

RESOLUTION 18-03

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DUNEDIN, FLORIDA, ADOPTING A PURCHASING POLICY AND PROCEDURE MANUAL FOR THE CITY OF DUNEDIN; REPEALING RESOLUTIONS 84-60, 10-13 AND ANY OTHER RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.

WHEREAS, the City Commission adopted a Purchasing Policy and Procedure Manual in 1984; and

WHEREAS, the purpose of the Purchasing Policy and Procedure Manual is to serve as a guideline to City users regarding policies, procedures, and practices for the procurement of supplies and services in the City; and

WHEREAS, City staff recommends that the Purchasing Policy and Procedure Manual be amended and updated; now, therefore,

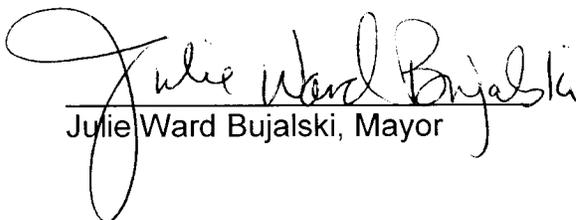
BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DUNEDIN, FLORIDA, IN SESSION DULY AND REGULARLY ASSEMBLED:

Section 1. That the City Commission of the City of Dunedin hereby adopts the Purchasing Policy and Procedure Manual as described in Exhibit A attached hereto and made a part hereof.

Section 2. That Resolutions 84-60, 10-13 and any other Resolutions in conflict herewith are hereby repealed.

Section 3. That this Resolution shall become effective immediately upon its passage and adoption.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF DUNEDIN, FLORIDA, THIS 27TH DAY OF FEBRUARY 2018.


Julie Ward Bujalski, Mayor

ATTEST:


Sharon Toner, Acting City Clerk



Home of Honeymoon Island

**PURCHASING POLICY AND PROCEDURE
MANUAL**

Jennifer Bramley, City Manager

Kathy Oster, Interim Director of Finance

Chuck Ankney, Purchasing Agent

Issued by:

**Purchasing Section
City of Dunedin, Florida**

March 2018

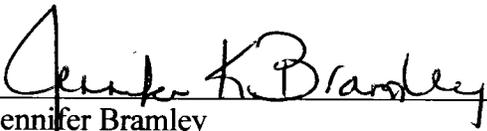
FOREWARD

This manual is for City use and contains instructions regarding policies, procedures, and practices for the procurement of supplies and services in the City.

The instructions are for the guidance of all personnel who participate in the actions and decisions relating to procurement and for all other personnel in order to give them a more complete understanding of purchasing procedures and practices. Most of the procedures are basically descriptive of practices and forms that already exist.

City personnel that have been delegated the authority to commit City funds through the purchasing function are responsible to adhere to the policies and procedures contained in this manual. The results will be economically rewarding to the user and the City as a whole, since all will have better control, understanding and knowledge of the process of purchasing as established by the City Commission.

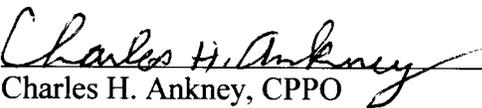
We hope you will use this manual often. Any questions regarding the procedures or policies stated in this manual should be directed to the Purchasing Agent.



Jennifer Bramley
City Manager



Kathy Oster
Interim Director of Finance



Charles H. Ankney, CPPO
Purchasing Agent

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SECTION 1

CITY OF DUNEDIN PURCHASING POLICY

I. POLICY STATEMENT

The rules and regulations contained in this manual have been reviewed and approved by the City Commission, City Manager, Director of Finance and the Purchasing Agent. The City desires to adopt purchasing policies and procedures consistent with the laws of the State of Florida, for the efficient and cost effective procurement of materials and services.

1. Purpose

The purpose of this manual is to establish responsibility for the purchase of all goods, equipment and services for the City Commission, City Departments and other governmental operations and agencies under the control of the Commission. The manual establishes the rules and regulations that govern the procurement process.

2. Scope

These policies and procedures apply to all entities that come under the City Commission's jurisdiction and to all purchases of goods, equipment and services. All purchases shall be from funds as budgeted and approved by the City Commission.

II. RESPONSIBILITY

The City's Purchasing Section, headed by the Purchasing Agent, exercises control over the purchasing process as set forth in this manual. The Purchasing Agent may adopt operational procedures governing the administration of the purchasing process.

1. Purchasing Section's Responsibility

Ultimately, the Purchasing Section is responsible for all City purchases. However, the Purchasing Section has and will continue to delegate the authority to make certain purchasing decisions to the user departments when it makes operational sense. To this end, it is the responsibility of the Purchasing Agent to ensure that the end user departments comply with the intent of this manual. The Purchasing Agent will:

- a. Establish policies and procedures controlling all aspects of the procurement process. The policies and procedures must protect the integrity of the competitive bidding process and be available for public scrutiny.

- b. Establish and maintain a current list of qualified vendors. This program includes procedures for identifying new sources of supply and identification of long-range goals meeting City objectives.
- c. Establish and monitor all purchases to guarantee they are made under conditions that foster competition among a sufficient number of potential vendors. Routinely challenge all representations that seem to limit competition.
- d. Establish specifications and a standardization program with end-user input setting forth the essential characteristics of the goods and services being purchased. Review, modify and approve all specifications prepared by using departments.
- e. Receive, evaluate and award contracts and purchase orders in accordance with the established policies and procedures of this manual.
- f. Establish policies and procedures for the sale or disposal of surplus materials and equipment.
- g. Sign, execute, and/or approve contracts awarded in conformance with this manual.
- h. Enter into cooperative purchasing ventures with other government entities to improve competition and pricing.
- i. Utilize State Contracts, State Purchasing Agreements, National Cooperative Agreements and piggyback other governmental contracts when deemed in the best interest of the City.

2. User Department's Responsibility

The department or division head, or their designee, of the using department shall be responsible for the following:

- a. Determine the quality and quantity of supplies or services needed and the delivery date required.
- b. Be specific in requisition requirements. Give accurate part numbers and descriptions of articles required in sufficient time to purchase supplies or services on a competitive basis.
- c. Receive and inspect items delivered by vendors and reject shipments that fail to meet purchase order requirements. The Purchasing Section should

be notified immediately of any problems if items are accepted without inspection.

- d. Handle emergency purchases.
- e. Cooperate with Purchasing in establishing standards and commercial specifications.
- f. Make sure there are adequate funds in the account for any procurement.

III. EQUITABLE COMPETITION

The Purchasing Agent has the responsibility to establish rules, policies and regulations to strive for equitable competition among all vendors regardless of race, color, religion, sex, national origin, or disabled status.

IV. LOCAL BUSINESS PREFERENCE

In the case of a tie, when all other factors are equal, the City has a policy of giving preference to a local vendor. This policy does not hamper competition, and it helps to keep the tax dollars within the jurisdiction, thereby strengthening the local economy.

V. SEVERABILITY:

If any one or more of the provisions of this Policy should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such provision shall be null and void and shall be deemed severed from the remaining provisions of this policy and in no way shall affect the validity of all other provisions of this policy.

SECTION 2 DUTIES AND RESPONSIBILITIES OF PURCHASING

I. ORGANIZATION:

The Purchasing Section, under the Purchasing Agent, reports directly to the Director of Finance.

II. RESPONSIBILITIES AND FUNCTIONS:

1. Specific Functions

The following are functions of the Purchasing Section under the Purchasing Agent.

- a. Develop purchasing objectives, policies, programs and procedures for the acquisition of equipment, materials, supplies and services.
- b. Coordinate purchasing procedures with other City departments.
- c. Act as City representative on all matters pertaining to purchasing.
- d. Initiate reports necessary for analysis of Purchasing Section performance.
- e. Assist in preparing specifications for equipment, materials, supplies and services.
- f. Consolidate purchases of like or common items to obtain maximum economical benefits.
- g. Enter into cooperative purchasing ventures with other governmental entities to stimulate competition and obtain better pricing.
- h. Utilize State of Florida Contracts or other State of Florida government entity contracts (piggybacking) where appropriate for better pricing and value.
- i. Generally, Federal GSA contract pricing is negotiated pricing. As such, it is not competitively bid. The Purchasing Section will always strive to get three "quotes" when using GSA pricing. However, should GSA pricing become competitively bid and awarded, the City will strive to "piggyback" that pricing when advantageous.
- j. Arrange for the disposal of surplus supplies and equipment.
- k. Promote goodwill between the City and its suppliers.

