

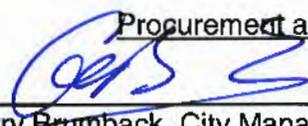
**CITY OF TREASURE ISLAND  
ADMINISTRATIVE POLICY**

**DATE OF ISSUE:** October 19, 2010

**NO.:** AP - 26

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**SUBJECT:** Procurement and Purchasing Policy

**APPROVED:**   
Garry Brumback, City Manager

**Revision Date:** 7 August 2019

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**I. PURPOSE & INTENT**

The purpose of this policy is to establish the manner in which the City of Treasure Island will purchase materials, supplies, equipment, and various contractual services; and maintain a high ethical standard for all officers and employees of the City in connection therewith. It is the stated goal of the City that all purchases are executed in the most responsible manner possible taking into account initial cost, long-term value, local and broad impact and sustainability, and an overall duty to public stewardship.

**II. POLICY & PROCEDURES**

These policies are established for purchasing supplies, materials, services, or commodities necessary for the operation of the City and are consistent with the requirements of Chapter 2, Article VI, Divisions 1 and 2, City of Treasure Island Code of Ordinances.

This policy shall apply to all employees and departments for the expenditure of funds authorized by the City Commission or budget.

This policy shall apply to the purchase of goods and/or services, unless the Purchasing Procedures, the City Commission, or any applicable Federal, State or local law specifically makes that purchase exempt. Known exceptions include certain construction projects (18 FS §255.20), selection of auditor services (14 FS §218.391), and supplies subject to the employment for blind and disabled persons (30 FS §413.036).

**A. RESPONSIBILITIES**

1. The City Manager is responsible for ensuring that the purchasing policy is applied uniformly and consistently in all City offices and departments. The City Manager or designee is responsible for establishing administrative guidelines for the purchase of commodities, materials, equipment and services for City agencies, departments and offices. Shall also be the party responsible for effective and beneficial negotiations of solicitations, where applicable.
2. The Finance Director shall provide assistance and advice, as necessary, in the administration of, and compliance with, the purchasing policies and procedures.

3. Department Directors—or designee—are responsible for ensuring employees in their department with purchasing authority are fully familiar with and properly trained on City policies, regulations and procedures regarding the purchase of commodities, materials, equipment and services. All employees shall comply with the provisions of applicable laws, policies, regulations and procedures.
4. The department director, or their designee, of each department shall be responsible for the following:
  - a. Determining the quality and quantity of supplies or services needed and the delivery date required.
  - b. Providing specific requisition requirements. Give accurate part numbers and descriptions of articles required in sufficient time to purchase supplies or services on a competitive basis.
  - c. Receiving and inspecting items delivered by vendors and reject shipments that fail to meet purchase order requirements. The Purchasing Coordinator should be immediately notified of any problems if items are accepted without inspection.
  - d. Obtaining approval for emergency purchases.
  - e. Cooperating with the Purchasing Coordinator in establishing standards and specifications.
  - f. Ensuring there are adequate funds available for any procurement.
5. The Purchasing Coordinator is responsible for the direction and management of the City's procurement processes and operations. Also responsible for assisting Departments in preparing specifications for competitive bids to ensure appropriate boilerplate and safeguards are added to avoid challenges to the bidding process, specifications, and award/rejection. This also includes ensuring departments place appropriate legal advertisements, conducting bid openings, and tabulating bids.
6. The Purchasing Coordinator will also propose administrative policies and procedures regarding purchasing; coordinate the sale and disposal of surplus property. The Coordinator will assist departments with obtaining quotes, bids and proposals for the purchase of equipment, supplies and services; reviews and processes requisitions for purchase and checks for accuracy and conformance with the City purchasing policy. The Coordinator will help Departments find prices, available products, and sources of supply; maintain vendor files; and act as the City's representative with various purchasing Cooperatives.

## **B. GOVERNING DIRECTIVES**

The rules and guidelines established within this Administrative Policy are duly authorized by Chapter 2, Articles II and VI, of the City of Treasure Island Code of Ordinances. (See Appendix 2.) Further, the City of Treasure Island will strive for equitable competition among all vendors regardless of race, color, religion, sex, national origin, gender, sexual orientation, marital status, age, genetic information, or disability.

### **C. UNAUTHORIZED PURCHASES**

Purchases required for the operation of the City are to be coordinated with the Purchasing Coordinator and Finance Director, unless specifically exempt. Any transaction, purchase, or procurement that is \$2,500 or more requires a Purchase Order—unless preapproved by the Finance Department—and must be authorized before any City monies can be spent. Unauthorized purchases made by City employees—without obtaining prior appropriate approval—may be subject to cancellation and the employee may be subject to disciplinary action as specified by the Personnel Manual.

### **D. GENERAL PURCHASING STANDARDS**

1. The Purchasing Coordinator shall be the primary conduit for communication between departments and potential vendors immediately before and during a formal solicitation process. This reliance will ensure that purchasing policies and principles are being upheld, and to minimize any appearance of a conflict of interest among the parties.
2. The preparation of specifications for technical equipment, plans, or designs is primarily the responsibility of the requesting department; while the Purchasing Coordinator will be primarily responsible for the final consolidation, review, and publication of solicitations.
3. Unless otherwise exempted, Purchase Orders are required for expenditures of funds of \$2,500.00 or more.
4. Purchase Orders are not required for local utility services for City owned or operated facilities, postage expense, City Attorney billing, or non-competitive tangible goods, or other similar routine operating expenses as deemed appropriate by the Finance Director or City Manager.
5. Descriptions or specifications should be written to preclude limiting purchases to a specific brand name which can restrict competition and result in higher price. If the specifications of a brand name and/or model are being used or recommended, the term phrase “or equivalent” is to be included. If the “or equivalent” designation may not be acceptable, the department must submit justification for City Manager consideration.
6. In certain circumstances, the City Manager or City Commission may determine that it is in the best interest of the City to standardize the brand of certain equipment purchased, even though the bid submitted for the equipment is not the lowest. Standardizing can be advantageous to the City in that parts may be interchangeable with other units, the cost of training for the operation, repair and maintenance of the equipment can be reduced, and savings on the inventory of parts for the equipment can be achieved. See *Life Cycle Costs* in the Glossary section.
7. Where possible, a Department purchasing goods and services commonly required by more than one department should seek to establish an annual contract, utilizing a formal solicitation with the assistance of the Purchasing Coordinator. These contracts, featuring predetermined vendors, terms and conditions, and favorable, consolidated pricing, allow departments to utilize their personnel to accomplish other departmental duties by reducing the necessity for those personnel to perform separate, redundant, and conflicting procurement activities. Annual contracts should be utilized whenever the contract goods and services are appropriate to the needs of the user departments.

## **E. ETHICAL STANDARDS**

1. The avoidance of actual or apparent conflicts of interest is a prime requisite to the efficient and sound operation of government and maintenance of the public trust.
2. All City employees who participate in the purchasing program shall abide by the highest of ethical standards. A special responsibility is imposed on employees who are entrusted with the disposition of City funds. They must therefore adhere to the ethical standards contained in [Section 112.313 of the Florida Statutes](#).
3. Any City employee serving on an evaluation committee must complete the Statement of Non-Conflict indicating that neither they nor any immediate family member could stand to financially benefit directly or indirectly from any given outcome of the solicitation in question.

