

Purchasing Policy

City of Edgewater, Florida



Dated
October 19, 2009

FOREWORD

The Finance Department prepared this "Purchasing Manual" to serve as the basis for purchasing policies and procedures for the City of Edgewater.

The purchasing function involves the procurement of materials, supplies, equipment, and services at best value, consistent with the quality needed to meet the required standards established and approved by the Edgewater City Council. Our goal is the promotion of the best interest of the City of Edgewater through intelligent action and fair dealings, resulting in obtaining maximum savings for the City.

Rules and regulations are necessary for the proper operation of the purchasing function and it is essential all who are involved in the purchasing operation be well informed. This manual was developed to aid all employees, volunteers and Board Trustees directly or indirectly associated with the function of purchasing.

The objectives of the Finance Department are as follows:

1. To deal fairly and equitably with all vendors wishing to do business with the City of Edgewater.
2. Provide professional procurement services for all our customers within the City.
3. Assure adherence to all laws, regulations, and procedures related to City procurement.
4. Maximize competition for all procurements of the City.
5. Obtain maximum savings through innovative buying and application of value analysis techniques.
6. Purchase goods and services at the best value if not lowest price, consistent with quality performance, and delivery requirements from capable vendors meeting the City's requirements.

The City Council of Edgewater, Florida, recognizes that some centralized purchasing is a necessary function of effective government and declares it shall be the responsibility of the Finance Department Director to consider opportunities to centralize some purchases of supplies, equipment, and services for various functions within the City.

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SECTION I
REQUISITION

PURPOSE: The City of Edgewater currently utilizes the Sungard HTE procurement and inventory module for on-line procurements. Approved requisitions signify authority to charge a specific fund and cost center, and signify that the department has verified there are sufficient funds for the purchase.

DEFINITION: A requisition is a written or computerized request to the Finance Department for the procurement of goods or services from suppliers.

PURCHASING RESPONSIBILITIES:

1. To become acquainted with the needs of our customers by utilizing purchasing teams made up of department and Finance Department personnel.
2. To aid and cooperate with all departments in meeting their needs for operating supplies and equipment at the best value and least cost to the City of Edgewater.
3. To assist in the preparation or review of specifications for all requirements.
4. To locate the sources and availability of needed products.
5. To process all requisitions and purchases with the least possible delay, in accordance with City procedures.
6. To work with the supplier in correlating all the steps involved in completing a purchase, including purchase order follow-up and tracing.
7. To assist the department with any difficulty after the product has been delivered or service rendered.
8. To notify the user department of any changes in the use of the suggested vendor as proposed by the user department, and any other probable changes such as price or delivery.

DEPARTMENT RESPONSIBILITIES:

1. Allow sufficient time for the Finance Department to process and / or place the order and for the supplier to deliver.
2. Notify the Finance Department if the requisition is a defined emergency as stated in Section III.
3. Write clear and accurate description of materials and equipment to be purchased and its intended purpose. Specifications should be typed and either e-mailed or hand carried to the Finance Department.
4. Prepare generic specifications for items requiring a technical or engineering background.
5. List anticipated requirements in advance, when possible. Involve the Finance Department at the time the need is determined or as early as possible.
6. Keep the Finance Department advised of any abnormal demands. PLAN AHEAD!
7. Under no circumstances is the City of Edgewater to be obligated by departments in any manner whatsoever without prior approval.
8. Cooperate with Finance Department by reporting, in writing, the results of purchases -- either favorable or unfavorable. If you have complaints, REPORT THEM.
9. Advise the Finance Department of any known supplier(s).
10. List any quotes obtained by vendor name, individual contacted, and price obtained (by line item). Check with the Finance Department for additional sources.
11. Verify that all sources of funds identified on the requisition are properly coded.
12. Specify correct commodity code of items to be purchased.
13. Be sure funds are allocated and available in the referenced fund/accounts to support purchases.
14. Be sure the purchase is for a "public purpose", unless specifically exempted by City rules or regulations.

WHEN PREPARED: Purchase Requisitions must be submitted to Finance, far enough in advance to permit the Finance Department to obtain competitive prices and to allow sufficient time for deliveries to be made. User Departments should take into account the time necessary to obtain Council award approval and administrative approvals in planning for their procurements. The Finance Department can assist you with this planning.

SPECIAL SITUATIONS: Agencies should identify requisitions requiring special handling for the purchase of materials to prevent downtime but which are not strictly emergencies. These must be held to a minimum. These should only be used in cases of required purchases with a justification as to the urgent need. Competitive verbal pricing should be obtained wherever possible.

WHO PREPARES: All requisitions shall be authorized by the Department Director or designated authority. Requisitions should originate in the department at the level where the purchase is to be used and routed to the designated approval authority prior to being sent to Finance Department. Requisitions not properly authorized will not be accepted by the on-line system.

ROUTING:

1. For all purchases under \$25,000, the requisitioning agency will enter the requisition into the on-line system for issuance of a purchase order. The following guidelines for quotes will be followed:
 - a. Competitive quotes are not required for purchases under \$2,500.
 - b. Three informal quotes are required for purchases from \$2,500 - \$10,000. The Department normally obtains these.
 - c. Three formal quotes are required for purchases from \$10,001 - \$24,999. These are obtained by Finance Department.
2. For all purchases \$25,000 or greater, the requisitioning Department will enter the requisition, and then assure that City Council approval is obtained for award, either of the solicitation or other Council direction.
3. Upon receipt of the requisition in the Finance Department and dependent on the dollar amount, formal quotations, bids or proposals will be solicited. A purchase order or a contract will be issued upon completion of this process.
4. If the requisition is incomplete or not properly prepared, the Finance Department will notify the originating department.
5. For all purchases of capital goods or services, regardless of the dollar amount, the requisitioning Department will enter the requisition into the system assuring appropriate approvals are obtained.

REVIEW OF SPECIFICATIONS:

OTHER DEPARTMENTAL APPROVALS REQUIRED:

Prior to issuance of bids or the processing of a requisition with specifications included, review of the items to be purchased and the specifications for certain commodities and services must be made by other departments within the City to assure open competitive bidding, compatibility, standardization, and up-to-date specifications. The following are mandated reviews:

TYPE OF EQUIPMENT/SERVICE	DEPARTMENT REVIEW
Computers and Word Processing Equipment	Management Information Systems
Vehicles/Heavy Equipment	Fleet Maintenance
Radios/Communication Equipment	Management Information Systems
Telephones (Internal System Only)	Management Information Systems

PLEASE ENSURE THE ABOVE APPROVALS ARE OBTAINED PRIOR TO SUBMITTAL TO THE FINANCE DEPARTMENT.

SECTION II

PURCHASE ORDERS

PURPOSE: A purchase order authorizes the vendor to ship and invoice the materials and services as specified. Purchase orders will be written to be clear, concise and complete, preventing any misunderstanding and/or unnecessary correspondence with suppliers.

DEFINITION: A legally binding document prepared by a purchaser to describe all terms and conditions of a purchase.

WHEN ISSUED: Pre-numbered computer generated purchase orders will be issued upon receipt of a properly authorized requisition, after receipt of competitive bids, determination whether funds are available, and Council approval as necessary. No purchase orders will be issued after the fact unless it is a documented emergency situation.

WHO ISSUES: Only the Finance Department shall issue purchase orders. The department will not enter into negotiations with any supplier for the purchase of supplies, services, materials or equipment. The Finance Department will transmit all purchase orders to the supplier.

ROUTING OF ORDER: A standard purchase order form is used to make all purchases. Purchases over \$2,500 require a copy of the purchase order to be provided to the

vendor. The purchase order form for purchases under \$2,500 is sent to the vendor upon request by department.

FOLLOW-UP AND TRACING: Departments should track order progress after placing the order. If a problem is incurred, the department should then contact the Finance Department for assistance.

DIFFICULTIES AFTER RECEIPT OF SERVICE OR ITEM: Upon request from the department, the Finance Department shall handle with the vendor any problems or difficulties with outstanding orders or contracts and received items or services. See Section XIV of this manual for further details.

PRE-PAYMENT PROCEDURES: On those items where prepayment is needed, the original documents showing that pre-payment is required will be forwarded to the Finance Department as the authorization to issue a check. These should be kept to a minimum. The purchasing card should be used for items that require pre-payment if under \$2,500.

REGISTRATION FEES AND TRAVEL: Registration fees and travel for seminars and conferences for in-City and out-of-City travel are handled via Travel Authorization forms as per City Policy and Procedures. These requests are not processed through the Finance Department.

UTILITY BILLS AND TELEPHONE INVOICES: Payment for utilities (water, sewer, lights, etc.) and telephone service will be made by the Finance Department and the expense allocated to the appropriate department fund.

PURCHASE OF GOODS AND SERVICES \$25,000 or greater: All purchases of goods and services whose **cumulative total** shall exceed \$25,000 or greater will be competitively bid.

USE OF FIELD PURCHASE ORDERS: The Field Purchase Order should be used as a payment tool/check request for items under \$2,500. Common uses include: Subscriptions, Memberships, Advertisement and Registrations requiring a check, Petty Cash Reimbursements and Employee Travel Reimbursement checks. Also, the Field Purchase orders should be used for items under \$2,500 for vendors that do not accept the Purchasing Card.

SECTION III

SOLICITATION AND APPROVAL LEVEL THRESHOLDS

PURPOSE: To describe the various levels of the competitive process and to identify the levels of authority in the procurement function of the City. The procurement function is

designed to maximize the purchasing value of public funds in procurement and to provide safeguards for maintaining a procurement system of quality and integrity.

The mandatory formal solicitation amount shall be **TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000)** or greater. Written quotes shall be obtained for purchases between TEN THOUSAND ONE AND NO/100 DOLLARS (\$10,001) and TWENTY-FOUR THOUSAND NINE HUNDRED NINETY-NINE AND 99/100 DOLLARS (\$24,999.99.) Informal quotes shall be obtained for purchases between TWO THOUSAND FIVE HUNDRED DOLLARS AND NO/100 DOLLARS (\$2,500) AND TEN THOUSAND DOLLARS (\$10,000). Department/Division/Offices shall maintain documentation with their requisition on all quotes received or as to why competition was not obtained. All purchase prices must be considered fair and reasonable. Award shall be made to the business offering the lowest quotation that is determined to be both responsive and responsible. Award based on the overall best value can be made if the department submits a statement to the Purchasing and Contracting Administrator for approval describing the benefits to the City if award is made to other than low. The name of the business submitting a quotation, and the date and amount of each quotation, shall be recorded and maintained as a public record.

Types of formal solicitations used for competitive procurement are as follows:

- **Request for Proposals (RFPs)** – A solicitation for response for a commodity and/or services for which the scope of work, specifications or contractual terms and conditions cannot reasonably be closely defined. Evaluation of a proposal is based on prior established criteria wherein the RFP shall state the relative importance of price and other evaluation factors.
- **Invitations for Bids (IFBs)** - A solicitation inviting potential contractors or vendors to submit sealed, written pricing for specific goods or services in conformance with specifications, terms, conditions and other requirements described in the bid invitation documents.
- **Request for Information (RFI)** - A solicitation for response from interested and prospective vendors/contractors to provide information to determine specifications, qualifications and/or capabilities to satisfy a need rather than a firm specification and in which the respondent may be given latitude in order to develop a product and/or service which will fulfill the need.
- **Request for Qualification (RFQ)** - A solicitation seeking responses for services for which the competitive award will be based on the qualifications of those responding; generally, but not limited to, used in procuring certain professional services, design build services, consulting and construction management services.

