

PROCUREMENT MANUAL



Procurement Services Division

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FORMS:

- Contract Renewal Evaluation Form*
- Piggyback Request Form*
- Quotes Approval Form*
- Reverse Requisition Form*
- Sole Source Justification Form*
- Solicitation Evaluator's Understanding of Responsibilities & Conflict of Interest Form*
- Solicitation Request Form*
- Vendor Performance Form*

INTRODUCTION

This Procurement Manual (“Manual”) has been developed to help provide information and details on the Procurement Process. The information has been developed based on the City of Hollywood, FL (“City”) Code of Ordinances (Code), Policies, Procedures and procurement best practices. Please contact the Procurement Services Division (“Division”) if you have questions or need assistance with the procurement process.

GOALS

The Division strives to purchase quality products and services at competitive prices while adhering to existing policies and periodically reviewing those policies to improve effectiveness and efficiency. The Division strives to provide timely services and assistance through effective communication and training efforts. The goal of this Manual is to improve the communication process with our customers and to document important procedures to ensure consistency and continuity of operations.

The Need for Competition

Why do we need competition? The Hollywood City Commission and the City Manager recognize that open and fair competition is a basic principle of fair and transparent local government. Competition, by its very nature, reduces the appearance and opportunity for favoritism and inspires public confidence that City contracts are awarded in an equitable fashion, realizing the greatest potential for financial benefit. Transparency and fairness provide important means of curbing any improprieties and establishing public confidence in the process through which commodities and services are procured.

It is essential to the effective and ethical procurement of goods and services that City Departments and Offices use a system of uniform procedures in managing and procuring goods and services. The principles of fairness and equality are best served when good documentation is maintained since it is incumbent that our process not only be fair, but transparent as well. Strict adherence to specific ethical considerations by all City officers, employees and agents, and by its suppliers and contractors is required to maintain the confidence of the public, the City, and the business community in the expenditure of City funds.

An Introduction to the Procurement Process

The operation of the City requires a tremendous diversity of skill, crafts, trades, and professions and covers a multitude of functions and services. It is, in effect, many teams working together toward the common goal of efficient, effective and economical delivery of services to residents and other constituents. By the very nature of its diversification of enterprises and the large scope of work covered, delegation of authority is necessary.

All personnel acting on behalf of the City are tasked to operate many functions as efficiently and economically as possible. Therefore, it is necessary that everyone work together as a team to eliminate excess effort and waste for the efficient and effective operation of City government.

A Division that has significant operational and financial impact on City government is Procurement. The Division is responsible for the procurement of the goods and services required for City operation. The Division also has a control function to ensure statutes, rules and regulations concerning the purchase and disposal of goods and services are complied with, and that all transactions are carried out under the highest ethical standards. The Division also provides resources, research and information on new products and services, as well as trends and opportunities.

Since all purchases are made with taxpayer dollars, there are many laws, rules and regulations governing how procurement should be conducted in the State of Florida, and in the City of Hollywood, the most important of which is the [Procurement Code](#). A copy of the [Procurement Code \(City Code § 38.35\)](#) is accessible online through the City's website at www.hollywoodfl.org.

This Manual has been developed to serve as a framework within which well-informed decisions can be made. Due to the diversity of needs and requirements and differing rules and regulations governing each type of purchase, not all possibilities can be addressed in this Manual. This Manual is only intended to act as a guide and supplement the Procurement Code. Its purpose is to point out the duties and responsibilities of those involved with the procurement function and to assist in maintaining the City's desire for a fair, open and transparent process. The ultimate goal is the promotion of the City's best interests through actions and fair dealings that will result in obtaining the maximum value for each dollar spent.

Code of Ethics

The perception of integrity in government is critical whenever there is an opportunity to award public contracts. Ethical behavior in the contracting process is essential to efforts to maintain a high level of public confidence and support. In addition, the entire procurement process must be open and transparent in order to ensure that vendors receive equal opportunities to compete for the City's business. In essence, maintaining a strong ethical stance inspires confidence in the process which leads to better competition, lower pricing and an overall higher level of service and value to the City. Therefore, the Division constantly practices a high ethical standard in its daily dealings with City employees, current and prospective vendors, and the public in general. Just the smallest breach in standards can result in damage that cannot be repaired, in some cases, for many years.

Every City employee is bound by [Florida Statutes, Chapter 112, Part III, Code of Ethics for Public Officers and Employees](#). If there is any question regarding ethical conduct or action, please contact a staff member from Human Resources, Procurement Services or a representative from the City Attorney's Office, before any action is taken. Ask these three questions before taking any action that may be construed as unethical:

1. Is it legal?
2. Would I make the same decision in all similar cases, or am I treating this one differently?
3. What would somebody dear to me think if they read about this action in the newspaper?

In addition to the requirements of Florida Statutes, the Division subscribes to the following Code of Ethics:

- Know and obey the letter and spirit of all procurement policies and regulations and remain alert to the legal ramifications of procurement decisions.
- Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, travel, favors, services, or other things of value from present or potential suppliers that might influence or appear to influence purchasing decisions.
- Do not seek or dispense personal favor and strive to handle each administrative problem objectively and without discrimination.
- Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the City. If a situation arises that presents a potential conflict of interest, present the situation to superiors.
- Never use any information gained confidentially in the performance of official duties as a means of making private profit.
- Reduce the potential for any charges of preferential treatment by actively promoting competition.
- Conduct business with potential and current suppliers in an atmosphere of good faith devoid of intentional misrepresentations. The interest of the City must take precedence.
- Keep the organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
- Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- Obtain the maximum benefit for funds spent as an agent of the City.

The guidelines presented above are not intended to provide answers or guidance for every ethical issue that may arise during the course of conducting City business. Reliance on the guidelines, plus the application of common sense and good judgment, will help resolve issues not specifically identified. It is your responsibility to maintain the City's ethical standards. Failure to do so may result in punitive action including dismissal. Ethical behavior is, after all, a requirement and not an option. A copy of the [Ethics Ordinance \(City Code Chapter 34\)](#) is accessible online through the City's website.

AUTHORITY

Legal Authority

Purchasing authority is authorized and outlined under the [Procurement Code \(City Code § 38.35\)](#).

Order of Precedence

This Manual acts as a supplement to the City's Code as well as other Procurement Policies and Procedures. If there is a discrepancy between the various documents, the order of precedence is as follows: State law; City Charter; Code; Procurement Policies; Supplemental Policies; and then this Manual.

ROLES AND AUTHORITY LEVELS

Chief Procurement Officer (CPO)

The Chief Procurement Officer shall be responsible for the procurement of all goods and services required by any Office, Department or agency of the City. Specifically, the Chief Procurement Officer and the Division shall have the authority to perform the following with regard to City purchases:

- Procure or supervise the procurement of all goods and services needed by the City.
- Establish and maintain policies and procedures for source selection, solicitation development, requisition entry, specification development, solicitation evaluation, contract award and development, contract administration, inspection, testing and acceptance, in cooperation with the Departments using the supplies and services.
- Determine the most appropriate method of source selection.
- Determine the lowest cost or highest scored/ranked responsive and responsible bidder or facilitate the selection of the most advantageous proposer.
- Coordinate the award, preparation and execution of all agreements, POs, renewals, change orders and contract modifications.
- Approve and issue POs and other documents for the purchase of goods and services.
- Approve and issue Agreements up to a value of \$25,000.
- Sell, trade or otherwise dispose of surplus supplies belonging to the City.
- Ensure compliance with applicable procurement policies and procedures by reviewing and monitoring procurements by any designee or Department/Office.
- Maintain historic files and data related to the procurement process, as required.
- Serve as a liaison to requesting Departments and Offices regarding the implementation and training related to purchasing policies and procedures.

Financial Services Director

The Financial Services Director shall have the authority to:

- Direct operational procedures relating to overall Department operations, including operations of the Division.
- Review and approve the implementation of the Division policies and procedures as needed.

- Issue payment on properly approved and documented invoices or direct disbursements.
- Allocate the proceeds from the sale, lease or disposal of surplus supplies.

City Manager

The City Manager shall have the authority to:

- Approve and issue administrative policies and procedures related to the procurement function.
- Review and approve all contracts and renewals in excess of \$25,000 and not in excess of \$100,000, except when City Commission approval is required.
- Review and approve any change orders or contract modifications where the sum of all change orders and the original contract do not exceed \$100,000.
- Review and approve recommendations to the City Commission for purchases in excess of \$100,000 or when City Commission approval is required.

City Commission

The City Commission shall have the authority to:

- Consider and award agreements for purchases over \$100,000 or when City Commission approval is otherwise required, upon the recommendation of the City Manager and staff.
- Delegate to the appropriate City officials the authority to award and execute agreements over \$100,000.

The Mayor

The Mayor shall have the authority to:

- Execute agreements approved by the City Commission.

City Attorney

The City Attorney shall have the authority to:

- Serve as legal counsel and provide legal services as required related to the purchasing and contracting processes.
- Prepare or review for form and legal sufficiency all contracts and other documents executed by the City.

Risk Manager

The Risk Manager shall have the authority to:

- Recommend standard contract clauses for insurance.
- Establish guidelines for determining the type and minimum limits of liability for insurance coverage.
- Identify procurements that could have unusual risks and require special coverage or limits of liability.

- Review contractor compliance with insurance requirements.

Information Technology Director

The Information Technology Director shall have the authority to:

- Review and approve information technology purchases for functionality.

Budget Director

The Budget Director shall have the authority to:

- Verify that sufficient budgeted funds are available prior to the issuance of any PO, contract, change order or contract modification.

Requesting Department/Office (also referred to as “Using Department/Office”)

The Requesting Department/Office shall have the authority to:

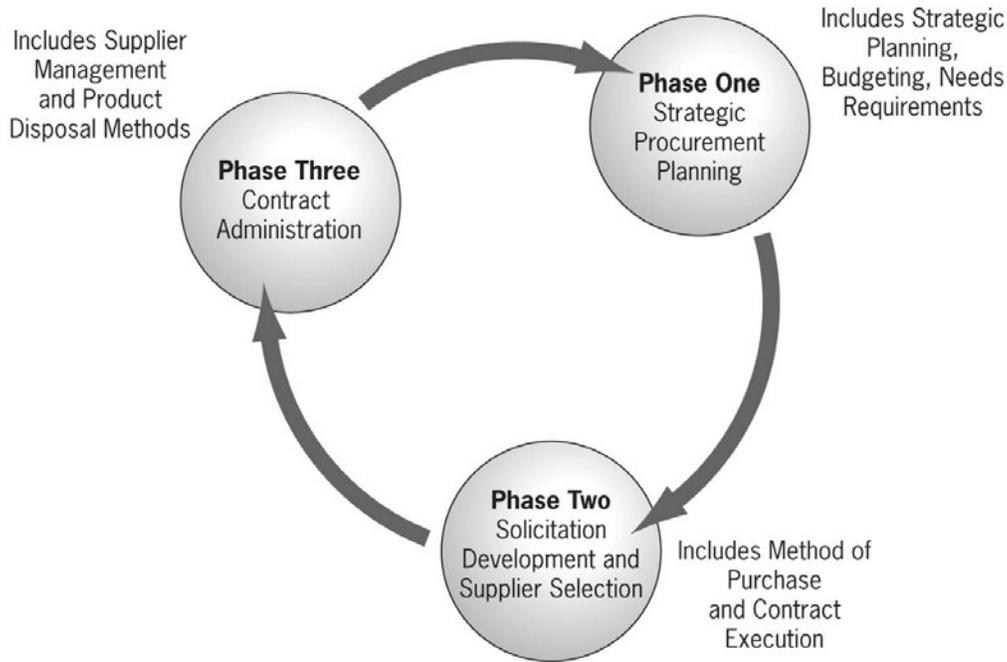
- Prepare, submit and approve, via the City’s financial system, requisitions for all goods and services.
- Prepare specifications or statements of work for requested goods and services.
- Select the appropriate budget account for the purchase, and ensure that the account is sufficiently funded prior to the processing of the purchase.
- Provide a recommendation for vendors for all requests that are less than the \$5,000 quotation threshold.
- Supply appropriate documentation to back-up and justify recommendations for purchases, such as Piggyback Request, Quote Approval, Sole Source Justification or Solicitation Request Forms.
- Receive and inspect supplies and report any discrepancies from the original purchase description.
- Prepare resolutions and purchase justification for purchases requiring City Commission approval.
- Manage contracts for services; coordinate initial contact with vendor to obtain appropriate levels of required insurance.
- Establish appropriate communication channels with vendor representatives to ensure that the vendor understands the City’s requirements and to allow for ongoing discussions and feedback.
- Ensure that work is being performed in accordance with the statement of work and terms and conditions of the contract.
- Ensure that work is being performed on schedule.
- Approve invoices based upon the percentage of work completed or project milestones.
- Report any performance issues to the Division for resolution.

Segregation of Duties

It is a best practice for no one person to perform more than two of the following functions for any one purchase or contract:

- Initiate/enter or approve the requisition
- Award the PO or contract
- Receive the supplies or manage the contract for services
- Authorize payments

THE PROCUREMENT CYCLE



Overview

A common method for understanding the procurement process is to segregate the various processes into three distinct categories known as the “Procurement Cycle”. The Procurement Cycle refers to the steps that are taken throughout the procurement process. This Manual generally follows the procurement process in the discussion of requirements for making purchases by the City.

Steps in the Procurement Cycle

The three segments of the Procurement Cycle are as follows:

Phase One – Strategic Procurement Planning: includes needs analysis, purchase planning/budgeting, and development of specification requirements and requisitioning.

Phase Two – Solicitation Development and Supplier Selection: includes choosing the proper method of purchase, developing, issuing, evaluating and awarding solicitations, and contract execution.

Phase Three – Contract Administration: includes supplier management, follow-up, receiving & testing, bonding, insurance, and disposal of surplus.

REQUIREMENTS

General Authority – Division

The Division shall arrange for procurement of all goods and services required by any Office, Department or agency of the City. The ordering Department shall be responsible for providing a complete and concise description of the goods or services required, selecting the proper budget account for the purchase, and identifying a list of vendors if possible.

The Division is authorized by the City Code to procure goods and services for the City, and to question the specifications on all requests for sole source, requests for supplies of a quantity that are greater or less than required, requests where materials seem inconsistent with the requirement, requests that do not conform to City standards, requests without proper authorization, or any other requests that require clarification. However, the Division will not materially alter specifications without the consent of the requesting Department/Office Director. The Division does reserve the right to change vendors when determined to be in the best interest of the City and in consultation with the Department/Office Director.

Requirements for Submission of a Requisition

A purchase requisition must be submitted and a PO issued or a signed agreement issued prior to ordering any goods or services, except when purchasing goods or services as permitted by a Direct Payment Voucher (“DPV”) or a Procurement Card. Pursuant to the City Code, it is unlawful for any City officer, employee, or other person to procure any goods or services other than through the Division, and the City shall not be bound by any PO or contract made to the contrary.

Threshold Requirements for Quotations Prior to Submitting a Requisition

Annual Threshold	Quotation Requirement
Up to \$5,000	One written quotation forwarded to the Division.
Over \$5,000 to \$25,000	Three written quotations forwarded to the Division.
Over \$25,000 to \$50,000	Three written quotations and a completed Quote Approval Form forwarded to the Division.
Over \$50,000	Completed Solicitation Request Form submitted to the Division along with a draft formal competitive Solicitation (Bid, RFP, RLI, etc.), detailed specifications and/or a thorough scope of work to allow for a formal solicitation.

