently \$325,000^{.00}) or for a planning, design, or study activity when the fee for professional services exceeds the threshold of **§287.017**, Florida Statutes, for CATEGORY TWO (currently \$35,000^{.00}), except in cases of valid public emergencies certified by the City Manager).
- b. Priced proposals may **not** be requested, accepted or considered as part of the initial solicitation and may only be negotiated with the highest ranked firm in accordance with subsection **§287.055(4)(b)** and **§287.055(5)**, Florida Statutes.
- c. When the City and that firm are unable to negotiate a satisfactory contract at a price that the City determines to be fair, competitive and reasonable, negotiations with that firm must be formally terminated. Negotiations with the next highest qualified firm, in turn, shall then commence until a satisfactory agreement is reached.
- d. The highest ranked proposer or proposers (when allowable by the RFQ documents), as determined by the E-Team, shall be recommended to the CPO for approval to commence contract negotiations and award the negotiated contract. If the contract value is equal to or exceeds \$100,000, the recommendation to commence contract negotiations and award the negotiated contract shall be submitted to the City Council for approval. The Chief Procurement Officer shall then execute the contract document.

4. **Continuing Contracts:**

- a. The City may also solicit and award for continuing contracts for professional services in accordance with **§287.055**.
- b. **Master Contract:** Upon award of a continuing contract(s), a Master Contract shall be executed with each firm. Said contract shall allow for Task Orders to be issued, in accordance with the terms and conditions of the Master Contract. The Master Contract may have an expiration date, but, in accordance with **§287.055**, Florida Statutes, no time limitation is required, except that the contract must provide a termination clause.
- c. Master Contracts provide for professional services for projects in which construction costs do not exceed \$4,000,000^{.00}, for a study activity when the fee for such professional service does not exceed \$500,000^{.00} or for work of a specified nature as outlined in the contract required by the City, or other limits as amended by **§287.055**.

- d. In accordance with **§287.055**, Florida Statutes, these firms shall not be required to bid against one another during assignment of project Task Orders.
- e. Master Contracts must contain an hourly rate for each anticipated labor category plus a list of allowable reimbursable expenses.
- f. Assignment of Task Orders when two or more firms are awarded a continuing contract shall be on a rotational basis giving consideration to the firm's specialty experience, existing workload, willingness to meet project budget and schedule, proximity to project site or office, past performance, value of previous and current projects, or other documented factors serving the best interest of the City. The client Department Head will select the applicable firm for each Task Order and assign the project to the firm.
- g. When a project is assigned, the consultant shall submit a proposal to the City for the specified work. A lump sum Task Order is then negotiated by the client Department utilizing the labor hour rates specified in the contract agreement and anticipated reimbursable expenses.
- h. Task orders which are \$100,000^{.00} or more must be approved by the City Council. Task Orders below \$100,000^{.00} can be approved by the Chief Procurement Officer.
- i. A purchase order shall be issued for each Task Order for encumbrance and payment purposes.
- j. New task orders may be negotiated, approved, and signed up to and including, the expiration date of the Master Contract.
- k. The Procurement Department shall maintain a listing of current continuing contract agreements for specified technical disciplines that may be found in the Procurement Department's online contract list.

O. Competitive Negotiations Process

1. **Solicitation Process:** When the Chief Procurement Officer determines that negotiation may be necessary for the City to obtain the Best Value, the Competitive Negotiations process may be used.
2. An **Invitation to Negotiate** (ITN) shall be the solicitation document.
3. The goal of an ITN is to obtain submittals from interested and qualified firms so that the City may enter into sequential or concurrent negotiations with the firms determined most capable of providing the required supplies and services.
4. The ITN document will supply the firms with information necessary to understand the need; however, the terms, scope of work, price, method of delivery, conditions of performance, and approaches of the project may be open to consideration.
5. ITNs may **not** be used for procuring professional services addressed by the CCNA, per **§287.055**, Florida Statutes, or for selection of professional financial auditing services addressed in **§218.391**, Florida Statutes.

6. Any of the following conditions may be considered, but not necessarily limited to these specific conditions, in the determination to utilize the ITN process:
 - a. The City is not capable of accurately and completely defining the scope of services for a project because of rapidly changing technology or because the goods and or services may be provided in several different ways. Thus, the scope of services, approaches, terms, price, method of delivery, and the conditions of performance of the project may be open to consideration and negotiations, including simultaneous negotiations with the most qualified firm or firms.
 - b. The sequential or concurrent use of competitive negotiations with resulting trade-offs may achieve the goal of Best Value within the City's budget.
 - c. Price is an important factor but not significant enough by itself to justify award to a low bidder.
 - d. There is limited competition available.
 - e. Non-standard products or services are required.
 - f. Multiple options for achieving the desired results exist.
 - g. A contract of high complexity may be required.
 - h. Requirements for needed products or services cannot be specified with certainty.
 - i. There is an emphasis on new technology with innovative solutions and a range of options are available.
 - j. Flexibility in determining the Best Value for the City is paramount.
 - k. Items or services are mission critical to the City's operation.
 - l. A process of re-engineering may be required.
 - m. The marketplace is experiencing constant change and updated solutions are available.
 - n. Professional and technical expertise and qualifications of firms and their proposed offerings are critical to the success of the project or provision of services.
7. The ITN development will follow the same process as the Request for Proposal (RFP) process with the following additions, exceptions and changes:
 - a. **Scope of Services:** The ITN document will contain a general scope of work. If the City is not capable of accurately and completely defining the scope of services for a project (i.e., because of rapidly changing technology), or if the commodities and/or services may be provided acceptably in several different ways, or if during the ITN process, the City identifies additions/changes/deletions to the scope of work, the scope may be negotiated.
 - b. **Sample Contract:** The ITN document may set forth a standard contract for the engagement with the caveat that the specific provisions of the contract may be

negotiable.

- c. **Negotiations:** The ITN document shall stipulate that sequential or concurrent (simultaneous) meetings and/or negotiations with more than one of the top ranked proposers may be held as deemed appropriate by the Chief Procurement Officer. Simultaneous individual discussions and negotiations with short-listed firm(s) will be in accordance with the Florida Sunshine Law, Chapters **§286.011** and **§286.0113**, and the Florida Public Records Law, **§119**, Florida Statutes.
- d. **Best and final offers (BAFO):** One or more BAFO(s) by, or final negotiations with, one or more remaining short-listed firm(s) may be requested at the discretion of the City.

8. **Phases of an ITN:**

- a. Preparation of the ITN document
- b. Advertisement
- c. Issue ITN document to bidders
- d. A Pre-Submittal Conference is held
- e. Submittals are received
- f. E-Team meets and short-lists
- g. Individual oral presentations and discussions with short-listed firms
- h. Negotiations with short-listed firms (required)
- i. Demonstrations (example: technology products or services)
- j. Reference checks
- k. Off-site visits (example: technology products or services)
- l. Additional individual discussions and negotiations with short-listed firm(s)
- m. Best and Final Offers (BAFO) by remaining short-listed firm(s)
- n. Additional BAFOs as needed
- o. The ITN may address pricing in any of the following manners:
 - i. The Chief Procurement Officer may require pricing to be submitted by firms as part of the ITN submittal package. When price is required in this manner, it may be scored as a criterion in the ITN.
 - ii. The Chief Procurement Officer may require pricing to be submitted in a separate sealed envelope as part of the ITN submittal package and not opened until after submitting firms have been short-listed. In this event, price is

generally not an evaluated criterion in the short-listing process of an ITN but used during the negotiations phase of the ITN process.

- iii. The Chief Procurement Officer may require pricing to be submitted solely as an estimated amount from which price negotiations may begin prior to the BAFO of an ITN process. In this event, price is generally not an evaluation criterion in the short-listing process of an ITN but used during the negotiation phase of the ITN process.
 - p. **Pre-Submittal Conference:** The pre-submittal conference shall stress the City's ability to negotiate with several firms sequentially or concurrently.
 - q. Addenda, receipt and review of submittals, formation of an E-Team, and evaluation of the submittals will follow the same primary process as used for RFPs and RFQs.
 - r. The meetings of the E-Team where the submittals are being evaluated are open to the public in accordance with **§286**, Florida Statutes. These meetings shall be recorded. The recording and/or minutes shall be subsequently secured in the Procurement Department's files and shall be available to the public as required by law.
 - s. Criteria weights shall be identified in the ITN document, and corresponding points assigned will be used to rank the submittals for short-listing purposes.
 - t. **Scoring Definitions** are the same as those provided in the Competitive Sealed Proposals section of this Manual.
 - u. **Evaluation Criteria** may be, but are not limited to, the same as those provided in the Competitive Sealed Proposals section of this Manual.
9. **Evaluation Process:** The ITN evaluation will follow the same process as the Request for Proposal (RFP) process with the following additions, exceptions and changes:
- a. The E-Team shall evaluate the submittals, assess their relative qualities solely on the factors specified in the ITN, and assign points accordingly.
 - b. Submittals should be evaluated by the E-Team based on the materials submitted rather than personal knowledge of the submitting firm and its team. The E-Team may designate technical staff and/or subject matter experts to advise the E-Team regarding the viability of firms to meet the City's needs and requirements.
 - c. Reference checks shall be performed, and a synopsis of the reference check shall be provided to the E-Team for their consideration and may be considered during evaluation.
 - d. Confirmation of reference information may include off-site visits by any of the members of the E-Team, Negotiation Team (N-Team), Procurement staff, and/or technical experts to any or all the referenced installations. During both on-site demonstrations and off-site visits, to the extent permitted by law, City representatives shall be permitted to ask pertinent and applicable questions to determine the viability of the firm's solution to meet the City's needs.

- e. Both on-site demonstrations and off-site visits with reference checks may be scored and used to further reduce the number of short-listed firms. Upon conclusion of the on-site demonstrations and off-site visits and references, further meetings, discussions and negotiations with the short-listed firms may be scheduled either sequentially or concurrently as determined by the Chief Procurement Officer.
- f. Information obtained by the City regarding past poor performance by the firm, its subcontractors, and/or its key personnel in connection with previous or current projects with the City or any other public entity may be considered in determining the ability and capabilities of any firm to meet the needs and requirements of the City, and may be cause for elimination of the firm from the group of short-listed firms. If it is determined after the on-site demonstration(s), off-site visit(s), or reference verifications that any submitting firm is not capable of meeting the requirements or needs of the City, the submittal may be eliminated from further consideration for award.
- g. The submittals with the highest cumulative grand total of all evaluations (in the "competitive range," usually with an average score of 4 or more) shall be short-listed.
- h. **Oral Presentations:** The E-Team shall hold oral discussions with the short-listed firms. All sessions shall be recorded, and the recording secured in the Procurement Department.
- i. The primary purposes of the oral presentations are to enhance the City's understanding of the submittals, allow reasonable interpretation of the submittal, and facilitate the City's evaluation process. During the individual meeting(s), each firm may discuss its written submittal to assure full understanding by the E-Team. Each firm may clarify its initial submittal.
- j. At the discretion of the Chief Procurement Officer, the ITN document may advise potential firms that the number of firms that will be considered shall be no more than a specific maximum number. The ITN document may also state that the number of short-listed firms may be further limited to a number, including only one, that is less than the maximum indicated in the ITN document as determined by the competitive range.
- k. Upon completion of the scoring, the E-Team shall rank submittals in order from highest point total to lowest point total. The E-Team will recommend to the Chief Procurement Officer the number of the submittals to be considered for negotiations.
- l. The Chief Procurement Officer may approve the E-Team recommendation of firms considered for negotiation, or determine that the recommended number either exceeds the number stipulated in the ITN document, or exceeds a number at which an efficient competition, discussion and negotiations can be conducted.
- m. If the number of firms must be limited to a specific number that will permit efficient competition, discussion and negotiations, the E-Team should attempt to reduce the total number of firms in the competitive range by eliminating, in order, one or more firms with the lowest score(s) and considering factors which may include, but not be limited to the following:
 - i. Determine the number of firms that can reasonably be selected for discussions,

and negotiations.