## **F. VENDOR RELATIONSHIPS**

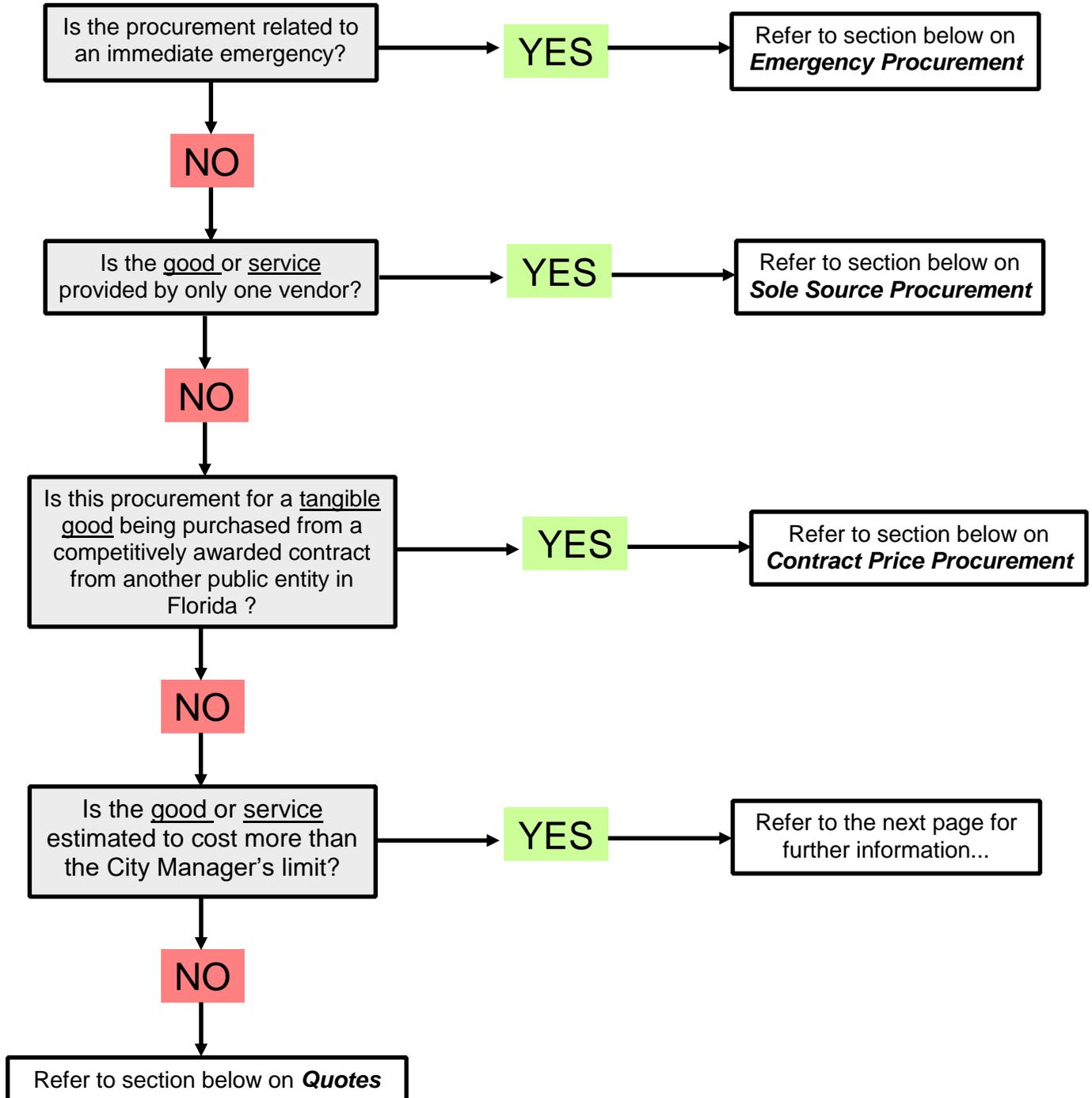
1. All vendors will be afforded equal opportunity to submit bids and/or quotations and to compete on equal terms.
2. The City will buy from suppliers who have adequate financial strength, high ethical standards, a record of adhering to specifications, maintaining shipping promises, and giving a full measure of service. The City will seek to buy at the lowest and best cost consistent with the quality needed to meet the requirements of the City, taking all life cycle costs into consideration.
3. The City recognizes the goals for Equal Employment Opportunity, Affirmative Action, Americans with Disabilities, Minority Business Enterprises (MBE), Women Business Enterprises (WBE) and other classifications that may be considered Disadvantaged Business Enterprises (DBE) and will encourage such entities to provide goods and services to the City.
4. The City strives to maintain relationships with vendors of proven ability. To accomplish this, purchasing activities will be conducted in such a manner that vendors will place a high value on City business and make every effort to meet these requirements on the basis of quality, service and price. All departments will strive to keep competition open and fair, and specifications clear and concise.
5. It is essential to develop and maintain goodwill between the City and its suppliers. The reputation of the City can be enhanced and promoted by:
  - a. Affording all representatives, a full, fair, prompt, and courteous hearing.
  - b. Keeping competition open and fair.
  - c. Keeping specifications fair, accurate and clear.
  - d. Maintaining consistent buying policies and principles.
  - e. Observing strict truthfulness in all transactions and correspondence.
  - f. Keeping free from any obligation to any vendor.
6. The City should not purchase any goods or services from any City Commission member or City employee, or any business in which a city employee or City Commission member has or may have a financial or beneficial interest except during an emergency situation.

## **G. THRESHOLDS & APPROVALS**

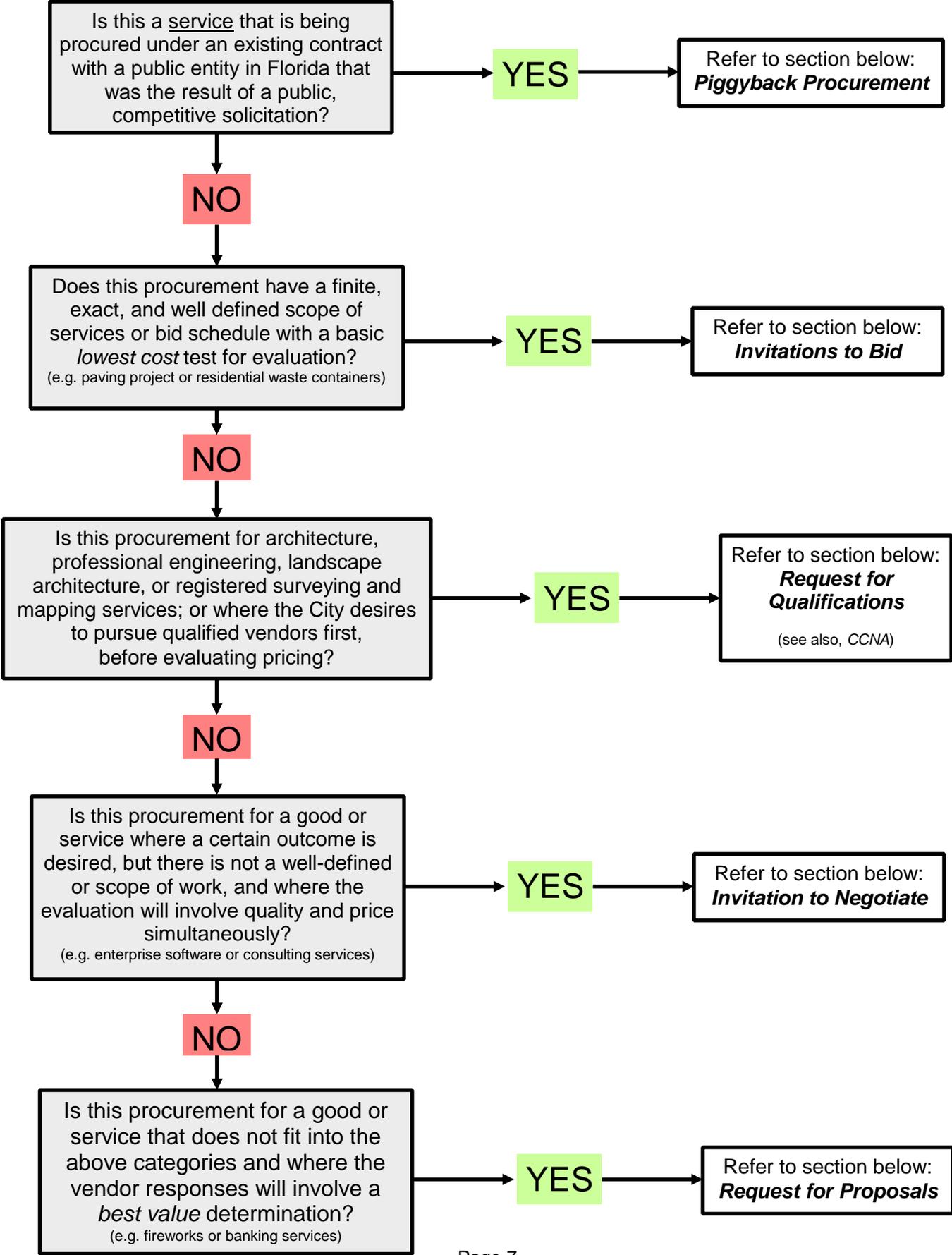
1. Competition requirements for commodities, services, construction, and equipment:
  - a. Less than \$2,500  
Approved by the Department Head or designated representative.  
The Department should shop around and solicit quotes regularly to ensure the City is getting the best prices. However, there is no specific requirement to get any set number of quotes for requisitions less than \$2,500. Where practical, Purchase Orders should be utilized for greater transparency, but the use of purchasing cards is acceptable.
  - b. \$2,500 - \$10,000  
The Department Director shall coordinate the collection of at least two (2) quotes using the most appropriate means necessary. Approval shall be made by the Department Director with concurrence by the Purchasing Coordinator and Finance Director as part of the required purchase order process.
  - c. \$10,000 - \$25,000  
The Department Director should coordinate with the Purchasing Coordinator in the collection of at least three (3) written quotes using a uniform and consistent method and/or online portal or platform. The goods/services sought should be specifically itemized so that submitted quotes are as similar as possible. The quotes shall be reviewed as part of the purchase order process.
  - d. More than \$25,000  
Unless otherwise noted, all purchases over this threshold must go through a formal solicitation process (e.g. ITB, RFP, etc.). Approval/Rejection of the bid or proposal shall be made by the City Commission before a purchase order can be finalized.
2. The purchase of services for temporary labor shall have the approval of the City Manager before a purchase order/contract is issued.
3. Personnel authorized to purchase commodities/services shall document procurement transactions to provide a basis for audit and compliance reviews and to establish a written record of the purchasing activity.
4. Required documentation includes the request for quotations, quotations, analysis of the quotations, memos on negotiations, amendments to purchase orders, revisions in specifications, quantities, or delivery and all other pertinent correspondence.

