

ORDINANCE #2006-7

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF EATONVILLE, FLORIDA AMENDING ORDINANCE #89-116, AND ORDINANCE #2005-2, PURCHASING POLICY IN IT'S ENTIRETY, PROVIDING FOR CONFLICTS, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the Town Council and the Administration wishes to amend Ordinance 2005-2, Purchasing and Policy Procedures for the Town of Eatonville increasing the threshold dollar amount and approve **Ordinance #2006-7**.

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF EATONVILLE, FLORIDA THE FOLLOWING:

SECTION ONE:

1. **General:** Public purchasing embraces a fundamental obligation to the general public to ensure that procurements are accomplished in accordance with the intent of the statutes, code, regulations, Policy and directives of the appropriate governing body having jurisdiction over the activity.

To the end that Town government of Eatonville, Florida hereinafter referred to as the Town, and its various departments and organizational units obtain high quality goods and services at reasonable cost, that all procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety, that all qualified vendors have access to public business, and that no offeror be arbitrarily or capriciously excluded, it is the intent of the Town Council **that competition be sought to the maximum feasible degree**. Also, that the individual public officers and employees enjoy broad flexibility in fashioning details of such competition, that the rules governing contract awards be made clear in advance of the competition, that specifications reflect the procurement needs of the Town, rather than being drawn to favor a particular vendor, and that the purchaser and vendor freely exchange information concerning what is sought to be procured and what is offered.

If there is to be a contract between the Town and a nongovernmental vendor, the Purchasing Policy of the Town shall apply regardless of the source of funds by which the contract is to be paid or which may or may not result in monetary consideration for either party. These documents also apply whether the consideration is monetary or nonmonetary and regardless of whether the public body, the contractor, or some third party is providing the consideration.

- 1.1 The Mayor has the ultimate responsibility to ensure that the procurement and inventory control function of goods and services are in compliance with all statutes, codes, regulations, appropriations, and authority, in having jurisdiction, including the provisions of this Policy as adopted and revised by the Town Council.
 - 1.1.1 The Town Council has delegated the conduct of the purchasing and inventory functions to a Finance Department who is to maintain a centralized purchasing office for the Town government.
 - 1.1.2 The Finance Department administers the purchasing and inventory functions necessary to procure and account for the goods and services to support Town

activities in accordance with applicable laws, regulations, approved budgetary funds, established policy, procedures and standards of the purchasing profession.

- 1.1.3 All purchases made by any employee or officer of the Town shall be made in accordance with the Policy contained herein before and after.
- 1.1.4 Severability: If any section, paragraph, sentence, clause, phrase, or word of this Policy is for any reason held by the Court to be unenforceable, illegal, inoperative or void, such holding shall not affect the validity of the remainder of this Policy.
- 1.1.5 Sales Tax Recovery: The Town reserves the right to purchase materials associated with any project directly from the manufacturer or supplier designated by the contractor in order to recover sales tax in the exercise of its tax free status.

SECTION TWO:

- 2. **Summary of categories and dollar thresholds:** Table 2.1 provides a summary of information which establishes dollar thresholds, competition requirements and applicable approvals.

SUMMARY OF PROCUREMENT PROCEDURES - (table 2.1)			
DOLLAR THRESHOLD	COMPETITION REQUIRED	APPROVALS REQUIRED	REMARKS
LESS THAN \$500.00	RESTRICTED OR FIELD PURCHASE ORDER OR PURCHASING CARD - ONE FIRM PRICE	DEPARTMENT	
\$501.00 TO \$2,500.00	THREE VERBAL QUOTES - REPORT ATTACHED TO REQUISITION	PURCHASING MANAGER AND MAYOR	Prior Town Council approval is necessary for all Purchases over \$25,000. Exceptions are quantities of low unit dollar amounts and certain emergency purchases when so designated by the Purchasing Agent.
\$2,501.00 TO \$24,999	THREE WRITTEN QUOTES - MAY USE VERBAL REQUEST W/FAX RESPONSE		
\$25,000 AND OVER	FORMAL SEALED, COMPETITIVE PROCEDURES	PURCHASING MANAGER, MAYOR AND TOWN COUNCIL	
SOLE SOURCE	WRITTEN JUSTIFICATION REQUIRED (SEE INSTRUCTIONS)	SAME DOLLAR APPROVAL LIMITS AS INDICATED ABOVE	
EMERGENCY	WRITTEN JUSTIFICATION REQUIRED (SEE INSTRUCTIONS)	SAME DOLLAR APPROVAL LIMITS AS INDICATED ABOVE	

2.1 **Administrative Exceptions:** The exceptions outlined below are established to provide flexibility in initiating and/or completing procurement actions when sound business practice dictate creative processing of a project or transaction. In this context the Town Council may, when deemed to be in the best interests of the Town and represents a prudent and responsible expenditure of funds, waive any and all requirements set forth in this Policy , except where required by law.

- 2.2 The requirements to procure goods and services as provided below are exempt from competitive requirements:
 - 2.2.1 Only one source is available
 - 2.2.2 Emergency requirements
 - 2.2.3 Items on State Contracts, SNAPS Contract, Pride of Florida, Respect, Public Agencies Cooperative Contracts or Federal GSA contract when the terms, conditions and pricing are not altered in any way, and are made available to the Town by the contractor.
 - 2.2.4 Bids by the Town as reserved by that bid (in the absence of such reservation, written bids may be used within one year of the opening date of the bid upon agreement of the vendor to honor all of the terms, conditions and pricing of the original bid).
 - 2.2.5 “Piggy-backing” awards to bids and/or proposals by other municipalities, counties, political subdivisions and State government (including but not limited to Florida entities) and Federal GSA Contracts in which the award meets or exceeds the competitive criteria required by this Policy and the purchase is entirely within the context of the award in all respects.
 - 2.2.6 Included in a program of standardization that has been recognized, documented and approved by the *Finance Department*. This includes repairs of specialized equipment in which special knowledge, manufacturer’s support or other unique capability is required.
 - 2.2.7 Books, pre-printed materials, reprints and subscriptions (print or electronic), pre-recorded audio and video cassettes, compact discs, slide presentations, etc., when only available from the publisher/producer.
 - 2.2.8 Honoraria, entertainment (speakers, lecturers, musicians, performing artists).
 - 2.2.9 Training that is specialized, proprietary for which competition is generally unavailable.
 - 2.2.10 Royalties and film rentals when only available from the producer or protected distributors.
 - 2.2.11 Professional Organizational Membership dues and Advertisements such as in newspapers, magazines, journals, radio, television, etc.
 - 2.2.12 Utilities, telephone service, television cable service, licensing/permit fees as applicable and postage.
 - 2.2.13 When authorized by the Town Council as provided in 2.1 above. Also, Waiver of Requirements for procurements may be granted by the Town Council involving purchases under ten thousand dollars (\$10,000).
 - 2.2.14 When deemed appropriate by the *Finance Department* when applicable to a transaction involving direct purchases by the Town to enable sales tax recovery

- 2.3 **Approval Thresholds:** The process to complete a procurement action using Waiver of Requirements procedures does not establish any authority or privilege to circumvent required dollar threshold approvals **prior to ordering goods and/or services** except in recognized emergencies.
- 2.4 **Validity of Requirements:** It is the responsibility of the individual performing approval of a purchase at the using departmental level to verify that items or services requisitioned or purchased, are authorized, are applicable to the mission and needs of the Town and have been properly funded.
- 2.5 **Unauthorized Purchases Prohibited:** Unless specifically identified and approved it shall be prohibited for any Town employee to order the purchase of any goods or services or make a contract over five hundred dollars (\$500.00) other than through the Finance Department unless otherwise provided herein. Any purchase or contract made contrary to the provisions hereof are **not authorized** and shall not be binding upon the Town, even though said goods and/or services are used or consumed in support of the effort of the Town.
- 2.6 **Reserved:**
- 2.7 **Definitions:** Definitions applicable to this Purchasing Policy are listed below:
- 2.7.1 Bid: A formal written price offer by a vendor to the Town to furnish specific goods or services in response to an Invitation for Bids.
- 2.7.2 Bid Award: A contract and/or purchase order to the selected vendor to provide specific goods and or services to the Town.
- 2.7.3 Blanket Purchase Order: A purchase order under which a vendor agrees to provide goods or services to a purchaser on a demand basis; the purchase order generally establishes a maximum dollar limit, prices, terms, conditions, and the period covered, with no specified quantities; shipments are to be made as required by the purchaser.
- 2.7.4 Capital Asset: Equipment with an original acquisition cost or value of One (1) Thousand Dollars (\$1,000.00) or more, having a normal expected life of one year or more, not an integral part of a structure or facility, and which are not consumed in use. May or may not be fixed in place.
- 2.7.5 Certificate of Contract Completion: A form which indicates that a project has been satisfactorily completed and the contractor has paid all labor, materials and other charges against the project in accordance with the terms of the Contract.
- 2.7.6 Certificate of Insurance: A document which shows proof of insurance coverage, types and amounts.
- 2.7.7 Change Order: A written instrument issued on or after the effective date of the formal written contract or purchase order, which when duly executed by Town and contractor amends the contract documents to provide for changes in the work or in the provisions of the contract documents, or changes in contract price or contract time, or any combination thereof.

