

**CITY OF LONGWOOD
FLORIDA**

**PURCHASING
POLICIES AND PROCEDURES
MANUAL**

January 1, 1988
Revised 7/26/96, 5/2000, 11/2011, 11/2012

FORWARD

On June 1, 1987 the Longwood City Commission adopted the Purchasing Ordinance and thereby officially created the Purchasing Division. Pursuant to the Purchasing Ordinance, the Purchasing Manager is delegated the responsibility to establish policies and procedures governing the functions of the Purchasing Division.

This Purchasing Manual is intended to simplify, clarify, and modernize City procurement, as well as to increase the confidence of both the persons who deal with the procurement system and the general public in the procurement activities of the City.

The Purchasing Division is responsible for ensuring that the procurement process is efficient, effective and fair and that tax dollars are spent wisely. These policies and procedures contained herein provide a framework for sound and efficient procurement practices by all employees directly or indirectly associated with the functions of purchasing.

The objectives of the Purchasing Division are as follows:

1. Provide professional procurement services for all departments and divisions throughout the City.
2. Achieve harmonious, productive working relationships between Purchasing and the departments served.
3. Provide an uninterrupted flow of materials, supplies and services to meet operational needs.
4. Purchase of goods and services at the lowest possible price consistent with the quality, delivery, and service requirements.
5. Maintain adequate quality and performance standards.
6. Increase the cost effectiveness of procurement and maximize the purchasing power of public funds.
7. Ensure the fair and equitable treatment of all suppliers.
8. Foster effective broad-based competition.
9. Assure adherence to all laws, regulations, and procedures related to Public Purchasing and Materials Management.
10. Safeguard the integrity of the procurement system, protecting against corruption, waste, fraud and abuse. Expenditure of public funds require the highest degree of public trust.

PURCHASING POLICIES AND PROCEDURES

Contents

FORWARD	1
CHAPTER 1	1-1
PURPOSES, AUTHORITY AND APPLICATION.....	1-1
INTERPRETATION.....	1-1
PURPOSES AND POLICIES.....	1-1
APPLICABILITY	1-2
AUTHORIZATION.....	1-2
DEFINITION OF TERMS.....	1-2
INTER-DEPARTMENTAL RELATIONS.....	1-3
VENDOR RELATIONS.....	1-4
ETHICS.....	1-5
CONFLICT OF INTEREST	1-5
CHAPTER 2	2-1
GENERAL PROCUREMENT POLICIES.....	2-1
PURCHASING CYCLE.....	2-2
PURCHASE REQUISITION.....	2-3
PURCHASE ORDERS.....	2-6
CHANGE ORDERS	2-9
BLANKET PURCHASE ORDER.....	2-11
CHECK REQUEST/DIRECT PAYMENT	2-13
CHAPTER 3	3-1
METHODS OF SOURCE SELECTION AND CONTRACTING.....	3-1
METHODS OF SOURCE SELECTION.....	3-1
PROCUREMENT THRESHOLD AMOUNTS	3-1
COMPETITIVE SEALED BIDDING	3-3
GENERAL SPECIFICATIONS	3-3
INVITATION FOR BID	3-3
BID BOND/DEPOSITS.....	3-4
PUBLIC NOTICE	3-5
PREBID CONFERENCE	3-5
AMENDMENTS TO A SOLICITATION.....	3-5
RECEIPT OF BIDS	3-6
BID OPENING	3-6

BID EVALUATION.....	3-6
TIE BIDS	3-7
BID AWARD.....	3-7
REJECTION OF BIDS	3-7
COMPETITIVE SEALED PROPOSALS	3-9
PURPOSE.....	3-9
RFP PREPARATION.....	3-9
PUBLIC NOTICE.....	3-11
RECEIPT OF PROPOSALS.....	3-12
EVALUATION PROCESS	3-12
NEGOTIATION WITH RESPONSIBLE OFFERORS.....	3-14
AWARD	3-14
FIELD PURCHASE ORDERS.....	3-15
EMERGENCY PROCUREMENT.....	3-17
EMERGENCY PROCUREMENT DURING WORKING HOURS.....	3-17
EMERGENCY PROCUREMENT AT NIGHTS, WEEKENDS, OR HOLIDAYS.....	3-18
SOLE SOURCE PROCUREMENT	3-19
UTILIZING STATE OF FLORIDA TERM CONTRACTS	3-20
PURCHASES EXEMPT FROM COMPETITION	3-21
 CHAPTER 4	 4-1
CONTRACT ADMINISTRATION.....	4-1
RECEIVING AND INSPECTION	4-3
PAYMENT OF INVOICES.....	4-6
VENDOR COMPLAINTS	4-7
DEFAULT ACTIONS	4-8
 CHAPTER 5	 5-1
PERSONAL PROPERTY CONTROL AND DISPOSAL.....	5-1
PERSONAL PROPERTY CONTROL.....	5-1
SURPLUS PROPERTY.....	5-2
PROCEDURES FOR DISPOSAL OF RECOVERED PROPERTY	5-4
PROCEDURE FOR LOST OR ABANDONED PROPERTY	5-4
UNCLAIMED EVIDENCE.....	5-4
PROPERTY FORFEITED	5-5

CHAPTER 6 6-1

ACQUISITION OF DESIGN-BUILD PUBLIC CONSTRUCTION PROJECTS 6-1

 SELECTION ADVISORY COMMITTEE..... 6-2

 DESIGN CRITERIA PACKAGE..... 6-3

 DESIGN-CRITERIA PROFESSIONAL 6-4

 DESIGN-BUILD FIRM 6-6

 CONSTRUCTION AND SUPERVISION 6-8

 PUBLIC EMERGENCY PROJECTS 6-8

 RESERVATION OF AUTHORITY..... 6-8

EXHIBITS

ORGANIZATIONAL CHART.....	A
CODE OF ETHICS (NIGP).....	B
VENDOR APPLICATION.....	C
PURCHASE REQUISITION.....	D
PURCHASE ORDER	E
CHANGE ORDER REQUEST FORM	F
BLANKET PURCHASE REQUISITION	G
BLANKET CHANGE ORDER REQUEST FORM	H
CHECK REQUEST FORM.....	I
FIELD PURCHASE ORDER.....	J
SOLE SOURCE PURCHASE FORM	K
NOTICE OF CONTRACT AWARD	L
VENDOR PERFORMANCE RECORD FORM.....	M
FIXED ASSET TRANSFER FORM.....	N
PROPERTY SURPLUS FORM	O

CHAPTER I

GENERAL PROVISIONS

1.00 PURPOSE, AUTHORITY, AND APPLICATION

A. Interpretation

This Policy and Procedure Manual shall be construed and applied to promote its underlying purposes and policies.

B. Purposes and Policies

The underlying purposes and policies of this manual are:

1. To simplify, clarify, and modernize the law governing procurement by the City;
2. To permit the continued development of procurement policies and practices;
3. *To make as consistent as possible the procurement regulations among the various Departments/Divisions;*
4. To provide for increased public confidence in the procedures followed in public procurement;
5. To ensure the fair and equitable treatment of all persons who deal with the procurement system in the City;
6. To provide increased economy in procurement activities and to maximize to the fullest extent practicable the purchasing value of public funds;
7. To foster effective broad-based competition within the free enterprise system;
8. To provide safeguards for the maintenance of a procurement system of quality and integrity, and
9. To obtain in a cost-effective and responsive manner the materials, services, and construction required by the City's departments in order for those departments to better serve this City's businesses and residents

C. Applicability

The procedures and regulations contained herein apply to every expenditure of public funds irrespective of their source, except as otherwise specified in Florida State Statutes. These provisions may not apply to grants or contracts between the City or other governments. Nothing in this Manual promulgated hereunder shall prevent the City from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement.

D. Authorization

The acquisition of supplies, equipment and services necessary for the daily operations of the City is the responsibility of the Purchasing Division, operating under the direct supervision of the City Administrator.

The Purchasing Division is responsible for administering the Purchasing Code, as approved by the City Commission and establishing and administering Purchasing Policies and Procedures. The Purchasing Manager is the City's Agent for the purpose of entering into and administering contracts for the procurement of good and services. Anyone other than the Purchasing Manager or his designee who signs contracts may be assuming personal liability for the commitment.

1.01 DEFINITIONS OF TERMS USED IN THIS MANUAL

The words defined in this Section shall have the meanings set forth below whenever they appear in this Policies and Procedures Manual, unless the context in which they are used clearly requires a different meaning; or a different definition is prescribed for a particular section or provision.

Bid Bond means a form of bid security, executed by the bidder as principal and by a surety, to guarantee that the bidder will enter into the contract within a specified time and furnish any required performance bond.

Bid Deposit means a sum of money or certified/cashier's check deposited by a bidder to guarantee that the bidder will enter into the contract within a specified time and furnish any required performance bond.

Business means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

Change Order means a written order signed by the Purchasing Manager, directing the contractor or vendor to make changes to the Purchase Order or Contract.

City means the City of Longwood and shall include the city commission, any department, board, committee, institution, authority, agency or other establishment or official of the government of this city.

Competitive bidding means the offer, as a price, by vendors competing for a contract to supply specified goods or services.

Confidential information means any information which is available to a person only because of said person's status as any employee of this city and which is not a matter of public knowledge or available to the public on request.

Construction means the process of building, altering, repairing, improving, or demolishing any public infrastructure facility, including any public structure, public building, or other public improvements of any kind to real property. It does not include the routine operation, routine repair, or routine maintenance of any existing public infrastructure facility, including structures, buildings, or real property.

Contract means all types of City agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction.

Contract Modification means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

Contractor means any person having a contract with a governmental body.

Data means recorded information, regardless of form or characteristic.

Designee means a duly authorized representative of a person holding a superior position.

Electronic means electrical, digital, magnetic, optical, electromagnetic, or any other similar technology.

Employee means an individual drawing a salary from a governmental body, whether elected or not, and any noncompensated individual performing personal services for any governmental body.

Financial interest means:

- a. Ownership of any interest or involvement in any relationship from which, or as a result of which, a person within the last year has received or is presently or in the future may receive any financial benefit;
- b. Ownership of any interest in any business except publicly held stock;
- c. Holding a position in a business, such as any officer, director, trustee, partner, employee or similar position, or holding any position of management.

Governmental Body means any department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment or official of the executive, legislative, or judicial branch of this [State].

Grant means the furnishing by the [State] of assistance, whether financial or otherwise, to any person to support a program authorized by law. It does not include an award whose primary purpose is to procure an end product, whether in the form of supplies, services, or construction; a contract resulting from such an award is not a grant but a procurement contract.

Invitation for Bid means all documents, including those attached or incorporated by reference, utilized for soliciting bids.

May denotes the permissive.

Performance Bond means a bond of a contractor/vendor in which a surety guarantees to the city that the work/services will be performed in accordance with the contract documents and may, in the discretion of the city, include a letter of credit issued by a financial institution.

Person means any business, individual, union, committee, club, other organization, or group of individuals.

Procurement means buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Procurement Officer (generally restricted to the Purchasing Manager) means any person duly authorized to enter into and administer contracts and make written determinations with respect thereto. The term also includes an authorized representative acting within the limits of authority.

Public Notice means the distribution or dissemination of information to interested parties using methods that are reasonably available. Such methods will often include publication in newspapers of general circulation, electronic or paper mailing lists, and web site(s) designated by the City and maintained for that purpose.

Purchasing Agency means any governmental body other than the Purchasing Manager which is authorized by this Manual or its implementing regulations, or by way of delegation from the Purchasing Manager or City Administrator, to enter into contracts.

Regulation means a governmental body's statement, having general or particular applicability and future effect, designed to implement, interpret, or prescribe law or policy, or describing organization, procedure, or practice requirements, which has been promulgated in accordance with the City Code.

Request for Proposals means all documents, including those attached or incorporated by reference, utilized for soliciting proposals.

Responsible Bidder means a person who has the capability in all respects to

perform fully the contract requirements and the integrity and reliability which will assure good faith performance.

Responsive Bidder means a person who has submitted a bid which conforms in all material respects to the invitation for bids or proposals.

Services means the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements. This definition of “services” includes, but is not limited to, consulting, personal, professional, technical, and purchase-of-client services.

Shall denotes the imperative.

Signature means a manual or electronic identifier, or the electronic result of an authentication technique attached to or logically associated with a record that is intended by the person using it to have the same force and effect as a manual signature. (Digital signatures may emerge as the equivalent of manual signatures, provided that three key tests are met: (a) sender authentication (verification of the sender, typically through verification of a certificate identifying the sender); (b) message integrity (confirmation that the message or signature was properly received in the original format of the sender); and (c) nonrepudiation (confirmation that the Sender cannot deny the message or signature was sent). In defining the term “signature,” the intent is to protect the integrity of the procurement process and to ensure that the transmission and receipt of information concerning public solicitations is accurate and reliable.

Specifications means a clear, complete and accurate statement of the technical requirements descriptive of an item and if applicable, the procedures to be followed to determine if the requirements are met. It may include a description of any requirement for inspecting, testing or preparing a supply or service item for delivery.

Supplies means all property, including but not limited to equipment, materials, printing, insurance, and leases of real property, excluding land or a permanent interest in land.

Surety means an organization which, for a consideration, promises in writing to make good the debt or default of another. The surety must hold a certificate of authority as any acceptable surety on federal bonds as published in the current 570, U.S. Department of the Treasury and the Federal register effective July 1 annually, as amended.

Suspension means the disqualification of a person to receive invitations for bids or requests for proposals or the award of a contract by the city for a given period .

Surplus Equipment means all personal nonexpendable property that is no longer needed or used by the owning agency, to include desks, chairs, tables, office equipment, scrap metals, etc. reported to purchasing for disposition either by

transfer, scrap or sale.

Using Agency means any governmental body of the City which utilizes any supplies, services, or construction procured under these regulations.

Written or In Writing means the product of any method of forming characters on paper, other materials, or viewable screens, which can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

1.02 ACCESS

A. Public Access to Procurement Information

Procurement information shall be a public record to the extent provided in Florida Statutes Chapter 119 and shall be available to the public as provided in such statute.

B. Authorization for the Use of Electronic Transmissions

The use of electronic media, including acceptance of electronic signatures, is authorized consistent with Florida's applicable statutory, regulatory or other guidance for use of such media, so long as such guidance provides for:

1. Appropriate security to prevent unauthorized access to the bidding, approval and award processes; and
2. Accurate retrieval or conversion of electronic forms of such information into a medium which permits inspection and copying.

1.03 PROCUREMENT ORGANIZATION

A. **Creation of the Office of Purchasing**

Chapter 16.5 of the Longwood City Code establishes the Purchasing Division.