## H. SOLICITATION TYPES & PROCEDURES

The following flow chart is provided to provide a visual overview of the most appropriate solicitation based on the circumstances of the procurement. What follows after are the steps and procedures necessary for each type of solicitation. Departments should use this flowchart when they anticipate a procurement to be more than \$2,500 and would not be specifically exempted by this policy. All of the following purchases and procurements described below require sufficient funding being available in the approved city budget. These flowcharts are provided as guidance and the ultimate procurement avenue is dictated by federal or state law, local ordinance, or City Manager determination.



**Purchases over City Manager Limit**



## **General Solicitation Guidelines**

The following items are provided to document overall guidance and requirements:

- **Solicitation Evaluation**
  - For most of the solicitation types outlined below, the City's stated policy is to award solicitations to the vendor that meets the stated qualifications and offers the lowest overall purchase price.
  - For other types as described below, the City's goal is to execute a "best value" evaluation to determine the vendor that can offer the best product for the lowest overall life cycle cost.
  - If the City recommends the acceptance of a bid other than the bid with the lowest total price, the reason for the recommendation shall be given.
- **Appropriations Requirements**
  - No purchases shall be made, contract executed, or obligation incurred for any item or service that shall exceed the current budget appropriations without a supplemental appropriation by the city commission.
- **External Purchasing Requirements**
  - The City shall follow other Federal, State, and local laws, statutes, ordinances, directives and policies as they apply to local government purchasing.
  - Standards and processes external purchasing requirement adherence will be crafted and maintained by the Purchasing Coordinator and may be amended at any time with the approval of the City Manager.
- **Advertisement of Bids**
  - State law dictates how certain solicitations must be advertised; the most common instance the City will face is any construction project estimated to exceed \$200,000.
  - Optionally, departments—with the advice of the Purchasing Coordinator—can choose to advertise, if they have the budget allocated to do so.
  - All formal solicitations will be posted on the City's website and on the most appropriate online purchasing portal being utilized by the City.
- **Miscellaneous**
  - When possible the City shall utilize an "e-bidding" option to encourage paperless submission of solicitation responses.
  - A tabulation of bids received and those in attendance shall be made publically available for each formal solicitation.
  - Failure by a vendor to properly complete a solicitation response may have it invalidated rendering it noncompliant. Such bids may still be considered if the deficiency is deemed by the Purchasing Coordinator to be minor and not affecting the result of the response.
  - Contracts for the acquisition of multiyear service agreements should not have an initial term of more than three (3) years with a renewal option not to exceed two (2) years; the City Manager can authorize an initial term of up to five (5) years with a two (2) year renewal option, if the services to be acquired are deemed essential and vital to City operations or where public health or safety may be jeopardized in the absence of a contract for the respective services.
  - Once a solicitation is advertised, a "cone of silence" is in place. This means potential bidders may only communicate with the Purchasing Coordinator regarding any information in a given solicitation until the solicitation is closed and a contract is formally awarded.
  - The City will follow Florida Statute 287.087 (Drug-Free Workplace) in case of identically-priced bid submissions. When bidders with a Drug-Free Workplace certificate submit identical bids, the City will defer to the most-local vendor starting with city, county, state, and national tests in that order. The City reserves the right to implement any other tie-breaker based on the uniqueness of the solicitation; such modifications will supersede these rules.

## **Emergency Procurement (EP)**

Certain situations may arise as part of City operations when the regulations of this policy cannot be strictly followed due to an imminent or active emergency event, which is a circumstance in which one of the following conditions exists:

1. Critical City operations will be affected in an adverse situation.
2. An emergency creates a threat to public health, welfare or safety.
3. A delay in the procurement of goods/services is against the public interest.

If any of these conditions are present, the City Manager and departments are permitted to take any and all necessary measures to procure the goods/services required to address the imminent emergency only. The City Manager and departments are urged to pursue the best prices possible in these situations, bearing in mind the public health and safety concerns. If the emergency occurs and must be addressed outside of normal operating hours, the respective Department Director is authorized to make all necessary purchases, in lieu of City Manager authority; it is the Department Director's responsibility to justify any emergency purchases. If the totality of the Emergency Procurement is greater than the City Manager's purchasing threshold, the department director must get City Manager approval and a full report of the circumstances shall be filed with the City Commission by the City Manager at its next regular meeting of the City Commission.

### **Procedures:**

1. An incident or occurrence arises that meets the definition of an "emergency" as indicated above, and that requires an immediate City response and spending.
2. The City (City Manager and/or Department Director) authorize the expenditure of funds to purchase the necessary services or supplies required to address the emergency, making all due effort to get the best price possible based on the severity of the emergency.
3. All direct expenses related to the emergency response will be detailed and serve as backup to the report that will be presented to the City Commission at the earliest possible regular meeting.

## **Sole Source Procurement (SS)**

The City may procure certain goods or services which may only be purchased from or serviced by one vendor. These Sole Source goods/services—such as unique, patented, or franchised supplies—are exempt from the requirements within this policy, except as described in this section. Such purchases in excess of the City Manager's threshold require approval by the City Commission, unless an emergency exists as defined in this policy.

### **Procedures:**

1. Department Directors, with the guidance of the Purchasing Coordinator, will complete a Statement of Sole Source Determination form to detail the specifics of the project.
2. Justification shall contain the following information as a minimum:
  - a. How a determination was made that the goods/services being purchased are only available from one source.
  - b. The contacts (if any) made in an attempt to identify alternate sources.
  - c. The rationale that the goods/services being purchased cannot be substituted with similar goods/services from other sources.
3. The City Manager is authorized to approve the request directly if the cost is less than or equal to the City Manager thresholds.
4. If the costs are anticipated to be greater than the City Manager's threshold and the City Manager agrees with the Sole Source determination, the City will agenda an item for City Commission consideration.

## **Contract Price Procurement (CP)**

Often the City will need to acquire goods or supplies that are routinely purchased by other public entities in Florida. When the Departments or Purchasing Coordinator can find competitive pricing from existing contracts—from a purchasing cooperative or other Florida public entities—Departments are permitted to acquire necessary goods or supplies at or less than the pricelist provided in the source entity's approved contract. **The procurement of contractual or professional services is not allowed under this section—see Piggyback Procurements.** Unless specifically exempted by ordinance (specifically Sec. 2-276a), or this policy (Emergency Procurement), Contract Price Procurements must be approved by the Commission if greater than the City Manager's approved threshold.