- 2.7.8 Construction: The process of building, altering, repairing, improving, or demolishing any public structure or building, or other improvements of any kind to any public real property. It does not include the routine operation, repair, or maintenance of existing structures, buildings, or real property.
- 2.7.9 Contract: (a) Deliberate verbal or written agreement between two or more competent parties to perform or not perform a specific act or acts, (b) any type of agreement, (regardless of what it is called), for the procurement or disposal of goods, services or construction in exchange for money or other consideration. An authorized purchase order is a contract even though it is only signed by the designated representative of the Town.
- 2.7.10 Consulting Services: All other services that do not fall under the definition of professional services under the CCNA.
- 2.7.11 Consultants Competitive Negotiation Act (CCNA); Florida Statutes, Section 287.055: Acquisition of architectural, engineering, landscape architectural, or surveying and mapping services. (See appendix 2.7.10-A for copy of the CCNA)
- 2.7.12 Debarment: The exclusion, for cause, of a vendor or contractor from bidding and/or receiving a contract to do business with the Town.
- 2.7.13 Design/Build: A single contract with a firm for the design and construction of a capital improvement construction project.
- 2.7.14 Emergency Purchase: A procurement made in response to certain emergencies or when the delay caused by complying with all governing rules, regulations, and/or procedures would be detrimental to the health, safety and welfare of the Town and/or its citizens or would create a hardship on the reasonable conduct of business in a timely fashion. Lack of planning, or funding surpluses, do not justify emergency purchases.
- 2.7.15 Formal Contract: Represents a legal obligation on the part of each party to the formal contract, which results from both parties' signatures being affixed to the contract documents and some additional obligation imposed by law.
- 2.7.16 Form or Standard Contract: Model or skeletal documents (i.e., contract documents with blank spaces for the insertion of required information) utilized in substantially uniform contractual obligations.
- 2.7.17 Goods: Any tangible personal property other than services or real property.
- 2.7.18 Gratuity: A payment, loan, subscription, advance, deposit of money, services, gift or anything of more than nominal value, present or promised, without consideration of substantially equal or greater value.
- 2.7.19 Guarantee: A contract or promise by one person to answer for the performance of another person.
- 2.7.20 Indemnification and Insurance Requirement Sheet: A standard document in which dollar limits will be reviewed by the Chief Administrative Officer, should be included in the quote, bid or proposal package when applicable plus included in the contract.

- 2.7.21 Invitation for Bids: All documents, whether attached or incorporated by reference, utilized for soliciting sealed bids for the procurement of construction, goods, and/or services.
- 2.7.22 Letter of Renewal: A document, generated by either party, to renew or extend the contract in accordance with the terms of the original contract.
- 2.7.23 Mandatory Bid Amount: The minimum dollar amount of Ten Thousand Dollars (\$10,000.00) established by the Town at and above which the formal competitive sealed bid process shall be used, except as otherwise provided herein.
- 2.7.24 Master Agreement: A continuing contract to retain the services of a consultant(s). The authorization for performance of services by the consultant shall be in the form of written work orders issued and executed by the Town and signed by the consultant.
- 2.7.25 Minority/Women Business Enterprise: A firm at least 51% owned by minority group members, or in the case of a publicly owned business, at least 51% of the stock of which is owned by minority group members, which is determined during certification by the State or other certifying governmental agencies. The minority ownership must exercise day-to-day management and control of the business.
- 2.7.26 Notice to Proceed: A written notification from the appropriate representative, of the Town, to the contractor to establish commencement of the contractor's responsibilities under the provisions of the contract.
- 2.7.27 Procurement: Buying, purchasing, renting, leasing or otherwise acquiring any goods and/or services for public purposes in accordance with the law, rules, regulations and procedure intended to provide for the economic expenditure of public funds. It includes, but is not limited to, all functions which pertain to the obtaining of any supplies, materials, equipment and/or services including construction projects and capital improvement projects, as defined herein, required by the Town.
- 2.7.28 Purchasing Card Program: A program designed to improve efficiency in processing purchases of commodities or services from any vendor that accepts a credit card. It will allow the cardholder to purchase approved commodities and services directly from Town vendors within the transaction limits established for each card holder. Each procurement card is issued to a named individual and the Town is clearly shown on the card as the governmental buyer of goods and services.
- 2.7.29 Professional Services (PS): A solicitation for responses for CCNA services which include architectural, engineering, landscape architectural, and registered land surveying and mapping services as defined and prescribed under *Florida Statutes 287.055*. (See appendix 2.7.10-A for copy of the CCNA)
- 2.7.30 Project Manager: A person designated by his/her Department Director to ensure compliance with Town codes, resolutions and procedures for contracts which he/she originates. The Project Manager, along with the Department Head is held accountable for contract compliance.

- 2.7.31 Proposal: An executed formal document submitted by a vendor to the Town stating the goods and/or service offered to satisfy the need as described in a Request for Proposals (RFP), Statement of Qualifications (SOQ) or a Request for Information (RFI).
- 2.7.32 Proprietary Purchase: A purchase that occurs when there is more than one (1) vendor who can provide the goods or services of a designated manufacturer or provider.
- 2.7.33 Purchase Order: The Town's document used to authorize a purchase transaction with a vendor, which contains provisions for goods and/or services ordered, applicable terms as to payment, discounts, date or performance, transportation and other factors or conditions relating to the transaction. Acceptance of a valid purchase order by a vendor shall constitute a contract.
- 2.7.34 Quotation: Any oral or written informal offer by a vendor to the town to furnish specific goods and/or services at a stated price.
- 2.7.35 Recycled/Recyclable Products: Those products or materials which are defined as Recycled/Recyclable Products by *Section 403.7065(2), Florida Statutes*, and U.S.C. § 6901 et seq. "Resource Conservation and Recovery Act of 1976" and successor provisions.
- 2.7.36 Request for Information (RFI): A solicitation for response from interested and prospective vendors/contractors to provide information to determine specifications, qualifications and/or capabilities to satisfy a need rather than a firm specification and in which the respondent may be given latitude in order to develop a product and/or service which will fulfill the need. Also, referred as a Request for Statement of Qualifications (SOQ).
- 2.7.37 Request for Proposals (RFP): A solicitation for response for a good and/or service for which the scopes of work, specifications or contractual terms and conditions cannot reasonably be closely defined or when mandated by law.
- 2.7.38 Requisition: A document generated by the originating department and forwarded to the Purchasing Division for the request of goods or services.
- 2.7.39 Responsible Bidder, Proposer, or Respondent: A person who has the capability in all respects to perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, ability, reliability, capacity, facilities, equipment, financial resources and credit which will assure good faith performance.
- 2.7.40 Sales Tax Recovery: An option, resulting from the Town's tax exempt status, reserved by the Town to purchase all, any, or none of the materials and equipment included in each contract agreement directly from the manufacturer or supplier.
- 2.7.41 Services: The furnishing of primarily labor, time, and/or effort by consultants or contractors, wherein the submission of goods or other specific end products other than reports, studies, plans, advisories, contractual documents, or other documents relating to the required performance is incidental or secondary. This term shall not include employment agreements or collective bargaining agreements.

- 2.7.42 Small Business Enterprise. A United States business which is independently owned and operated, does not primarily involve the practice of a profession, employs twenty-five (25) or fewer permanent, full-time employees, and, has assets of less than one million dollars (\$1,000,000.00).
- 2.7.43 Sole Source: The only existing source of an item which meets the needs of the user department as determined by a good faith and reasonably thorough analysis of the marketplace.
- 2.7.44 Specification: A concise statement of terms, conditions and a set of requirements to be satisfied by a product, material, service, or process used in an Invitation for Bids. Technical specifications refer to the section which is focused on the good or service which is identified in the solicitation.
- 2.7.45 Surety Bonds: A document from the contractor which is issued to guarantee that an obligation will be fulfilled. The nature of the obligation determines the type of bond that will be issued. The types of surety bonds include: license and permit bonds, public official bonds, bid, performance, labor, material and payment bonds.
- 2.7.46 Suspension: Temporary debarment for a period not to exceed three (3) years.
- 2.7.47 Threshold Amounts: Defines mandatory processing requirements with regard to competition and documentation at indicated dollar levels.
- 2.7.48 User Department: That department within the Town government which requests and utilizes goods and/or services procured under this Policy.
- 2.7.49 Warranty: The representation, either expresses or implied, that a certain fact regarding the subject matter of a contract is presently true or will be true.
- 2.8 The Town, in a spirit of cooperation, hereby declares that it will share all competitive solicitations and awards to any entity which can practically and legally use said information by Joint Utilization, "piggy-backing," or otherwise use the information.