The procurement of all goods, material, equipment, services and combinations of goods and/or services by or on behalf of the Council, including those transactions through

which the Council shall receive revenue, in an amount equal to or in excess of the mandatory bid amount of TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000), shall be formally competitively awarded based on the submission of bids (IFBs), proposals submitted in response to a request for proposal (RFP), proposals submitted in response to a request for information (RFI), proposals submitted in response to a request for qualifications (RFQ) or proposals submitted for competitive negotiations, except as otherwise provided herein, or by State or Federal law. Competitive bidding shall be the preferred method of procurement. If a department determines the use of an invitation to bid is not practicable based on 1) lack of time, 2) the award will be made on factors other than price and price-related factors, 3) a need to conduct discussions with the responding bidders about their bid and 4) there isn't a reasonable chance of receiving more than one quote, must submit, in writing, a statement requesting solicitation by Request for Proposals.

Departmental requirements are not to be split to avoid the competitive bidding thresholds. It is in the best interest of the City to combine requirements and competitively bid these requirements to ensure a fair and reasonable price.

The City Council has the right to award all contracts except as otherwise provided in the Code of Ordinances of the City. Individuals that have been delegated authority will have to sign a "Statement of Responsibility" and will be held accountable for all actions occurring under their authority. Anyone having authority to make any purchase exceeding TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000) must file with the Supervisor of Elections within the County in which he or she permanently resides, a statement of financial interest. As to those contracts which the Council retains the right of award, the Council shall have authority to review, modify or set aside all previous administrative determinations, whether appealed or not, made in the course of the procurement.

All Department Directors or their designee shall have the authority to authorize purchases of goods and services not to exceed TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$2,500) per item under the Purchasing Card policy and procedures (Section XIV). Authority is also given in case of an emergency for purchases under TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000) when at least one vendor has been contacted and the purchase order is issued through the Finance Department within the next business day. The Finance Department will review the requisition to ensure a fair and reasonable price is received.

The City Manager or designee shall have the authority to award and execute purchases of goods and services not to exceed TWENTY-FIVE THOUSAND DOLLARS AND NO/100 (\$25,000) including change orders and amendments. The City Manager or designee is authorized to renew options on approved contracts, as long as it is per the terms, conditions and renewal period specified in the original contract and the total dollar amount for each contract or purchase order is within the Council approved budget. All purchases of goods and services, in excess of TWENTY-FIVE THOUSAND DOLLARS AND NO/100 (\$25,000) shall be awarded by the Council, except as

otherwise provided within this Section. The City Manager or designee shall have the authority to approve all purchase orders, work orders and amendments under FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000) for capital outlay items as detailed in the Budget as long as award is to the lowest responsive, responsible bidder in a competitive environment.

The City Manager or designee shall have the authority to approve and execute all change orders and amendments and to approve price escalation/de-escalation changes, according to the terms of the particular contract providing that the change does not exceed ten percent (10%) of the latest approved contract value for contracts. Amendments to contracts greater than these amounts must be approved by City Council.

The City Manager shall have authority to award and execute purchase orders in any amount on current City cooperative purchasing agreements and contracts from GSA contracts, state agencies, or other units of government and non-profit organizations on capital items and projects that have been detailed and approved by City Council through the Budget adoption or amendment process. The City may piggyback on current agreements and contracts from other governmental entities when competitive bid procedures have been followed and the guidelines utilized by that entity are the same or more stringent than the City's guidelines. The City may piggyback on previous City bids provided they were received within the previous 12 months and the department is not aware of any interest from other potential vendors.

The Finance Director, with the concurrence of the City Manager, shall have the authority to settle individual claims under contract provided the settlement does not exceed ten percent (10%) of the latest approved contract value for contracts. All change orders issued which modify a contract, the original and revised total cost of which exceeds ten percent (10%), shall require Council approval, unless otherwise specified herein.

It shall be prohibited for any City employee to order the purchase of any goods or services or make any contract change without the delegation of authority under this section other than through the Finance Department, unless utilizing an authorized procurement card. City employees will be held accountable for unauthorized purchases and appropriate disciplinary action will be taken pursuant to the City Policy and Procedures Manual. The Department committing the unauthorized purchase will document the incident with a memo to the City Manager explaining the details of the unauthorized purchase. These details must include a brief summary of what happened and the corrective action that the Director has taken to prevent unauthorized purchases in the future. The memo shall state any disciplinary action taken, if any, and request the City Manager approve the unauthorized purchase if under TWENTY-FIVE THOUSAND DOLLARS AND NO/100 (\$25,000). Unauthorized purchases of TWENTY-FIVE THOUSAND DOLLARS AND NO/100 (\$25,000) and greater shall be submitted to the Council for approval. Any purchase or contract made contrary to this section hereof shall not be binding on the City unless approved by the Council.

SECTION IV

EMERGENCY PURCHASES

PURPOSE: It is recognized that situations arise where formal solicitation is not possible. In order to expedite the provision of goods and services, the following procedure will be followed.

DEFINITION: Emergency purchases include those supplies or services necessary because of certain emergency conditions occurring affecting the health, safety and welfare of the City and its citizens or in the event that the City may suffer a financial loss due to inaction. Poor planning will not constitute an emergency.

AUTHORIZATION: Emergency purchases are approved per the spending authority levels outlined in this Policy and subject to review by the Finance Director. The City Manager may approve those exceeding \$25,000 and return to the Council for confirmation of the purchase, unless an executive order has been issued that suspends all requirements during disaster related events.

PROCEDURE: When an emergency exists, a requisition will be entered outlining the nature of the emergency and coded as such. In addition, the department should call the Finance Department to alert them to the need. A purchase order will be issued upon proper approval and processing of the requisition. The Finance Department may obtain additional price quotes prior to issuing a purchase order number. Standing procedures for emergency purchases are included in the emergency management plan.

EMERGENCY PURCHASES - NIGHTS, WEEKENDS, OR HOLIDAYS: If an emergency occurs when the Finance Department is closed, the Department Head shall act to secure the necessary materials or service. The evidence of purchase such as sales ticket, bill, delivery slip, counter receipt, etc., which the supplier normally furnishes, will be submitted concurrently with the requisition by the department to the Finance Department on the next work day following the date of purchase. Such back-up documents will be submitted to Finance. **Emergency Justification form must be forwarded to Finance Department by the next business day.**

GENERAL INFORMATION: When emergency purchases are made, the department will make the purchase at the best possible price. A true emergency can occur as a result of parts and labor needed for repairs to vehicles or equipment, which must be kept in operating order. Emergencies due to negligence are to be avoided. **Failure to anticipate normal needs, project deadline dates or a desire to expend excess or remaining budgeted funds prior to year-end do not constitute an emergency.**

NOTE: Emergency purchases are costly and should be kept to a minimum. They are usually made hurriedly, on a non-competitive basis, and at top prices. Most vendors charge a premium when supplies must be obtained immediately.

SECTION V

CHANGE ORDERS

PURPOSE: Certain conditions surrounding purchases may change in the course of a procurement, which necessitates a clarification or modification to the purchase order to fulfill legal requirements.

DEFINITION: A Change Order to a Purchase Order is an adjustment to funding source, addition or deletion of items, quantity, delivery time, or cost.

PROCEDURE: The department requesting the Change Order shall submit to the Finance Department a Change Order Request indicating the original purchase order number and the reason for the changes. Change order requests listing a price change with no explanation for the increase or decrease will be returned to the originator. The Finance Department will modify the on-line system to reflect the change. If required, the vendor will be sent a hard-copy purchase order reflecting the change.

Change Orders must be processed for all changes affecting the original purchase order such as quantity increases and those changes that increase 10% or more of the original unit price dollar value. Change orders will not be processed for decreases in the purchase order amount if payment is being finalized or if the decrease to the purchase order line item amount is less than 10%. If a decrease occurs, the department will receive only the amount invoiced. The same procedure applies if the increase is less than 10% of the original purchase order dollar amount. No change orders to cancel an item will be processed until the Finance Department has verified that a check has not already been issued for the item.

Cancellations of all purchase orders at any dollar value will require a written change order to be mailed or faxed to contractor. Cancellations and Change Orders will be distributed in the same manner as the original purchase order.

Construction and Professional Services change orders will be processed manually using the Professional Service/Construction Change Order form. The Finance Department will make the necessary corrections to the on-line system once approvals are obtained.

SECTION VI

BLANKET/INVERTED PURCHASE ORDERS

PURPOSE: Blanket/inverted purchase orders allow multiple transactions to be made over a specified period of time, a practice aimed at reducing the number of small orders, utilizing short-term releases to satisfy demand requirements, while creating efficiencies of effort and decreasing costs.

DEFINITION: A blanket order is a purchase order issued for the purchase of indeterminable miscellaneous items or materials, supplies, parts, etc., over a certain period of time (usually on an annual basis or as approved by the Edgewater City Council). Shipments are made, as requested by the department against the blanket order number for the term of the blanket purchase order. The blanket purchase order generally establishes a maximum dollar limit, the period covered, and terms and conditions. However, since the specific items to be purchased are unknown at the time of issuance of the blanket purchase order, no line item pricing may be shown. Blanket orders may be used as a payment tool for formal contracts.

An inverted purchase order is used for payment on contracts where retainage is withheld from the invoices received. Inverted purchase orders use the dollar value of the contract as the quantity and receipts are issued against line items.

HOW PREPARED: Requests for a blanket/inverted purchase order shall be made on a Requisition by the using agency indicating the types of items to be purchased and total amount to be encumbered, either in quarterly increments or for the entire year.

Requests for Blanket purchase orders shall contain the following information:

1. Description and types of items to be purchased.
2. The period of time the order will remain valid.
3. The maximum dollar amount not to be exceeded. If it is apparent the amount will be exceeded, the department via a change order request must request an additional amount. Adequate funds must be available in the department budget.

HOW USED: After the blanket purchase order is issued, the department is authorized to place orders, via telephone or in person, directly with the vendor, when needed.

PROCEDURE: The person(s) listed as authorized by the blanket purchase order may request/place orders directly with the vendor as needed. Items may be picked up or delivered by the vendor. The Department Head or designee shall be responsible for receiving all items acquired using the on-line system.

HOW PAID: The Finance Department will process payment of invoices for received materials or services to obtain any discounts. User agencies must indicate receipt of all goods and services, on-line, in a timely manner. Any invoices received by the Department should be forwarded to the Finance Department after receipt processing.

HOW MONITORED: The Finance Department may actively monitor all or selected purchases or invoices to ensure adherence to City procedures. The Finance Department may cancel blanket purchase orders if misuse occurs.

SECTION VII

QUOTATIONS AND BIDS

PURPOSE: Fair and open competition is a basic tenet of public procurement. Such competition reduces the opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically.

DEFINITION: A request to suppliers to make offers to an organization.

PROCEDURE FOR SOLICITING QUOTES:

Upon receipt of a Requisition, the Finance Department will seek a source of supply, and enter into transactions for the purchase of the commodity or service in accordance with the provisions of the City Procurement Policy.

- Every effort should be made to obtain a minimum of three (3) quotations for each item or group of items required regardless of dollar amount.
- Competitive quotes are not needed on items, excluding services, under \$2,500 in value.
- Written or faxed quotes for purchases from \$2,500 to \$10,000.99 are to be obtained by the department and documentation maintained in the department file and the quote information entered into the on-line system. Finance Department may require a copy of the quote documentation. Services provided on-site require appropriate insurance. Please call the Finance Department for assistance. Capital outlay items may require other approvals prior to purchase. See Section I, Material Requisition, for review criteria. The department should contact Finance Department for assistance in creation of a vendor contact list.
- Purchases of \$10,001 but under \$25,000 will be made by formal written quotations issued by the Finance Department. The Finance Department may coordinate with the department.
- The City's bidding service provider will notify all potential suppliers via fax or email of all solicitations exceeding \$25,000 in value. Formal Invitations to Quote will be distributed to prospective suppliers, as feasible, and such Invitations to Quote will indicate the deadline for receipt of the quote. No quote will be considered if received after the deadline for receipt. Invitations to Quote, documented completely, shall be maintained with the purchase order.