### Procedures:

1. Upon discovery of a contract that a department may wish to pursue, the department and Purchasing Coordinator will work together to gather the following requirements:
  - a. A copy of the original solicitation from the contracting public entity or consortium. This ensures the scope of work, bid schedule, terms & conditions, etc. are all in compliance with City standards and conforming to the goods or supplies required.
  - b. A complete copy of the awarded vendor's response to the original solicitation. This provides the pricing in the submitted solicitation response that produced the winning bid.
  - c. A finalized and executed copy of the contract between the vendor and public entity, to ensure the contract was appropriately approved and has not expired.
  - d. Communication from the vendor confirming they are willing to extend the prices in the original contract to the City, if not specifically allowed in the original contract.
2. Department or Purchasing Coordinator drafts a memo to the City Manager/City Commission detailing the procurement and requesting permission to pursue pre-negotiated prices.
3. If the goods or supplies acquired are estimated to be less than the City Manager's threshold, the department can create a Purchase Order with City Manager approval to acquire the products.
4. If the goods or supplies identified are estimated to be more than the City Manager's threshold, the department must get purchase authorization by the City Commission before a Purchase Order can be issued.
5. Any final Purchase Order must be submitted to the vendor with the approved Purchase Order Terms & Conditions which are required in lieu of a contract with the vendor.

## **Piggyback Procurement (PB)**

Often the City will need to acquire *services* that are also purchased by other public entities in Florida. When the Departments or Purchasing Coordinator can find competitive pricing from existing contracts between from other Florida public entities that meet the City's needs, Departments are permitted to enter into a Piggyback contract at or less than the pricelist provided in the original approved contract. Piggyback Procurements are primarily used for the acquisition of professional or contractual services, where a signed contract or agreement is preferred due to the extended and or recurrent nature of the relationship with the vendor.

### Procedures:

1. Upon discovery of a contract that a department may wish to pursue, the department and Purchasing Coordinator will work together to gather the following:
  - a. Copy of the original solicitation from the contracting public entity. This ensures the scope of work, bid schedule, terms & conditions, etc. are all in compliance with City standards and conforming to the services required.
  - b. Complete copy of the awarded vendor's response to the original solicitation. This provides the pricing in the submitted solicitation response that produced the winning bid.

- c. Finalized and executed copy of the contract between the vendor and public entity, to ensure the contract was appropriately approved and has not expired.
  - d. Proof of communication from the vendor confirming they would extend the prices in the original contract to the City, if not specifically allowed in the contract.
2. Department and/or Purchasing Coordinator draft a memo to the City Manager/City Commission detailing the procurement and requesting permission to pursue already-negotiated prices.
  3. The Purchasing Coordinator will send a Piggyback contract to the vendor for their signature.
  4. If the services acquired are estimated to be less than the City Manager's threshold, the department can create a Purchase Order with City Manager approval to procure the services once the Piggyback agreement is appropriately executed.
  5. If the services acquired are estimated to be more than the City Manager's threshold, the department must get purchase authorization and Piggyback agreement approval by the City Commission before a Purchase Order can be issued.

### **Invitations to Bid (ITB)**

When the City needs to solicit interest for a project that is finite and well-defined with a specific scope of work and/or bid schedule, an Invitation to Bid is the most appropriate solicitation. The evaluation of the responses to an ITB is solely based on the lowest price submitted, assuming the vendor meets the minimum qualifications as a vendor and submits a compliant bid.

#### Procedures:

1. The department works with the Purchasing Coordinator to craft a scope of work and bid schedule that will be included in the ITB document.
2. The sections in the ITB will typically consist of the following, but may vary based on unique needs of the project or solicitation:
  - a. Cover sheet: includes title, solicitation number, and dates
  - b. Statement of No Bid: included to capture vendor responses should they choose not to submit a solicitation response
  - c. Scope of Work: customized for each solicitation to convey the specifics of the project and all necessary info for vendors to submit a compliant response
  - d. General Instructions: generally, boilerplate section with a restatement of dates
  - e. Bid Forms: standardized documents that get the basic information of the vendor; also includes Drug-Free Workplace Certificate
  - f. General Conditions: standard information that doesn't generally change but may be customized based on the needs of the solicitation; **also contains the specific Insurance Requirements for a given solicitation**
  - g. Bid Schedule: the section that changes with each ITB as it is the form that itemizes the project and will be used to determine lowest bid
  - h. Additional Exhibits: it may be common to add site plans, Maintenance of Traffic documents, technical specifics, pictures, bonding, or any other files that may assist vendors in formulating the best responses
  - i. Contract: the draft contracts in the solicitation templates are reflective of contracts approved by the City Attorney and signed by the Commission; can be modified based on the uniqueness of a solicitation but may require legal review if the Purchasing Coordinator or Finance Director determines the change may have legal ramifications
  - j. Checklist: provided to assist the vendors as a final check to increase the chances of submissions being compliant with the requirements of the ITB; items listed on this checklist but not provided by a bidder may render the bid noncompliant
3. The ITB is posted online utilizing the City's website and online purchasing portal after being reviewed as follows:

- a. Department: review technical details and any other department-based info
  - b. Risk Management: verifies the Insurance Requirements in the ITB
  - c. Purchasing Coordinator: overall quality and document control, policy/ordinance compliance assurance, and the specific solicitation process
4. Where advisable or requested by the departments, the solicitation may advertise a pre-bid meeting for potential vendors.
    - a. Mandatory: such pre-bid meetings are required to be attended by at least one member of each potentially bidding firm; failure to attend a mandatory pre-bid meeting prevents a vendor from submitting a response to the solicitation
    - b. Non-Mandatory: used when it may be advisable for vendors to have an opportunity to meet with City staff or representatives during the solicitation process
  5. The Purchasing Coordinator, in conjunction with the respective department, will respond to submitted questions in the form of addenda which will be posted for public consumption in the same manner in which the solicitation was advertised.
  6. When the solicitation closes, the Purchasing Coordinator—with another witness from the City—will publicly open all submission and post a corresponding bid tabulation. Staff will review the lowest bid response to determine if it is effectively compliant with the requirements within the solicitation. The Bid Tabulation document will be posted in a manner so that any respondent may access it. For ITB solicitations the Bid Tabulation shall by default also serve as a Recommendation of Award and Intent to Award.
  7. The department will draft an agenda memo to place the approval of the contract at a future regular meeting of the Commission, and—upon approval—communicate a notice to proceed with the vendor and any necessary purchase orders.
  8. Upon final Commission approval, the Purchasing Coordinator will post an Award Document to close out the solicitation.

### **Request for Qualifications (RFQ)**

When the City desires to procure professional services—specifically those identified in the CCNA statute—a Request for Qualifications solicitation should be utilized. This type of solicitation by definition removes any pricing considerations during the initial evaluation and review process, ensuring the City reviews the vendor submissions based on ability and qualifications rather than any lowest bid criteria. The City will follow the requirements of the CCNA statute when required and will use the same guidelines even when not required so as to maintain continuity and minimize any potential protests.

#### Procedures:

The steps and requirements detailed under the ITB will be followed, except as indicated below. For additional information regarding CCNA-covered solicitations, see Appendix II within this document.

1. The sections in the RFQ will typically follow those in the ITB, but may vary as follows:
  - a. Selection Process: details the specific steps in the particular procurement process including dates and meetings; lists the proposed evaluation committee members; provides evaluation criteria for each phase of the solicitation evaluation process, including scoring methodology; and eventual contract negotiation criteria. Should follow or fall within the Scope of Work section.
2. The Purchasing Coordinator will post notices of evaluation committee decisions which may include bid tabulation of all submissions, shortlisting of respondents invited to make presentations, ranking of firms after the evaluation of presentations, recommendation of award (which serves as the negotiation ranking), and intent to award (which lists the vendors the City desires to contract with).

