



# Purchasing Policy and Procedures

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Effective MM/DD/2023

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## I. PURPOSE

The purpose of this policy is to state the Town's position regarding the responsibility and authority of purchasing Goods and Services, so as to maximize both the quality and value of the goods and services procured, and to ensure fairness and transparency in the procurement process. This document will clarify purchasing functions and outline purchasing policies, as well as describe departmental relationships, responsibilities, and participation in the procurement cycle. This policy will provide control functions, assure proper record keeping, and confirm purchases in writing to allow the Town to meet the following goals:

- A. Maintain at all times and under all conditions a continuous supply of Goods and Services necessary for the operation of the Town;
- B. Encourage and promote fair and equal opportunity for all persons doing, or seeking to do, business with the Town;
- C. Safeguard the quality and integrity of the Town's procurement process;
- D. Ensure compliance with laws and regulations pertaining to the procurement of Goods and Services;
- E. Manage procurement and inventories of purchased Goods to meet the use requirements of Town departments at the most advantageous cost to the Town;
- F. Administer procurement contracts and contract amendments;
- G. Properly dispose of all material and equipment declared to be surplus or obsolete; and
- H. Ensure the Town provides quality service to our citizens.

The philosophy behind this policy is one of separating the need for Goods and Services from the function of negotiation and executing the necessary contractual purchase agreement.

## II. DEFINITIONS

When used in this policy, the following words, terms and phrases, and their derivations, shall be the meaning ascribed to them in this section, except where the context clearly indicates a different meaning,

- A. ADDENDUM - A change, clarification or correction in the Solicitation Documents, prior to the award of a Contract.

- B. AMENDMENT - An agreed upon addition to, deletion from, correction or modification of a Contract.
- C. ANNUAL CONTRACT - An agreement or Contract, typically for a specified duration, between a supplier and the Town, to furnish Goods or Services usually of an indefinite quantity and delivery schedule, at unit prices provided for under the terms of the Contract. Also known as a term contract, annual agreement or requirements contract.
- D. AGENT - An Official, Employee, contracted, or subcontracted Person who is authorized to act on behalf of the Town of Highland Beach and represent their interests.
- E. APPEAL - A specific written objection by an interested Person to a Request for Qualifications, an Invitation for Bid, an Invitation to Negotiate, a Request for Proposal, or an award or proposed award of a Contract, with the intention of receiving a remedial result.
- F. AVAILABLE LOCALLY - One or more Persons within the Town or immediate surrounding areas are able to provide Goods and Services in a timely manner, and in sufficient quantity and quality to meet a specific need.
- G. AWARD - Written notice from the Town of acceptance of a bid or proposal deemed by the established authority of the Town to be in the best interest of the Town.
- H. BID / PROPOSAL BOND - A form of bid security executed by the Bidder (or Proposer) as principal and by a Surety, to guarantee that the Bidder (or Proposer) will enter into a Contract within the time specified in the Invitation for Bid or Request for proposals, and will furnish the necessary bonds and insurance, and meet any other requirements of those documents.
- I. BIDDER - A person or entity submitting a bid or quote to the Town for the supply of Goods or Services.
- J. BLANKET PURCHASE ORDER - A type of Purchase Order issued to purchase goods up to a maximum dollar amount from a single vendor over a period of time when commodities, products and services are purchased on a regular and routine basis, and the cost for the item(s) or the specified quantity cannot be easily identified.
- K. BRAND NAME SPECIFICATION - A specification limited to one or more items by manufacturers' names or catalogue numbers, often used to keep standardization with existing parts.
- L. BUYING COOPERATIVE OR ALLIANCE - A group of public entity purchasers organized for the purpose of creating contracts or pricing agreements in order to take advantage of group or quantity buying discounts or special pricing from which members of the group can benefit.