- l. Participate in the preparation and submittal of the annual operating budget for the Finance Department.
 - m. Provide a program of value analysis to determine what can be done to save the City money and improve efficiency.
 - n. Ensure that all purchases are made legally.
 - o. Administer the Purchasing Card Program (P-Card).
 - p. Manage the formal bid process.
2. Administrative Policies

All purchases exceeding \$1,000.00 must be made by the Purchasing Section except as listed below:

- a. Insurance
- b. Utilities and regulated telephone systems.
- c. Real property (lease, purchase or sale)
- d. City Attorney Services – The acquisition of this service shall be at the discretion of the City Commission, but shall occur at intervals no greater than every ten (10) years.

The Purchasing Section may be called upon to assist departments/division in the acquisition of the above services upon request.

3. The Purchasing Section has full authority to question City departments as to the quantity and kind of items requisitioned in order that the best interests of the City may be served. No changes, however, will be made without notifying the ordering department.
4. All vendors must be afforded equal opportunity to submit bids and/or quotations and are to compete on equal terms, ensuring sufficient competition for City purchases.
5. The City will buy only from suppliers who have adequate financial strength, high ethical standards and a record of adhering to specifications, maintaining shipping promises and giving a full measure of service. Purchasing shall buy at the lowest and best cost consistent with the quality needed to meet the requirements of the City.

6. The City recognizes its obligation to Equal Employment Opportunity, Affirmative Action and Americans With Disabilities and will pursue these goals to the best of its ability.
7. The City strives to maintain strong and enduring relationships with vendors of proven ability and those who desire to meet its needs. 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.
8. Conduct and business relations with sales people will begin with the Purchasing Section as the primary point of contact between all vendors and the City. Departments may have contact with vendors under the following terms and conditions:
 - a. Sales representatives may be received in other departments. Purchasing will maintain an "open door" policy with vendors, technicians, and service personnel during all working hours, and arrange for representatives of using departments to meet with vendor personnel when necessary.
 - b. During interviews with sales representatives no one may commit himself on preference for any product or service or give any information regarding performance or price that may in any way give one vendor an advantage over another vendor.
 - c. A department contacting vendors to determine availability and pricing of items shall make no commitment to the vendor in the name of the City, unless they are making a purchase using an existing blanket purchase order or the P-Card.
 - d. User departments are authorized to contact vendors directly regarding the delivery of orders that have been placed. The Purchasing Section will perform this function when requested.
 - e. Purchasing will be available to attend all trials and demonstrations on reasonable notice.
 - f. The department will strive to keep competition open and fair, and specifications clear and concise.
 - g. Departments should observe strict truthfulness in all transactions and in correspondence with vendors.

- h. Departmental contact with vendors should be consistent with purchasing policies and principles.
 - i. Departments must keep free from obligation to any vendor.
9. Cooperation and understanding between departments is essential to the effective operation of the purchasing system. Close liaison must be established between the departments and the Purchasing Section in order to maintain an efficient and economical purchasing system.
10. The preparation of specifications for technical equipment, plans or designs is normally the responsibility of the requesting department. However, the Purchasing Section will provide assistance when requested.

III. ETHICAL STANDARDS

All City employees who participate in the purchasing program shall abide by a code of ethics. A special responsibility is imposed on employees who are entrusted with the disposition of City funds. They must therefore adhere to the certain ethical standards.

- 1. Section 112.313 of the Florida Statutes
 - a. Subsection 3: DOING BUSINESS WITH ONE'S AGENCY: No employee of an agency acting in his official capacity as a purchasing agent, or public officer acting in his official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his own agency from any business entity of which the officer or employee or the officer's or employee's spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or the officer's or employee's spouse or child, or any combination of them, has a material interest. Nor shall a public officer or employee, acting in a private capacity, rent, lease or sell any realty, goods, or services to the officer's or employee's own agency, if he or she is a state officer or employee, or to any political subdivision of any agency thereof, if he or she is serving as an officer or employee of that political subdivision. The foregoing shall not apply to district offices maintained by legislators when such offices are located in the legislator's place of business or when such offices are on property wholly or partially owned by the legislator. This subsection shall not affect or be construed to prohibit contracts entered into prior to:
 - i. October 1, 1975,
 - ii. Qualification for elective office,
 - iii. Appointment to public office,
 - iv. Beginning public employment.

- b. Subsection 4: UNAUTHORIZED COMPENSATION: No public officer, employee of an agency, or local government attorney or his or her spouse or minor child shall, at any time accept any compensation, payment, or thing of value when such public officer, employee, or local government attorney knows, or with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the officer, employee, or local government attorney was expected to participate in his or her official capacity.
 - c. Subsection 7(A): CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP: No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he or she is an officer or employee, excluding those organizations and their officers who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the State or any municipality, county or other political subdivision of the state, nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.
 - d. Subsection 8: DISCLOSURE OR USE OF CERTAIN INFORMATION: A current or former public officer, employee of an agency, or local government attorney may not disclose or use information not available to members of the general public and gained by reason of his or her official position, except for information relating exclusively to governmental practices, for his or her personal gain or benefit or for the personal gain or benefit of any other person or business entity.
- 2. Acceptance of gifts at any time, other than advertising novelties, is prohibited. Employees must not become obligated to any supplier and shall not conclude any City transaction from which they may personally benefit.
 - 3. No City officer or employee may seek to influence the purchase of a product or service from any vendor. This restriction shall not be construed to restrict persons from evaluating and appraising the quality and value of the product to be purchased or service to be rendered where the person's scope of employment contemplates advice and council with respect to the purchase.
 - 4. No City officer or employee shall receive any gift, or benefit of any nature from prospective bidders. 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.

SECTION 3 PURCHASING PROCEDURES

The following procedures shall apply to all departments with regard to the purchase of supplies and service.

The following delegated authority levels for purchases have been approved by the Dunedin City Commission:

- The Purchasing Agent's delegated authority is \$25,000.
- The City Manager's delegated authority is \$50,000. The City Manager's delegated authority shall be the City's "Bid Limit." Purchases exceeding the Purchasing Agent's delegated authority shall be authorized by the City Manager when the purchase amount is within the City Manager's delegated authority.
- The City Manager is authorized to approve and execute contract/agreement renewals up to the Consent Agenda threshold (currently \$500,000) when the original contract/agreement was approved by the City Commission.

Purchases exceeding the City Manager's delegated authority are subject to the Formal Sealed Bid process.

I. PURCHASING THRESHOLDS:

The following purchasing thresholds have been established. The requirement for each threshold is listed. Purchasing will assist in meeting the requirements when requested.

1. Purchases from \$0.00 to \$1,000.00

These purchases require one verbal quote from the selected vendor. Three quotes are recommended whenever possible. Preferred methods of purchasing are the P-Card, requisitions or blanket purchase orders. Petty cash or Request for Checks may be used as a last resort.

2. Purchases between \$1,000 and \$3,000 that require a contractor site visit

Should a contractor be required to visit a City site in order to provide a quote, only one quote shall be required. Generally, this will be for repairs or service to buildings, facilities or equipment.

3. Purchases from \$1,000.01 to \$5,000.00

These purchases require three (3) verbal or telephone quotes. A requisition must be used for this type of purchase. Only one website quote will be accepted in fulfilling this requirement.

4. One-Time Purchase of goods or services from \$5,000.01 to \$50,000.00

These purchases require three (3) written quotes. An example of this type of purchase is a machine or piece of equipment. A requisition must be used for this type of purchase. Only one website quote will be accepted in fulfilling this requirement.

5. Recurring service agreement purchases from \$10,000.01 to \$50,000.00

These service agreements require a sealed Request for Quote (RFQ) in compliance with that Process (see Section 3 Item II.2). An example of this type of service is Citywide Pest Control Service done on a monthly basis. Users may create a requisition or use a blanket purchase order (see Section 3 Item III.2) for this type of purchase.

6. Purchases costing above \$50,000.00

This type of purchase requires a formal sealed bid (see Section 4). Users may enter a requisition or use a blanket purchase order (see Section 3 Item III.2) for this type of purchase once the City Commission has awarded the contract.