3. For CCNA solicitations, the City must reasonably exhaust all efforts to have compliant submissions from at least three respondents, per the requirements of state law.
4. The department will draft an agenda memo to place the final ranking of firms before the City Commission and request authorization to enter into negotiations with each of the firms in ranked order. The Purchasing Coordinator will draft an Intent to Award document and post it publically.
5. Once satisfactory prices are negotiated between the City and ranked firms, the department will draft an agenda memo to place the contract and respective negotiated pricelists before the City Commission for approval.

### **Invitation to Negotiate (ITN)**

The City may experience opportunities where it may be advantageous to negotiate directly with vendors to achieve the best value. The process provides an opportunity to interact with vendors that have passed an initial review of qualifications in order to cooperatively develop competitive pricing. Due to the exposure of City officials to vendor representatives and because other types of solicitations are often more appropriate, these types of solicitations are rare but still a vital tool. Negotiations with qualified vendors can occur consecutively or concurrently as detailed below.

#### Procedures:

The steps and requirements detailed under the ITB will be followed, except as indicated below.

1. The department and Purchasing Coordinator work together to develop a scope of work that details the desired outcome and a list of required qualifications.
2. The sections in the ITN will typically consist of the following, but may vary based on unique needs of the project or solicitation:
  - a. Letter of Invitation: since these type of solicitations will likely focus specifically on a few providers within a small market of vendors, it is advisable to include a personalized memo specifically inviting each identified vendor to respond
  - b. Scope of Work: will detail the ultimate goal of the process and the minimum qualifications required to be considered; describe if the City will negotiate consecutively or concurrently; whether or not with City reserves the right to enter into multiple agreements with more than one vendor
3. Once the solicitation closes, the Purchasing Coordinator will review submissions to check for response completeness and vendor qualifications.
4. The department will draft an agenda memo to place the list of qualified firms before the City Commission and request authorization to enter into negotiations based on the specifications in the advertised ITN document.
5. Negotiations
  - a. Consecutive: if the City wishes to negotiate with one qualified vendor at a time, the advertised ITN document must list criteria by which vendors will be ranked before negotiations can begin; the City can only move onto the next qualified vendor when the parties fail to reach amicable services and terms and cannot return to the previous vendor
  - b. Concurrent: when the City wishes to negotiate with all qualified vendors, it must implement safeguards to ensure all qualified vendors are treated equally; such safeguards may include simultaneous communications between the City and the vendors, definitive deadlines for responses, and randomization of in-person negotiations
6. When the City and vendor(s) have reached amicable terms, the department will draft an agenda memo to place the list of qualified firms before the City Commission and request approval of the contract(s) and any corresponding pricelists. The Purchasing Coordinator will draft an Intent to Award document and post it publically.

## **Request for Proposals (RFP)**

For all other formal solicitations that do not fit into any of the types herein, the City will utilize an RFP. This solicitation type is used when the City has an intended type of product or service outcome is desired, but does not desire to be prescriptive as to detailed specifics. While price is a primary factor, the City may also consider best value in terms of life cycle costs, history with a particular brand or vendor, or any other considerations that may be specified in an individual RFP document. Any advertised RFP needs to specify what the City intends to consider in its deliberation so vendors know how to tailor their responses; such review criteria must be well thought out adhered to during the process so as to minimize the chance of bid protests.

### **Procedures:**

The steps and requirements detailed under the ITB will be followed, except as indicated below.

1. The sections in the RFQ will typically follow those in the ITB, but may vary as follows:
  - a. Selection Process: must provide the evaluation criteria and any considerations the City may contemplate during the review process. Should follow or fall within the Scope of Work section.
2. After the RFP closes and the City desires to avail itself of the option of negotiating with any of the submitting vendor(s), it can only discuss and negotiate within the constraints of the criteria disclosed in the RFP.
  - a. Such negotiations must be confined to unit or extended prices, scale of the project being solicited, terms of the proposed contract, product specifications and equivalents, or any other considerations disclosed in the RFP.
  - b. Services or products not included in the original RFP but offered by a vendor during negotiations cannot be accepted without providing an opportunity for other qualified vendors to make comparable revised offers.
  - c. The City must also begin any negotiations with the qualified vendor submitting the lowest-priced RFP-conforming proposal and receive any counteroffer from said vendor before it can move onto another vendor.
3. Once a final agreement is finalized the department will draft an agenda memo to place the final agreement(s) and contract(s) before the City Commission. The Purchasing Coordinator will draft an Intent to Award document and post it publically.

## **Quotes**

When a department has an anticipated expenditure estimated to be between \$2,500 and \$25,000, Quotes should be sought. Departments shall select supplies based on total cost, which considers delivery, freight costs, prices, quality, life cycle costs, warranty, services, and terms and conditions. Within these thresholds is an intermediate threshold of \$10,000 that determines the sub-requirements of the Quotes process.

### **Procedures:**

- a. Less than \$10,000: the department will create a list of the goods or services required and distribute it to a list of known vendors; if there are no known vendors, the department will work with the Purchasing Coordinator to identify vendors; at least two (2) valid responses are required but departments are strongly encouraged to obtain three (3) to five (5); responses may be written or verbal but must be documented on the Quotes Form; once an acceptable price is obtained and all documentation is complete, the department will submit a Purchase Order to acquire the goods or services.

- b. Greater than \$10,000: the department will need to create a formal itemized inventory of goods or services desired; the department works with the Purchasing Coordinator to reach out to known vendors, post the quotes to the City's online quotes portal, or both; the department must obtain three (3) to five (5) quotes but more are acceptable; document all responses on the Quotes Form; once an acceptable price is obtained and all documentation is complete, the department will submit a Purchase Order to acquire the goods or services.

### **Remedies for Solicitation Unresponsiveness**

When the City follows all of the prescribed steps based on the solicitation type and fails to get the requisite number of responses, steps must be taken to exhaust all options before moving onto other procurement opportunities.

For formal failed solicitations the City should follow the steps below:

1. Consult any submitted Statements of No Bid to determine if the solicitation should be adjusted to encourage greater vendor interest.
2. Re-advertise the solicitation for at least two (2) weeks, but four (4) weeks is preferred.
  - a. Compile a list of known or possible vendors and submit the solicitation to them directly during this re-advertising period.
3. If after the re-advertisement the City cannot get any valid responses, the Purchasing Coordinator and/or Department Director will communicate to the City Manager a determination of solicitation unresponsiveness.
4. If Statements of No Bid or any other information gathered during the solicitation process indicates an inability within the economic market to meet the scope of work in the solicitation, the City may wish to delay the solicitation until such time would allow for competitive responses.
5. If the City chooses to continue immediately in the solicitation process, the department should work with the Purchasing Coordinator to transform the formal solicitation to move onto the Quotes process—see Quotes section above.
6. Once all options have been exhausted, the City should cancel the solicitation and develop a strategy to reengage in the solicitation process from the beginning based on the information learned during the first attempt.

### **I. BLANKET PURCHASE ORDERS (BPO)**

1. Blanket purchase orders may be established for departments to facilitate order placement and reduce the administrative overhead inherent in repetitive price comparison and order placement. Blanket purchase orders (BPO's) should be used when departments purchase repetitive specified goods or services from the same vendor that requires numerous orders/shipments over specified periods of time. BPOs may be used to consolidate similar orders by various departments (such as office supplies), to allow periodic payments for an on-going service (such as extermination services or maintenance contracts), or to allow for various small equipment repairs (such as electronics, lawn mowers, etc.).
2. A request for Purchase Orders should be prepared by applicable departments at the beginning of each fiscal year, requesting the amount and account for encumbering funds on the Blanket Purchase Order. The Blanket PO shall be reviewed and approved by the Purchasing Coordinator and Finance Director.

3. Ordering against Blanket Purchase Orders:
  - a. When a department wants to order against a Blanket Purchase Order, the designated employee will contact the vendor, place the order and notify the Finance Director or designee with the submission of a purchase order.
  - b. When the material or service is received, the department signs the packing slip and/or invoice and the Blanket Purchase Order slip and forwards it to the Finance Director or designee.