- M. CAPITAL EXPENDITURE ITEM - An item that generally has a normal life expectancy of one year or more, is a complete entity within itself, is distinguished from components, and has a minimum cost of \$5,000.
- N. CCNA - Consultants Competitive Negotiation Act, which provides regulations on the acquisition of professional services pursuant to section 287.055, Florida Statutes. The CCNA applies to those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.
- O. CHANGE ORDER - A written modification to a contract or purchase order, which amends one or more of the following: the scope of services, contract cost, contract time, or contract quantities.
- P. COMPETITIVE AWARD - A procurement based upon the outcome of one of the competitive processes set forth in this Policy, where award is made based on the lowest quotation or Bid submitted by a responsible and responsive Bidder or to the most qualified or advantageous Proposer based on the qualitative and/or quantitative factors identified for the procurement. A Competitive Award can be made even if only a single bid or proposal has been received from a Bidder or Proposer who is determined to be responsible and responsive.
- Q. CONFIDENTIAL INFORMATION - Any information which is available to an employee only because of the employee's status as an employee of the Town of Highland Beach and is not a matter of public knowledge or available to the public upon request.
- R. CONSTRUCTION - The process of building, altering, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property. The term "Construction" does not include the routine operation, repair and/or maintenance of existing structures, buildings, or real property.
- S. CONTRACT - All types of Town agreements for the purchase or disposal of Goods, Services, Professional Services or real property regardless of what they may be called, including contracts for a fixed price, cost plus a fixed fee, incentive contracts, and contracts providing for the issuance of job or task orders, leases, letter contracts and purchase orders. Contracts also include amendments, modifications, and supplemental agreements with respect to any of the foregoing. Every Contract must be duly authorized and approved prior to execution.
- T. CONTRACTOR - Any person or business having a Contract with the Town of Highland Beach to perform a service or sell a product.
- U. CONTINUING PURCHASE CONTRACT - A Contract procured under this policy with one or more

Vendors based on general specifications and/or scope of work, for which award of specific scopes of work is intended periodically during the Contract term as the need arises. Pricing and/or rates may be defined in the original Contract or by Amendment at the time that specific scopes of work are awarded.

- V. CONTRACT EXTENSION - An Amendment to a Contract that includes an increase in the term of a Contract, for which no options to renew the Contract beyond the current expiration date exist.
- W. CONTRACT RENEWAL - An exercise of an approved, existing option to increase the term of a Contract. Options to renew a Contract are often done in annual increments.
- X. DEBARMENT - A disqualification of a business or person from receiving invitations for Bids, Requests for Proposals, or the award of Contracts by the Town, because of previous illegal or irresponsible action, for a specific period of time commensurate with the gravity of the offense or the failure or the inadequacy of performance.
- Y. DESIGNEE - A duly authorized representative of a person holding a superior, higher-level position.
- Z. DISCOUNT-FROM-LIST CONTRACTS - Contracts whereby price is determined by applying a percentage discount from an Established Catalog Price. This type of Contract is only to be used when the Support Services Department determines that this contracting methodology is in the best interest of the Town.
- AA. E-PROCUREMENT (ELECTRONIC PROCUREMENT) - Conducting all or some of the procurement function on the internet. The requirement to submit proposals or pricing for a sealed competitive procurement method through an electronic platform as designated by the Town.
- BB. EMPLOYEE - An individual drawing a salary or wage from the Town, whether on a full- time or part-time basis.
- CC. EMERGENCY PROCUREMENT - Any procurement of Goods or Services in the context of an Emergency.
- DD. EMERGENCY - A situation that occurs suddenly and unexpectedly and demands immediate action to prevent delays which may vitally affect the health, safety, or welfare of the public or Town Employees or affects the continuation of services to the citizens, and/or serious loss or injury to the Town. Emergency shall also mean a condition, malfunction, or occurrence in which the immediate procurement of an item (i.e. Good, Services, or Professional Service) is essential to comply with regulatory requirements.
- EE. ENVIRONMENTALLY PREFERABLE GOODS AND SERVICES - Goods and Services that have a lesser or reduced negative effect on human health and the environment when compared with

competitive Goods and Services that serve the same purpose.

