



FINAL REPORT – CITY OF COOPER CITY, FLORIDA

PROCUREMENT ASSESSMENT

February 22, 2023

**Kirk Buffington, NIGP-CPP, M.B.A., CPPO, C.P.M., CPFIM
CONSULTANT**

I. EXECUTIVE SUMMARY

Cooper CITY, Florida (CITY) contracted with Kirk W Buffington (CONSULTANT) to review the CITY's procurement policies, procedures, and job descriptions. CONSULTANT will analyze, make observations, and present, recommendations in a final report. Recommendations will include whether the policy appears sufficient for the procurement function at the CITY, as well as general observations about alignment with industry best practices for public procurement policy.

- Procurement policies, procedures, and legal mandates
- Organizational structure and staff analysis
- Effectiveness of the overall procurement process

Training is a critical component. Procurement personnel are motivated and ready to embrace new processes and efficiencies. However, the manager is new to the CITY (less than one year) and relatively new to public procurement. The staff will need to acquire new procurement knowledge to come up to speed on best practices and establish networks that they can access for specific procurement questions. Training associated with personal growth will equip staff with the tools necessary to adapt and embrace change. The better-equipped personnel are, the better the chances for a culture of continuous improvement.

Based upon the review and analysis of data, consideration of industry standards, and best practices, it is recommended that the CITY implement a comprehensive program for updating its procurement operation, including the recommendations within this report.

II. METHODOLOGY AND APPROACH

The methodology for the Assessment consisted of a high-level review of current procurement practices, regulations, organizational structure, roles, and responsibilities. To complete the review, the CONSULTANT conducted a four-phase methodology including:

- **Preparation:** CONSULTANT reviewed the CITY's written policies, procedures, underlying procurement regulations, and other reports provided by the CITY
- **Virtual Data Collection:** multiple virtual calls were held with several different staff members, each of which had a different role within the procurement function
- **Analysis:** An analysis was completed of all documentation and data collected from the CITY, including information gathered from the stakeholder interviews. Virtual interviews

with CITY representatives involved in the procurement process; and

- **Report Generation:** A draft report was created for the CITY's review and input, resulting in the final report.

The CITY's policies and procedures were analyzed in consideration of the Values and Guiding Principles of Public Procurement¹. These values include:

- Accountability
- Ethics
- Impartiality
- Service
- Professionalism
- Transparency

In performing the tasks mentioned above, CONSULTANT reviewed relevant procurement statutes, ordinances, policies, and procedures to understand the existing environment and identify potential policy and procedure recommendations to maximize the effectiveness of the procurement process. The review included the following documents:

- CITY's procurement ordinance, Sections 2-251 to 2-268, inclusive
- Purchasing Procedures at a Glance
- Surplus Property Policy, dated September 2, 2020
- CITY's Organization Chart
- Finance/Procurement Organization Chart
- Draft Ordinance Authorizing Use of Electronic Procurement Methodologies
- CITY Strategic Plan, 2022-2027
- CITY Purchase Order Issuance Report, January 2022-October 2022
- Procurement Report of Open Contracts and Projects

CONSULTANT also conducted approximately 6 hours of interviews with 8 CITY representatives. The interviews provided a means to gather more detailed information about the process, technology, and personnel roles and obtain insights into the overall procurement operation within the CITY.

Interviews were conducted with the following staff:

- Joe Napoli, CITY Manager
- Aaron Kendrick, Director of Finance
- Monica, Deputy Director of Finance
- Brando, Purchasing Manager
- Lina Moreno, Purchasing Assistant
- Raj Verma, Utilities Director/CITY Engineer
- Tom Good, Public Works Director

¹ Values and Guiding Principles of Public Procurement (2010), www.principlesandpractices.org

- John Michael Perez, ARPA Program Manager

Gathering information and multiple points of view are essential to conduct the analysis phase more objectively and develop recommendations that can significantly impact the organization. They also highlighted areas where the CITY could benefit from additional technology, changes to the code of ordinances, and strategies that can help improve the effectiveness of the procurement operation.

III. ANALYSIS

Based on the data collected from documents reviewed and conversations with CITY personnel, the CITY has an opportunity to enhance its procurement operation in different ways. The analysis is presented in categories to align each with the recommendations.