All quotations obtained by the requesting Department/Office must be entered through a purchase requisition in the financial system. Copies of quotations (documented by the requesting Department/Office) must be submitted through the financial system or via other means to the Division. Upon request, the Division shall assist with obtaining quotations. Each procurement shall be completed in accordance with the threshold and quotation requirement specified above. The Division may, in its

discretion, solicit quotations for any amount when determined to be in the best interest of the City.

PLANNING

A critical element for any purchase is proper planning. Planning includes developing a strategy for how a purchase will improve the overall quality and efficiency of the level of service delivered by the City. Careful consideration should also be given to resource allocation, including the proper determination of acquisition and ongoing operational considerations. Purchases need to be properly matched in order to support operations that in turn support the City's goals, as well as the strategic plan. Many purchases may have a long-term impact on the overall efficiency and effectiveness of City government, and as such, must be properly vetted and justified with an appropriate business case through the budget process. In addition, good planning of purchases ensures that the City will be able to more efficiently and effectively allocate its financial and human resources. .

DETERMINATION OF NEED

The procurement process commences with a determination of need by the using Department/Office. That "need" is formally communicated to the Division via a requisition or applicable Division form, depending on the expenditure amount. For all major or critical requirements, using Departments/Offices are encouraged to consult with the Division as early in the process as possible. By doing so, Procurement staff can assist the using Department/Office in defining requirements, researching alternate solutions, and scheduling the procurement process.

BUDGETING

Once a need is determined, the using Department/Office will need to plan for the purchase through the budget process. It is important that an accurate estimate of cost be obtained and that proper cost data be included when developing the annual budget request. The Division could provide an estimate of commonly used goods and services, upon request. The budget request will be reviewed and/or approved as appropriate, by the Department Director, the Budget Office, the City Attorney's Office, and the City Manager's Office prior to being considered by the City Commission. In addition, requests for major construction or capital equipment will also be subject to the review of the City Capital Improvement Program (C.I.P.). Purchases for new initiatives may not commence until final approval of the budget by the City Commission and after the beginning of the new fiscal year.

UNAUTHORIZED PURCHASING PRACTICES

An unauthorized purchase occurs when any employee of the City procures in any manner any goods or services outside the purview of the City Charter, City Code, Procurement Policy and the procedures set forth in this Manual. Any individual making an unauthorized purchase may be subject to disciplinary

actions as appropriate, which may include termination and/or prosecution.

There are several ways unauthorized purchases are made. Examples include:

- Purchasing any goods or services directly from a vendor, bypassing the Division.
- Committing to a purchase prior to issuance of an authorized PO, when required.
- Obtaining items under contract from suppliers other than those who hold City contracts.
- Providing false information such as false quotations (without actually contacting and obtaining a proposal from a vendor).
- Adding unauthorized purchases to previously approved POs without approval of the appropriate approval authority and modification of the PO.
- Splitting Requisitions: Knowingly splitting purchases into multiple segments in an attempt to issue multiple POs below the established policy dollar threshold requirements.

REQUISITION PREPARATION

Requirement for Requisitions

A purchase requisition must be submitted and a PO issued, prior to ordering any goods or services not otherwise procured through the use of a Blanket Purchase Order (BPO / Blanket Purchase Agreement (BPA)), Direct Payment Voucher (DPV) or a Procurement Card.

Preparation of a Requisition

The using Department/Office shall complete, approve and submit the electronic requisition via the financial system. The requisition shall include all required information. If the requisition requires supporting material, it shall be uploaded with the requisition into the financial system or forwarded to the Division noting the respective requisition number.

Items to be Included with the Requisition

Before entering and approving a requisition for items more than \$25,000, the initiating Department must:

- Complete and submit a Quote Approval Form and provide written quotations to the Division or
- Submit complete and concise specifications to the Division when requesting quotations be solicited by the Division or
- Submit a Sole Source Justification form if the requested item is sole or single source.

When obtaining quotations, the individual preparing the requisition shall follow specific guidelines to provide a complete description of the goods or services requested (i.e. make, model, manufacturer, etc.). The more complete the description, the sooner the goods or services can be procured. Specifics on what or how the commodity is expected to perform should be included. It is strongly recommended that written specifications/requirements be provided to the vendors so that all quotations will be based on the same

information.

All vendors performing work on City property must have an approved copy of their insurance certificate on file with the Risk Manager. The insurance certificate must comply with the City's insurance requirements and shall name the City as an additional insured. The PO will not be issued if the insurance certificate does not have prior approval by the Risk Manager. Should the work involve any type of construction related work, the vendor must obtain any required permit(s) prior to the commencement of work.

Requisitions for purchases in excess of \$100,000 for goods or services shall not be authorized unless those purchases have been formally approved by the City Commission. The City shall utilize a formal sealed competitive solicitation process for the acquisition of goods and services over the competitive threshold in accordance with the most appropriate source selection method as detailed in the Source Selection Methods section of this Manual. Upon formal City Commission approval, the requesting Department/Office shall input a requisition in accordance with the requirements outlined above even if an agreement is in place in order to establish a formal encumbrance of funds. All pertinent information shall be included in a description of sufficient detail, including the Resolution Number as assigned by the City Clerk's Office. Additionally, all relevant documentation must be forwarded to the Division. This requirement does not apply to recurring expenditures associated with previously approved contracts or purchases, such as a BPO/BPA, or when not applicable, for example expenditures for utilities, electricity, telephone service, etc.

REQUISITION APPROVALS

All requisitions must be electronically approved by the Department/Office Director or designee. Depending on the item being purchased, additional approvals may be required. The approval levels must be entered into the financial system to provide authority access as provided by Department/Office Directors. Authority access must also be provided to persons authorized to sign in the absence of the Department/Office Director with the correct level of approval authority.

The Division will seek additional approvals in the following instances:

- Technology equipment, software and telecommunications equipment (requires the approval of the Information Technology Director or designee.)
- Vehicular equipment, gasoline/diesel powered tools and/or equipment, as well as modifications, repairs or alterations to existing City vehicles or equipment (requires the approval of the Public Works Director or designee.)
- All requests for over-rides of an account budget (requires the approval of the Budget Director or designee.)
- All service-related work (requires the approval of the Risk Manager or designee for appropriate insurance compliance.)
- Repairs, additions, construction, renovations, modifications and alterations to City facilities or building systems. This includes but is not limited to: exterior/interior wall finishes; carpeting and floor finishes; exterior/interior doors and locks; roof systems and repairs; partitions; interior trim; ceiling

and ceiling finishes; plumbing fixtures; HVAC systems and equipment; lighting fixtures and electrical systems (requires the approval of the Public Works Director or designee.)

Verification of Budgeted Funds

Purchases without appropriated funding will not be approved by the Division. Funding should be available in the current fiscal year budget before proceeding with a purchase request. Prior to submitting a requisition, the financial system may be used to verify if sufficient budgeted funds are available to support the request. In addition, the City's Budget Office may review the request to ensure use of the proper account code. However, the using Department/Office is ultimately responsible to verify the account code or funds availability prior to processing the requisition. There may be circumstances where some costs are delayed. In such cases, funding must be available from the source at the time of purchase, unless otherwise provided in the contract.

Other Items to Remember When Submitting a Requisition Request

Any requisitions requesting a check with the PO must have a copy of the invoice or appropriate price backup submitted to the Division in order to be processed.

All requisitions requesting a sole source procurement must have a Sole Source Justification Form submitted and approved by the Division in accordance with the procedures outlined in the Sole Source Purchases section of this Manual.

Requisitions for a vendor not currently on the City's vendor list cannot be entered. To add a new vendor, the requesting Department/Office should contact the Division to complete the vendor registration process to add the vendor and assign a vendor number. A thorough search should be made of the vendor file using the full vendor name prior to requesting a new vendor be added. The Division will advise the requesting Department/Office regarding the vendor number and any other relevant information.

SHIPPING AND FREIGHT COSTS

Transportation of a product to the required delivery site is an additional expense to be considered. When obtaining quotes, using Departments/Offices should request the price be quoted including delivery, or delivery costs should be quoted as a separate line item. Transportation is usually described as "F.O.B.: Destination", or "F.O.B.: Shipping Point". These are legal terms that define when title, or ownership, passes from the seller to the buyer, who is responsible for any loss and who generally pays the freight and transportation costs.

Free on Board (F.O.B.) Destination (preferred shipping method): The risk of loss for goods is borne by the seller until the goods are delivered to the buyer's dock, after which, upon acceptance by the buyer, the risk will pass to the buyer. The seller is responsible for filing all claims for damage in transport with the freight carrier. The City's standard policy, and all standard terms and conditions used by the City require that all shipments to the City shall be F.O.B. Destination unless stated otherwise on the order or quotation.

Free on Board (F.O.B.) Point of Origin a/k/a Shipping Point: The risk of loss for goods passes to the

buyer immediately upon leaving the seller's dock. The buyer is responsible for filing all claims for damage in transport. The City discourages the use of F.O.B. Point of Origin or F.O.B. Shipping Point terms as these methods place a significant amount of risk of loss on the City.

Standard terminology printed on PO forms requires that all items be shipped F.O.B. Destination, which requires that all shipping and freight costs be included in the vendor's price. When the City chooses to pay freight charges, however, the appropriate terminology will be printed on the PO document with an additional request that the actual shipping document with pricing be included with the invoicing document. This is a method of protecting the City from paying quoted or estimated freight charges that are not actual. There have been instances where freight charges were quoted and invoiced at a certain amount (such as \$50.00) and the actual charge was much less (such as \$17.00). Staff responsible for processing invoices should be aware of these arrangements and carefully check delivery charges before authorizing payment.

CONTRACTING AUTHORITY

Contracting Authority

Pursuant to the [Procurement Code \(City Code § 38.35\)](#), the Chief Procurement Officer shall have the authority, subject to the directive of the City Manager, to purchase or contract for all goods and services needed by all of the Departments, institutions, boards, commissions, committees and other agencies which derive their support wholly, or in part, from City funds.

Overview

Generally, the Chief Procurement Officer will be responsible for executing contracts up to \$25,000, as well as PO documents that supplement a signed agreement, where the agreement is executed by the City Manager or the purchase has been authorized by the City Commission. Unless otherwise delegated to the Chief Procurement Officer, signed contracts over \$25,000 but not over \$100,000 will be executed by the City Manager.

PO documents are normally issued for one-time goods purchases, where a shipment of the merchandise is normally required. A signed agreement is utilized for services and construction since the work required usually occurs over a period of time, which may require progress payments, or payments for work completed. The Chief Procurement Officer is authorized to sign PO documents, subject to validation of other approvals as may be required herein. If a PO is issued as a result of a formal solicitation process, a reference to the appropriate award approval by the City Manager or City Commission shall be included as a part of the text on the PO document.

Whenever a signed agreement is utilized to bind the City, the using Department/Office shall be responsible for entering a requisition into the financial system in order to encumber funds for the agreement. Division personnel can assist using agencies in the determination of the best method for encumbering a particular purchase.

Review of Contracts NOT subject to City Commission Approval (generally up to \$100,000)

Procurement related contracts not subject to City Commission approval must be submitted to the Division for review prior to execution by the City.

After review by the Division, contracts not subject to City Commission approval will be routed to the City Attorney's Office for review and approval for legal form and sufficiency.

Upon approval by the City Attorney, the contract(s) will be returned to the Division. Contracts that have been fully executed by the contractor that do not require changes or corrections, will then be forwarded to the City Clerk's Office for routing and execution.

The City Clerk shall attest to the signatures of the appropriate signatory party on behalf of the City when appropriate.

Review of Contracts Subject to City Commission Approval (generally above \$100,000)

Procurement related contracts subject to City Commission approval must be submitted to the Division for review prior to execution by the City.

The Chief Procurement Officer shall route to the City Clerk all contracts that have been properly executed by the contractor. The City Clerk will then route the original contracts to the City Attorney and the Mayor for review and execution.

The Division, with the assistance of the requesting Department/Office, may be responsible for the preparation of a formal resolution recommending an award for consideration by the City Commission. In addition, the requesting Department/Office may be required to obtain the approval of other Department/Office Directors who may be involved, such as the Financial Services Director and the Risk Manager.

GOODS

Specifications

Definition of a Specification: 1) A precise description of the physical or functional characteristics of a product, good or construction item. 2) A description of goods or services. A description of what the purchaser seeks to buy and what a bidder must be responsive to in order to be considered for award of a contract. Specifications generally fall under the following categories: design, performance, combination (design and performance), brand name or approved equal, qualified products list and samples. 3) May also be known as a purchasing description.

Specifications should be simple, clear, accurate, competitive and flexible. Minimum requirements should be identified and allow for competition, equitable award and measurability, and should include a clear statement of intended use. The specifications portion of a solicitation should not contain bidding instructions, contractual terms and conditions, delivery, pricing formats or sheets, or similar material. Those matters should be addressed separately in the solicitation.

Objectives of a Specification:

A specification should accomplish four objectives:

1. Identify minimum requirements
2. Allow for a competitive bid
3. List criteria to determine compliance with specifications
4. Allow for an equitable award at the lowest possible cost

Authority: The requesting Department/Office shall have the responsibility to prepare and submit the initial specifications to the Division. The Chief Procurement Officer has the responsibility to review, revise, approve, maintain and monitor the use of all specifications in coordination with the using Department/Office. The using Department/Office should obtain assistance from the Division in drafting specifications.

Competition: One of the purposes of a specification is to invite maximum reasonable competition. By its nature, a specification sets limits and thereby eliminates, or potentially eliminates, goods and services outside the boundaries drawn. However, a specification should encourage, not discourage, competition to promote potential savings.

Types: There are three basic types of specifications:

1. **Performance Specifications:** Describes the performance characteristics sought in a product or service; emphasizes performance and function over design.
2. **Design Specification:** Establishes the design characteristics an item must possess, including sufficient detail to show how a product is manufactured or work performed.
3. **Performance/Design Specification (Combination):** Combines elements of both performance and design specifications. The City shall, to the extent practicable, emphasize performance specifications.

Additional Types of Specifications

- a) **Brand Name Specification:** Identifies one or more items by manufacturer name or catalog number. If the estimated value of the requisition exceeds \$25,000, the requesting Department/Office director should submit written explanation as to why only the brand name item specified will meet the requirements.
- b) **Brand Name or Equal Specification:** Identifies one or more items by manufacturer name or catalog number to describe the standard of quality, performance, and other characteristics to provide a basis for the submission of equivalent products.
- c) **Qualified Products List (QPL):** Provides for an approved list of supplies, services, or construction items described by model or catalog numbers, which, prior to competitive solicitation, have been determined to meet the applicable specification requirements.

Commercially Available Products: When developing a specification, the City shall use commercial standards and avoid unique requirements wherever possible.

Recycled Products: The City encourages the purchase of products made from recycled materials or environmentally friendly materials and/or products that may be recycled after use.

Standardization: Standardization of specifications means the development and adoption of standard requirements for a single product or group of products to be used by all Departments/Offices.

Standardization may be appropriate when one, or more, of the following conditions exist:

- Involves goods or services, required by more than one Department/Office.
- Will result in substantial energy, inventory or other savings.
- Will not severely restrict competition among vendors as determined by the Division.
- Will expedite contract repairs and maintenance and eliminate excessive equipment downtime.
- Will facilitate cooperative purchasing with other governmental entities.
- Will facilitate upgrade and/or expansion of existing systems/equipment without retrofit/redesign and without increased system/equipment operating expense in terms of personnel, training, etc., e.g., computer systems/equipment.
- Will eliminate duplication of effort such as with forms design, printing, reproduction, etc.
- It is otherwise in the best interest of the City.