- ii. Consider the complexity of the acquisition and the variety and complexity of offered solutions in terms of the impact on the likely breadth and depth of the discussions and negotiations.
- iii. Consider City resources reasonably available to conduct discussions compared to the expected variable administrative costs of discussions and negotiations.
- iv. Consider the impact on lead-time for award compared to the need for timely delivery or project completion.
- n. If the E-Team decides that a submittal should no longer be included in the competitive range, the submittal will be eliminated from further consideration for award. The Chief Procurement Officer or designee may post the short-list determined by the E-Team, and/or the Chief Procurement Officer or designee may provide written notice of the E-Team's decision to all unsuccessful firms advising them that their submittals have been eliminated, and that a revision of their submittals will not be considered.

10. **Negotiations:**

- a. A meeting at which a negotiation with a vendor is conducted in accordance with **§286.0113**, Florida Statutes, is exempt from **§286.011**, Florida Statutes and s. 24b, Art. 1 of the State Constitution.
- b. Upon completion of the evaluations, the E-Team shall be disbanded and the Chief Procurement Officer, in consultation with the City Manager, shall appoint a Negotiation Team (N-Team), which may include any or all of the members of the E-Team, technical advisors, experienced negotiators, or subject matter experts.
- c. The N-Team should determine a Team Leader who shall schedule a strategy meeting with the N-Team prior to the initiation of negotiations with any firm. They shall discuss the role of each N-Team member, set parameters, establish procedures, and plan strategies and tactics.
- d. The N-Team must truly work as a team, with no descending opinions in front of the other party (unless planned).
- e. The N-Team's strategy meeting may entail the following Agenda:
 - i. **General:**
 - a) How formal must the negotiations be?
 - b) How long will it take?
 - c) What implementation steps will be needed?
 - ii. **Define goals and objectives:**

- a) What are we willing to give up to get what we need?
- b) What are the time and economic requirements?
- iii. **Clarify the issues:**
 - a) How will we present it to the other party?
 - b) What are the issues as seen by the other party?
 - c) How will they support their position?
 - d) What appears to be the significant differences in the way the parties view the issues?
- iv. **Gather information:**
 - a) Who will we be negotiating with?
 - b) What do we know about them?
 - c) How do they approach a negotiation?
 - d) What is their ego needs?
 - e) When and where will the negotiations take place?
 - f) What advantage or disadvantage do the alternatives have?
 - g) What power do we have that can be used constructively in this negotiation?
- v. **Set the climate:**
 - a) How can we best establish rapport with the other party?
 - b) How can we establish a win/win climate?
- vi. **Prepare for conflict:**
 - a) What will be the major points of conflict?
 - b) How will we determine what the other party needs as compared to what they want?
 - c) How will we attempt to resolve conflict?
 - d) How will we respond to the other party's attempts to resolve conflict?
 - e) What concessions are we prepared and willing to make? Under what conditions?

f) What do we expect in return for concessions?

- f. Negotiations should be used to maximize the City's ability to obtain Best Value, based on the Best and Final Offer (BAFO).
- g. Negotiation of price and other factors may be initiated during any meeting; however, submittals from other short-listed firms and detailed pricing information from competitors' submittals shall not be divulged unless such pricing has been previously made public in the ITN process, or the firm has given the City permission to discuss its pricing with other firms. However, the N-Team Leader may inform firms that their price is considered by the City to be too high, or too low, and may reveal the City's budget or the results of an analysis supporting that conclusion.
- h. The N-Team may discuss with each firm its pricing, ambiguities, perceived deficiencies, significant weaknesses, and adverse past performance information to which the firm has not yet had an opportunity to respond.
- i. The N-Team may further discuss other aspects of each firm's submittal that could, in the opinion of the Team Leader, be revised to enhance the submittal's potential for award.
- j. All short-listed firms will be given the same opportunities and accorded fair and equal treatment with respect to discussions, negotiations and revision of the submittals.
- k. The N-Team should not engage in conduct that reveals any information that would compromise a firm's trade secrets or intellectual property to another firm.
- l. The City may negotiate with firms who offer increased performance beyond the mandatory minimums.
- m. The City may suggest to firms that have exceeded any mandatory minimums (in ways that are not integral to the design), that their submittals would be more competitive if the excesses were removed and the offered price decreased.
- n. On-site demonstrations at one or more designated sites within the City limits may be required from short-listed firms (example: technology projects). Additionally, references of the firms' similar technology installations at other entities may be verified in any manner deemed appropriate by the Chief Procurement Officer or designee.
- o. The number of negotiation sessions shall be at the discretion of the Team Leader. Prior to submittal of Best and Final Offers (BAFO), the City may conduct final discussions and negotiations with firms or seek revisions of submittals from firms deemed to be responsible and reasonably acceptable to be selected. Such firms will be accorded fair and equal treatment with respect to discussion and revision of the submittals.
- p. Revisions may be permitted after receipt of submittals and prior to award of a contract for the purpose of obtaining BAFOs.
- q. If, after discussions have begun, a firm originally in the competitive range is no longer considered to be among the most highly rated firms being considered for award, that

firm may be eliminated whether or not all material aspects of the submittal have been discussed, or whether or not the firm has been afforded an opportunity to submit a revision.

- r. A Best and Final Offer (BAFO) may be requested from the firms remaining in consideration. The Chief Procurement Officer shall designate a common cut-off date for receipt of the BAFO. The BAFO may allow submittal revisions to clarify and document understandings reached during negotiations. At the discretion of the Chief Procurement Officer, the E-Team and/or the N-Team shall meet to discuss each BAFO, and recommend award to the firm as determined by total scoring, consensus, or majority of the Team to be the Best Value to the City.
- s. Best Value may be based on, but not be limited to the following:
 - i. the ITN evaluation criteria
 - ii. subsequent discussions, presentations, and demonstrations
 - iii. negotiations
 - iv. contract terms and conditions
 - v. project completion time
 - vi. technical solutions
 - vii. pricing
- t. The City shall reserve the right to request more than one BAFO.

P. Requests for Information

1. **Definition:** A non-binding method whereby the City publishes via newspaper, internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain scopes of work, specifications, comments, feedback or reactions from potential suppliers (contractors); often occurs prior to the issuing of a solicitation. Feedback may include best practices, industry standards, technology options, preferred timeframes, budgetary cost, etc.
2. A Request for Information (RFI) invites the submission of offers, recommended specifications and other information. Potential bidders and proposers have the opportunity to provide input on the scope of work or specifications to be issued in a subsequent competitive solicitation.
3. An RFI is primarily used to gather basic information and input in order to prepare the subsequent IFB, RFP, RFQ, or ITN document. Additionally, an RFI is issued for the purpose of developing strategy, building a database, obtaining comments, feedback and reactions from a broad base of potential suppliers. Such feedback may also be used to identify best practices and industry standards.
4. An RFI can also be used as a qualification step for a future element of a solicitation. For example, an RFI can be used to narrow the acceptable list of HVAC systems in a solicitation for a general contractor tasked with building a new City building.

5. An RFI can also be used to determine if there is an existing cooperative or piggyback contract available for the City to use in lieu of completing a solicitation.
6. When deemed appropriate or necessary by the Chief Procurement Officer, a Request for Information (RFI) may be issued as a first step in any of the competitive solicitation processes.
7. When an RFI is used, it is advertised and issued to registered bidders in the appropriate category in the same manner as IFBs and RFPs.
8. The RFI will generally contain the following information:
 - a. Project Title
 - b. Statement of Need
 - c. Background
 - d. Information Requested
 - e. Estimated Pricing (for budgetary purposes)
 - f. Deadline for Response
9. The information received may or may not be used in preparation of the specifications or scope of work for the planned solicitation, as deemed appropriate by the City.

Q. Cooperative Purchases and Piggybacking

1. Cooperative Agreements

- a. The *NIGP Public Procurement Dictionary of Terms* defines Cooperative Procurement (Purchasing) as:
 - i. *The action taken when two or more entities combine their requirements to obtain advantages of volume purchases including administrative savings and other benefits.*
 - ii. *A variety of arrangements whereby two or more public procurement units purchase from the same supplier or multiple suppliers using a single IFB or RFP.*
 - iii. *Cooperative procurement efforts may result in contracts that other entities may "piggyback."*
- b. The Procurement Department is affiliated with, and active members of, various professional procurement organizations. These associations allow the City access to numerous cooperative contracts that may be utilized for the procurement of various goods and services. Existing contracts include City issued contracts and agreements already in place. They may also include State of Florida Contracts or other entity

contracts and co-op contracts that the City may be able to utilize (piggyback).

- c. Departments are encouraged to purchase from cooperative agreements since this procurement method generally expedites procurements and provides competitive pricing for items and services needed.
- d. The City may utilize a cooperative contract entered into between another governmental or public entity and a provider of supplies or services sought by the City, if the Chief Procurement Officer determines that it is practicable and advantageous for the City to employ this method of procurement.
- e. Utilization of other entity contracts can be given consideration provided that the cooperative contract is established in compliance with the Procurement procedures and requirement of the issuing body, entity, authority, or cooperative.
- f. The contract must specify that they are cooperative procurements at the time of solicitation, or the governmental entity Procurement official otherwise agrees to the use of such contract in writing.
- g. If such other governmental contract is utilized, the public notice requirements and/or the need to utilize the selection processes found in this Manual is obviated; however, a separate contract or purchase order must be executed by the City and the particular vendor. This separate purchase order/contract will then incorporate by reference the governmental contract and terms and conditions under which the cooperative contract was awarded.
- h. Other governmental contracts that the City may utilize include, but are not limited to, term contracts of the State of Florida, Federal General Services Administration, and other governmental cooperatives, entities, counties and municipalities within and outside of the State of Florida.
- i. The piggyback contract/purchase order must be substantially similar to the original cooperative contract award in terms of quantities and terms and conditions, as determined by the Chief Procurement Officer.
- j. Contact the Procurement Department to determine if there is an existing contract available for requirements other than ones that may be listed on the City's contract list.
- k. **Procedure:**
 - i. Verify in writing the cooperative contract pricing by contacting the vendor and/or the cooperative group or government agency;
 - ii. Prepare a purchase requisition and attach the quote and backup documentation (verification of the contract);
 - iii. Submit through the approval path.