B. **Responsibilities and Functions**

The primary function of the Purchasing Division is to purchase supplies, materials, equipment, and services required by the City and to maximize, to the fullest extent practical, the purchasing value of public funds of the City.

Specific responsibilities, duties, and functions include:

1. Develop purchasing objectives, policies, programs and procedures for the purchase and contracting of all materials, supplies, equipment and services.
2. Act as the City's representative on all matters pertaining to purchasing and contracts.
3. Purchase all supplies, materials, equipment and contractual services required by the City.
4. Insure that all purchases are made in compliance with applicable statutes, rules, regulations, and policies.
5. Conduct research into existing and new methods of procurement.
6. Establish and maintain programs for the inspection, testing and acceptance of goods and services in cooperation with the departments.
7. Establish and maintain a program for the development and usage of standard specifications for materials, supplies, and equipment where practicable.
8. Assist the departments in the preparation of specifications and technical requirements to be included in Invitations to Bid, Requests for Proposals, and Request for Quotations.
9. Consolidate purchases of like or common items to obtain the maximum economical benefits and cost savings, and explore the possibilities of buying in bulk to take full advantage of quantity discounts. Join with other governmental agencies in cooperative purchasing agreements, when the best interest of the City would be served.
11. Purchase from Florida State Contracts, the U.S. General Services

Administration and other governmental contract when the best interest of the City would be served.

12. Keep informed of current developments in the field of purchasing, including but not limited to prices, market conditions and new products, and secure for the City the benefits of research conducted in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations, and private businesses and organizations.
13. Arrange for the disposal, bid, auction, or negotiation for the sale of surplus materials and equipment.
14. Maintain a vendor commodity listing by vendor and commodity code.
15. Promote good will and public relations between the City of Longwood and its suppliers. Encourage full and open competition wherever possible.
16. Prequalify prospective suppliers, contractors and consultants as needed for specific projects, supplies or services.
17. Administer the City's Procurement Card Program.
18. Prepare and submit annual operating budget for the Purchasing Division.

1.04 INTER-DEPARTMENTAL RELATIONS

Cooperation and understanding between departments is essential in the effective operation of the Purchasing Division. The Purchasing Division will establish and maintain close liaison with the departments in order to meet their purchasing needs and requirements. Every effort is made to purchase commodities in timely manner and in accordance with the department's requirements.

To achieve these goals and to help clarify the requirements of a successful purchasing program, specific responsibilities are identified below:

A. Purchasing Divisions' Responsibilities:

1. Become acquainted with the needs of all departments and divisions.
2. Provide training in purchasing policies and procedures.
3. Provide assistance in the preparation of specifications.
4. Research new sources of supplies and services.
5. Process all requisitions and purchase orders in a timely manner.

6. Review specifications to assure they are not proprietary in nature and allow for open competition.
7. Expedite the delivery of purchases as needed.
8. Work with the Departments in resolving problems with defective merchandise or the return of goods; and to negotiate the return of merchandise and/or settlement.
9. Explore the markets for new sources, products and materials.

B. User Department's Responsibilities

1. Write clear and accurate descriptions of materials and equipment to be purchased.
2. Verify that funds have been allocated and are available in the proper lines. If funds are not available, prepare appropriate Budget Transfer Forms to cover expenditures.
3. Prepare technical specifications for goods and services requiring formal bidding.
4. Advise Purchasing of special projects or of special requirements in advance to avoid delays and to allow the Purchasing Division adequate time to schedule.
5. Allow sufficient time for the Purchasing Division to process the requisition and for the supplier to deliver.
6. Provide the Purchasing Division written documentation of any delivery or supplier problems or complaints.
7. Assist in the technical evaluation of bid and proposal responses.
8. Advise the Purchasing Division of qualified suppliers.

1.03 VENDOR RELATIONS

The City strives to develop effective relationships with vendors and encourages full and open competition wherever possible. All vendors are afforded equal opportunity to participate in public bidding. To accomplish this intent, all contacts between the City and the vendor should be coordinated through the Purchasing Division.

In addition, to avoid any perception of unethical behavior, the following guidelines should be followed:

1. Interviews with suppliers shall be coordinated through the Purchasing Division by appointment only.
2. Discussions with salesmen should be open and general and shall not commit to preferences for any product or service, which might in any way compromise the City.
3. All correspondence with suppliers is to be through the Purchasing Division, except in special cases where the technical details involved make it advisable to delegate authority to others. In such cases, the Purchasing Division must receive copies of all correspondence.
4. Any prices, proposals, quotations, or specific information received from vendors must not be disclosed until after the award of a contract or issuance of a purchase order. Sealed bids or proposals are exempt from disclosure pursuant to Florida State Statutes Chapter 119.07(o).
5. To ensure full and open competition, continuity of supply, and availability of materials, new sources of supply are given due consideration. The City will buy from suppliers who exhibit adequate financial strength, high ethical standards, a record of adhering to specifications, maintains shipping promises, and gives a full measure of service.
6. Acceptance of gifts at any time, other than advertising novelties of nominal value, is prohibited. Employees must not become obligated to any supplier and shall not conclude any City transaction from which they may personally benefit.
7. The offer of any gratuity to an official or employee of the City by any vendor or contractor shall be cause for declaring such individual or firm to be an irresponsible bidder and may be grounds for suspension from bidding.
8. No employee shall obligate the City whereby said employee may derive income or benefits other than those provided as compensation from the City for their employment.
9. No City employee may have any financial interest in any purchase order or contract issued by the City of Longwood.

1.04 CODE OF ETHICS AND CONDUCT

It is the policy of the Purchasing Division to promote the City's reputation for courtesy, fairness and impartiality. The responsibility for achieving this goal rests with each individual who participates in the procurement process. This includes the using agencies, the vendors, as well as the purchasing personnel. The Purchasing Division adheres to a high standard of ethics and conduct as set forth by the National Association of Purchasing Management and the National Institute of Governmental Purchasing.

Public purchasing officials are required to maintain complete independence and impartiality in dealings with vendors, both in fact and in appearance, in order to preserve the integrity of the competitive process and to ensure there is public confidence that contracts are awarded equitably and economically.

The following are excerpts from Chapter 112, Part III, Florida Statutes, Code of Ethics for Public Officers and Employees:

A. Section 112.31(2), Florida Statutes, states:

SOLICITATION OR ACCEPTANCE OF GIFTS

No public officer, employee of an agency, or candidate for nomination or election shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee or candidate would be influenced thereby.

B. Section 112.313(2), Florida Statutes, states:

DOING BUSINESS WITH ONE'S AGENCY

No employee of an agency acting in his official capacity as a purchasing agency, or public officer acting in his official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his own agency from any business entity of which he or his spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or his spouse or child, or any combination of them, has a material interest. or shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to his own agency, if he is a state officer or employee, or to any political subdivision or any agency thereof, if he is serving as an officer or employee of that political subdivision. The foregoing shall not apply to district offices maintained by legislators when such offices are located in the legislator's place of business. This subsection shall not affect or be construed to prohibit contracts entered into prior to:

- (a) October 1, 1975
- (b) Qualification for elective office
- (c) Appointment to public office
- (d) Beginning public employment

C. *Section 112.313(4), Florida Statutes, states:*

UNAUTHORIZED COMPENSATION

No public officer or employee of an agency or his spouse or minor child shall, at any time, accept any compensation, payment, or thing of value when such public officer or employee knows, or with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the officer or employee was expected to participate in his official capacity.

D. *Section 112.313(7), Florida Statutes, states:*

CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP

No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he is an officer or employee, excluding those organizations and their officers who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the state or any municipality, county, or other political subdivision of the state; nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his private interests and the performance of his public duties or that would impede the full and faithful discharge of his public duties.

In order to avoid the possibility of any misunderstandings regarding compliance with the law and regarding any appearance of impropriety relative to the competitive process for awarding contracts, it is respectfully requested that purchasing staff not accept anything of value offered from vendors.

1.05 CONFLICT OF INTEREST:

A. **State Statutes defines conflict of interest as follows:**

Chapter 38-503. Conflict of interest; exemption; school board member.

Any public officer or employee of a public agency who has, or whose relative has, a substantial interest in any contract, sale, purchase or service to such public agency shall make known that interest in the official records of such public agency and shall refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale or purchase.

The mere employment of an individual simultaneously by the City and an outside company that has a direct or indirect business relationship with the City, in itself established no conflict of interest. A conflict of interest would arise if actions by such an individual as a City employee conferred a direct or indirect benefit on the private business by which he was also employed or in which the employee has a financial interest.

The law provides that when a potential for a conflict of interest arises, the City employee with the potential conflict make his interest known to the City and refrain from taking any actions on the matter creating the potential for a conflict of interest.

When a potential for a conflict of interest arises, the City employee must either (a) provide written notification to the City Clerk identifying what relationship exists that could be classified as a potential for a conflict of interest; or (b) provide the same information during a City Commission meeting so it can be recorded in the official minutes of the meeting.

CHAPTER 2

GENERAL PROCUREMENT POLICIES

2.00 GENERAL

- A. The following policies shall govern the procurement of goods and services for the City in accordance with the existing Purchasing Ordinance:
1. All contracts and all purchases will be made through and by the Purchasing Division except as otherwise exempted by the City Administrator or the City Commission.
 2. No contract, purchase, field purchase orders, or group of requisitions shall be subdivided to avoid the bid solicitation or quotation process.
 3. It is unlawful for a City officer or employee to order the purchase of any materials, supplies, equipment, or contractual services, or make any contract other than through the City Administrator or the Purchasing Manager. Any purchase, order or contract made contrary to the provisions thereof shall be deemed an unauthorized purchase.
 4. In cases of extreme emergency, and only in such cases, the Purchasing Manager or designee may make or authorize others to make emergency procurement when there exists a threat to public health, welfare, or safety, provided that such emergency procurement shall be made with such competition as is practicable under the circumstances. A full written justification of the basis of the emergency shall be included with the requisition and documented on the emergency purchase order form.
 5. Award for purchases shall be made on the basis of the most responsible and responsive bidder, considering such other factors as price, quality, delivery, and service.
 6. Deviations from the policies and procedures prescribed herein shall not be made without prior approval of the Purchasing Manager.

2.01 PURCHASING CYCLE

A. Definition:

The scope of the purchasing activity may be defined as providing all of the materials support efforts that are required by the City. These efforts begin with the determination of the materials and service requirements and usually end with the disposition function. The cycle is called the Purchasing Cycle or the Procurement Cycle.

B. General:

The Purchasing Cycle begins with budget adoption. Each departmental budget specifies approved capital equipment, routine operating supplies, and services to be procured. This information is utilized by the Purchasing Division to verify expenditures, anticipate departmental needs and to recommend bulk purchase or term contracts for repetitive procurement.

C. Procedure:

The following outlines the basic Purchasing Cycle:

1. The Department's needs are recognized, perceived, or indicated.
2. Specifications or scope of services are developed.
3. Requisition is prepared, pre-encumbered and forwarded to Purchasing for processing.
5. Purchasing reviews the requisition and specifications for accuracy and completeness.
6. Purchasing determines the appropriate source selection or method of purchase, i.e. Sealed bidding, sealed proposals, sole source, emergency, or small purchase.
7. Purchasing prepares the solicitation package.
8. Purchasing prepares the bid tabulations.
9. Bids are reviewed and evaluated for compliance with specifications or scope of service.
10. Recommendation for award is prepared.
11. Based on award value, award is made by City Administrator or City Commission.
12. Purchase Order or formal contract is prepared.
14. Purchasing administers the contract.
15. Surplus, salvage, or scrap is either re-allocated or disposed of.

2.02 PURCHASE REQUISITION

A. Purpose:

The Purchase Requisition serves as a tool to inform the Purchasing Division of the needs of the user departments and to correctly define the service or product. In addition, the requisition signifies authority to charge a specific account number and to certify that sufficient funds are available in the account specified.

B. Authority:

Each purchasing user is assigned a password and is given a specific level of access to applications and approval levels by cost center and account number through the AS/400 Purchasing/Inventory Program (PI) security system. Requisitions are approved by the department director through the Purchasing Requisition Approval option from the Purchasing/Receiving Menu. All requisitions must be reviewed and approved by the Department Manager or Director. The system interfaces with the Government Management and Budgetary Accounting System (GMBA) and will verify that funds are available for the requisition. Approval overrides are not authorized.

C. Preparation:

Requisitions are initiated by the user department from the Requisition Entry option on the Purchasing/Receiving Menu. (Detailed instructions for the automated Purchasing Program are available from the Purchasing Division.)

D. Lead time:

Lead time is critical; therefore, requisitions should be prepared in advance to allow sufficient time for the solicitation process to take place and adequate time for delivery of the product or services required.

1. Lead time must be considered for each project to allow adequate time for the following:
 - a. Time required for the user department to prepare and approve the requisition.
 - b. Time required for Purchasing to obtain quotes; or
 - c. Adequate time for Purchasing to solicit bids and to provide public notice, allow a minimum of 15 calendar days prior to bid opening.
 - d. Time required for Purchasing and the user department to evaluate the responses.
 - e. Time required in the preparation of the agenda item for award of bid or proposal by the City Commission. See section on Invitation to Bid for additional information.
 - f. Time required for the contractor to place the order and to deliver the

- g. goods or services.
 - g. Time required for the vendor to manufacture any specialized products or equipment.
2. The following schedule may be used as a guide for determining the minimum time required for processing requisitions after receipt of the requisition and applicable specifications or scope of services:
- a. Two to three days for commodities which require only (3) verbal quotes.
 - c. Five to seven days for items which require written or fax quotations.
 - d. Six to eight weeks for items requiring formal bid solicitation.

E. Required Information:

The following instructions are provided as a guide when completing the automated purchase requisition:

1. DATE: The date the requisition was established.
2. REQUISITION NUMBER: The system automatically assigns consecutive requisition numbers.
3. REQUISITION BY: Enter the name of the person requesting the item or service and the department or division.
4. REASON: A brief explanation as to why the item or service is needed. Example: Replacement of obsolete computer; pipe required for Church Ave. drainage project; or use this field to indicate that the requisition is a request for a Blanket Purchase Order for a specified item, or an Emergency Purchase Order for a specified service.
5. SUGGESTED VENDOR: Enter the recommended vendor, address, telephone and fax number.
6. DELIVER BY DATE: It is important to enter a delivery date for the item, service, or project, particularly if there is a need for delivery within a specified period of time. The date must be realistic and should take in consideration the lead time required for processing.
7. DESCRIPTION: The description of the item or service should be clear and precise. Provide a detailed description of each item. Include suggested manufacturer and product number whenever possible. Indicate color, size, or other pertinent information. Additional information relating to the item may be entered under the LINE ITEM COMMENTS option.