SECTION THREE:

3. Source Selection:

- 3.1 For purchases of goods under \$500.00, the purchase may be completed at the Department level with the obtaining of a firm price being the only requirement using a purchasing card when appropriate or a field purchase order issued by the using Department. If service(s) is involved, the purchase must be released by the Purchasing Office
- 3.2 For purchases of goods between \$501.00 to \$2,500.00 the source is **recommended** by the using Department and selected by the Purchasing Office consistent with the lowest responsive quotation from among three (3) verbal quotes. The tabulation sheet (see Appendix 3.2-A) is attached to the Purchase Requisition and submitted to the Purchasing Office. The purchase is affected by the Finance Director using an official purchase order.
- 3.3 For purchases of goods between \$2,501.00 and \$24,999.99 the source is **recommended** by the using Department and selected by Purchasing Office consistent with the lowest responsive quotation from among three (3) written quotations. The

quotations of the three (3) vendors are attached to the requisition and submitted to the Purchasing Office. If approved, the Purchase is affected by the Purchasing Office using an official Purchase Order.

- 3.3.1 Quotations and informal bids for service(s) indicated in 3.1, 3.2, and 3.3 will be obtained or, at a minimum, reviewed by the Purchasing Office ensure that insurance considerations as well as competition requirements have been met
- 3.4 For purchases of \$25,000.00 the source is selected using bid or proposal procedures administered by the Purchasing Office. The requesting Department may participate in the review and recommendation for award. The award shall be competitively made by the Purchasing Manager determined by responsiveness, pricing, and responsibility of the offerors of the competing bids or offers in compliance with 3.5.1 through 3.5.6 below and documented by a Purchase Order issued by the Purchasing Manager after approval of the Mayor. Bids at this level may be unsealed and submitted electronically at the discretion of the Finance Director .
- 3.5 For procurements over \$25,000.00 the source is selected using bid procedures, proposal procedures, CCNA, sole source or emergency procedures determined by the Purchasing Manager to be consistent with the circumstances surrounding the procurement. The procurement shall be awarded by the Purchasing Manager with concurrence by the requesting Department upon approval of the Town Council:
 - 3.5.1 Solicitation of bids, Competitive bidding, shall be the primary consideration as the method of procurement. Other methods, outlined below, are used only when the procurement in question is not conducive to the sealed bid process.
 - 3.5.2 Proposals submitted in response to a Request for Proposals (RFP).
 - 3.5.3 Statements of Qualifications (SOQ) and other Proposals submitted in response to a request for information/qualifications, or proposals submitted for competitive negotiations. This procedure stipulated by FL law for engineering, etc. services. See Section 7.1.1.
 - 3.5.4 Content, format, structure, and other items which must be addressed regarding IFB's, RFP's and SOQ's are vary and will be determined by the Purchasing Manager.
 - 3.5.5 Single or Sole Source purchases when indicated on the Purchase Requisition, justified and approved by the Department Head who attests that a reasonable search has been conducted for competing firms to provide bids for said purchase and that there is only one known source for the intended purchase are exempt from competitive requirements. A letter from a company making this claim does not relieve the Department Head of this requirement.
 - 3.5.6 Emergency purchases are exempt from normal competitive requirements and depending upon the nature of the emergency may require the securing the goods or services during non-business hours. When and where possible competition must be addressed and obtained to the extent feasible. In emergency situations the requisition(s) should be submitted as soon as reasonably possible including a brief report stating the nature of the emergency, reason for the emergency, the steps taken to obtain competition and the manner in which the goods and or

services to provide an appropriate response to the emergency situation were acquired. This report and other required “paperwork” must be completed and submitted as soon as reasonably practical (usually within twenty four [24] hours) of the event.

- 3.6 Nothing in the foregoing shall prohibit the Town from renewing purchase orders or contracts with vendors/contractors originally selected through a competitive selection process provided such renewal is within the scope of this Policy herein before and after.

SECTION FOUR:

4. **Competitive Bidding:** Procedures and applicable forms for telephone and written quotations are contained in Appendix 4-A.

4.1 **Competitive Formal Bidding:**

- 4.1.1 Invitation for Bids shall include specifications, all terms and conditions applicable to the bid and any subsequent procurement(s) and/or contract(s) resulting from the bid. Also, the invitation shall set forth the evaluation criteria to be used to determine the award.

4.1.1.1 For projects or procurements estimated to be between \$25,000.00 the invitation, public notice (both form and duration), whether sealed or unsealed, terms, conditions and specifications is at the discretion of the Purchasing Manager and will be included and specified in the solicitation. When the procurement is estimated to be \$25,000.00 or higher formal sealed bidding procedures must be followed.

- 4.1.2 Public Notice: Adequate public notice of the Invitation for Bids for goods, services or construction projects shall be given. Notification will be sent directly to prospective bidder's on the bid list, if a bid list is available, which is relevant to the specific procurement and may include publication in a newspaper of general circulation. The public notice shall state the date and time of bid opening and how to obtain specifications and bid documents. **Public notices posted in the Division of Purchasing on the designated bulletin board on the Town's web page, or in the form of an ad in a newspaper of general distribution shall satisfy the public notice requirements.** However, if the solicitation is for construction and/or is more than \$25,000.00 the solicitation notice must be in the form of an ad in a newspaper of general distribution for at least one time additional and other notice requirements shall be determined by the Purchasing Manager.

4.1.2.1 For projects or procurements estimated to be in the \$5,000.00 to \$25,000 range, the minimum public posting requirements shall provide a ten (10) day window for bid submission. However, this time frame may be shortened at the discretion of the Purchasing Manager. For projects or procurements estimated to be \$25,000.00 or more and expected to be **under \$200,000** the public notice of the Invitation shall provide a minimum of a **ten (10) day** window for submission.

4.1.2.2 The solicitation of competitive bids or proposals for projects anticipated to cost more than **\$200,000** and expected to be less than **\$500,000** shall be publicly advertised at **least twenty-one (21) days** prior to the established bid opening, and at least **five (5) days** prior to any scheduled pre-bid conference.

4.1.2.3 Projects that are expected to cost more than **\$500,000** shall be publicly advertised at least **thirty (30) days** prior to the established bid opening and at least **five (5) days** prior to any scheduled pre-bid conference.

4.1.2.2 **Notice of Intent to Award and Notice of Award.** When the evaluation is complete, the Purchasing Office will apprise the requesting Department of the evaluation results and consult with the requesting Department regarding the award. As appropriate, the Purchasing Office will prepare an agenda item for Town Council action regarding the recommended award. The notice of recommendation or intent to award is posted on the Town's web site and/or the bulletin board at the Purchasing Office. **It is noted that posting of the intent to award on either the bulleting board or the web site or any other method of notification, including but not limited to newspaper, direct contact with all of the participants, constitutes official public notice.** Upon completion of a five day period after posting of the recommendation for award, all posting requirements have been met. Upon approval of the recommendation by the Town council a notice of award is issued as appropriate by the Purchasing Manager to the recipient of the award. The notice of award does not require a public posting unless an intent to award was not posted. If the notice of award serves as the public notification, notice to proceed shall be at the discretion of the Town, but, will generally be in suspense for five (5) business days after the award.

4.1.2.3.1 The posting requirements contained above shall apply in all awards over \$25,000 in which the Town solicited competition via Invitation for Bids, Request for Proposals, or Request for Qualifications.

4.1.3 Bid Submission: Bids must be submitted, in **a sealed envelope unless otherwise instructed**, no later than the time and date and at the location specified. Any bids received later or at any other location than specified will not be accepted and shall be returned unopened to the bidder. It shall be the bidders' sole responsibility to ensure that their bid reaches the specified place for receipt of bids by the specified time. The Town shall bear no responsibility for any failure of the U.S. Postal Service, other courier service or Town employee to successfully deliver a bid to the designated delivery location. It is noted that bidders shall be allowed to withdraw their bids at any time prior to bid opening.

4.1.4 Bid Acceptance and Bid Evaluation: Bids shall be accepted, except as otherwise provided herein and shall be evaluated based on the requirements set forth in the

Invitation for Bids. **Unsolicited alternates will not be considered.** Also, if the Town re-advertises or solicits new bids, the Town has **NO OBLIGATION** to the bidder(s) who submitted an unsolicited alternate(s) even if the resolicitation includes new specifications which coincide with all or part of the unsolicited alternate(s). It is noted that, consideration of an unsolicited alternate for award will mandate resolicitation for bids incorporating said changes into the new specifications.