2. **Piggybacking contracts of other Public Entities (Non-Cooperative Contracts):**

- a. Piggybacking is defined by the *NIGP Dictionary of Purchasing Terms* as “a form of intergovernmental cooperative purchasing in which a large purchaser requests competitive sealed or proposals, enters into a contract, and arranges, as part of the contract, for other public purchasing units to purchase from the selected vendor under the same terms and conditions as itself. Also called hitchhiking method.”
- b. The City may choose to use open, current contracts issued by other public entities.
- c. All services and/or commodities to be purchased and terms and conditions, **including expiration dates** will apply. Prices must be the same or less than the original contract.
- d. The City may use a contract established by another public entity, if agreeable to both the contracting agency and the vendor, to obtain the benefits of volume purchase and/or reduction in administrative expenses.
- e. The originating procurement must have been competitive. Sole source or emergency contracts cannot be used to establish piggybacks.
- f. To request piggybacking of a contract, contact the Procurement department representative who will secure:
 - i. Copy of the signed contract with the other entity.
 - ii. Copy of the Notice of Award (if applicable).
 - iii. Copy of the awarded Proposal/Bid.
 - iv. Copy of the solicitation document (IFB or RFP).
- g. Other governmental entities are similarly authorized to utilize the City contracts (piggyback) when the other governmental entity determines such utilization is practicable and advantageous and the particular vendor agrees to enter into such separate contract with the other governmental entity which incorporates the terms and conditions of the City contract.
- h. City departments may utilize (piggyback) a contract established for another City department, provided such usage is in accordance with the same terms, conditions and pricing.
- i. If such other governmental contract is utilized, the public notice requirements and/or the need to utilize the selection processes found in this Manual is obviated; however, a separate contract or purchase order must be executed by the City and the particular vendor. This separate purchase order/contract will then incorporate by reference the governmental contract and terms and conditions under which the cooperative contract was awarded.
- j. Contracts awarded in accordance with **§287.055**, Florida Statutes (the Consultants’ Competitive Negotiation Act) may not be piggybacked.

R. Design-Build Services - Design Criteria Professional

1. The City may use a design-build consultant contracted by the City through a competitive process or through the use of an existing continuing consultant Master Agreement to prepare a design-criteria package.
2. A design-build consultant who has been selected to prepare the design criteria shall not be eligible to render services under a design-build contract executed pursuant to the design criteria.
3. The design-build consultant shall be available for consultation regarding the evaluation of proposals submitted by design-build firms/proposers, for the supervision and approval of detailed working drawings of the project, and for evaluation of the compliance of the project construction with the design criteria.
4. In accordance with **§287.055(1)(j)**, Florida Statutes, a “design criteria package” means concise, performance-oriented drawings or specifications of the public construction project. The purpose of the design criteria package is to furnish sufficient information to permit design-build firms to prepare a bid or a response to an agency’s request for proposal, or to permit an agency to enter into a negotiated design-build contract.
5. The design criteria shall specify applicable performance-based criteria for the construction project, which may include, but not be limited to:
 - a. the legal description of the site
 - b. survey information concerning the site
 - c. interior space requirements
 - d. material quality standards
 - e. schematic layouts and conceptual design criteria
 - f. cost or budget estimates
 - g. design and construction schedules
 - h. site development requirements
 - i. provisions for utilities
 - j. storm water retention and disposal
 - k. parking requirements
6. **Reuse of Plans**
 - a. **§287.055 (10)**, Florida Statutes states, in part:

Notwithstanding any other provision of this section, there need not be any public notice requirement or utilization of the selection process as provided in this section for projects in which the Agency is able to reuse existing plans from a prior project of the Agency. Public notice for any plans that are intended to be reused at some future time must contain a statement that provides that the plans are subject to re-use in accordance with the provisions of this subsection.

S. Design-Build Services – Design-Build Firm Selection Process

1. A design criteria package shall be prepared and sealed by a design criteria professional employed or retained by the City.
2. **Design Criteria Professional (DCP):** The Design Criteria Professional will participate as part the Evaluation Team as the City's representative.
 - a. The DCP may serve as a subject matter expert (SME), either voting or non-voting, as appointed by the Chief Procurement Officer.
 - b. The DCP role may include the evaluation of the responses or bids submitted by the design-build firms.
 - c. The DCP may provide supervision for the City of the detailed working drawings of the project and evaluate the project construction for compliance with the design criteria package.
3. The City may elect to award its design-build contracts by either of two methods:
 - a. a competitive sealed proposal selection process (including an option for 2-step solicitations); or
 - b. a qualification-based selection process whereby the selected firm will subsequently establish a guaranteed maximum price (GMP) and guaranteed completion date.
4. **Competitive Sealed Proposal Selection Process:** In the event that the competitive sealed proposal selection process is chosen, the following process will be utilized:
 - a. A competitive sealed proposal will follow the process as for Requests for Proposals, as delineated in this manual, to include:
 - i. The preparation of a design criteria package for the design and construction of the public construction project;
 - ii. The qualification and selection of no fewer than three design-build firms as the most qualified, based on the qualifications, availability, and past work of the firms, including the partners or members thereof;
 - iii. The publication of and evaluation by criteria, procedures, and standards for the evaluation of design-build contract proposals or bids, based on price (GMP),

technical, and design aspects of the public construction project, weighted for the project;

- iv. The solicitation of competitive proposals, pursuant to a design criteria package, from those qualified design-build firms and the evaluation of the responses or bids submitted by those firms based on the evaluation criteria and procedures established prior to the solicitation of competitive proposals.
 - b. The competitive sealed proposal process may also be a two-step process, at the discretion of the Chief Procurement Officer. This is a multi-step solicitation, where the first step is similar to the Request for Qualification (RFQ) process, and the second step is similar to the Request for Proposal (RFP) process both as delineated in this manual.
 - i. For the first step, the City will solicit for firm qualifications. The E-Team shall review in-depth and rate the written submittals as outlined in the solicitation which may include criteria as referenced in the Request for Qualification section of this manual, to include qualifications, availability and past work of the firm.
 - ii. A selection of at least three (3) firms will be short-listed. In the case where less than three (3) proposals are received, all three proposers will be short-listed **unless** they are not considered within the competitive range.
 - iii. The short-listed firms will then be invited to submit competitive proposals in response to an RFP issued just to those firms, pursuant to a design criteria package.
 - iv. The criteria, procedures, and standards for the evaluation of design-build contract proposals will be delineated in the RFP and will be based on price, technical, and design aspects of the public construction project, weighted for the project.
 - c. In both variations, the final step for competitive proposals may be oral discussions with the E-Team members, which may include questions asked in advance, presentations, and/or question and answer sessions. This step may also involve further shortlisting.
 - d. Evaluations may also be done by consensus scoring.
5. **Qualification Based Selection Process:** In the event that a qualification-based selection process is chosen, the City will conduct an RFQ as described in this manual, and follow the procedure as established in **§287.055**, Florida Statutes, subsections (3), (4) and (5), whereby the selected firm will, subsequent to competitive negotiations, establish a guaranteed maximum price and guaranteed completion date.
6. For all solicitation processes, final E-Team documentation will be completed by the Chairman and provided to the Chief Procurement Officer for review. The Chief Procurement Officer reserves the right to request additional analysis/review by the E-Team if he/she deems additional evaluation is warranted.
7. For all solicitation processes, all records of the E-Team meetings, including recordings, notes, score sheets, and matrixes become public records in accordance with **§119**, Florida

Statutes. It is the responsibility of the E-Team chair to make sure that all records are placed in the RFP file. All records are available for review by any or all proposers or interested parties in accordance with §119, Florida Statutes.

8. **Award of Design-Build Solicitation:**

- a. The Chief Procurement Officer will forward the E-Team results to the Department Director primarily responsible for the project.
 - b. A recommendation for award shall be prepared by the Department Director and sent to the Chief Procurement Officer for review and consent.
 - c. The Chief Procurement Official shall ensure that the recommendation for award is placed on the City Council's agenda for permission to negotiate with the most qualified firm and award the negotiated agreement.
 - d. The Chief Procurement Officer (or designee), the Department Director (or designee) and City Attorney (or designee) and/or other staff will negotiate with the firm to finalize a satisfactory contract.
 - e. The Department Project Manager will ensure that all aspects of the contract are adhered to, including subcontractor monitoring, firm's competitive solicitation of major subcontractors, and the realization of any actual savings from the GMP for the City.
9. In case of a public emergency, the City shall declare an emergency and authorize negotiations with the best-qualified design-build firm available at that time.

T. Capital Improvement and Construction Services

1. The procurement of construction services is generally acquired by using the competitive sealed bidding method of procurement, using an Invitation for Bids (IFB) as the solicitation document, as delineated in this manual.
2. **Bid Security** shall be required for all competitive sealed bidding for construction contracts when the price is estimated to exceed \$200,000^{.00}, in accordance with **§255.05**, Florida Statutes. Bid security shall be in the form of an original bid bond executed by a surety company authorized to do business in the State of Florida, or a certified or cashier's check satisfactory to the City. Cash shall not be acceptable.
3. Nothing herein shall prevent the requirement of such bonds on construction contracts under \$200,000^{.00} when the circumstances warrant.
4. **Bid Security** shall be in an amount equal to at least 5% of the amount of the bid. Bids or proposals which do not comply with the surety requirements shall be rejected.
5. When a construction contract is awarded in excess of \$200,000^{.00}, the following bonds or security shall be delivered to the City, and shall become binding on the parties upon the execution of the contract:
 - a. A **performance bond** satisfactory to the City, executed by a surety company

authorized to do business in the State of Florida, or otherwise secured in a manner satisfactory to the City, in an amount equal to 100% of the price specified in the contract; and

- b. A **labor and material (payment) bond** satisfactory to the City, executed by a surety company authorized to do business in the State of Florida, or otherwise secured in a manner satisfactory to the City, for the protection of all persons supplying labor and materials to the contractor or its subcontractors for the performance of the work provided for in the contract. The bond shall be in an amount equal to 100% of the price specified in the contract, or
 - c. A **public construction bond** may be accepted in lieu of separate performance bond and payment bond at the City's discretion, in accordance with **§255.05**, Florida Statutes.
- 6. Sureties for all bid bonds, performance bonds and payment bonds must be listed on the U.S. Department of Treasury Listing and the bond amount shall not exceed the maximum amounts specified therein unless otherwise stipulated in the Invitation for Bid.
 - 7. Bonds shall include language to automatically increase in the event of a construction change order. If that language is not included, and a construction contract is increased via a change order, the Surety must be notified, and the bond(s) be increased accordingly.
 - 8. **Owner Direct Purchases:** The City shall reserve the right in all construction contracts to delete line items within the IFB and/or contract in order to purchase said items directly from a supplier, via a purchase order, in an amount not exceeding the bid amount per line item of the contractor, without further bidding, in an effort to benefit from the City's tax exempt status.
 - 9. **Construction Management (CM) and Construction Management at Risk Services (CM@R):** The procurement of CM and CM@R Services shall be made in accordance the competitive process herein.
 - 10. **Job order contracts** may be established through issuance and award of an IFB or RFP.

U. Professional Auditing Services

- 1. Contracts for the performance of auditing services in connection with annual financial audits shall be procured in accordance with the provisions of **§218.391**, Florida Statutes.
- 2. The City shall establish an Auditor Selection Committee. The primary purpose of the audit committee is to assist the City in selecting an auditor to conduct the annual financial audit required in **§218.39**, Florida Statutes; however, the audit committee may serve other audit oversight purposes as determined by the City. The public shall not be excluded from the proceedings under this section.
- 3. The auditor selection committee must consist of at least three members. One member of the auditor selection committee must be a member of the City Council, who shall serve as the chair of the committee. The public shall not be excluded from the proceedings under this section.