Deliveries & Installation

When requesting delivery of goods or equipment, provide all necessary requirements for the delivery of the merchandise. The correct delivery location must be specified at the outset. If multiple delivery locations are required, please indicate all locations, with addresses, contact person(s) and contact telephone number(s).

Indicate the timeframes when Department/Office personnel will be available to receive deliveries. If installation is required, be sure to obtain the cost for installation prior to the entry of your requisition. Requirements for installation shall be noted on the requisition (i.e., "Delivered and Installed").

SERVICES

Scope of Work

Service requirements differ from requirements for goods, since goods can be easily evaluated against specific design and performance criteria, whereas services are evaluated by the attainment of a certain level of effort. Therefore, service contracts require the user to develop a more detailed Scope of Work that generally defines specific tasks to be completed.

Scope of Work Factors

Used for Service Bids or Requests for Proposal/Request for Qualifications, the scope of work describes in detail the work to be performed by the contractor for the City. The scope of work should include:

- **Introduction and General Information** – project objective, history, background, contractor qualifications, schedule and desired goals or outcomes.

- **Task Description** – the activities to be performed by the contractor.
- **Deliverables** – the final work product to be provided by the contractor, which may include a report of findings, studies, plans, drawings, specifications or the accomplishment of a task or tasks.
- **Constraints on the Contractor** – including work site conditions, applicable laws, etc.
- **Contractor Personnel Requirements** – the level of experience and expertise required for a contractor to receive a contract award.
- **Contractor Responsibilities** – areas or items that the contractor is expected to coordinate or provide for the City. Responsibilities may include risk protection requirements (insurance, bonds, and public safety), schedule requirements, licensing requirements, permits, coordination of work and sub-contractors or specific tasks to be completed in order to perform under the contract agreement.
- **City Responsibilities** – tasks to be performed by the City that will permit the contractor to perform their work. (provision of data, payments, existing as-built drawings, site access, etc.).
- **Evaluation of Contractor Performance** – measurable criteria and benchmarks developed to facilitate the successful achievement of tasks outlined in the contract.
- **Reporting Requirements and Procedures** – specific information regarding the methodology for reporting progress achieved during the project, which may include provision of feedback during the term of the agreement.
- **Required Legal Certifications and Affidavits** – statutory requirements that require vendors to provide the City with written certification regarding compliance, including such certifications as the State of Florida Drug Free Workplace certification, the Public Entities Crime certification, certification of non-corruption, bid certification, etc.
- **Exhibits** – ancillary documents or representations such as quotation responses, bid and proposal responses, price lists, catalogs or documents provided for clarification that are incorporated into the contract.

SOURCE SELECTION METHODS

Procurement Method Overview

The determination of the most appropriate method for source selection is an integral part of the Procurement Cycle. Each purchase is unique in its requirements, and may lend itself to a different method of purchase. Some examples: The purchase of a shovel for \$20 would best be handled through a small purchase acquisition such as a procurement card. It would be inefficient to utilize a formal competitive bid process for a \$20 purchase. On the other hand, the purchase of a \$150,000 bulldozer requires that the City exhibit a higher level of accountability to the taxpayers of the City, and therefore, it would be necessary to develop open, fair specifications to provide for a formal competitive bid process.

Factors that Impact Source Selection

Various factors are used to evaluate which type of source selection method is most appropriate. Some

of the variables that come into play include, but are not limited to the following:

- What is the cost of the item or service?
- What is the level of standardization of the item or service in the industry?
- What is the level of competition available in the marketplace?
- How much time will it take for the item to be delivered?
- How quickly does the City need the item?
- Is price the primary factor or concern, or are other criteria such as expertise, experience and quality of work of greater priority?
- Are there federal, state or local statutes that specifically address the acquisition method?
- Is there a high or low level of contract risk associated with the purchase?
- A combination of two or more of the above.

General Overview of Source Selection Methods

Some of the most common methods of source selection include the following:

- Competitive Sealed Bids (Invitation for Bids – IFB)
- Competitive Sealed Proposals (Request for Proposals – RFP)
- Request for Qualifications (RFQ)
- Invitation to Negotiate (ITN)
- Request for Information (RFI) or Request for Letters of Interest (RLI)
- Small Purchases (Quotation, Procurement Cards (P-Cards), Blanket Purchase Orders (BPO/BPA)
- Sole Source Purchases
- Emergency Purchases

Matrix of Competitive Source Selection Methods

The following Matrix of Competitive Source Selection Methods has been included to provide guidance regarding the requirements and characteristics of various methods of competitive source selection. A more detailed explanation of all source selection methods; and the proper deployment of those methods is set forth in greater detail below.

	Small Purchase (Up to \$50,000)	Competitive Sealed Bids	Competitive Sealed Proposals
Solicitation Document	Quotes/Quotations	Invitation for Bids	Request for Proposals Request for Letters of Interest
Purpose	Goods and Services	Goods and Services	Goods and Services
Public Notice	No	Yes	Yes
Vendor Registration	Yes	Yes	Yes
Forms Required	Quote Approval Form (purchases over \$25,000)	Solicitation Request Form	Solicitation Request Form
Specifications / Scope of Work	Yes	Yes	Yes
Terms and Conditions	Yes	Yes	Yes
Pre-bid/proposal Conference	No	Optional	Optional
Amendments	Optional	Optional	Optional
Statement of Work / Qualifications	No	Yes	Yes
Evaluation of bids/proposals	Yes	Yes	Yes
Discussion/Negotiations	No	No	Yes
Best and Final Offer	No	No	Optional
Basis of Award	Lowest Cost, Responsive and Responsible Vendor(s)	Lowest Cost, Responsive and Responsible Vendor(s)	Best Value, Responsive and Responsible Vendor(s)

Competitive Procurement Guidelines

The City has established specific purchasing guidelines based on monetary thresholds. This section will outline specific requirements for soliciting small purchases by City Departments/Offices. Small purchase requirements pertain to purchases of goods and services up to \$50,000, and capital equipment and improvement / construction contracts up to \$50,000 (see below). Purchases above those thresholds shall be publicly advertised and handled as a formal competitive process. Contract awards of formal solicitations may require approval by the City Commission unless the final contract value awarded to each vendor is less than the competitive threshold(s) that require City Commission approval.

Commodities/Supplies/Services

Annual Threshold	Quotation Requirement	Acquisition Method	Processing Times	Approval Required
Up to \$5,000	One (1) written quotation required forwarded to the Division	P-card (up to \$1,000 or as otherwise approved), BPO/BPA (as approved), PO, Direct Payment Voucher (limited items identified on the DPV form)	0 to 4 business days	CPO
Over \$5,000 to \$25,000	Three (3) written quotations forwarded to the Division	BPO/BPA (as approved), PO, Direct Payment Voucher (limited items identified on the DPV form)	0 to 4 business days	CPO
Over \$25,000 to \$50,000	Three (3) written quotations and Quote Approval Form forwarded to the Division	BPO/BPA (as approved), PO, Direct Payment Voucher (limited items identified on the DPV form)	0 to 6 business days (plus additional time as needed for City Manager approval)	City Manager
Over \$50,000 to \$100,000	Formal Competitive Solicitation Request Form (Bid, RFP, RLI, etc.) forwarded to the Division for formal solicitation	BPO/BPA (as approved), PO, Direct Payment Voucher (limited items identified on the DPV form)	30 – 120 calendar days (plus additional time as needed for City Manager approval)	City Manager
Over \$100,000	Formal Competitive Solicitation Request Form (Bid, RFP, RLI, etc.) forwarded to the Division for formal solicitation	BPO/BPA (as approved), PO, Direct Payment Voucher (limited items identified on the DPV form)	30 – 120 calendar days (plus additional time as needed for City Commission approval)	City Commission

Purchases up to \$5,000:

One written quotation is required for purchases up to \$5,000; **however, additional quotations are encouraged to ensure competitive pricing.**

The following acquisition methods are available for small purchases up to \$5,000:

Procurement Cards (P-cards): Authorized personnel in requesting Departments/offices may make small purchases up to \$1,000 or as otherwise approved pursuant to the Procurement Card User Guide.

Blanket Purchase Order/Blanket Purchase Agreement: Primarily used to pay monthly invoices for rentals, annual maintenance agreements, commodities such as chemicals, etc. The BPO/BPA number

and BPO/BPA line should be referenced and entered into the financial system requisition.

Examples: Rental of equipment such as fax machines or photocopiers or any other type of equipment for which the Department/Office is billed periodically throughout the year and maintenance agreements for alarm systems, fire extinguishers, pest control service, etc. as established through an approved procurement process.

POs: Purchases up to \$5,000 may be made without competition at the discretion of the requesting Department/Office and Procurement Specialist processing the transaction. The requesting Department/Office is responsible for furnishing one quotation to the Division. If any additional quotations are obtained, those quotations should also be furnished to the Division.

Direct Payment Voucher: Certain recurring purchases, because they are available from only one source or are not readily adaptable to competitive purchasing procedures, are exempt from bid requirements. Exempt transactions are listed on the Direct Payment Voucher Form. Only those categories listed qualify as exceptions to normal procurement procedures.

Purchases over \$5,000 up to \$25,000:

Three written quotations with uniform specifications are required for purchases over \$5,000 up to \$25,000 that are not already covered by a BPO/BPA. The successful quotation must be confirmed in writing in order to ensure that the vendor abides by the requirements of the purchase. The requesting Department/Office is responsible for furnishing quotations obtained and should also enter the details on the purchase requisition. Documentation must be submitted to the Division as backup. Upon request, Procurement staff will assist with obtaining quotations.

The following acquisition methods are available for purchases over \$5,000 up to \$25,000:

POs: Purchases over \$5,000 up to \$25,000 require multiple written quotations with uniform specifications, which may be obtained electronically by e-mail or in hard copy format via other means. A written confirmation of the successful quotation must be provided in all instances to verify the successful quotation. All back-up information should be forwarded to the Division along with the requisition. The following minimum information shall be recorded: vendor's name, contact person, address, e-mail and telephone number; requisition number, requestor and requesting Department/Office; date and time quotation was received; and the price quote for each item, description of each item, including shipping, delivery charges and warranty information (if applicable).

Blanket Purchase Order/Blanket Purchase Agreement: Primarily used to pay monthly invoices for rentals, annual maintenance agreements, commodities such as chemicals, etc. The BPO/BPA number and BPO/BPA line should be referenced and entered into the financial system requisition.

Examples: Rental of equipment such as fax machines or photocopiers or any other type of equipment for which the Department/Office is billed periodically throughout the year and maintenance agreements for alarm systems, fire extinguishers, pest control service, etc. as established through an approved procurement process.

Direct Payment Voucher: Certain recurring purchases, because they are available from only one source or are not readily adaptable to competitive purchasing procedures, are exempt from bid requirements.

Those exempt transactions are listed on the Direct Payment Voucher Form. Only those categories listed qualify as exceptions to normal procurement procedures.

Purchases over \$25,000 up to \$50,000:

Three written quotations with uniform specifications and a completed Quote Approval Form are required for purchases over \$25,000 up to \$50,000 that are not already covered by a BPO/BPA. The successful quotation must be confirmed in writing to ensure the vendor abides by the requirements of the purchase. The requesting Department/Office is responsible for furnishing quotations obtained and should also enter the details on the purchase requisition. Documentation must be submitted to the Division as backup along with the appropriate Quote Approval Form. Upon request, Procurement staff will assist with obtaining quotations.

The Division is available to assist requesting Department/Offices relating to sourcing issues, and potential vendors. The City also maintains a list of vendors delineated by commodity type in the financial system. All back-up information should be forwarded to the Division along with the requisition.

The following acquisition methods are available for purchases over \$25,000 up to \$50,000:

PO: Purchases over \$25,000 to \$50,000 require multiple written quotations with uniform specifications and a completed Quote Approval Form. At least three firms that specialize in the items required should be contacted. The following minimum information shall be recorded: vendor's name, contact person, address, email and telephone number; requisition number, requestor and requesting Department/Office; date and time quotation was received; and the price quote for each item, description of each item, including shipping, delivery charges and warranty information (if applicable).

Blanket Purchase Order/Blanket Purchase Agreement: Primarily used to pay monthly invoices for rentals, annual maintenance agreements, commodities such as chemicals, etc. The BPO/BPA number and BPO/BPA line should be referenced and entered into the financial system requisition.

Examples: Rental of equipment such as fax machines or photocopiers or any other type of equipment for which the Department/Office is billed periodically throughout the year and maintenance agreements for alarm systems, fire extinguishers, pest control service, etc. as established through an approved procurement process.

Direct Payment Voucher: Certain recurring purchases, because they are available from only one source or are not readily adaptable to competitive purchasing procedures, are exempt from bid requirements. Those exempt transactions are listed on the Direct Payment Voucher Form. Only those categories listed qualify as exceptions to normal procurement procedures.

Purchases over \$50,000

The City Code require a formal solicitation process for purchases that exceed \$50,000. The requesting Department/Office should work to develop clear and precise specifications for the Division to issue a formal solicitation and work to ensure all specifications are fair and in compliance with the City's needs. The requesting Department/Office should complete and forward a Solicitation Request Form along with sufficient backup information to develop draft solicitation documents to be sent back to the requesting Department/Office for review. Examples of specifications include the make, model number and estimated

quantity or specific units of measurement such as gallons, feet, etc. Specifications should also include the desired results of the purchase.

INFORMAL SOLICITATION PROCEDURE (FOR SMALL PURCHASES UP TO \$50K)

Overview

Small Purchases are used for contracts where the estimated cost does not exceed \$50,000. If the Division believes that during the next 12 months the City has a continuing need for the item specified and the total value will exceed these ranges, either a competitive sealed bid or request for proposals will be used.

Items that may be obtained under current City contracts shall be procured under such agreements and shall not be procured under this procedure.

Small Purchase Methods

The City has identified several methods for making small purchases that fall within the following guidelines. These methods include the following:

- Procurement Card (P-card)
- Blanket Purchase Order/Blanket Purchase Agreement
- PO (initiated by a requisition)

Procurement Card

Procurement Cards, or P-Cards, are used to pay for smaller dollar value items purchased respectively from the same or different vendors throughout the year. This method covers items that cannot be planned for in advance. The P-Card is an ideal tool for these small purchases. P-Cards are issued in an employee's name with preset spending controls and limits as established under the City's Procurement Card User Guide. There is a per-transaction limit for purchases and a monthly limit per P-Card.

There are additional approved purchasing levels based on specific operational requirements submitted in writing by a Department/Office Director and approved by the Chief Procurement Officer. P-Cards are only issued upon written request from the Department Director and after the employee has attended mandatory training. The P-Card is intended for small dollar, non-recurring purchases such as miscellaneous supplies, hardware, small tools, auto parts, food supplies, memberships and certain travel. Please refer to the Procurement Card User Guide for additional procedural requirements relating to this program.

Blanket Purchase Order (BPO or Blanket Purchase Agreement (BPA))

A Blanket Purchase Order ("BPO" or Blanket Purchase Agreement ("BPA"), these are used interchangeably) is used to purchase a variety of goods and services used throughout the year to maintain continuity of operations. BPOs/BPAs should most frequently be issued to restrict funds for items

purchased from a vendor who holds a term contract agreement with the City. This process provides the blanket pricing information before an order is placed rather than giving the vendor a “blank check”.