A. POLICIES, PROCEDURES, AND PROCUREMENT CODE OF ORDINANCES

1. Procurement Code: After reviewing the relevant code of ordinances, CONSULTANT found two areas of conflict that need to be addressed. Section 2-253 defines the Category three purchasing threshold, "...which shall serve as the formal solicitation threshold for purchases." The category three referred to is established by statute, at §§287.017², and is currently \$65,000. However, section 2-257(e) defines the formal threshold as \$20,000. Additionally, 2-257(b) states that the purchasing agent may delegate authority to departments to obtain quotations and issue small dollar purchases directly to vendors for purchases below the Category Three Threshold (\$65,000). However, 2-257(e) states that small dollar purchases are limited to \$1,499.99. Consequently, any purchase over \$1,499 must be submitted to and reviewed by purchasing before either a purchase order is issued or payment using the CITY's pCard.
2. Recommendation A.1: The CITY should resolve both conflicts to end possible confusion and to be more efficient in its procurement. The term "departmental purchasing agent" in 2-257(f) should also be removed. The term "Purchasing agent" could be perceived by suppliers to grant the departmental individual greater authority than the individual possesses.

Based on the review of other agencies within Broward County, CONSULTANT recommends increasing the formal threshold to the state-defined Category Three threshold. (See **APPENDIX 1**)

3. Purchasing Procedure: The most current Purchasing Procedure Manual available for review by the CONSULTANT is dated January 30, 2005. There have been significant changes to the CITY's organization and what and how commodities and services are

² http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0287/Sections/0287.017.html

procured.

Recommendation A.2: The CITY should undertake a complete review and revision of the manual to codify the current business processes. Process mapping should also be included in the review. Process mapping will enable staff to view each step of a process and determine whether the step adds value.

4. **Purchasing Policy:** An organization, the size of the CITY, should have a comprehensive policy in place so that all stakeholders can read and understand the priorities and requirements when conducting business. Comprehensive purchasing policies clearly define the authority, responsibilities, and guidelines for an entity and the procurement professional to follow when carrying out their duties. A policy must be clearly understood by all who are engaged in the expenditure of public funds. The policy should establish standards and best practices adopted by the procurement profession. The public procurement profession has adopted several widely accepted public procurement best practices. These Global Best Practices (GBP)³ provide a framework for agencies to model practices within their entity and continue to advance the best interests of the community it serves.

Recommendation A.3: The CITY should consider promulgating a purchasing policy to establish the use of creative sourcing processes to procure goods and services more effectively.

Recommendation A.4: the CITY should consider including certain GBP in the new purchasing policy, including *Developing a Procurement Policy Manual*. (see **APPENDIX 2**)

5. **Cone of Silence:** In reviewing solicitations released by the CITY, CONSULTANT observed that

the CITY has a Cone of Silence condition within the standard terms and conditions.⁴ A Cone of Silence intends to limit communication between proposers and those staff members who may be in a position of influence in the decision and award-making process. However, aside from being found in the terms and conditions of solicitations, the Cone of Silence is not codified in legislation, policy, or procedure. Absent being found in legislation or policy, the CITY may find it challenging to take action against staff who may violate the Cone. Also, by being codified, the Cone would have law backing. It is the CONSULTANT's experience that almost all agencies in South Florida that have a Cone of Silence have codified it in the agency's code of ordinances.

Recommendation A.5: The CITY should consider codifying the Cone of Silence requirement in legislation or policy.

³ <https://www.nigp.org/global-best-practices>

⁴ See RFQ 2022-2 PW Stirling Road Engineering Services, 06.17322, 3.33

B. ORGANIZATIONAL STRUCTURE & PERSONNEL

Human Resources are one of the most impactful aspects of transforming the procurement organization. Procurement personnel need to be equipped, trained, and able to provide leadership in the procurement process, become the resident expert and add value to the organization by continually improving the process and implementing best practices. As procurement personnel undergo training, gain experience, and develop expertise in a particular area, it should positively impact the procurement process's quality, speed, and cost.

1. **Job Descriptions and Staffing Levels:** The review of the job descriptions revealed no significant changes required; however, the execution of the job may warrant a change. The workload may be dictating the role because there doesn't seem to be a clear definition of work to be done by purchasing and that being done by stakeholders. CONSULTANT understands that as of November 2022, the procurement staffing is two FTEs. One FTE (manager) is responsible for the procurements exceeding the \$20,000 formal bidding threshold. A manager managing this number of projects does not have the time to be a manager. The manager is simply unable to manage proactively. After a review of the current workload, the CITY's current project and contracts list, and comparable formal bidding thresholds (see **APPENDIX 1**), the CONSULTANT recommends the following.