- FF. FISCAL YEAR - The period of time beginning on October 1 of any year and ending September 30 of the following year.
- GG. GIFTS - As set forth in Section 2-444 of the Palm Beach County Code of Ethics and as otherwise defined in Section 2-442 of that Code and Section 112.312, Florida Statutes.
- HH. GOODS or COMMODITIES - Supplies, apparatus, materials, equipment, and other forms of tangible personal property used by a Town department in the accomplishment of its responsibilities.
- II. INVITATIONS TO BID (ITB) - All documents utilized for soliciting bids, including those attached or incorporated by reference. These include a scope of work and all contractual terms and conditions applicable to the procurement. Bids are requested when requirements are clearly defined, price is the major determining factor for award, and a formal sealed submittal is required.
- JJ. INVITATION TO NEGOTIATE (ITN) - Documents used for soliciting competitive proposals in which negotiation of price and other factors is to commence after receipt of proposals and prior to recommendation of award. This process may be used when the scope of work is complex or difficult to define, if strict comparison of Services or Goods required may be difficult because components are likely to vary among Proposers or in any situation when it is in the Town's best interest to negotiate prior to recommendation of award to obtain the Services or Goods that best meet the Town's needs, price and other factors being considered.
- KK. LATE BID/PROPOSAL - A Bid or proposal received after the time or date such bid or proposal was due, as stated in the Solicitation Documents.
- LL. LIFE CYCLE COST ASSESSMENT - The comprehensive accounting of the total cost of ownership, including initial costs, energy and operational costs, longevity and efficacy of service and disposal costs.
- MM. MULTIPLE AWARD SCHEDULE CONTRACT - A Contract based upon one solicitation awarded to two or more Vendors to supply Goods or Services.
- NN. NEGOTIATED AWARD - A procurement made as the result of negotiations between the Town and a Supplier, such as a Sole Source Procurement or Single Source Procurement or another instance, including competitive Invitation to Negotiate, where a Contract award based on direct negotiations with a Supplier of Goods or Services is appropriate.

- OO. NOTICE TO PROCEED - The written notice, issued by the authorized Town employee to the successful bidder or proposer to proceed as directed.
- PP. OFFICIAL - Any elected or appointed person who holds office or serves in a position of public capacity.
- QQ. OPEN-END CONTRACT (EVERGREEN) - A contract whereby an indefinite quantity of supplies, services, or construction is to be procured over an identified time span, as and when needed.
- RR. PAYMENT TERMS - The established due date for payments by the Town to pay an invoice. Absent any agreement otherwise stated or as otherwise required by law, the Town's payment term will be Net 30.
- SS. PERFORMANCE/PUBLIC CONSTRUCTION BOND - A bond provided by a contractor/supplier in which a surety guarantees to the Town that the Goods are delivered or the Services are performed in accordance with the Contract documents. A letter of credit issued by a financial institution that meets the Town's requirements may, at the discretion of the Town, be substituted for the performance bond.
- TT. PERSON - Any business, entity, company, firm, individual, union, committee, club or other organization or group of individuals.
- UU. PRACTICABLE - Satisfactory and within reason when considering price, performance, availability, compatibility with specified operation, and public safety.
- VV. PRE-QUALIFICATION - The part of a competitive procurement process in which the Town determines, based on standards developed for a specified product or service, which interested Vendors meet those standards and are eligible for further consideration in the purchasing process.
- WW. PROCUREMENT CARD (P-CARD) - A payment method whereby authorized employees use a Town issued credit card to directly purchase Goods or Services within the established guidelines of the Town's Procurement Card Policy.
- XX. PRODUCT EVALUATION - The evaluation of a product to help determine its usefulness in meeting the Town requirement or specification.
- YY. PROFESSIONAL SERVICES - Services rendered by an independent contracting individual or firm having expertise in a particular industry or subject matter due to specialized education, training, licensure or skill, and consisting primarily of advice reports, conclusions, recommendations or other outputs resulting from the time and effort of the service provider, as opposed to the acquisition of specific commodities, or of services not requiring any specialized education,



licensing, training or skill (e.g. janitorial services). Professional Services include but are not limited to evaluations, consultations, management systems, management consulting, compiling statistical data, support of planning and operating activities, appraisal services, and research and development studies or reports (e.g., accounting services, actuarial consulting services, legal services, financial advising, etc.).