PROCEDURE FOR SOLICITING FOR BIDS:

The Finance Department shall request formal sealed bids on purchases exceeding \$25,000. In cases where a "purchase" or contract may extend over multiple periods or years, the total cumulative amount to be paid over the duration of the contract term will be the determining amount of the requirement for requesting formal sealed bids. All advertisements and public notices will be made in accordance with Florida Statutes.. The Finance Department shall solicit bids from responsible prospective suppliers

obtained from our computer-generated vendor list, publications and catalogues, suggestions from the user Department, previous suppliers, etc. The Finance Department shall attempt to secure at least three (3) bids.

Lease Finance Agreements utilized for competitively bid items up to and including \$500,000 shall require a minimum of three (3) quotations. Quotes are to be obtained by the Finance Director and shall be maintained in the department file.

A tabulation of all bids received with the recommended award(s) will be posted on the City's website and will be available for public inspection in the main offices of the Finance Department during regular business hours for seventy-two (72) hours after recommendation of award.

Any actual or prospective Proposer to a Request for Proposal, who is aggrieved with respect to the Request for Proposal, shall file a written protest with the Finance Director prior to the due date for acceptance of proposals. All such protests must be filed with the Finance Director no later than 11:00 a.m. (Eastern time) on the final published date for the acceptance of the Request for Proposals.

When the Edgewater City Council makes an award of a contract, it will be done in a duly-noticed public meeting. Award recommendations will be posted outside the offices of the Finance Department. Any actual or prospective respondent who desires to formally protest the recommended contract award must file a notice of intent to protest with the Finance Director within seventy two (72) hours (excluding weekends and City holidays) of the date that the recommended award is posted.

Upon filing of said notice, the protesting party will have ten (10) days to file a formal protest.

Where requirements are of a technical nature, a multi-step bid process may be used. The conventional multi-step process calls for submission of technical proposals and bid prices at the same time, but in separate sealed envelopes. The proposals are opened and evaluated. The bid price envelopes are then opened for those proposals that are found to be responsive and responsible and award is made based on price alone.

The Finance Department's bidding notification service maintains a "Vendor List" of prospective suppliers. A prospective bidder will be placed on the Vendor List by subscribing to the bidder notification service. Information is available in the Finance Department office about the subscription service.

RESPONSIBILITY FOR SPECIFICATIONS: The preparation of specifications is the responsibility of the department with review (and authority to challenge) by the Finance Department. Specifications will permit competition except on non-competitive materials or services, (see "Purchases Not Requiring Bids").

In general, specifications should define the level of performance required rather than specific brand name. For the benefit of vendors and the department, specifications must be clear and concise. The Finance Department reserves the right to challenge specifications to allow open competition.

BID INVITATIONS: Notice of Bid will be advertised and posted in City Hall and City Website. The City uses an Internet bidding service for document fulfillment purposes. They send notification of Bids to potential vendors via email, fax or mail, depending on the vendor's preference.

METHOD OF SOURCE SELECTION: The City uses the Competitive Sealed Proposals methodology of source selection for this procurement, as authorized by this Purchasing Policy.

The City may, as it deems necessary, conduct discussions with responsible proposers determined to be in contention for being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to solicitation requirements.

PRE-PROPOSAL CONFERENCE: The purpose of the pre-proposal conference is to allow an open forum for discussion and questioning with City staff regarding the Proposal with all prospective proposers having an equal opportunity to hear and participate. Oral questions will receive oral responses, neither of which will be official, nor become part of the RFP. Only written responses to written questions will be considered official, and will be included as part of the RFP as an addendum.

All prospective proposers are strongly encouraged to attend, as, unless requested by the department, this will be the only pre-proposal conference for this solicitation. If this pre-proposal conference is denoted at "mandatory", prospective proposers must be present in order to submit a proposal response.

PUBLIC ENTITY CRIME: A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.

DRUG-FREE WORKPLACE: In accordance with section 287.087, Florida Statutes, preference shall be given to businesses with drug-free workplace programs. Whenever two or more proposals which are equal with respect to price, quality, and service are received by the City for the procurement of commodities or contractual services, a

proposal received from a business that furnishes a form certifying that it is a Drug Free Workplace shall be given preference in the award process.

CONFLICT OF INTEREST: Proposers shall complete the Conflict of Interest Affidavit included with the RFP documentation. Disclosure of any potential or actual conflict of interest is subject to City staff review and does not in and of itself disqualify a firm from consideration. These disclosures are intended to identify and or preclude conflict of interest situations during contract selection and execution.

PROHIBITION OF GIFTS TO CITY EMPLOYEES: No organization or individual shall offer or give, either directly or indirectly, any favor, gift, loan, fee, service or other item of value to any City employee, as set forth in Chapter 112, Part III, Florida Statutes, the current City Ethics Ordinance, and City Administrative Procedure 5311. Violation of this provision may result in one or more of the following consequences: a. Prohibition by the individual, firm, and/or any employee of the firm from contact with City staff for a specified period of time; b. Prohibition by the individual and/or firm from doing business with the City for a specified period of time, including but not limited to: submitting bids, RFP, and/or quotes; and, c. immediate termination of any contract held by the individual and/or firm for cause.

IMMIGRATION REFORM AND CONTROL ACT: Proposer acknowledges, and without exception or stipulation, any firm(s) receiving an award shall be fully responsible for complying with the provisions of the Immigration Reform and Control Act of 1986 as located at 8 U.S.C. 1324, et seq. and regulations relating thereto, as either may be amended. Failure by the awarded firm(s) to comply with the laws referenced herein shall constitute a breach of the award agreement and the City shall have the discretion to unilaterally terminate said agreement immediately.

BID BOND/DEPOSITS: By signing the proposal, Proposer acknowledges that it has read and understands the bonding requirements for the proposal, if applicable. Requirements for each solicitation are specified in the Proposal.

Should the contract amount be less than \$500,000, the requirements of Section 287.0935, F.S. shall govern the rating and classification of the surety.

All performance security under the subsequent contract shall be in force throughout the final completion and acceptance of the project awarded.

If the surety for any bond furnished by Contractor is declared bankrupt, becomes insolvent, its right to do business is terminated in the State of Florida, or it ceases to meet the requirements imposed by the Contract Documents, the Contractor shall, within five (5) calendar days thereafter, substitute another bond and surety, both of which shall be subject to the Owner's approval.

INSURANCE REQUIREMENTS: By signing the Insurance Requirements included in a Proposal, Proposer acknowledges these conditions include Insurance Requirements.

It should be noted by the Proposer that, in order to meet the City's requirements, there may be additional insurance costs to the Proposer's firm. It is, therefore, imperative that the proposer discusses these requirements with the Proposer's insurance agent, as noted on the Insurance Check List, so that the Proposer can make allowances for any additional costs.

The Proposer's obligation under this provision shall not be limited in any way by the agreed upon contract price, or the Proposer's limit of, or lack of, sufficient insurance protection.

Proposer also understands that the evidence of required insurance may be required within five (5) business days following notification of its offer being accepted; otherwise, the City may rescind its acceptance of the Proposer's proposal.

The specific insurance requirements for each solicitation are included as part of the proposal.

DISPOSITION OF BIDS: Bids shall be opened in public at the time and place stated in the public notices. The City shall not bear the responsibility for proposals delivered to the City Clerk past the stated date and/or time indicated, or to an incorrect address by proposer's personnel or by the proposer's outside carrier. However, the City Clerk, or designee, shall reserve the right to accept proposals received after the posted close time only under the following condition:

The tardy submission of the proposal is due to the following circumstances, which shall include but not be limited to: late delivery by commercial carrier such as Fed Ex, UPS, DHL, or courier where delivery was scheduled before the deadline.

All bids received and accepted will be made available for public inspection ten (10) days after opening, or upon recommendation of award, whichever occurs first.

Proposal, Presentation, and Protest Costs: The City will not be liable in any way for any costs incurred by any proposer in the preparation of its proposal in response to this RFP, nor for the presentation of its proposal and/or participation in any discussions, negotiations, or, if applicable, any protest procedures.

Acceptance or Rejection of Proposals: The right is reserved by the City to waive any irregularities in any proposal, to reject any or all proposals, to re-solicit for proposals, if desired, and upon recommendation and justification by the City to accept the proposal which in the judgment of the City is deemed the most advantageous for the public and the City.

Any proposal which is incomplete, conditional, obscure or which contains irregularities of any kind, may be cause for rejection. In the event of default of the successful proposer, or their refusal to enter into the City contract, the City reserves the right to

accept the proposal of any other proposer or to re-advertise using the same or revised documentation, at its sole discretion.

Requests for Clarification of Proposals: Requests by the Accounting Technician to a proposer(s) for clarification of proposal(s) shall be in writing. Proposer's failure to respond to request for clarification may deem proposer to be non-responsive, and may be just cause to reject its proposal.

Validity of Proposals: No proposal can be withdrawn after it is filed unless the Proposer makes their request in writing to the City prior to the time set for the closing of Proposals. All proposals shall be valid for a period of one hundred eighty (180) days from the submission date to accommodate evaluation and selection process.

AWARD OF BIDS: Awards of contracts and/or purchases shall be to the lowest, most responsive and most responsible bidder of goods or services, representing the best value to the City. In determining the lowest, most responsive and responsible bidder and that purchase or contract that will best serve the interests of the City, the council, the City Manager, and purchasing agent, as appropriate, shall consider, but shall not be limited to, in addition to price, the following:

1. The ability, capacity and skill of the bidder to perform under the terms of the bid documents including past performance, if available.
2. Whether the bidder can perform the contract or provide the materials or service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgment, experience, and efficiency of the bidder as reflected in credit reports, Better Business Bureau reports or other records or reports.
4. The quality of performance of previous contracts and the providing of materials and/or services.
5. The previous and existing compliance by the bidder with laws and ordinances relating to the contract, or the providing of materials or services.
6. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the materials or services.
7. The quality, availability, and adaptability of the supplies, equipment, or contractual services to the particular use required.
8. The ability and location of the bidder to provide future maintenance and service for the purchase and the financial impact upon the City to receive such future maintenance or service.
9. The number and scope of conditions attached to the bid.
10. Whether the bidder is in arrears to the city on a debt or is a defaulter on surety to the City; or, whether the bidders' taxes or assessments are delinquent.
11. The bidder has all current local and county Business Tax Receipts license.

IFBs are the least formal review process and the award of the contract is to the lowest priced, responsive, responsible bidder. The Finance Department coordinates with the

requisitioning department to determine if the lowest price bid is responsive (i.e., complies with the City's specification). A review of the bid is required to determine if it conforms to the requirements stated in the solicitation. If the lowest priced bid is found non-responsive, then the next low bidder will be evaluated and so on until a responsive contractor is found. When the lowest bidder is found non-responsive or not responsible, this determination must be in writing with the appropriate documentation.

The Finance Department reserves the right to challenge any award recommendations of the user division/department.

City Council will approve bid award recommendations wherein the award to each vendor exceeds \$25,000, unless previously exempted or approved. Each department is responsible for the drafting of the Council Agenda Request and assuring appropriate approvals are obtained prior to forwarding to the Finance Department for review. The Finance Department will then submit the Council Agenda Request to the City Manager. Award shall not be final until issuance of a purchase order or contract by the Finance Department.

CHANGES IN FINALIZED BIDS: Any increase in unit price of any bid formally approved by the Edgewater City Council must be re-submitted to the Council for approval unless the increases were allowed by the bid or contract document.

WAIVER OF IRREGULARITIES: The City Manager on behalf of the City Council shall have the authority to waive any and all irregularities in any and all formal bids.