Recommendation B.1: As part of the new procurement manual, responsible staff should be defined for each step in the process. It appears that at times, at least, there is an expectation that procurement complete actions that are not necessarily part of procurement's purview. While the CONSULTANT believes the CITY should consider adding one FTE to procurement staff, that may not be an option at this point in time. Alternatively, the CITY should give attention to Recommendation C.1.a, below, and consider investment in technology.

From 2015 to October 2022, procurement has been responsible for an annual expenditure of over \$10,000,000. Combined with the ongoing administration of over 54 contracts and projects and the need for expedited ARPA projects, one procurement manager cannot manage this annual spending effectively. This workload also supports RECOMMENDATION A.1, increasing the formal threshold to the state's Category Three threshold.

2. **Professional Development and Training:** Procurement personnel at the CITY do not have a training strategy. This places the staff at a disadvantage in the current circumstances, prevents growth in staff skills, and diminishes opportunities for staff to contribute ideas for improvement in alignment with best practices. A strategy allows for long-term

planning so that personnel may achieve nationally recognized procurement certifications. The strategy also provides coverage while an individual is away from the office. Hundreds of hours of best practices procurement training are available virtually, so training has become less expensive and time-consuming due to travel.

Recommendation B.2.a: CONSULTANT recommends that training is given immediate priority for all procurement staff, including the manager. The recommended training should focus on developing technical and soft skills. This will help equip staff to lead the procurement process and add value instead of reacting to assignments as projects come up. It is recommended that the type of training provided help prepare buyers to qualify for certification. Professional credentials are essential to developing the credibility of the procurement staff. These credentials are necessary for procurement to be recognized as the entity's resident expert in all procurement matters. Only with comprehensive training will there be a building of trust in the procurement staff. CONSULTANT recommends training as provided by The Institute for Public Procurement (NIGP)⁵. NIGP offers over seventy-five (75) courses directly related to public procurement and public procurement certification.

Training should also be provided for all non-procurement staff involved in the procurement process, so that all staff understand their role in purchasing goods and services.

C. STREAMLINING AND TECHNOLOGY IMPROVEMENTS

1. **Electronic bidding:** Currently, the CITY uses DemandStar for its bidding and sourcing strategy. This web application allows the CITY to distribute solicitation documents electronically to interested suppliers. However, the CITY does not take advantage of web applications that enable suppliers to submit their offers electronically into an electronic lock box. A lockbox would significantly decrease the number of staff needed to receive and process offers presented in hard copy. Among other features, the lockbox will tabulate all offers and populate a spreadsheet, thus eliminating the staff time necessary to manually tabulate. This also eliminates keystroke errors and therefore mistakes in the tabulation.

Recommendation C.1.a: CONSULTANT has reviewed an amendment to the CITY's code of ordinances (See APPENDIX 3) prepared by legal counsel, which allows for electronic bidding software, and recommends requesting City Commission to adopt the amendment. To make the procurement process more efficient, in addition to using electronic bidding software, the CITY should consider adopting technology packages that

⁵ <https://www.nigp.org/learning/all-courses>

are more comprehensive, and allow not only for electronic sourcing, but complete collaboration between all parties involved in procurement, from the end user to the supplier community. There is an opportunity to streamline these processes. The CITY should consider investing in an electronic database that would provide for viewing and editing by multiple parties, including senior management. This database should reside on the web for much easier access by all stakeholders. An example of one solution is OpenGov, which incorporates solicitation development, supplier engagement, evaluation and awards, contract management and vendor portal. There are other comprehensive solutions, including Infor by Lawson, and TyleyMUNIS.

By investing in a comprehensive software solution, the CITY may be able implement processes that are both effective and efficient, and give the procurement staff enough relief to offset the need for an additional FTE.

Recommendation C.1.b: The CITY should also consider no longer requiring a legal advertisement unless expressly required by law. In the CONSULTANT's experience, legal advertising is not the primary source of information for suppliers, but instead, they rely upon electronic notification and sources such as Dodge Reports.⁶

2. **Procurement Projects and Contracts List:** The list is updated and maintained manually. This requires significant staff time, as 54 active projects and contracts are on the list.

Recommendation C.2.a: CITY should consider adopting software as described in Recommendation C.1.a, which would allow this process to become part of contract management.