II. METHODS OF SOLICITING COSTS

1. QUOTATIONS

Quotations are informal bids on a single item costing up to \$50,000.00.

- a. The user department may solicit telephone or oral quotes for all purchases costing \$1,000.00 or less.
- b. The Purchasing Section or the user department may solicit either oral or written quotations for all purchases exceeding \$1,000.00. However, all quotations in excess of \$5,000.00 should be in writing. A copy of all written quotations should be forwarded to the Purchasing Section. If at least three quotations are not possible, the circumstances creating the inability to secure multiple quotations will be documented on the individual requisition, i.e. sole/single source item, etc.

- c. The Purchasing Section will attempt to obtain multiple competitive quotations without newspaper advertisement for expendable supplies, materials, equipment and services of an estimated value of fifty thousand dollars (\$50,000.00) or less, computed on the basis of expected costs for a one-year period.

2. SEALED WRITTEN REQUEST FOR QUOTES

All written quotes (exceeding \$10,000.00) for services requiring Purchasing to develop a written RFQ shall follow the following process,

- a. The response shall be in a sealed envelope.
- b. Responses shall be date stamped.
- c. Responses shall be opened on a given date and time as disclosed on the RFQ document.

3. SEALED BIDS

- a. All purchases or contracts except as provided below, when the sum is in excess of the established bid limit (currently \$50,000), shall be advertised for bids and awarded by the City Commissioners on the basis of lowest and best bid serving the best interest of the City.
- b. All requirements necessitating bidding for departments must have the approval of the City Manager before advertisement and bid solicitation.
- c. The Purchasing Agent shall post on a bulletin board accessible to the public, all current advertisements for bids and bid tabulations.
- d. **Exceptions** to the sealed bid and award method apply in situations which create a threat to public health, welfare, or safety, such as may arise by reason of hurricane, flood, equipment failure, or other disruption of essential services as may be declared by the City Manager or his designee.
 - Emergency Purchases - In case of an apparent emergency which requires the immediate purchase of equipment, supplies or services the Purchasing Agent may solicit bids on the open market and, regardless of cost, purchase equipment, supplies or services. The end user must provide a justification memo routed through and approved by the City Manager prior to the issuance of a purchase order.

Emergency purchases **are not** intended to serve as a crutch for poor planning. The elimination of this type of purchase is a primary objective of the Purchasing Section.

Emergency purchases usually result in higher costs to the City and therefore must be kept to an absolute minimum.

- Repairs to Existing Equipment - When mechanical equipment fails or otherwise ceases to operate and such failure impairs the operation of the City, the Purchasing Agent may, regardless of its cost, provide the repair or replacement of said equipment. The end user must provide a justification memo routed through and approved by the City Manager prior to the issuance of a purchase order.
- Sole/Single Source Items - In the event supplies, materials, equipment and/or services are available from only one manufacturer or source and the cost exceeds the established bid limit, City Commission approval is required prior to the issuance of the purchase order.

All emergency/repairs to existing equipment purchases exceeding the established bid limit in cost shall be expeditiously processed for City Commission approval as soon as practical. However, the purchase may be made prior to formal approval.

- e. Bid Items under the Established Bid Limit - Bid items resulting in bids under the established bid limit will be reviewed by the originating department and the Purchasing Agent. They will be awarded or rejected at the discretion of the Purchasing Agent or City Manager as appropriate.

4. PURCHASE CONTRACTS (Piggybacking)

The Purchasing Agent, upon approval of the City Manager, may purchase without competitive bidding, supplies, materials and equipment from the State of Florida and/or other county, municipal, school or other governmental entity purchasing contracts provided that said goods had been competitively bid by one of these other approved agencies.

5. COOPERATIVE PURCHASING

Cooperative purchasing is when two or more public entities combine their purchase requirements to obtain lower prices through volume buying and to reduce administrative costs.

The Purchasing Agent has the authority to join with other government entities in cooperative purchasing ventures when the best interests of the City will be served.

The City Commission shall approve all Cooperative Purchases over the established bid limit.

III. METHODS OF MAKING PURCHASES

1. PURCHASING CARD (P-CARD)

This is the preferred method for making all purchases costing \$1,000.00 or less. End users may use their P-Card for this type of purchase when they go to a store, call a vendor or order on the Internet.

Please see the City's "Purchasing Card Policy" for details on the use of the P-Card.

2. BLANKET PURCHASE ORDERS

A Blanket Purchase Order is an agreement with a vendor to allow departments to acquire items for which there is an established bid or contract by referencing an established purchase order number. The City issues no confirming order.

A Blanket purchase order may also be used for frequent small dollar purchases (\$1,000.00 or less) from vendors that do not accept the City's P-Card.

Only those items listed in the comment section may be purchased unless the Purchasing Section authorizes additional purchases. All purchases must be made within the parameters of the purchase order, i.e. specified items, single item cost and/or invoice amounts.

To enable the Finance Department to identify the using department on the invoice the department, division or section name must be given to the vendor.

Funds on Blanket Purchase Orders are not encumbered until the item is receipted onto the blanket purchase order. The Department Director is responsible for insuring that the items required meet the following criteria.

- a. Purchases are appropriate use of public funds.
- b. Covered in the department's budget.
- c. Directly related to the department's mission.
- d. Normal requisitioning procedures are not being avoided by splitting the orders among several blanket purchase orders.

3. CHECK REQUEST

Check Requests may be used for purchases costing \$1,000.00 or less only under the following circumstances,

- a. The vendor is not set-up on the financial software system.
- b. The purchase is a one-time purchase from the vendor.
- c. The vendor will not accept credit cards.

4. PURCHASE ORDERS FROM REQUISITIONS

a. Supplies, services and equipment with a cost exceeding \$1,000.00 will be obtained by entering a requisition in the financial software system. (Exceptions will be noted under Exceptions). This requisition will be approved and the Purchasing Section will issue a purchase order. In addition, purchases for \$1,000.00 or less should be entered as a requisition under the following circumstances:

- The vendor will not take the City's P-Card
- The City does not have a blanket order for small dollar purchases set-up with the vendor.

b. The Purchasing Section will review the specifications (description) of each purchase requisition. This review shall include but not be limited to:

- Requests for "sole source" purchases or a waiver of competitive bidding.
- Requests for supplies of a quality that seem to be greater or less than required.
- Requests where material seems inconsistent with the requirement.
- Requests that do not conform to City standards.
- Requests without proper authorization.
- An indication of whether freight costs are prepaid or prepaid and added to the invoice. Users should always ask the vendor how this would be charged. **The City always prefers freight terms to be FOB Dunedin, freight allowed.**

c. The user department may supply a list of acceptable vendors for a specific supply or service and is responsible for the technical aspects of the

evaluation. The Purchasing Section is responsible for the financial, commercial and service aspects.

IV. PURCHASE ORDER CREATION

Purchase Orders are created from Requisitions via the process described below.

1. The requisition is approved at the Division, Department and Budget Levels
2. The Purchasing Section will review the requisition for compliance with all policies and procedures.
3. The Purchasing Section will create a purchase order.
4. The order will be placed with the vendor by faxing or emailing the purchase order, or calling the vendor to place the order.
5. The purchase order will be sent to the ordering department.

V. RECEIPT OF GOODS AND SERVICES

Our goal is to get the items or services received into the system quickly so that we can pay for the product or service when we receive the invoice. This means that we must do “receipt processing” on the same day that we physically receive the goods or services.

The Purchasing Section creates a purchase order for the purchase of goods or services. The purchase order will be one of three basic types: product, draw down, or a blanket purchase order.

All Divisions need to set-up a filing system to keep track of their purchase orders. The objective of the system will be to know the status of all purchase orders and to provide documentation of all receipts. **All hard copies of purchase orders must be kept on file for three years as required by the record retention policy. End Users will have the only hard copy in the City in their files.**

Please follow the correct procedure below based on the type of purchase order.

1. REGULAR PURCHASE ORDERS

The first set of files should be for regular purchase orders. The following process should be used to track the status of the purchase order.

- a. The hard copy of the P.O. should be filed in an “open P.O.” file as soon as it is received. You may want to set-up this set of files alphabetically.

