



City of Eustis

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TO: EUSTIS CITY COMMISSION
FROM: TOM CARRINO, CITY MANAGER
DATE: NOVEMBER 21, 2024
RE: ORDINANCE NUMBER 24-39: AMENDING CHAPTER 2, ARTICLE VI –
PROCUREMENT PROCEDURES

Introduction

All City Departments experience the need to purchase items between \$50,000 and \$100,000. We would propose to change the ordinance to help expedite purchases under \$100,000, allowing the City Manager to have the latitude to take advantage of purchases that need to be completed in a timely manner. The funds have previously been approved during the budgeting process and the departments, along with the Purchasing Department, have performed their due diligence prior to the City Manager authorizing the purchase. We would also propose increasing the small purchasing threshold from \$2,000 to \$5,000. This would help expedite the procurement of small purchases and free up staff time to devote to the larger procurements.

Recommended Action

Approve Ordinance 24-39 to accommodate authorization of the City Manager for purchases between \$50,000 and \$100,000, to increase the small purchasing threshold from \$2,000 to \$5,000, and to amend the City Manager's approval authority as recommended below:

“THE CITY COMMISSION MAY AUTHORIZE THE WAIVER OF PROCUREMENT PROCEDURES UPON THE RECOMMENDATION OF THE CITY MANAGER, OR DESIGNEE, WHEN IT IS IN THE CITY’S BEST INTEREST TO DO SO TO OBTAIN GOODS AND SERVICES WHICH CANNOT BE ACQUIRED THROUGH THE NORMAL PURCHASING PROCESS DUE TO INSUFFICIENT TIME. THE NATURE OF THE GOODS OR SERVICES, OR OTHER FACTORS, UNDER THE CIRCUMSTANCES AND ONLY AFTER A GOOD FAITH REVIEW OF ALL AVAILABLE SOURCES AND NEGOTIATION AS TO PRICE, DELIVERY AND TERMS OF SAID GOOD OR SERVICE. THE FORMAL APPROVAL FOR THE PRE-APPROVED GOOD OR SERVICE WILL BE BROUGHT BEFORE THE COMMISSION AS SOON AS POSSIBLE.”

Background

Section 2-337 item (c) would be modified to have the written quotation process expanded to allow the City Manager to approve the purchase amount from \$50,000 to \$100,000, provided the purchase was previously included in the budgeting process. Section 2-337

would also be modified to increase the small purchasing threshold from \$2,000 to \$5,000. (See Attachment 1)

Section 2-340 Emergency Procurement would modify the ordinance to allow the City Manager to approve emergency purchases up to \$100,000. (See Attachment 1)

Section 2-342 Award of Contract item (c) (1, 3 & 4 & 5) would modify the ordinance to mirror the \$5,000 and the \$100,000 change and to amend the City Manager's approval authority. (See Attachment 1)

Section 2-343 would be modified to allow the City Manager to resolve contract disputes up to \$100,000.00 (See Attachment 1)

Section 2-344 items (a, c d & f) would be modified to incorporate the new large procurement threshold of \$100,00 and the small procurement threshold of \$5,000. (See Attachment 1)

Budget and Staff Impact

There is no budget impact associated with changing the ordinance in Chapter 2 Article VI Section 2-237 through 2-238.

Attachments:

Strike-through of proposed changes

Ordinance 24-39 and Exhibit A - Chapter 2 Article VI, Division 2 Procurement Procedures

Reviewed By:

Lori Carr, Finance Director

Prepared By:

Tracy Jeanes, Purchasing Director & Contracts Manager

**City of Eustis
Attachment 1
Proposed Changes to Chapter 2 Article VI Sec 2-337 and Section 2-342**

Sec. 2-337. - Procurement thresholds.

(a) *Small purchases* Total value of ~~\$2,000.00~~ \$5,000.00 or less. Department directors shall be responsible and accountable for such procurements made under this authority, maintaining justification and documentation on each procurement in accordance with city regulations.

The city manager is authorized to extend this delegation of authority to department directors above the small purchase threshold if he/she deems necessary, as long as all purchasing rules, regulations and procedures have been followed.

(b) *Informal invitation process.* All procurements of commodities, services and construction with a total value between ~~\$2,000.01~~ \$5,000.01 and \$10,000.00 may be made by informal quotation, soliciting price quotations, with evidence of quotes, from a minimum of three vendors, excluding purchases made from state contract, other governmental cooperative bids and emergency purchases.