## **J. CHANGE ORDER**

1. A Change Order may not substantially alter the character of the work contracted for and does not vary so substantially from the original specifications as to constitute a new undertaking. Such changes must be reasonably and conscientiously viewed as being in fulfillment of the original scope of the contract. Further, such changes when viewed against the background of the work described in the contract and the language used in the specifications, must clearly be directed either to the achievement of a more satisfactory result or the elimination of work not necessary to the satisfactory completion of the contract.
2. The City Manager is hereby authorized to approve and initiate work on the following types of change orders determined in his/her judgment to be in the public interest, as follows:
  - a. All change orders decreasing the cost of the contract to the City; providing, however such decrease does not materially alter the scope of work defined by the Contract.
  - b. Change orders increasing the total cost of the contract by up to 10% with an aggregate maximum of \$25,000, provided sufficient documentation is provided. The increase shall not materially alter the scope of work defined by the contract and must have sufficient budgeted funds to cover any overage.
3. All other change orders, unless specifically authorized by the City Commission, must be formally approved by the City Commission before work may be authorized to begin or continue.
4. Change orders shall not be artificially distributed or divided so as to bring the amount within the approval level of the City Manager and any such proposed change order shall include within it all logically connected work required to be done at the time of proposal.

## **K. SERVICES PERFORMED ON CITY PROPERTY**

In addition to being properly licensed under existing Federal, State and City laws, vendors performing work on City Property are required to:

1. Provide all required Certificates of Insurance with the City named as an additional insured. Evidence of Named Additional Insured status may be provided with a policy declaration page or policy endorsement. This includes insurance for any sub-contractor being utilized.
2. Agree to the prevailing indemnification language maintained by the City in its Terms and Conditions or the standard language published in bid documents.
3. Obtain all permits required for the nature of the work. Fees may be waived if City funds are being used to procure the services.

## **L. RECEIVING**

1. It is the responsibility of each department to inspect all goods/services received to determine their conformance with the specifications set forth in the contract.
2. If goods/services are not acceptable, the user shall contact the vendor to resolve the problem.
3. If goods/services are acceptable, a receiving report shall be forwarded to the Finance Department immediately in order to authorize payment to the vendor.

## **M. PROTEST BY VENDORS**

1. Bidders or respondents who do not agree with the City's recommendation for award shall be afforded the opportunity to protest the recommendation by submitting written notice to the Purchasing Coordinator.
2. Such notice shall be given to the Purchasing Coordinator within five (5) working days after notice of award or of the date the petitioner could reasonably be expected to have known of the City's recommendation. Failure to timely file a protest constitutes a waiver of any right to protest.
3. The protest shall state the grounds for the protest and the action requested.
4. Bids or proposals not meeting the minimum published requirements—including specifications, scope of service, or insurance—are not subject to protest. The Department Director with the assistance of the Purchasing Coordinator shall prepare and submit a written determination to the City Manager recommending either approval or disapproval of the petition. The petitioner shall be furnished a copy of the written determination and recommendation.
5. The City Manager shall review and either approve or disapprove the recommendation of the Director. The petitioner shall be furnished a copy of such action.
6. The City Manager may employ any reasonable means to reach the decision on the petition.
7. Decisions of the City Manager may be appealed to City Commission by submission to the City Clerk of a written request for hearing within five (5) working days from the date of the City Manager's written decision. The written request shall state the grounds for the appeal and the action requested of the City Commission.
8. A final decision under this section shall be conclusive and represent the position of the City.
9. In the event of a timely protest and/or appeal, the City shall not proceed further with the award unless the City Manager can justify such action as protecting the public health, welfare, or safety of the City.

## N. BONDS

1. There are three (3) major types of bonds used by the City in the competitive procurement process. Those bonds, along with their utilization, are summarized below.
  - a. Bid Bonds are used when bid security is required to ensure that the vendor awarded a contract will subsequently enter into a contract with the City. When deemed necessary, bidder's security may be required in an amount described in the notices inviting bids. Bidders shall be entitled to return of bid security, provided that the successful bidder does not refuse or fail to execute a contract. The City may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest bidder. The lowest bidder's security shall be applied by the City to the contract price differential between the lowest bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.
    - i. Solicitations estimated at greater than \$100,000 should include a requirement of a bid bond in a sum equal to 10% of the bid.
    - ii. The City may require a bid bond for solicitations less than \$100,000.
    - iii. The City Manager may waive or modify the bid bond requirement, provided a memo is generated stated the reasons why.
  - b. Performance Bonds are used when a guarantee is required to ensure that a vendor that has entered into a contract with the City will complete the project within the terms of the agreement. Performance Bonds are required in construction projects greater than \$200,000 or for other similar contracts where such protections are advisable. If required, the form and amount of the bond shall be described in the notice inviting bids. Contractors should provide a 100% performance bond after the Notice to Proceed is issued.
  - c. Payment Bonds for Labor and Material are used to ensure the payment of all indebtedness incurred for labor furnished, materials, equipment or supplies used or consumed in connection with, or in or about, the construction, improvements or repairs. If required, payment bonds are normally written in an amount equal to one hundred percent (100%) of the award amount.
2. Cashier's Checks, Certified Checks or other security deposits, (i.e. irrevocable letter of credit) may be considered in lieu of a bond, if acceptable to the Finance Director and the City Attorney.
3. Bond Requirements.
  - a. Surety must be licensed or authorized to do business in the State of Florida and must comply with section 255.05 of the Florida Statutes.
  - b. Surety must have been in business and have a record of successful continuous operations for at least five (5) years.
  - c. All bonds must be executed by such sureties as are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff, Bureau of Government Financial Operations, and the U.S. Treasury Department. Surety must have an A.M. Best Rating of A or better and A.M. Best Financial Size Category of Class VII or greater.

## O. INSURANCE

1. Certificates of insurance shall be provided by the successful bidder to assure that the City's insurance program will not be called upon to respond to losses from, and that the contractor is financially capable of responding to, claims resulting from the contractor's operations, activities or services for the City. Further, the Contractor agrees to hold harmless and indemnify the City for any claims that may arise as a result of the actions by the contractor, subcontractors, agents, actions, or omissions.
2. Non-routine solicitations with unique circumstances, may require insurance coverages and limits that deviate from typical requirements. It is best practice to have the City's Risk Manager review any solicitation that based on a determination of the department, Purchasing Coordinator, or City Manager may benefit from additional coverage.
3. Construction and service contractors shall provide evidence of commercial general liability, property damage, worker's compensation and automobile liability coverage. Limits of coverage may vary based on the scope of work.
  - a. Professional services and environmental contractors should provide evidence of professional liability, commercial general liability, worker's compensation, automobile liability coverage, and any other coverage Risk Management deems necessary.
  - b. The certificate of insurance shall be issued to:

City of Treasure Island  
c/o Purchasing Coordinator  
120 108<sup>th</sup> Avenue  
Treasure Island, FL 33706
  - c. The certificate shall evidence thirty (30) day cancellation clause and the inclusion of the City of Treasure Island, Florida, as additional insured where applicable.
  - d. Depending on the services requested in the procurement, additional or specialty coverages or specific limits of coverage may be required at the discretion of the City Manager. The amounts and types of insurance required will be detailed in the bidding or purchase document.

## **P. AUTHORIZATION FOR DISBURSEMENT AND PURCHASING CARDS**

1. Purpose of Authorization for Disbursement and Purchasing Cards permits purchasing of goods and services when the total expenditure is less than \$2,500. This allows for efficient day-today procurement of small dollar value requirements.
2. The Authorization for Disbursement or use of a Purchasing Card is a legally binding contract to procure goods or services for the issuing department. The City's funds will be committed to pay for such items. Care must be taken when committing City funds to obtain the best possible price. Use of Authorization for Disbursement or Purchasing Cards
  - a. Internal Control: Each department shall establish internal controls to insure, whenever possible and practical:
    - i. That commodities are obtained at competitive prices;
    - ii. That competing vendors are provided equal opportunity to quote on City requirements; and,
    - iii. That like requirements are combined to obtain prices favorable to the City.
  - b. The Department Director, or designated representative, may issue and approve Authorizations for Disbursement or utilize Purchasing Cards, and shall establish Authorization for Disbursement/Purchasing Card files for internal audit review as required. At a minimum, files shall contain
    - i. The document(s), which established the requirement(s) for purchase (e.g., work order, requisition);
    - ii. A copy of the Authorization for Disbursement, charge ticket or receipt and a copy of the vendor's sales slip, invoice, or delivery ticket as evidence of receipt.
    - iii. If telephone quotes were obtained, a copy of the quotations should also be included. Invoice processing and payment procedures for all purchase made by Authorization for Disbursement/Purchasing Cards shall be prescribed by Finance.
3. Even though purchases of \$2,500 or less are exempt from competitive bidding, the Department Director may require written, sealed, or competitive quotes whenever it is in the best interest of the City. In those instances, the department or Purchasing Coordinator should conduct the solicitation of quotations.
4. Recurring Requirements for identical or similar items should not be repetitively purchased on Authorizations for Disbursement or with Purchasing Cards. Rather, recurring requirements should be described, estimated in quantity and submitted to the Purchasing Coordinator for bid/quote processing and award of a blanket purchase order.
5. Splitting Orders to avoid exceeding the \$2,500 limit is also prohibited. This will be a subject for continuing review by both the Finance Department and the annual audit. Department Directors are requested to give this area special attention.