3. **Electronic Transmission of Contracts and Purchase Orders:** Currently, the CITY transmits documents requiring signatures (both internally and externally, by hard copy, using interoffice mail and U.S. Mail. This process delays suppliers receiving their purchase orders or Notice to Proceed. Some applications can transmit and obtain signatures via the internet and electronic mail.

Recommendation C.3: CONSULTANT recommends the CITY adopt eSignature software and transmit documents needing approval or signature using this software. DocuSign and Adobe are two with which the CONSULTANT is familiar. But there is also Premier Software, and CONSULTANT believes Microsoft/SharePoint also provides a similar process.

4. **Recording of Small Dollar Purchases:** Section 2-257(f) requires the departmental purchasing agent to record all small dollar purchases, and quotes received. These records shall be open to public inspection. These records are then reviewed monthly by the

⁶ <https://www.construction.com>

purchasing manager. The review is a manual process and requires staff the limited time available on purchases of less than \$1,499.00. The manager needs to be more proactive and strategic, but the workload does not have the time necessary.

Recommendation C.4: The small-dollar threshold level needs to be increased, and the responsibility of small-dollar purchases being done by proper procedures should be the department head's responsibility.

5. **Pcards:** Discussions with stakeholders revealed that the CITY desires to expand the card program beyond its use for small dollar purchases. The Government Finance Officers Association⁷ identifies the following as significant benefits of an expanded card program:
 - Efficient payment method
 - Lower transaction cost
 - Rebate revenue
 - Improved data analytics
 - Alternative to petty cash
 - Immediate payment to a vendor
 - Emergency Preparedness

An expanded card program allows for greater efficiency in procurement and payment for goods and increased revenue for the CITY through rebates offered by card-issuing banks.

Recommendation C.5: The CITY should consider expanding the use of the card as a recommended payment method and begin a program to educate the supplier community about the benefits of accepting the card for payment.

6. **Process Streamlining:** There is an opportunity to shorten the procurement cycle using formal solicitation processes. In conversations with the stakeholders, formal solicitations include a sample contract.

Recommendation C.6: The solicitation document should include the final contract instead of attaching a sample contract. The CITY should require the bidders to submit the response with the executed contract form.

7. **Performance Metrics:** Measuring is an integral part of improving overall performance. Many procurement organizations throughout the country measure some key performance indicators. These are procurement cycle times by type of procurement; cost savings or cost avoidance due to procurement efforts and strategies; the quality of documents; and outcome from each procurement (award or redo). Other subsets of key performance indicators may be unique to specific agencies, such as competition, compliance with agency mandates and initiatives; planned vs. unplanned projects;

⁷ <https://www.gfoa.org/materials/purchasing-cards>

customer service; and others. As previously discussed, CONSULTANT believes there needs to be increased FTEs within the procurement function. The CITY should establish key performance indicators (KPIs) when that increase occurs.

Recommendation D.7: When staff is able, the CONSULTANT recommends that the CITY collect data and track at least cycle times, cost savings/cost avoidance; and quality of the solicitation. (see **APPENDIX 2 – GBP – PERFORMANCE METRICS**)

- a) Cycle Times: When tracking the cycle times, it is essential to establish at what point the clock starts so that it is consistently followed. The goal of the organization depends on the required steps in the process.
- b) Cost Savings & Avoidance: Entities use different methods to calculate cost savings. A simple process is to compare the original price submitted to the final price. Another way is to use the initial estimate compared to the bids submitted. A good sourcing process will increase competition, which will, in turn, help reduce suppliers' prices.
- c) Quality: A simple way to measure the quality of solicitation documents is by the number of addenda required. Understanding that there will be an addendum to respond to questions, each solicitation can have one addendum. The number of addenda beyond that may have to do with a lack of clarity of the requirements, errors, or a solicitation issued before it was fully ready. Anything beyond two addenda may point to deficiencies in the document.

Technology that can help capture this information more systematically will help measure performance and not require buyers to take time from their duties to collect the data.

IV. CONCLUSION

The CITY has many opportunities to improve and streamline procurement operations. Critical factors to the success of the transformation are the appropriate level of staffing, training, and technology made available. Procurement will need the support of upper management, Information Technology, and the collaboration of those already involved in the process. Training and technology will be critical in updating processes and automating routine tasks so management may be more strategic. This process is going to take time, effort, and resources.