- ZZ. PROPOSER - A Person submitting a proposal or qualifications to the Town for the supply of Goods, Services, or Professional Services.
- AAA. PURCHASE ORDER - A document approved and issued by the Purchasing Agent and accepted by the Vendor to obtain Goods, Commodities and Services as governed by the Town of Highland Beach terms and conditions.
- BBB. PURCHASING - The process of securing materials, services, repairs, leases and rentals necessary for the operation and support of the Town. The renewal, renegotiations and changes to Contracts, leases and agreements are functions of purchasing.
- CCC. PURCHASING AGENT – Town Manager or designee appointed to administrate solicitations on behalf of the Town.
- DDD. REQUEST FOR PROPOSALS (RFP) - All documents utilized for soliciting proposals for Goods, Services, or Professional Services, including those attached or incorporated by reference. These include a scope of work and all contractual terms and conditions applicable to the procurement. This method is used when factors in addition to price are considered for award.
- EEE. REQUEST FOR QUALIFICATIONS (RFQ) - All documents utilized for soliciting qualifications for Goods, Services, or Professional Services.
- FFF. REQUISITION - An internal document, provided by a department to the Purchasing Agent, that contains the fund source, approvals, descriptions, quantities and other information about the Goods, Services, or Professional Services in order to proceed with the procurement. The Requisition becomes valid when properly completed and approved.
- GGG. RESPONSIBLE BIDDER OR PROPOSER - A Person, who, in the exclusive judgment of the Town, (a) has the capability in all respects to fully perform the Contract requirements; and (b) the integrity, experience, qualification, and reliability which assures good faith performance.
- HHH. RESPONSIVE BIDDER OR PROPOSER - A Person, who, in the exclusive judgment of the Town, has submitted a bid or proposal that conforms in all material respects to the Solicitation Documents.

- III. SERVICES - Any performance of effort or labor, for which the Town has contracted other than Professional Services or services classified as construction. Services include, but are not limited to, janitorial, landscaping, and street striping.
- JJJ. SHORTLISTING - The part of a competitive procurement process in which the Town determines, based on criteria developed for a specified Good, Service, or Professional Service which of the interested Vendors are the best qualified to be eligible for further consideration in the purchasing process.
- KKK. SINGLE-SOURCE PROCUREMENT - Identifying and using, without first completing a competitive process, one source for Goods or Services among others in a competitive marketplace, which, for justifiable reasons, is found to be most advantageous for the purpose of fulfilling a given Purchasing need of the Town.
- LLL. SOLE-SOURCE PROCUREMENT - Identifying and using, without first completing a competitive process, one source for Goods or Services, when that source is the only one available that can fulfill a given Purchasing need of the Town.
- MMM. SOLICITATION DOCUMENTS - An Invitation for Bids, Request for proposals, Request for Qualifications, or an Invitation to Negotiate including all of the associated forms and documents of each solicitation, or any other types of documents used by the Town to procure Goods, Services, or Professional Services.
- NNN. SPECIFICATION OR SCOPE OF WORK - Any description of the physical or functional characteristics, or of the nature of Goods, Services, or Professional Services. Specifications or Scope of Work may include any function and other criteria that will be required to perform the work and a description of any requirement for inspection, testing, or delivery.
- OOO. SUPPLIER, MERCHANT OR VENDOR - A Person currently supplying or in the business of supplying Goods, Services, or Professional Services.
- PPP. SUPPORT SERVICES DEPARTMENT – The department tasked with overseeing and administering procurement operations.
- QQQ. SURETY - An organization who, for a consideration, promises in writing to make good the debt or default of another organization. The Surety must be satisfactory to the Town and licensed to do business in Florida.
- RRR. THE USING DEPARTMENT (USER) - The department which has the authority and responsibility for determining the need for an item or service, its related specifications, and need date. The User is responsible for funding the need and advising Purchasing of the approved funding and the specific budget account number. The User is responsible for preparing solicitation documents, purchase

requisitions, purchase orders, and gathering the requisite information (quotations) given the pricing thresholds outlined in this policy. The User is responsible for authorizing the purchases of all materials, services, repairs, leases and rentals in which the negotiated price exceeds the approved funding.

SSS. THIRD PARTY CONTRACTOR - A vendor under written contract with the Town.

TTT. THRESHOLD - A monetary limit or level that defines specific procurement actions or policies to be applied.

UUU. TOWN - The Town of Highland Beach and, as the context warrants, those persons or bodies authorized to act on its behalf, including but not limited to the Commission, Committees, and staff.

VVV. TOWN COMMISSIONER - Any person who is an elected Town official.

WWW. TOWN STANDARD - Identifying and using, without first completing a competitive process, one source for Goods or Services among others in a competitive marketplace, which, for justifiable reasons, is found to be most advantageous for the purpose of fulfilling a given Purchasing need and which meets Town requirements for performance, consistency, compatibility or other salient characteristics.

### III. ETHICS IN PROCUREMENT

Each person involved in the procurement process must adhere to a high standard of ethics. All employees, officers, commissioners, and board members shall be subject to and must abide by the rules and regulations contained in the Palm Beach County Code of Ethics, Palm Beach County Inspector General Ordinance as well as all State laws regarding procurement. Procurement information shall be a public record to the extent provided in Chapter 119, Florida Statutes, and shall be available to the public as provided in such statute and any other applicable statute.