4. An employee, a chief executive officer, or a chief financial officer of the City may not serve as a member of an auditor selection committee; however, an employee, a chief executive officer, or a chief financial officer of the City may serve in an advisory capacity.
5. **The Audit Committee shall:**
 - a. Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under **§473**, Florida Statutes and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to; price, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.
 - b. Publicly announce the Requests for Proposals (RFP). Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.
 - c. Provide interested firms with a copy of the RFP document. The RFP shall include information on how proposals are to be evaluated and such other information the Audit Committee determines is necessary for the firm to prepare a proposal.
 - d. Evaluate proposals provided by submitting firms. If compensation is one of the factors established, it shall not be the sole or predominant factor used to evaluate proposals.
 - e. Rank and recommend in order of preference no fewer than three proposers deemed to be the most highly qualified to perform the required services after considering the factors established. If fewer than three (3) firms respond to the RFP, the committee shall recommend such proposers as it deems to be the most highly qualified.
6. The City shall inquire of qualified firms as to the basis of compensation, select one of the proposals recommended by the Audit Committee, and negotiate a contract, using one of the following methods:
 - a. If compensation is not one of the factors established and is therefore not used to evaluate proposals, the City shall negotiate a contract with the proposer ranked first. If the City is unable to negotiate a satisfactory contract with that proposer, negotiations with that proposer shall be formally terminated, and the City shall then undertake negotiations with the second-ranked proposer. Failing accord with the second-ranked proposer, negotiations shall then be terminated with that firm and undertaken with the third-ranked proposer. Negotiations with the other ranked proposers shall be undertaken in the same manner. The City, in negotiating with proposers, may reopen formal negotiations with any one of the three top-ranked proposals, but it may not negotiate with more than one proposer at a time.
 - b. If compensation is one of the factors established and used in the evaluation of proposals, the City shall select the highest-ranked qualified proposal or must document in its public records the reason for not selecting the highest-ranked qualified proposal.

- c. The City may select a proposal recommended by the audit committee and negotiate a contract with one of the recommended proposers using an appropriate alternative negotiation method for which compensation is not the sole or predominant factor used to select the proposer.
 - d. In negotiations with proposers under this section, the City may allow a designee to conduct negotiations on its behalf.
- 7. The method used by the City to select a proposer recommended by the audit committee and negotiate a contract with such proposer must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of **§218.39**, Florida Statutes, and the needs of the City.
- 8. If the City is unable to negotiate a satisfactory contract with any of the recommended proposers, the committee shall recommend additional proposers, and negotiations shall continue in accordance with this section until an agreement is reached.
- 9. Every procurement of audit services shall be evidenced by a written contract, signed by the Chief Procurement Officer, embodying all provisions and conditions of the purchasing of such services. For purposes of this section, an engagement letter signed and executed by both parties shall constitute a written contract. The written contract shall, at a minimum, include the following:
 - a. A provision specifying the services to be provided and fees or other compensation for such services.
 - b. A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.
 - c. A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed.
- 10. Written contracts entered into may be renewed. Such renewals may be done without the use of the auditor selection procedures provided in this section. Renewal of a contract shall be in writing and signed by the Chief Procurement Officer.

V. Exempt from Competition

- 1. In accordance with the Procurement Ordinance, Section 38.07, the following goods and services are exempt from competitive requirements:
 - a. Emergency purchases as defined in Ordinance 38.06;
 - b. Sole source purchases as defined in Ordinance 38.06;
 - c. Contracts with, and purchases from, other public entities;
 - d. Utilities, including water, wastewater, sewer, gas, electrical, etc.;
 - e. Cable and satellite television providers;

- f. Magazine subscriptions and/or periodicals and publications;
- g. Membership dues for trade or professional organizations;
- h. Travel and training expenses for employees;
- i. Items purchased for resale, to include accessories, apparel and equipment;
- j. Advertising: radio, newspapers, magazines, professional organizations, television, and any other related media;
- k. Postage, including overnight delivery services;
- l. Copyrighted materials or patented works, including books, maps, periodicals, testing or instructional materials;
- m. Governmental fees;
- n. Licenses and permits;
- o. Real estate, including:
 - i. Real property (land and/or buildings) purchase, lease or rental;
 - ii. Closing/processing fees;
 - iii. Abstracts of titles; or
 - iv. Title insurance.
- p. Medically prescribed equipment or apparatus;
- q. Professional services, including:
 - i. Court reporter services;
 - ii. Medical services, such as Medical Director service for Fire Rescue;
 - iii. Veterinarian services;
 - iv. Legal services;
 - v. Expert witnesses;
 - vi. Entertainers;
 - vii. Teachers, speakers and specialized instructors;
 - viii. Recreational program instructors; and

- ix. Professional services when utilized by the City in the settlement and administration of workers' compensation and liability claims, such as:

- 1) Private investigators; or
- 2) Expert witnesses.

However, no court reporter services, legal services, expert witnesses, or professional services when utilized by the City in the settlement and administration of workers' compensation and liability claims, such as private investigators may be procured without the approval of the City Attorney or his or her designee.

- r. Maintenance and support of existing software/hardware, equipment, machinery, vehicles, and other City-owned items, such as annual maintenance agreements for City- owned software, or warranty or OEM parts and repairs with availability restricted by the manufacturer;
- s. Direct material purchases also called Owner Direct Purchases, such as purchases of materials, equipment, prefabricated elements and components, appliances, furniture, fixtures, and other goods, pursuant to a program contained in a construction contract that has been awarded in accordance with any provision of this Ordinance, whereby the City makes such purchases directly from a vendor, subcontractor or material supplier by using a City purchase order;
- t. Services provided by institutions of higher learning, not-for-profit organizations, non-profit organizations, state sponsored institutions, and other governmental and public agencies;
- u. Cooperative purchases from contracts established by local, state, or national cooperative purchasing organizations, Federal GSA, and State of Florida term contracts;
- v. Piggyback purchases utilizing contracts and agreements entered into by another governmental or public entity and a provider of supplies or services required by the City, if the Chief Procurement determines that it is practicable and advantageous for the City to employ this method of purchase;
- w. Petty cash purchases and reimbursements;
- x. Purchasing card (P-Card) purchases;
- y. Employment contracts;
- z. Works of art for public places;
- aa. City sponsored events at hotels, motels, restaurants and similar facilities;
- bb. Products purchased from the blind, and other severely impaired persons (RESPECT) in accordance with Fla. Stat. **§413.036**;

- cc. Products purchased from the Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE), in accordance with Fla. Stat. **§946.515**;
- dd. Goods and/or services given, or accepted by the City via grant, donation, gift, or bequest;
- ee. Publications from publishers or exclusive distributors of such publications;
- ff. Patented materials;
- gg. Processed media: books, movies, slides, videos, and other from processor, producer or exclusive distributor;
- hh. Naming rights or sponsorships;
- ii. Contracts for Private Property expending Community Development Block Grant (CDBG), Neighborhood Stabilization (NSP), HOME Incentive Partnership, or State Housing Initiative Partner (SHIP) funds, or other similar programs: Contracts for contractual services for the rehabilitation of private property that are funded from CDBG, NSP, HOME Incentive Partnership, or SHIP funds or other similar programs, so long as these expenditures are in compliance with the program requirements of Housing and Urban Development (HUD), the Code of Federal Regulations (CFR), City policies and guidelines, and Council-approved program documents; and
- jj. Service animals to include police canines.

2. Special procurements and waiver of the procurement process:

- a. The City Council, with recommendation of the City Manager and Chief Procurement Officer, may initiate a procurement above \$25,000 where the City Manager and Chief Procurement Officer determine that an unusual or unique situation exists that makes the application of all requirements of competitive bidding or competitive proposals contrary to the public interest. A written determination of the basis for the procurement and for the selection of the vendor shall be included in the Legislative Memorandum describing all such determinations prior to Council action.
 - b. The City Manager may approve waiver of the Procurement process up to \$24,999.99.
3. The Council approval of the budget shall serve as approval of routine and recurring exempt purchases, such as utility payments (e.g. FPL), professional services like legal services (e.g. outside legal services selected by the City Attorney), and government fees (e.g. FEC railroad fees).
 4. Council approval of a competitively solicited construction IFB shall serve as approval for Owner Direct Purchases, as the end result is a tax-savings to the City and does not increase the original award.
 5. With respect to the excluded items above, the City will make its best efforts to acquire these items and services at reasonable price from qualified or specified sources.

W. Sole Source Purchases and Standardization

1. Sole Source Definition:

- a. Sole source items must meet **both** of the following criteria:
 - a. It is the only item that will produce the desired results (or fulfill the specific need), and there are no alternates, **and**;
 - b. The item is available from only one source of supply.
- b. **Warranty requirements** and **compatibility** to existing equipment shall be an acceptable justification for waiver of bidding requirements, provided the item is only available from one source of supply.
- c. Some valid sole sources preclude competition because of the existence of patents rights, copyrights, secret processes, control of basic raw material, or similar circumstances, however, the mere existence of such rights or circumstances does not in and of itself justify the use of this authority.
- d. Sole source shall also include:
 - i. maintenance and service agreements;
 - ii. software upgrades and leases;
 - iii. when territorial agreements are in place among multiple dealers or distributors of a manufacturers' item. Under such circumstances, it is not necessary to require these dealers to compete against each other; therefore, the purchase may be made from the closest dealer to the City.

2. General:

- a. Purchases of supplies, equipment and contractual services from a sole source are exempt from competitive requirements in accordance with the Procurement Ordinance.
- b. The client Department Director shall document in writing, using a **Sole Source Justification** form that such item(s) and/or service is truly a sole source, and provide documentation of due diligence.
- c. Sole source purchases of less than \$100,000^{.00} (annual aggregate or initial contract term) require one quote and can be approved by the Chief Procurement Officer up to \$49,999.99, and by the City Manager up to \$99,999.99.
- d. Sole source purchases that are equal to or greater than \$100,000^{.00} (annual aggregate or initial contract term) must be pre-approved by the City Council.
 - i. The client Department Director shall provide to the Chief Procurement Officer

sufficient written justification, including a completed **Sole Source Justification** form, and any necessary attachments.

- ii. The Chief Procurement Officer shall prepare a City Council Agenda Item and ensure that the documentation provided by the client Department Director is included.
- e. The Chief Procurement Officer reserves the right to determine whether the item needed is truly a sole source and may investigate the pricing of products or services to ensure it is at its lowest price and from a responsible bidder.
- f. Being approved as a sole source does not eliminate the necessity to conduct due diligence in the future when the item or service is again required.
- g. When requesting approval for a sole source purchase, due diligence is required to assure that the purchase is prudent and in the best interest of the City. Approval will not be granted without an investigation and justification of the pricing of products or services being requested, and the reason for the expenditure.

3. **Sole Source Procedure:**

- a. The client department shall submit a **Sole Source Justification** form along with the purchase requisition. The justification should address the following two key points:
 - i. This is the only product or service that can meet the requirements of the client department (state the reasons), and there are no other alternatives.
 - ii. The selected vendor is the only known vendor that can provide this item (provide backup to substantiate this).
- b. The completed **Sole Source Justification** form shall indicate the following:
 - i. Purchase requisition number;
 - ii. The purpose, use, and need;
 - iii. Description of the item (in layman's terms);
 - iv. Why the item is the only one that will produce the desired results (or fulfill the specific need);
 - v. List unique features that the item or service has that other comparable items or services do not have, and why these unique features are needed (Be specific!);
 - vi. Show as clearly and concisely as possible why only this item or this service will accomplish the function required;
 - vii. Explain if the product is being purchased directly from the manufacturer; if not, explain why the item cannot be bid/quoted to the various dealers;

- viii. Include documentation of efforts made to identify other sources of supply;
 - ix. Explain the necessity for compatibility with existing equipment or instrumentation, if applicable;
 - x. Explain the consequences, including an estimate of the impact (financial or otherwise), if this Sole Source is not declared and approved;
 - xi. Explain how your program would function should the supplier discontinue this product;
 - xii. If applicable, provide reasonableness of price documentation. This can be a certification from the vendor that the price quoted is the same or lower than quoted other governmental agencies, or it can be a summary of prices previously paid by other agencies or the City in the past;
 - xiii. A written quote from the vendor shall be attached.
 - xiv. Include a letter from the manufacturer confirming the claims made by the distributor of exclusive distributorship for the product or service, if that is cited as a reason for the Sole Source request;
- c. The client department and/or the Procurement Department shall attempt to locate competition (alternate sources of supply).
 - d. At the Chief Procurement Officer's discretion, the intent to purchase via sole source shall be posted on the Procurement website for a reasonable time period. If Council approval is required, disclosure of the intent to sole source via Legislative Memo and published Council Agenda serves as posting.
 - e. A sole source is justified once the director of the client department has documented in writing that such good and/or service is the only item that meets the need and is available through only one source of supply, or when the intent to award via sole source is posted on the City's website for a reasonable time period but at a minimum of seven (7) calendar days, or when a documented research effort by the Chief Procurement Officer fails to identify further competing sources of the goods or services.
 - f. Where standardization is determined by the Chief Procurement Officer to be appropriate, and negotiation of such standard items is appropriate, a sole source determination is justified.
 - g. Such written determinations shall be retained by the Chief Procurement Officer for public inspection and auditing purposes.
 - h. The Chief Procurement Officer may choose to negotiate with the vendor before the purchase is made.
 - i. Requests approved by the Chief Procurement Officer, City Manager or the City Council shall be processed, and a purchase order shall be issued.