- b. The person that physically verifies the shipment quantity and accuracy shall sign and date the packing slip or invoice when the goods are received. This indicates that the goods were physically received and that they were correct.
- c. The item(s) should be receipt processed into the system as soon as the Division physically receives them. The packing slip should be used to do this. **Do not wait for the invoice to receipt the items into the system. All partial receipts should be processed in the same way. Do not wait for the shipment to be complete.**
- d. Attach the packing slip paperwork to the hard copy of the purchase order.
- e. Once all products have been received, put the hard copy of the P.O. and all packing slips into a “completed P.O.” file. The Division Director is responsible to ensure proper receipt by his/her initials on all packing slips prior to their being filed in the “completed P.O.” file.
- f. Accounting will pay the invoice as soon as all items on the invoice have been receipt processed.
- g. Should the department receive a credit for any reason, Purchasing must be notified so that an additional line may be added to the purchase order to process the credit.

2. BLANKET PURCHASE ORDERS

The second set of files should be for blanket purchase orders.

- a. The hard copy of the blanket purchase order should be filed in an “open B.O.” file, if you have a hard copy.
- b. You must get the cost of all items that you order so that you can enter it into the system when you do receipt processing. It is often in the comment section of blanket purchase orders on the financial software system for “contract” or “bid” items. Finally, if you call in the order you must write down the price so that you have it when you receive the item (file this in the “open B.O.” file for future use). Also, be sure to tell the vendor the purchase order number. This must be put on the invoice.
- c. When you physically receive the items, verify the item, cost and quantity against the packing slip or receipt. The person that verifies this **must** sign and date the invoice.

- d. The Division Director must initial the paperwork authorizing the expense prior to it being entered into the system. Please make sure that this is done as quickly as possible.
- e. The items should now be receipt processed into the system.
- f. Enter the packing slip number into the system on the receipts processing header screen when you do this. Accounting needs this number in the system to match up the items that you receipted against the invoice that they are paying.
- g. Write the blanket purchase order number on the invoice if you have it.
- h. If the receipt that you used to do receipt processing is also the invoice please make a copy for your file.
- i. File the paperwork in a "B.O. receipts back-up" file.
- j. Send the original signed receipt to Accounting for payment, if applicable.
- k. Accounting will pay the invoice as soon as they receive it.

3. DRAW DOWN PURCHASE ORDERS

The process for "draw-down" purchase orders is very similar to a regular purchase order. You may want to use the same files that you are using for regular purchase orders.

- a. File the hard copy of the purchase order in an "open P.O." file.
- b. You will receive a copy of the invoice from Accounting for the invoiced amount.
- c. The appropriate person must authorize the payment before it is receipt processed into the system. Have this person sign off on the invoice.
- d. Receipt process the dollar amount of the invoice into the system.
- e. Should the department receive a credit for any reason, Purchasing must be notified so that an additional line can be added to the purchase order to process the credit.
- f. Make a copy for your files and attach it to the purchase order.
- g. Send the original back to Accounting for payment.

- h. Once the purchase order is complete, file the hard copy and all the back-up paperwork in your “completed P.O.” file.
- i. Sometimes the purchase order amount will be more than the actual invoiced amount on a drawdown purchase order. If all the invoices have been paid and there is still an outstanding amount on the purchase order, please inform Purchasing so that we can close the purchase order.

VI. PURCHASE ORDER FOLLOW-UP

The function of the Purchasing Section is to supply equipment, supplies or services to fulfill requirements. This function is not complete until satisfactory delivery of such items has been made.

- 1. The responsibility of checking on outstanding purchase orders is the responsibility of both the Purchasing Section and the ordering department.
 - a. The Purchasing Section will review overdue purchase orders on a periodic basis. A purchase order is overdue when the delivery date noted on the original requisition has past. Purchasing can create an Overdue Purchase Orders Report to use in following up on overdue purchase orders. That is why entering an accurate delivery date is important to purchase order follow-up. Entering an unrealistically early delivery date will cause the Purchasing Section extra work because more overdue purchase orders will appear on the report. Additionally, the Purchasing Section will follow-up on deliveries when requested by the end-user department.
 - b. The Purchasing Section will telephone the vendor to follow-up on the delivery. Information given by the vendor will be entered onto the purchase order in the financial software system. The user department will be notified of any important changes.
 - c. End users may document problems with vendors by filling out a Vendor Complaint Form (see Attachment 2). The Purchasing Section will follow-up on the concerns listed on this form and respond to the user department with its findings. It is critical to document any consistent performance related issues with vendors should the City want to use the vendor’s lack of performance as a reason not to do business with the vendor. This is especially important with vendors that have a contract with the City awarded as part of the formal bid process.

VII. PURCHASE ORDER CHANGE NOTICES

Whenever a change to the original purchase order is authorized, it is done by a change order. The ordering department must request the change order by notifying the

Purchasing Section. When the cumulative value of change orders exceeds the City Bid Limit, the change order request will be placed on next available City Commission Agenda. Project work shall not be separated into phases to keep the change order request below the City's Bid Limit. Change orders exceeding ten percent (10%) of the bid amount of a contract but within the City's Bid Limit will be reported regularly to the City Commission. Finally, change orders for less than the bid limit, related to City Commission approved CIP project contracts, which exceed the project budget, will be included in the quarterly budget amendment. Change orders are generally processed for the following reasons:

1. An increase in the quantity ordered.
2. A cancellation of part of an item ordered. For example, the vendor may have shipped a partial quantity and the user decides to cancel the remaining quantity. This could also apply to a complete line item cancellation.
3. A change in the cost of an item.
4. Adding an additional item to the purchase order.
5. Adding freight cost to the purchase order. Users should always ask if freight is prepaid when they originally call the vendor for pricing. Please note that on the requisition.
6. Return of material or equipment. The return must be added to the purchase order as a credit line with a negative quantity. All returns must be documented on the purchase order prior to the credit invoice being given to Accounting for payment.
7. Additional work, services or goods required as part of a City Commission awarded bid/project.
8. Cancellation of the entire purchase order.

VIII. UNAUTHORIZED PURCHASES

An unauthorized purchase occurs when an employee of the City orders, contracts for, or buys any materials or supplies outside the requirements of the purchasing guidelines and procedures set forth in this manual.

1. If it is determined that any employee has used unacceptable or unauthorized purchasing procedures, the Purchasing Agent will report that determination to the Department Head and/or the City Manager.

2. The following are examples of unauthorized purchases unless the user is making the purchase with a P-Card.
 - a. Purchasing directly from a vendor and bypassing the Purchasing Section.
 - b. Committing to a purchase before consulting with the Purchasing Section.
 - c. Adding unauthorized purchases to a previously approved Purchase Order without first obtaining permission from Purchasing.
 - d. Splitting orders of same or like material to reduce the total cost in order to avoid the requisition process, or in order to use a Blanket Purchase Order or P-Card and avoid going through the normal process.

SECTION 4 SEALED BID PROCEDURE

I. POLICY

All City purchases exceeding the City's Bid Limit (Currently \$50,000.00) shall be handled by means of a sealed bid. The Bid Limit is subject to change based on City Commission approval.

In addition, the rental or lease of City property or facilities for the operation of a private business shall be subject to the sealed Bid/Request for Proposal process whenever the agreement period exceeds three (3) years and the anticipated rental/lease payment exceeds \$10,000 annually. The resulting contract shall have an initial term not to exceed ten (10) years.

II. PROCEDURE

The user department shall provide the text of the specifications. The user department shall approve any changes made to the specifications. Purchasing will add the general specifications and other data required by law and City procedure in order to establish a bid package. The Engineering Section uses a different set of specifications and shall provide the Purchasing Section with a complete set of documents for the bid package.

When the bid opening date is set, the invitation to bid will be prepared and sent to the City Manager for approval.

A vendor list will be compiled from user department suggestions, existing vendor lists, and other sources known to the Purchasing Section.

III. SPECIFICATIONS

Specifications are the communication medium between the purchaser and seller; they are the basis on which bids are prepared.

1. TYPES OF SPECIFICATIONS

Technical specifications are designed to assist the Purchasing Section and user department to ensure that the quality and service will fulfill the requirements for which the equipment, supplies or services are intended. Non-technical specifications deal with legal terms, provisions and other contractual matters.