- 4.1.4.1 The Town may, at any time and in its sole discretion, reject all bids and readvertise for bids using different specifications.
- 4.1.4.2 Bid Opening. Bids shall be opened publicly in the presence of one (1) or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid, the name of the Bidder and such other relevant information as the Purchasing Manager deems appropriate, together with the name of each bidder, shall be read aloud and recorded. The Finance Director or his designee will officiate at public openings of sealed bids.
- 4.1.5 Bid Cancellation or Postponement: Prior to bid opening, the Finance Director may elect to cancel an IFB or extend the date and/or time of bid submission or opening for good cause.
 - 4.1.5.1 In the event there is confusion or conflict between documents, notices, or announcements applicable to the bid opening time, date, location of the opening or other item related to the opening, the Purchasing Manager is authorized and is responsible to resolve the situation in a manner which does not affect the integrity of the bids and their confidentiality prior to opening. The Finance Director has the discretion to proceed with the opening or to announce a new date and/or time for receipt of bids and/or opening as relevant to the situation.
- 4.1.6 If a bidder unilaterally withdraws his/her bid without permission after bid opening, the Town may suspend the vendor from receiving awards or new orders from the Town for up to two (2) years and retain any bid security submitted with the bid.
 - 4.1.6.1 Withdrawal of bids is at the discretion of the Finance Director with consideration of factors such as whether judgmental or nonjudgmental errors were involved, proof of an error and the effect, if any, on the integrity of the bid and the bid process.
- 4.1.7 Factors to be considered in determining whether the standard of responsibility for bidders/proposers has been met include whether, in the Town's determination, a prospective vendor/contractor has:
 - 4.1.7.1 Appropriate financial, material, equipment, facility, and personnel resources, experience, knowledge, and expertise, or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;

- 4.1.7.2 A satisfactory record of performance on similar projects;
 - 4.1.7.3 A satisfactory record of integrity;
 - 4.1.7.4 Qualified legally to contract with the Town
 - 4.1.7.5 The Town may establish a program of prequalification of contractors for construction projects which establishes a list of prequalified contractors which will determine the contractors who may submit bids for a designated project.
- 4.1.8 A bid shall be considered responsive only if it conforms to the requirements of the Invitation for Bids concerning pricing, surety, insurance, specifications of the goods or services requested, inclusion of required documentation and any other matter unequivocally stated in the Invitation for Bids. Including, but not limited to, a lack of conformity on matters which is non-substantive in nature may be considered a technicality, informality or irregularity which may be waived by the Finance Director.
- 4.2 The Town reserves the right to accept or reject any and all bids and/or to make award(s) to the lowest responsive and responsible bidder(s) whose bid meets the requirements and criteria set forth in the Invitation for Bids and whose award will, in the opinion of the Town, be in the best interest of the Town.
- 4.2.1 Bid Award: Award will ordinarily be made to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids, and shall be effective upon issuance of a purchase order, execution of a contract, or written notice of award by the Finance Director. The Town may reject any bid prior to such issuance. In the event only one bid is received, the Town may award to the sole bidder if the bid is deemed to be reasonable and in the best interests of the Town or to request new bids.
 - 4.2.2 In the event all bids exceed funds budgeted for the procurement. The Finance Director, with concurrence of the Mayor in cooperation with affected Department Director, is authorized, when time or economic considerations preclude resolicitation, to negotiate an adjustment of the bid price and/or bid specifications with the low responsive and responsible bidder in order to bring the bid within the amount of budgeted funds.
- 4.3 Multi-Step Sealed Bidding: When it is considered impractical to initially prepare a purchase description to support an award based on price, an Invitation for Bids may be issued requesting the submission of unpriced offers to be followed by an Invitation for Bids limited to those bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.
- 4.3.1 Opening procedures applicable to multi-step bids will be provided in the IFB. In the absence of the opening procedures being included in the bid specifications,

The opening procedures will follow procedures indicated for the opening of sealed proposals.

SECTION FIVE:

5. Competitive Sealed Proposal Process:

- 5.1 When it is determined by the Finance Director, that the use of competitive sealed bidding is either not practical or not advantageous to the Town, the competitive proposal process may be used as an alternative to the Competitive Bid Process.
- 5.2. The following are components of an RFP:
 - 5.2.1 Public Notice. Adequate public notice of the Request for Proposals shall be given in the same manner as provided for competitive sealed bidding.
 - 5.2.2 Evaluation Factors. The Request for Proposals shall state the relative importance of price, if price is used as an element of initial consideration, and other evaluation factors including a list of the evaluation factors.
 - 5.2.3 Submission: Proposals must be received no later than the specified time and date and at the location specified for submission in the Request for Proposal (RFP) or Request for Statement of Qualifications (SOQ). No proposal shall be accepted after such time or at any other location than specified; any proposal received later or at any other location than specified shall be returned unopened.
 - 5.2.4 Public Opening of Proposals: Since the proposal process involves negotiations and discussions with at least "short listed" firms, the information disclosed at public openings of proposals will be limited to the name of each individual or firm which submitted a proposal. The Finance Director or his/her designee shall officiate at public openings of sealed proposals. All provisions of the State's Public Funds Law will be adhered to.
 - 5.2.5 Proposal Cancellation or Postponement: The Finance Director may, prior to the RFP, SOQ due date, elect to cancel or postpone the date and/or time for submission for good cause.
 - 5.2.6 Discussion with Responsible Offerors and Revisions to Proposals: As provided in the Request for Proposals, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably capable of being selected for award for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no exchange of information regarding the content or feasibility of the proposals by competing offerors.
 - 5.2.7 Proposal Evaluation: Award shall be made to the most responsive, responsible offeror whose proposal is determined to be the most advantageous to the Town in accordance with the evaluation criteria contained in the RFP or to the most qualified firm in the case of an SOQ. Evaluation of offerors and/or proposals

may be made in a multi-step selection or proposal process as set forth in the RFP, SOQ or RFI.

5.2.8 Award. Notice(s) for award and recommendation for award shall comply with 4.1.2.3 of this policy. The contract file shall contain the basis on which the award is made.

5.2.8.1 The Town reserves the right to conduct negotiations with two (2) or more offerors who responded to an RFP. Upon completion of discussions the firms are ranked. Negotiations are conducted with firms in the order of ranking. Negotiations begin with firm ranked first, if an agreement cannot be reached, the negotiations are broken off and negotiations are conducted with number two and so forth. Once negotiations are broken off they cannot be reopened with that firm.

5.2.8.1.1 The Negotiating Team will be selected by the Finance Director.

5.2.8.2 Negotiations involving the Consultants Competitive Negotiation Act will be conducted by a team selected by the appropriate Department Director with the Purchasing Manager being an exofficio member of the negotiating team.

5.2.9 Proposal vs. Bid: All of the guidelines specified under section 4 above will apply to proposals unless otherwise stated in section 5.

SECTION SIX:

6. Small Purchases:

- 6.1 Any purchase for an amount less than \$500.00 is exempt from competitive requirements.
- 6.2 No purchase shall be artificially divided so as to constitute a small purchase under this Section.
- 6.3 All other purchases under the threshold requiring formal bid procedures are classed as small purchases with competition requirements being identified in table 2.1.

SECTION SEVEN:

7. Consultant Services:

- 7.1 Consultant services for services other than for architectural, engineering, landscape architectural, or surveying and mapping services are acquired in compliance with Policy outlined in Sections 4 and 5.
 - 7.1.1 Architectural, engineering, landscape architectural, or surveying and mapping services are acquired using Section 287.055 Florida Statutes known as the "Consultant's Competitive Negotiation Act (CCNA)." (See appendix 2.7.10-A for copy of the CCNA)

7.1.1.1 Design-Build Contracts shall be established in compliance with Florida Statute, Section 287.055, CCNA.

7.1.2 All other consulting services, may be acquired using procedures identified in Sections 5 and 6 above. The Purchasing Manager, if circumstances so warrant, may elect to use competitive negotiation procedures to acquire the services designated as all other consulting services.

SECTION EIGHT:

8. Negotiated Procurements:

8.1 Negotiation of contracts and pricing for goods and/or services that are obtained from other than the bid process is a process used after it has been determined that the requirements cannot be defined in a manner from which bid specifications can be developed for competitive bids. This process involves the issuance of an RFP indicating in general terms that which is sought to be procured, specifying the factors for evaluation, terms and conditions. Depending upon circumstances, the number for firms invited to participate may be limited. Upon completion of the initial evaluations, negotiations are entered into with the bidders in the order of ranking to arrive at an offering which is deemed to be in the best interests of the Town.

8.1.1 This process is often used for sole source purchases, direct order situations outlined in Section 2.2 and in an abbreviated fashion for emergency procurements.

8.1.2 Projects which involve a need for higher levels of security as provided in Chapter 2002-67, Laws of Florida may be placed in this category when deemed appropriate by the Town.

SECTION NINE:

9. Direct Pay:

9.1 Certain purchases, due to their very nature, are exempt from the competitive bid requirements. Items such as utilities, postage, water, sewer, travel expenses and other items as shall be designated by the Director of Finance.

SECTION TEN:

10. Non-Responsible Bidders and Offerors:

10.1 If a bidder or offeror who otherwise would have been awarded a contract is found non-responsible, a written determination of non-responsibility setting forth the basis of the finding shall be prepared by the Purchasing Manager.

10.1.1 A bidder can be determined as non-responsible if mandatory requirements as defined in the specification were not met at the time of the bid or proposal opening. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be

grounds for a determination of non-responsibility with respect to such bidder or offeror.