(c) *Written quotation process.* When the total estimated value is between \$10,000.01 and ~~\$50,000.00~~ \$100,000.00, all commodities, services and construction shall be procured obtaining three written quotations wherever possible, excluding exempt purchases, which include those made from state contracts, other governmental cooperative bids and emergency purchases. The city manager is authorized to approve the purchase of goods and services in the amount of ~~\$50,000.00~~ \$100,000.00 or less, unless otherwise prohibited by law.

(d) *Formal invitation process.* Except as otherwise provided in this division, when the total estimated cost exceeds ~~\$50,000.00~~ \$100,000.00, all commodities, services and construction shall be procured through a formal advertised sealed bid or request for proposal process, excluding exempt purchases, which include those made from state contracts, other governmental cooperative bids and emergency purchases. Public notice shall be given a reasonable time prior to the closing date and time specified in the invitation to bid. Bids shall be publicly opened and read aloud. Bids received after the advertised time and date of official opening shall not be considered for award.

Sec. 2-340. Emergency procurement.

Notwithstanding any other provision of this division, the City Manager may make emergency purchases that temporarily exceed a department's budget appropriations when it is absolutely necessary and in the best interest of the City. In cases where the emergency purchase exceeds ~~\$50,000.00~~ \$100,000.00, it will be reported immediately to each City Commissioner and a budget amendment shall be submitted for approval at the next regularly scheduled commission meeting.

Sec. 2-342. Award of contracts.

(a) *Reservation.* The city reserves the right to accept or reject any and all offers and/or to make award to the best value bidder who meets the requirements and criteria set forth in the invitation and whose award will, in the opinion of the city, be in the best interest of and most advantageous to the city.

(b) *Tie bids.* On bids where 2 or more bidders submit the same bid, the City shall give preference to the local vendor with the closest physical address to Eustis City Hall who maintains written policies for a drug-free workplace. If after preference is given each tied bidder still has equal standing, the City may choose either bidder in its sole and absolute discretion by any legal means.

(c) *Award thresholds.* All contracts shall be awarded providing the best value to the City in accordance with the following:

(1) If the total value of a contract is ~~\$2,000.00~~ \$5,000.00 or less, the contract may be awarded by the department director.

(2) Awards for capital equipment approved in the budget that come in under the budget amount may be awarded by the finance director or designee.

(3) If the total value of a contract is less than ~~\$50,000~~ \$100,000.00, the contract may be awarded by the city manager, finance director or designee.

(4) Any contract with a total value of ~~\$50,000.00~~ \$100,000.00 or greater shall be awarded by the city commission, or the commission may delegate to the city manager the authority to award the contract.

(5) The City Commission may authorize the waiver of procurement procedures upon the recommendation of the City Manager, or designee, when it is in the City's best interest to do so to obtain goods and services which cannot be acquired through the normal purchasing process due to insufficient time, the nature of the goods or services, or other factors, under the circumstances and only after a good faith review of all available sources and negotiation as to price, delivery and terms of said good or service. The formal approval for the pre-approved good or service will be brought before the Commission as soon as possible.

Sec. 2-343. Contract disputes

The City Manager or the Finance Director, or designee may resolve contract disputes with the concurrence of the city attorney where the monetary value does not exceed ~~\$50,000.00~~ \$100,000.00. Contract disputes over ~~\$50,000.00~~ \$100,000.00 shall require approval of the City Commission.

Sec.2-344. Contract change orders

(a) The department director may approve change orders on procurements where the total of the expenditure including the change order does not exceed ~~\$2,000.00~~ \$5,000.00.

- (b) A contract change order that changes only the period of performance of the contract and does not increase the cost to the city may be approved by the Finance Director or designee.
- (c) The City Manager and the Finance Director or designee shall have the authority to approve all contract change orders where the total of the contract including all previous change orders does not exceed ~~\$50,000.00~~ \$100,000.00.
- (d) For contracts in excess of ~~\$50,000.00~~ \$100,000.00, the City Manager shall have the authority to approve all change orders where the total of the contract change order does not exceed, either solely or cumulatively, 25 percent of the original purchase amount where funds are available, unless the change order exceeds ~~\$50,000.00~~ \$100,000.00.
- (e) The Finance Director or designee shall have the authority to approve a contract change order for any contract where the final cost is less than the awarded amount.
- (f) Change orders over ~~\$50,000.00~~ \$100,000.00 and any change orders requiring appropriation of funds from contingency shall require City Commission approval.