TIE BIDS: In the event of a tie (with each business certifying that it is a Drug-Free Workplace), **both in individual scoring and in final ranking**, the firm with the lowest volume of work on City projects within the last five (5) years will receive the higher individual ranking. This information will be based on information provided by the Proposer, subject to verification at the City's option. If there is a multiple firm tie in either individual scoring or final ranking, the firm with the lowest volume of work shall receive the higher ranking, the firm with the next lowest volume of work shall receive the next highest ranking and so on. If neither vendor has performed in work in the last five years, the preference will be given to the Proposer within the city limits or principal office closest to City Hall.

CONTRACTS: Whenever required, the successful bidder shall promptly execute a formal contract to be approved as to its form, terms and conditions, and signed by the proper authority. When required, such bidder shall also execute and deliver to the Finance Department a good and sufficient performance and/or payment bond in the amount specified in the Invitation for Bid. Any bidder who has a contract awarded to him/her and who fails to execute promptly and properly the required contract and bond, shall forfeit his/her certified check or bid bond. Upon the execution of the contract by the successful bidder, his/her certified check will be returned or his/her bid bond may be released. The certified checks of unsuccessful bidders shall then be returned.

CITY'S RIGHT TO INSPECT: The City or its authorized Agent shall have the right to inspect the Contractor's facilities/project site during and after each work assignment the Contractor is performing.

SECTION VIII

COMPETITIVE PROCUREMENT

PURPOSE: The City will make award to the proposal that meets the requirements and criteria set forth in the solicitation and whose award will, in the opinion of the City, are in the best interest of the City. Proposals shall be evaluated based on the requirements set forth in the solicitation. Criteria that will affect the price should be considered in the evaluation shall be objectively measurable, such as financial capability, references, discounts, transportation costs, past performance, total or life cycle costs and overall responsiveness of the submittal. No criteria should be used in the evaluation that is not set forth in the solicitation.

Factors to be considered in determining whether the standard of responsibility has been met include whether, in the City's determination, a prospective vendor/contractor has:

1. appropriate financial, material, equipment, facility, and personnel resources, experience, knowledge, and expertise, or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;
2. a satisfactory record of performance on similar projects;
3. a satisfactory record of integrity;
4. Qualified legally to contract with the City; and
5. Supplied all necessary information in connection with the inquiry concerning responsibility including but not limited to any licenses, permits, insurance, price sheets or required organizational papers.

The solicitation for Proposals shall state the relative importance of price and other evaluation factors. Award can be made to the most responsive, responsible offeror whose proposal is determined to be the most advantageous to the City in accordance with the evaluation criteria contained in the Proposal.

Evaluation of Proposals (Procedure):

1. The City Manager shall approve an Evaluation Committee to review all proposals submitted in accordance with Statute. At a minimum there will be one member of the Finance Department as part of the evaluation committee. Plus there shall be a minimum of three members of the committee, but always an odd number.
2. Request for Proposals issued.
3. Subsequent to the closing of proposals, the Accounting Technician and Project Manager shall review the proposals received and verify whether each proposal

appears to be minimally responsive to the requirements of the published RFP. In instances where both the Accounting Technician and Project Manager be appointed to the committee as voting members, such meetings shall be conducted in accordance with Florida's Sunshine Law and the City Clerk shall publicly post prior notice of such meeting in the lobby of the City Hall at least one (1) day in advance of all such meetings.

4. The committee members shall review each Proposal individually and score each proposal based on the evaluation criteria stated herein.
5. Prior to the first meeting of the evaluation committee, the City Clerk will post a notice announcing the date, time and place of the first committee meeting. Said notice shall be posted in the lobby of the City Hall not less than three (3) working days prior to the meeting. The City Clerk shall also post prior notice of all subsequent committee meetings and shall endeavor to post such notices at least one (1) day in advance of all subsequent meetings.
6. The committee will compile individual rankings, based on the evaluation criteria as stated herein, for each proposal to determine committee recommendations. The committee may at their discretion, schedule presentations or demonstrations from the top-ranked firm(s), make site visits, and obtain guidance from third party subject matter experts. The final recommendation will be decided based on review of scores and consensus of committee.

SECTION IX

PROFESSIONAL SERVICES

CONSULTANT'S COMPETITION NEGOTIATION ACT (CCNA)

PURPOSE: All requirements for CCNA Professional Services, as defined in Chapter 287.055, Florida Statutes, shall be publicly advertised once in a newspaper of general paid circulation or as otherwise indicated in Florida Statutes. Allowable exceptions to public advertisement include:

- Projects involving a public emergency, pursuant to Section IV of the Purchasing Manual.
- When the basic construction of the completed project is estimated to be less than TWO HUNDRED-FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000) or defined as category five in Florida Statutes, Section 287.017, whichever is greater.
- When the fee for professional services for a planning or study activity is estimated to be less than TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000) or defined as category two in Florida Statutes, Section 287.017, or as may be amended, whichever is greater.

The Project Manager for acquisition of professional and consultant services under an RFQ (Request for Qualifications) should suggest recommendations for appointment of evaluation committee members who have knowledge and interest in the project. The Evaluation Committee should consist of: Department Head or designee, Project Manager and a staff member outside the requesting Department. The City Attorney's office may also provide a representative who shall participate in an advisory capacity as a non-voting member. The Finance Director or designee shall chair the meetings and will be a non-voting member. The City's policy and procedures concerning the evaluation process will be followed.

The Evaluation Committee shall determine specific qualifications necessary for the project consultant and specify the form for submittal of qualifications by prospective consultants.

For publicly announced requirements, the Department/Division/Office will provide the Finance Department a RFQ request and scope of services; evaluation criteria and the Finance Department will publish the notice in a newspaper of general circulation and shall indicate how interested consultants may apply for consideration. Trade journals or trade magazines may also be utilized for public advertisement for consultant services. Purchasing will administer the opening of the proposals and the selection/negotiation committee meetings.

Florida Statutes require reasonable notice to the public, such as the evaluation/negotiating sessions with consultants. The notice will include the committee's name and purpose, location of meeting, date and time of meeting, and shall be posted 72 hours in advance of the meetings. A copy of the meeting notice shall be posted in City Hall. Part of the notice of public meeting shall include the statement: "Persons with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk, 48 hours in advance of the meeting". The Chairman of the meeting will ensure a record of the meeting is maintained, either through a written or recorded method or in accordance with the Public Records Law of the State of Florida.

The City shall make a finding that the firm or individual to be employed is duly qualified to render the required service. The Evaluation Committee shall review statements of qualification and performance data submitted in response to the public announcement and shall select, in order of preference, no fewer than three (3) firms deemed to be the most highly qualified, if at least three (3) firms respond to the announcement. If there are less than three (3) firms responding and after due diligence and searching it is decided every effort was made to meet Florida Statute 287.055, the City will interview all respondents and proceed with the evaluation process. Consultant evaluation criteria shall include, but may not be limited to: approach to work, the ability of professional personnel; whether a firm is a certified minority business enterprise; past performance; willingness to meet time and budget requirements; location; recent, current and projected workloads; and volume of work previously awarded to the firm by the City, with the object of effecting an equitable distribution of contracts among qualified firms,

provided such equitable distribution does not violate the principle of selection of the most highly qualified firms.

The Evaluation Committee may conduct some type of public discussions with and may require public presentations by a minimum of two (2) firms (if two firms submitted) pertaining to the firms' qualifications, approach to the project, and ability to furnish the required service. Each evaluation committee member will review the statement of qualifications submitted by each firm and will evaluate each firm's qualifications utilizing the Professional Services Evaluation Form containing the specific evaluation criteria established for each RFQ which will approximately resemble the attached PSEF form. The scores of the committee members will be added to determine the ranking of the firms (first, second, third) public presentations by firms are not conducted, the ranking established during the "short list" phase, which includes discussion with the minimum of three (3) firms, will be the ranking order of the firms.

The committee shall maintain the summary listing of the rank order of the firms being evaluated, present their recommendations of the three (3) most qualified firms to the Council, if at least three firms respond to the announcement, and request the Council to approve the ranking and to authorize staff to negotiate a contract with the top firm.

The Department Director, Finance Director and City Manager shall appoint the negotiating committee. The negotiating committee will consist of essentially the same personnel as the evaluation committee to the extent possible. The committee shall be comprised of the Department Head or designee, the Project Manager and at least one staff member of City government having knowledge and interest in the project. Upon Council direction, the negotiating committee shall negotiate a contract with the most qualified firm for professional services for compensation, which is determined to be fair, competitive and reasonable.

Detailed discussions must be held by the firm and the City to clearly establish the scope of the project and the exact services to be performed by the Consultant. The committee shall negotiate a contract for professional services with the most qualified firm at a compensation, which the City determines is fair, competitive and reasonable. In making such determination, the City shall conduct a detailed analysis of the cost of the professional services required in addition to considering their scope and complexity.

Should the City be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price the City determines to be fair, competitive and reasonable, negotiations with that firm must be formally terminated. The City shall then undertake negotiations with the second most qualified. Failing accord with the second most qualified firm, the City must terminate negotiations. The City shall then undertake negotiations with the third most qualified firm.

Should the City be unable to negotiate a satisfactory contract with any of the selected firms, the City shall select additional firms in the order of their competence and qualification and continue negotiations in accordance with the prior requirements until an agreement is reached

For all lump-sum or cost-plus fixed fee contracts of ONE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$150,000) or defined as category IV in Florida Statutes Section 287.017, whichever is greater, the firm awarded the contract must execute a truth-in-negotiation certificate stating that the wage rates and other factual unit costs are accurate, complete, and current, at the time of contracting. Any contract requiring this certificate shall contain a provision that the original contract price and any additions shall be adjusted to exclude any significant sums by which the City determines the contract price was increased due to inaccurate, incomplete, or non-current wage rates and other factual unit costs. All such contract adjustments shall be made within one year following the end of the contract.

SECTION X

Procedures for Multiple Consultants under Competitive Consultant Negotiation Act (CCNA)

PURPOSE: To set standards as to how scopes can be split between those services within the scope of practice as defined by the laws of Chapter 287.055, Florida Statutes.

The Selection Process described below will be followed to select a consultant when awarding work orders under continuing contracts (Master Agreements) when multiple qualified consultants are under contract with the City. Whenever possible, the objective is to distribute the work equally amongst the consultants under contract. Equal distribution of the work will be measured by the dollar value of the work awarded; such that each consultant gets (if work requirements permits) an equal share of the total dollars spent annually on the Master Agreements.

1. Selection Process:

When dealing with multiple consultants under a CCNA Master Agreement, the Department, responsible for the project, will select only one of the consultants to solicit for a proposal when criteria items a. or b. apply. On projects where criteria a. or b. do not apply, the Department, responsible for the project, will prepare a scope of work document that Purchasing and Contracting will use to solicit sealed proposals from the qualified consultants under contract with the City for the specified type of work. The following criteria items c. through g., in order of acceptance, will be used to determine which consultant will be awarded the work:

- a. Specific and unique technical expertise not available from any of the other consultants under contract. This criterion will not apply to all work orders.
- b. Maintain project continuity. This criterion will not apply to all work orders.
- c. Past performance on previous City work.

- d. Availability of resources to undertake assignment.
- e. Willingness to meet time and budget requirements.
- f. Distribution of dollars awarded to date under the Master Agreement with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most qualified firms.
- g. If the consultant does not choose to participate, the City will select another consultant using the criteria in paragraphs (a - f) above.

When multiple sealed proposals are solicited, the Department responsible for the project shall evaluate the sealed proposals in accordance with the above criteria and select one of the consultants to perform the work.