8. COMMODITY CODE: The system will search for the three digit commodity code and a three digit sub-commodity code to categorize each line item.
9. QUANTITY: Enter the number of units of the specific item required.
10. UOM (Unit of Measure): State how the item will be measured or packaged, such as each, dozen, LS (lump sum) etc.
11. UNIT COST: Enter the estimated price for each item. The actual price may vary after solicitation..
12. ACCOUNT NUMBER: Enter the General Ledger expenditure account to be charged for the items on the requisition. The system will provide a list of accounts upon request.
13. PROJECT NUMBER: Enter the project number, if applicable. Finance maintains the records for all project numbers.
14. REQUISITION QUOTES: Provide vendor name, address, telephone number and price quotes, if applicable.
15. REQUISITION COMMENTS: Provide general information about the request, such as the project title, contact person or other internal comments that will not be printed on the Purchase Order form.

F. General Information:

1. Provide original technical specifications or other information via inter-office mail. Specifications must be clear and precise and should define the level of performance or desired quality rather than specific brand name. The Purchasing Division will review the specifications to insure they are non-restrictive and do not prohibit competition.
2. Requisitions should be carefully reviewed during the Requisition Approval process. Incomplete or restrictive requests may be returned to the requestor for correction or revision.
3. Forward any relevant product information which has been provided by the vendor. In addition, all original written quotes should be forwarded to the Purchasing Division to avoid duplication of effort or misquoting.
4. If there are insufficient funds for the purchase, the requisition will not be encumbered by the system and will be returned.

5. It is recommended that specifications for the purchase of vehicles, motorized equipment, roadway equipment, and other related purchases should be reviewed by the Fleet Division before processing. Also, computer related equipment should be reviewed by the Computer Services Manager prior to entering the requisition.

2.03 PURCHASE ORDERS:

A. Purpose:

A Purchase Order is a legally binding contract which authorizes the vendor to ship and invoice for materials and/or services as specified. Purchase Orders that are clear, concise, and complete will help prevent any unnecessary misunderstandings and contract disputes with suppliers.

B. Authority:

Only the Purchasing Division shall issue Purchase Orders and contracts. The user department is only authorized to order small purchases via credit card or Field Purchase Order. All Purchase Orders and contracts shall be transmitted to the supplier by the Purchasing Division.

C. Procedure:

The Purchase Order system is fully automated and produces a consecutively numbered Purchase Order after the requisition is processed. Purchase Orders are issued to a vendor after award of a quotation or bid solicitation.

D. Preparation:

Purchase Orders are contracts which combine the essential product or service information with legal terms and conditions of the purchase and instructions to the vendor. The information provided on a Purchase Order is as follows:

1. The Purchase Order Form contains a pre-assigned number and preprinted general terms and conditions and billing information.
2. Requisition number and date are automatically transferred from the requisition to the Purchase Order.
3. Vendor Number, name, and address.
4. Ship to address.
5. Requisitioner's Name and requesting department.
6. Account number.
7. Commodity number, project number and contract number.
8. Terms of Payment.
9. Delivery date.
10. Item description, including color, size, and catalog or part number, make, and model etc. The description may also reference a particular service to be performed and may include other relevant information such as the Bid number, award date, warranty information, bid specifications or bid form which may be attached.
11. Quantity and unit of measure; Unit price, extended price, and total price.

13. Special delivery instructions; Shipping terms; F.O.B. Point: Every effort will be made to obtain Pre-paid FOB Destination terms. The FOB point is the place at which ownership changes from the vendor to the City.
14. Specific terms and conditions, when applicable.
15. Signature of the Purchasing Manager, City Administrator, or Mayor, as required.

E. Purchase Order Distribution:

1. White original Purchase Order is mailed to the vendor (with appropriate attachments).
2. Green copy (Property Records) is forwarded to Finance for fixed asset use.
3. Goldenrod copy is retained in Purchasing for numeric filing.
4. Blue copy is forwarded to the requesting department as a file copy and the canary copy (Receiving Report) is forwarded to the requesting department as a receiving report pending receipt of items. Upon receipt of the product or service, approval signature, date and amount authorized for payment are entered on the Receiving Copy and forwarded to the Finance Division for processing.
5. Pink copy to Finance for information and filing with Receiving Report.

F. Acknowledgments:

A supplier may send their own form for acknowledgment of order. Acknowledgment forms originating from suppliers should not be signed because the signature of acceptance will signify that we have accepted all of the supplier's terms and conditions as printed on his acknowledgment form, thereby creating a new contract which would supersede the conditions of the Purchase Order. The new conditions may not be to the best interest of the City. Contact the Purchasing Division should the vendor refuse to ship without such a signed document.

G. Follow-up and Expediting:

1. After the Purchase Order has been issued to the vendor, the Purchasing Division may follow-up or expedite the order.
 - a. *Follow-up* is the routine tracking of an order to assure that the vendor will be able to meet the delivery date. Follow-up is usually made on large-dollar, long lead-time, or critical purchases.
 - b. *Expediting* is performed when the item or service is not delivered according to the Purchase Order delivery date or when it is necessary to request delivery ahead of schedule.

2. The Purchasing Division will perform the follow-up and expediting activities; however, depending upon the urgency of the order, the requesting department may contact the vendor to inquire as to the reason(s) for the delay or to obtain the expected delivery date. The Purchasing Division should be notified prior to making delivery inquiries.

2.04 CHANGE ORDERS

A. Purpose:

Change orders provide a method for amending existing purchase orders, blanket purchase orders, or contracts.

B. Definition:

A change order is a written modification to a contract or purchase order, which normally establishes a change in the work, the cost impact on the contract, if any, and the extent of the adjustment in the contract time, if any.

C. Form:

Change Order Request forms for regular purchase orders and blanket purchase orders are available in the Purchasing Division.

D. Authorization:

Generally, the level of authority for approval of a Change Order Request is the same level of authority required to approve the original purchase requisition.

E. Procedure:

1. Change Orders are initiated for purposes of adjusting quantities, price changes, addition or deletion of items, account number corrections, cancellations, or changes relating to shipping.
2. Change order requests must be processed for all changes that affect the original Purchase Order by an increase of \$50.00 or 10% or more of the original dollar amount, whichever is less. If the increase is less than \$50.00 or 10% of the original Purchase Order dollar amount, the department shall make the appropriate change on the receiving report and forward it to Finance marked "approved for Payment as submitted".
3. Change orders need not be processed for decreases in the original Purchase Order amount of less than 10% or \$50.00, whichever is less. In such a case, the department shall make the appropriate change on the receiving report and forward it to Finance marked "approved for Payment as submitted".

4. The department requesting the Change Order shall complete a change order request form and submit the form to the Purchasing Division. The change order request must include the vendor name, purchase order number, requisition number, monetary dollar breakdown per account number, and a clear and concise explanation for the changes; i.e. increase in quantity required for..., addition of freight charges, addition of item necessary for..., etc.
5. Change order requests for cancellation of the Purchase Order may be processed providing there has been no usage of the item(s).
6. Change order requests that indicate a price increase for specific items must include proper justification.

F. Amendments to Contracts

1. Any changes to a contract shall be in writing in the form of a Contract Amendment Form prior to proceeding with the change in work. The requesting department or division shall initiate and forward the proposed Contract Amendment Form to the Purchasing Division for review.
2. Contract changes must be substantiated in writing and must include any proposed adjustment in the contract sum or contract time.
3. If the change provides for an adjustment to the contract sum, the adjustment shall be based on one of the following methods:
 - a. Mutual acceptance of a lump sum for the work properly itemized and supported by sufficient substantiating data to permit evaluation;
 - b. Unit prices stated in the contract documents or subsequently agreed upon;
 - c. Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee.
4. The Contract Amendment Form and supporting documents shall be submitted for approval to the appropriate authority, i.e., Purchasing Manager, City Administrator, or the City Commission *prior to proceeding with the change in work*.
5. The Purchasing Manager or Division Manager will prepare the agenda item to request approval of the contract amendment, as applicable based on the signature authority level.

6. The Purchasing Manager or designee will process and issue the approved amendment or change order. Copies of the Change order and amendment are provided to the requesting department, Finance Division and City Clerk.

2.05

BLANKET PURCHASE ORDER

A. Purpose

The purpose of a Blanket Purchase Order (BPO) is to consolidate repetitive purchases from the same vendor. A Blanket Purchase Order is a contract under which a vendor agrees to provide goods or services on a demand basis over a specific period of time (usually one fiscal year). The contract generally establishes a maximum dollar limit, the period covered, and any pertinent terms and conditions with no definite quantities. Shipments are to be made as required by the requesting Department or Division.

B. Authority

Requests for Blanket Purchase Orders are approved by the Department Director or Division Manager through the Purchasing Requisition Approval option from the Purchasing/Receiving Menu. All requisitions must be reviewed and approved by the appropriate authority to assure that budgeted funds are available to cover the purchase.

C. Procedure

Requests for Blanket Purchase Orders are initiated by the Department or Division using the Purchase Requisition Entry option on the Purchasing/Receiving Menu. A requisition for a Blanket Purchase Order contains the same information as a regular requisition with the following exceptions:

1. **Reason:** State purpose, example: Blanket Purchase Order for Automotive Parts & Supplies.
2. **Item Description:** Enter only one line item describing the items or service.
3. **Quantity/Unit of Measure:** Enter one (1) lump sum for the quantity and unit of measure. (No definite quantities are specified).
4. **Line Item Comments:**
 - a. Type: Blanket Purchase Order
 - b. The period of time the BPO will remain valid (usually through the end of the fiscal year or through the term of the contract).
 - c. The maximum dollar limit of the Blanket Order requested, e.g., "Not to Exceed \$4,000.00".
 - d. The account number(s) to be charged with corresponding dollar amounts, if multiple accounts are charged).
 - e. Contract or Bid Number and date approved by the City Commission.
 - f. Any other pertinent information.

D. Use of Blanket Purchase Orders:

After a Blanket Purchase Order (BPO) is issued, the using agency is authorized to place orders directly with the vendor via telephone, fax, or E-mail. The using agency shall verify that the prices quoted by the vendor match the contract prices on the Bid Form. Verification is necessary to avoid incorrect invoicing and charges by the vendor. If the prices match, the vendor is provided with the BPO number and delivery schedule.

E. Payment:

Partial payments are made against the BPO as items are purchased until the maximum dollar amount encumbered for that BPO is reached. The using agency must promptly acknowledge receipt of the items by signing, dating and approving the amount of payment on the Receiving Report (Blue copy of BPO). For partial payment requests, a copy of the receiving report is stamped and signed and the original is kept until all work is complete or all items are received and final payment is requested. The Receiving Report and invoice for payment are forwarded to the Finance Division for payment processing.

F. Monitoring:

Blanket Purchase Order expenditures shall be monitored very closely by the using agency to avoid exceeding the limits of the BPO. In addition, the expiration date should be monitored to allow adequate time for bid solicitation or to request renewal of the existing contract. The Purchasing Division may randomly monitor Blanket Order purchases to ensure adherence to Contract prices and procedures.

CHECK REQUEST/DIRECT PAYMENT**A. Purpose:**

Direct Line Payments, or Check Requests, are defined as payments made to vendors by Finance without the issuance of a Purchase Order.

B. Form:

Check Request Forms are used to make direct line payment. Forms are available from the Finance Division.

C. General:

Conditions may occur that require a payment in advance or a refund. In those instances, a Check Request is issued in lieu of processing a Purchase Order. The most common examples of direct line payment items are:

1. Travel and Per Diem Allowance, including accommodations.
2. Dues/Memberships
3. Subscription Fees
4. Tuition Refunds
5. Utility Payments

D. Procedure:

The department/division completes a Check Request Form to include the following information:

1. Date and Check Request Number
2. Vendor name and address
3. Account number
4. Amount of check requested
5. Description or purpose of the check
6. Authorized Signature

The completed Check Request Form and corresponding receipts and invoices are forwarded to the Finance Division for processing.

Chapter 3

METHODS OF SOURCE SELECTION

3.01 METHODS OF SOURCE SELECTION

Unless otherwise authorized by law, all contracts shall be awarded by one of the following methods:

- (a) Section ____ Competitive Sealed Bidding
- (b) Section ____ Competitive Sealed Proposals
- (c) Section ____ Small Purchases
- (d) Section ____ Sole Source Procurement
- (e) Section ____ Emergency Procurements
- (f) Section ____ Special Procurements

NOTE: The procurement of professional services, e.g. Engineers, Architects, Landscape Architects, Surveying and Mapping are governed by the Consultant's Competitive Negotiation Act, (CCNA) F.S. 287.055.

3.02 PROCUREMENT THRESHOLD AMOUNTS:

The purpose of competition is a basic tenet of public procurement. The method for obtaining competitive prices for purchases of supplies, materials, equipment and contractual services is based on the budgeted amount or estimated price of the product or service to be purchased.

A. The following methods of procurement shall be utilized:

1. Single Quotation (Purchases Less than \$500):

Repetitive type items where the estimated price of the materials, equipment or supplies is less than \$500.00 may be purchased based on one verbal quote, provided the price is deemed to be fair and reasonable.

Additional competition may be obtained whenever there is a reason to believe a quotation is not a fair and reasonable price.

2. Verbal Quotes (Purchases Over \$500 and Less than \$5,000):

For purchases where the estimated price of the materials, equipment, or supplies is greater than \$500.00 and less than \$5,000.00, efforts will be made to contact at least three vendors to obtain verbal price quotations or fax quotations. Where only (1) quotation is received, an award may be made if the Director of Purchasing or the designee determines that the price submitted is fair and reasonable.

3. Written Quotes (Purchases Over \$5,000 and Less Than \$35,000):

Written request for quotations are solicited for purchases estimated to cost more than \$5,000.00 and less than \$35,000.00, unless there is an emergency in which case justification must be properly documented.

4. Formal Bids (Purchases Over \$35,000)

The formal bid limit will be adjusted to the Category Two bid threshold amount provided in F.S. 287.017. Competitive sealed bidding or competitive sealed proposals shall be utilized for purchases of supplies, materials, equipment and contractual services over \$35,000.00. See Chapter 3.02 titled "Competitive Sealed Bidding" for procedures relating to Invitations to Bid.

3.02

COMPETITIVE SEALED BIDDING

A. General:

Competitive sealed bidding is the preferred method of source selection and is used for the acquisition of commodities which exceed the stipulated dollar amount, as provided in F.S. 287.017, unless the Purchasing Manager determines that it is not practicable or advantageous. Competitive sealed bidding requires issuing an Invitation for Bid, giving public notice, receiving sealed responses, holding a public bid opening, preparing the Bid Tabulation, evaluating bids, recommending award.