BPOs/BPAs may also be issued for small purchases from a specific vendor when it may not be feasible to use a Procurement Card. In all instances, when completing a requisition for a BPO/BPA, you must include “Blanket Purchase Order Request” in the remarks area of the requisition. Used for small and unique purchases made from a single vendor, the BPO/BPA is normally restricted to a not-to-exceed figure. Quotations are not required. Additionally, a BPO/BPA can be used to pay monthly invoices for rentals and annual maintenance agreements.

Examples: Rental of equipment such as fax machines or photocopiers or any other type of equipment for which the Department is billed periodically throughout the year, and maintenance agreements for alarm systems, fire extinguishers, pest control service, etc.

Purchase Order (PO)

The City’s standard Purchase Order (“PO”) is issued to an individual vendor and serves as a contract document. In addition, the PO encumbers funds for the specific purchase. POs are normally created and issued directly by the Division in response to the creation of a requisition by a Department or Office. Requisitions are to be entered using the City’s financial system. All purchasing requirements for competition, as well as any requirements for insurance must be met before the issuance of a PO by the Division. Each PO includes a set of standard terms and conditions.

The Importance of Back-up Material

When submitting a requisition, back-up documentation relating to the purchase should be included. Department representatives should routinely forward copies of all back-up material to the Division once a requisition is entered.

The back-up materials provided should document that proper purchasing procedures were followed while attempting to find the best source to meet the procurement need. Some examples of back-up documentation include:

- Text on the requisition that references a City Commission approved resolution.
- Text on the requisition that references a BPO/BPA.
- Copies of competitive quotations from multiple vendors.
- Copies of agreements from other governmental units showing the pricing.
- Copies of Certificates of Insurance and Endorsements.
- Specification or scope of service requirements

While this seems like a fairly simple requirement, it is difficult to approve a purchase request when the Division cannot validate either the accuracy of the information on the requisition, or that proper purchasing procedures have been followed.

Direct Payment Voucher

A Direct Payment Voucher (“DPV”) is an order processing application used primarily for processing check requests for certain applications for which there is no competitive purchasing function. In such instances, a Department/Office may make a request for payment directly to the Financial Services Department without processing through the Division. DPVs have the same approval and signature requirements as a requisition. Only the following transactions are approved for payment using a DPV:

- Subscription/Dues/Membership Fees
- Postage Meter/Stamps
- Host Account Reimbursements
- Licenses/Permits/Certificates
- Court Cost/Other Government Agency charges/Taxes
- Real Estate Closing
- Advertising
- Educations Courses/Seminars/Books
- Records/Slides/Films/Government Publications
- Deferred Comp/Bank Payments
- Medical/Veterinary Payments
- Insurance Premiums
- Grant Disbursements
- Utilities/Dump Fees
- Refunds
- Courier/Freight
- Petty Cash Reimbursement
- Other Professional Services
- Special Events/Recreation Performance
- Temporary Employment Services
- Meal/Parking/Mileage

FORMAL SOLICITATION PROCEDURE (FOR LARGE PURCHASES OVER \$50K)

Overview

The City Code requires that all purchases with an estimated annual cost exceeding \$50,000 shall be procured by a formal solicitation process that may result in a written contract(s) and/or PO(s), after due public notice inviting bids or proposals ([City Code § 38.43](#)).

Formal solicitations are prepared and issued by the Division. The Division, in coordination with the City Attorney's Office, Risk Manager and requesting Department/Office, is responsible for developing contractual terms and conditions. The using Department/Office has the initial responsibility to prepare specifications that are used in solicitations, subject to review and approval by the Division. Division staff is available to assist, if needed, in the development of the initial specifications or research of similar solicitations.

A formal solicitation process may be completed using one of the source selection methods listed below. For purchases completed through a formal solicitation process, the using Departments/Offices should allow reasonable time between the submission of their completed Solicitation Request Form along with all supporting documents and the recommendation for award of a contract(s).

The following source selection methods are used to conduct a formal solicitation process as determined by the Division:

- **Invitation for Bids (IFB):** This method is used when an award can be made to the respondent(s) that provide(s) the lowest price to the City. Specifications and terms must be clearly defined since an awarded is made to the lowest priced responsive and responsible bidder without further negotiation (unless authorized in the IFB). This method does not allow the negotiation of terms, price, etc.
- **Request for Proposals (RFP):** This method is used when an award can be made to the respondent(s) that provide(s) the best value or approach to the City. Proposals are evaluated and scored/ranked by a Selection Committee using established criteria (which may include price, but not solely based on price) to identify and make a recommendation for award to the highest scored/ranked vendor(s). Criteria may include price; past performance; demonstrated understanding of the project; technical and/or management approach, including proposed methodology; ability to meet schedule and budget limitations; qualifications and capabilities; relevant experience and expertise; quality of work; projected workload and availability to take on new projects; volume of work previously awarded; location or proximity to project site; preferences for local vendors or minority/women/disadvantaged business enterprises; references; oral presentations; etc. This method allows the negotiation of terms, price, etc.
- **Request for Qualifications (RFQ):** This method is used when an award can be made to the respondent(s) that provide(s) the best and/or most suitable qualifications to the City. Proposals (Statement of qualifications) are evaluated and scored/ranked by a Selection Committee using established criteria (which may include price, but not solely based on price) to identify and make a recommendation for award to the highest scored/ranked vendor(s). Criteria may include price;

past performance; demonstrated understanding of the project; technical and/or management approach, including proposed methodology; ability to meet schedule and budget limitations; qualifications and capabilities; relevant experience and expertise; quality of work; projected workload and availability to take on new projects; volume of work previously awarded; location or proximity to project site; preferences for local vendors or minority/women/disadvantaged business enterprises; references; oral presentations; etc. RFQs issued for Professional Services as defined and regulated in the Consultants' Competitive Negotiation Act should not include price as an evaluation criteria since compensation can only be considered during negotiations. This method allows the negotiation of terms, price, etc.

- **Invitation to Negotiate (ITN):** This method is used when an award can be made to the respondent(s) with whom the City is able to negotiate the best value outcome. This method is similar to the RFP process; however, it's based on the determination that it's within the City's best interest to negotiate with respondents to achieve best value. Single and concurrent negotiations with respondents are allowed. This method allows the negotiation of terms, price, etc.
- **Request for Information (RFI) or Request for Letters of Interest (RLI):** This non-binding procurement method is used to obtain information, comments, feedback and reactions from interested parties for an upcoming solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.

Public Notice

A notice of soliciting bids/proposals will be posted on the City's web site and nationally recognized internet bulletin board notifications if applicable to the particular procurement. If the Chief Procurement Officer determines that this advertising method is insufficient or inefficient, other advertising methods may be utilized. The Division may notify applicable suppliers on the City's vendors list of the opportunity. The requesting Department/Office may recommend additional suppliers be notified.

Bidders/Proposers List

The City may compile a Bidders/Proposers Lists with the names of companies that may be interested in receiving and responding to formal solicitations to compete for various types of City contracts. The City does not guarantee that companies on the Bidders/Proposers' List will be assigned contracts.

Notice Requirements for Construction Projects

In accordance with Florida Statutes Section 255.0525 and as described herein, the solicitation of competitive bids or proposals for any City construction project that is projected to cost more than \$200,000 shall be publicly advertised at least once in a newspaper of general circulation in Broward County at least 21 days prior to the established bid opening and at least five days prior to any scheduled pre-bid/proposal conference. The solicitation of competitive bids or proposals for any City construction project that is projected to cost more than \$500,000 shall be publicly advertised at least once in a newspaper of general circulation in Broward County at least 30 days prior to the established bid opening and at least five days prior to any scheduled pre-bid/proposal conference. Bids or proposals shall be received and opened at the location, date, and time established in the bid or proposal advertisement. In case of emergency, these advertising requirements may be altered in a manner that is reasonable under

the emergency circumstances.

Clarification Requests

Clarifications: All inquiries and requests for clarifications shall be referred to the Division as specified in the solicitation document. In order to maintain the Cone of Silence and ensure continuity in communications, personnel in requesting Departments/Offices may not respond to supplier questions regarding solicitations and/or associated documents. Any clarifications, interpretations, or alterations must be made in writing and furnished to all prospective bidders/proposers by means of a written addendum document, which will be issued by the Division. The Division representative responsible for the acquisition will normally work with the requesting Department/Office contact when preparing clarifications, or answers to other questions.

Pre-Bid/Proposal Conferences: The City may conduct a pre-bid/proposal conference for all prospective bidders/proposers. Requesting Department/Office personnel will be invited to attend the pre-bid/proposal conference. Any changes, clarifications or interpretations resulting from the pre-bid/proposal conference shall be communicated to all prospective bidders/proposers by written addendum. The City utilizes pre-bid/proposal conferences to provide an opportunity for vendors to ask questions, receive clarifications, and visit a specific site; as well as to allow the City the opportunity to transmit the same information to all parties at one time. Generally, pre-bid/proposal conferences are scheduled at least two weeks prior to the Bid/Proposal due date. The City may also specify a deadline for written questions to be submitted to the Division. Pre-bid/proposal conferences are normally voluntary for bidders/proposers, unless there is an overwhelming need for bidders/proposers to attend a mandatory pre-bid/proposal conference. A situation where inspection of a site is mandatory is an example of when a mandatory pre-bid/proposal conference is appropriate.

Communication with Prospective Bidders/Proposers: During the bid/proposal process, it is very important to maintain the Cone of Silence and provide continuity of communications to ensure that everybody receives the same information, and that everybody is treated fairly. Communications provided to one bidder/proposer, and not all bidders/proposers, could result in one bid/proposer having an unfair competitive advantage. Therefore, all communication should be directed through the Division. Accordingly, any communication between a City employee and a prospective bidder/proposer regarding the contents of a solicitation prior to recommendation of the award is expressly prohibited under the Cone of Silence. The Division is available to any employee seeking clarification on this issue. Failure to adhere to this requirement may be subject to disciplinary action, except as follows:

- Pre-bid/proposal conferences
- Bid/Proposal discussions conducted during presentations with individual proposers
- Communications by the Division

Bid/Proposal Receipt and Opening

Competitive sealed bids/proposals shall be submitted solely in electronic format when possible, however, complex bids/proposals may be submitted in hard copy format to the City Clerk's Office. Each individual solicitation will outline the submission method, which may include electronic and/or hard copy submission. Bids/Proposals shall be publicly opened in the presence of Division staff, at the time, date,

and place designated in the solicitation. The Division may read aloud the names of the responding bidders/proposers; however, other terms of the bids/proposal may not be disclosed at that time.

Bids/Proposals received after the specified date and time for closing shall be considered late, and the bid/proposal will be returned to the bidder/proposer unopened.

Non-Responsive and Non-Responsible Bid/Proposal

A bid/proposal may be deemed non-responsive if it does not conform in all material respects to the requirements and criteria set forth in the solicitation. This includes such aspects as following solicitation instructions for proper submittal, completing all necessary forms included with the solicitation, providing information required by the solicitation, and complying with all terms, conditions and specification requirements as enumerated in the solicitation.

A bid/proposal may be deemed non-responsible if it does not demonstrate the capability in all respects to meet all requirements of the solicitation and subsequent contract. This may include demonstrating the ability to meet solicitation and contract requirements tied to experience, capacity, facilities, equipment, credit, sufficient qualified personnel, and record of timely and acceptable past performance that will assure good faith performance for a City project or purchase.

If a bidder/proposer is found to be non-responsive or non-responsible, the bid/proposal will be rejected, and no further consideration will be given to that bid/proposal during the evaluation process.

Each bidder/proposer shall be required to comply with various State of Florida and City requirements as enumerated below. The bidder/proposer may be required to sign a certification testifying to its compliance. Bidders/proposers must agree to the following:

- That they have read, understand, and intend to perform as required by any contract awarded to them.
- That the bidder/proposer certifies by affidavit, that neither the bidder/proposer nor any of its officers, partners, owners, agents, representatives, or employees have been engaged in any collusive behavior resulting in diminished competition; or any behavior contrary to any anti-trust legislation.
- That the bidder/proposer does not have a person or affiliate who has been placed on the State of Florida convicted vendor list following a conviction for a public entity crime as provided in Florida Statutes Section 287.133. Individuals and vendors in violation of this requirement may not submit any bids/proposals to the City, and any bid/proposal submitted by the firm shall be deemed non-responsive.

Evaluation Process for IFB

When an Invitation of Bids is issued, the resulting contract(s) or PO(s) shall be awarded to the lowest priced Responsive and Responsible Bidder(s) who meets the requirements set forth in the solicitation.

Copies of the bids shall be forwarded to the using Department for technical evaluation. The using Department/Office shall submit its evaluation to the Division in writing. If any bid is found non-responsive or non-responsible, the using Department/Office shall document the reason(s) in writing.

A written determination of a bidder(s) being found non-responsive and/or non-responsible must be made

by the Division based on an assessment of the bid(s) and the technical evaluation from the using Department/Office. The City may require a bidding vendor to include information that will validate their ability to be considered responsible.

In cases where there is a tie for the bid award, the award shall be made by giving preference to the low bidder(s) with the following items (in this order): (1) maintenance of a drug-free workplace in accordance with the requirements of Florida Statutes Section 287.087, (2) local Hollywood vendor preference, (3) closest proximity/location to project site or City Hall, and/or (4) minority-owned or disadvantaged business status. If a tie still exists after the aforementioned tiebreakers are utilized, the Chief Procurement Officer will make a recommendation for award among the tied bidders.

Evaluation Process for RFP, RFQ and ITN

When a Request for Proposals, Request for Qualifications or an Invitation to Negotiate is issued, the resulting contract(s) or PO(s) shall be awarded to the Responsive and Responsible Proposer(s) whose proposal(s) conforms to the solicitation and is determined in writing to be the most advantageous (best value) to the City taking into consideration the specific evaluation criteria set forth in the solicitation. It should be noted, however, that price, while a relevant factor, may or may not be used as a criteria during evaluation. During the evaluation process, the Selection Committee may only utilize the factors set forth in the solicitation in completing their evaluation, and no other factors or criteria may be used in the evaluation.

Selection Committee: Prior to the beginning of the formal evaluation process, a Selection Committee will be appointed to evaluate solicitation responses. The Selection Committee will normally be comprised of City employees who will be specifically impacted by the final outcome, as well as subject matter experts who may have a unique perspective related to the purchase, and will generally not have members who are direct reports (subordinates) to other members of the Selection Committee. A representative of the Division will facilitate the process and will be responsible for coordinating all of the activities of the Selection Committee, as well as providing guidance during the entire evaluation process.

Scoring/Ranking: The Selection Committee will be required to individually score/rank proposals against the evaluation criteria in the solicitation, in accordance with instructions provided by the Division; however, members will only be allowed to discuss their scoring/ranking activities with other members of the Committee during formal public meetings of the committee. Selection Committee members are also prohibited from speaking with any of the proposers before and during the evaluation process. Scoring/ranking shall consider the weights assigned to each individual criterion. For example, if “Past Performance” has a weight of 20 percent out of 100 possible points, the most points that may be assigned to a response for that factor will be 20 points.

Reference Checks During the evaluation process, one or more members of the Selection Committee with specific expertise in the area related to the pending purchase may be requested to perform reference checks of proposers. As a matter of practice, proposers are requested to provide the City with a list of references. Committee members performing such reference checks will be required to document all reference check results in writing. The Division may supply a standard form to be used for reference checks in order to ensure that the same questions are asked and the same information is gathered from all references.