10.1.2 A copy of the determination shall be sent promptly to the nonresponsible bidder or offeror. The final determination shall be made part of the contract file.

SECTION ELEVEN:

11. Specifications:

11.1 Maximum Practicable Competition: All specifications shall be drafted so as to promote overall economy for the purposes intended and encourage maximum free and open competition in satisfying the Town's minimum needs, and shall not be unduly restrictive. The Policy enunciated in this Section applies to all specifications, including, but not limited to, those prepared for the Town by architects, engineers, designers, and draftsmen.

11.1.1 This Section shall not be read to preclude the Town from standardization on a name-brand product. It is noted that an item identified for standardization must be documented and approved by the Finance Director.

11.1.2 A specification which identifies a brand, model and states or equal is not overly restrictive in most cases and is allowed.

11.1.3 Design specifications and performance specifications will be used when appropriate, feasible, and in the best interests of the Town.

SECTION TWELVE:

12. Contract Administration:

12.1 Contract administration includes negotiation between the parties; preparation of formal contracts and other written documents; review and comment by various Town employees and public officials; proper approval and execution of contracts; encumbrance of funds; distribution and filing of contracts and implementation; and monitoring of contracts. Contract administration also includes cost analysis, enforcement of contract standards, establishment of contract selection criteria, renewal and award decisions and a development of a comprehensive and reliable contract information system.

12.2 The Finance Director's responsibility as related to contract administration is to assist the individual Departments and to monitor and ensure adherence with Town Purchasing Policies, to determine that all required documentation is in place before the contract is executed, to resolve vendor issues on behalf of the Town and to provide general support and advice regarding contract compliance.

12.3 Bonds and Bid Security: When required by the solicitation and in compliance thereof, The Project Manager is responsible for insuring that surety bonds are maintained. Before a contract and/or purchase order is established for construction of a public building or repairs upon a public building or public work. Bonds shall be provided by a surety company authorized to do business in the State of Florida. The original(s) shall be appropriately filed with the Project Manager with copies being provided to the Purchasing Office to place in the bid file and with the Town Clerk. The most common types of bonds are payment, materials, and performance bonds.

- 12.3.1 Nothing in this section shall be construed to limit the authority of the Town to require a performance bond or other security in addition to those bonds in any circumstances.
- 12.4 Requirement for Bid Security: Bid security is at the discretion of the Finance Director with determination being made for its use on a case by case basis.
- 12.4.1 When required, bid security shall be an original bond provided by a surety company authorized to do business in the State of Florida, or the equivalent in the form of a cashiers or certified check, or otherwise supplied in a form satisfactory to the Town. Bid security shall be in an amount equal to at least five percent (5%) of the amount of the bid.
- 12.4.2 When the circumstances warrant. The Purchasing Manager may require bid security for other types of solicitations.
- 12.5 Any person may request and obtain from the Town a certified copy of a bond upon payment of the cost of reproduction of the bond and postage, if any.

SECTION THIRTEEN:

13. Change Orders:

- 13.1 A contract may be modified or renewed as provided in the original contract. No additional consideration or increase in contract price may be paid to the contractor because of renewal unless specifically authorized under the original contract. Also, change orders shall not be used as a vehicle to provide relief to a contractor or offeror from the consequences of an error in his/her bid or offer. There must be reasonable consideration received by the Town to justify the change order.
- 13.2 Purchases Up to \$9,999.99: Cumulative contract/purchase order modifications to purchases made under small purchase procedures shall not exceed 25% of the original Purchase Order Price without examining the quotation(s) involved to ensure that the integrity of the quotation(s) is not compromised.
- 13.2.1 A change order request form shall be used to request a change order with the appropriate approvals. Changes involving an increase over a threshold must be examined to ensure the integrity of the competition solicited or the justification if non-competitive procedures were used. The Purchasing Manager shall make the determination whether or not the change order process may be used or if a new purchase action is required.
- 13.2.2 The change order request form shall include a brief description of the circumstances, the amount of funding involved in the change and a justification for making the change.
- 13.3 A public contract may include provisions for modification of the contract during performance, otherwise no fixed-price contract may be increased by more than 10% of the original amount of the contract or \$25,000, whichever is lower, without the approval of the Town Council or as the Town Council may delegate. This limitation applies to the aggregate change orders in a contract.
- 13.3.1 When the contract provides procedures for making modifications consistent with the above, said changes may be approved by the Mayor. The involved

Department shall process a change order request form to the Purchasing Office including the funding designation(s) and approvals.

13.3.2 When the contract or purchase order does not include procedures for modification, the change(s) must be approved by the Town Council. Upon receiving approval from the Town Council as delegated, the involved Department shall process a change order request to the Purchasing Office including the funding designation(s) and approvals.

SECTION FOURTEEN:

14. Ethics in Public Contracting:

14.1 No employee, officer, or Manager of the contractor can participate in the selection, award, or administration of a contract with the Town. A conflict of interest, real or apparent, is involved, whenever a contractor's interests are at odds with the interests of the Town or the public it serves.

14.1.1 Disclosure is required when contract (a purchase order is a contract) decision makers anticipate contracting with a person or organization with whom they are affiliated. Affiliation can include organizations the employees or their immediate family own, work for as an employee, or represent as an Agent.

14.1.2 Gratuities and kickbacks are not allowed and, if accepted, will be a matter of disciplinary action up to possible termination and charges being filed with law enforcement authorities.

14.1.3 The Code of Ethics for Public Officers and Employees as set forth at Part III, Chapter 112, Florida Statutes, shall apply to all purchasing matters.

SECTION FIFTEEN:

15. **Authority to Debar or Suspend:** The Purchasing Manager may suspend or debar for cause the right of a vendor to be included on a vendor list and any bid or response from that vendor may be rejected

15.1 A vendor may be suspended for a period not to exceed three (3) years as determined by the Purchasing Manager based upon the following:

15.1.1 Vendor defaults or fails to fully comply with the conditions, specifications, time limits, or terms of a bid, quotation, proposal or contract with the Town.

15.1.2 Vendor commits any fraud or misrepresentation in connection with a bid, quotation, proposal or contract with the Town.

15.1.3 Vendor is convicted by a court of competent jurisdiction of a criminal offense incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.

15.1.4 Vendor is convicted by a court of competent jurisdiction of any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a Town contractor.

- 15.1.5 Vendor becomes insolvent, has proceedings of bankruptcy instituted against it, or compounds its debts or assigns over its estate or effects for payment thereof, or has a receiver or trustee appointed over its property.
 - 15.1.6 Vendor's commission or any act or omission to perform any act which is grounds for debarment.
 - 15.1.7 Vendor violates the ethical standards set forth in local, State or Federal law.
 - 15.1.8 Any other cause the Purchasing Manager determines to be sufficiently serious and compelling as to materially and adversely affect responsibility of a business as a Town contractor, including, but not limited, to suspension or debarment by another governmental entity for cause.
- 15.2 A vendor may be permanently debarred for the following:
- 15.2.1 Default or failure to fully comply with the conditions, specifications, drawings, time limits, or terms of an Invitation for Bids, Request for Proposal or contract with the Town twice in any three (3) year period.
 - 15.2.2 Conviction or judgment in a court of competent jurisdiction for commission of any offense in connection with the vendor's commercial enterprise. If the conviction or judgment is reversed through the appellate process, the debarment shall be removed immediately upon written notification and proof of final court disposition from the vendor to the Town.
- 15.3 After the Finance Director has determined that there is cause to suspend or debar a vendor and has the concurrence of the Town Attorney, he/she shall notify the vendor in writing of the debarment or the period of suspension and the reasons for the action taken.
- 15.4 Any vendor who has been convicted of a public entity crime as defined by Florida Statute Section 287.133, shall not be able to transact business with the Town to the extent as specified in Florida Statute 287.133 (2) (a).

SECTION SIXTEEN:

16. Protests, Appeals and Remedies:

- 16.1 Right to Protest: Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or proposed award may protest to the Purchasing Manager. Suppliers that are not bidding on the project may not have the same rights as defined herein.
 - 16.1.1 Protest Submission: A formal written protest must be filed no later than 5:00 p.m., local time, within five (5) business days after the posting date of the award recommendation, unless the aggrieved person did not know or could not, with the exercise of diligence, have known of the facts giving rise to the protest prior to any of the aforementioned events. The aggrieved person has the burden to show he or she did not know and could not, with the exercise of diligence, have known of the facts giving rise to the protest. The bidder, offeror or contractor has the responsibility to contact the Town and request the award recommendation results.