Upon receipt of a requisition and specifications to purchase equipment, supplies, or services which exceed the bid threshold amount, the Purchasing Division shall initiate an Invitation to Bid. NOTE: To determine if a purchase meets the competitive sealed bid requirement, the following approach shall be considered: *The total cumulative amount of similar equipment, supplies or services, to be purchased over the duration of the contract term or fiscal year shall be the amount used to determine the requirement for requesting formal sealed bids.*

B. Specifications:

1. The specification is the section of the bid solicitation document that describes the technical or functional requirements for the equipment, goods, services, or construction being purchased. It also includes the criteria for determining whether these requirements are met.
2. The preparation of specifications is the responsibility of the user department/division with review by the Purchasing Division. The department shall follow a standard format for specification development or may consider using a committee to develop the specification.

3. Specifications shall be clear and precise, promote competition, avoid favoritism, and not be unduly restrictive.
4. The item or service should be described in detail as to fully identify all needed technical and functional requirements and characteristics. The stated requirements must be capable of being checked with reproducible test methods. Numerical requirements may include tolerances.
5. There are generally five types of specifications: brand name specifications, design specifications, performance specification, qualified products lists, engineering drawings, blueprints, or any combination of these.
 - a. Brand name specifications limit competition and, therefore, usage should be avoided. Brand name specifications may include a brand name or approved equal and are *used as a reference only* to identify the desired quality and performance characteristics. To avoid the appearance of being too restrictive, the department should list more than one brand name and the essential design and performance characteristics.
 - b. Design or technical specifications list in detail how a product is to be made or a service carried out, by prescribing the materials to be used and the method of manufacturing in producing the desired end item.
 - c. Performance or functional specifications focus on the result expected or required of a product or service, rather than how it is to be made or accomplished. The responsibility for the technical capability and capacity to achieve a workable product is left to the supplier.
 - d. Qualified products, or approved brands, lists are compilations of manufacturers and brand names developed on the basis of a written specification. The qualified products list (QPLs) are used for items that require lengthy testing or examination procedures. This avoids having the test period fall between the receipt of bids and contract award dates.
 - e. Engineering drawings typically are used when precise contours and dimensions are required and are the most accurate method of describing needs. They may be used with other physical descriptions or may be used alone. The most common use for engineering drawings is for construction projects, foundry or machine shop work and special mechanical parts.
 - f. Blueprints are architect-engineering drawings used for construction projects. Like engineering drawings, they may be used in conjunction with other physical descriptions to describe exact requirements.

C. Invitation for Bid:

Upon receipt of the complete specification from the department, the Purchasing Division shall prepare the Invitation for Bid. The Invitation for Bid document shall contain a cover sheet, a pricing section (proposal form), standard terms and conditions, special provisions such as warranty, bonding and security requirements, required bid forms, and specifications.

The Purchasing Division shall solicit bids from responsible, prospective suppliers as provided from the vendor/commodity reference list, publications and catalogues, previous suppliers, and suggestions by the requisitioner.

D. Bid Bond/Deposits:

When the Purchasing Division deems it necessary, bid bonds as bid security shall be required by the Invitation for Bid. Unsuccessful bidders shall be entitled to the return of security upon request to the Purchasing Manager. A successful bidder shall forfeit any surety required by the Purchasing Manager in the Invitation for Bid upon failure on the bidder's part to enter into a contract within the specified time after the award, usually 10 days after notification of award. Bid security may be in the form of bid bonds, cashier's check, or cash. Bid bonds and performance/payment bonds are generally required for construction projects which exceed \$25,000.00.

E. Public Notice:

Public notice of the Invitations for Bid is required and includes posting an announcement of the bid in a public place, notification of suppliers from the bidders list, and formal advertisement in a newspaper of general circulation or other publications, as determined by the Purchasing Manager. Public notice shall be provided a minimum of fifteen (15) calendar days prior to the date set forth for the opening of bids.

The public notice shall, at a minimum, contain the following instructions and information: Bid number and title, due date and time of bid opening; location and address for delivery of bids; place for opening of bids; any other information as deemed appropriate by the Purchasing Manager.

F. Pre-bid Conference:

A pre-bid conference shall be held whenever deemed appropriate by the Purchasing Manager. Generally, a pre-bid conference is conducted with bidders when the solicitation is complex, large, or contains critical requirements.

The purpose of a pre-bid conference is to promote competition through enhanced understanding of the specifications and terms and conditions of the bid solicitation. Conferences also provide an opportunity to clarify critical aspects of the solicitation, eliminate potential ambiguities or misunderstandings, and permits vendor input. Site

visits may be required as part of the solicitation and combined with the pre-bid conference.

The pre-bid conference is usually held after issuance of a solicitation and before submission and opening of bids. Attendance at the conference by the vendor may be optional or mandatory and shall be stated as a bid condition. When mandatory attendance is required, only bids from those firms represented at the conference or site visit will be accepted. If changes to the solicitation result from the pre-bid conference, the Purchasing Division shall issue a written addendum. The addendum shall be sent to all prospective bidders known to have received the solicitation.

G. Amendments to a Solicitation:

Notification of a cancellation or an amendment to a solicitation shall be made in the form of a bid addendum and will be mailed to all potential bidders who received a copy of the solicitation. The signed acknowledgment of addenda must be returned to the Purchasing Division prior to the time and date of the bid opening or with the bid or proposal. When an addendum is issued which requires additional time for the vendor to prepare a solicitation response, the opening date should be extended.

H. Receipt of Bids:

All bids received prior to the time of opening shall be kept in a secure location. Bid responses shall remain unopened until the specified date and time. If an invitation for bid is canceled, the bid shall be returned to the vendor.

Bid samples, when submitted, shall be safe-guarded to prevent disclosure of contents before bid opening.

Unidentified bids may be opened solely for the purpose of identification. Documentation of the name of the person opening the bid, the date and time opened, and the invitation for bid number shall be marked on the bid envelope.

Facsimile or telegraphic bids are not acceptable due to confidentiality of information and lack of original signature. Facsimiles may be accepted for written quotes and confirming telephone quotations.

I. Bid Opening:

1. At the specified time and date of the bid opening, the Purchasing Manager, or designee, shall publicly open and read aloud all bids received.
2. A representative from the department submitting a bid request should be present to witness the bid opening.

3. Questions concerning the bids shall not be answered until after the bid evaluation is complete or an award is made.
4. A tabulation of all bids received shall be made available for public inspection in the Purchasing Division during regular business hours.

J. Bid Evaluation:

As soon as practical after the opening, the bids will be evaluated and award made to the most responsive and responsible bidder who submits a bid that is deemed to be in the best interest of the City.

1. A responsive bidder shall be a regular dealer or supplier of the goods or services offered; have the ability to comply with the required delivery or performance schedule; have a satisfactory record of performance and integrity; and have the necessary facilities, organization, experience, technical skills, and financial resources to fulfill the terms of the bid or contract.
2. A responsible bidder must comply with the provisions of the solicitation, including specifications and terms and conditions. A bidder may be declared as non-responsive for failure to sign the bid, substitution of vendor's terms, deletion of terms and conditions stated in the solicitation, failure to offer a product or service that meets the requirements of the invitation for bids, etc.
3. In addition to the requirements of being responsive and responsible, the bids shall be evaluated based on the following: quality of the product or service, price, delivery, ability to provide maintenance and service, and discount terms and conditions.

K. Tie Bids:

1. In the event two (2) or more vendors submit identical tie bids, with respect to price, quality, and service, or should two (2) or more firms be deemed equal during the request for proposal selection process, the following criteria, in order of importance, shall be used to break said tie:
 - a. Drug Free Workplace - (Certification form to be signed and submitted with bid as per Florida State Statutes Section 287.087 to certify that a business has implemented a drug-free workplace program.)
 - b. Delivery time.
 - c. Prompt payment discounts.
 - d. Location of vendor's place of business (award to vendor whose place of business is within the City limits.
 - e. All conditions, equal, draw lots or flip coin. (Coin toss must be witnessed and the results recorded).

L. Bid Award:

1. After the bids have been tabulated and evaluated by the user department and the Purchasing Manager, a recommendation for award is prepared and placed on the agenda for City Commission approval.
2. Vendors filing protest of an award or a solicitation must do so within seven (7) calendar days after such aggrieved person knows or should have known the facts pertaining to the bid award or solicitation.

M. Rejection of Bids:

A bid response which fails to provide the required forms or which does not comply to the terms and conditions of the invitation for bid may be considered as non-responsive and rejected. Bid submittals which contain an alternate bid(s) shall not be considered responsive and may be disqualified, unless the solicitation specifically authorizes the submission of alternate bids.

COMPETITIVE SEALED PROPOSALS**A. Purpose:**

Competitive sealed proposals (Request for Proposals) are generally used as a method of source selection when competitive sealed bidding is not practicable or advantageous for the City. The procurement of new technology, non-standard items, specialized services or professional services are a few examples of circumstances when the use of sealed bidding would not be practicable.

The primary distinction between sealed bidding and sealed proposals is that competitive sealed bidding requires evaluation of the bid responses and award of the contract to be based solely on the information submitted. It does not permit discussions or change after bid opening. Sealed proposals permit negotiation and allow the proposer to make modifications to both contents and price during the proposal evaluation process.

Sealed proposals are used for acquisitions where price is not the only consideration and other criteria such as quality control and performance should receive an equal or higher rating during the evaluation process.

B. RFP Preparation:

The user department shall develop the scope of work for the Request for Proposal (RFP). The Purchasing Division shall prepare the proposal documents and draft agreement for inclusion in the RFP package. The Purchasing Division in conjunction with the using agency shall develop the RFP to include the following elements:

1. **Project Description:** The Project Description is a general introduction which states the purpose of the acquisition and defines what the City expects to accomplish from the contract. It may include historical or background information about City or the project. It gives a brief overview of the project requirements and defines the contract term.
2. **Statement of Work:** The Statement of Work of Scope of Services should describe the essential and technical requirements of the acquisition. It usually includes a definition of the desired results and the standards by which they will be measured. The major sections of the statement of work include: introduction, tasks and performance, contractor requirements, contractor responsibilities and purchaser responsibilities.
 - a. The introduction may include a section of definitions to special words, terms or phrases. The SOW defines a logical flow of activities, specifies the expected results, and delineates how this will be measured.

- b. Specific tasks should be defined with deliverable products for each task and performance measurements.
 - c. Qualifications define any professional certifications, abilities or experience standards the contractor must meet. Requirements for management, administrative, technical and staffing capabilities and capacity are identified.
 - d. Responsibilities of the contractor include work schedules, quality control, and repair service response.
 - e. The City's responsibilities include contractual duties and obligations.
3. Special Terms and Conditions: The special terms and conditions of the request for proposal may be similar to the provisions in an invitation for bid. Special terms and conditions section should include, but not limited to, the following information: preproposal conference; site inspection; payment procedures; certificates and licenses; bonds, insurance and liability; liquidated damages; contract extension and renewal; patent copyright infringement; indemnification agreement; guarantees and warranties; contents and format of proposal.
4. Evaluation Criteria: The Purchasing Division with the assistance of the using department should develop detailed evaluation criteria concurrently with the statement of work. The criteria should be assigned a relative weight or be listed in order of importance.

The general categories of the evaluation criteria may include technical and management capability, approach to work, previous contracting experience with the City, past performance, evidence of insurance capacity, financial resources and total price.

5. Instructions for Submittal: The request for proposal shall include specific instructions to the vendor for the preparation and submittal of the proposal.

Generally, the proposal preparation section will be divided into four (4) segments with instructions for providing specific information pertaining to the project:

- a. Qualifications and Experience lists the contractor or consultant's general experience, experience on similar projects, requested resumes, list of personnel assigned to the project with specific functions or responsibilities, chart of each task showing staff commitment, and financial information and bank references.
- b. Methodology provides a brief summary or explanation of how the proposer plans to approach the task and the specific steps to accomplish each task. The vendor must demonstrate their understanding of the services required and identify any problems anticipated and propose solutions to these

problems.

- c. Proposal Price Schedule contains the price for the entire project. If required by the RFP, it may also contain the itemized costs for the project by activity as identified on the project schedule including hours, hourly rates, total labor by professional category, purchased materials, travel, per diem charges, subcontractor costs, and other expenses. The proposer should include a proposed billing schedule based on the cost of each deliverable item.
- d. Other information is generally specific to the project. It may contain special forms required by the Purchasing Division, such as Drug Free Work Place Form or other specific information.

Specific instructions for the submittal of the proposal should include:

- a. Where and how to direct technical or contractual inquiries pertaining to the RFP.
 - b. How RFP addenda, if any, will be communicated to the proposers.
 - c. RFP due date, time, and address for submittal of response.
 - d. Security requirements, if any.
 - e. Performance bond and insurance requirements.
 - f. Applicable forms required.
 - g. Term of contract.
6. Sample Contract: The proposal package should also contain the contract document for the specific project which contains additional terms and conditions pertaining to the responsibilities of the contractor after award and during the performance of the contract.

C. Public Notice:

Public notice of the request for proposal shall be given at a reasonable time prior to the date set forth therein for the receipt of the proposals, in accordance with the Purchasing Code. Notice shall be sent to all prospective vendors on the City's vendor file which are listed under the corresponding commodity code. Inclusion on this list does not infer that the vendors are qualified to perform. The user department shall notify the Purchasing Division of any additional prospective vendors to include in the proposer list.

The RFP shall also be advertised in a newspaper of general circulation or other

publications, as determined by the Purchasing Manager. Public notice shall be provided a minimum of fifteen (15) calendar days prior to the date set forth for the opening of the proposal.

D. Receipt of Proposals:

Proposals shall be opened publicly at the time and place designated in the request for proposal. Only the names of the proposers responding to the RFP shall be disclosed at the proposal opening. Proposals shall be open for public inspection after contract award. Proprietary information in the proposal that is clearly marked "proprietary" by the offeror shall not be disclosed without written consent of the offeror.

E. Evaluation Process:

1. The Purchasing Division shall perform the initial review of the proposals to identify those responses which are non-responsive or incomplete. Generally, non-responsive or incomplete responses will be eliminated from further consideration.
2. Purchasing shall provide the Department with a copy of each proposal, the proposal summary form, and, if applicable, an evaluation rating form. The letter of transmittal to the department shall identify those proposers which are non-responsive or incomplete.
3. Highly technical or complex proposals may require review by an evaluation team or committee. The members of the evaluation committee shall include representatives from the user department, any other individual with specialized expertise, the City Administrator or his designee, and a representative from the Purchasing Division. The representative of the Purchasing Division may serve on the committee as non-voting chairman.

Generally, the members of the evaluation committee are identified and a list of committee members is provided to the Purchasing Division prior to the RFP advertisement.