2. Generating the Work Order:

The Department, responsible for the project (User Department), must send a Request for Service/Proposal to the consultant selected (as provided herein) or Purchasing and Contracting must send (as provided herein) a Request for Service/Proposal to the multiple consultants under contract. The request asks for a technical memorandum/scope of services and a fee proposal. The Request for Proposal must include:

- a. Statement of work. The statement of work will provide each consultant with a complete description of the requirement enabling them to prepare a proposal with valid man-hours. The City may ask the consultant for solutions and to identify unacceptable conditions.
- b. Elements - The minimum required elements are the purpose and brief description of the project; description of the work/service to be performed; the location(s) where the work/service is to be performed; the basis for determining the award of the work order; a contact person for the City for questions or clarifications including the telephone number and the extension number; and what is the required delivery date or period of performance. Any questions or clarifications given must be forwarded to all consultants.
- c. Submittal - The User Department or Finance Department must indicate when the proposal is due back to the City. Be very specific of when and where the proposal is to be delivered, indicating that if the City does not receive the submittal on time, the City understands the consultant has chosen not to participate in the process for that particular project.

- d. Additional information - If additional information is available for the consultant's review and consideration, please indicate the location of those documents and the contact person including telephone number and extension number.
- e. Meeting/Site Visit - If a meeting and/or a site visit are necessary to discuss the project, please indicate the location, time and date of the meeting.

3. The consultant shall submit the following in response to the City's Request for Proposal:

- a. Detailed Scope of Work and Services – The Detailed Scope of Work and Services shall specifically address each aspect of the project and tell in detail how the consultant will accomplish the work. Provide a schedule that, as a minimum shall include a list of milestones and a schedule for completion. Each milestone task must be described in sufficient detail for the Department to evaluate the consultant's understanding of the project and action plan for completion.
- b. Fee Proposal – The Fee Proposal shall include as a minimum the level of effort proposed to support the work. This should include a list of man-hours by staff position and the contracted hourly rate for that position. The hourly rate should match the hourly rate included in the Master Agreement, unless the hourly rate is negotiated to a lower rate. Any subcontracted effort must be included in the proposal and supported by a matching fee proposal.
- c. Acceptability of Proposal from the selected consultant. The proposal received from the selected consultant must be acceptable to the City. Criteria to consider when determining the acceptability may include understanding requirements, technical approach, innovative techniques or solutions, management approach, proposed fee and the ability to meet cost or time constraints. The User Department will determine the acceptability criteria for the Work Order.

4. If the proposal is found to be unacceptable as submitted, the City will continue to negotiate with the selected consultant until an acceptable resolution is obtained.

- a. If the proposal as submitted is not fully acceptable, but could become acceptable with relatively minor changes to the scope of services, proposed fee schedule or fee proposal, then the Department will enter into discussions with the consultant to refine the proposal making it acceptable. Based on those discussions, the consultant must submit a revised proposal, which the City finds fully acceptable.
- b. If the proposal as submitted is so unacceptable that it can not be made acceptable without major modifications to either the technical scope of services, the proposed fee, or the proposed schedule, then the City has the option to formally terminate negotiations with the consultant and enter into negotiations

with the next qualified consultant for the project, and so on, or re-solicit proposals.

5. The User Department must provide copies of all documentation to the Finance Department including:

- a. Request for scope of work and services and fee proposal;
- b. Originals of the consultant's submittals;
- c. Determination of acceptability and recommendation for award (work order request form).
- d. Prepare Council Agenda Request (CAR) for awards greater than \$15,000.

SECTION XI

**PROCUREMENT OF DESIGN-BUILD AND/OR
DESIGN-BUILD OPERATE SERVICES**

PURPOSE: Pursuant to § 287.055(9), Fla. Stat. (2007), the following procedures shall be followed in selecting firms when design-build or design-build-operate services are sought by the City. Definitions contained in § 287.055(2), Fla. Stat. (2007), have the same meaning in this part except "project." "Project" shall mean a fixed capital outlay project described in the public notice including individual facilities; grouping of facilities; and rehabilitation and renovation activities.

1. Selection of the Design-Criteria Professional

A design criteria professional shall be selected and contracted with pursuant to § 287.055, Fla. Stat. (2007) or otherwise currently be under contract or employed by the City. The design criteria professional will not be eligible to render services under design-build or design-build-operate contracts executed pursuant to the design criteria package. The design criteria professional may be required to evaluate qualifications and proposals submitted by firms, review detailed working drawings for the project, and evaluate project construction for compliance with the design criteria package.

2. Design Criteria Package

The design criteria professional shall prepare a design criteria package on behalf of the City. The purpose of the design criteria package is to provide sufficient information upon which firms may prepare proposals or upon which negotiations may be based. The firm to whom the contract is awarded will be responsible for creation of the project design based on the criteria in the design criteria package.

3. Minimum Qualifications for Firms Providing Design-Build Services

Firms seeking to provide design-build or design-build-operate services shall be:

- a. Certified under § 489.119, Fla. Stat. (2007), to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent; and
- b. Certified under § 471.023, Fla. Stat. (2007), to practice or to offer to practice engineering; or certified under § 481.219, Fla. Stat. (2007), to practice or to offer to practice architecture; or certified under § 481.319, Fla. Stat. (2007), to practice or to offer to practice landscape architecture.

4. Request for Qualifications

- a. The City shall give public notice of each instance in which professional services are being sought for a design-build or design-build-operate project, providing a general description of the project and requesting qualifications from firms. The notice shall be published in appropriate publications as determined based upon the type of project.
- b. A firm desiring to provide design-build or design-build-operate services for a project shall timely submit a letter of interest to the City, which shall include the following: qualifications, availability and past work. Along with its qualifications, the design-build firm shall file a sworn statement pursuant to § 287.133, Fla. Stat. (2007).

5. Qualification of Firms

The City shall determine the relative ability of each interested firm to perform the services required for the project based on the factors set forth in Section E (2) above. After reviewing the letters of interest, the City shall select no less than three firms deemed to be most highly qualified to provide the required services and request those firms to provide proposals for the project.

6. Proposal Selection

- a. Only firms selected as most qualified will be notified by mail by the City to submit sealed proposals. Firms not selected will be notified by mail.
- b. Pursuant to the request for proposals, each selected firm shall timely submit its sealed proposal to the City for evaluation. The proposal shall be based on the criteria in the request for proposal and design-build or design-build-operate package.

- c. The City shall evaluate each firm's proposal based on price, and technical and design aspects of the project. The evaluation process shall be based on criteria and procedures established prior to the solicitation of competitive proposals.
- d. Where further clarification of proposals or additional information is needed, the City shall require informational presentations by the selected firms.
- e. The City shall designate and rank not less than three firms, in order of preference, whose proposals the City deems to be most advantageous, having taken into consideration the evaluation criteria and the Proposer's responsiveness to the request for proposals. A notice of intended action shall be provided by mail to the selected firms.

7. Competitive Negotiations

- a. The City shall begin contract negotiations with the designated firms in order of rank for fair, competitive and reasonable compensation.
- b. Should negotiations with the most highly ranked firm prove unsuccessful, as determined by the City or designee, negotiations with that firm shall cease and negotiations shall begin with the next most highly ranked firm. Negotiations shall continue in accordance with this section until an agreement is reached. The City or designee is authorized to award the contract.
- c. If a satisfactory agreement is not reached with any of the designated firms, the City will either:
 - 1. Designate and rank additional responding firms, in order of preference, for competitive negotiations pursuant to (1) and (2) above;
 - 2. Republish the request for qualifications, with any appropriate modifications; or
 - 3. Abandon the process entirely.

8. Rejection of Proposals

- a. The City reserves the right to reject any and all proposals, provided such action is done in good faith, and is not arbitrary and capricious.
- b. If the City finds it necessary to reject all the proposals, a written statement to this effect shall be placed in the proposal file and the Proposers shall be notified. The City then may republish the request for qualifications, with

any appropriate modifications. Any interested firm will have the opportunity to submit or resubmit its qualifications to the City for consideration.

9. Emergency Procurement of Design-Build Services

If the City determines in writing that an immediate danger to the public health, safety, welfare or other substantial loss to the public requires emergency action, the City may proceed with the procurement of the design-build services without competition.

10. Reuse of Plans

When the City reuses existing design criteria packages and resulting plans from a prior project, the requirements of this subpart shall not be applicable.

11. Alternative Procedure for Procurement of Design-Build or Design-Build-Operate Services

In lieu of the policies contained herein, the City may engage in a qualifications-based selection process for design-build or design-build-operate services as set forth in section 287.055(9)(c). This alternative process would allow the City to issue a request for qualifications without price, to rank the respondents and to begin negotiations with the top ranked respondent. The selected firm would then establish a guaranteed maximum price and guaranteed completion date. Should the City elect this alternative process, it shall be made clear in the original solicitation.

SECTION XII EVALUATION OF PROPOSALS AND RECOMMENDATION FOR AWARD

PURPOSE: Once the proposals have been opened, an Evaluation Committee must evaluate them. The Finance Department must be present at each evaluation meeting and shall chair the Evaluation Committee. The Evaluation Committee is structured to provide the skills necessary for the particular project being evaluated. Certain procurement actions may require a technical review, which may be conducted at the discretion of the Department Head. To the extent a Technical Committee is formed, they shall comply with the Sunshine Law and Public Records requirements. Additional skills required for evaluation may include engineering, general business, legal, or information technology. The Evaluation Committee as a whole will meet to arrive at a recommendation for award. When the Department responsible for the project prepares recommendation, the tabulation sheet must be included with the recommendation of award. Once all the steps above are completed, the contract will be prepared and the Council Agenda Request must be written, if necessary.

Evaluation Committee meetings must comply with the State of Florida's Sunshine and Public Records Laws. Reasonable notice of the date, time and place of the meeting

must be given. The meeting should be recorded, when possible. If not recorded, minutes must be taken by the person chairing the meeting. At the meeting, the committee members must return all required forms such as the Conflict of Interest Statements and individuals or group evaluation forms and any other pertinent data as necessary for the evaluation of the project.

1. The evaluation process is a key function in the selection of a quality contractor/consultant. It is very important that this process be conducted in a professional and consistent manner; therefore team members need to be flexible and available for all meetings during the evaluation/review process, including demonstrations and presentations. City employees that are nominated to serve on an Evaluation Committee will follow these guidelines and procedures. The Evaluation committee shall review the proposals for references, responsiveness and responsibility of submittals. The Evaluation Committee evaluates the submittals against the established evaluation criteria stated in the solicitation. Evaluation Committee meetings are considered "open meetings" under the Government-in-the-Sunshine Law and must be open, notice posted and minutes taken.
2. For all Proposals, CCNA and special projects, if the procurement has a value of \$250,000 or more per year, then the Department Director must be a member.
3. For contracts awarded under the State of Florida's Consultants' Competitive Negotiation Act (CCNA): This formal evaluation process will identify the firms that best meet our requirements in accordance with the evaluation criteria stated in the solicitation. The Evaluation process requires a review of all proposals independently against the established evaluation criteria as stated in the solicitation. The Finance Department will supply the evaluation criteria as stated in the solicitation. The evaluation sheets shall include comments of the strengths, weaknesses and deficiencies of each proposal that support the staff recommendation. The Evaluation Committee shall evaluate statements of qualifications and performance and shall conduct discussions with and may require public presentations by no fewer than three most highly qualified firms (if more than three firms) selected in order of preference. Each evaluation committee member will review the statement of qualifications submitted by each firm and will evaluate each firm's qualifications utilizing the Professional Services Evaluation Form containing the specific evaluation criteria established for each RFQ which will approximately resemble the attached PSEF form. The scores of the committee members will be added to determine the ranking of the firms (first, second, third). The evaluation sheets will be included in the backup of the agenda or a tabulation form displaying the scores of all committee members can be submitted instead of individual sheets. If public presentations by firms are not conducted, the ranking established during the "short list" phase, which includes discussion with the minimum of three (3) firms, will be the ranking order of the firms.