2. RESPONSIBILITY FOR SPECIFICATIONS

- a. The Purchasing Section is responsible for maintaining a library of all current specifications for supplies and services for bids which they manage.
- b. Preparation of technical specifications for new equipment, supplies or services is the responsibility of the user department in coordination with the Purchasing Section. Terms, conditions and contractual provisions are the responsibility of Purchasing Section.
- c. The Purchasing Agent may modify, alter or change specifications to increase competition, to improve quality, or to ensure that specifications are accurate, clear, unambiguous and non-restrictive. The Purchasing Agent will inform the using department in either writing or verbally of the changes recommended and why changes are desired.

3. SPECIFICATION DEVELOPMENT

- a. In considering and developing specifications, it must always be remembered that expenditures derived from public sources and administered by public bodies cannot be expected to provide for unwarranted levels of quality. Therefore, the general policy of purchasing good, standard grades of merchandise which represent an optimum of quality and price and provide satisfactory level of service will be followed.
- b. Bids and quotations should be based on concise but adequate specifications. A lengthy specification composed or designed solely to supply a particular brand name should not be used except when no other type of specification can be drawn. Specifications should be detailed to provide a basis for full and fair competitive bidding upon a common standard, and be free from restrictions that would have the effect of stifling competition.
- c. The following guidance is provided for the preparation of a specification:
 - State exactly what is wanted in clear and concise terms. Include the essential physical and functional characteristics necessary to express the minimum requirements of the City.
 - Provide the means or basis for monitoring deliveries for conformance with the specifications. (Without this test, the specification loses much of its force as a purchasing tool).

- Avoid non-essential quality restrictions that add to cost and create difficulty in their procurement without adding to utility and value.
 - Avoid definitions that unnecessarily restrict competition. Also, if possible, avoid restrictive words (i.e.: shall, must, cannot) which can stifle competition.
 - Conform, so far as possible, to established commercial and industrial standards.
- d. Alternate Specification- A specification may provide an alternate description of supplies or services where two or more design, function, or performance criteria will satisfactorily meet the City's requirements.
 - e. A pre-bid conference will be held with all applicable vendors when determined to be in the best interest of the City. The purpose of pre-bid conferences is to ensure receipt of competitive bids that do not sacrifice the quality or capability of the equipment, materials, supplies or services the City requires.
 - f. Once an invitation to bid has been mailed, no changes in the specifications can be made unless all prospective bidders are so notified by mail in an addendum clearly pointing out such changes. This addendum shall instruct the bidder to sign and return a confirmation notice as proof of receipt of the addendum.
 - g. Once a decision has been reached on the specifications, all bids must be based upon the same specifications and no bidder has a right to substitute other specifications for those contained in the bid.
 - h. Should it be found, after bids have been opened, that a product or service with an alternate specification is low and would prove to be satisfactory, all bids shall be rejected and the specifications re-drawn to allow all bidders an equal opportunity to submit proposals on an acceptable alternate.

IV. BID DEVELOPMENT

All City contracts in excess of the bid limit approved by the City Commission will normally be requested by sealed bid invitation. The only deviations from this procedure as stated in Section 3 - Purchasing Procedures are emergency purchases, repairs to existing equipment, sole/single source items and competitive sealed proposals.

1. Invitation to Bid

Formal bid invitation is the means for publicly notifying prospective vendors of the need for supplies, equipment, materials and/or services that the City intends to purchase.

Formal bid invitations will normally be conveyed to interested vendors by Purchasing through advertising in a local newspaper, an internet website and any other means available to ensure the widest possible distribution of invitations.

2. Newspaper Advertisement

Adequate public notice of the invitation for bids shall be given prior to the bid opening date set forth in the invitation for bid. The City's practice is to provide at least thirty (30) days notice for all projects. Florida State Statute Chapter 255.0525 requires the following for construction projects:

"The solicitation of competitive bids or proposals for any county, municipality, or other political subdivision construction project that is projected to cost more than \$200,000 shall be publicly advertised at least once in a newspaper of general circulation in the county where the project is located at least 21 days prior to the established bid opening and at least 5 days prior to any scheduled prebid conference. The solicitation of competitive bids or proposals for any county, municipality, or other political subdivision construction project that is projected to cost more than \$500,000 shall be publicly advertised at least once in a newspaper of general circulation in the county where the project is located at least 30 days prior to the established bid opening and at least 5 days prior to any scheduled pre-bid conference. Bids or proposals shall be received and opened at the location, date, and time established in the bid or proposal advertisement. In cases of emergency, the procedures required in this section may be altered by the local governmental entity in any manner that is reasonable under the emergency circumstances."

The Purchasing Section will follow this advertisement timeline as a minimum for all bids and proposals.

3. Bidder's List

Purchasing will maintain a "Bidder's List" of vendors who desire to receive bid invitations. This list is maintained by the financial software system based on information supplied by vendors on the Vendor Application (Attachment 3). A prospective bidder must fill out the Vendor Application and return it to the Purchasing Section. The Vendor Application is available on the City's website.

Vendors that are on the bidder's list along with those which are recommended by the user department will be sent an Invitation to Bid for the specified project. In

addition, the Purchasing Section will seek additional vendors in order to increase competition.

4. Pre-Qualification of Bidders

The City may “pre-qualify” contractors for any project when the City Manager deems it appropriate. The goal of the pre-qualification process is to be sure that the pre-qualified and ultimately, the awarded contractor meet specific financial and experience criteria. Generally, this process may be used when the estimated cost of a specific project exceeds \$1,000,000. The pre-qualification process will be used on a limited basis for high visibility projects. For example, the City may pre-qualify contractors for the construction of a large building. Contractors that are pre-qualified will be the only contractors that will be permitted to bid on the project once the specification packet is released. Generally, the pre-qualification process will work as follows:

- a. The Request for Qualification (RFQ) document will be developed by the Finance and Engineering Departments along with the Department affected by the project.
- b. The RFQ will be advertised in the same manner as a regular bid.
- c. Pre-Qualification responses will be received until the date noted in the advertisement.
- d. A Pre-Qualification Evaluation Committee will be formed to review and qualify contractors that submitted responses. The Purchasing Agent will facilitate the Pre-Qualification Evaluation Committee. Members will come from the Finance Department, Engineering Section, affected Department and other areas as deemed appropriate. This may include non-City Staff.
- e. All Pre-Qualification Evaluation Committee meetings will be noticed and will be open to the public.
- f. The Pre-Qualification Evaluation Committee will review the information submitted by each contractor. The Committee may request additional information from the contractor on an as needed basis. The Committee will use a pass/fail system to qualify contractors for a specific project. Contractors will be notified of their qualification status once the process has been completed.
- g. All pre-qualified contractors will receive a copy of the bid package once it has been developed.

5. The Purchasing Agent will ensure that only bids from responsible vendors are considered and accepted.

V. PROCESSING OF BIDS

1. Bids shall be opened publicly in the presence of two or more people at the time and date specified in the invitation for bid. The amount of each bid and such other relevant information as deemed appropriate together with the name of each bidder shall be recorded.
 - a. Tabulations will be announced and made available for review by anyone interested at an appropriate time as deemed by the Purchasing Agent.
 - b. Copies of all tabulations will be posted, in close proximity to the Purchasing Section for public scrutiny, and remain until formal order or contract is executed.
2. Bids submitted after the time set for the bid opening may be rejected.
3. The Purchasing Agent will ensure that bids have been properly signed by a person authorized to sign such documents for the bidder. Unsigned bids may be rejected.
4. In accordance with State of Florida Statutes each bid should be accompanied with a completed Identical Tie Bid Form (Drug Free Workplace).
5. After a bid has been opened, a bidder will not be permitted to withdraw or alter his bid, or any deposit that may have been made. If, however, circumstances warrant the apparent lowest and best bidder to notify the Purchasing Agent that an error has been made in their bid, the Purchasing Agent will require the bidder to furnish a letter detailing their error and measure of relief sought. The Purchasing Agent will present the matter, with recommendations, to the City Manager. At the discretion of the City Manager, the matter may be presented to the City Commission for final approval.
6. The Purchasing Agent and Department Director involved will review the bids and recommend to the City Manager the vendor or vendors to receive the order on the basis of the lowest and best bid meeting specifications. In addition, Purchasing will prepare an agenda item packet for the City Manager to review and submit to the City Commission for approval.
7. If the Purchasing Agent and Department Head are unable to determine the lowest and best bid, or there is some controversy concerning the bid, either

party may submit the bids to the City Manager to select and recommend the lowest and best bid.