4. There are several methods for evaluating and scoring proposals. The Evaluation Committee shall select the most effective method relative to the scope of work. The three most common methods utilized are:
 - a. Each team member scores the proposal evaluation criteria separately and individually. If the criteria in the RFP were not previously weighted, the committee members should assign a weight to each criterion by its relative importance, with the total weight equaling 100.

Scores shall be assigned for each criterion on the basis of 1 to 5 and should represent the evaluator's best objective judgment. See Item #5

for scoring explanations. The score of the criterion is multiplied by the weight of the criterion to obtain the total score. Totals are added downward to gain a cumulative grand total for each proposal.

The team then meets to tabulate and average the individual scoring results for each proposal. The proposals are ranked in descending order corresponding to the composite score of each proposal. Generally, the proposer with the highest score of all evaluations is recommended for award.

- b. The individual committee members evaluate and score each proposal independently. The members then meet to negotiate differences and agree on an overall team score for each proposal rather than averaging scores to develop the proposal rating.
- c. The third method of proposal evaluation requires team effort throughout the entire process. The team reviews each proposal and agrees on its evaluation. The team also reviews prices and, if applicable, costs to correlate them to the ranking to determine the cost-benefits of each proposal. Once all proposals are evaluated, the team recommends award to the firm representing the best value to the City.

5. Scoring Definitions:

Score of 1 = Poor

Proposal content is deficient or inadequate in most basic requirements, specifications, or provisions for the specific criteria.

Score of 2 = Below Average

Proposal meets many of the basic requirements, specifications or provisions of the specific item, but is lacking in some essential aspects of the specific criteria.

Score of 3 = Average

Proposal adequately meets the minimum requirements, specifications or provisions of the specific item, and is generally capable of meeting the City's needs for the specific criteria.

Score of 4 = Above Average

Proposal more than adequately meets the minimum requirements, specifications, or provisions of the specific criteria, and exceeds those requirements in some aspects for the specific criteria.

Score of 5 = Excellent

Proposal exceeds minimum requirements, specifications, and provisions in most aspects of the specific criteria.

6. If price is included as one of the evaluation criterion, the lowest priced proposal should receive the maximum weighted score for the price criterion. The other proposals should receive a percentage of the weighted score based on the percentage differential between the lowest proposal and the other proposals.
7. During the evaluation process, the evaluation committee may require additional information or clarification. The Purchasing Division may schedule individual presentations and interviews with the consultants as required.

F. Negotiation with Responsible Offerors:

1. If it is determined that negotiation will result in a more advantageous contract for the City, Purchasing may conduct negotiations with offerors for the purpose of clarification to assure full understanding of and responsiveness to the requirements of the request for proposal. Generally, negotiations are conducted with the highest ranked firms.
2. Each offeror shall be accorded fair and equal treatment with respect to opportunity for discussion and revision of proposals. Discussions must be made with offerors individually and information obtained from one competing offeror shall not be disclosed to another offeror.

Refer to Florida Statutes, Chapter 287.055 for specific procedures governing the acquisition and negotiation of Professional Services.

G. Award:

1. Award shall be made to the responsive offeror whose proposal is determined to be the most advantageous to the City, taking into consideration price and the other evaluation factors set forth in the request for proposals.
2. If the Purchasing Manager or City Commission determines that none of the proposals is advantageous to the City, the City shall have the right to reject any and all proposals.
3. The contract file shall contain the supporting documents for which the award is made or rejected.

3.04 FIELD PURCHASE ORDERS

A. Purpose:

Field Purchase Orders (FPO) are used to provide immediate acquisition for small purchases of items under \$500.00 not available through Petty Cash or other sources.

B. Forms:

Pre-numbered Field Purchase Order Forms are available in the Purchasing Division.

C. General Information:

Field Purchase Order Forms are to be used for purchases of commodities of \$500.00 or less.

To protect the City's interest against liability exposure with service agreements, contractors are required to furnish insurance, licenses, and permits; therefore, Field Purchase Orders are not recommended for use to procure such services. Should a department head determine it necessary to call for service, contact the Purchasing Division to obtain the proper indemnity guidelines.

Field Purchase Orders may be awarded without competition; however, it is recommended that the using departments monitor market trends to assure cost effective buying and to diversify City business to vendors that are competitive and able to meet the quality and delivery requirements. Purchasing will provide commodity and supplier information upon request.

D. Procedure:

1. Prior to the purchase of an item(s), the using department shall type or print the complete vendor name, address, date of purchase, department and account number to be charged on the FPO Form.
2. The quantity, unit of measure, item description, unit price and total amount of the purchase must also be typed or neatly printed on the FPO form. *Do not attach itemized lists* of supplies to the FPO form.
3. The Department Director or authorized designee must sign the FPO form. Signature stamps are not acceptable.
4. Instructions for disbursement of the Field Purchase Order Form are imprinted on the lower portion of the form. Part #1- White to Vendor; #2 Yellow to Finance; #3 Pink to Purchasing; and #4 Gold retained by Department for file.

5. It is the responsibility of each Department Director to see that Field Purchase Orders are not *misused by pyramiding or stacking orders*, i.e. using two or more FPO's to buy items which in total exceed the \$500.00 limit. *NOTE: To eliminate the potential for misuse, F.P.O.s are limited to \$500.00 per day per vendor. For example: A Field Purchase Order is issued to Safety Products on Monday morning; therefore, a second FPO cannot be issued to Safety Products on Monday afternoon or on the same day.*
6. Accounts should be monitored to avoid over expenditures.
7. Field Purchase Orders should not be used for:
 - a. Item(s) over \$500.00 each.
 - b. Capital outlay equipment.
 - c. Membership Dues
 - d. Tuition Reimbursement
 - e. Subscriptions
 - f. Annual Requirement Contracts
 - g. Hazardous Chemicals (Material Safety Data Sheets (MSDs) required)
 - h. High risk services.
 - i. Recurring purchases from same supplier*

*Consider Annual Requirements Contract for repetitive purchases.

3.05 **EMERGENCY PROCUREMENT:**

A. Purpose:

To enable the City of Longwood to respond quickly in procuring the required materials, supplies, equipment and/or services when an emergency condition exists.

B. Definition:

An emergency occurs when there exists an immediate threat to the life, health, welfare, or safety of City employees or its citizens; when it is necessary to maintain or restore vital machinery, equipment or services; when it is necessary to address regulatory laws and permits; or situations which may cause major financial impact to the City should immediate action not be taken.

C. Authorization:

The Purchasing Manager, or designee, is authorized to make or authorize others to make emergency procurement, provided that such emergency procurement shall be made with as much competition as is practicable under the circumstances.

D. Emergency Procurement During Working Hours:

The Department Director, or designee, of the ordering department shall contact the Purchasing Manager or designee to explain the nature of the emergency and to request an Emergency Purchase Order number.

1. The following information will be required from the department prior to the issuance of an emergency purchase order number:
 - a. Item Description
 - b. Detailed explanation for request of emergency procurement
 - c. Type of equipment and asset number of equipment to be repaired, if applicable.
 - d. Vendor's name, addresses, telephone number, and contact person
 - e. Purchase price, or estimate total
2. The Purchasing Division shall maintain a log of emergency purchases.
3. Upon approval of the emergency procurement, the Purchasing Manager, or designee, shall either make the purchase or authorize the ordering department to do so.
4. If the Purchasing Manager, or designee, is not available, the ordering Department Director shall notify the City Administrator before making the purchase.
5. The ordering department shall immediately initiate a requisition to cover the emergency expenditure. The requisition must reference the emergency purchase order number; competitive prices received, and include a detailed explanation of the circumstances of the emergency purchase. The Department shall forward the requisition and all related documentation to the Purchasing Division for final processing.
6. Frequently, an emergency occurs as a result of parts and labor required for repairs to vehicles or equipment. Blanket Purchase Orders may be set up in advance with vendors who are usually contacted for such repairs, in anticipation of minor repairs.

NOTE: Departments shall not use the emergency procurement procedures to abuse or otherwise purposely circumvent established Purchasing Procedures. Failure to anticipate normal needs or project deadline dates or a desire to expend excess or remaining budgeted funds prior to year end does not constitute an emergency.

E. Emergency Procurement At Nights, Weekends, Or Holidays:

Should an emergency occur other than during normal working hours, the user Department Director or designee shall act to secure the necessary materials or service, and shall have the authority to authorize purchases not to exceed \$1,000. In the event the estimated cost of the emergency purchase exceeds \$1,000, the Department Director or designee shall obtain approval from the Purchasing Manager, the Financial Services Director, City Administrator or the Mayor.

SOLE SOURCE PROCUREMENT**A. Definition:**

Single or sole source procurement is a contract for the purchase of goods and services entered into after soliciting and/or negotiating with only one source, usually because of the technology or uniqueness required.

Sole Source purchases will be considered based on meeting the following criteria:

1. There is a lack of competition for a product or service and available from only one source of supply.
2. It is a unique, one-of-a-kind service or product and the only item that will produce the desired results or fulfill the specific need.
3. The product has certain essential patents, proprietary rights, or processes and there is no satisfactory substitute item available.
4. The purchase of the item involves a die, tool, mold charge, or costly setup and the expense of duplicating the item or setup is likely to be substantial.

B. General:

Purchases of supplies, equipment, and contractual services from a sole source may be exempt from competitive requirements upon written documentation that there is only one source for the required commodity and upon approval of the Purchasing Manager or City Administrator.

1. The request for sole source purchase shall include the purpose and need, and an explanation as to why the item is the only one that will produce the desired results or fulfill the specific need.
2. The user department/division or Purchasing shall attempt to locate competition or an alternate source of supply.
3. The Purchasing Division shall maintain a sole source file which includes letters and other written documentation for sole source purchase.

C. Procedure:

The user department shall submit a written letter or a Request for Sole Source Purchase to the Purchasing Division for review and approval by the Purchasing Manager or City Administrator. The sole source request will be approved or disapproved based on the criteria set forth in this section and after a good faith effort is made to find other available sources.

The user department shall be informed as to any requests which are disapproved, and

the procurement shall be made in accordance with standard procedures.

3.07 UTILIZING STATE OF FLORIDA TERM CONTRACTS

A. General:

The City has the option to utilize State Contracts when purchasing equipment, supplies, and services.

The Department of Management Services, Division of Purchasing in Tallahassee establishes contracts that are common to state agencies, local governments, and other public entities. These contracts for goods and services are consolidated and standard specifications are prepared and developed. State contracts are awarded for specified time periods and are available for use by governmental entities.

B. Procedure:

The requirement for solicitation of bids or quotes shall not apply to purchases established under Florida Statutes regarding State of Florida Term Contracts or Federal GSA schedules, when use is authorized by the General Services Administration.

C. Authority

The Purchasing Manager may make purchases utilizing State Contracts regardless of dollar value, provided they are budgeted items and are made in the best interest of the City. Purchases shall be made in accordance with the approval limits as set forth in the Purchasing Ordinance.

3.08 PURCHASES EXEMPT FROM COMPETITION:

A. Certain purchases due to their very nature are exempt from the competitive bid requirements. The Department shall use the Direct Line Payment or Check Request Procedures to approve payment of the following items:

1. Advertising: radio, newspaper, television or other media that can be classified as sole source.
2. Utilities
3. Postage
4. Membership Dues
5. Subscriptions
6. Publications from publishers or exclusive distributors of such publications
7. Licenses, Permits and Fees
8. Travel expenses
9. Copyright materials
10. Patented Materials
11. Seminar and Conference Fees
12. Tuition Refunds

B. Requirements for bidding are waived for the purchase of the commodities listed below; however, Purchase Orders shall be issued to provide payment for:

1. Educational tests, text books, printed instructional materials
2. Films, Filmstrips, video-tapes, disc or tape recordings or similar audio-visual materials
3. Books, reference books, and periodicals
4. Purchases from other governmental agencies or educational institutions
5. Purchases from cooperative purchasing agreements, County Contracts, State of Florida Term Contracts, and GSA Contracts.
6. Emergency Purchases, when justified and properly documented
7. Sole Source Procurement
8. Maintenance Agreements
9. Purchases over \$500.00

Chapter 4

CONTRACT ADMINISTRATION

4.01 GENERAL

- A. Contract Administration is managing the contract to ensure it is fully executed. Administration of the contract begins with the signing or execution of a contract or purchase order. The purpose of contract administration is to assure that the contractor or supplier has fulfilled its contractual obligations in accordance with the terms and conditions of the agreement.

Other responsibilities include reviewing request for changes or modifications, monitoring performance, and resolving disputes, discrepancies and deficiencies.

- B. Notice to Proceed:

Issuance of a Notice-to-Proceed will be provided to the contractor at a scheduled pre-construction meeting or will be mailed within ten working days following acceptance of the contract by both parties, provided the contractor has furnished the required insurance forms and payment and performance bond forms, if applicable.

- C. Documentation and Planning:

1. The Purchasing Division is responsible for maintaining all records and documentation relating to a contract. The contract file shall be in chronological order and will contain at a minimum, the purchase request, sources solicited, evaluation and award, contract or purchase order, applicable insurance and bond forms, expediting and follow up reports, and any other actions relating to the procurement transaction.
2. The more complex the project, the more planning is required to administer the contract. An implementation plan or contract list should be developed for each contract that requires multiple or scheduled actions by the contractor during the contract period. The plan should be based on the contract and list the specific contract requirements. The implementation plan will help to ensure the contractor fulfills the obligations of the contract.

- D. Change Orders:

Revisions, delays or disputes may cause changes in a contract. The modification of a purchase order or contract shall only be authorized by the Purchasing Manager or designee. All changes to a contract must be in writing. See Chapter 2, "Change Orders" for more detail.

E. Contract Completion and Final Payment for Major Projects

1. The using agency shall provide the Purchasing Division with a written certification of contract completion for major capital improvement projects and professional service contracts. Contract Completion Forms are available in the Purchasing Division.
2. The contractor or consultant shall complete the appropriate affidavits upon completion of the project. The following affidavit forms along with the original invoice must be submitted with the vendor's payment request:
 - a. Certificate of Contract Completion;
 - b. Satisfaction of Lien from all sub-contractors and material suppliers;
 - c. Sub-contractor's Affidavit Form, if applicable;
 - d. Request for Final Payment Form.
3. The using agency shall review and approve the request for final payment upon verification that the required affidavits have been received by the Purchasing Division.
4. The Purchasing Division shall review all required closing documents for completeness. .
5. The requesting department shall provide the following documentation to the Finance Division for final payment of all major projects:
 - a. Original final invoice;
 - b. Receiving Report Form, signed and dated;
 - c. Payment Transmittal Form signed by the using agency, Public Works Director, City Engineer or Project Engineer, Purchasing Manager and Finance Director.
6. The Finance Division will process the invoice for final payment and close-out the Purchase Order.