4. Request for Proposal (RFPs) (Non-CCNA): This process is similar to the above. It includes a price/cost evaluation that the Finance Department will provide as part of the overall evaluation. The method of award must be stated in the solicitation and may be of two types; low price technically acceptable or best value. For low price technically acceptable process, the evaluation process will start with the lowest proposal to determine if they are technically qualified. If not, then proceed to the next low until an acceptable proposal is found. A pass/fail or Yes/No evaluation is required to determine if the proposal meets the technical requirements. For Best value process or an award to other than the lowest price, the team must evaluate all proposals and document the advantages of the recommended firm to support the best value recommendation. The documentation must specifically address why the recommended award is worth the added cost over the lowest (or lower) price(s). The evaluation sheets that support the best value justification will be part of the backup documents.

Method of evaluations: There are two approved methods of evaluations to be used:

- Weight (points) system, can be a two step process
 - Rating (adjectival) system can be a two-step process.
5. The Evaluation Committee Leader is responsible for ensuring the Evaluation Committee performs Past Performance or Reference checks, and guiding the team to a consensus recommendation. The Finance Department will monitor the evaluation process and provide guidance at the start of each formal evaluation. If requested, training on the evaluation process can be provided to the team with little or no previous evaluation experience. The Finance Department will review forms for completeness and compliance with the policy. Any forms that are not properly filled out or which lack appropriate comments or documentation to support the award recommendation may result in the delay of the award recommendation. Each team member must be thoroughly familiar with the contents of each proposal and the requirements of the evaluation criteria in the solicitation. Team members should evaluate each proposal on its own merits and in accordance with the requirements stated in the solicitation. At the Evaluation Committee meeting, team members will work towards reaching consensus and will submit a single recommendation for proceeding. The Evaluation Committee Leader, with assistance from the Finance Department Staff, will guide the team's deliberations.
 6. List the Strengths, Weaknesses and Deficiencies using the following guidelines:
 - Strengths: Those areas in which the proposal meets or exceeds the City's requirements.
 - Weaknesses: Those areas where the proposal lacks soundness or effectiveness, which could prevent fully successful performance of the contract.

- Deficiencies: Those areas where the proposal fails to meet the City's requirements.

These strengths, weaknesses and deficiencies can be used in the negotiations, presentations and discussions during the second step of the two-step process. The Finance Department is responsible for performing a cost or price analysis on each solicitation. The analysis will include a determination of fair and reasonable price for the recommended award. The price/cost proposal of the RFP, should be evaluated by the Finance Department personnel using the following ratio:

The lowest price proposal receives the maximum points or is rated highly acceptable. Divide the next vendor's price by the lowest to receive a percentage and multiply this percentage by the weights to determine the next score.

EXAMPLE:

VENDOR	PROPOSED PRICE	%	MULTI-PLY	WEIGHT (POINTS)	EQUALS	WEIGHTED SCORE ***
A	\$40,000	85% **	X	30; (H/A=4)	=	26 (3.4 = A)
B	\$37,500	90% *	X	30; (H/A=4)	=	27 (3.6 = H/A)
C	\$33,900	100%	X	30; (H/A=4)	=	30 (4.0 = H/A)

* Vendor "B" percentage is $\$33,900 \div \$37,500 = 90\% \times 30$ or (4) = 27 or (3.6)

** Vendor "A" percentage is $\$33,900 \div \$40,000 = 85\% \times 30$ or (4) = 26 or (3.4)

*** Weighted score should be rounded to the nearest whole number.

Highly Acceptable (H/A) = 4

Acceptable (A) = 3

Marginal (M) = 2

Unacceptable (U) = 0

If the contract is based upon various hourly rates or level of effort, the Specialist must make some assumption based upon anticipated usage or historical data. This estimated cost must be analyzed using the above process or if developed in the RFP a way to utilize the rates as benchmark.

Presentations and interviews must comply with the State of Florida's Sunshine and Public Records Laws. The meeting should be recorded, when possible. If not recorded, minutes must be taken by the person chairing the meeting. If presentations are necessary, the details of the presentations must be discussed such as time for each presentations and the overall schedule. Once the information is collected and compiled, the ranking must be established. The Tabulation Form must be updated and posted in DemandStar.

Once the short listed firms have been identified, staff must ensure compliance with the following process:

- Notify the Consultants by mail fax or e-mail of the City's determination. The firms must be notified within the next two (2) days of the Evaluation Committee meeting. The notification shall include details of the interviews/presentations including but to limited to the following:
 - Date and time of the interview/presentations
 - Location of the meeting
 - Time allotted for each firm
 - Additional information if requested by the Evaluation Committee
- Contracting will coordinate the schedule of the interviews/presentations with the Evaluation Committee meeting and when applicable will send invitations via e-mail.
- Interviews/Presentations forms must be sent to the User Department requesting information for the evaluation of the firms.
- Prior to the date of the interviews/presentations, staff must ensure that the evaluation forms and the sign-in sheet forms are completed and available for each member of the Evaluation Committee. There must be a sign-in form for each of the firms presenting.

SECTION XIII

BONDS AND BID SECURITY

PURPOSE: The Finance Department is responsible for insuring that any required surety bonds are maintained. Before commencing work on the construction of a public building or repairs upon a public building or public work, the contractor shall deliver to the City a payment and performance bond which will be recorded in the public records of the City. The bonds must state the name and principal business address for both the principal and the surety and must contain a description of the project sufficient to identify it.

Requirement for Bid Security: Bid security shall be required for all competitive sealed bidding for capital improvement construction contracts when the price is estimated to exceed ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000) or when the City Manager or designee deemed appropriate. Bid security shall be an original bond provided by a surety company authorized to do business in the State of Florida or the equivalent in the form of a cashiers or certified check. The City Manager may require bid security for other types of bids and Request for Proposals (RFPs). Amount of Bid Security shall be indicated in the Contract Documents. When the Invitation for Bids (IFBs) or RFPs requires security, noncompliance requires that the bid be rejected.

As determined by the Finance Director or designee or mandated by Florida Statutes, the following bonds or security shall be delivered to the City and shall become binding on the parties upon the execution of the contract:

(1) A performance bond satisfactory to the City, executed by a surety company authorized to do business in the State of Florida or otherwise secured in a manner satisfactory to the City, in an amount equal to one hundred percent (100%) of the price specified in the contract.

(2) A payment bond satisfactory to the City, executed by a surety company authorized to do business in the State of Florida or otherwise secured in a manner satisfactory to the City, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work provided for in the contract. The bond shall be in an amount equal to one hundred percent (100%) of the price specified in the contract.

Nothing in this Section shall be construed to limit the authority of the City to require a performance bond or other security in addition to those bonds or in circumstances other than specified in this Section.

SECTION XIV

CONTRACTS AND CONTRACT PROCESSING

PURPOSE: The City contracts for a varied number of services and products. Formal contracts attest to definitive detailed obligations of goods, services and/or payments of monies between the City and others, as approved by the City Council or as delegated by the City Council via formal action or ordinance. Contracts will be issued in conjunction with either a blanket or inverted purchase order, which will be used as the payment tool for the contract.

DEFINITION: A written or oral agreement between two or more competent parties that defines a job or service to be performed and which is legally enforceable.

WHEN PREPARED: Contracts are prepared after a recommendation of award of a bid, proposal or quotation is received, or in absence of competition, prior to approval by the City Council or City Manager, as appropriate.

HOW PREPARED: The Finance Department will prepare and coordinate contract activity, including contract preparation; legal reviews; contract amendments; renewals; contract change order preparation, or review if prepared by the City's consultant; change order processing; notice to proceed; pay request review and processing for inverted purchase orders, unless delegated, and any other activity as determined by the City Manager.

PROCEDURE: All requests for contract preparation will be sent to the Finance Department. The dollar thresholds for procurements will be followed unless exempted by code, ordinance or prior Council approval. Contracts with no dollar value will be signed by the City Manager unless he wishes to have Council approve.

A draft contract will be prepared by the Finance Department and sent for review to the Contractor, City Attorney and the requesting department. If required, the requesting department will submit a Report to Council for the approval of the contract. All review comments will be routed to the Finance Department. The contract will be revised and four copies will be routed for signature from the following parties:

Contractor
Department Head
Finance Director
City Attorney
City Manager
Mayor (if applicable).

The City Clerk will ensure the Mayor's signature is obtained as required. The City Clerk will then sign and affix the City seal. The City Clerk will return the documents to Finance Department for distribution. Distribution of the original contract is as follows: Vendor, City Department, City Clerk and Finance Department. If multiple departments require the document, copies will be made and distributed to departments. If the contract involves the collection of revenue, the Finance Department receives two copies of the contract. The City Clerk will record and retain all officially approved and executed original contract documents.

RESPONSIBILITY: The affected department will monitor the contract for compliance with terms and conditions of the contract. The Finance Department will monitor contracts for procedural, legal and statutory compliance, and to assist in dispute resolution.

SECTION XV

PURCHASES NOT REQUIRING BIDS

PURPOSE: This section defines the limitations of purchasing without solicitation. Authorization for purchase of these items will follow the threshold approval authority as outlined in this Manual.

SOLE SOURCE AND PROPRIETY SOURCE: The following criteria must be met in order to satisfy the sole source or proprietary source requirement:

- a. It is the only item that will produce the desired results (or fulfill the specific need) ...or
- b. The item is available from only one source of supply ... or

- c. The item is available from more than one vendor but due to extreme circumstances, only one vendor is suited to provide the goods or services.

Sole source and proprietary source purchases are exempt from competitive requirements. However, all sole source requisitions exceeding \$10,000 in value will be electronically advertised for a period of at least 5 business days. The steps to follow for sole source and proprietary source purchases are as follows:

- a. The User Department/Division and the Finance Department shall attempt to locate competition. Staff will also check for piggyback contracts. If no other sources are found, the User Department/Division shall submit to the Finance Department a completed sole source/proprietary source form, indicating the requisition number.
- b. A sole source or proprietary source form shall be used to justify and document the requirement. The form shall state why only one source can produce the desired results (or fulfill the specific need).
- c. The Finance Department will electronically post a description of all requisitions meeting the requirements for competitive pricing for a period of at least seven (7) business days after the receipt of a completed sole source form from the department.
- d. The Finance Director shall review and approve or disapprove, in writing; sole source/proprietary source designation.
- e. The User Department/Division shall be notified of disapproved requests and the purchase shall be made in accordance with standard procedures.
- f. When the Finance Director approves a sole or proprietary source, staff shall conduct negotiations on price, delivery, and terms. The price must be determined fair and reasonable.
- g. The Finance Department shall keep a log of sole/proprietary source purchases, which includes the vendor name, the amount, item description, justification, and the purchase order number.
- h. For those instances that services are needed involving multiple years (i.e. maintenance of equipment, warranty, etc.) the request must be combined to capture the project, as a whole, and the proper approval must be obtained.

STANDARDIZATION

DEFINITION: Standardization is the process of examining characteristics and needs for items of similar end usage and developing a single specification that will satisfy the need for most or all purchases for that purpose. Proprietary purchases (usually components) maintain a degree of continuity to the original or existing decor, equipment, or programs.

Where standardization is determined to be desirable by the Finance Director, the purchase of materials, supplies and equipment and certain contractual services may be made by negotiation.

Compatibility to existing equipment will be an acceptable justification for waiver of bidding procedures provided the item meets the other criteria within the definition of sole source item (i.e.; available from only one source and only item that will produce the desired results).

COOPERATIVE PURCHASING

DEFINITION: An approach in which several organizations jointly buy selected items. They may form or utilize a centralized buying service that purchases specified types of items for all members of the group or cooperate informally. The resulting volume buying usually produces significant cost savings for group members.

The Finance Director shall have the authority to join with other units of government in cooperative purchasing ventures when the best interests of the City would be served and the same is in accordance with City Ordinances. Purchases in any amount may be made against established G.S.A, State of Florida, or other units of government and non-profit organizations term contracts without bidding, provided they are in the best interest of the City.

Purchases from the current City cooperative contracts, state term purchasing contracts, or state university system cooperative bid agreements, and non-profit organizations, will be an acceptable alternative procedure for bidding.