- 16.1.2 The formal written protest shall: identify the protesting party and the solicitation involved; include a clear statement of the grounds on which the protest is based; refer to the statutes, laws, ordinances, or other legal authorities which the protesting party deems applicable to such grounds; and, specifically request the relief to which the protesting party deems itself entitled by application of such authorities to such grounds. The Purchasing Office may either provide a copy of the protest to the firm or individual recommended for the award or require the protester to provide said copy.
- 16.1.2.1 A formal written protest is considered filed with the Town when it is received and date stamped by the Purchasing Office. Failure to file a formal written protest within the time period specified shall result in relinquishment of all rights of protest by the protester and abrogation of any further protest proceedings.
- 16.1.3 General: These protest procedures shall be the sole remedy for challenging an award of bid or proposal. Bidders and proposers are prohibited from attempts to influence, persuade or promote through any other channels or means. Such attempts may be cause for suspension.
- 16.1.4 Stay of Award During Protests: In the event of a timely protest under this Section, the Finance Director shall not proceed further with the solicitation or award of the contract until he or she makes a written determination unless the award is necessary to protect the interests of the Town.
- 16.1.5 Authority to Resolve: The Finance Director shall attempt to resolve the protest in a fair and equitable manner, and shall render a written decision to the protesting party within thirty (30) business days from the date of receipt of the protest.
- 16.1.6 Review and concurrence of the Finance Director's Supervisor and the Director of the Department originally requesting the procurement. Also, based upon the sensitivity and complexity or the proposed resolution, action by higher authority including the Town Attorney will be requested.
- 16.1.7 Appeal Process: The decision indicated in Section 16.1.6 above shall be final and conclusive unless within five (5) business days of receipt of the written decision, the protesting party delivers a written notice of appeal to the Purchasing Manager with an Appeal Bond.
- 16.1.7.1 An appeal committee, will be established by the individuals providing the review in 16.1.6 above. The appeal committee shall conduct a hearing where the aggrieved person shall be given the opportunity to show why the decision rendered by the review should be modified. The formal rules of civil procedure and evidence will not be applied. The appeal committee shall render a final written decision within thirty (30) business days from the date of the written notice of appeal.
- 16.1.7.2 Appeal Bond: Any person who files an action appealing a decision shall post with the Finance Director, at the time of filing the formal written appeal a bond payable to the Town in an amount equal to five percent (5%) of the Town's estimate of

the total volume of the contract/claim or *FIVE THOUSAND AND NO/100 DOLLARS* (\$5,000.00), whichever is less. The bond shall be conditioned upon the payment of all costs which may be adjudged against the appellant in the administrative hearing in which the action is brought and in any subsequent appellate court or court proceeding. In lieu of a bond, the Town may accept a cashier's or certified check, or money order in the above referenced amount. If, after completion of the administrative hearing process and any court or appellate court proceedings, the Town prevails, it shall recover all costs and charges which shall be included in the final order or judgment, excluding attorney's fees. Upon payment of such costs and charges by the person appealing the decision, the bond, cashier's check, or money order shall be returned to him. If the person appealing the decision prevails, he shall recover from the Town all costs and charges which shall be included in the final order of judgment, excluding attorney's fees.

16.2 Contract Claims:

- 16.2.1 Decision of the Finance Director: All claims by a contractor against the Town relating to a contract shall be submitted in writing to the Purchasing Manager for a decision.
- 16.2.2 Notice to the Contractor of the Finance Director's Decision: The decision of the Purchasing Manager shall be issued in writing, and shall be mailed or otherwise furnished to the contractor. The decision shall state the reasons for the decision reached, and shall inform the contractor of its appeal rights.
- 16.2.3 Finality of Finance Director's Decision: The Finance Director's decision shall be final and conclusive unless, within five (5) business days from the date of receipt of the decision, the contractor delivers a written appeal to the Purchasing Office with an appeal bond.
- 16.2.4 Render Timely Decision: The Finance Director with the same concurrence requirements provided in Section 16.1.6 shall issue a written decision regarding any contract controversy within sixty (60) business days after written request for a final decision, or within such longer period as may be agreed upon between the parties.
- 16.2.5 Appeal Process: Any person aggrieved by the decision indicated in Sections 15.1, 15.2 or 16.2.4 must deliver a written appeal, within five (5) business days of receipt of the written decision, to the Finance Director with an appeal bond as described in Section 16.1.7.2. An appeal committee shall be established as described in Section 16.1.7.1. The appeal committee shall have the authority to settle the protest or appeal and render a final written decision. The appeal committee shall conduct a hearing where the aggrieved person shall be given the opportunity to show why the decision of the Purchasing Manager should be modified. The appeal committee shall render a final written decision within sixty (60) business days from the date of the written notice of appeal. If no decision is rendered within this time frame then it will be concluded that the appeal committee concurs in the Purchasing Manager's decision and the decision of the Finance Director shall be final. Decisions made pursuant to Section 15.1 and Section 15.2 may be appealed

to the Mayor. Appeal from decisions of the Chief Administrative may be made to the Town Council. The same time requirements relating to appeals to the appeal committee shall apply to appeals to the Mayor and Town Council.

SECTION SEVENTEEN:

17. Small Business/Minority/Women Business Enterprises (SB/M/WBE):

- 17.1 The Town encourages all segments of the business community to participate in its Purchasing programs. The Town of Eatonville is sensitive to the need to support, encourage and assist small business enterprises including minority and women owned businesses in providing goods and services to the Town. To facilitate increased participation from small business enterprises including minority and women owned businesses, the Purchasing Division will:
- 17.1.1 Provide an atmosphere which will not hinder, in any way, but will encourage, small business enterprises including minority and women owned businesses seeking to do business with the Town of Eatonville.
 - 17.1.2 Provide assistance in preparation of bid/quote responses to any vendor requesting assistance.
 - 17.1.3 Participate in workshops and programs sponsored by the Town or other Federal, State, or Municipal governments which are intended to educate, certify and/or promote a greater participation of small business enterprises, including minority and women owned businesses.

SECTION EIGHTEEN:

18. Purchasing Card Program:

- 18.1 Purpose: To regulate use of the Purchasing Card Program of the Town by establishing the following Policy including, but not limited to the following controls and regulations to ensure that Purchasing Cards are used only for authorized purposes on behalf of the Town:
- 18.1.1 Provide an efficient and cost effective method of purchasing and paying for goods and services.
 - 18.1.2 Reduce the use of petty cash, blanket purchase orders, and field or restricted purchase orders.
 - 18.1.3 To ensure Purchasing Card purchases are in accordance with the policies of the Town of Eatonville, and other federal, state and local ordinances, rules, regulations and statutes which are applicable.
 - 18.1.4 Reduce the time and money spent processing low dollar transactions.
 - 18.1.5 To ensure that the Town bears no legal liability from inappropriate use of Purchasing Cards.
 - 18.1.6 Provide for disciplinary action if the Purchasing Cards are misused.

- 18.2 Scope: The policies contained in this Section will apply to all organizational entities and employees of the Town participating in the program.
- 18.3 Definitions: The following definitions specifically apply to the Purchasing Card Program, therefore, they are included in this section rather than under general definitions.
- 18.3.1 Bank--The financial institution, which has entered into an agreement with the Town to provide procurement card services as defined by the contract into which the parties have entered.
- 18.3.2 Billing Cycle--The monthly billing period that begins on a set date of each month and ends on the same day the following month, with a twenty-day (20) grace period before payment is due.
- 18.3.3 Capital Asset--Asset with a cost of One Thousand Dollars (\$1000.00) or more and a useful life of one year or more, including but not limited to furniture, equipment, vehicles, and computer hardware.
- 18.3.4 Cardholder Agreement—The providing financial institution's terms and conditions that define Cardholder use of the Purchasing Card.
- 18.3.5 Credit Log--Summary sheet upon which the Cardholder and/or Finance Department records the details about credits to the Purchasing Card purchases. Information to be recorded includes the reference or order number; date of original transaction; date of credit transaction; purchase description; and dollar amount of the credit.
- 18.3.6 Merchant Category Code (MCC) Limit--A method to control where spending is allowed. Merchants are assigned an industry-specific MCC code, which the Town can restrict from Purchasing Card access. Once an MCC code is blocked, all merchants within that category will be declined.
- 18.3.7 Monthly Limit--The maximum dollar value of charges a Cardholder is authorized to make during the billing cycle.
- 18.3.8 Purchasing Card Administrator (PCA)--The person responsible for the administration of the Purchasing Card Program (Finance Director).
- 18.3.9 Single Purchase Limit--The maximum value of charges a cardholder is authorized to make during a single transaction.
- 18.4 Responsibilities of the Cardholder:
- 18.4.1 **Cardholder shall ensure that all purchases made using the Purchasing Card are for official Town business. Unauthorized purchases will result in termination of employment of the card holder.**
- 18.4.2 Acknowledging, in writing, receipt of Policy governing the use of Purchasing Cards. Holding and securing the Purchasing Card and card number.
- 18.4.3 Buying supplies and services in compliance with this Policy.