APPENDIX 1

BROWARD COUNTY BIDDING THRESHOLDS

<u>CITY / TOWN</u>	<u>FORMAL THRESHOLD</u>
CITY of Coconut Creek	\$35,000
CITY of Dania Beach	75,000
CITY of Deerfield Beach	50,000
CITY of Fort Lauderdale	65,000
CITY of Hallandale Beach	30,000
CITY of Hollywood	20,000
CITY of Lauderdale Lakes	100,000
CITY of Lauderhill	75,000
CITY of Lighthouse Point	50,000
CITY of Margate	25,000
CITY of Miramar	20,000
CITY of North Lauderdale	50,000
CITY of Oakland Park	25,000
CITY of Parkland	60,000
CITY of Pembroke Pines	65,000
CITY of Plantation	25,000
CITY of Pompano Beach	25,000
CITY of Sunrise	100,000
CITY of Tamarac	50,000
CITY of West Park	75,000
CITY of Weston	50,000
CITY of Wilton Manors	25,000
Town of Davie	25,000
Town of Hillsboro Beach	20,000
Town of Lauderdale-by-the-Sea	25,000
Town of Pembroke Park	25,000
Town of Southwest Ranches	50,000

**APPENDIX 2 –
GLOBAL BEST PRACTICE – PERFORMANCE METRICS**

<https://drive.google.com/file/d/1YaeXikP4pTqxmO87xjGXGHICpyR6ls46/view?usp=sharing>

GLOBAL BEST PRACTICE – DEVELOPING A PROCUREMENT POLICY MANUAL

[https://drive.google.com/file/d/1jq1mBL81KdB40cTPpJJs5opgnQrQEA-
/view?usp=share_link](https://drive.google.com/file/d/1jq1mBL81KdB40cTPpJJs5opgnQrQEA-/view?usp=share_link)

APPENDIX 3 – AMENDED CODE OF ORDINANCES – E-BIDDING

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF COOPER CITY, FLORIDA, AMENDING CHAPTER 2, ARTICLE X OF THE CITY'S CODE OF ORDINANCES, ENTITLED "COOPER CITY PROCUREMENT CODE" BY AMENDING SECTION 2-256, ENTITLED "METHODS OF SOURCE SELECTION," AUTHORIZING THE USE OF ELECTRONIC PROCUREMENT AND ELECTRONIC BIDDING SOFTWARE, CONSISTENT WITH THE REQUIREMENTS OF FLORIDA LAW, AS AN OPTION FOR THE COMPETITIVE SOLICITATION OF GOODS AND SERVICES; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 2, Article X of the City's Code of Ordinances establishes a procurement code for the City of Cooper City; and

WHEREAS, Section 2-256 of the City Code provides a process for the submittal and public opening of sealed bids by the City Clerk's Office; and

WHEREAS, in an attempt to streamline its procurement processes and to utilize the most current technology options available related to public procurement, the City seeks to amend its procurement code to allow for the implementation of electronic bidding; and

WHEREAS, the City Commission finds that amending the City code to allow for the use of electronic bidding is in the best interests of the citizens and residents of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE

CITY OF COOPER CITY, FLORIDA:

SECTION 1. The preceding "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a part of this Ordinance.

SECTION 2. City Code Amended. That Article VII, entitled "Finance," of Chapter 2, entitled "Administration," of the City of Cooper City Code of Ordinances is hereby amended by specifically amending Section 2-256, entitled "Methods of Source Selection" as follows:

Section 2-256 Methods of Source Selection

(1) Competitive Sealed Bidding

...

m. *Electronic Bidding.* Notwithstanding any provision in this section to the contrary, the City may utilize an electronic procurement process, including electronic bidding software, consistent with the requirements of Florida law.

SECTION 3. All ordinances or parts of ordinances in conflict herewith shall be and hereby are repealed.

SECTION 4. If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 5. This Ordinance shall take effect immediately.

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PASSED AND ADOPTED on First Reading this _____ day of _____, 2021.

PASSED AND FINAL ADOPTION on Second Reading this _____ day of _____, 2021.

GREG ROSS
Mayor

ATTEST:

KATHRYN SIMS
City Clerk

Approved As To Legal Form:

JACOB G. HOROWITZ
City Attorney

ROLL CALL
Mayor Ross _____
Commissioner Green _____
Commissioner Meltzer _____
Commissioner Pulcini _____
Commissioner Shrouder _____