OTHER NON-COMPETITIVE PURCHASES:

- **GOVERNMENTAL CONTRACTS:** Usage of other City resources, such as Environmental Services for parking lot improvements, may be exempt from bidding practices, unless competition is desired.
- **RESALE:** Items for resale, such as those being marketed by an enterprise function, shall be exempt from bid requirements.
- **COPYRIGHTED MATERIALS:** The purchase of educational tests, textbooks, printed instructional materials, films, filmstrips, videotapes, disk or tape recording or similar licensed or copyrighted audio-visual materials and computer software, periodicals, and other copyrighted materials are exempt from competitive solicitation requirements. This exception applies when purchased directly from the producer or publisher, the owner of the copyright, an exclusive agent within the state, a governmental agency or a recognized educational institution.
- Acquisition of Real Property, such as land, easements, rights-of-way, existing buildings, structures, or improvements, resulting from negotiations and approved by the City Council;
- Court-ordered fines and judgments, resulting from litigation;
- Exceptional disbursement as authorized by the City Council;

- Court-ordered fees, resulting from the judicial process, processed by the Clerk of the Court, and recorded against the budget for such fees;
- Cash transfers and investment transactions for fiscal management purposes, recorded against general ledger accounts;
- Accrued or current liabilities already charged against the budget, recorded against general ledger accounts;
- Debt service payments charged against budgetary accounts as authorized by the City Council;
- Refunds of current or prior year revenues charged against budgetary accounts;
- Grant disbursements to federal, state, or local government agencies, or to private groups or agencies;
- Insurance including but not limited to liability, property, medical, and workers compensation insurance or payments from any loss fund established for such purpose;
- Dues and memberships in trade or professional organizations, subscriptions for periodicals, advertisements, copyrighted material, part-time, authorized hospitality expenses, and fees and costs of job-related travel, seminars, tuition registration and training as allowed by the City budget;
- Legal services, expert witnesses, court reporter services, and all other related expenses of claims and/or litigation;
- Consultant Services, other than those regulated by § 287.055, Fla. Stat.;
- Title insurance, title commitments, title searches, and ownership and encumbrance searches; and
- Transactions by Interlocal Agreement.

GRANT FUNDED PURCHASES:

The City Council is authorized to modify the City procurement procedures in order to comply with procurement procedures for state or federally funded grant programs provided that no modification may be less stringent than the corresponding City procedure unless approved by the City Council. The City Council may waive any and all procurement regulations in order to comply with a federal or state law.

SECTION XVI

PURCHASING CARD

PURPOSE: The purchase card program is a delegation of procurement authority by the Finance Department to the Departments. Each Department Head must control the proper use of his or her Department's cards.

PURCHASING CARD ADMINISTRATION: Each Department Head shall determine who in their Department should have a City purchase card. The "Purchase Card Form" is used to apply for a purchase card. The application must be completely filled out and signed by the appropriate Department Head. Requests that exceed any of the

established “Cardholder Controls” must have the City Manager’s approval. New cardholders will receive training and must sign a “Cardholder Agreement” signifying they understand and accept the responsibility associated with the purchase card.

MAKING CHANGES TO THE PURCHASE CARD: The “Purchase Card Form” is also used to make changes to the purchase card. Any changes to “Cardholder Controls” will require the Department Head’s signature approval. Any change to “Cardholder Controls” that exceed the established amounts must have the City Manager or designee’s signature approval. Changes to fields other than “Cardholder Controls” can be made with only the cardholder’s and the approving official’s signatures.

TRANSFERRING THE CARD BETWEEN DEPARTMENTS: The purchase card can be transferred from one Department to another with the receiving Department Manager or Department Head’s approval. If an employee moves to a new Department, the losing Department is required to notify the Finance Department of the transfer by email. The Finance Department will verify approval of the card transfer with the receiving department. Once approval is received the card will be moved to the receiving department’s group.

LOSING THE CARD ACCOUNT: If an employee leaves the City or no longer requires a card, the Department Head is responsible for collecting the purchase card. The card should be cut in half once and submitted to the Finance Department along with the “Purchase Card Form” marked to close the account. The Finance Department will contact the issuing Bank to close the account. If the card cannot be collected from the terminated employee, treat the card as a “Lost or Stolen” card and follow those procedures.

LOST OR STOLEN CARDS: If a card is lost or stolen, immediately notify the issuing Bank and the Finance Department. The cardholder must also notify his approving official.

Cardholder Spending Limits:

- The delegation of purchasing authority that the card provides to each cardholder sets the maximum dollar credit limit amount per month. Each time a cardholder makes a purchase with the card, the limit will be checked, and the authorization request will be declined should the purchase amount exceed the available credit amount. The maximum credit limit amount is set at TEN THOUSAND AND NO/100 DOLLARS (\$10,000) and cannot be exceeded without the approval of the City Manager. Each cardholder’s credit limit is recommended by the cardholder’s supervisor on the “Purchase Card Request Form” and must be approved by the cardholder’s Department Head and by the Purchasing Card Program Administrator. Requests for a credit limit exceeding TEN THOUSAND AND NO/100 DOLLARS (\$10,000) must be justified in writing and approved by the City Manager prior to submission to the Finance Department.
- The City’s single item purchase limit for goods is set at TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$2,500). Single item purchases exceeding \$1,000 but under \$2,500, are allowed with supporting documentation.

- The single transaction purchase limit is defined as the total transaction dollar limit for a single transaction. The maximum single purchase limit is set at TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$2,500) and cannot be exceeded without prior coordination with the Finance Department and approved by the Finance Director. Each cardholder's single purchase limit is recommended by the cardholder's supervisor on the "Purchase Card Request Form" and must be approved by the cardholder's Department Head and by the Finance Department Administrator (or designee). Finance in conjunction with the Department may change the single transaction limit based on operation Requests for a single purchase limit exceeding TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$2,500) must be justified in writing and approved by the City Manager prior to submission to the Finance Department.
- The City's Emergency Operation Center will designate personnel involved during declared emergency. Limits of designated cardholders will be increased as necessary for recovery efforts. The maximum credit limit amount is set at TWO HUNDRED AND FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000). Purchases made with emergency purchase cards must follow emergency purchasing procedures.

PURCHASING CARD USE:

- The purchasing card is to be used for **CITY PURPOSES ONLY**. The purchasing card may be used for all legitimate City purchases unless specifically prohibited in this section. The City is exempt from paying sales tax.
- The purchasing card has the cardholder's name embossed on it and is to be used only by that cardholder only. **No other person is authorized to use the card.**
- Each transaction may be comprised of multiple items, but each item(s) cannot exceed the single item purchase dollar limit. Purchases will be denied if the authorized monthly purchase limit, the single purchase limit, or the daily transaction limit is exceeded. Purchases are not to be split in order to stay within the single transaction purchase limit.
- All items purchased over the counter to be paid by using the card must be immediately available. Back ordering is not permitted.
- All items purchased by telephone order or from the Internet that will not be confirmed with a written order and will be paid by using the card must be delivered by the vendor within the thirty (30) day billing cycle. The order should not be placed without this assurance.
- The purchasing card **MAY NOT** be used to purchase fuel, oil, personal items, telephone calls, or items listed on the "Do Not Buy List"

- The purchasing card MAY be used to purchase fuel when on overnight and / or out of state travel. Fuel purchase may be made only for a city owned vehicle or rental vehicle ONLY. Employee must be on designated travel status.
- The purchasing card MAY NOT be used to make cash advances or to write VISA checks.
- The purchasing card cannot be used to purchase like items totaling over \$10,000 annually. These items should be purchased using competitive purchasing procedures. The use of the purchasing card is not intended to replace effective procurement planning which enables volume discounts.
- Cardholders must follow their department's control of funds procedures to ensure that sufficient funds are available prior to making a purchase.
- The least expensive item that meets the City's basic needs should be sought.

PURCHASING CARD TRAINING:

- Initial Training: Each cardholder will be provided with initial training prior to issuance of the purchasing card. The training will cover the proper use and restrictions of the purchasing card.
- Annual Training: Annual training will be provided at least once per year. Annual training will be mandatory for all cardholders and all approving officials. Cardholders missing the scheduled annual training will be given an opportunity to take makeup training. Failure to accomplish mandatory annual training will result in loss of card privileges. Approving Officials who miss the scheduled annual training will be given an opportunity to makeup training. Failure to accomplish mandatory annual training will result in loss of Approving Official authority and cardholder privileges for cardholders reporting to that official.

PURCHASE CARD PROGRAM INTERNAL CONTROLS:

- The Finance Director will establish automated card restrictions as allowed by the issuing bank's software. The Finance Director or designee will establish a City account allowing access to the issuing Bank's database. This will allow the Card Administrator to view cardholder information and statements online.
- The Finance Department will review each statement and supporting documentation. The Finance Department will contact cardholders directly and attempt to resolve any statement discrepancy found. If unable to resolve the issue with the cardholder directly, the Finance Department will elevate the problem to the Department Head for resolution.

- Any incident of improper unauthorized use of the card or non-compliance to City policy shall be immediately reported to the Personnel Director and employee Department Director.

PURCHASE TRANSACTION DOCUMENTATION: All purchase transactions fall into one of two categories; face to face (i.e., over the counter) or remote (i.e., telephone, internet or fax).

- **FACE-TO-FACE:** The cardholder should get a receipt for any face-to-face transaction. The receipt serves to document both the order and receipt of goods/supplies.
- **REMOTE:** The cardholder must document the order when it is placed. Items purchased by telephone should be documented by keeping a log of orders (a phone log). A log entry is not required if the order is documented some other way, such as a fax back confirmation or a web page printout. When the goods are received, the packing slip must be matched to the log (or confirmation) showing the order.

PREPARING TRANSACTIONS FOR PAYMENT:

Transactions must be reviewed, substantiated, approved in the Online System and transaction documentation submitted to Finance for payment within five days of receipt.

- **REVIEW:** The cardholder shall review the transaction for correctness. Ensure all charges are legitimate and no sales tax was charged.
- **SUBSTANTIATE:** Each transaction should be documented with a receipt. Provide account numbers for each transaction in the City's system. Print documentation from the City's system and attach to transaction receipts and submit to Finance.
- **APPROVE:** The Approving Official (usually the cardholder's immediate supervisor) or designee shall review each transaction and check all documentation. Any errors, sales tax issues or questionable purchases must be resolved before submitting to Finance. The Approving Official's review of transaction certifies all transactions as legitimate expenditures of City funds.
- **MISSING DOCUMENTATION:** The cardholder is responsible for providing required documentation. If a receipt is lost, attempt to obtain a duplicate. If a duplicate cannot be obtained, prepare a statement that includes all the information normally found on the receipt and a brief explanation for the lost documentation. Continual abuse may result in loss of the card and disciplinary action.
- **DISPUTED CHARGES:** If the cardholder questions a charge on the statement, the cardholder shall contact the vendor directly and attempt to reach resolution. If the cardholder reaches an agreement with the vendor, there is no dispute. If the vendor refuses to acknowledge the error or will not issue a credit, the

cardholder must fill out the issuing bank's "Purchase Card Disputed Charge Form" and send it to the Finance Department. The bank will then adjudicate the disputed charge.

"DO NOT BUY LIST"

The following items may not be bought using the purchase card. A requisition and purchase order must be used.

- All computer software*
- PDAs
- Cell phones
- Petroleum products (fuel, oil, etc.)**
- Telephone calls
- Cash advances
- Personal items (i.e., items for your own use)

*MIS will purchase any computer related equipment or equipment that interfaces with City computers. Exception to using the Purchasing Card for computer related equipment or software purchases are made for MIS to support operational requirements.

**Exception to purchasing fuel with the Purchasing Card is made for Fleet Management in purchasing bulk fuel to support operational requirements and overnight and out of state travel.