8. In the event two (2) or more vendors have submitted the lowest and best bids, preference may be given in the award in the following order:
 - a. First, to the vendor who has properly filled out the Identical Tie Bid Form (Drug Free Workplace).
 - b. Second, to those who established his/her principal place of business in the City of Dunedin.
 - c. Third, to the vendor who has a place of business in Pinellas County followed by the closest proximity to the City of Dunedin.
 - d. If this cannot be determined a drawing will be held by the City Manager or City Commission to determine the winner.
9. After approval of the award by the City Commission, the Purchasing Agent will notify the successful bidder. The normal means of notification is by letter or issuance of a purchase order. However, when the bid is awarded near the expiration date of the bidders' specified time for consideration, the Purchasing Agent will notify the successful bidder of the award by the most expedient and practical means available.
10. The date the Commission approves the award shall constitute the date of acceptance regardless of the date of the letter, purchase order, or any other means of notification to the successful vendor. This approval constitutes authority for execution of any needed contract documents.
11. If applicable, the Purchasing Section will return bid bonds to the unsuccessful bidders after the City Commission has awarded the contract to the successful bidder. The successful bidder's bid bond will be returned after the City receives a performance bond, if required.

VI. EVALUATION OF DEVIATIONS AND METHOD OF AWARD

1. Only bids from responsive and responsible bidders are to be considered. A responsive bidder is one who has submitted a bid that conforms in all material respects to the bid specifications. A responsible bidder is one that is capable of performing the scope of work described in the specifications. Various other factors are also checked to validate that a bidder is responsible (i.e. references, financial stability, etc.).
2. Deviations in bids may be either material or immaterial and minor in nature.

3. Material deviations may not be waived in order to make an award. Material deviations are those that go to the substance of the bid. They affect the price, quality, or deliveries of the materials or services offered and are prejudicial to the rights of other bidders. Illustrative examples include:
 - a) Minimum specification is not met, such as the required horsepower in a truck.
 - b) Type of item asked for is not being furnished such as the type of pump needed in a water plant.
 - c) Where price is not designated as requested or price is not firm for the duration of the contract period.
4. Immaterial or minor deviations are those that will not alter a bidders' position with respect to receiving the award. These may be clarified with the bidder or bidders to allow the City to understand what it will be receiving. Examples include:
 - a) Failure to file a certificate of non-collusion with the bid.
 - b) Failure to submit required proof of financial responsibility with the bid.
 - c) Failure to submit requested brochures or catalogs with the bid.
5. An award will be made to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the bid documents.

VII. DEBARMENT OF BIDDERS

1. The City Manager or his designee shall have the authority to suspend or debar a person or firm from consideration for award of contracts or bids for just cause. The suspension or debarment shall be for a period of not less than one-year.
2. Causes for debarment may fall under the following categories.
 - a. Conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract.
 - b. Conviction under state or federal statutes of any offense indicating a lack of business integrity or business honesty. Examples include: embezzlement, theft and forgery.

- c. Conviction under state or federal anti-trust statutes arising out of the submission of bids or proposals.
 - d. Violation of contract provisions of sufficient seriousness that the Purchasing Agent considers debarment appropriate. This would include failure to perform or unsatisfactory performance of a contract or bid.
 - e. Violation of ethics as set forth elsewhere in this manual.
 - f. Any other cause that the Purchasing Agent determines to be so serious as to affect the responsibility as a contractor to the City.
3. The Purchasing Agent will notify any bidder being debarred in writing. All reasons for the action being taken will be explained.
 4. Any bidder may have the decision to debar reviewed by the City Manager. This will be done by written request.
 5. Failing resolution at this level, a written request may be made to the City Commission whose decision will be final.

SECTION 5 CONTRACTS

NEED FOR CONTRACTS

A contract normally will be required for all awards exceeding the bid limit authorized by the Commission for services or a combination of equipment, supplies and services. Contracts may be “formal” documents signed by the representatives of the City and the Contractor, or they may be a collection of documents detailing each party’s responsibility that is confirmed with the issuance of a purchase order.

I. CONTRACT PREPARATION

Certain departments have distinct responsibilities in contract preparation and participation on behalf of the City Commissioners.

1. Requesting Department

The requesting department is responsible for initiating the contractual process. It is responsible for defining the details of the agreement, (i.e., terms, duration, etc.)

- a. They must ensure that funds have been appropriated or are available for the purpose of the contract, as well as other budgetary considerations.
- b. The requesting department is responsible for the coordination within the administrative staff, as well as proper execution and distribution.
- c. Contract revisions are the responsibility of the requesting department.

2. Purchasing Section

The Purchasing Agent is responsible for reviewing all specifications and contracts to ensure strict compliance with the City's Purchasing Policy and Florida Statutes. When these requirements are satisfied the Purchasing Agent may issue a purchase order.

- a. The Purchasing Agent will require the contractor to be in full compliance with the specifications and hold the contractor responsible for damages, if any, suffered by the City resulting from the contractor's failure to perform as agreed.
- b. The Purchasing Agent will make certain the City does not fail to perform its obligations, thereby relieving the contractor of performance responsibilities.

- c. The Purchasing Agent is responsible for monitoring all requested change orders to make sure that they are necessary and not excessively priced.

3. Finance Department

The Finance Department has a role in all contractual obligations that may occur at any time during the contract obligation period.

- a. Their role may include the determination and coordination of alternate means of financing for acquisition that would have a positive effect on cash flows.
- b. Recommendations for related banking arrangements for outright purchase or lease-purchase/buy-out options. The financial review gives consideration to the terms and conditions of a contract to assure, to the extent possible, that it is not an open-end obligation, that benefits run to the City when possible, and that financial items and payments are free of ambiguities.

4. Risk Safety

The Risk Safety Officer's review includes discussion with the requesting department and/or the Purchasing Agent to make several determinations.

- a. To assure that adequate levels and types of insurance coverage are being provided and to assure proper indemnification provisions are included.
- b. If possible, to transfer the risk exposure to the other party and determine if loss preventable exposures are being created.
- c. The Risk Safety Officer will maintain a record of all contracts being entered into to determine if appropriate certificates of insurance are forthcoming.

5. City Attorney

The City Attorney reviews all contracts to ensure their legal sufficiency with respect to form and ensure compliance with applicable laws.

- a. Routine or standard contractual agreements require only minimal involvement and are often reviewed only prior to execution.
- b. Contracts that are unique or represent a significant departure from prior practices and policies usually require a significant involvement and participation at an early stage of the contract process.

6. City Clerk

It is the responsibility of the Office of the City Clerk to ensure, after Commission approval, that the contract is properly executed. This requires the signature of the appropriate City officials, usually the Mayor and City Manager, the City Attorney and attestation by the City Clerk. The City Clerk shall retain one original contract for the City's official records.

7. Distribution and Administration

Distribution of the fully executed contract to all participating departments as mentioned above rests with the requesting department.

The requesting department must ensure implementation of the contracts with which they are involved. These contracts should be continually monitored to ensure proper performance of the terms and conditions. Questions of interpretation and resolution of any problems in such contracts should be referred to the appropriate reviewing authorities for consideration.

II. TYPES OF CONTRACTS AND ORDERS

The following are the seven most common types of contracts and orders.

1. One-Time - This type of contract or purchase order is for a one-time buy of a set amount of equipment, supplies and/or services and terminates upon final receipt of items or acceptance of the completed service or facility.
2. Sole Source - This type of contract or purchase order is to be awarded to a designated vendor without competitive bids for specific equipment, supplies or services that cannot be provided by any other vendor. The requesting division or department head will provide complete justification for sole source if requested. All sole source awards, prior to being awarded, shall be approved by the City Manager or his designee.
3. Blanket Purchase Order - Blanket purchase orders shall be issued for a given period and shall be for a definite amount of funds. Blanket purchase orders are used only when other methods would not be practical or economical.
4. Annual Contract - Awards are in effect normally for a one (1) year period. Standing delivery orders may be placed with the vendor for a fixed amount, either daily, weekly or monthly.
5. Open-End Contract - An annual contract where the quantity may be more or less with only the estimated quantity specified. Actual consumption may fall

below estimated quantity. A change order should be issued to cover any quantity that exceeds original amount at discretion of the Purchasing Agent. The City Commission shall be notified via memo if the excess quantity exceeds ten percent (10%) of the originally approved amount. Payment is made to the vendor based on deliveries.