All contracts must contain the following, or similar, provision:

#### A. Conflict of Interest

The Contractor shall take appropriate steps to ensure that neither it nor any of its officers or employees is placed in a position where, in the reasonable opinion of the Town, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Contractor or any of its officers or employees and the duties owed to the Town under the provisions of this Contract. The Contractor will disclose to the Town the particulars of any such conflict of interest which may arise during the term of this Contract including any extensions. A conflict of interest shall be determined in accordance with the policies and ordinances of the

Town, the Palm Beach County Code of Ethics, and applicable Florida Statutes.

B. Prohibition Against Contingent Fees

The Contractor/Consultant warrants that it has not retained a person to solicit or secure this Town of Highland Beach Contract upon any agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

Contracts pursuant to the CCNA shall include the following provision regarding contingent fees: The architect (or registered surveyor and mapper or professional engineer, as applicable) warrants that he or she has not employed or retained any company or person, other than a bona fide employee working solely for the architect (or registered surveyor and mapper or professional engineer, as applicable) to solicit or secure this agreement and that he or she has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the architect (or registered surveyor and mapper or professional engineer, as applicable) any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this agreement. If this provision is breached, the Town shall have the right to terminate the agreement without liability and, at its discretion, deduct from the contract price, or otherwise recover, the full amount of the fee, commission, percentage, gift, or consideration.

C. Unauthorized Purchases

No purchases of Goods and Services shall be made in the name of the Town of Highland Beach or one of its departments, except such as is required for official use by the Town of Highland Beach or one of its departments. Purchases in the name of the Town of Highland Beach or a department for personal use by an individual or for other than official use are prohibited, and no Town of Highland Beach funds will be expended or advanced therefore.

D. Disclaimer of Responsibility for Improper Purchasing

The Town may disclaim responsibility and liability for any purchase, expenditure, or agreement for expenditure arising from a procurement made in its name, or in the name of any governmental body under its authority, by an unauthorized person or any person acting outside this Policy, or the authorization or delegation as provided in this Policy. The expense of any such disclaimed transaction will become the personal liability of the individual who acted improperly.

IV. PROCUREMENT THRESHOLDS AND APPROVAL LEVELS

<b>Personal Property, Commodities, Services, and Construction</b>			
<b>Total Purchase Amount</b>	<b>Procurement Process</b>	<b>Approval Levels</b>	<b>Purchase Type</b>
\$0 - \$10,000	One Written Quote	Requesting Department Head Finance Director Town Manager	Purchase Order
\$10,000.01 - \$50,000	Three Written Quotes*	Requesting Department Head Finance Director Town Manager	Purchase Order
\$50,000.01 & over	Sealed Competitive*	Requesting Department Head Finance Director Town Manager Town Commission	Executed Agreement and Purchase Order

\*Direct Acquisition Procurement method may be utilized as outlined in Section VII.

#### **V. INSURANCE REQUIREMENTS**

Insurance is required to safeguard the Town from all claims resulting from damage to property and/or injury to persons caused by the vendor or his/her actions. Any vendor performing onsite services shall be required to obtain, at their own expense, all minimum insurance coverage required under the terms and conditions of all Bids (ITB), Request for Proposals (RFP), Request for Qualifications (RFQ), Contracts, Leases, and Agreements.

The Town requires appropriate insurance coverage listing the Town of Highland Beach as an "Additional Insured." This is accomplished by providing a Certificate of Insurance listing the Town as "Certificate Holder" and "The Town of Highland Beach is Additionally Insured as respect to liability". Insurance companies providing insurance coverages must have a current rating by A.M. Best Co. of "B+" or higher. The Town may accept an insurance contract or binder as proof of insurance if a Certificate is provided upon selection of the vendor.

The Purchasing Agent shall review the insurance coverage and limits for the Certificate of Insurance to ascertain that the insurance requirements will be met. No Bid, RFP, RFQ, Contract, Agreement, Leases, etc., shall be awarded or purchase order issued until notification is received from the Purchasing Agent that the Certificate of Insurance satisfactorily meets the insurance requirements of the Town. This includes "piggy-backing" of other governmental entity bids.