- j. The client department shall be informed as to any requests which are disapproved, and the procurement shall be either cancelled, or made in accordance with standard procedures.

4. **Sole Source Examples:**

- a. XYZ, Inc. would be considered a sole source for parts for a City-owned XYZ computer due to our computer system being standardized to XYZ type; any other type of parts utilized would jeopardize the system and invalidate the warranty, and the parts are only available directly from the Florida authorized distributor, per a letter from the manufacturer.
- b. The Fleet Division has submitted a requisition for “chrome muffler bearings” for installation in City vehicles. This item was recently invented, patented, and brought to market by WWW Manufacturing, Inc. These bearings increase the performance of vehicles by 200%. No other company has anything of this type in production, and purchases of these bearings can only be made directly from the manufacturer.
- c. A supplier’s being determined to be the “best” provider does not constitute a Sole Source.

5. **Standardization:**

- a. **Definition:** The adoption of a single product, brand, or group of products to be used by the City for efficiency of operations.
- b. **Approval:** Standardization can be approved by the Chief Procurement Officer up to annual expenditure of \$49,999.99, by the City Manager up to \$99,999.99, and must be approved by City Council for \$100,000 or more.
- c. **Standardization through Competition:**
 - i. Standardization can result from a competitive solicitation process. For example, if the City solicits for automated chest compression devices through an RFP with a performance based specification, and competitively selects and procures devices to outfit the entire Fire Department (including training and maintenance), a standardization justification for future purchases is warranted.
 - ii. If multiple distributors can supply the standardized make and model, future purchases can be competed in accordance with this manual.
- d. **Standardization through Sole Source:** If only the manufacturer or only one authorized distributor can supply the standardized make and model, the sole source process shall be used.
- e. **Standardization Alternative Process:**
 - i. Standardization can also be achieved through an alternative vetting process, where the City collects data of products available in the marketplace and subject matter experts review and make a recommendation.

- ii. This can be achieved through the Request for Information (RFI) process, or by a benchmark study (e.g. jar tests for Utility chemicals) conducted by City Staff or by the City's consultant engineers.
- iii. At the Chief Procurement Officer's discretion, the intent to standardize shall be posted on the Procurement website for a reasonable time period. If Council approval is required, disclosure of the intent to standardize via Legislative Memo and published Council Agenda serves as posting.
- iv. **Justification:** The following elements must be provided by the Department Head and vetted by Procurement Staff to justify a standardization alternative process:
 - a) Describe the equipment, part or product to be standardized.
 - b) Describe the history of the equipment, part or product's use in the City.
 - c) Describe the number and types of same or similar equipment, part or products currently in the organization's inventory.
 - d) Describe the process that the department used to verify or test that this was the only suitable solution. Include how the performance effectiveness was demonstrated.
 - e) Describe the reasons why the Department is requesting standardization for this particular make or model. Include existing conditions, prior history, equipment longevity, and durability.
 - f) Provide a comprehensive analysis, performed by qualified personnel, or various equipment, parts or products investigated.
 - g) Describe the operational and maintenance advantages, if any, that the desired equipment, part or product has over comparable models and why these capabilities are essential to the City operations. Factors that should be considered include ease of maintenance; current skills of maintenance personnel; costs of additional training if another systems/equipment is procured; etc.
 - h) Describe the financial impact by standardizing. How does this request compare with other options available?
 - i) What are the associated risks with not standardizing, such as additional costs, operational inefficiencies, etc.?
 - j) Provide this statement prior to signing the form: "My department's recommendation for brand name or standardization is based upon an objective review of the product/service required and appears to be in the best interest of the City of Palm Bay. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising actions have taken place, nor has my personal familiarity with particular brands, types of equipment, materials

or firms been a deciding influence in this request. I hereby certify that this justification is accurate and complete to the best of my knowledge and belief.”

X. Emergency Purchases

1. Definition:

- a. An emergency purchase is a purchase made due to an unexpected and urgent request where health and safety or the conservation of public resources is at risk.
- b. An emergency occurs when:
 - i. Certain conditions might adversely affect the life, health, safety and welfare of City employees or the general public, or
 - ii. When City property or equipment are endangered, or
 - iii. When it is necessary to maintain or restore vital services, or
 - iv. To address non-compliance with Florida Statutes or other regulatory laws and permits, or
 - v. To avoid interruption of normal business operations/activities and/or assure continuity of services, or
 - vi. Situations which may cause major financial impact to the City should immediate action not be taken, or
 - vii. natural or manmade disasters, or
 - viii. acts of terrorism or violence.
- c. Other types of emergencies may include situations that threaten public safety or are critical to City operations and other similar unexpected events, but are only considered an emergency when following regular requisition protocol would negatively affect the life, health or convenience of citizens (e.g. a broken water main, an air conditioning failure at a community center hosting summer camp, etc.). This almost always occurs as a result of parts and labor needed for repairs to equipment that must be kept in operating order.
- d. “Emergencies” created through negligence and are to be avoided. Lack of planning or surpluses of funding do not constitute an emergency.
- e. When in doubt whether a purchase is appropriate as an emergency purchase, call the Procurement Department.

2. Responsibility:

- a. The declaration of an emergency situation is made in writing by the Department Head affected, or the City Manager, not the Procurement Department.
- b. Departmental officials **shall not** use the emergency purchase procedure to abuse or otherwise purposely circumvent the regular established Procurement procedures.

3. **Authorization:**

- a. General:
 - i. The Chief Procurement Officer can approve emergency purchases up to \$49,999.99;
 - ii. The City Manager must approve purchases \$50,000 and above;
 - iii. A record listing of all emergency purchases \$100,000 or more shall be submitted to the City Council at the earliest available Council meeting, but no later than ninety (90) days of the purchase.
- b. The City Manager (or designee) may waive solicitation requirements in emergencies where there is an imminent threat to City employees, or public safety, or in cases when necessary to prevent damage to the facilities caused by an unexpected circumstance.
- c. In the event of an approved emergency, all normal purchasing procedures and requirements directly related to such emergency shall be suspended; and with the approval of the City Manager or the Chief Procurement Officer as delineated above, the Department Director may purchase any required emergency supplies, materials, equipment or services. The Department Director shall send to the Chief Procurement Officer a requisition and copy of the delivery record together with a full written report of the circumstances of the emergency.

4. **Declaration of Emergency:**

- a. In the event of an emergency, such as a declaration of emergency pursuant to Fla. Stat. **§252.38**, by the Governor, or by the County or City, all formal competitive bidding procedures are waived, and normal procurement procedures and requirements directly related to such emergency shall be suspended.
- b. In the event of, or in anticipation of, a natural or manmade disaster, including but not limited to, a hurricane, tornado, flood, fire, or other act of nature, riot or an act of terrorism, the City Manager is authorized to declare a state of emergency for procurement purposes for a specified period of time.
- c. Under such declared emergency, the City Manager shall be empowered to authorize the Chief Procurement Officer to secure any needed emergency supplies, materials, equipment or services using the most efficient and effective procurement methods for each procurement, as determined by the Chief Procurement Officer.
- d. The City Manager may also authorize Department Directors to purchase any needed emergency supplies, materials, equipment or services using the most effective procurement methods in each procurement, as determined by the Department

Director. The head of such department shall send to the Chief Procurement Officer a requisition and copy of the delivery record together with a full justification and circumstances of the emergency.

- e. If the cost of any emergency procurement exceeds the mandatory Council approval amount of \$100,000, a full report of such purchase shall be made to the City Council at the earliest available Council meeting, not to exceed ninety (90) days after the purchase.
- f. Nothing in this section shall be construed to limit the authority of the City Council to declare or terminate a state of emergency and take any action authorized by law when sitting in a regular or special meeting.
- g. **Support from Other Public Agencies:**
 - i. The Chief Procurement Officer, if so designated by the City Manager, may request another municipality or governmental agency to purchase for the City any needed emergency supplies, materials, or equipment; or the City may purchase from another municipality or governmental agency any needed emergency supplies, materials or equipment such municipality or agency has available.
 - ii. The other agency shall be reimbursed for said purchases in a timely manner, after the state of emergency subsides.

5. Competition:

- a. Although there may be a perceived emergency situation, departments should always be prudent regarding the spending of City funds. Departments will be expected to obtain competitive quotes, if possible.
- b. Emergency purchases are made with or without competition, depending on the circumstances. The Chief Procurement Officer, City Council, or Department Director in collaboration with the City Manager, may determine that such purchase is required to remedy or lessen the harmful effects of any actual or threatened occurrence which may interfere with the conduct of normal business operations or remedy or correct conditions which may pose an imminent or existing threat to the health, safety or welfare of persons or property.

6. Procedure for Purchases:

- a. **Emergencies during normal business hours, under \$100,000⁰⁰:**
 - i. Complete an Emergency Purchase form with a clear, concise, and complete description of the circumstances. The form is available on the City's Intranet site under the Procurement Department's Forms and Documents.
 - ii. Obtain the Department Director's approval in writing via signature on the form.
 - iii. Obtain the Chief Procurement Officer's approval in writing if under \$50,000 via signature on the form. If \$50,000 or more, the Chief Procurement Officer will

then forward the form to the City Manager for signature.

- iv. Email approval will suffice while the form is routing for signature.
- v. Create a purchase requisition in HTE administrative system within 24-hours. Be sure to:
 - a) State 'Emergency Purchase' in the description
 - b) Route the purchase requisition through the Department Director and the Chief Procurement Officer.
- vi. If time permits, Procurement will issue a Purchase Order and a service agreement (if applicable) to the vendor.
- vii. Alternatively, provide the signed emergency purchase form and any sales ticket, invoice or delivery record as back up for the requisition and Procurement will issue a confirming Purchase Order.

b. **Emergencies during normal business hours, \$100,000^{.00} or more:**

- i. Follow the same process as described above.
- ii. Submit a full report for each purchase that is \$100,000^{.00} or more to the City Council at the earliest available Council meeting, no later than ninety (90) days after the purchase.

c. **Emergencies during nights, weekends or holidays:**

- i. Obtain Department Director approval.
- ii. Purchase the required item/service.
- iii. On the next business day, contact the Chief Procurement Officer to inform him/her of the purchase.
- iv. Follow the process as described above.

7. **Documentation:** Records of emergency purchases shall be maintained in the Procurement Department.

Y. Grants

1. **General:**

- a. All purchases, regardless of the funding source, including Grant funds, shall be made in accordance with the guidelines set forth in this Procurement Manual.
- b. Each Grant may have additional procurement procedures that apply. The client

department must take steps to assure they are aware of all requirements.