F. Cancellations of Purchase Orders and Contracts:

Purchase Orders and contracts may be canceled if the vendor fails to fulfill his contractual obligations. Cancellations of purchase orders and contracts shall be requested by the using Department in writing to the Purchasing Manager with complete justification. Upon review and approval of the request, the Purchasing Division shall issue a Change Order to cancel the Purchase Order in its entirety.

Cancellations to major contracts may require special action through an administrative process; see *Chapter 4.05, Default Actions, for additional information.*

4.02 RECEIVING AND INSPECTION:

A. Responsibility:

It is the responsibility of the department head or designee to insure that all goods and services are carefully examined to determine conformance with the contract requirements or specifications. The department shall insure that the appropriate Receiving Report copy of the purchase order is promptly signed, dated and forwarded to the Finance Division for processing. In the event of a rejection of goods or services, the Department shall promptly notify the Purchasing Division.

B. General:

Inspection is the close and critical examination and testing of delivered goods or services to determine conformance to contract requirements. It is imperative that shipments are inspected for damage, shortages, overages, and unauthorized substitutions immediately upon receipt. Delays in inspection and acceptance may result in loss of cash discounts, slow payment of invoices, and potential damage to vendor relationships.

C. Delivery:

In accordance with the Interstate Commerce Commission Regulations, delivery drivers are responsible for tailgate delivery only, unless an extra charge has been paid for off-loading and setting in place or inside delivery. Generally, goods and materials procured through the bid process include delivery and set-up. Contact the Purchasing Division in the event of a dispute.

Most deliveries are FOB (Free-on Board) destination, freight prepaid, therefore, *collect deliveries should not occur*. In the event of a collect delivery, contact the Purchasing Division for assistance.

D. Inspection Procedure:

The Departments shall adhere to the following inspection procedures immediately upon receipt of a shipment:

1. Delivery tickets should be marked "Received by _____, subject to inspection and acceptance."
2. Check for external damage to the package as well as concealed damage. Take pictures of obvious damage.
3. Verify the number of pieces, packages, or boxes delivered. Check the contents of each carton against the packing list and receiving copy of the purchase order. *All shortages or damage must be noted on the delivery receipt or shipping ticket*

prior to signing for receipt of shipment. Failure to report damages and shortages may result in null or void claims.

4. Verify that the goods or services conform to the quality, grade, or standard specified in the purchase order or contract.
5. Inspect to insure that the design, construction, size, type, make, model, color, style, etc. of the commodity conforms to the specifications, purchase order or contract.

E. Freight Damage:

Freight damage and claims against common or commercial carriers, (trucking services other than the vendor's own truck and driver), must be carefully handled to avoid claim disputes.

1. Verify the number of cartons listed on the delivery receipt. If any shortage is discovered, document the shortage on the carrier's delivery receipt. The driver should also sign as confirmation of shortage. The Department should retain a copy of the delivery ticket.
2. Carefully examine each carton for damage. If damage is visible, document the damage on the delivery receipt, have the driver sign the delivery ticket, and retain a copy.
3. If concealed damage is suspected, insist that the driver open the carton for inspection of the contents. Do not allow the driver or carrier to retain the damaged item. Damages should be noted on the delivery receipt and a copy must be retained by the Department.
4. Should the driver refuse to open the carton, write a statement on all delivery tickets: "Concealed damage evident"; "Received subject to inspection and acceptance".
5. Retain damaged items and inner packing materials at the point where received until an inspection is made by a carrier inspector.
6. Notify the Purchasing Division at once.
7. Call the carrier to report the damage and to request inspection. The call should be placed immediately upon discovery of the damage. *Failure to report concealed damage within 10 days after delivery may result in the carrier denying the claim.*
8. Confirm the request for inspection call in writing as a protection measure to verify that the carrier was notified within the 10 day period.

9. Insure that damaged cartons are not removed from the receiving area prior to inspection of the packing materials and freight bill.
10. Carefully read the inspection report prior to signing. If you do not agree with the facts or conclusions made by the inspector on the report, do not sign it. If repair of the item would not be satisfactory, *the inspector must request replacement on the inspection report*. The inspection report must specify replace for a new item to be ordered.
11. Forward a copy of the inspection report and delivery receipt to the Purchasing Division. The Purchasing Division will forward all necessary documentation to the vendor to request repair, replacement, or return of damaged goods.

F. Rejection:

If a shipment is incorrect, damaged or unacceptable, *do not use it and do not sign the receiving report*. The Department shall immediately notify the Purchasing Division of any discrepancies in shipment, i.e. incorrect quantity, poor quality, etc. The Purchasing Division will advise the vendor of the rejection and mutually agree on a replacement date.

4.03 PAYMENT OF INVOICES

A. Purpose:

To provide for prompt payment of all invoices received by the City of Longwood and to comply with the "Florida Prompt Payment Act" (Chapter 89-27, Laws of Florida).

B. Acceptance:

If the Department determines that the goods or services are in good condition and they comply with the specifications and delivery requirements, the Department shall sign and date the Receiving Report. A special Merchandise Received Stamp should be utilized. The signed Receiving Report along with the packing slip and invoice, if available, shall be forwarded to the Finance Division in a timely manner, as acceptance of the order and authorization to make payment.

C. Partial Receipt:

As a general rule, partial payments are not recommended. However, if a large purchase requires performance over an extended period of time, partial payments may be approved. The Department shall forward a signed *copy* of the Receiving Report to Finance, indicating the actual quantity received and amount approved for payment.

D. Cancel Outstanding Order:

When a partial shipment is received and the Department decides to consider the shipment complete by canceling the remaining items, the Department must advise the Purchasing Division and initiate a Change Order Request indicating the changes to the original Purchase Order. Purchasing shall follow-up with the supplier to cancel the remaining items. It is important to note that the vendor may impose a restocking charge for those items shipped and in route to the City.

E. Cancel Entire Order:

If, under extreme circumstances, the Department is compelled to cancel an order or the contract before the supplier is obligated to deliver to item or service, the City may be considered in breach of the contract, (anticipatory breach). The City could then be liable for any resulting injury to the supplier.

F. Final Payment: Upon the complete receipt of all items of a back ordered shipment, the Department shall forward the signed and dated *original* Receiving Report to the Finance Division for payment.

4.04 VENDOR COMPLAINTS:

Complaints relating to vendor performance or delivery discrepancies must be reported in writing to the Purchasing Division. Vendor Compliant Forms are available in the

Office of Purchasing and should be completed as soon as possible after the problem is observed. Reporting is necessary in order to monitor and evaluate vendor performance, and, if required, to take appropriate and timely action.

4.05 DEFAULT ACTIONS:

- A. If a supplier or contractor fails to deliver an order by the delivery date agreed on in the contract or purchase order or to perform according to contractual provisions, legally the supplier has breached the contract and is considered in default. Prior to taking any default action, the following factors should carefully be considered:
 - a. The specific reasons for such failure;
 - b. The time period required to obtain the goods or services from other sources compared to the delivery time specified by the delinquent supplier.
- B. If it is determined that the contractor is in default, a written notice to cure letter shall be issued advising the supplier of the following:
 - a. List the non-delivery or other non-conformance issues;
 - b. Advise the contractor that they are in breach of the contract;
 - c. State the number of days or a date for correction of the default;
 - d. Advise that default of the contract will cause the City to cancel the order or terminate the contract and hold the contractor liable for any excess costs.
- C. Most disputes are resolved through negotiation and compromise; however, in the event that a satisfactory solution can not be reached with the contractor and upon expiration of the time period stated in the letter(s), the City may resolve differences through an administrative process, using mediation or arbitration or through formal judicial (litigation) procedures.
- D. The contractor or supplier may be suspended from doing business with the City until a settlement has been reached.

Chapter 5

PERSONAL PROPERTY CONTROL AND DISPOSAL

5.01 PERSONAL PROPERTY CONTROL:

A. Definition:

Property control entails maintaining the records and performing annual inventories of all tangible personal property owned by the City. Personal Property is described as non-tangible (of a non-consumable nature), valued at \$750.00 or more, and has a life expectancy of one year or more.

B. Responsibility:

The Financial Services Department is responsible for the maintenance and control of the property records, including assigning property identification numbers, inputting data into the Fixed Assets computer program, reconciliation of property records and facilitating the annual inventory.

The Purchasing Division shall provide the Financial Services Department with a copy of the purchase order form marked Property Records for all purchases from the capital improvements, 6200, and Capital Equipment, 6400 line.

5.02 SURPLUS PROPERTY

A. Purpose:

To regulate the disposal of obsolete or excess tangible personal property.

B. Form:

Surplus Property Forms are available from the Purchasing Division.

C. Definition:

Personal property is defined as property that is obsolete, excess, or the continued use of which is uneconomical or inefficient, or which serves no useful function.

D. General:

All personal property that is no longer needed or used by a department, to include vehicles, heavy equipment, desks, chairs, tables, office equipment, etc. are to be reported to the Purchasing Division for disposition by either transfer, scrap, or sale in accordance with Florida State Statutes and City Ordinance.

E. Procedure:

It is the responsibility of each department to notify the Purchasing Division of any equipment or other tangible personal property is surplus to that department's need.

1. Transfer of Property:

The department shall complete a Request to Transfer Form and shall acquire signatures of both the transferor (owning department director) and the transferee (receiving department director). The completed form shall be forwarded to the Financial Services Department for updating the Fixed Assets Records and finalizing the transfer.

2. Surplus Items:

- a. Items which are surplus to the needs of the department are to be listed on a Surplus Property Form. The department head must sign and forward the form to the Purchasing Division.
- b. Transfer to other City Departments should be considered first. The Purchasing Division may survey the other departments and divisions to determine if the property is needed or can be used in another area.
- c. Prior to final disposition, all property shall first be declared surplus to City needs by the City Commission, as required by Florida State Statutes, Chapter 274 and City Ordinance.
- d. Upon approval by the City Commission, the Purchasing Division shall dispose of surplus property by one of the following methods:
 1. Trade-in on new equipment.
 2. Donation to another governmental agency.
 3. Sale of item(s) utilizing the most appropriate method, i.e. auction, sealed bid. In an effort to obtain the highest revenues for surplus automobiles and heavy equipment, sealed bids should be considered prior to sending to auction.
 4. Dispose of as scrap.
- e. Notice of auction shall be publicly advertised in the newspaper at least one (1) week prior to the scheduled date of sale.
- f. The check for the proceeds from the auction is forwarded to the Finance Division for deposit into the appropriate account(s).
- g. The final surplus property auction list indicating the proceeds received shall be provided to the Finance Division for updating the Fixed Assets Records.

- h. The Police Department is responsible for the disposition of all confiscated and recovered property pursuant to applicable state laws. Upon request from the Police Chief, the Purchasing Manager may sell such confiscated property during the scheduled City auction. (Refer to Procedures for Disposal of Recovered Property.)

5.03 PROCEDURES FOR DISPOSAL OF RECOVERED PROPERTY

A. Purpose:

The purpose of this policy is to provide uniform procedures for the disposal of unclaimed evidence, lost or abandoned property by the City of Longwood Police Department in compliance with Florida State Statutes Chapter 705.

B. General:

This policy was adopted by Resolution #681, on September 9, 1991.

C. Procedure for Lost or Abandoned Property:

1. Abandoned property may be retained for use by the Police Department or by the City. It may also be traded, sold, disposed of as refuse or donated to a charitable organization. No formal advertising is required for abandoned property.
2. Lost property with intrinsic value is retained by the Police Department for a minimum of 90 days and requires public notice of intended disposition of the property.
3. The Police Department will notify the Purchasing Division in writing when subject property is available for donation to a non-profit, charitable organization. A separate list will be furnished which classifies the property as lost. A description of the items should include make, model, serial number, (when applicable), or other pertinent information.
4. The charitable organization should be selected from a rotating list of such organizations.
5. Notice of such donation shall be advertised in the local newspaper of general circulation in the County where the property was found. The publication is to be run once a week for two (2) consecutive weeks. The advertisement must include the description of the item and the intended disposition.
6. If, after providing adequate notice of the intended disposition of subject property, no claim has been made by the rightful owner, the City may donate the items to the designated non-profit organization.

7. The President or authorized agent of the non-profit organization must sign for the receipt of the property.

D. Unclaimed Evidence:

1. If the property is classified as evidence, it is held a minimum of 60 days, (plus 30 additional days for appeals), for total of 90 days after final disposition of the proceeding.
2. If the property is of intrinsic value, the Department may elect to retain the property for use within the City or department, or donate the property to a charitable organization.
3. Public Notice is not required for unclaimed evidence.
4. If the Police Department determines that the property is not of intrinsic value, the Police Department may elect to destroy the property.
5. It is the responsibility of the Police Department to keep correct account of the disposition of all property in the evidence records.
6. It is the City's policy, after the property has been cleared by the Police Department, to donate all lost, abandoned (with no intrinsic value), and unclaimed evidence, to a non-profit organization. The non-profit organization may make the determination whether to use or salvage the property at their discretion.

E. Property Forfeited:

1. The Police Department received the final order of forfeiture by the court which grants the Department the right, title and interest to the property.
2. The Police Chief determines the disposition of the property. The forfeited property may be retained for use by the Department. If the Police Chief deems it necessary, he may dispose of the property in the following manner:
 - a. Salvage the property;
 - b. Transfer the property to any public or non-profit organization;
 - c. Sell the property at public auction to the highest bidder.
3. Public notice of the sale is required as provided by law.
4. The proceeds of the sale shall be applied to any liens, court costs, or for payment of any storage, maintenance, and security of such property. The remaining proceeds shall be deposited in the City's Law Enforcement Trust Funds as per Florida State Statutes 932.704.

CHAPTER 6

ACQUISITION OF DESIGN-BUILD PUBLIC CONSTRUCTION PROJECTS

6.01 Purpose

In order to comply fully with the requirements of Section 287.055 (c), Florida Statutes, the following procedures shall be followed in selecting design-build firms to provide combined design and construction services.

A. Authority:

The City Administrator is authorized to determine that a City project shall be constructed under a design-build contract and shall authorize the preparation of a design criteria Package.

B. General:

This procedure applies to the acquisition of all design-build public construction projects. The scope of the procedure is:

1. To implement procedures for acquiring design criteria professionals for the proper preparation of design criteria packages.
2. To assign criteria, procedures and standards for the preparation and evaluation of design-build proposals.
3. To assign responsibilities for design-build public construction project in the case of public emergencies.

C. References:

1. Florida State Statutes 287.055, Consultants Competitive Negotiation Act;
2. Purchasing Ordinance #16.5.

D. Definitions:

1. "Department" - The City of Longwood Purchasing Division.
2. "Design-build" - Providing responsibility within a single contract for design and construction where services within the scope of practice of professional engineering or architecture, as defined by the laws of the State of Florida, are performed by an engineer or architect duly registered in the State of Florida; and where services within the scope of construction contracting, as defined by the

laws of the State of Florida, are performed by a contractor qualified and licensed under the applicable Florida Statutes.