#### **VI. FORMAL SOLICITATIONS**

Acquisitions of or contracts for non-real property, goods, or services where the expenditure by the Town (including expenditures during renewal periods, but not expenditures relating to Change Orders) is estimated to be greater than \$50,000.00 shall be subject to a Sealed Competitive Method, unless the Town utilizes one of the direct acquisition methods as provided in this policy.

For purchases exceeding \$50,000, the ordering department must consult with the Support Services Department on the appropriate Sealed Competitive Method.

A. Invitations to Bid

Invitations to Bid are utilized where price, responsiveness, and responsibility are the sole determining factors.

1. The ordering department shall work in conjunction with the Support Services Department to prepare a Town of Highland Beach Invitation to Bid and submit to the Town Attorney for legal review. The Invitation to Bid shall include specifications and all contractual terms and conditions applicable to the procurement.
2. Following review, the Invitation to Bid is then advertised on DemandStar (or other online procurement services provider), the Town's website, with applicable trade associations, and/or published in a newspaper of general paid circulation in Palm Beach County as required by State of Florida Law.
3. All responses submitted pursuant to the Invitation to Bid shall be submitted electronically unless otherwise stated in the solicitation documents through the Town's e-bidding platform and shall remain sealed until they are opened publicly on DemandStar (or other applicable online procurement services provider) at the date and time, stated in the Invitation to Bid, or as may be amended by addendum. Bids shall be opened publicly at the time and place designated in the public notice of the Invitation to Bid. The amount of each bid and the name of each bidder shall be recorded.
4. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the Invitation to Bid, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs.
5. Correction or withdrawal of inadvertently erroneous bids before or after bid opening may be permitted where appropriate and when in accordance with law. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the office designated in the invitation for bids prior to time set for bid opening. In general, bidders

should not be permitted to change a bid after bid opening. In rare cases, the Town may permit the correction of a bid if the bidder is able to present clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. For example, mistakes made in the multiplication of unit prices and quantities will be resolved in favor of the unit price, and discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum. Town staff should consult with the Town Attorney before allowing a change in a bid. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Town or fair competition shall be permitted unless it is otherwise required by law. In lieu of bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if the bidder can show by clear and convincing evidence the following:

- 1) The mistake is clearly evident on the face of the bid document, but the intended correct bid is not similarly evident; or the bidder submits evidence which clearly and convincingly demonstrates that a mistake was made;
- 2) The mistake would be a severe hardship on the bidder and enforcement would be unconscionable; and
- 3) The mistake was clerical and/or inadvertent (i.e., the mistake occurred regardless of the exercise of ordinary care) and not the result of gross or willful negligence of the bidder (e.g., carelessness or lack of good faith, etc.).

Further, if the mistake occurs in connection with competitive bidding on public works, the bidder must also establish the following additional factors by clear and convincing evidence:

- 1) The bid was submitted in good faith; and
- 2) The mistake, when discovered, was promptly reported to the Town before the bid was accepted.

The Town may require the bidder to reimburse the Town for any reasonable and documented costs incurred by the Town due to the bidder's mistake, if any.

All decisions to permit the correction or withdrawal of bids, based on bid mistakes, shall be supported by a written determination made by the Support Services Department. After a bid is accepted by the Town, the bidder is bound by its bid unless the acceptance is a result of mutual mistake or a unilateral mistake accompanied by inequitable conduct by the other party.

The contract shall be awarded with reasonable promptness by appropriate written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids. In the event the low responsive and responsible bid for a project exceeds available funds, the Town Manager is authorized, when time or economic considerations preclude re-solicitation of bids, to negotiate an adjustment of the bid price as long as the scope of work is not changed with the low responsive and

responsible bidder, in order to bring the bid within the amount of available funds.