- 18.4.4 Informing vendor of tax-exempt status prior to processing sale transaction.
- 18.4.5 Collecting and saving sales receipts.
- 18.4.6 Writing the account number, or narrative description of the account/project to be charged, on the back of each receipt or on the optional transaction log.
- 18.4.7 Receiving and inspecting all ordered materials and services and reporting discrepancies to vendor.
- 18.4.8 Submitting Purchasing Card charge documentation (receipts) through the proper approval process on a daily basis.
- 18.5 Responsibilities of the Department Head:
 - 18.5.1 Determining the need for each department employee to have a Purchasing Card.
 - 18.5.2 Requesting Purchasing Cards from the PCA for included staff members.
 - 18.5.3 Evaluating the need to cancel or reissue cards.
 - 18.5.4 Collecting revoked cards from Cardholders and remitting to the PCA.
 - 18.5.5 Approving all Purchasing Card purchases.
- 18.6 Responsibilities of the Finance Department.
 - 18.6.1 Matching receipts and supporting documentation with the weekly statement.
 - 18.6.2 Identifying and handling disputed charges.
 - 18.6.3 Maintaining a copy of the Credit Log sheets and verifying all credits are posted.
 - 18.6.4 Verifying account codes.
 - 18.6.5 Reviewing and communicating to the Bank all Purchasing Card requests and changes to card limits.
 - 18.6.6 Training Cardholders.
 - 18.6.7 Coordinating the issuance and cancellation of cards.
 - 18.6.8 Maintaining program Policy and procedures, Cardholder guides and/or manuals and all Cardholder application forms.
 - 18.6.9 Pursuing supplier discount opportunities.
 - 18.6.10 Evaluating Purchasing Card feedback from suppliers.
 - 18.6.11 Coordinating and maintaining internal controls.
 - 18.6.12 Coordinating program Policy issues.

- 18.6.13 Participating in ongoing program reviews.
- 18.6.14 Participating in resolving billing disputes.
- 18.6.15 Monitoring program for compliance with all Town Policy and procedures and recommending disciplinary action to the Mayor.
- 18.6.16 Monitoring the program's aggregate monthly spending relative to the aggregate established credit limit with the Bank for potential required increases.
- 18.6.17 Performing a pre-audit over receipts and charges.
- 18.6.18 Paying charges from the weekly statement.
- 18.6.19 Filing weekly statements and supporting documentation.
- 18.6.20 Reconciling weekly statements with monthly statements.
- 18.6.21 1099 reporting.
- 18.7 The responsibilities of the Financial Institution are:
 - 18.7.1 Activating and deactivating Purchasing Cards at the request of the PCA.
 - 18.7.2 Paying suppliers
 - 18.7.3 Controlling pre-defined Cardholder limits
 - 18.7.4 Providing monthly statements and reporting information
 - 18.7.5 Providing duplicate copies of sales receipts in case of disputed charges
 - 18.7.6 Providing customer service
- 18.8 Requesting a Purchasing Card:
 - 18.8.1 All requests for Purchasing Cards must be submitted in writing with proper justification by the respective Department Head to the PCA. No credit checks are made against individual Cardholders.
 - 18.8.2 The PCA will review the application and, if approved, will coordinate the issuance of the Purchasing Card with the respective Department Head, and notify the Cardholder of the next available Purchasing Card training session.
 - 18.8.3 The Bank issues the Purchasing Card and mails it to the PCA. The PCA will write "See Town of Eatonville photo ID" in the signature space on the back of each card.
 - 18.8.4 The Cardholder attends a mandatory Purchasing Card Program training session, signs the Cardholder Agreement form, receives a Purchasing Card, Cardholder Agreement, and a copy of the Purchasing Card Operational Regulation.
 - 18.8.5 The Cardholder Agreement form will be retained in the Office of the PCA.

18.9 Modifying Purchasing Card Limits:

18.9.1 All requests for modifications to Cardholder limits must be submitted by the Department Head to the PCA by updating a copy of the Cardholder's original request.

18.9.2 The PCA reviews the modification and, if approved, submits it to the Bank for processing.

18.10 Using the Purchasing Card - General Information:

18.10.1 The Cardholder may pick up supplies or services. Telephone, fax or electronic purchases may be made only with specific cards as authorized by PCA. The supplies or services must be immediately available for pick up, shipped or delivered within the monthly billing cycle. The order shall not be placed without this assurance. No **backordering** is allowed when using the Purchasing Card.

18.10.2 **Prohibited Purchases:** The Purchasing Card shall be used for Town **official business, authorized purchases only**. The Purchasing Card shall not be used for any personal use. **The Cardholder is the only person authorized to use their assigned Purchasing Card. Any unauthorized use will result in stern discipline up to and including termination.**

18.10.3 Some cards will have such restrictions as deemed to be in the Town's best interests as determined by the appropriate individual Department Head and the PCA.

18.10.4 Individual cardholders will be given a list of restrictions applicable to a card which is assigned to him/her.

18.10.5 Dollar Limits: A purchase may consist of multiple items, but the total invoice (including shipping) cannot exceed Cardholders single purchase limit. All purchases over \$2,500.00 must be made by a separate purchase order. Certain exceptions may apply as determined by PCA in accordance with 18.10.6 below. Charges for purchases shall not be split to stay within the single purchase limit. **Splitting charges to avoid thresholds will be considered an abuse of the Purchasing Card Program and a matter of discipline.**

18.10.6 In an effort to generate rebate revenue and accommodate emergencies, purchases exceeding \$2,500.00 may be made using the Purchasing Card as a method of payment. Such exceptional purchases will conform to the Purchasing Policy and require the appropriate approval and be performed only by individuals specifically authorized to do so.

18.10.7 Sales & Use Tax: The Town is exempt from paying any State of Florida (and generally all other states') sales and/or use tax, even if the purchase is made with the Purchasing Card. The Town's sales tax exemption number is printed on the face of the Purchasing Card. It is the responsibility of the Cardholder to make the vendor aware that the sale transaction will be tax exempt prior to processing the sale.

- 18.10.7.1 If the vendor charges sales tax, the Cardholder must contact the vendor and obtain a credit equal to the amount of the sales tax. **Do not permit the vendor to issue cash to settle a sales tax error.** If you have a problem with any vendor about sales or any other tax, please contact the Purchasing Manager.
- 18.10.8 Documentation: For all transactions, the Cardholder must retain the original customer's copy of the charge slip, along with the detail receipt, which identifies every item purchased and the corresponding item cost. For telephone orders, the Cardholder must retain the receipt and/or packing slip. The Cardholder must also write the account number, or a narrative description of the account/project to be charged, on the back of each receipt.
- 18.10.9 Missing Documentation: Where supporting documentation is missing, the Cardholder must contact the vendor and request a duplicate receipt. If the Cardholder is still unable to obtain documentation he/she must contact the Purchasing Manager. Failure to provide adequate documentation will result in disciplinary action and employees may be required to make payment for such transactions.
- 18.10.10 Credit Log: The Cardholder must keep a Credit Log of items returned to the vendor to verify credit is received for returns. Reductions in a Purchasing Card sale amount due to mistake, decrease in quantity, price discount, or erroneous charging of sales tax must also be noted on the Credit Log.
- 18.10.11 Denied Purchase: The Cardholder must report a denied point of sale or other rejected purchases to the PCA. The PCA will take the appropriate steps to resolve all vendor issues..
- 18.10.12 **The Cardholder must follow his/her department's administrative funding procedures to ensure that sufficient funds are available prior to making a purchase.**
- 18.10.13 Use of the Purchasing Card does not relieve the Cardholder from complying with Federal, State, local laws, ordinances, regulations, or Town policies and procedures.
- 18.10.14 For every purchase made, the respective Cardholder must be prepared to substantiate necessity or official use. Misuse of the Purchasing Card shall be subject to the immediate revocation of Purchasing Card privileges. The respective Department Head, PCA and Mayor will handle resolution of situations involving improper use of the Purchasing Card.
- 18.10.15 Questions: Questions regarding Purchasing Card procedures should be directed to the PCA.
- 18.11 Reconciling Weekly Statements:
- 18.11.1 The Bank will provide weekly memo statements for verification of charges and reconciliation.

18.11.2 The Cardholder is responsible for securing and delivering all necessary documentation (sales receipts, etc.) for every transaction to the Finance Department on a timely basis. Each Cardholder is responsible for ensuring the subject receipts clearly show what has been purchased and at what price. Sales receipts that do not provide sufficient information must be supplemented with documentation from the vendor at the time of purchase. If a receipt is missing, it is the Cardholder's responsibility to contact the subject vendor and request a duplicate receipt and appropriate documentation. In the event the receipt cannot be secured, the Cardholder may be personally liable for the cost of the subject transaction and may be subject to disciplinary action.

18.11.3 The Finance Department will review the Cardholder's weekly statement; verify the purchases were for a proper public purpose and verify account codes. Receipts and related documentation are to be secured and delivered to the appropriate Department Head on a daily basis. Such receipts will be reconciled with a weekly transaction report sent to the Finance Department on a weekly basis. Transactions involving fraud, disputed charges, and employee misconduct must be reported to the PCA by the Finance Department.

Unauthorized purchases will result in disciplinary action. When purchases are questioned, the PCA is responsible for resolving the issue with the Cardholder or appropriate Department Head.

The Department Head must approve all Purchase Card charges and is responsible for forwarding documents to the Finance Department per established procedures..