2. Adherence to Procedures:

- a. Purchases that are made utilizing state and federal grant funds shall be in compliance with this Procurement Manual and applicable state statutes and federal laws, as well as grant guidelines and provisions. These shall include, but are not limited to, the following:
 - i. Federal law and standards found in C.F.R. 200.318 General Procurement Standards, through C.F.R. 200.326 for Contract Provisions.
 - ii. The Davis-Bacon Act;
 - iii. Drug-Free Workplace Act; and
 - iv. Requirements of Debarment and Suspension.

3. Responsibility:

- a. Each client department who administers a state or federal grant is responsible for knowledge of, and compliance with, those regulations that pertain to his/her specific grant.
- b. The signature and/or approval of the Department Director shall indicate that the purchase is being made in full compliance.
- c. The Procurement Department will provide secondary review for such compliance.
- d. All grant money purchases shall be processed on a purchase requisition/PO, using the appropriate method of procurement.

4. System for Award Management (sam.gov): In accordance with the applicable Code of Federal Regulations (CFR), and E.O. 12549, E.O. 12689, and each agency's codification of the Common Rule for non-procurement suspension and debarment, when preparing for a purchase using grant funds, the recommended vendor must be checked on the System for Award Management (sam.gov) to ensure they do not have any federal exclusions. This system disseminates information on parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits.

Z. Receiving and Returns

1. General:

- a. To ensure the supplier is paid in a timely manner, the Accounts Payable Division must be notified when materials and/or services are received.
- b. Delays in checking shipments and forwarding the receiving documentation may result in loss of cash discounts, and/or slow payment of invoices which results in loss of supplier confidence and possible increased costs.

2. Receipt by Departments:

- a. **Responsibility:** It is the responsibility of the departments to ensure that all incoming shipments are inspected to determine that they are in conformance with the purchase order. If the materials received are not correct, and you are unable to resolve the issue directly with the vendor, notify the Procurement Department to assist with problem resolution services and guidance for material returns.
- b. **Services:** The person accepting the services shall indicate acceptance of the services by receiving against the purchase order electronically in H.T.E., signing the invoice or work order, noting the approval for payment, and forward with all documentation to the Accounts Payable Division.
- c. **Goods:** Actual receipt and signing bill of lading/packing slip for goods may be done by any staff member. Signing for goods does not make the City staff member personally responsible for the goods. Signatures are to prove delivery was made by the supplier and ensure payment thereof.
- d. Most deliveries are made by USPS, UPS, FedEx or other third party; therefore, there is not adequate time to fully check each separate shipment while the driver is on hand. If possible, inspect with driver present. Otherwise, as soon as possible, check the shipment for damage and shortages. The following steps should be taken:
 - i. **External Damage:** Check for external damage to the packaging. Take pictures of obvious damage.
 - ii. **Verify Count:** Make sure you are receiving as many cartons as listed on the delivery receipt. If shortages, note exactly how many cartons are short on the carrier's delivery receipt and have the driver note and sign the shortage on your copy. Make sure all copies of the delivery receipt state the shortage, overage and/or damage. Failure to report damage and shortages may result in null or void claims.
 - iii. **Delivery by Commercial Truck Line:** Goods that are delivered by commercial trucks are generally large quantities of one product or a few very large items. They have a packing slip in addition to a bill of lading. If possible, inspect the goods prior to removal from the carrier's truck. Note any damage on the bill of lading and refuse shipment. Drivers are responsible only for tailgate delivery unless an extra charge has been paid for off-loading and setting in place or pricing was made for "inside delivery." However, most items purchased through the bid process include the extra charge.
 - iv. **Match with the appropriate PO:** The person inspecting the goods shall indicate acceptance by receiving against the purchase order electronically in H.T.E., signing the invoice or work order, noting the approval for payment, and forward with all documentation (including the signed packing slip) to the Accounts Payable Division.
 - v. **Partial Shipments:** Retain partial shipments until the order is complete, whenever possible. Notation should be made on the packing slip when final shipment is received, so the PO can be closed.

- vi. **Incomplete PO, but final delivery:** When the order is complete, or considered complete by the supplier (supplier cancellation), receive the items accordingly through the H.T.E. system, sign the packing slip or invoice, indicate items not received, indicate the date the order was received and forward to the Accounts Payable Division as either the original or copy. Contact Procurement to then close the PO.
- vii. **Collect Deliveries:** The City's standard is that deliveries are made FOB (Free-on-Board) destination, freight prepaid, therefore COLLECT deliveries should not occur. In the event a carrier has a COLLECT delivery, the delivery should be REFUSED.

3. **Discovery of Damage:**

- a. Freight damage is a problem usually without a complete solution. It is very important that each department be specific as to the correct delivery site when processing purchase requisitions in H.T.E. However, the following procedures are beneficial and necessary in handling freight damage and claims against common or commercial carriers (deliveries made by trucking services other than the supplier's own truck and driver).
- b. **Delivered by the supplier's truck:** Refuse delivery of the damaged packages/items.
- c. **Delivered by a professional shipping company (Common/Commercial Carrier):** Steps to take when visible or concealed damage is discovered:
 - i. Refuse delivery if possible.
 - ii. Should the driver refuse to open the carton or to wait for inspection, write a statement on all copies of the delivery ticket such as: *"Except for concealed damage"* or *"Subject to Inspection"*, and sign the document. Retain a copy.
- d. **External Damage:** Carefully examine each carton for damage. If damage is visible, note this fact on the delivery receipt and have the driver clearly note that fact on his copy. Take pictures of the damage. If the carton has the appearance that contents inside may be damaged, insist that it be opened at that time, and both you and the driver should make joint inspection of the contents. Any concealed damage discovered should likewise be noted on the delivery receipt and on your copy. Be sure to retain your copy.
- e. **Retain damaged items:** Damaged items cannot be used or disposed of without written permission of the supplier. Not only must the damaged items be held at the point where received, but the containers and all inner packing materials MUST be held until an inspection is made by the inspector.
- f. **Do not return damaged items to shipper:** Return of such items shall be made only with written authorization from the shipper. When said authorization is received, the item(s) shall be returned, with all shipping costs to be paid by the shipper or carrier.
- g. **Call the carrier/vendor to report the damage and request inspection:** The call should be placed immediately upon discovery of the damage. Failure to report

concealed damage may result in the carrier denying your claim.

- h. **Confirm the call in writing:** This establishes the fact that the carrier was notified. A copy of the correspondence shall be sent to Procurement and filed with the purchase order.
- i. **Inspection by the Carrier:** The carrier may make inspection of damaged items:
 - i. **Preserve the damaged item(s) in the receiving area:** Ensure damaged items have not been removed from the receiving area prior to inspection of the packing materials and freight bill. Be sure to retain your delivery receipt, as it will be needed as a supporting document when the claim is filed.
 - ii. **After the inspector fills out inspection report, carefully read it before signing:** If you do not agree with any facts or conclusions made by the inspector on the report, do not sign it. Unless repairs will be completely satisfactory, be sure the inspector requests replacement on the inspection report. A new item can be ordered only if the inspection report specifies "Replace."

4. **Receipt of Computer Equipment & Telecommunications Equipment:**

- a. All computer software, hardware, peripherals, and telecommunications equipment purchases must originate through the Information Technology Department (IT).
- b. After performing all appropriate duties, including affixing decals to all capital equipment, the IT personnel shall arrange for delivery of all computer equipment, software, documentation, and peripherals directly to the site as directed by IT who shall inspect the shipments and sign the packing slip/invoice to approve payment, as stated above.
- c. All documentation shall be sent to the IT for informational purposes, who shall then forward it to the Accounts Payable Division.

5. **Labeling of Capital Items:**

- a. Each department shall ensure that all capital items (items with a value of **\$5,000.⁰⁰** or more **and** having a useful life of at least one year) are labeled with a City property tag and included in the Capital Equipment listing.
- b. All official paperwork shall be forwarded to Accounting Supervisor upon completion.

6. **Unidentified Deliveries:**

- a. Call the Procurement Department for assistance with deliveries of goods which do not reference a PO number or have specific deliver-to information.
- b. In an effort to identify the ordering department, Procurement will attempt to research the supplier information and may send an e-mail notice to client departments' contacts informing staff of the receipt of unidentified goods, requesting that the person who ordered the goods contact the receiving department for transfer.

7. Returns:

- a. When suppliers have shipped items as specified on a purchase order, and the City has inspected and accepted them, they have legally complied with their obligations to the City and are under no obligation to accept returned items.
- b. Most suppliers will accept returns with a restocking fee and shipping charges. The Procurement Department will assist departments in negotiating the return of products if necessary.
- c. If restocking fees are necessary, they can be paid with a change order to the purchase order.
- d. All returns must be accompanied by a packing slip, which includes a return authorization number. The client department shall contact the supplier to request the return authorization documents.

AA. Local Businesses and Minority and Woman Owned Business Enterprises

1. The City is sensitive to the needs of local businesses, small businesses, disadvantaged businesses and minority business enterprises.
2. The City awards contracts to the lowest, most responsive and responsible bidder or highest ranked proposer.
3. To facilitate increased participation from local businesses and small business enterprises including minority and women owned businesses, the Chief Procurement Officer will:
 - a. Use its best efforts to encourage businesses located within the City of Palm Bay to participate in City solicitations and do business with the City.
 - b. Encourage small, minority and women owned businesses, and disadvantaged businesses located in the City of Palm Bay to do business with the City.
 - c. Provide assistance in preparation of proposal/quote responses to any vendor requesting assistance, including any local business, small business, disadvantaged business or minority business vendor requesting assistance.
 - d. Participate in workshops and programs sponsored by the City, County, Federal, State, County or other municipal governments, and business professional organizations and supportive organizations which are intended to educate, certify, and promote greater participation.

BB. Surplus Property Disposal

1. Responsibility:

- a. The Chief Procurement Officer has administrative responsibility for surplus property control. The Chief Procurement Officer may delegate this administrative responsibility to Procurement staff, as needed.
- b. The Surplus Property Coordinator is an employee designated by the Chief Procurement Officer within the Procurement Department and tasked with clerical responsibility of surplus property control.
- c. Department Directors are designated as custodians for property within their departmental control and are charged with ensuring surplus property is disposed of in accordance with Code, Policy and Procedure.
- d. Sub-custodians, designated by Department Directors, will be directly responsible for custody of assigned property, for maintenance of property records, and for completion of custody records, including surplus property disposal requests and approval tracking.