3. "Design-Build Firm" - A partnership, corporation, or other legal entity which is certified under Florida ss. 489.119 to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent; and is certified under ss 471.023 to practice or to offer to practice engineering; certified under ss 481.219 to practice or to offer to practice architecture; or certified under ss. 481.319 to practice or to offer to practice landscape architecture.
4. "Design-Build Contract" - A single contract with a design-build firm for the design and construction of a public construction project.
5. "Design Criteria Package" - Concise, performance-oriented drawings or specifications of the public construction project. The purpose of the design criteria package is to furnish sufficient information so as to permit design-build firms to prepare a bid or a response to a Request for Proposal, or to permit the City to enter into a negotiated design-build contract. See Section 6.03, Design Criteria Package Requirements.
6. "Design Criteria Professional" - A firms who holds a current certificate of registration under Florida ss. Chapter 481 to practice architecture or landscape architecture or a firm who holds a current certificate as a registered engineer under Chapter 471 to practice engineering and who is employed by or under contract to the City for the providing of professional architect services, landscape services, or engineering services in connection with the preparation of the design criteria package.
7. "Firm" - Any individual, firm, partnership, corporation, association, joint venture, or other legal entity permitted by law to practice engineering, architecture, and/or construction contracting in the State of Florida.

6.02 **SELECTION ADVISORY COMMITTEE:**

- A. For each design-build project there shall be a Selection Advisory Committee composed of the following persons:
 1. Public Works Director or designee
 2. Purchasing Manager, or designee
 3. A representative from the department for which the project will be constructed
 4. Other person(s) appointed by the City Administrator
 5. The design-build criteria professional may assist the Selection Committee as a Technical Advisor
 6. The Project Manager, if applicable.

- B. The Selection Advisory Committee shall serve in an advisory capacity to the City Administrator and City Commissioners through completion of the design-build project.
- C. The Selection Advisory Committee shall interview and recommend the design criteria professional and the design-build firm.

6.03 **DESIGN CRITERIA PACKAGE:**

A General:

All design-build projects require a design criteria package to define the project parameters which are to be used to assist the Selection Advisory Committee in evaluating the proposals.

- 1. The design criteria package consists of performance oriented drawings or specifications, or both, of the project.
- 2. The design criteria package shall be prepared and sealed by a design criteria professional employed by or retained by the City. If the City elects to enter into a professional services contract for the preparation of the design criteria package, the design criteria professional shall be selected and contracted in accordance with the requirements of Florida State Statutes Chapter 287.055, Subsections (4) and (5).
- 3. The design criteria services of a firm under continuing contract may also be utilized if the project is estimated to be less than \$500,000 and provisions for design criteria services are in the contract.
- 4. The City may also elect to utilize the services of a City employee if that employee is certified under Chapters 481 or Chapters 471 to practice architecture, landscape architecture, or engineering.
- 4. A project estimated to be less than \$150,000 does not require formal advertising for a professional services consultant in accordance with Florida State Chapters 287.055 (3)(a).

B. Preparation of the Design Criteria Package:

- 1. The Design Criteria Package for a public construction project should include, but not be limited to:
 - a. full scope of work
 - b. legal description of site
 - c. survey information/soil test reports
 - d. interior space requirements
 - e. value engineering (material quality and standards)
 - f. life cycle requirements (maintenance/energy)

- g. concept geometry for minimum staffing
- h. schematic layouts, if applicable
- l. conceptual design criteria
- j. cost or budget estimates
- k. design and construction schedules
- l. site development requirements
- m. provisions for utilities, storm water retention and disposal
- n. parking requirements
- o. permit/zoning information
- p. other criteria necessary to provide sufficient information upon which firms may prepare technical proposals and price proposals.

6.04. DESIGN-CRITERIA PROFESSIONAL:

A. General:

1. Acceptable, minimum requirements to act as the design criteria professional include, but are not limited to:
 - a. Florida licensed professional engineers and architects employed by the City.
 - b. A Florida licensed engineering or architectural firm providing management services to the City.
 - c. Engineering and architectural firms selected by the City pursuant to Section 287.055, Florida Statutes, to be the design criteria professional and licensed to practice in the State of Florida.
2. A design criteria professional who has been selected to prepare the design criteria package shall not be eligible to render services under a design-build contract executed in accordance with the design criteria package.
3. In addition to the preparation and sealing of the design criteria package, the design criteria professional may also be contracted to provide services concerning the following:
 - a. Assist and advise in the evaluation of the responses or proposals submitted by the design-build firms;
 - b. Assist and advise in the review and approval process by the City of the detailed working drawings and plans submitted for the project; or
 - c. Evaluation of the compliance of project construction with the design criteria package prepared by the design criteria professional.

B. Public Announcement:

1. Except in emergency situations, the Department shall publish an announcement in a newspaper having a general circulation in the area where the proposed work is located setting forth a general description of the project requiring design-build services and defining procedures for interested firms to apply for consideration.
2. The notice shall contain time frames for submittal of letters of interest, statement of qualifications and performance, a general description of the project and any other requirements for the submittal of letters of interest.

C. Selection and Pre-qualifications of Design Criteria Professional:

1. Firms desiring to submit proposals on the design-build project must submit a letter of interest and statement of qualifications setting forth the abilities of the entities involved in the firm and providing any other information required by the announcement of the project.
2. The Selection Advisory Committee shall review the proposals to determine the relative ability of each firm to perform the services required for each project. Determination of ability shall be based upon, but not limited to, the following criteria:
 - a. Professional Personnel qualifications;
 - b. Past performance in the preparation and evaluation of design criteria packages, including knowledge of benefits in using the design-build process.
 - c. Ability to meet time and budget requirements;
 - d. Office location and ability to respond to the City's needs;
 - e. Recent, current and projected workload;
 - f. The volume of work previously awarded to each qualified firm, with the object of effecting an equitable distribution of contracts among qualified firms, provided the distribution does not violate the principle selection of the most highly qualified design criteria professional; and
 - g. Other factors appropriate to the specific project.
3. The Selection Advisory Committee shall select not less than three firms deemed to be most highly qualified to perform the required services, after considering the selection criteria factors.
4. The Selection Advisory Committee may request, accept, and consider proposals for the compensation to be paid to the design criteria professional only during

negotiations as per Florida State Statutes Chapter 287.055 (5).

5. The final negotiated fee and contract of the design criteria professional shall be approved by the City Commission.

6.05 **DESIGN-BUILD FIRM**

A. Procedure for Short Listing Firms:

1. Except in emergency circumstances, the Purchasing Manager shall publish in a newspaper of general circulation, a public announcement providing a general description of the design-build project. The public announcement shall include a brief statement of the qualifications required for the design-build firm and request qualification statements.
2. The Selection Advisory Committee, with the assistance and advise of the design-build criteria professional, shall establish the qualifications required for the design-build firm. The qualifications required may include the following factors:
 - a. Prior work experience and performance of each firm and previous experience of the firm's team as it relates to working and project coordination as a team;
 - b. The proposed key personnel to be engaged in the design-build project;
 - c. Proof of compliance with all certifications and license requirements;
 - d. The financial capacity of the firm; and
 - e. Other factors appropriate to the specific project.
3. The Selection Advisory Committee shall evaluate the qualification statements and *establish a short list of at least three (3) qualified design-build firms* to whom a Request for Proposal and design criteria package shall be issued.

B. Request for Proposals:

1. *Technical Proposals:* The technical proposal shall include but not limited to the preliminary design plans, preliminary specifications, technical reports, calculations, permit requirements, and other data as requested in response to the design criteria package.
3. *Price Proposals:* The price proposal shall include one lump sum cost for all design, construction management, and construction of the proposed project, preliminary design submittal reports and other data requested in response to the design criteria package.

- a. The price proposals may be required to be submitted in a separate sealed envelope with the face of the envelope clearly marked and identified as a price proposal, including the firms name, project description, and any other information required by submission of proposals.
 - b. The price proposal shall be secured by the Purchasing Division until such time as the Selection Committee meets to select the design-build proposal.
4. *Selection Criteria:* The selection criteria for evaluating Request for Proposals may include:
- a. The ability, capacity, and skills of the firm to perform the contract or provide the services required.
 - b. Whether the firm can perform the contract or provide the service promptly, within the time specified, without delay or interference.
 - c. The character, integrity, reputation, judgments, experience, and efficiency of the firm.
 - d. The quality of performance of previous contracts or services.
 - e. The previous and existing compliance by the firm with laws and ordinances relating to the contract.
 - f. The sufficiency of the financial resources and ability of the firm to perform the contract.
 - g. The quality, availability, and adaptability of the supplies or contractual services to the particular use required.
 - h. The ability of the firm to provide future maintenance and warranty services.
 - i. The number and scope of non-compliant conditions attached to the proposal.
5. *Pre-Proposal Conference:* A pre-proposal conference may be held to discuss the project and answer any questions regarding the design criteria package prior to the due date of the design-build proposals.

C. Evaluation and Award:

- 1. The Committee may consider recommendations of the design criteria

professional in the evaluation of the Request for Proposals to assure compliance with the design criteria package.

2. The Selection Advisory Committee shall review the design concepts or preliminary designs proposed by each firm and shall establish a rating system for evaluation of each proposal based on the weighing factors stated in the package; i.e. price, technical and design aspects.
3. The Selection Advisory Committee will evaluate and score each proposal. The Committee shall submit their recommendation for award to the City Commission for final approval of the contract.
4. The firm to whom the design-build contract is awarded will be responsible for creation of the project design based on the criteria in the design criteria package and the construction of the facility in compliance with the approved plans and specifications.
5. The Department shall provide written notification by mail to each firm that submitted a proposal of the award or rejection of the proposals within 30 days of final selection or determination to reject all proposals.

6.06 CONSTRUCTION AND SUPERVISION:

After award of the contract to a design-build firm, the City Administrator may retain the design criteria professional to supervise or assist in the approval of the detailed working drawings of the project and evaluate compliance with the design criteria package during the construction of the project.

6.07 PUBLIC EMERGENCY PROJECTS:

As stated in Florida State Statutes, 287.055, 10(c) 6, in the case of public emergencies, the City Commission may declare that an emergency exists and authorize negotiations with the best qualified design-build firms available at that time.

6.08 RESERVATION OF AUTHORITY:

The authority to issue or revise this Department Operating Procedure is reserved to the City Administrator.

CHAPTER 7

PROCUREMENT CARD PROGRAM

7.01 PURPOSE

To establish policies for the use and control of procurement cards which will be assigned to and utilized by designated City employees to purchase goods and services, on behalf of the City of Longwood or when authorized per this policy. This policy is intended to accomplish the following:

- To ensure that procurement card purchases are accomplished in accordance with the City's established ordinances, policies and procedures.
- To ensure appropriate internal controls are established within each department utilizing the procurement cards so that they are used only for authorized purposes.
- To ensure that the City bears no legal liability from inappropriate use of procurement cards.
- To provide for disciplinary action if the purchasing cards are misused.
- To provide minimum standards for the use of procurement cards, thus authorizing other departments to establish additional controls beyond those suggested by these policies.
-

A. Authority:

The department head, with final approval by the City Administrator, determines which employees will be selected to use the procurement card.

B. Definition:

1. Procurement Card Administrator - The Purchasing Manager, also referred to as Program Administrator, is responsible for the implementation of the Procurement Card Program, training, and management of the program. Policies and Procedures and applicable forms are maintained and updated by the Purchasing Manager as needed.

C. General Scope of Program:

The City of Longwood's Procurement Card Program is designed to improve efficiency in processing low dollar purchases from vendors that accept the Visa credit card. This

program will allow the cardholder to purchase approved commodities directly from authorized vendors. The scope of the program is to accomplish the following:

- a. To provide an efficient method of purchasing and for the payment of goods and services not to exceed \$500.00 per purchase transaction.
- b. Reduce the use of Field Purchase Orders.
- c. Reduce the time spent by Accounts Payable processing low dollar transactions.

D. The Procurement Card:

Each procurement card will be issued to a named individual. The card will be imprinted with the individual's name, the name City of Longwood and the City Logo as the Government buyer of the goods and services, the Florida State Sales Tax Number, account number and expiration date.

The Purchasing Division and the Financial Services Department will monitor the performance of the program. All questions or concerns should be directed to:

Procurement related: Marilyn Douglas 260-3480, or
Accounting related: Financial Services Director 260-3475

E. Procurement Card Process:

The procurement card system simplifies the procurement and payment disbursement process. Procurement responsibility is delegated to the ordering department enabling an authorized cardholder to place an order directly with the vendor.

When a purchase authorization is requested by the supplier at the point-of-sale, the Visa procurement card system validates the transaction against preset limits established by the employees Department. All transactions are approved or declined electronically based on the procurement card authorization criteria established. The authorization criteria may be adjusted periodically as needed and may include, but is not limited to, the following:

- * Single purchase limit (not to exceed \$500.00)
- * Monthly spending limit
- * Approved merchant category codes

The authorization process occurs through the electronic system that supports the procurement card processing services under the City of Longwood's agreement with Bank of America.

F. Responsibility:

The following is a summation of the responsibilities of the individuals and organizations involved in the procurement card system.

1. Department Head:
 - * Request procurement cards for designated employees;
 - * Set departmental spending limits within established guidelines;
 - * Designate representatives responsible for authorizing charges;
 - * Collect cards from cardholder at the end of employment;
 - * Evaluate the need to cancel or reissue cards when employees transfer;
 - * Notify the Procurement Card Administrator of terminated cards;
 - * Comply with all purchasing and procurement card policies and procedures;

2. Cardholder:
 - * Hold and secure procurement card;
 - * Ensure availability of funds and proper account codes;
 - * Order/receive materials and services;
 - * Recheck each transaction: **No sales tax and no back-orders;**
 - * Collect and save sales receipts. Maintain in safe location;
 - * Match receipts with monthly card statement;
 - * Review monthly statements for validity of all transactions;
 - * Process all billing statements in a timely manner;
 - * Identify disputed charges;
 - * Review monthly charges with supervisor;
 - * Comply with all purchasing and procurement card policies and procedures;

3. Department Representative: (As designated by Department Head)
 - * Review monthly statement with cardholder;
 - * Verify there are no sales tax charges and no back-orders;
 - * Ensure availability of funds in proper account codes;
 - * Verify the appropriateness of account codes;
(i.e., Department/Division/Function/Object Code)
 - * Research, report, and follow-up on disputed items;
 - * Sign the monthly statement authorizing charges;
 - * Process all billing statements in a timely manner;
 - * Forward statement and supporting receipts to Accounts Payable;
 - * Comply with all purchasing and procurement card policies and procedures.