18.11.4 Resolving Returns and Credits, Disputes and Erroneous Charges: A dispute occurs when a Cardholder questions a transaction that has been charged to their account. The Cardholder will initially contact the merchant in question about the transaction and seek to resolve the matter by requesting or supplying information as necessary. If the matter is not resolved immediately, the Cardholder will notify the PCA, in writing, to request the charge be disputed. The PCA will refer the matter to the Bank for disposition.

As a result of the dispute, the Town remains obligated to pay for the disputed items(s); however, the next statement will be reduced by the amount of disputed item(s) and the Bank will resolve the matter within ninety (90) days.

18.12 **Reporting a Lost or Stolen Purchasing Card:** If a card is lost, stolen, or misplaced during normal working hours, the Cardholder must **immediately** notify the PCA. If a card is lost, stolen or misplaced outside normal working hours, the Cardholder must **immediately** notify the Bank directly and notify the PCA the next working day. Upon such notification, access to the card will be immediately blocked. A new card will be mailed for the Cardholder on the next business day after receiving the notification at no cost to the Cardholder or the Town.

18.13 **Purchasing Card Termination:**

Terminated Employees: Department Heads must immediately notify the PCA of terminated employees. The PCA is required to notify the Bank to cancel the card of a terminated employee within twenty-four (24) hours of such termination.

The respective Department Head will obtain the Purchasing Card from the terminated employee. Department Heads must notify the PCA when Purchasing Cards belonging to terminated employees are not returned.

Department Heads must destroy returned Purchasing Cards by cutting the cards in two (2) and must deliver them to the PCA. The PCA must remit all destroyed cards to the Bank.

- 18.14 **Revocation of Card:** Purchasing Card privileges may be revoked upon the Cardholder's failure to follow Town's Policy and procedures. The respective Department Head and the PCA will coordinate the revocation of Purchasing Cards. The PCA will immediately notify the bank to cancel any such cards.

The Department Head will obtain the revoked Purchasing Card from the employee and submit it to the PCA. The PCA will remit revoked Purchasing Cards to the Bank.

- 18.15 **Violations** - The following actions are prohibited:

18.15.1 Purchases not in accordance with Town Purchasing Policy.

18.15.2 Purchases that exceed the Purchasing Card limits

18.15.3 Not reporting lost or stolen cards

18.15.4 Purchases from vendors that create a conflict of interest, (e.g., purchases from companies owned or operated by Town employee(s) and/or their relatives, etc.)

18.15.5 Inadequate record keeping and/or documentation of purchases

18.15.6 Acceptance of cash in lieu of a credit to the statement

18.15.7 Splitting of purchases within the single purchase limit

- 18.16 **Failure to comply with this Policy will result in employee removal from the Purchasing Card Program and other disciplinary action as appropriate.**

SECTION NINETEEN:

19. Record and Inventory of Tangible Personal Property

- 19.1 The following is applicable when Tangible Personal Property is received or disposed of by the Town. (Reference Florida Statute 274.02) Note: The referenced statute does not apply to the Town. However, it is used as a guideline for the establishment and maintenance of the Town's Capital Asset Inventory.

- 19.2 Tangible Personal Property (Tangible Assets) is defined as property acquired by the Town which has a cost of \$1000.00 (one thousand dollars) or more, a life expectancy of more than one year and is not consumed in use.

- 19.2.1 Major additions including those that prolong the life of or expands the usefulness of a tangible asset are also capitalized.
- 19.2.2 **Normal repairs that merely maintain a tangible asset in its present condition are recorded as an expense and are not capitalized.**
- 19.3 The Town of Eatonville Property Record Form is the means to report property received, bought, traded, or disposed.
 - 19.3.1 Upon receipt of the property, the Property Record Form is to be completed and submitted to Purchasing by the receiving Department.
 - 19.3.2 The property item will be tagged by *Finance Department* by placing the appropriate numerically controlled tag on a conspicuous area of the property.
- 19.4 Disposition of property which has been scrapped, considered lost or stolen, traded, auctioned, or transferred to another Department or disposed of otherwise must be accounted for.
 - 19.4.1 Property record sheet(s) must be completed, by the Department having custody of the property, documenting manner and reason for disposition of the property.
 - 19.4.1.1 The disposition documentation must be received by Purchasing before the actual disposition takes place.
 - 19.4.1.2 Each Department has the responsibility of physical disposal of its own property after the required documentation is in place.
 - 19.4.1.3 When property is being transferred, the Department Head transferring the property must acknowledge the disposition by signing the form and the receiving Department Head must do the same. *Finance Department* will make the changes on Department records to reflect the transfer. **The Mayor shall approve all vehicle transfers prior to any transfers taking place.**
 - 19.4.2 Surplus property and City auction(s)
 - 19.4.2.1 When an item of property is no longer of value and service, it is considered surplus by the department that has current custody of the item. The original property record form is completed by the department and signed by the Department Head.
 - 19.4.2.2 Specialty items/equipment (i.e. Fire trucks) may be sold on their secondary markets through legal advertisements for bids (rather than at auction) with prior Town Council approval.
 - 19.4.2.3 The completed, original "Property Record Form" shall be forwarded to *the Finance Department* to update the Town's computerized inventory record and to maintain accurate records of the status and location of all fixed assets.

- 19.4.2.4 Items to be sold at the auction will remain in the custody of the declaring department until the time of the auction.
- 19.4.2.5 All Town departments/divisions are sent a written notice six weeks in advance of auction date notifying them of the upcoming auction.
- 19.4.2.6 Any items to be auctioned are to be delivered to the designated area of the Public Works Complex by the declaring Department/Division at least four (4) weeks in advance of auction with completed "Property Record Form" having been sent to Finance prior to delivery.
 - 19.4.2.6.1 All property shall be disposed of by public auction providing
 - 19.4.2.6.1.1 Publication of notice to sell per attached list shall be published not less than two weeks prior to sale in local newspaper.
 - 19.4.2.6.1.2 Authority for such disposal shall be obtained and recorded in the minutes of the Town Council meeting
- 19.4.2.7 The list of items available for auction is compiled by Purchasing and distributed to the following
 - 19.4.2.7.1 Mayor, with a request to be placed on the Town Council agenda
 - 19.4.2.7.2 Attached legal ad for publication in newspaper.
 - 19.4.2.7.3 Copy to Auctioneer. (Purchasing will make arrangements for auctioneer's service.)

SECTION TWENTY:

- 20. **Disclosure of information:** Generally procurement information will be released to the public in compliance with the requirements of the Public Records Law of the State of Florida (Chapter 119, Florida Statutes) with the Town recovering copy costs as provided by therein. Except as provided below.
 - 20.1 Trade secrets or proprietary information submitted by a bidder, offeror, or contractor in connection with a procurement transaction shall not be subject to public disclosure. In such cases the bidder or offeror must, prior to or upon submission of the data or other materials, identify, specifically, the data or other materials to be protected and state the reason why protection is necessary.
 - 20.1.1 The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the

specific words, figures, or paragraphs that constitute trade secret or proprietary information.

20.1.1.1 A Bidder's/Offeror's pricing and/or the use of an existing art, process, material, product, system or license, etc. cannot be claimed as proprietary.

20.1.1.2 The classification of an entire bid or proposal document, line item prices and/or total bid or proposal prices as proprietary or trade secrets is not acceptable.

20.1.2 The Finance Office will review designations making information proprietary and either accept or deny the classification. If the designation is denied, the bidder/proposer may withdraw the classification or appeal the ruling as outlined in section 16. of this Policy.

20.1.2.1 If a proprietary designation is denied by the Town, after being given reasonable time, the bidder or offeror does not withdraw a classification designation, the bid or proposal will be rejected.

20.2 Information exempt from public disclosure is defined by Chapter 119.07, Florida Statutes.

SECTION TWENTY-ONE: CONFLICTS: All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

SECTION TWENTY-TWO: SEVERABILITY: The provisions of this Ordinance are declared to be separable and if any section, sentence, clause or phrase of this Ordinance shall be for any reason be held to invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses and phrases of this ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

SECTION TWENTY-THREE: EFFECTIVE DATE: This Ordinance shall become effective upon passage and adoption.

First Reading Held this 11th day of July 2006. A.D.

	YES	NO	ABSENT
Vice Mayor Davis:	√	_____	_____
Councilman Franklin:	√	_____	_____
Councilman Mount:	_____	√	_____
Councilman Randolph:	√	_____	_____
Anthony Grant, Mayor :	√	_____	_____

Second and Final Reading held this 15th day of August 2006. A.D.

Vice Mayor Davis:	√	_____	_____
Councilman Franklin:	√	_____	_____
Councilman Mount:	_____	√	_____
Councilman Randolph:	√	_____	_____
Anthony Grant, Mayor:	√	_____	_____

PASSED AND ADOPTED this 15th day of August 2006.

Anthony Grant, Mayor

ATTEST:

Cathlene Williams
Town Clerk

Approved as to Form and Legality
Joseph Morrell, Town Attorney