### III. GLOSSARY

1. *Award*: means the acceptance of a bid or proposal; the presentation of a purchase agreement to a bidder.
2. *Best Bid*: means a bid which is not necessarily the lowest, but rather best fits the needs and interest of the City when taking into account the responsibility of the bidders.
3. *Best Interest of the City*: means a term granting a purchasing official the authority to use discretion to take action felt to be the most advantageous to the City, including award of a contract to the lowest best bid.
4. *Bid*: means an offer, as a price, whether for payment or acceptance, given to the City by a bidder on a City contract; see also *Response* and *Statement(s) of Qualification*.
5. *Bid Bond*: means an insurance agreement in which a third party surety agrees to be liable to pay a certain amount of money in the event that the bidder's bid is accepted by the City and the bidder fails to accept the contract as awarded and approved as to form by the City Attorney.
6. *Brand Name or Equal Specification*: means a specification that cites brand names, model numbers, or other identifications as representing quality or performance called for, when inviting bids on comparable items or products of any manufacturer.
7. *Competitive Consultant's Negotiation Act (CCNA)*: included in [Section 287.055](#) of Florida Statutes and governs the procurement of professional individuals/firms for architectural, engineering, landscape architecture, land survey, and mapping services; almost always procured using an RFQ solicitation.
8. *Change order*: means a modification to an executed contract, due to unanticipated conditions or developments relating to that contract.
9. *City Manager*: chief executive of the City; shall include any duly authorized designee.
10. *Cooperative procurement*: the combining of the requirements of two or more public entities to obtain the advantages of volume purchases, improved specifications, reduced administrative costs, and increased intergovernmental cooperation.
11. *Emergency*: A situation or occurrence of a serious nature involving urgent matters of public health; safety and welfare of employees and/or the citizens of the City or for the safeguard of City assets. An emergency purchase may be made without following the normal purchasing procedures in order to obtain goods or services to meet an urgent and unexpected requirement.
12. *Environmentally preferable goods*: Products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This includes products that contain recycled material, reduce toxicity and pollution, conserve energy, conserve water and prevent waste.
13. *Formal Solicitation*: any procurement process that involves the compiling, publication, and broadcast of bid documentation for broad public consumption and vendor response; consists of but not limited to ITB, ITN, RFP, and RFQ processes.

14. *Informal Solicitation*: any procurement process that involves the distribution of a scope of work, bid schedule, or equivalent to known vendors and providers in order to elicit a certain number of quotes as required herein; also known as *Quotes*.
15. *Intangible Good*: a product, often digital in nature, that typically has per-unit pricing for a finite product; (example: site licenses to access proprietary software would be considered “intangible goods,” but a contract to perform maintenance on that same software would be a “professional service.”)
16. *Invitation to Bid (ITB)*: are written documents issued by the City inviting potential vendors to submit sealed, written pricing for specific goods and/or services in conformance with specifications, terms, conditions and other requirements described in the bid documents.
17. *Invitation to Negotiate (ITN)*: are written documents for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services; used when a certain outcome is desired without any particular chosen path to get there; can be thought of “design/build” contracts for certain professional services or the delivery of intangible goods.
18. *Life Cycle Cost*: A procurement technique that takes into account demonstrable and documented operating maintenance, sustainability, other costs of ownership and usage, and resale or residual value—in addition to acquisition price—in making an award.
19. *Lowest Responsible Bidder*: The bidder submitting the lowest initial price that has a reputation based on past performance and financial capabilities sufficient to demonstrate an ability to perform the required work.
20. *Lowest Responsive Bidder*: means the bidder submitting the lowest bid that meets all the basic, essential requirements of the solicitation.
21. *Non-Competitive Purchase (Sole Source)*: the award of contracts for goods or services available from only one source, such as: unique, patented, proprietary, or franchised supplies; or by the unique nature of the requirement, the vendor, the impracticality of obtaining competition or market conditions.
22. *Noncompliant (bid or solicitation response)*: any response to a solicitation which is significantly and substantively deficient based on the stated requirements within the respective solicitation.
23. *Notice to Proceed*:
24. *Procurement*: an expenditure of City funds for goods or services after conducting any of the specified solicitation types described and regulated within this policy (e.g. Quotes, ITB, Piggyback); such transactions must utilize Purchase Orders; see *Purchase*.
25. *Professional Services*: means those services which are essentially intellectual in character and which include analysis, evaluation, prediction, planning, or recommendation. Professional services involve extended analysis, the exercise of discretion and independent judgment in their performance, and an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Professional services include, but are not limited to, services performed by accountants,

auditors, analysts, consultants, lawyers, physicians, planners, artists, engineers, and architects. Preferred method of procurement of Professional Services is using RFQs (CCNA) or RFPs.

26. *Property*: Tangible property of a non-consumable nature, with a value of five-thousand dollars (\$5,000) or more and normal expected life of one (1) year or more; also called “Fixed Assets.”
27. *Proprietary*: refers to goods and services owned by a private individual or corporation under a trademark or patent.
28. *Project*: a planned set of tasks with a desired outcome that has a finite and defined end date; the estimated cost of a project—barring any special determination within this policy—dictates the steps and requirements for procurement.
29. *Protest*: means a written statement concerning an unresolved disagreement or controversy arising out of the solicitation or award of a contract.
30. *Purchase*: any expenditure related to an irregular, ad hoc acquisition of goods/services that does not fit well into a strategic procurement process and has a total project cost of less than the threshold for Quotes; chiefly for the acquisition of *Routine Operating Expenses*.
31. *Purchase Order*: The City's official legal record of contract between the City and vendor, issued separately or in conjunction with other documents, which delineates the responsibilities of both parties in the provision of and payment for goods and services required by the City. The purchase order also is the mechanism by which budgetary and cash balances are encumbered in the City's accounting system.
32. *Purchase Requisition*: means any communication whereby a department requests that a purchase be made or contract be entered into for a specific need; may include the description of a request item, delivery schedule, transportation data, criteria evaluation, suggested source of supply, and information supplied for the making of a written determination.
33. *Purchasing Cooperative*: any public organization or entity that develops solicitations, pricelists, and contracts for commonly purchased goods or supplies (i.e. vehicles); examples include the Florida Sheriffs Association, the Florida Police Chiefs Association, and the U.S. Communities Government Purchasing Alliance.
34. *Request for Proposals (RFP)*: the solicitation document used for competitive proposals, the customary method used for the purchase of professional services, and other goods or services when there is an uncertainty of the exact product or service that is required. The Request for Proposal allows for negotiations after proposal(s) have been opened to allow clarification and changes in the proposal.
35. *Request for Qualifications (RFQ)*: the solicitation document used for the procurement of certain services as dictated by the CCNA, or in any other instance where it would be advantageous for the City to specifically pursue a level of quality before negotiating pricing among the qualified respondents; “quality before price.”
36. *Routine Operating Expenses*: for the purposes of this policy, is defined as salaries, utilities, goods, and supplies for which budget appropriations have been made; generally, exempt from the regulations in this policy except for those goods and supplies that have a specific procedure

for procurement in this policy or where better pricing may be obtained from a formal or informal solicitation.