6. If only one responsive bid for a commodity or contractual service is received, in response to an Invitation to Bid, an award may be made to the single Bidder if the Town Manager finds the price submitted is fair and reasonable, and that other prospective bidders had reasonable opportunity to respond, or there is not adequate time for re-solicitation. Further, the Town Manager reserves the right if in the best interests of the Town to negotiate with the sole Bidder for the best terms, conditions and price. The Town Manager shall document the reasons that such action is in the best interest of the Town. Otherwise, the bid may be rejected and:
  - a) New bids or offers may be solicited.
  - b) The sole bid may be rejected.
  - c) If the Town Manager determines in writing that the need for the supply or service continues, but that the price of the one bid/proposal is unreasonable and there is not time for re-solicitation or re-solicitation would likely be futile, the procurement may then be conducted as a Sole Source Procurement or Emergency Procurement, as appropriate.
7. The ordering department shall then prepare a Town of Highland Beach purchase requisition form requesting authorization to accept the best submittal as determined by price, responsiveness, and responsibility. The purchase requisition must then be approved by the department head.
8. If less than two responsive bids, proposals, or replies for commodity or contractual services purchases are received, the Town Manager should negotiate for the best terms and conditions. The ordering department shall document the reasons that such action is in the best interest of the town in lieu of re-soliciting competitive sealed bids.
9. The requisition form, with all supporting documentation attached, must be submitted to the Finance Department for verification of the availability of unencumbered budgeted funds. The requisition form must then be approved by the Finance Director or his/her designee.
10. The requisition form, with all supporting documentation attached, is submitted to the Town Manager for approval and returned to the Finance Department.
11. The Finance Department will forward all applicable information to the Town Attorney for review and draft of a written agreement, when applicable.
12. The written agreement along with purchase requisition and supporting documentation is



then submitted to the Town Clerk for inclusion on the next available Town Commission agenda for Commission review and final approval.

13. Upon receipt of a completed and fully executed written agreement the Finance Department will issue a Purchase Order Number and return a copy to the ordering department.

14. The ordering department must attach a copy of the completed Purchase Requisition/Purchase Order to the invoice(s) when submitted to Finance for payment.

B. Requests for Proposals, Requests for Qualifications, and Invitations to Negotiate

These methods are utilized when price, responsiveness, and responsibility are not the sole determining factors (i.e., professional services, etc.). The procurement of professional services subject to the CCNA shall comply with the procedures set forth in the CCNA.

1. The ordering department shall prepare a Town of Highland Beach Request for Proposals, Qualifications, or Invitation to Negotiate and submit to Department Head, Finance Director, and Town Attorney for review. The Request for Proposals/Request for Qualifications/Invitation to Negotiate shall state the relative importance of price, if appropriate, and all other evaluation factors.
2. Following review, the Request for Proposals, Qualifications, or Invitation to Negotiate is then delivered to any known vendors that can provide a response, advertised on the Town's website, advertised with applicable trade associations, and/or published in a newspaper of general paid circulation in Palm Beach County as required by State of Florida Law.
3. Pursuant to the Request for Proposals, Qualifications, or Invitation to Negotiate, the Town Manager may appoint a Selection Committee to review the submissions received by the Town.
4. All responses submitted pursuant to the Request for Proposals, Qualifications, or Invitation to Negotiate shall be submitted electronically through the Town's e-bidding platform and remain sealed until they are opened publicly on the date and time and location stated in the Request for Proposals, Qualifications, or Invitation to Negotiate or as may be amended by addendum. Submittals shall be opened publicly at the time and place designated in the public notice of the Request or Invitation. The amount of each bid and the name of each bidder shall be recorded.
5. No proposals shall be opened until the time designated in the public notice of the Request or Invitation. A register of proposals shall be prepared containing the name of each offeror, the number of modifications received, if any, and a description sufficient to

identify the item offered.

6. The Selection Committee shall review and rank the responses received according to the language of the Request for Proposals, Qualifications, or Invitation to Negotiate.
7. Following the review and ranking, the Selection Committee will convene to finalize their scores and ranking of respondents.
8. The ordering department shall prepare a Town Commission Agenda Memo to approve the ranking results and authorize staff to negotiate a contract with the highest ranked response or as described in the Request for Proposals, Qualifications, or Letters of Interest.
9. Following Commission authorization, Staff shall negotiate a contract with a respondent pursuant to the language of the Request for Proposals, Qualifications, or Letters of Interest.
10. Once negotiations are completed, award shall be made to the responsible responder whose proposal is determined in writing to be the most advantageous to the Town based on evaluation factors set forth in the Request for Proposals/Request for Qualifications/Invitation to Negotiate.
11. The written agreement and supporting documentation are submitted to the Town Clerk for inclusion on the next available Town Commission agenda for their review and final approval.

C. Pre-bid and Pre-proposal Conferences

A pre-bid conference shall be scheduled for Invitations to Bid where it is deemed advisable to allow potential proposers to consult with Purchasing staff and the requesting department(s) to ensure clarity of the required goods or services and, if applicable, to view the site where the work is to be performed. A pre-proposal conference shall be scheduled under all Requests for Proposal solicitations. This conference shall be scheduled roughly in the middle of the solicitation period to allow enough time for vendors to prepare for the conference, and to consider the information provided during the course of the conference.