Selection Committee Meetings After allowing a reasonable amount of time for the review and scoring of proposals, the Selection Committee will meet to discuss their scores in a public meeting, as required by Florida Statutes Section 286.011, which will be transcribed or recorded. All Selection Committee meetings shall be publicly posted by the City Clerk no less than seven days in advance of the meeting. During this meeting, the Selection Committee will be able to discuss their specific comments about proposals, and may make adjustments to their scores based on information disclosed during the Selection Committee Meeting. Depending upon the number of responses to a particular solicitation, the Selection Committee will normally determine that several vendors should be selected or “short-listed” for further evaluation and discussions. It should be noted, however, that in certain cases, the Selection Committee may determine that a single vendor best meets the requirements of the City, and may recommend that an award be made to that vendor. All scores are to be documented in writing, and will be maintained as a part of the solicitation file.

Discussions & Presentations by Proposers In the event that the Selection Committee determines the need for further discussion with a short-list of proposers, oral presentations by each short-listed proposer will be formally scheduled with the Selection Committee. All proposers invited to provide oral presentations will be notified in writing by the Division. All oral presentation meetings shall be transcribed or recorded for the public record pursuant to Florida Statutes Sections 286.011 and 286.0113. The order for Proposer presentations will be determined by the Division.

Clarification Requests During Evaluation In some instances, clarifications are requested or required from vendors during the evaluation process. When such clarifications are requested or required, members of the Selection Committee should provide their requests for clarification to the Chief Procurement Officer or designee, who will then request clarification. In many instances, the Selection Committee may choose to prepare a set of general questions for all proposers, or questions specific to individual proposers. The Chief Procurement Officer or designee will then normally forward those questions in writing to the proposer(s), with the request that the proposer(s) either respond in writing, or address the questions during oral presentations.

Price/Cost Evaluation: Great care shall be taken by the Selection Committee in the final evaluation of proposals. While price/cost may not be the most important criterion or may not be used at all, the Selection Committee shall carefully evaluate comparative costs between proposers in order to ensure that cost information is accurate and competitive. Pricing may be scored based on a ratio comparison of each proposer’s price with the lowest price, by determining the lowest price per technical point, by an overall ranking, by comparison using a standard scenario, or by other means determined to be most advantageous to the City. When evaluating price/cost, the Committee shall also evaluate the economic benefit to the City that is associated with the proposed price/cost. If a proposed higher price/cost comes with the benefit of generating more revenues for the City, or provides for additional services that will promote increased economic use by local residents, such price/cost shall be evaluated accordingly taking into account that it may provide a better value to the City regardless of the higher price/cost.

Other Evaluation Criteria: All other evaluation criteria shall be carefully considered referencing other information provided which may include, but not be limited to, information shown in the narrative of proposals, reference checks, analysis of the proposer’s financial condition, the level of professional capabilities demonstrated by the proposer, the proposer’s ability to complete work within a reasonable schedule, the proposer’s success on other similar projects and the proposed work plan.

Final Determination: Upon completion of any oral presentations, the Selection Committee will rank or re-score proposers based on the information presented using the evaluation criteria. Committee members should score proposals in a manner that will readily distinguish the highest ranked firms from lower ranked firms to ensure complete clarity in scoring. The final ranking/scoring will then be the basis for a formal recommendation for award of a contract(s) or PO(s). All final scoring/ranking information will be maintained in the solicitation file.

Negotiations: The Chief Procurement Officer or designee may appoint a Negotiation Committee following the scoring of presentations. The Negotiation Committee may be directed to negotiate with the highest ranked proposer, or multiple proposers as may be deemed necessary, regarding terms, conditions and pricing, as appropriate.

Revisions to Proposals During Negotiations: The Chief Procurement Officer or designee may permit proposers to amend proposals. Although rare, there may be instances when negotiations with multiple proposers are warranted. In such cases, the Chief Procurement Officer or designee may, after consultation with the City Attorney's Office, also request submission of best and final offers from all firms engaged in the negotiation process. Proposers shall be given fair and equal treatment with respect to revision of proposals.

Final Scoring: Upon completion of any oral presentations, the Selection Committee will rank or re-score proposers based on the information presented. The final scoring will then be the basis for a formal recommendation for award of a contract. All final scoring information will be maintained in the solicitation file.

Evaluation Process for RFI and RLI

Submittals are evaluated by an evaluation or specification development committee, similar to the RFP evaluation process described above. However, contracts are not normally awarded via the RFI or RLI process, but the City reserves the right to award or seek priced offers from firms who may be short-listed as providing acceptable responses as a secondary phase to this process. Recommendations as a result of the RFI/RLI process may serve as the basis for developing specifications or a scope of work in a future solicitation.

Final Recommendation for Award and Resolution

Upon completion of the solicitation evaluation process, the Division, with the assistance of the requesting Department/Office, will prepare a final memorandum making a recommendation for award, as well as any Resolution requiring the action of the City Commission, as applicable. The memorandum will be routed by the Division, shall be addressed to the City Manager, and shall include the following detailed documentation:

- Recommendation: A synopsis of the recommendation, including the name of the recommended firm(s), the product or service to be provided, and the solicitation number.
- Issue: A detailed description of the specific need that the contract will address for the City.
- Background information detailing the specific reason that the solicitation was developed and solicited.

- Detailed synopsis of the competitive process used to arrive at a recommendation, including information detailing what occurred during the solicitation process, dates of issuance and receipt of bids/proposals, the names and number of respondents, and the names and titles of the Selection Committee and committee facilitator, as applicable.
- Information relating to the evaluation process, including a summary of results of Selection Committee meetings, names of vendors who were found to be non-responsive or non-responsible, and a list of short-listed vendors who were selected to provide written or oral presentations, as applicable. If the Selection Committee determines that one proposer should be selected without the need for further presentations, the author should provide a justification for that selection, and indicate why it was determined that there was no need for presentations, as applicable. If it is determined that no presentations are required, a synopsis of the point rankings must be provided, as applicable.
- Synopsis of oral and/or written presentations, including follow-up information provided as a result of proposer clarifications that may be provided as a result of questions that arose during the presentation process, as applicable.
- A report on ancillary findings by non-committee members who may have provided expert analysis of bids/proposals (i.e. financial analysis by an expert employee, or legal analysis of a contract document provided by the City Attorney).
- Any commentary, comparative charts or graphs or scenario comparisons that demonstrate why the recommended vendor provides the most advantageous response for the City.
- Detail regarding the benefits of the recommended firm, and/or lack of benefits for the use of other firms.
- A summary of overall findings.
- A detailed fiscal impact statement, which provides the total estimated cost or cost avoidance for the contract period, a comparison of previous costs to new costs, as well as detailed budget accounts and projects.

Award

The award of a contract(s) or PO(s) shall be made to the responsive and responsible bidder/proposer whose bid/proposal is determined in writing to be the lowest price or most advantageous to the City, as applicable to the solicitation method used. The City reserves the right to waive any and all deviations from the solicitation and to award a contract(s) or PO(s) to a bidder/proposer based on the best interest of the City.

Chief Procurement Officer

The Chief Procurement Officer may:

- Award a contract(s) or PO(s), or make a recommendation for award to the City Manager, or recommend to the City Manager an award by the City Commission based on the outcome of the evaluation process for the solicitation and the recommendation of the requesting Department/Office.
- Recommend the rejection of all bids/proposals to the City Manager or City Commission.

- Waive technical variances which by their nature are immaterial, or do not prejudice the rights of other bidders/proposers.

City Manager

In the event that the competitive process results in the City receiving pricing up to \$100,000 or when multiple awards are made where each award is not above \$100,000, the City Manager is authorized to accept recommendations and execute agreements for such acquisitions. The City Manager reserves the right to request City Commission approval for any proposed award below the aforementioned thresholds.

City Commission

The City Commission shall approve all contracts in excess of \$100,000. The Division with the assistance of the requesting Department/Office may be responsible for the preparation of a formal resolution recommending an award for consideration by the City Commission. In addition, the requesting Department/Office may be required to obtain the approval of other Department/Office directors who may be impacted, such as the Financial Services Director, Budget Director and/or Risk Manager.

Documentation of Award

After the award, a record showing the basis for determining the successful bidder/proposer shall be made a part of the procurement file. Documentation should also include an explanation regarding the rejection of any bid(s)/proposal(s), which shall include the detailed specific reasons for rejection of the bid(s)/proposal(s). The Division shall notify all bidders/proposers by posting a Notice of Intent to Award.

CONE OF SILENCE

The City Code imposes a [Cone of Silence](#) for certain City purchases of goods and services. The Cone of Silence prohibits communication between vendors and vendors' representatives and City elected officials, management and staff during the period in which the Cone of Silence is in effect.

The Cone of Silence shall be imposed when the City determines sufficient information is available to evaluate the request for a purchase or determines sufficient information is available to draft a formal competitive solicitation.

The Ordinance does allow potential vendors or vendors' representatives to communicate with certain employees, including those designated for the limited purpose of seeking clarification or additional information. The names and contact information of those employees that may be contacted for clarification or additional information are included in the notice of the Cone of Silence or in a formal solicitation.

The Cone of Silence shall remain in effect until an award is made, a contract is approved, or the City takes any other action which ends the procurement process. When a Cone of Silence is terminated, public notice of the termination shall be posted.

EXCEPTIONS FROM SOLICITATION PROCEDURE REQUIREMENTS

The following situations are exempt from the solicitation procedure requirements of this Manual.

Emergency Purchases

Referenced Documents

The City Code authorizes [Emergency Purchases \(City Code § 38.41\(C\)\(1\)\)](#) that are exempt from competitive bid and competitive proposal requirements.

Overview

An emergency condition results when an immediate need for goods or services that cannot be met through normal procurement methods and the lack of which goods or services would negatively impact:

- The functioning of City operations;
- The preservation or protection of property; or
- The health, safety and/or welfare of the public.

The City Code defines emergency purchases as urgent cases of compelling emergency that require the immediate purchase of goods or services. This could include but is not limited to emergencies caused by acts of nature, water and wastewater system breakdowns and emergency personnel equipment breakdowns. Please note that the lack of planning by a requesting Department/Office or unanticipated delays shall not be considered an emergency.

Determination of an Emergency

In emergencies, the City Manager is authorized to direct the Chief Procurement Officer to secure by open market procedure, at the lowest obtainable price, any goods or services. All such emergency purchases must receive prior administrative approval, except for the most urgent situation presenting a clear and present substantial threat to life or property where immediate action is required. For emergency purchases up to \$100,000 which the City Manager is authorized to award, he/she may waive competitive bidding under this paragraph without receiving the City Commission's prior or subsequent approval. Emergency purchases that exceed \$100,000 shall be approved by the City Commission prior or subsequent to the emergency.

Emergency Procedures

When an emergency exists, an effort should be made to contact at least two (2) separate sources, unless the City already has an existing agreement, or is able to piggyback an agreement from another governmental agency to supply the requirements for the emergency.

The following information must be supplied to the Division by the requesting Department/Office of an emergency PO, and will be included as a part of the PO:

- a) Vendor Name, address and contact information

- b) Brief Description of item(s) purchased
- c) Total amount of the PO
- d) Delivery location

A copy of the invoice/receipt will need to be attached to the front of the PO, and a copy returned to the Division as back-up.

The requesting Department/Office will be requested to provide the Division with the proper expenditure account, unless General Accounting has assigned a specific account to be used for all requests related to the incident, in which case, General Accounting will provide the Division with that information prior to the execution of any final PO.

Note: A requisition will be needed to formalize these purchases. The requesting Department/Office will enter the emergency PO number in the requisition when entering the information into the financial system to ensure that it is properly matched up within the Division.

Determination and Record of Emergency Procurement

For all emergency procurements, the requesting Department/Office shall submit a written justification for the emergency procurement, a copy of which shall be routed to the Chief Procurement Officer, who will subsequently route the justification to the City Manager for reporting purposes.

Other Restrictions

Term Agreements: If a procurement is made pursuant to an existing City agreement to resolve an emergency condition, the purchase shall not be considered an emergency procurement under the City Code.

Source Selection: Purchases shall be made with such competition as is practicable; however, an effort shall be made to obtain at least two proposals or quotations.

Insurance Requirement: Purchases shall follow the established City insurance and indemnification requirements as approved by the Risk Manager and/or City Attorney.

Sole Source Purchases

Referenced Documents

The City Code authorizes [Non-Competitive and Sole Source Purchases \(City Code § 38.41\(C\)\(2\)\)](#) that are exempt from competitive bid and competitive proposal requirements.

Overview

Sole-source goods and services, such as unique, patented, or franchised goods or services may be procured using this method.

Determination and Record of Non-Competitive Procurement

Determination: Any request for a sole source for purchases of \$5,000 or greater requires a written

explanation, in the form of a Sole Source Justification Form, detailing why no other supplier may be suitable to meet the need. Division staff are authorized to question and obtain additional information necessary to properly evaluate the specifications on all requests for sole source procurements for final determination.

Statutory Requirements for Sole Source Procurements: Florida Statutes ([Section 838.22\(2\)](#)), specifically addresses sole source purchases, and states that: “It is unlawful for a public servant or a public contractor who has contracted with a governmental entity to assist in a competitive procurement to knowingly and intentionally obtain a benefit for any person or to cause unlawful harm to another by circumventing a competitive solicitation process required by law or rule through the use of a sole-source contract for commodities or services.” Furthermore, subsection 3 of F.S. Section 838.22 states that “It is unlawful for any person to knowingly agree, conspire, combine, or confederate, directly or indirectly, with a public servant or a public contractor who has contracted with a governmental entity to assist in a competitive procurement to violate subsection (1) or subsection (2).” And, if an employee enters into an agreement knowing that a public servant has violated F.S. 838.22, it could be considered a crime in accordance with subsection (4) which reads “It is unlawful for any person to knowingly enter into a contract for commodities or services which was secured by a public servant or a public contractor who has contracted with a governmental entity to assist in a competitive procurement acting in violation of subsection (1) or subsection (2).”

The key issue here is corrupt intent; even though motives may be honest, there still may be some room for doubt on the part of enforcement officials or the general public. Active research and documentation on the part of the individuals involved in the purchase will normally lower the risk of a violation of this statute. The Division will be happy to assist in the research effort.

Proprietary Specifications: Any proposed procurement based upon proprietary specifications shall require a written determination by the requesting Department/Office.

Record of Non-Competitive Procurement: The Division will keep a record of sole source procurements.

Sole Source Justification Process

A Department/Office may request that goods or services be considered a sole source after performing research and documenting the findings on a Sole Source Justification Form. It is the responsibility of the Department/Office to ensure that a thorough investigation is performed.

Sole Source Justification Form

The Sole Source Justification Form is used to document the facts and related research data to support the request. The Department/Office requesting the sole source purchase is responsible for completing the Form. The form must be completed and signed by the Department/Office Director certifying the validity of the sole source findings.

The Sole Source Justification Form will require some of the following information to be processed:

- Description of the goods or services
- Vendor details
- Estimated cost (one time and any additional costs in the fiscal year)
- Efforts the requesting Department/Office took to verify sole source availability only
- Documentation provided to certify that the vendor is the only source, such as copyrights, trademark and/or patent
- Documentation provided verifying the goods are the only item compatible with existing equipment

Upon completion of the Sole Source Justification Form, it should be forwarded to the Division for review and determination. The Justification form does not declare a sole source, it only documents a request to declare the procurement as a sole source. The completed form shall be forwarded to the Division for processing prior to the actual need to ensure adequate processing time for review, negotiation, or solicitation as required.