37. *Services, Contractual*: includes but is not limited to printing; custodial services; purchase, installation, rental, repair and maintenance of equipment, machinery, and other personal property; lease of real property and office space by the City; and all other contractual supplies, materials, equipment and services not specifically excluded from these procedures.
38. *Strategic Procurement (solicitation)*: a formalized purchasing process specifically guided by the rules within this policy and which is largely differentiated based on the estimated costs of a given project; can be used when it may be economical to obtain bulk tangible goods or recurring contractual services.
39. *Supplies*: includes all physical materials and equipment other than property.
40. *Tangible Goods*: the umbrella definition for the terms *Property* and *Supplies*.
41. *Transaction*: any one-time exchange of City monies for goods/services; there may be multiple transactions per project, purchase, or procurement; all transactions for a project must be calculated cumulatively to determine the requirements for acquisition per this policy.

#### IV. **ADDITIONAL INFORMATION, REQUIREMENTS AND RESPONSIBILITY**

It shall be the responsibility of the City Manager to keep this policy current.

AP-26, Purchasing Policy revised August 6, 2019

## APPENDIX 1

### Purchasing – Code of Ordinances

The section of the City's Code of Ordinances are included below for reference. The language below is reflective of the ordinance as of October 1, 2019. Any subsequent modifications to the ordinance will supersede any language below as this Appendix is being provided for convenience.

#### **Sec. 2-276. – Purchasing procedures for goods, materials and services.**

- (a) *Expenditures up to \$25,000.00.* The city manager is authorized to approve expenditures up to \$25,000.00 without prior approval of the city commission for the purchase of goods, materials, equipment or services, provided sufficient funding is available in the approved city budget. The \$25,000 City Manager's expenditure authority is not exceeded when budgeted individual identical items are purchased throughout a fiscal year, each costing less than \$25,000.00 individually, even if cumulatively those items total more than \$25,000.00.
- (b) *Expenditures in excess of \$25,000.00.* The city commission may authorize an expenditure in excess of \$25,000.00 for goods, materials, equipment or services after a public, formal, sealed-bid solicitation process or any other procurement method so authorized.
- (c) *Exceptions.* The requirements of subsection (b) are not intended to apply to routine operating expenses such as salaries, utilities, supplies, and medical payments as required by law for which budget appropriations have been made.
- (d) *Award of contract.* The city commission shall award the contract to the lowest responsive and responsible bidder. For the purpose of determining the lowest responsive and responsible bidder, the city commission may consider factors including the cost of the product or service; qualifications of the bidder; prior experience of the bidder in similar activities; prior work performed by the bidder on behalf of the city or other units of government or their agencies; and any other factors deemed relevant by the city commission in its sole discretion. If the city manager recommends the acceptance of a bid other than the bid with the lowest total price, the reason for the recommendation shall be given.
- (e) *Rejection.* The city commission may reject any or all bids if it is deemed in the best interests of the city to do so, and to rebid the proposed purchase. All bid proposals submitted to the city must address and conform to the bid specifications and the scope of the work to be performed. Any deviations or substitutions from the bid specifications or the scope of work must be identified with a written explanation. Failure to comply with the provisions of the bid specification may result in a rejection of the bid proposal. Incomplete bid proposals may be rejected by the city. The city reserves the right to waive minor technical defects in a bid submittal as determined in its sole discretion.
- (f) *Exemptions.* Unless otherwise prohibited by law, the following situations are exempted or modified from the competitive bid requirements of this section:
  - (1) *Professional services.* Contracts for professional services involving peculiar skill, ability, experience or expertise, which are in their nature unique and not subject to competitive bidding, are exempt from the competitive bidding requirements of this section; however, a formal, written contract, approved by the city commission, shall be required for all such

contracts in excess of \$25,000.00, and any applicable state law, such as the Consultant's Competitive Negotiation Act shall be followed.

- (2) *Noncompetitive supplies.* Noncompetitive supplies, available only from one source, such as unique, patented or franchised supplies are exempt for the competitive requirements of this section. The city manager is authorized to purchase and contract for noncompetitive supplies up to \$25,000.00, provided authorized funds are available in the annual budget.
- (3) *No bid received.* Where no bid has been received after publication of a bid/proposal; however, such purchases in excess of \$25,000.00 require a formal, written contract approved by the city commission.
- (4) *Unique circumstances.* Where the city commission finds unique circumstances to establish that competitive bidding is not in the best interest of the city; however, such purchases in excess of \$25,000.00 shall require a formal, written contract approved by the city commission. The city commission, upon request by the city manager, may waive the requirement for a formal written contract when such a contract would not be in the best interest of the city.
- (5) *Bids and contracts from other entities.* The city manager is authorized to use competitive bids and formal contracts from other entities as provided in section 2-278.

**Sec. 2-277. – Authorization of purchases; emergencies.**

In case of an actual or impending emergency that requires the immediate purchase of supplies, repairs or contractual services, the city manager may, without prior city commission approval, secure, by open market procedure at the lowest obtainable price, any supplies or services. A full report of the circumstances of all emergency purchases that exceed the City Manager's expenditure authority shall be filed with the city commission by the city manager at its next regular meeting of the city commission.

**Sec. 2-278. – Governmental entity bids; purchases without bids.**

Nothing in this division shall prohibit the city manager or city commission from utilizing approved bid lists resulting from an open, competitive solicitation established by federal, state, county, municipal or other governmental bodies, or government-, educational- or nonprofit-oriented associations or purchasing cooperatives.

**Sec. 2-279. – Purchasing procedures.**

- (a) The City Manager shall develop purchasing procedures that shall apply to all personnel involved in the purchasing process. Such procedures shall be in the form of administrative code and shall be effective upon issuance by the city manager.
- (b) The purchasing procedures shall include provisions dealing with recommended competitive procurement methods, fiscal controls, dollar limitations on purchasing authority of the various city officials, protest procedures, and shall be subject to modification, amendment, or expansion as necessary.

## APPENDIX 2

The Consultants Competitive Negotiations Act (CCNA), Chapter 287 FS, applies to contracts awarded to Architects, Engineers, Surveyors, and Landscape Architects. The CCNA lists five purchasing categories or thresholds amount:

Category One:	\$20,000
Category Two:	\$35,000
Category Three:	\$65,000
Category Four:	\$195,000
Category Five:	\$325,000

A Request for Qualifications (RFQ) is required when professional services must be purchased in conjunction with a project where the *construction cost* is estimated by the agency to exceed the threshold amount provided in Category Five (\$325,000) and for all *planning or study activities* where the fee is for professional services exceeds the threshold amount in Category Two (\$35,000). The exception to this is in cases of valid public emergencies certified by the head of the municipal government or agency. The public notice must include a general description of the project and must indicate how interested consultants may apply for consideration.

In response to the published RFQ, the City will receive Proposals or Statements of Qualifications (SOQ) from the interested professional firms. Based upon their SOQ, the professional firms are evaluated on their qualifications, which include an analysis of their capabilities, adequacy of personnel, past record, experience, whether the firm is a certified minority business enterprise as defined by the Florida Small and Minority Business Assistance Act, and other factors determined by the City to be applicable to the particular project requirements.

A chosen number of professional firms, usually 5 to 7, are then selected for interview by staff. From the interview, the top three (3) firms are tentatively ranked and an item is placed on the Commission Workshop to authorize the staff to attempt to negotiate a contract beginning with the highest ranked firm and execute same once agreement is reached.

The City's *continuing contracts* with professional Engineering, Surveying, Architecture or Landscape Architecture firms, are not restricted to the requirements listed above. In summary, projects that fall beneath the thresholds required for compliance with CCNA are as follows:

1. A professional services contract for Engineering, Surveying, Architecture or Landscape Architecture for projects with an estimated *construction cost* of up to \$325,000 or a *planning or study activity* up to \$35,000; and
2. Under an existing *continuing contract* Engineering, Surveying, Architecture or Landscape Architecture services for projects with an *estimated construction cost* up to \$2 million or a *planning or study activity* up to \$200,000.

Upon meeting either of these two conditions, the City must comply only with the municipal or agency purchasing policy.