6. Maintenance & Service Contracts - An agreement, usually annual, covering the service or maintenance of a variety of equipment and office machines. Pricing is normally lump sum, hourly rate, or on a "call" basis.
7. Construction Contracts - The following chronological sequence of events will be followed on all contractual agreements required for the completion of construction work specified by Engineering that exceeds a total of \$50,000.

<u>Action</u>	<u>Responsibility</u>
a. Draft of Invitation to Bid is prepared and forwarded to Purchasing for review plus assignment of Bid Number, General Condition, other pertinent data and bid opening date.	Engineering or User Dept.
b. Finalized Invitation to Bid is forwarded to City Manager for review and approval.	Purchasing
c. Copy of executed Invitation to Bid is sent to Purchasing to activate publishing of legal ads.	City Manager
d. Legal ads are prepared and forwarded to the appropriate newspaper and or internet site for advertisement.	Purchasing
e. Preliminary Bidder's List is prepared and forwarded to Purchasing.	Engineering or User Dept.
f. Bidder's List is expanded (when possible) and formalized as part of bid package.	Purchasing
g. Engineering provides copies of specs & blueprints to Purchasing and notifies Purchasing immediately of additions to bid list. (Normally, there will be a charge for the plans and specifications. In most cases Purchasing will collect the monies).	Engineering or User Dept.

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| h. Addenda are prepared by Engineering or the User Department and forwarded to Purchasing for review for review and then forwarded to bid list vendors with return receipt requested. | Engineering or User Dept. |
| i. Bid opening procedure is effected on day and time of advertised bid opening. | Purchasing |
| j. Copies of all bids submitted are forwarded to Engineering or User Dept. for immediate review. A bid tabulation is prepared by Purchasing and forwarded to Engineering or User Dept. Bid bonds are stored in vault in City Clerk's Office. | Purchasing |
| k. Formal recommendation from Engineering or User Dept. is forwarded to Purchasing (or copy of related correspondence) to maintain complete bid file. | Engineering or User Dept |
| l. Engineering's recommendation is forwarded with memo from Purchasing to the City Manager. | Purchasing |
| m. When and if approved for award, contracts are prepared and executed by all parties concerned. | City Clerk |
| n. Copy of executed "signature sheet" from contract is forwarded to Purchasing as notification of award, and to activate procedure for return of bid bonds to unsuccessful bidders by Purchasing. | City Clerk |
| o. Letters advising unsuccessful bidders of result of bid are forwarded with bid bonds. | Purchasing |
| p. Performance Bond is forwarded to City Clerk's office and notification of receipt of same, is forwarded to Purchasing to trigger return of bid bond to successful bidder with Requisition that is required to set up the purchase order. | Engineering or User Dept. |

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| q. Bid bond is returned to successful bidder. | Purchasing |
| r. Dummy purchase order is prepared to provide vehicle for payments and to serve as audit trail for future reference. Approved invoices, or memos authorizing partial payment, must be executed by Director of Public Works, or his designee, and forwarded to Accounts Payable for processing. | Purchasing
Engineering
User Dept
Finance |
| s. Change orders to awarded construction contracts shall be handled as follows: | |
| <ul style="list-style-type: none"> • Document in writing the need to add or deduct from the contracted work. | Engineering or
User Dept. |
| <ul style="list-style-type: none"> • Forward "change orders" to Purchasing for appropriate additions or deductions to contract amounts and future payments. Engineering or User Dept. shall enter a requisition for an additive change order when requested by Purchasing. | Engineering or
User Dept. |
| <ul style="list-style-type: none"> • Policy: When the cumulative value of change orders exceeds the City Bid Limit, the change order request will be placed on the next available City Commission Agenda. Project work shall not be separated into phases To keep the change order request below the City's Bid Limit. Change orders exceeding ten Percent (10%) of the bid amount of a contract but Within the City's Bid Limit will be reported regularly to the City Commission. In addition, any other contract awarded by the City Commission that requires a change order shall be subject to the same process. | City Manager |

SECTION 6 PROFESSIONAL SERVICES

The term "Professional Services" shall be defined the same as it is in Section 287.055(2)(a) F.S. The Statute states: "'Professional services" means those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.'" For the purposes of definition in this section, people or firms providing these services to the City may be referred to as "consultants".

The City must ensure that the procedures used to obtain professional services are consistent and comply with applicable local, state (Chapter 287.055 F.S.) and federal laws and provide competitive negotiations in response to the need for professional services in appropriate circumstances.

I PREQUALIFICATION PROCESS FOR CONSULTANTS UNDER CONTINUING CONTRACTS

1. The City shall periodically publicly announce or advertise that it is seeking to pre-qualify firms to provide the City with professional services. At the time of the advertisement the City will have a variety of known projects that will require professional services.
2. The City will appoint a Screening Committee to review the qualifications of said professionals. The Purchasing Agent will assist in providing (staff) technical support, if requested.
3. The committee shall review the qualifications of each firm and pre-qualify a number of firms (minimum of 3) to provide professional services in various areas using specified qualification criteria. This review and pre-qualification process shall comply with Section 287.055(3)(e) F.S. That paragraph states "The public must not be excluded from the proceedings under this section." Therefore, City Staff shall treat this process as a "Public Meeting" and shall adhere to the requirements of a "Public Meeting" (advertising, minutes, etc.).
4. After approval by the Screening Committee, the name of the firms and the area of professional expertise shall be added to the City's list of qualified consultants. This list of pre-qualified consultants shall be approved by the City Commission on a periodic basis or as otherwise required by the City.
5. The City shall enter into a contractual agreement with the selected consultants. The contract shall be a "continuing contract" as defined by

Section 287.055(2)(g) F.S. Continuing contracts are not required to contain a time limitation, but the City does have the right to include such a clause. However, the contract shall contain some type of termination clause.

II USE OF PROFESSIONAL SERVICES (PREQUALIFIED CONSULTANTS)

1. When Consultant services are considered necessary, the Director of Public Works and Utilities (Director) shall authorize those actions necessary to acquire such services.
2. The Director shall make a formal request to an approved pre-qualified consultant to solicit a proposal for a specific project provided the project requires professional services listed in the original public announcement (see Item I.1 above). This formal request is known as a "Request for Proposal" (RFP). A minimum of three (3) formal proposals shall be requested for any individual project that does not exceed the threshold in Section 287.055(2)(g) F.S. in basic construction costs (currently \$2,000,000.00), or for study activity if the fee for professional services for each individual study under the contract does not exceed \$200,000.
3. The proposal shall be prepared by the Consultant and shall include all of the requirements as outlined in the RFP.
4. The Director shall appoint a team of qualified City Staff to review and evaluate the submitted proposals based on the specified criteria. Each team member shall perform an independent evaluation. The Director shall complete the summary and totaling of the criteria points. The Director shall enter into initial negotiations with the most qualified firm based on the composite score of the team members.
5. The Director shall negotiate a final fee for this service, including any changes made during the negotiating process, with the selected Consultant.
6. Staff will prepare a "Service Authorization" and forward it to the City Manager for approval. Service Authorization Fees that exceed the City's bid limit shall be submitted to the City Commission for approval prior to execution of the Service Authorization.
7. In those cases where negotiations are unsuccessful with the initial consultant, the second Consultant will be considered, and so on until such time as a proposed contract is agreed upon.
8. A copy of the executed Service Authorization will be forwarded to Purchasing as notification of award and assignment.

9. Public Works Administration shall enter a requisition into the financial system software so that a purchase order can be created to provide the vehicle for payments and to serve as an audit trail for future reference.
10. Approved invoices or memos authorizing partial payment should be executed by the Director or his designee prior to forwarding to Accounts Payable for processing on approved forms provided by Public Works Administration.
11. Change Orders will be used to increase or decrease the scope of or the fees for Consultant services. A separate requisition shall be entered to be added to the existing purchase order by Public Works Administration (per Item II.9) for changes in work scope and fees.

III. PROFESSIONAL SERVICES FOR UNANTICIPATED PROJECTS, SPECIAL AND/OR SMALL SCOPE CONSULTANT PROJECTS

Occasionally, the City will require professional services for an unanticipated project that cannot be provided by a pre-qualified firm. The City will follow the following process to “qualify” a consultant for this type of project.