Division's Responsibilities

As part of the review and validation process, Division staff will prepare a plan of action to research or make inquiries about the goods or services requested.

A Notice of Intent to Sole Source will be posted on the City's solicitation system (BidSync) and/or the Division website for five business days.

If City Manager or City Commission approval is required, Division staff will work with the Department/Office to develop a memo for City Manager approval or an agenda item for City Commission consideration of the sole source purchase request.

If an alternate resource is offered by a supplier of the goods or services, Division staff shall notify the Department/Office of the need for the preparation of a competitive solicitation.

The Department/Office requesting the sole source will be notified of the approval status/action taken by the Chief Procurement Officer or designee.

Department/Office Responsibilities

The Department/Office is responsible for the initial research and submittal of the Sole Source Justification Form and related information in support of the request to sole source.

Upon approval of the Sole Source Justification Form, the Department/Office shall enter a requisition into the financial system for processing into a PO.

Piggyback Purchases

Referenced Documents

The City Code authorizes [Piggyback Purchases \(City Code § 38.41\(C\)\(5\)\)](#).

The practice of utilizing the price agreement of another entity is known as "piggy-backing". The Chief

Procurement Officer is authorized to piggyback an agreement of another entity as defined within this section without the requirement to utilize a formal competitive process, if the acquisition is in the best interest of the City, subject to the appropriate approval process. In any case, the contracting vendor must agree to allow the City to piggyback such agreements in writing, and the City should also attempt to obtain the permission of the contracting governmental entity before entering into an agreement. Any contract awarded will receive the appropriate approval based on the dollar thresholds as stated in the "Award" sections of this Manual. Piggyback purchases shall be permitted only during the term of the underlying entity's contract.

Piggybacking

Because these contracts have been awarded on a competitive basis, further competition by the City is not required. The City may procure goods and services which are the subject of contracts with the State, its political subdivisions, the United States government, other governmental entities, or a not-for-profit corporation whose members are governmental entities, public officers, or any combination thereof, which is based strictly on competitive solicitation and not on any preference.

Additionally, the City may purchase goods and services from award schedules available through the U.S. Government General Services Administration, the State of Florida or any of its political subdivisions, or any competitively competed agreement issued by a national consortium of governmental agencies.

Requests using a cooperative purchasing bid, piggyback, State Contract, or GSA contract, must be submitted via a completed Piggyback Request Form which references the bid name and number, and a copy of the bid that is being piggybacked, and shall be on file in the Division and the requesting Department/Office prior to issuance of any PO.

Cooperative Purchases

Referenced Documents

The City Code authorizes [Cooperative Purchasing \(City Code § 38.47\)](#).

Cooperative Purchasing

The Chief Procurement Officer is authorized to join with other governmental entities in cooperative purchasing plans when the best interest of the City is served subject to the appropriate approval method(s).

The City participates in a local governmental co-operative program with other agencies in the Southeast Florida area. In addition, the City also participates in programs offered by certain national consortium groups. In some instances, the City acts as the "lead" agency for a cooperative program. In that role, the City is responsible for collecting information on the specifics and quantities of goods or services needed from other members of the cooperative, preparing and advertising the solicitation, evaluating and awarding contracts, and administering the agreement on behalf of the cooperative. Each member of the cooperative, however, is responsible for working with the successful contract vendor(s) in the resolution of its own disputes.

Requests using a cooperative purchasing bid, piggyback, State Contract, or GSA contract, must be

submitted via a completed Piggyback Request Form, and shall be on file in the Division and the requesting Department/Office prior to issuance of any PO.

Construction Services

Referenced Documents

The City Code authorizes contracts for [Construction Services \(City Code § 38.41\(C\)\(6\)\)](#) that may be exempt from competitive bid and competitive proposal requirements if they are based on a qualifications based selection process in compliance with the CCNA ([Section 287.055, F.S.](#)).

Overview

Contracts for construction services involving peculiar skill, ability, experience or expertise, which hold special certification, licensing or appointments, including but not limited to architects, engineers, surveyors and mappers may, with the approval of the City Commission, be entered into without public competitive bidding or proposals. Qualifications, work history and other relevant data shall be reviewed before entering into such contracts, however, all applicable state laws related to certain professional services including the Consultants' Competitive Negotiation Act (CCNA) shall be followed (F.S. Section 287.055), as well as other requirements outlined in this Manual.

Not all construction services are covered under the guidelines of the CCNA, and in such instances, any resolution presented to the City Commission shall include a written explanation detailing the reason or reasons for the selection of a specific consultant or firm, without the benefit of a competitive process.

CONTRACT TYPES

Overview

The Division in consultation with the Legal Department may utilize different contract types for the purchase of goods or services to mitigate risks and maximize efficiencies.

Purchase Orders

The most common type of contract document is the PO. POs (including blanket purchase orders) are usually issued for the purchase of goods not available on a term contract. A PO may only be considered a contract, however, when it is issued as an acceptance of an offer made by a vendor. Offers include a formal response to an IFB or an RFP, or an informal written quotation, where pricing is included as a part of the offer. POs are issued in response to a requisition entered into the financial system by the requesting Department/Office, and will be approved and created by the Division.

Placing an order directly from a catalog using a PO is not recommended unless the requesting Department/Office obtains a written quotation from the catalog vendor. When an order is placed directly from a catalog, in essence that is submitting an offer to purchase, rather than an acceptance of an offer to sell. Since most catalogs carry disclaimers that pricing is subject to change without notice, there is no assurance that the catalog vendor will maintain the same pricing. This problem can easily be avoided by requesting the catalog vendor provide a written quote. The written quotation becomes an "offer," which

can then be “accepted” by issuance of the PO.

Standard business practice, when obtaining written quotations from any vendor, includes requesting estimated costs for all shipping, handling and freight charges, so that more accurate cost information can be reflected on the final PO. Part of the back-up for creating a requisition should include providing the Division with all written quotations to validate that pricing is correct and that competition was obtained.

The Division will validate all information provided on the requisition, make appropriate inquiries of the requesting Department/Office and vendors, and approve and issue all PO documents directly to the vendor, with a copy being forwarded to the requesting Department/Office.

Each PO document includes standard terminology defining requirements for the vendor to follow. Highlights of items addressed by the Purchase Order Terms and Conditions include the following:

- Items are to be shipped F.O.B. Destination, freight pre-paid. This requires that title to the goods remain with the vendor until delivery and acceptance. The vendor is responsible to pay damage claims.
- The City’s tax-exempt information is provided.
- PO numbers should be included on all shipments.
- Required seller warranties should be included.
- Sellers are required to indemnify the City for damages, losses and liabilities arising out of the operations of Seller pursuant to the PO specifically including but not limited to those caused by or arising out of a defective condition in the goods.

Professional Services Agreement

Professional Services / Consultant Agreement: An agreement for professional services with a consulting firm, that specifically relates to legal requirements for professional services contracts including, but not limited to architects and professional engineers.

As a means to provide the appropriate level of flexibility and protection for the City, the City Attorney’s Office will utilize a standard Professional Services Agreement and other contracts, depending on the type of acquisition required.

The Division will coordinate the final preparation of these contracts, and the requesting Department/Office should not create or distribute copies of contract documents without the express permission of the Division or City Manager.

Other Contract Types

In addition to purchase orders and professional services agreements, other contract types may be used to purchase goods or services based on the nature of the procurement and the appropriate contracting method. Such other contract types include, but is not limited to, term contracts, service agreements, fixed-price (lump sum) contracts, cost-reimbursement contracts, time and materials contracts, unit price contracts, GMP (Guaranteed Maximum Price) contracts, etc.

CONTRACT COORDINATION AND ISSUANCE

Contract Coordination Process

The Chief Procurement Officer or designee shall be responsible for the issuance of signed agreements to vendors as applicable. The purpose of this requirement is to ensure that contract documents are processed in a consistent manner. The Chief Procurement Officer or designee shall provide appropriate instructions to the vendor related to the execution of the agreement, and shall be responsible for the coordination of the resolution of any contract issues which may occur upon issuance of the agreement to the vendor. The Division will review contract documents for accuracy and completeness, and coordinate the process of routing the contract for execution through the City Clerk's Office.

Contract Issuance

Upon completion of all reviews, including reviews as appropriate by the City Attorney, the City Manager, the Mayor and City Commission, and the City Clerk, the Division will issue a copy of the agreement to the vendor and send notification releasing the Cone of Silence when applicable. The City Clerk will maintain the official City copy of the Agreement.

CONTRACT ADMINISTRATION

Delivery and Receiving

Whenever the City contracts for the purchase of goods or services, the City expects its vendors to make deliveries in a timely fashion. There are situations, however, where the City may need to obtain goods in a more expedient fashion, or where the vendor is delayed in its deliveries. When goods are needed in a more expedient fashion, the requesting Department/Office may wish to contact the vendor to expedite the shipment. In some instances, expediting a shipment may carry an additional cost, and that cost needs to be factored into the decision of how and when an order is expedited.

Following-up is simply the process of checking with the vendor to determine the status of an order. If an order is delayed, either through the fault of the vendor or because of extenuating circumstances, the specific conditions related to that order should be factored into the decision of what to do next. The Division should be involved if there are issues related to late deliveries, and it may be determined to follow one of the following strategies for coping with late deliveries:

- If the items ordered are not critical, the City may choose to simply allow the vendor more time, especially if there are shortages in the marketplace.
- If items are critical, the City may wish to consider paying for expedited shipments, or requiring the vendor to pay for such shipments if it is determined that the delay is a result of poor performance on the part of the vendor.
- The City may wish to consider receiving a reduced quantity of items until the full shipment can be received.

- The City may consider allowing the vendor to provide a substitute product; however, care should be taken to ensure that the substitute product is of equal or better quality. If the delay is a result of poor vendor performance, no additional payment should be authorized by the City for substitutes of equal or better quality, and substitutes of lesser quality should not be entertained without a price decrease.
- The City may wish to cancel the vendor's contract if delivery is not received within the anticipated timeframe, since non-delivery of goods within the scheduled timeframe may be considered a contract breach. The City may then procure the goods from alternate sources, and under the [Florida Uniform Commercial Code \(Chapter 672, F.S.\)](#), the City has the right to collect any additional cost for the procurement of conforming goods from the vendor who breached the contract. This is known as the right to "cover" under the Uniform Commercial Code.

INSPECTION AND TESTING

The City Code authorizes [Inspection \(City Code § 38.45\)](#) of purchased goods and services.

Upon receipt of goods, the requesting Department/Office has the right and obligation to inspect the goods to ensure that they conform to the requirements of the purchase order or contract. Additionally, the City may reject goods that fail to conform to the requirements of the contract or PO, and may receive replacement goods or monetary remuneration in the event of a contract breach by the vendor. These rights are protected under the [Florida Uniform Commercial Code \(Chapter 672, F.S.\)](#).

The requesting Department/Office should immediately note any discrepancies, and note if the products received do not conform to the requirements of the order. If the items are delivered in the supplier's vehicle, the goods should be rejected and returned to the vendor immediately if damage is noted. All discrepancies shall be noted in a receiving report to be maintained by the requesting Department/Office on a Vendor Performance Form.

If the products are delivered by a shipping company (common/commercial carrier), and visible or concealed damage is discovered, the receiver should refuse delivery if possible. If this is not possible, and the driver refuses to open the carton, or fails to wait for inspection, the receiver should write a statement on all copies of the delivery ticket such as: "Except for concealed damage" or "Subject to Inspection", and sign the document. A copy should be retained for records.

The requesting Department/Office is authorized to require chemical and physical testing of samples submitted with bids and samples of deliveries that are necessary to determine their quality and conformance with contract specifications. Such tests may be completed at any City laboratory facilities or any outside laboratory.

INSURANCE

Overview

The City requires that all vendors performing work on City property or performing work on behalf of the City must provide proof of insurance and endorsements. Vendors must have an approved copy of their current Certificate of Insurance and endorsements on file with the requesting Department/Office and the

Division prior to starting work.

A PO or agreement will not be issued if an insurance certificate is not on file that meets established criteria. Neither the contractor nor any subcontractor (if applicable) shall commence any work under their contract until they have obtained all insurance and endorsements required under the contract provisions. Any sub-contractor used by the contractor shall supply such similar insurance and endorsements required of the contractor.

Using Department Responsibilities

One of the causes of delay of purchase transactions is failure to obtain compliant insurance certificates and endorsements from vendors. It is the requesting Department/Office's responsibility to obtain a compliant and Risk Manager approved insurance certificate to forward to the Division along with back-up quotes for requisitions per policy thresholds. Division staff will assist the using Department/Office in the coordination of obtaining and providing insurance certificates to Risk Management for approval.

The requesting Department/Office and the Division will maintain current insurance information on file. Proof of updated insurance certificates and endorsements will be required from firms for PO/contract approval.

Standard Insurance Requirements

When a vendor is to perform work on City property or perform work on behalf of the City, as a general rule, the following insurance must be provided, general liability insurance, automobile liability insurance and workers' compensation insurance, along with required endorsements. The required limits will be contingent upon the nature and extent of the project or activity. The City will be included as Additional Insured on all policies except workers' compensation. Contact Risk Management for assistance if needed.

The level and types of insurance coverage required may vary depending on the type of risk exposure to the City. The Risk Manager may determine that additional insurance requirements should apply to a given situation, or that certain requirements may be waived.

Additional Insurance Guidelines

All insurance carriers shall be rated at least A-, VII per A.M. Best's Key Rating Guide and be licensed to do business in the State of Florida. Each carrier will be required to give the City 30 days' written notice prior to cancellation.

Expiration dates must be checked to ensure the policy is in effect during the term of the agreement

Copies of all insurance certificates and endorsements will be forwarded to the Division, and the requesting Department/Office shall maintain copies for its files.

The City may require that the contractor provide professional liability insurance. If the contractor is providing professional services, the contractor must provide the City with evidence of professional liability insurance with minimum limits established by the Risk Management Division.

Workers' compensation insurance must meet statutory limits. If the company does not carry workers' compensation insurance, they must provide either a) a certificate of exemption issued by the State of

Florida, or b) a letter from the company signed by a corporate officer attesting to the fact that the company is exempt, subject to Risk Management approval.

Risk Management

The Risk Manager is ultimately responsible for setting insurance limits for the City, and acts in an advisory capacity regarding insurance standards. The Risk Manager or designee may be requested to review responses to requests for insurance coverage that may vary from the norm. The Risk Manager will consider the specific level of risk for those unique situations, and determine if the level of insurance is adequate to match the level of potential risk. The Risk Manager has the authority to waive requirements if it is determined that the level of insurance will be adequate for the circumstances and may require that additional coverage be required if there is an additional level of risk that may be associated with a particular project.

Division personnel may request that the Risk Manager conduct a risk assessment of unusual circumstances or large-scale projects prior to the issuance of competitive solicitations, to ensure that the appropriate level of coverage is required. Upon receipt of recommendations from the Risk Manager, any additional coverage requirements will be incorporated into the solicitation document.

PAYMENTS

Referenced Documents

Florida Prompt Payment Act - [Section 218.70, F.S.](#)

Overview

The City is committed to making payments in a timely fashion. Timely payments also help to ensure that the City maintains a good credit rating and a good bond rating. Most importantly, timely payments mitigate the contractor's level of risk, which results in the City being seen as a reliable entity to do business with and one likely to attract more vendors, thus improving the overall level of competition and resulting in lower costs for the City.