2. References:

- a. City of Palm Bay Code of Ordinances
- b. City of Palm Bay Procurement Manual
- c. Surplus Process Decision Tree
- d. Surplus Property Spreadsheet for Department Use (also referred to as “Excel Form”)
- e. Surplus Property Disposal Justification Form (also referred to as “Adobe Form”)
- f. Forfeiture Property Spreadsheet for Police Department Use

3. Definitions:

- a. **Surplus:** Item or equipment or other property which a department has determined can no longer be used or is no longer required.
- b. **Estimated Current Market Value:** The estimated sale value of the item in a competitive, open market, such as the on-line and offsite auction services utilized for surplus property disposal;
- c. **Condition of Item:** The current condition of the item at the time of identification as surplus property:
 - i. **Good:** Item is used and working
 - ii. **Fair:** Item has some defects, blemishes, requires repair
 - iii. **Poor:** No longer functions, and cannot be repaired cost-effectively
 - iv. **Obsolete:** In very good, excellent, or new condition, but no longer needed for intended purpose

- d. **Disposal:** The method in which the Chief Procurement Officer or designee determines to be in the City's best interest, in accordance with Code:
- i. **Auction/Sale:** Competitive submittals using the services of on-line auction companies or the City's contracted offsite Auctioneer;
 - ii. **Cannibalize:** Equipment is in non-repairable condition and/or not cost-effective to repair, but the component parts of the equipment may be used to repair or replace parts on other City owned pieces of equipment. Additionally, once cannibalized, the original equipment can no longer be used;
 - iii. **Donation:** Giving surplus property to a charitable or not-for-profit or non-profit organization, another governmental entity, or public school;
 - iv. **Scrap:** Any metallic material that can be melted and reused to produce new material, and can be sold to a scrap metal vendor for its residual value;
 - v. **Recycle:** Any material which can be otherwise recycled, including electronics, books, or other materials as determined by the Procurement Surplus Property Coordinator;
 - vi. **Trade-In:** Items which are obsolete but can be used to offset the cost of a new purchase via a salvage credit from the vendor. In most cases, the vendor takes possession of the surplus items as part of the sale of the new equipment;
 - vii. **Transfer:** Allocating equipment to another City department for use in their operation;
 - viii. **Destruction:** Items for destruction are those which endanger the health and safety of City employees or any potential buyer, as determined by the Chief Procurement Officer or designee; OR items which have little to no market value, and cannot be transferred to another department or disposed of in any other way as determined by the Chief Procurement Officer or designee in the best interest of the City; examples may be a desk which has collapsed, items with mold, or broken items which received no bids via the on-line auction disposal method.

4. **Departmental Procedures:**

- a. When a client department determines that it no longer requires or can use an item of equipment or other property which has been identified as surplus or obsolete material, it must be reported to the Procurement Department.
- b. The Procurement Department will maintain a list of Department Directors and their appointed designees for signature approval on disposal forms.
- c. **Property with an estimated current market value less than \$100,000:**
Note: This section does not apply to vehicles (regardless of value); missing or stolen items; items for trade-in to offset a new purchase; donations; or items which meet the definition for destruction.

- i. Department Sub-custodian will complete the ***Surplus Property Spreadsheet for Department Use***. This form MUST be filled out completely in Excel.
 - ii. For the “Condition of Items” and “Preferred Disposal Method” fields, use only the categories listed.
 - iii. The Department Director or authorized designee shall sign the completed ***Surplus Property Spreadsheet*** Excel form.
 - iv. The Sub-custodian will forward both the Excel file electronically via e-mail and the signed copy (scan & e-mail or with a digital signature) to the Procurement Surplus Property Coordinator.
 - v. The Procurement Surplus Property Coordinator will add the items to the Surplus Master List and follow the disposal procedures.
 - vi. If items cannot be placed internally and the current market value of the item does not exceed \$100,000^{.00}, disposal action will be authorized by the Chief Procurement Officer.
- d. **Property with an estimated current market value equal to \$100,000 or more:**
Note: This section does not apply to vehicles (regardless of value); missing or stolen items; items for trade-in to offset a new purchase; donations; or items which meet the definition for destruction.
- i. Department Sub-custodian will complete the ***Surplus Property Spreadsheet for Department Use***. This form MUST be filled out completely in Excel.
 - ii. For the “Condition of Items” and “Preferred Disposal Method” fields, use only the categories listed.
*** Note on Transfer to another Department: Transfer of capital asset items from the Utilities, Stormwater, BCRA, CDBG/HANDS departments/divisions, or other enterprise or grant funded purchases may require an interdepartmental budget transfer and coordination with the Accounting division to move the assets from an Enterprise fund to another department.*
 - iii. The Department Director or authorized designee shall sign the completed ***Surplus Property Spreadsheet*** Excel form.
 - iv. The Sub-custodian will forward both the Excel file electronically via e-mail and the signed copy (scan & e-mail or with a digital signature) to the Procurement Surplus Property Coordinator.
 - v. The Procurement Surplus Property Coordinator will add the items to the Surplus Master List and attempt to place the item(s) internally, following the disposal procedures.
 - vi. If the items cannot be placed internally and the current market value is in excess of \$100,000^{.00}, the Department Director will draft a Legislative Memorandum and forward the draft Memo and completed form to the Chief Procurement Officer.

- vii. The Chief Procurement Officer will review and advise on the requested action and modify the Memo as necessary.
 - viii. Final Memo and attachments will be sent to the City Manager for review and approval. If current market value is in excess of \$100,000.⁰⁰ and concurrence is obtained by the City Manager, disposal request will be placed on the next Council meeting agenda.
 - ix. The Procurement Surplus Property Coordinator will add the items to the Surplus Master List and follow the disposal procedures.
 - x. The Chief Procurement Officer will determine the best method of disposal, which may include a formal, competitive reverse bid.
- e. **All VEHICLES or TITLED EQUIPMENT, regardless of value:**
- i. ***All departments must contact Fleet Services prior to any vehicle disposal action!*** Fleet Services shall coordinate the disposal of all vehicles (except totaled vehicles—refer to Risk Management for disposal of totaled vehicles).
 - ii. Fleet Services or the Department Sub-custodian shall complete the applicable disposal form (***Surplus Property Disposal Justification Form*** for City owned vehicles; or the ***Forfeiture Property Spreadsheet for Police Department Use*** for Police Department forfeiture vehicles that have been legally titled to the City).
 - iii. The entire form must be filled out completely.
 - iv. For the Disposal Action section, the only available option for vehicles is AUCTION/SALE.
 - v. The Department Director or designee shall sign the completed form and forward to the Procurement Department.
 - vi. The Procurement Surplus Property Coordinator will add the items to the Surplus Master List.
 - vii. The Public Works Director/Fleet Services Division Manager will coordinate with the Chief Procurement Officer in accordance with dollar values established in the procedure herein.
 - viii. If the action is approved, the Procurement Surplus Property Coordinator will complete the disposal procedures listed in Section 5, Procurement Surplus Procedures.
- f. **MISSING or STOLEN Items**
- i. **Capital Asset Items & Internally Tagged Items:** The Department will follow the Finance department's administrative code, policy and procedures

regarding missing or stolen capital asset items, internally tagged items, and other items captured in the department's inventory.

ii. **Items previously identified as Surplus to the Procurement Surplus Coordinator:**

- a) The Procurement Surplus Property Coordinator will send a list of items to be auctioned to the Department Sub-custodian for review of accuracy prior to sale.
- b) On occasion, a Department Sub-custodian may advise the Procurement Surplus Property Coordinator that an item that was originally declared and approved for surplus cannot be located.
- c) The Department Sub-custodian must write an e-mail to the Procurement Surplus Property Coordinator, copying the Department Director, requesting permission to remove the misplaced item(s) from the City's inventory. Justification may include the extent of search to recover missing/stolen items, whether a police report was filed, and whether an insurance claim is in process.
- d) If the action is approved by the Chief Procurement Officer, the Procurement Surplus Property Coordinator will note the status as "Missing" on the Surplus Master List and include a copy of the e-mail in the Surplus File.
- e) The Department must also follow the Finance department's administrative code, policy and procedures regarding missing or stolen capital asset items, internally tagged items, and other items captured in the department's inventory.

iii. The Accounting division will update the City's inventory in accordance with their procedures.

g. **Items for TRADE-IN, regardless of value:**

- i. The Procurement Manual and competitive thresholds must be followed.
 - a) Gross purchase amounts (price BEFORE trade-in) which are \$10,000^{.00} to \$25,000^{.00} must be accompanied by at least three (3) written, verifiable quotes.
 - b) Gross purchase amounts (price BEFORE trade-in) which are \$25,000^{.01} to \$99,999^{.99} will require quotes by the Procurement Department, or the use of an approved cooperative agreement.
 - c) Gross purchase amounts (price BEFORE trade-in) which are \$100,000^{.00} or greater will require competitive solicitations by the Procurement Department, or the use of an approved cooperative agreement, and Council approval.

- ii. If a solicitation is conducted through the Procurement Department, the client department must notify the Procurement Department during development of the specifications of the intent to trade-in surplus equipment to offset the purchase price. Complete the **Surplus Property Spreadsheet for Department Use** for the trade-in items and provide it as part of the solicitation request. Procurement staff can then ensure that there is a line item on the Quote/Bid/Proposal form for vendors to provide a salvage credit for surplus trade-in. Approval of the trade-in will be made as part of the award approval process for the procurement thresholds as identified in the Procurement Manual. Upon award, the Procurement Surplus Property Coordinator will then add the items to the Master List and work with the Department Sub-custodian to ensure proper disposal via trade-in.
- iii. The Chief Procurement Officer must approve all trade-ins of surplus property towards the purchase of new equipment when the Gross purchase price (price BEFORE trade-in) does not exceed \$100,000^{.00}. The following procedures apply:
 - a) Department Sub-custodian will complete the **Surplus Property Spreadsheet for Department Use**. This form MUST be filled out completely.
 - b) For the Disposal Action section, the only available option is TRADE-IN.
 - c) The Department Director or designee shall sign the completed form.
 - d) The Sub-custodian will forward the signed copy (scan & e-mail or with a digital signature) to the Chief Procurement Officer.
 - e) If approved, the Department will be responsible for entering the purchase requisition in the HTE administrative system and specifically referencing the gross price, trade-in value (must match vendor's quoted trade-in value), and net price on the purchase requisition.
 - f) Alternatively, if a competitive solicitation must be conducted by the Procurement Department, the Chief Procurement Officer will provide the **Surplus Property Spreadsheet for Department Use** form to the Surplus Property Custodian who will ensure that a line item is included in the solicitation for salvage credit.
- iv. The City Council must first approve all trade-ins of surplus property towards the purchase of new equipment when the Gross purchase price (price BEFORE trade-in) is \$100,000^{.00} or more.
 - a) When the Department Director drafts the Legislative Memo for the formal solicitation award and forwards the draft to the Chief Procurement Officer, the Memo must specifically address the trade-in/salvage of the items.
 - b) If the Department is making the purchase and trade-in via a cooperative contract (i.e.; "piggybacking" another Agency's contract), the Legislative

Memo requesting permission to utilize the other Agency's contract must also include a completed **Surplus Property Spreadsheet for Department Use** as an attachment and specifically identify: items to be traded, including Capital Asset ID numbers; cooperative agreement information; trade-in value (must match vendor's quoted trade-in value); reason trade-in item(s) are obsolete.

- v. If the action is approved by the Chief Procurement Officer and/or Council, the Procurement Surplus Property Coordinator will add the items to the Surplus Master List and note the status.

h. Items for DESTRUCTION:

- i. The approval authority to deem a surplus item fit for destruction rests with the Chief Procurement Officer or designee.
- ii. Whenever possible, the Chief Procurement Offer or designee will endeavor to recycle or sell for scrap any surplus items approved for destruction as the preferred method of disposal.
- iii. The Department Sub-custodian will follow the surplus procedures described in this section, including completion of the surplus form, and select "Scrap" or "Destruction" as the disposal method.
- iv. In addition, the Department Sub-custodian will accompany their form with a written request to the Procurement Surplus Property Coordinator requesting destruction.
 - a) The e-mail will detail what the item(s) are, and why they meet the definition for destruction.
 - b) Preferably, the e-mail shall include a picture(s) of the item(s).
 - c) The Department Director must be copied on the e-mail, whether they signed the disposal form, or their designee signed the form, so they are aware of the request for destruction.
- v. The Procurement Surplus Property Coordinator will investigate the condition, including site visits, if necessary, and make a recommendation as the Chief Procurement Officer as to the appropriate method of disposal.
- vi. The Chief Procurement Officer or designee will make final determination as to whether an item can be destroyed, in that it is not in the City's best interest to dispose of the item(s) with any other method. Approval will be granted via e-mail response. E-mail will serve as written record of disposal and will be filed in the Surplus file.
- vii. If an item was placed on an approved on-line auction site for sale by Procurement and no viable bids are received and/or has a market value less than the minimum value under the current fixed asset control system, the Chief Procurement Officer or designee may approve those items for destruction.