1. PROJECTS COSTING LESS THAN THE CITY’S BID LIMIT IN PROFESSIONAL SERVICES FEES.
 - a. The Director may select a firm that is qualified to provide this type of professional service. In addition, the Director of Community Redevelopment and/or Planning and Development may select a qualified firm to provide consultant services specifically for those departments provided the required services are “professional services” as defined . The selected firm shall provide any necessary information requested by any Director to assist Staff in making a “qualification” judgement.
 - b. After selection, the City shall follow the procedures to negotiate an appropriate fee. A “Service Authorization” form will not be required for a project of this size. The standard requisition/purchase order process will be followed.
2. PROJECTS COSTING MORE THAN THE CITY’S BID LIMIT IN CONSULTANT SERVICES FEES THAT WERE NOT PREVIOUSLY ADVERTISED.
 - a. The City shall “publicly announce” the need for the specific type of Consultant service required for the project. This process will combine the pre-qualification and RFP process into a single process.

- b. The City will follow the “Request for Qualifications ” (RFQ) process generally outlined in Item I above, City Staff will select the most qualified firm based on the selection criteria.
- c. City Staff shall follow the process for proposal evaluation, firm selection, cost negotiation and project completion as generally described in Item II above (Use of Professional Services).

SECTION 7 BONDS AND DEPOSITS

I. TYPES OF BONDS AND DEPOSITS

1. Performance Bond

At the discretion of the Purchasing Agent, such bond will be required when it is deemed to be in the best interest of the City to ensure that a contract is carried out in accordance with the applicable specifications and at the agreed contract price.

2. Payment Bond

At the discretion of the Purchasing Agent, a contractor may be required to furnish a payment bond on contracts for purchase of materials or services. Such bonds are used to protect the City from suits for non-payment of debts that may be incurred by a contractor's performance for the City.

3. Combination Payment and Performance Bond

This type of bond is required in connection with contracts for repairs, renovations, new construction, and other public works in accordance with Chapter 255.05 of the Florida Statutes. Normally, no work in connection with the fulfillment of a contract shall commence until the City accepts the payment and performance bond. This requirement is optional for the City when the construction cost is less than \$200,000.

4. Warranty Bonds

At the discretion of the Purchasing Agent, and in coordination with the using departments, a warranty bond may be required from a successful bidder to ensure warranty provisions are fulfilled.

5. Letter of Credit or Withholding of Payment

At the discretion of the Purchasing Agent, and in coordination with the using departments, the bonding provisions may be replaced with an irrevocable letter of credit from an established financial institution for the full or partial amount of the contract. The City may also elect to withhold a portion of the contract price (weekly, monthly, etc.) to ensure performance of the work. This method can be used for extended contracts such as janitorial services.

6. Bid or Proposal Deposit (Guaranty of Good Faith Deposit)

At the discretion of the Purchasing Agent and in the interest of the City, bidders may be required to submit with their bid or proposal a guaranty of good faith deposit in the amount specified. Such deposit may not be withdrawn until a specified time after the bid or proposal is opened. The deposit of the contractor shall be retained by the City Clerk's Office until the Purchasing Agent is satisfied that the Contractor's obligations have been satisfactorily completed. This may take the form of a Bid Bond, Irrevocable Letter of Credit, Cashiers Check, Certified Check or other method deemed appropriate by the Purchasing Agent.

7. Amount of Bond or Deposit

Bonds or deposits that may be required shall normally be in the following amounts:

- a. Performance Bond - 100% of contract price.
- b. Payment Bond - 100% of contract price
- c. Payment and Performance Bond - 100% of contract price
- d. Guaranty of Good Faith Deposit (Bid Bond) - At the discretion of the Purchasing Agent, but normally 5% of the bid price.

II. PROCESSING OF BONDS AND DEPOSITS

1. The contractor shall be responsible for securing the bond. Any costs may be included in the contract price.
2. The company acting as surety for any bond issued shall be licensed to do business in the State of Florida.
3. The City Attorney shall review all Surety Bonds furnished to the City. The City Attorney shall either accept or reject it for the City. All surety bonds accepted shall be forwarded to the Clerk to be filed in the official records.
4. In the event a contractor fails to provide an acceptable bond when required, within ten (10) days after notification, the City Attorney will be notified. Upon the recommendation of the Attorney, the City may declare the contract null and void and retain in the account of the City any good faith deposits or guaranty which may have been submitted as liquidated damages.
5. Bonds, when accepted, shall be filed with the applicable contract documents in the City Clerk's Office.
6. Deposits - In lieu of a bid bond, the Purchasing Agent may authorize a contractor to submit a certified check, cashier's check or treasurer's check, on any national or state bank, irrevocable letter of credit or certificates of

deposits. Such deposits shall be in the same percentage amounts as the bond. The City Clerk shall retain such deposits until the Purchasing Agent is satisfied that the contractor has complied with all provisions of the contract.

7. Cash Deposits of all bidders/proposers shall be forwarded to the City Clerk. Upon award of contract, the Purchasing Agent shall be responsible for the return of deposits to unsuccessful bidders/proposers.
8. It is the responsibility of the Purchasing Agent or his/her authorized designee to approve the return of deposits to unsuccessful bidders/proposers.

SECTION 8
PURCHASE OF INSURANCE

I. RESPONSIBILITY:

1. The purchase of insurance for the needs of the City will be the responsibility of the Risk Safety Officer.
2. The procedures to be followed will be pursuant to approved Insurance Procurement Procedure.
3. Due to the nature of the insurance field, the complexity of coverage and the variability of clauses, deductibles and financial strength of the underwriters, the purchase of insurance will be handled by the Risk Safety Office with amendments made administratively during the course of the policy period as required.

SECTION 9 PROPERTY DISPOSAL

DISPOSITION OF SURPLUS PROPERTY

It is the objective of this section to establish procedures for the transfer and disposal of excess and surplus property owned by the City. Per Florida Statute 274.02 “the word “property” as used in this section means fixtures and other tangible personal property of a non-consumable nature.”

I. RESPONSIBILITY

The disposal of surplus equipment or supplies is the responsibility of the Purchasing Agent, to be done in a manner that will most benefit the operation of City government and the welfare of the taxpayers. The disposition of real property will adhere to Code of Ordinances, Chapter 2, Article II, Page 166-1.

II. CLASSIFICATION

1. Items identified as surplus may be classified as excess, surplus, obsolete or scrap.
 - a. Excess- items without a useful purpose for a particular department, but which may be transferred to another department.
 - b. Obsolete and surplus - material that is of no use to the City.
 - c. Scrap - items that have sale value for material content only.
(Will be sold per approximate weight, or by lot.)
2. Items approved for destruction (cannibalization) – all serviceable parts or items shall be removed, placed in stock and reported as receipts to Inventory Control, and the residue placed in scrap materials.

III. PROCEDURES

Disposal of surplus property will normally be by public auction. In addition, the Purchasing Agent may dispose of surplus property by sealed bid. If the sealed bid option is used, the Purchasing Agent shall place a notice in a local newspaper of general circulation with the time, date, location and general description of items.

1. Sealed Bid - Property disposed of by means of a sealed bid would be processed using the same method as that used when purchasing items by sealed bid. The invitation to bid would be changed accordingly.

2. Sale by Public Auction - the Purchasing Agent may contract for professional auctioneer services to prepare and handle the sales.
3. After the bid or auction is advertised interested parties should be able to inspect items at a delegated site.
4. Any item offered (sealed bid or public auction) on which no bid is received may be declared "OF NO VALUE" by the Purchasing Agent and discarded or donated to a charity.
5. Any items that:
 - a. are impractical by nature,
 - b. are likely to lose a substantial amount of their value if held until bid or auction
 - c. have a firm offer made on them, and would not be reasonably expected to bring more at a bid or at a public auction (no City employee shall be permitted to make an offer on excess or surplus property), may be sold by the Purchasing Agent by whatever method is determined to be in the best interest of the City. Any such transaction must be documented to verify the propriety of the disposal action.

IV. EXCEPTION

Any city owned property may be sold or otherwise transferred to another governmental entity within the State of Florida without formal bidding procedures. Any such action must be thoroughly documented to verify that the action is in the best interest of the City.