The Importance of Timely Receipt of Merchandise

Once a product is received, the receiving Department/Office should promptly process the PO and submit it to Financial Services. Merchandise that conforms to the requirements of the City's contract should be received immediately upon successful inspection.

Non-compliant Merchandise

If products received are damaged, or not compliant with contract requirements, the City should either not pay for the merchandise, or make payment for only that part of a shipment that conforms to the City's requirements. It is especially important that the vendor be advised in writing immediately when it is discovered that merchandise is non-compliant.

Requirement for Prompt Payment

The Florida Prompt Payment Act ([Section 218.70, F.S.](#)) establishes standards for the prompt payment of invoices received by the City. Invoices shall be paid timely as specified, and payment disputes, if any,

shall be resolved as outlined in the statute.

REMEDIES FOR NON-PERFORMANCE

Overview

Despite the best efforts to partner with vendors, when the service level provided is not acceptable to the City, further actions may be required to either ensure that the requested quality level is provided by the vendor, or that the City's needs are accommodated by another source. Actions to be taken by the City in this type of situation should be a part of the feedback delivery process, and should be administered in a progressive manner. Remedial actions must be administered by the Division, and may require the involvement of the City Attorney and ultimate termination of a contract.

The Need for Documentation

When a vendor fails to properly perform under a contract, the City will follow a progressive remedy process, unless circumstances warrant that more immediate action be taken in order to protect the safety of individuals, or mitigate damage to City property.

Prior to administering any form of remedy, however, the City must perform its due diligence to ensure a factual account of circumstances leading-up to the unacceptable situation. Project managers must document any issues, observations, discussions or contacts with the contractor that may have an impact on this situation on a Vendor Performance Form. Data collection and documentation must be completed in a fair and unbiased manner in order to ensure the credibility of the City, and to protect the City against any legal liability resulting from making unsubstantiated claims against a vendor.

In all cases, whether a vendor defaults on an agreement, or performs in a manner that exceeds all of the City's expectations, it is important to maintain the documentation of vendor evaluations and/or any corrective or punitive actions. This documentation is important, especially for poorly performing vendors, as it provides the City with background for considering the viability of that vendor for future contract awards; and may be used as background information when developing requirements and specifications for future contracts. Failure to maintain this documentation may result in the City having no viable justification for not awarding a contract to a vendor that has had past performance problems with the City. In addition to retaining such documents pursuant to Florida's public records laws, it is recommended that copies of documentation for poorly performing vendors be maintained with the Division.

Progressive Remedy Phases

The following is a synopsis of a normal progressive course of action to be taken in the event of substantiated vendor or contractor non-performance, that was documented on a Vendor Performance Form.

Development of a Corrective Action Plan:

- The first step to be taken with a vendor who is not providing a good or service that is satisfactory to the City is to develop a corrective action plan. The Department/Office should work with the Division

to ensure that the plan is reasonable and realistic.

- Corrective action plans should specifically detail steps required to be taken by the vendor in order for them to achieve the results that meet the City's expected level of satisfaction. Corrective action plans should specify any deficiencies in the goods or services delivered, as well as the desired quality required for those goods or services. The corrective action plan will include specific and often serious consequences for non-compliance with the plan by the vendor. For this reason, it is important to impose realistic deadlines on the vendor for the achievement of the corrective action, and to specifically detail actions that will be taken by the City if the plan is not followed.
- If the vendor fails to meet the obligations of the corrective action plan, the next step may include the termination of the vendor's contract. Most City contracts include standard termination language that gives the City the right to terminate a contract for default. If it is determined that circumstances warrant termination, action shall be initiated by the Department/Office after consultation with the Chief Procurement Officer, who will seek the advice and consent of the City Attorney, to terminate the vendor's agreement in compliance with the requirements of the City's [Procurement Code](#). Depending on how the contract was initially awarded, notification of the City's intent to terminate the contract may be made to the City Commission and in certain cases, where the City Commission approved the original contract, the City Commission may be required to approve any contract termination actions.
- Vendors that have severe deficiencies, or who may have violated the law, may be suspended and debarred for a period of time after being given proper notice.

Vendor Feedback

The City may occasionally request feedback from vendors who have worked with the City. Feedback may be conducted with individual vendors via exit interviews after the completion of a project, or through a survey process. Surveys may be addressed to individual vendors, or may be addressed to a group of vendors who have provided goods or services to the City.

SURPLUS PROPERTY AND DISPOSAL

Referenced Documents

The City Code authorizes the disposal of [Surplus Stock \(City Code § 38.46\)](#).

Excess and Surplus Property

Surplus Property refers to all tangible personal property owned by the City of a non-consumable nature that is excess, surplus, or obsolete for which the continued use is not economical or efficient, or which serves no useful function.

It is the policy of the City that all goods to be declared surplus property shall be reviewed by the responsible Department/Office director, who will provide a recommendation for final disposition to the Chief Procurement Officer. The Chief Procurement Officer has the authority to determine the final disposition of all City surplus and obsolete goods.

All non-consumable City property, whether listed as an asset or not, may be declared surplus and disposed of in one of the following ways:

- Trade-in on the purchase of new property,
- Transfer to another Department,
- Sold through public auction or competitive bid; sold to another government agency; or disposed of in any other manner approved as to legal compliance by the City Attorney in accordance with State Statutes and/or City Ordinances, Rules or Regulations and deemed advantageous by the Chief Procurement Officer,
- Donation,
- Scrapped and disposed of on-site by the using Department/Office.

Responsibility

User Departments/offices

Determine the need to remove and/or replace goods. Complete a Reverse Requisition Form stating quantity, asset number and Department and containing an authorized signature.

Forward the completed Reverse Requisition Form to the Division.

Division

Upon receipt of the properly completed Reverse Requisition Form, the Chief Procurement Officer will review to determine the most suitable method of disposal.

The disposal process is deemed complete when a transfer has been made that may include an award of sale, and receipts of proceeds forwarded to the Treasury Services Division, with the original of the Reverse Requisition Form forwarded to the General Accounting Division.

Procedures

When goods become excess, surplus or obsolete, it is the duty of the responsible Department/Office director to report them promptly to the Chief Procurement Officer by utilizing the Reverse Requisition Form designed specifically for reporting surplus or excess property. Prior to signing each Reverse Requisition Form, the responsible Department/Office director must review and approve the items to be declared surplus. The approval will include physically identifying the items and ensuring an accurate description of the assets to be declared surplus is provided. The responsible Department/Office director must verify that the data submitted on the Reverse Requisition Form is consistent with what is indicated on the Department asset list. For computer equipment, an additional review is also required by the Information Technology Department prior to disposal.

Upon receipt of the properly completed Reverse Requisition Form, the Chief Procurement Officer will use the following sequence for determining the best method of disposition:

Trade-in on new purchase - Can the property be included as buyer owned equipment to be exchanged and

considered by a seller when submitting a bid to sell new equipment to the City?

Anytime an item is to be traded-in to defer part of the expense of a new purchase, the using Department/Office is required to so indicate in the text of the Purchase Requisition and to provide a detailed description of the make, model, and condition of the equipment to be traded-in and the location of the item. All listed asset property must be accompanied by the history of the property, i.e., original acquisition date, original cost, and asset number. The Chief Procurement Officer must approve the inclusion of the trade-in equipment in any award prior to issuance of a PO. A PO shall be issued indicating the trade-in of a specific item, and if applicable, its asset and serial number.

Transfer - Can the property be utilized by another Department/Office?

Property that is no longer needed by a Department/Office, but is functional, may be economically repaired if needed, and transferred to another Department/Office. Upon receipt of a properly completed Reverse Requisition Form, the Division will review current Purchase Requisitions to determine if any Department/Office requirements can be satisfied by transfer of the surplus material thereby avoiding the expenditure for a new purchase.

Auction - Can the property be sold by auction in which a return may be realized above the expense of the sale?

Auctions should be publicly advertised, supplemented by mailing of notices to regular bidders. After the auction is announced, opportunities for interested parties to inspect the items should be scheduled. Property which has failed to sell at an auction, or property which is otherwise inappropriate for auction sale, may be sold through competitive bids on an individual item or lot basis.

Competitive Bid - If the estimated value of the property is more than \$50,000.00, a formal sealed bid is required. If estimated property value is not more than \$50,000.00, an informal bid (open market) may be conducted.

Competitive bids for the sale of surplus materials should be conducted as needed. Every item that generates an offer in excess of \$50,000 requires City Commission approval of the sale before it may be considered final. Property estimated to be not more than \$50,000 may be disposed of via the open market procedure in accordance with the [Procurement Code](#). Bids that receive offers not more than \$50,000 per item shall be awarded to the highest responsive and responsible bidder.

Donation - If no acceptable offers are received within a reasonable time period, can the property be donated to a not-for-profit organization?

Property which fails to receive a reasonable offer after public auction or competitive bid may be made available at a nominal fee or donated to other governmental entities or certified non-profit charities. The City Commission must be notified when property has become available for donation. Final disposition should not be made until a minimum of ten days after the City Commission has been advised.

Scrap - May the property be abandoned or destroyed?

Junk Material - Property which has no commercial value and is considered junk may be disposed of on-

site by the requesting Department/Office with an approved Reverse Requisition Form. Reverse Requisition Forms must be prepared for all asset equipment and should include an accurate description, the asset number and serial number if available. The requesting Department/Office in coordination with the Division will be responsible for removing the junked asset from the Department/Office's asset list.

Removal of Asset Tags - The responsible Department/Office director in physical possession of the listed asset equipment when final disposal is determined must remove the City asset tag from all such equipment.

The responsible Department/Office will be responsible for notifying the General Accounting Division of the Financial Services Department, when necessary, to remove the equipment from the Department/Office's asset list as a result of trade-in on purchase of new equipment or other disposition.

Note: Items that are being traded in must remain at the requesting Department/Office's location until transferred to the seller of the new equipment. Asset tags must be removed from all items before they are transferred to the seller.

LOCAL HOLLYWOOD VENDOR PREFERENCE

Overview

The City Code authorizes [Preferences for Local Bidders \(City Code § 38.51\)](#). Such preferences are applied as follows:

Bids

When the lowest responsive and responsible bidder is a non-Hollywood business, and a responsive and responsible local Hollywood vendor's bid is within 5% of that bid submitted by the lowest responsive and responsible non-Hollywood bidder, the local Hollywood vendor is allowed to submit a second bid. The second bid from the local Hollywood bidder must be lower than the bid submitted by the lowest responsive and responsible non-Hollywood bidder by at least 1% in order for the bid to be awarded to the local Hollywood bidder. If more than one responsive and responsible local Hollywood vendor is within 5%, each would be permitted to submit a best and final offer and the local Hollywood vendor submitting the lowest bid will be awarded the contract; provided, however, if none of the local Hollywood vendors bids are lower than the lowest responsive and responsible non-Hollywood bidder by at least 1%, the non-Hollywood bidder will be awarded the contract.

Proposals

When issuing RFPs, a numerical value will be placed or assigned for local Hollywood vendors reflecting a 5% increase in score/points. For example, a 5-point preference could be provided in the total final scoring for a local Hollywood vendor.

Set-Aside Bid Program

Provided there are at least three qualified local Hollywood vendors and the estimated annual cost does

not exceed \$100,000, bids for *electrical, fencing, janitorial, landscaping, painting, sprinkler/irrigation, welding, automotive and printing services* shall be procured by set-aside for only local Hollywood vendors to bid.

The following language should be included in all standard bids:

“Local Preference: Pursuant to §38.51 of the City Code, the City shall grant a preference to Hollywood vendors if their initial bid is within 5% of the bid of the lowest responsive and responsible bidder that is a non-local Hollywood vendor. The preference shall allow the local Hollywood vendor to submit a second and final offer which must be at least 1% less than the bid of the lowest responsive and responsible non-local Hollywood vendor to be awarded. The local Hollywood vendor shall have the burden of demonstrating that it maintains a permanent place of business with full-time employees within the City limits and has done so for a minimum of one year prior to the date of issuance of a bid or proposal solicitation within Hollywood, Florida. All supporting documentation (e.g., City valid local business tax receipt) for local preference eligibility must be received with the bid package prior to the bid opening date and time.”

The following language should be included in all set-aside bids:

“Set-Aside Bids: Pursuant to §38.51 of the City Code, the City has determined that this bid shall be set aside for participation by local Hollywood vendors only. If the bids received are not economically comparable to non-set-aside market pricing as determined by the Chief Procurement Officer upon the completion of market research and use of other price comparison methods/tools, the procurement shall be canceled.

For purposes of this bid, “local Hollywood vendor” shall mean a business entity which has maintained a permanent place of business with full-time employees within the City limits for a minimum of one year prior to the date of issuance of this bid. The permanent place of business must be the primary place of business of the entity and may not be a post office box or a personal residence. The business must actually distribute goods, or services from the permanent place of business. The business must have a current local business tax receipt from the City and must not be publicly traded. All supporting documentation (e.g., City valid local business tax receipt) for local preference eligibility must be received with the bid package prior to the bid opening date and time.”

GLOSSARY OF TERMS

Addendum: A formal written notification to prospective bidders or proposers which provides clarification of the requirements for a solicitation. Addendums are usually issued to all vendors during the course of advertising a solicitation. Whenever a potential bidder/proposer requests information or clarification that is not clearly referenced in a solicitation document, it is necessary to provide all bidders and proponents with the information in writing, using the addendum document. Addendums normally require acknowledgement by the responding vendor at the time of the solicitation submission to ensure that the vendor received and understood the information. Addendums are also used to summarize clarifications made during a pre-bid or pre-solicitation conference.

Advertisement: A formal announcement of an invitation for a solicitation; usually placed in a newspaper or on the Internet.

Best Value: The highest overall value to the City based on relevant factors that may include, but are not limited to, price, quality, design and workmanship.

Bid: Any offer specifically given to the City in response to an Invitation for Bids.

Bidders/Proposers List: 1. A list of vendors who have specifically bid on a solicitation. 2. An automated data base of businesses with whom the City has done business in the past and/or a list of firms who have expressed interest in submitting quotes bids and proposals to the City.

Bid Bond: A bid security in the form of a bid surety, certified check, cashier's check, or cash that ensures that the bidder will enter into a contract and subsequently provide the required performance and payment bonds within a specified period of time.

Blanket Purchase Order: A contractual agreement with a vendor, normally for a fixed period of time (e.g., quarterly or annually), which allows Departments to make multiple purchases directly from that vendor by referencing the blanket PO number.

Bond: A binding agreement and/or sum of money used as financial collateral to guarantee the performance by a bidder or contractor of certain duties and obligations (see Payment Bond, Performance Bond and Maintenance Bond.)

Brand Name Specification: A specification type that identifies one or more items by manufacturer name or catalog number, as defined in Procedure Proprietary Specifications. If the estimated value of the requisition exceeds \$25,000, the using Department head shall submit a written explanation as to why only the brand name item specified will meet the requirements.

Brand Name or Equal Specification: A specification type that identifies one or more manufacturer's names or catalog numbers to describe the standard of quality, performance, and other characteristics to provide a basis for the submission of equivalent products.

Breach of Contract (Contract Breach): A breach of contract means the failure of one party to a contract to perform any term of a contract without a legitimate legal excuse. The contract may be either written or oral. A breach may include, but not be limited to, failure to finish a job, failure to make payment in full or on time, failure to deliver all the goods, substituting inferior or significantly different goods, or failure to properly insure goods, among others. An anticipatory breach may be made by an act which indicates that the party will not complete the work.