Request and approval will be made by the Procurement Surplus Property Custodian to the Chief Procurement Officer via e-mail.

- viii. The Department Director is responsible for ensuring that disposal is made in accordance with any and all applicable laws, regulations, ordinances, supervision, and in accordance with the written direction from the Chief Procurement Officer or designee.

i. **Items for DONATION:**

- i. In accordance with the Code of Ordinances, the Chief Procurement Officer has the authority to donate surplus items to another governmental entity, public entity, or other entity as determined appropriate.
- ii. The Department Director is responsible for drafting any requested action to the Chief Procurement Officer regarding requests for donation.

5. **Procurement Surplus Procedures:**

a. **Moving Items to the Procurement Surplus Storage area:**

- i. If an item needs to be removed from the Department's location due to lack of space, the Sub-custodian will inquire as to space available from the Procurement Surplus Property Custodian.
- ii. If the Procurement Surplus Property Custodian grants approval to move the items to the Procurement Storage area, the Department will be responsible for the physical transfer. Alternatively, the Department will enter a Facilities Work Order to move the items, if applicable. Notate in the Work Order that the move was approved by Procurement.
- iii. All items moved to the procurement surplus storage area must be marked with the department name and the capital asset ID number or internal tag number, as applicable. Unmarked items will not be permitted in the Procurement Storage area.
- iv. No items can be moved to the Procurement Storage area without prior approval by the Procurement Surplus Property Custodian or the Chief Procurement Officer, as applicable.
- v. Items in the Procurement Storage area will be coordinated for disposal by the Procurement Surplus Property Custodian.

b. **Internal Transfer:**

- i. The Procurement Department will first endeavor to place surplus property internally by advertising available items to other departments.
- ii. Transfer of surplus property items from the Utilities, Stormwater, BCRA, CDBG/HANDS departments/divisions, or other enterprise or grant funded purchases may require an interdepartmental budget transfer and coordination

with the Accounting division to move the assets from an Enterprise fund to another department.

- iii. The Procurement Department will send periodic e-mails to Department Sub-custodians and other departmental contacts with a list of items available internally.
- iv. When possible, the Procurement Department will include in these announcements a link to a network folder of photos of surplus items.
- v. The Procurement Department will coordinate any surplus transfer between departments for items on the Master List. However, the client department will be responsible for the physical transfer. Alternatively, the client department may enter a Facilities Work Order to move the items, if applicable. Notate in the Work Order that the move was approved by Procurement.
- vi. The Procurement Department will notify the Accounting division of the transfer of any capital assets between departments.

c. Surplus Master List:

- i. The Procurement Department will maintain a Master List of all surplus items that have been identified by the departments.
- ii. The Procurement Department will keep the list up to date with the status of each item.
- iii. At the end of each fiscal year, the Procurement Department will complete a final audit of the Master List for accuracy, and roll any items not yet disposed of to a new Master List for the new fiscal year.
- iv. At the start of the fiscal year, the Procurement Department will send the final Master List from the previous fiscal year showing all disposed items to the Accounting division so that any inventory items can be removed from inventory.

d. Surplus Master File:

- i. Procurement will maintain a Surplus Master File by fiscal year.
- ii. This file will contain all documentation related to all disposal actions, including signed approvals for disposal.
- iii. At the end of the fiscal year, the Procurement Department will close out the Surplus Master File.

e. Vendor Coordination:

- i. The Procurement Surplus Coordinator, with approval by the Chief Procurement Officer, will determine the best method for disposal using the City's contracted offsite auctioneer service or the contracted third-party online auction service; piggybacking off another Agency's surplus recycling contract; or other disposal

methods. Selection of the best disposal method will be coordinated with the Department Sub-custodian.

- ii. The Procurement Department will coordinate all sales through the City's contracted offsite auctioneer service vendor.
 - iii. The Procurement Department will periodically create a "pick-up" list for the offsite auctioneer vendor. The pick-up list will have a departmental point of contact for each site.
 - iv. The Procurement Department will request review of pick-up lists by the Department Sub-custodian prior to sending the items to the vendor.
 - v. For sales through the third-party online auction service, the Procurement Department will request and/or take pictures of the items and work with the Department Sub-custodian to develop a description of the item(s) or Lot and a minimum bid price prior to posting the item.
 - vi. The Procurement Department will serve as the point of contact for all bidder inquiries and will coordinate all online sales pick-ups between the buyer and the Department Sub-custodian.
- f. **Revenue Tracking:**
- i. The Procurement Department will track all revenue received from the sale of surplus property.
 - ii. The Procurement Department will request that the Finance Department deposits all checks received for surplus property sales into the appropriate accounts determined by the Finance Department.
 - iii. The Procurement Department will request that the Finance Department deposits all sales tax received into the appropriate account.

CC. Environmental Procurement

1. Purpose:

- a. To recognize the goals set forth by the City to be a responsible environmental leader.
- b. The City is a large consumer of goods and services and the purchasing decisions of our staff and contractors may positively or negatively affect the environment. By including environmental considerations in our procurement decisions, along with our traditional concerns with price, performance and availability, we will remain fiscally responsible while promoting practices that improve public health and safety, reduce pollution, and conserve natural resources. The purpose of this document is to establish the framework for a sustainability-based purchasing program for the City.
- c. In accordance with **§255.2575**, Florida Statutes, Energy Efficient and Sustainable Buildings, City buildings shall be constructed to comply with a sustainable building

rating system or a national model green building code.

- d. By giving preference to environmentally friendly products whose quality, function, and cost are equal or superior to more traditional products, this policy will:
 - i. Conserve natural resources;
 - ii. Minimize pollution;
 - iii. Reduce the use of water and energy;
 - iv. Eliminate or reduce environmental health hazards to workers and our community;
 - v. Support strong recycling markets;
 - vi. Reduce materials placed in the landfill;
 - vii. Increase the use and availability of environmentally preferable products;
 - viii. Reward vendors who reduce environmental impacts in their production and distribution systems or services;
 - ix. Create a model for successfully purchasing environmentally preferable products that encourages other purchasers in our community to adopt similar goals;
 - x. Educate ourselves, our vendors, and our client departments.
- e. It is not the intent of this procedure to require a client department, buyer or contractor to:
 - i. Take any action that conflicts with local, state or federal requirements;
 - ii. Procure products that do not perform for their intended use;
 - iii. Exclude adequate competition; or
 - iv. Pursue products not available at a reasonable price in a reasonable period.

2. **Policy:**

- a. All City departments shall take every reasonable effort to reduce the amount and toxicity of solid waste they generate, recycle materials recoverable from their operations, and maximize the procurement of recycled, energy efficient, and non-toxic products.
- b. Department Directors shall monitor compliance with the policy, and ensure employees are made aware of this policy and the reasoning behind it.

3. **Definitions:**

- a. **Environmentally Responsible Products:** products or product usage procedures

which have minimal impact on the environment. Such products or procedures should reduce environmental impact through their composition and/or recyclability or by reduction in quantity and toxicity of waste products, energy use or water consumption.

- b. **Environmental Cost Factor:** The cost factor or purchase price for recycled products, or for more environmentally responsible items, should be consistent with a suggested variance of 10% above the acquisition cost for similar or less environmentally responsible items. Additional costs should be counter balanced by savings from improved usage procedures.
- c. **Recycled Product(s):** Products made with an identifiable percentage (1% - 100%) of post-consumer material content or of discarded virgin materials salvaged from the industrial waste stream. High content recycled products contain a minimum of 50% of post-consumer material.
- d. **Waste Reduction:** The act of avoiding, eliminating and reducing the amount of solid waste at the source of generation, at the point of usage and at the time of its discard.
- e. **Non-Toxic Product(s):** Any item which is not considered hazardous waste and that does not otherwise pose a threat to short or long-term human health during its use.
- f. **Energy-Efficient Product(s):** Products that meet the US Environmental Protection Agency's Energy Star qualifications or US Department of Energy's Federal Energy Management Program (FEMP) and vehicles that meet the US Environmental Protection Agency's SmartWay qualifications.
- g. **Life-Cycle Cost:** The total cost of a product including procurement, use, maintenance, and disposal.

4. **Procurement of Products:**

- a. All City employees shall make every reasonable effort to reduce the impact of purchased products and to purchase environmentally responsible products.
- b. The Procurement Department and all departments should purchase products that are made with recycled, non-toxic, and/or recyclable materials and that minimize environmentally harmful processes and products in their production, as long as those items meet or exceed specifications and required quality levels set forth by the City, and meet cost guidelines laid out in this policy.
- c. To the extent possible, the City will give special emphasis to products and materials made from post-consumer recycled materials.
- d. When purchases are necessary, strong consideration shall be given to durable items, items having minimal packaging, and items that are readily recycled when discarded.
- e. City departments are encouraged to use independent, third-party, environmental product or service label standards when writing specifications for, or procuring, materials, products, or services.
- f. City departments shall make every reasonable effort to procure chemicals and

products that have low toxicity or are non-toxic, except for water treatment purposes. Products with the following attributes should be favored:

- i. Have the fewest adverse health effects such as skin, eye, nose, throat, and lung irritation from toxic compounds;
 - ii. Contain the fewest chemicals that can enter the food chain to be consumed by aquatic plants and animals;
 - iii. Contain the fewest volatile organic compounds (VOC's) that can escape during product use;
 - iv. Avoid unnecessary additives such as fragrances and dyes;
 - v. Reduce product packaging and use recovered/recoverable materials when packaging is necessary.
- g. At the Department Head's discretion, departments shall purchase and use rechargeable batteries where applicable.
- h. At the Department Head's discretion, departments shall purchase and use recycled paper (minimum 20% post-consumer recycled content) for all documents whenever possible, regardless of cost.

5. Energy Efficiency:

- a. New and replacement equipment for lighting, heating, ventilation, refrigeration and air conditioning systems, water consuming fixtures and process equipment and all such components shall meet or exceed Federal Energy Management Program (FEMP) recommended levels, whenever practicable.
- b. All products purchased by the City and for which the U.S. EPA Energy Star certification is available shall meet Energy Star certification. See www.energystar.gov.

6. Cost:

- a. Department Directors are advised that the purchase of some environmentally responsible products may exceed the costs of comparable products. This factor alone should not determine whether an environmentally responsible product should be specified, although it should be a factor in the decision.
- b. All purchases shall be handled in a fiscally responsible manner, taking in to the consideration the environmental cost factor.
- c. Generally, for non-paper products, if the life-cycle cost of the environmentally responsible product does not exceed the cost of the alternative by more than 10%, and the product meets all necessary requirements, departments should include the environmentally responsible product in their specification.

7. Contractors:

- a. Vendors, contractors, and grantees may be asked to comply with applicable sections of this policy for products and services provided to the City, as stated in the solicitations.
- b. If a vendor that is under contract with the City was awarded based on conditions related to environmentally preferred purchasing and is no longer able to provide a product that meet those environmental specifications, it shall notify the Chief Procurement Officer and provide written justification for why compliance is not practical. Prior written consent from the Chief Procurement Officer, or authorized City representative, shall be required before substituting any alternative product in addition to other standard contract amendment procedures.

DD. Public Private Partnerships (P-3)

Public-Private Partnerships are detailed in Procurement Code of Ordinance Chapter 38, Section 38.14. Any public private partnership requires review by the City Attorney's Office, City Manager's Office, and Council approval.