SECTION XVII

VENDOR COMPLAINTS AND DISPUTES (PROTESTS)

PURPOSE: The City of Edgewater encourages prompt and fair handling of all complaints and disputes with the business community. In an effort to resolve disputed matters in an equitable manner, without fear of retribution on the part of the vendor, the following procedures are adopted:

DEFINITION: A formal objection or disapproval issued by a vendor.

PROCEDURE: The Finance Director or his/her representative shall post a tabulation of competitive sealed bids/quotes along with the intended award recommendations on the City's bidding services website.

All awards under \$10,000 will not be subject to protest. For awards of \$10,000 or greater, only rejected bidders or quoters who were the apparent lowest bidder/quoter

and the second apparent lowest bidder or quoter shall have standing to protest a rejection of the bid, quote or contract award, respectively. *All* proposers responding to a RFP may protest the proposal selection.

Pursuant to Florida Statutes, Chapter 120, any person allegedly adversely affected by the decision or intended decision of award must file a written notice of protest with the Finance Department within 72 hours after posting of the bid tabulation or after receipt of notice by the City of intended award. The nature of protest must be followed within 10 days of filing, by a formal written notice fully detailing all elements, which promulgated the protest. This notice must be delivered to the Finance Director or his/her representative and must contain the bid/quote/proposal number and the nature of the complaint.

After notice is provided, the Finance Director will gather evidence and discern facts and make a recommendation to the City Manager. The City Manager will present his recommendations to the governing body that will make the final decision on the matter. All decisions of the governing body are final.

Failure to observe any or all of the above procedures shall constitute a waiver of the right to protest a contract award. In the event of a timely protest, the procurement shall be halted unless the City determines award of a contract without delay is necessary to protect the interests of the City. In the event an award is needed without delay, the City Manager's findings shall constitute final administrative action.

SECTION XVIII

CAPITAL ASSEST TRACKING

PURPOSE: Capital asset control entails tracking, compiling and maintaining an inventory of capital assets to control losses due to negligence or theft, to provide a basis for insurance claims and identify surpluses. Capital asset records are set up to comply with Florida Statute 274.

DEFINITION: Capital assets are non-consumable in nature with original cost or value of \$2,500 or more, with a normal life expectancy greater than one (1) year.

PROCEDURES: The Finance Department will coordinate the maintenance of the City's Capital Assets Database. Purchasing will provide copies of each purchase order that contains a purchase of a Capital Asset to the appropriate Accounting personnel. The ordering (receiving) Department must notify the Finance Department when an item is received so proper identification may be affixed, and records can be updated. All Capital Asset equipment is assigned a permanent City of Edgewater identification number, and is physically tagged or otherwise marked by the Finance Department. Records are entered and maintained for each item, and include the following information:

- Capital Asset Item Number
- Item Description
- Serial Number
- Make and Model
- Account number
- Location and Custodian
- Payment Information: Vendor name, P.O. Number and Date of purchase
- Purchase Price
- Date of last inventory

The copy of the purchase order provides much of the above information. Additional information is obtained upon physical tagging of the equipment and through communication with the vendor and the Department. Finance is responsible for taking a biennial Inventory of property in their custody. The Capital Asset Property Coordinator(s) will distribute an inventory list to each Department biennially. This biennial inventory will validate all items and any item unaccounted for will require a Missing, Lost or Stolen Form to remove the item from inventory. The biennial inventory shall be compared with the property record, and all discrepancies shall be traced and reconciled. The results of the biennial inventory will be provided to the Finance Director in an executive summary format.

SURPLUSING OF CAPITAL ASSETS: All capital assets that are obsolete, excess, or no longer needed by the owning Department/Division, are to be reported to the Finance Department for disposition. All items must be listed on a Request to Transfer/Declare Surplus form and submitted to the Finance Department. The Finance Department is responsible for approving the disposition of the capital assets. If the item is a transfer between Departments, the Request to Transfer/Declare Surplus Form requires both the transferring and receiving Department Director's signatures. The Capital Asset Coordinator will verify ownership, description, and identification number of the equipment on the form and approve the transfer or surplus of the item. Upon approval, a copy of the form will be provided to Finance to update the computerized inventory. The Management Information Services Division must approve the transfer of information technology equipment.

DISPOSITION OF PROPERTY: Non-capital items such as broken chairs, tables, calculators, desk accessories, books, tools, which are considered as "junk", may be disposed of via the landfill or trash by the individual department(s). Capital Assets that have identification numbers can be disposed of as follows:

- Assets with no salvage value: Transfer/Declare Surplus form addressed to the Finance Department, signed by the Department Director and containing the identification number, description, condition and recommended disposal method

(i.e. landfill disposal) of each piece of equipment. Once approved, the requesting Department must dispose of property locally.

- Property with salvage value: Disposal must be in accordance with Florida Statute 273, after the Department has screened to see if another Department can use the Property.
- The Finance Department will prepare the list of disposal equipment, which will be part of the City Manager's report to ensure that the list is recorded in the minutes of the City.

SECTION XIX

INVOICES

PURPOSE: An invoice provides evidence of the purchase of goods and services and should include adequate detail to meet audit objectives.

DEFINITION: An invoice is a document that itemizes charges for the purchase of supplies, materials, equipment or services that have been furnished. It is how the supplier informs the City of its obligations and should contain the same basic information as the purchase order.

WHAT AN INVOICE SHOULD CONTAIN

- Purchase order number
- Date of order (if possible)
- Date of delivery
- Terms of payment (2% - 10 days, Net 30 days, etc.)
- Itemized list of materials or services rendered
- Delivery destination
- Quantities, prices, (both unit and total), terms and any other charges contained in the purchase order
- Delivery, freight charges, cartage and demurrage charges should be listed separately from the materials and supplies.
- Invoices should be submitted to the Finance Department.

WHO RECEIVES INVOICES

The purchase order details the remittance address for submittal of invoices.

- The Finance Department shall match the invoice with the on-line receipt.
- The Finance Department, after checking and reviewing the invoice, will prepare a voucher for payment.

All invoices are to be charged to the City of Edgewater and shall be forwarded to the Finance Department. If received by the department, the **original invoice** must be forwarded to the Finance Department after proper receiving has been accomplished on the on-line system. The Finance Director or designee may grant certain exceptions as to the requirement for payment without an original invoice. The City does not accept two party invoices.

SECTION XX

RECEIPT OF GOODS AND MATERIALS

PURPOSE: Receiving of goods and materials confirms that the products received meet the purpose of the procurement as intended.

DEFINITION: The business function that is responsible for verifying that the goods received are the goods that the organization ordered. This involves inspecting and accepting incoming shipments.

USER (ORDERING) AGENCY

The department is charged with the responsibility of inspecting all supplies to determine quality, quantity and conformance with specifications and the purchase order.

The Finance Department shall have the authority to question, examine, or test the quality of materials requested or received by the department.

PROCEDURE IN DEPARTMENTS

Upon receipt of materials and after inspecting and/or testing, the department should receive the item in the on-line system receipt-processing module. Any variation in quantity shall be noted on the system. If the quantity does not agree with the supplier's delivery ticket, the department should notify the vendor of the discrepancy. If the materials delivered are not in conformance with specifications and are not acceptable by the department, they shall notify the vendor and file a complaint with the Finance Department by using the evaluation form and citing the reasons for withholding acceptance.

The Finance Department will take immediate action to require replacement by the supplier or otherwise take action to supply the department with the needed materials.

SECTION XXI

MINORITY BUSINESS PARTICIPATION

PURPOSE: The City and all contractors are encouraged to assist Florida's small and minority businesses in doing business with the City. Each contractor in assisting small and minority businesses will help to expand and develop the small and minority business sector of the City of Edgewater community.

Definitions

- *“Certified Minority Business Enterprise”* means a business enterprise which has been certified by the State of Florida Department of Management Services as a minority business enterprise in accordance with the provisions of the “Small and Minority Business Assistance Act of 1985”.
- *“Minority Business Enterprise”* means any small business concern which is organized to engage in commercial transactions, which is domiciled in Florida, and which is at least fifty-one percent (51%) owned by minority persons, and whose management and daily operations are controlled by such persons. A minority business enterprise may primarily involve the practice of a profession.
- *“Minority Person”* means a lawful permanent resident of Florida who is:
 - A Black American – a person having origins in any of the Black racial groups .in Africa.
 - A Hispanic-American – a person of Spanish or Portuguese culture, with origins in Mexico, South America, Central America, or the Caribbean, regardless of race.
 - An Asian American – a person having origins in any of the original people of the Far East , Southeast Asia, the Indian Subcontinent, or the Pacific Island, including the Hawaiian Islands prior to 1778.
 - A Native American – a person who having origins in any of the Indian Tribes of North America prior to 1835.
 - An American woman.
- *“Small Business”* means an independently owned and operated business concern which employs fifty (50) or fewer full-time employees, and which has a net worth of not more than one million dollars (\$1,000,000). As applicable to sole proprietorships, the one million dollars (\$1,000,000) net worth requirement shall include both personal and business investments.

City of Edgewater Selection Procedures

- The City shall make a good faith effort to provide interested minority business enterprises or minority persons with adequate information about the plans, specifications and requirements of contracts or the availability of jobs.
- The City shall make a good faith effort to effectively use services and resources of available minority community organizations, minority contractors' groups, local, state, and federal minority business assistance officers, and other organizations that provide assistance in the recruitment and placement of minority business enterprises or minority persons; and
- The City shall make a good faith effort to provide written notice to a reasonable number of minority business enterprises that their interest in contracting with the City is being solicited in sufficient time to allow the minority business enterprises to participate effectively.

SECTION XXII

VENDOR EVALUATION

PURPOSE: Vendor performance measurement is crucial to keeping good suppliers and terminating business relations with poor suppliers.

DEFINITION: The Vendor Evaluation Form should be utilized to inform the Finance Department of excellent service provision, including services performed beyond the requirements or to report any difficulties due to poor service, poor performance, poor quality, or materials not meeting specification requirements. This shall not be utilized as an expediting tool.

HOW TO PREPARE: A properly prepared Vendor Compliment and Complaint Form must contain the following information:

- Date
- Vendor name, address, and phone number
- Department and contact person
- Purchase order number
- Department Director signature
- Brief statement of **exactly** what level of service provided the vendor's performance of the services, or what problem is, and why the product or service is unacceptable.
- All available documentation shall be attached

DISTRIBUTION: The Vendor Evaluation Form shall be forwarded to the Finance Department. Finance Department will send a copy to the vendor for their response.

GENERAL INFORMATION: The department shall be notified as to the vendor's response and any action to be taken by the Finance Department.

SECTION XXIII

CONFLICTS OF INTEREST

PURPOSE: The City wishes to minimize conflicts of interests. Therefore, the following will be adhered to:

- No official or employee of the City, or member of the City Council shall participate in the selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:
- The official, employee, or member,
- Any member of his or her immediate family,
- His or her business or personal partner, or
- An organization, which employs, or is about to employ, any of the above has a financial or other interest in the firm selected or considered for award. No official or employee of the City, or member of the City Council shall either solicit or accept gratuities, favors, or anything of monetary value exceeding \$25.00 from contractors, potential contractors, or parties to sub-agreements.

Violations of these standards of conduct may result in disciplinary action as set forth in Chapter 113, Part III, Florida Statutes provided that such disciplinary action does not conflict with the jurisdiction of the State of Florida Commission on Ethics.

SECTION XXIV

PURCHASING POLICY ADOPTION

The Purchasing Policy shall be adopted by City resolution. The Finance Director and Department Directors shall review the Policy annually and submit recommendations to the City Manager for review and approval. If a change in the Policy is recommended for approval by the City Manager, the Finance Director will prepare the necessary report to Council.

Approved by the City Council of the City of Edgewater at a meeting held on the 19th day of October 2009 under Agenda Item 8A.