Business: Any corporation, partnership, individual, sole proprietorship, joint venture, joint stock company, or any other legal entity engaged in the commercial provision of commodities, services or labor.

Change Order: A written alteration that is issued to modify or amend a contract or PO. In reference to construction contracts, it relates primarily to changes caused by unanticipated conditions encountered during construction not covered by the drawings, plans or specifications of the project.

City Commission: The legislative body of the City of Hollywood, Florida.

Commercially Available Products: Products that are considered to be standard or “off the shelf” within the industry and do not require specific modifications in order to meet a specification requirement. When developing a specification, the City shall use commercial standards and avoid unique requirements wherever possible.

Commodity: Various supplies, goods, merchandise, equipment and other personal property.

Construction: The process of building, altering, repairing, improving, or demolishing any public infrastructure facility, including public improvements of any kind to real property, including roadways, utilities, and facility site work. Construction does not include the routine operation, routine repair, or routine maintenance of any existing public infrastructure facility, including structures, buildings or real property.

Consultant: An independent contractor who is considered to have education, specialized knowledge, experience or abilities not generally available within City government. This includes but is not limited to: accountants, actuaries, appraisers, architects, artists, auditors, counselors, designers, economists, educators, engineers, financial analysts, lobbyists, management and systems analysts, medical practitioners, planners, promoters, researchers, scientists, sociologists, surveyors, trainers, and other professionals as designated by the Chief Procurement Officer.

Consultants’ Competitive Negotiation Act (CCNA): [Florida Statutes, Section 287.055](#). The Act requires that requests for handling professional services provided by an architect, engineer, land surveyor and mapper, or a landscape architect for projects with a construction cost exceeding \$325,000 and/or the professional fee for design exceeds \$35,000, fall under the jurisdiction of this law. CCNA requires a qualifications based procurement process in which firms are selected based on their qualifications rather than price.

Contract: Any and all types of City agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction between parties with binding legal force, usually involving the exchange of goods or services for money or other consideration.

Contract Modification: 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: Any person or business having a contract with a governmental body, that contracts to perform work or services, or provides commodities to the City.

Contractual Services: Include, without limitation, the purchase of insurance; printing; gas; electricity; fuel; towel and cleaning services; the purchase, installation, rental, repair and maintenance of equipment, machinery and other personal property; and all other contractual services not specifically excluded from the requirements of the [Procurement Code](#).

Cooperative Purchasing: When two or more governmental agencies combine their purchasing requirements to competitively solicit specific goods or services. This consolidation normally affords greater buying power, encouraging lower prices and decreased administrative overhead.

Debarment: The disqualification of a person or business to receive solicitations or the award of contracts by the City for a specified period of time commensurate with the gravity of the offense or the failure or the inadequacy of performance.

Department/Office: Organizational units of the City. . For the most part, departments are larger organizational units that provide services to the public, and offices are smaller organizational units that provide legislative, administrative, legal, and support functions.

Department/Office Director: The individual appointed to act as the head of an individual Department/Office. May also include Assistant Director or other position if a Department Director has delegated responsibility.

Design Specification: A specification type that establishes the characteristics an item must possess, including sufficient detail to show how a product is manufactured or work is performed.

Direct Payment Voucher (DPV): A direct payment voucher is an order processing application used primarily for processing check requests for certain applications for which there is no competitive purchasing function. In such instances, a Department/Office may make a request for payment directly to the City's Financial Services Department without processing through the Division. DPVs have the same approval and signature requirements as a requisition.

Direct Service Contract: An agreement entered into by the City which requires the contractor to provide services directly to residents or other customers prescribed by the agreement; or which provides for a mechanism for residents or other customers to have direct contact with representatives of the contractor.

Emergency: Circumstances that may require immediate action for protection of the safety, health, and welfare of the community or any segment thereof. This includes, but is not limited to, emergencies caused by acts of nature, water and wastewater system breakdowns, police and fire equipment breakdowns, or other breakdowns that may jeopardize the integrity of City property.

Excess Supplies: Any tangible personal property having a remaining useful life but which is no longer required by the City Department/Office in possession of the property.

Financial System: The automated purchasing system that is utilized to submit requisitions, obtain approvals, check budget information, issue POs, and receive goods electronically.

Fixed Asset: Any commodity/equipment item that has a useful life of more than one year and a unit cost of \$5,000.00 or more.

Free on Board (F.O.B.) Destination: The risk of loss for goods is borne by the seller until the goods are delivered to the buyer's dock, after which, upon acceptance by the buyer, the risk will pass to the buyer. The seller is responsible for filing all claims for damage in transport. The City's standard policy requires that all shipments to the City shall be F.O.B. Destination unless stated otherwise on the order or quotation.

Free on Board (F.O.B.) Point of Origin a/k/a Shipping Point: The risk of loss for goods passes to the buyer immediately upon leaving the seller's dock. The buyer is responsible for filing all claims for damage in transport. The City discourages the use of F.O.B. Point of Origin or F.O.B. Shipping Point terms as they place a significant amount of risk of loss on the City.

Grant: A contribution, gift, or subsidy made for specific purposes, frequently made conditional upon specific performance by the grantee. 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.

GSA: General Services Administration. A federal government Department that is responsible for the procurement of goods and services for most U.S. Government Agencies.

Invitation for Bids (IFB): A written solicitation for competitive sealed bids with the title, date and hour of the public bid opening designated and specifically defining the commodity, group of commodities, or services for which bids are sought. An Invitation for Bids is used to solicit offers from potential bidding vendors for goods and services (bidders) when the Department/Office is capable of specifically defining the scope of work for which a contractual service is required or is capable of establishing precise specifications defining the actual commodity or group of commodities required. Unless specifically sanctioned, no negotiation is permitted, and the contract award is granted to the lowest priced responsive and responsible bidder, which conforms to the requirements set forth in the bid document. All documents, whether attached or incorporated by reference, are utilized for soliciting bids.

Invitation for Negotiate (ITN): A competitive negotiation process that is used when the City deems it is in their best interest to negotiate with respondents to achieve best value. This method is similar to the RFP process. Single and concurrent negotiations are allowed

Maintenance Bond: A surety guarantee which protects the purchases against defects or inferior materials or workmanship for a specified period of time following the expiration of the initial warranty or guarantee period.

Nonmaterial Irregularity: An error in an offer or contract that does not have an adverse effect on the City's best interests, does not affect the outcome of the source selection process by giving a bidder/proposer an unfair advantage or benefit not enjoyed by any other bidder/proposer and is not inconsistent with applicable laws.

Original Equipment Manufacturer: Goods that are authorized by the original manufacturer as original manufacturer's products.

Offer: Any bid, proposal or quotation made to the City.

Open Purchase Order: An unexpired PO that is issued for various services that require scheduled payments over a period of time, i.e., \$50 per month for 12 months. The PO is issued to allow for incremental payments against a set amount for the period.

Payment Bond: A contract guarantee that assures the payment of sub-contractors and material suppliers in the event the contractor defaults on their contract. Payment bonds are usually required in conjunction with a Performance Bond.

Performance Based Contract: A results-oriented contracting method that focuses on the outputs, quality, or outcomes that may tie at least a portion of a contractor's payment, contract extensions, or contract renewals to the achievement of specific, measurable performance standards and requirements. These contracts may include monetary and non-monetary incentives as well as specific measures.

Performance Bond: A contract of guarantee, executed subsequent to an award to a successful bidder, to protect the City from loss due to the bidder's failure to complete the contract as agreed. The bond ensures that the project will be able to be completed with no additional cost to the City in the event that the bonded contractor defaults on its contract.

Performance Specification: A type of specification that describes the performance characteristics sought in a product or service, emphasizing performance and function over design.

Performance/Design Specification (Combination): A specification type that combines both performance and design. The City shall, to the extent practicable, emphasize or performance specifications.

Piggyback or Piggybacking: When a governmental agency and a vendor enter into an agreement originally solicited and awarded by another government agency to purchase goods or services, when the non-awarding agency's requirements are not included as a part of the original solicitation.

Plan Holders List: A listing of vendors who have expressed an interest in a specific bid or proposal solicitation by either picking-up or downloading a copy of the solicitation. In some instances, plan holders may be required to pay a non-refundable deposit in order to obtain a copy of the solicitation.

Price Agreement: A nonexclusive, indefinite quantity agreement. It is a tool to facilitate purchases when the exact quantity of a required commodity or service is unknown or may vary depending upon the using

Department/Office's requirements. It may also be called a Price Schedule Contract, Requirements Contract, or Term Contract.

Price Schedule: Same as Price Agreement

Procurement: 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. Also referred to as Purchasing.

Procurement Card (P-Card): A type of charge card issued to designated employees to provide for the purchases of small dollar items for which the purchase is difficult to plan in advance. This method of purchase allows projects to continue without the delay associated with using the requisitioning process. Set limits and commodity restrictions can be established for each authorized employee prior to receiving the P-Card.

Professional Services: Technical, and/or unique functions performed by independent contractors whose business is the rendering of such services. This may include accountants, actuaries, appraisers, attorneys, auditors, medicine and the medical arts, architects, engineers, surveyors, management, planning and systems consultants, research, and other professionals.

Project Manager: Individual responsible for the full scope of project management tasks including authorizing and monitoring the work of consultants, vendors and field staff of assigned projects; ensures successful completion of projects.

Proposal: Any offer specifically given to the City in response to an RFP.

Proposer: Any business submitting an offer to the City in response to an RFP.

Purchase Order: A contract document generated by the Division authorizing a supplier to ship and invoice requested goods and services. A PO may also be used as a means to create an encumbrance in the financial system to provide a vehicle for making progress payments over time for construction projects, and other similar projects. POs are issued as a means to legitimize a transaction and to encumber funds.

Purchase Requisition: An automated request generated by the requesting Department/Office. The Purchase Requisition Form must contain a complete and concise description of what is required to purchase a service or commodity. The requisition is created electronically using the financial system, and must be subsequently approved electronically by the Department/Office director or designee as well as approved in the Financial Services General Accounting Division. The requisition is used by the Division as a means to generate the PO.

Qualified Products List (QPL): A specification type that provides an approved list of supplies, services, or construction items described by model or catalog numbers, which, prior to competitive solicitation, have been determined to meet the applicable specification requirements.

Quotation: A response by vendors to an informal solicitation process to provide a competitive comparison of prices amongst vendors for available goods in the marketplace. Originals or copies of quotations should be submitted to the Division along with electronic requisition documents in order to

substantiate that the using Department has complied with the competitive requirements of this Manual.

Request for Information (RFI) / Request for Letters of Interest (RLI): A non-binding procurement method used to obtain information, comments, feedback and reactions from interested parties for an upcoming solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.

Request for Proposals (RFP): A document used to solicit proposals from potential providers for goods and services (Proposers). Price is usually not the primary evaluation factor. Provides for the negotiation of all terms, including price, prior to contract award. May include a provision for the negotiation of Best and Final Offers. May be a single step or multi-step process.

Request for Qualifications (RFQ): A document used to solicit statements of qualifications from potential providers for goods and services. Price may be an evaluation factor (except for Professional Services under the Consultants' Competitive Negotiation Act).

Responsible Bidder or Proposer: A person, business or contractor who has the capability in all respects to meet all requirements of the solicitation and subsequent contract. This may include demonstrating the ability to meet solicitation and contract requirements tied to experience, capacity, facilities, equipment, credit, sufficient qualified personnel, and record of timely and acceptable past performance that will assure good faith performance for a City project or purchase.

Responsive Bidder or Proposer: Refers to a person, business or contractor whose response to a bid or proposal substantially conforms in all material respects to the requirements and criteria set forth in the solicitation. Includes such aspects as following solicitation instructions for proper submittal, completing all necessary forms included with the solicitation, providing information required by the solicitation, and complying with all terms, conditions and specification requirements as enumerated in the solicitation.

Requesting Department/Office: Any Department/Office, agency, commission, or other unit in City government that procures commodities, construction, or services. Also referred to as using Department/Office.

Reverse Auction: A procurement method wherein bidders, anonymous to each other, electronically submit real time bids for designated supplies or services.

Scope of Work: Detailed description of the work which the City desires the contractor to perform.

Selection Committee: A group of individuals that is responsible for reviewing and evaluating responses to requests for proposals with the intent of making a recommendation for the proposal that best meets the needs of the City. Selection Committee members will normally be responsible for short-listing firms, conducting oral presentations of short-listed firms, and determination of the proposal which best meets the needs of the City. The recommendations of the Selection Committee will be utilized by the City Commission or City Manager, as appropriate when making a final decision regarding the award of a proposal.

Service: 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.

Signature: 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.

Single Source: A procurement decision in which a purchase is made from one source to meet certain requirements (i.e., standardization, warranties, repair parts, original equipment manufacturer supplies, or other requirements to match existing equipment or materials), even though other competitive sources may be available.

Sole Source: A procurement decision in which a purchase is made from one source because it is the only economically viable source capable of providing the goods or services. Sole sources may be characterized by a marketplace where there is only one vendor because items are proprietary, patented or geographically franchised.

Solicitation: A bid or proposal process where specifications or scopes of work are developed; and potential vendors are provided the opportunity to submit offers to the City for consideration. The solicitation process includes the advertisement and issuance of a bid or proposal document, the vendor review of the document, the opportunity to respond to vendor questions and comments, a pre-bid or pre-proposal conference as applicable, and the submittal of responses to the City. The bid or proposal document may be issued as an Invitation for Bids (IFB), Request for Proposals (RFP), Request for Qualifications (RFQ), Invitation to Negotiate (ITN), Request for Information (RFI), Request for Letters of Interest (RLI), Request for Quotations, or other any other documents suitable for obtaining bids or proposals for the purpose of entering into a written contract(s) and/or PO(s). This formal solicitation process is facilitated by the Division.

Specification: 1) A precise description of the physical or functional characteristics of a product, good or construction item. 2) A description of goods or services. A description of what the purchaser seeks to buy and what a bidder must be responsive to in order to be considered for award of a contract. Specifications generally fall under the following categories: design, performance, combination (design and performance), brand name or approved equal, qualified products list and samples. 3) May also be known as a purchasing description.

Standardization: The adoption of a single product or group of products to be used by different organizations or all parts of one organization. This usually refers to the development of specifications for use by an organization.

Stringing: Defined as the deliberate attempt to subdivide a procurement in order to circumvent the [Procurement Code](#), or other purchasing policies and procedures. This practice is strictly prohibited. Also referred to as Pyramiding.

Supplies: Includes all supplies, materials and equipment.

Supplier: See Vendor.

Surplus Property: Any tangible personal property or real property no longer having use to the City. Surplus property includes obsolete supplies, scrap materials, and non-expendable supplies that have completed their useful life cycle.

Term Contract or Term Agreement: A contract in which a source or sources of supply are established to provide for the needs for a specified period of time for specified services or supplies at an agreed upon unit price(s). A term contract or agreement may or may not have provisions for price escalation.

Unauthorized Purchase: Any purchase, order, or contract that is made by any City employee or official outside of the purview of the [Procurement Code](#), the City Charter and/or established Purchasing Policy and Procedures.

Unsolicited Offer: Any offer other than one submitted in response to an invitation or request.

Vendor: Any individual or business that will be or has been awarded a contract by the City. Also referred to as a seller, supplier or contractor.

Written or In Writing: 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.