4. Finance Division:
 - * Monitor changes for proper account codes and fund availability;
 - * Receive approved monthly statements from all card holders;
 - * Receive consolidated statements from procurement card issuer;
 - * Confirm that all charges are authorized by department representatives;
 - * Notify departments when approved monthly statements are not received;
 - * Pay all non-disputed monthly charges from consolidated statement;
 - * Process accounting data;
 - * File and store statements, receipts, etc.

- * Administer 1099 reporting;
- * Monitor missing documentation and notify the Procurement Card Administrator;
- * Notify the Procurement Card Administrator of any violations or discrepancies.

5. Procurement Card Administrator: (Purchasing Manager)

- * Coordinate program policy issues;
- * Issue list of commodity codes to department heads;
- * Block commodity codes for procurement card program;
- * Initiate training program for all cardholder;
- * Coordinate issuance and cancellation of cards;
- * Target new cardholder and expanded use of card;
- * Maintain policy and cardholder guides/manuals;
- * Evaluate procurement card feedback from suppliers and from departments;
- * Coordinate and maintain internal controls;
- * Assist in resolving billing disputes;
- * Participate in ongoing program reviews;
- * Pursue supplier discount opportunities;
- * Establish and monitor bench marking objectives;
- * Conduct semi - annual inventory of procurement cards;

6. External Auditor:

- * Conduct periodic operational and compliance audits and reporting

7.02 ASSIGNMENT AND CONTROL OF THE PROCUREMENT CARD

A. Request For and Issuance of Procurement Card:

1. Procurement cards may be issued to individual employees who frequently purchase goods and services in single purchase amounts of \$500.00 or less.
2. The Department head or designee shall complete the Visa Purchasing Account Structure Form to indicate the authorized cardholders, billing and reporting structure for the Department.
3. Each employee requesting issuance of a procurement card shall complete the Purchasing Cardholder Information Form. The form is available through the Purchasing Card Administrator. Cardholder information includes name, social security number, telephone number, monthly reconciliation statement address and employee signature. The Department head shall recommend an authorized monthly credit limit. (The single transaction limit is \$500.00). Upon completion of the Cardholder information form, the Department shall forward the information to the Purchasing Card Administrator for final execution and processing.

2. The procurement card will have the employee's name, the City's name, card number, City tax exemption number, and the expiration date embossed on the face of the card. The Bank which issues the procurement card will not have access to the individual cardholder's personal information other than the information supplied on the Cardholder Information form.
3. All requests for new card holders, changes to current cardholder, or changes to credit or transaction limits must be made by the department head. The department head shall complete and forward the Purchasing Card Maintenance Form to the Procurement Card Administrator for processing.
4. The Procurement Card Administrator will notify the requesting department upon receipt of the procurement card from the Bank. The cardholder will be required to personally take receipt of the card. Prior to receiving the card, the cardholder will be given a copy of the Procurement Card Policies and Procedures and an oral review of the program. The cardholder will be required to sign a Certification and Receipt Form.
5. The Procurement Card Administrator will advise the Finance Division upon the issuance of all procurement cards.

B. Lost or Stolen Procurement Cards:

1. If a procurement card is lost or stolen, it is the responsibility of the cardholder or department representative to immediately notify the procurement card company and the Procurement Card Administrator of the loss. To report a lost or stolen card to the procurement card Company Monday thru Friday, between 8:00 a.m. and 6:00 p.m., call Customer Service 1-800-300-3084 call VISA anytime at 800-449-2273.
2. The cardholder will be responsible for reporting all information necessary to reduce the liability to the City for a lost or stolen card.
3. The department is responsible for all costs associated with a lost or stolen card.
4. Disciplinary action will be taken in the event that the Procurement Card Administrator or bank is not notified within 24 hours of the loss.

C. Termination or Transfer of Cardholder

1. When an employee ends his or her employment or is transferred to another department, the Department Head must collect the procurement

card and destroy it. The department must then submit the destroyed card to the Procurement Card Administrator, who will notify the financial institution to cancel the card.

2. If the department is unable to collect the procurement card when an employee terminates, the Department Head must immediately notify the financial institute and the Procurement Card Administrator. The Procurement Card Administrator will ensure that the card is canceled.
3. Should a cardholder be transferred to another department, it will be the new Department Head's responsibility to determine if the employee should be issued a new procurement card in their new position.

D. Inventory of Procurement Cards:

Periodically, the Procurement Card Administrator will provide a current list of procurement cards to each department. Departments will conduct a physical inventory of all cards and will provide a report to the Purchasing Office of the results of the inventory.

7.03 **LIMITATIONS ON USE OF PROCUREMENT CARD**

A. Cardholder Use Only

The procurement card may be used only by the employee whose name is embossed on the card. No other person is authorized to use the card.

B. City Purchases Only

The procurement card is to be used for City authorized purchases only. The procurement card cannot be used for any personal use and any such use will require immediate reimbursement and will result in disciplinary action which may include dismissal.

C. Dollar limitations

1. The Department Head approving the assignment of a procurement card will set two (2) limits for each cardholder: A single purchase limit and a 30-day limit. The maximum limit shall be \$500.00 for a single purchase and \$4,000.00 during the 30-day billing cycle, or as authorized by the City Administrator. Requests for spending limit changes must be initiated and authorized by the Department Head, and approved by the City Administrator or Procurement Card Administrator.
2. A purchase may consist of multiple items, but the invoice total must not exceed \$500.00 or the cardholder's limit if less than \$500.00. Payment for purchases shall not be split to stay within the single purchase limit.

Purchases will be denied if the authorized single purchase limit is attempted.

3. No purchases will be allowed for capital outlay items.

D. Other Conditions

1. All items purchased over-the-counter must be immediately available. No back ordering is allowed.
2. All items purchased during one telephone transaction must be delivered in a single delivery. If an item is not immediately available, no back ordering is allowed.
3. All items purchased by telephone must be delivered by the vendor within the 30-day billing cycle. The order should not be placed without this assurance.

E. Prohibited Uses of Procurement Cards

The following types of items may not be purchased with a procurement card, regardless of the dollar amount:

1. Gasoline or oil, unless there exists an emergency
2. Vehicle repairs unless authorized by Public Works
3. Travel expenses relating to food
4. Cash advances
5. Inventory items
6. Items available on a blanket purchase order

Prohibited uses continued:

7. Capital outlay and expenditures related to capital projects
8. Personal items
9. Telephone calls
10. Any additional goods or services specifically restricted by the Department Head or the Division of Purchasing.

7.04 **VIOLATIONS:**

A. Personal Use:

It is a direct violation of City Policies and Procedures to use the procurement card for personal use. Any abuse or misuse of the procurement card or this procedure shall result in this privilege being suspended or revoked. The Procurement Card Administrator will refer violations and discrepancies to the City Administrator for disciplinary or other appropriate action. Personal use of the procurement card will

require immediate reimbursement to the City and will result in disciplinary action which may include dismissal.

B. Other Misuses:

1. It is the responsibility of the ordering department to ensure all "extra" charges such as freight handling, set up, etc. are considered before a procurement card transaction is made. A vendor's willingness to honor a procurement card transaction exceeding \$500.00 does not authorize departments to make such purchases.
2. Purchases from vendors that create conflicts of interest, i.e.: companies owned by the city employee or their relatives, etc.
3. Multiple procurement card transactions to circumvent the \$500.00 limit.
4. Procurement card transactions referenced in Section 7.03 - Prohibited Uses of Procurement Cards.
5. Failure to produce proper documentation, receipts, invoices, monthly statements, etc. to Finance for prompt payment.
6. Failure to report lost or stolen procurement card as per with Section 7.02.
7. Charging to accounts when funds are not available.

7.05 CHARGING AND PAYMENT OF INVOICES:

A. General Information

1. When using the procurement card, the department will make the purchase at the best possible price.
2. Since the procurement card purchase is initiated at the department level, there is no automatic encumbrance of budget funds until the transaction is entered into the Field Purchase Order Menu. Therefore, the department must check and insure that the account being charged has funds readily available for any procurement card transaction at any given time.

B. Documentation of Over the Counter Purchases

1. When a purchase is made with the procurement card, the cardholder must obtain the customer's copy of the charge slip in addition to the detailed invoice/receipt. The charge slip or related cash register slip/receipt must show in sufficient detail the type and number of items purchased with the unit cost.

2. The charge slip and detailed invoice/receipt will be retained by the cardholder or by the department representative in a secure location. All charge slips and invoice will be verified against the monthly bank statement and forwarded to Accounts Payable with the monthly statement.
3. The City is exempt from sales tax. The cardholder must ensure that the vendor is aware of this and that the sales tax is not added to the charge transaction.

C. Telephone Orders

1. When placing a telephone order, the cardholder must confirm that the vendor will not charge the procurement card transaction until the item is shipped. This will ensure that the receipt of the item occurs during the same billing cycle as the charge.
2. Inform the vendor that the City is tax exempt and will not pay tax. The tax exemption number is imprinted on each card.
3. It is important to inform the vendor that no back-orders are permitted.
4. A telephone log form will be used to document or record all telephone procurement transactions. This form will be held at the department and forwarded with the monthly billing statement.

D. Missing Documentation:

1. In the event the cardholder does not have the original documentation of the transaction to forward with the monthly statement, the cardholder shall immediately obtain a copy. If a copy can not be obtained, the department head must explain the reason for the lack of supporting documentation and provide a detailed description of the purchase. The documentation shall include the description of each item, the quantity purchased, the unit cost per item, the date of purchase, the vendor name, and address and the explanation.
2. Continued incidents of missing documentation may result in the cancellation of the employee's procurement card.

E. Payment and Invoice Procedures:

1. The procurement card company will mail an individual billing statement to each cardholder's office. In addition, one consolidated statement for all cardholders will be mailed to the Finance Division. The statement of account will list all transactions processed during the previous 30 day

billing cycle. If no purchases were made on the procurement card during the billing cycle, no statement of account will be generated unless adjustments for previously billed transactions have been processed during that cycle.

2. The cardholder must review the statement and note any errors or discrepancies. Procurement card slips/receipts for all items listed on the statement should be attached to the statement. Account numbers for each item (or account numbers and total dollar amounts for groups of items) will be written on a designated payment authorization form to be attached to the statement. The statement will then be reviewed and the form signed by the department representative designated by the Department Head. By signing the form, the designated department representative is certifying that all charges are appropriate, funds are available, and payment is authorized based on the attached receipts. Once the department representative has reviewed all statements for which they are responsible, the statements and forms are forwarded to the Accounts Payable section of the Finance Division. All statements will be forwarded to the Finance Division within five (5) working days after receipt.
3. The Finance Division will ensure that the procurement card charges are paid on a timely basis and that the consolidated statement received is reconciled against the individual cardholder statements forwarded from the departments. Department Heads will be notified when individual statements are not received in the allotted time. Continued failure to meet the five (5) working day deadlines may result in the revocation of procurement cards at the discretion of the Procurement Card Administrator.

7.06 DISPUTES:

- A. If items purchased with the procurement card are defective, the cardholder must return the items(s) to the vendor for replacement or credit. If a service which is paid with a procurement card is found to be unsatisfactory, the vendor must be notified and asked to correct the situation or to provide a credit. If the vendor refuses to replace or correct the faulty item or service, the purchase will be considered in dispute.
- B. It is essential that the time frames and documentation requirements established by the procurement card issuer be followed to protect the cardholder's rights in dispute. (See Dispute Procedures).

7.07 DISPUTE PROCEDURES:

- A. A disputed item must be identified and explained on the cardholder's memo statement before the statement is forwarded to the Finance Division for

payment.

- B. The cardholder contacts the Merchant about the transaction and supplies the necessary information to begin the resolution process. In addition, the cardholder will complete the Visa Dispute Form, explaining the reason(s) for the dispute and will turn in the completed form along with a copy of the statement to the Department Head and/or Program Administrator.
- C. If the problem between the Merchant and the cardholder is satisfactorily resolved, the cardholder must write the details of the resolution on the bottom of the Dispute Form. The revised form shall be forwarded to the Department Head and/or Program Administrator as soon as possible.
- D. In the event that a satisfactory agreement cannot be reached with the Merchant, the following steps will occur:
 - 1. Forward the completed Visa Dispute Form and a copy of the sales draft form to the Bank of America Representative. Bank of America will then place the transaction into a dispute status.
 - 2. After the item has been registered as a dispute, Bank of America must determine who is responsible by researching the transaction. When responsibility for the transaction is determined, the dispute will be settled on-line and will be reflected on the next monthly memo statement.
 - 3. When an account is in dispute status, the disputed amount is still included in calculating the available money for authorization (monthly limit). At the time the item is placed in dispute, it is removed from all finance charges, late charges, over limit fees, past due amounts, and calculations. Finance charges, which accrue from the date of posting until the item is placed in dispute, must be handled according to City policy. Any cardholder statements generated while the account is in dispute will display the following message:

YOUR ACCOUNT IS IN DISPUTE FOR \$XXX.XX THIS AMOUNT HAS NOT BEEN INCLUDED IN THE FINANCE CHARGE OR PAYMENT CALCULATIONS.
 - 4. Upon determination by Bank of America of disputed charge(s), If the cardholder is found responsible for the transaction, payment is required by the City and no further action is required. If the cardholder is not responsible for the transaction, the dispute is settled in favor of the cardholder and the charge back process may be initiated against the Merchant.
 - 5. If there continues to be a problem with a particular merchant, the cardholder should notify the Purchasing Manager of the problems.

7.08 REVIEW OF PURCHASES BY DEPARTMENTS

- A. Because of their knowledge of the job responsibilities and requirements, department representatives are required to review each procurement card expenditure (item purchased, amount, and vendor) to ensure the goods or services were necessary, and for official use.
- B. When purchases are questioned, the Department Head or designated department representative will be responsible for resolving the issue with the cardholder. If the Department Head cannot be satisfied that the purchase was necessary and for official use, the cardholder must provide a credit voucher proving the item(s) were returned for credit.
- C. All misuse must be recorded on the "Procurement Card Misuse Form" by the Department Head, Finance Division, or Purchasing Office and sent to the Procurement Card Administrator. The Procurement Card Administrator will document the misuse and send the document to the Department Head or the City Manager based on the severity of the abuse.
- D. To help the Department with the reviews, management reports will be available from the procurement card company.

CITY OF LONGWOOD PURCHASING DIVISION

CITY COMMISSION

CITY ADMINISTRATOR

FINANCIAL SERVICES DIRECTOR

PURCHASING MANAGER

BUYER

DIRECTORY

Marilyn Douglas
Purchasing Manager..... 260-3480

Karen Behling
Buyer.....260-3483