Attendance at Pre-bid and Pre-proposal conferences by vendors is generally optional, unless it concerns a construction project. However, vendor attendance at such conferences may be made mandatory depending upon the specific requirements of the project. Mandatory conferences may serve to limit competition and shall be the exception to the procedure. If a vendor fails to attend a mandatory pre-bid or pre-proposal conference, then that vendor shall not be allowed to submit a proposal.

D. Addenda to Solicitation Documents

There may be occasions when it will be necessary to change the specifications, terms, or conditions of a given solicitation during the course of the proposal period. Such changes may be required in response to requesting department requests or clarifications, contractor questions (submitted in writing per the "Cone of Silence"), or other reasons. Such changes shall be formalized by the issuance of solicitation addenda by the Finance Department, to all potential vendors that have obtained the solicitation document. The addenda becomes part of, and supersedes, the solicitation document.

E. Tied Bids

Tied bids are offers where one or more responsive and responsible bidders offer the same low price for an item or group of items, depending on the method of award. In such instances, the Purchasing Agent will request best and final offers (BAFOs) from the bidders that offered the same price. The BAFOs must be requested at the same time or soon after the preliminary tabulation is provided to all responding proposers. This allows all proposers to see the prices that were submitted, and the proposers that offered the same pricing.

Request for best and final offers must include a due date (close of business is acceptable) and may be emailed directly to the Purchasing Agent or delivered to the Support Services Department. In the event responses to best and final offers result in another tie, the tie shall be broken by the Purchasing Agent by flipping a coin in the presence of the Finance Director or their designee.

F. Formation and Performance of Evaluation/Selection Committees

The Purchasing Agent is responsible for the review of all proposals for responsiveness before distributing them to the Selection Committee. A proposer is considered responsive if the proposal conforms in all material respects to the terms and conditions in the solicitation.

G. Selection Committee Team Members

The Purchasing Agent will determine the number and makeup of the Selection Committee and shall serve as the Selection Committee Chairperson.

Each member must:

- Have no personal or financial interest in any vendor or firm which has submitted a proposal to the Town.
- Have professional experience and/or a related interest so that the recommendations of the Committee can be supported and defended legally and ethically.
- Have professional experience and/or a related interest so that the recommendations of the Committee will lead to the selection of a vendor which will provide goods or services that is the best value for the Town.

H. Initial Meeting Of The Selection Committee

The Purchasing Agent shall conduct an initial meeting (Kick-Off Meeting) with the Selection Committee to ensure that each member has a clear understanding of their duties and responsibilities in the selection process. A copy of these guidelines, the solicitation and any addenda, each proposer's submittal, and a copy of the evaluation criteria will be distributed to Committee members.

I. Conflict Of Interest

Once proposals have been received, and it is known which proposers are involved in the evaluation competition, each member of the Selection Committee will be informed. Each member will be asked if the member has a personal or financial interest in any proposer, and if the member understands and can perform impartially within the Selection Committee guidelines. If a conflict of interest exists or appears to exist, that member will be disqualified from the Committee.

J. Committee Rules And Procedures

All evaluators on the Selection Committee are required to apply sound and unbiased judgment in awarding points to the proposals for the purpose of ranking them.

All Selection Committee members must read the solicitation thoroughly and have a clear understanding of the requirements and evaluation criteria before attempting to evaluate the proposals. All questions should be directed to the Purchasing Agent, who is the Chairperson of the Selection Committee.

1. The Selection Committee meetings must follow the requirements of Florida Statute 286.011 for public meetings and meetings must be noticed at least 72 hours in advance. These meetings are open to the general public (unless exempt pursuant to section 286.0113, Florida Statutes), which may include proposers which have submitted responses to the Town's solicitations. Minutes will be taken at all Selection Committee Meetings. Meetings may be recorded; and all recordings will be made available for the general public to listen to upon scheduling an appointment with the Finance Department.
2. Except as authorized under section 286.0113, Florida Statutes, Selection Committee members are prohibited from communicating with anyone, either verbally or in writing, regarding the proposals, outside of the scheduled and publicly noticed Selection Committee meetings. Violations of § 286.011, Florida Statutes are very serious and have legal and ethical ramifications. If a vendor or proposer contacts a Committee member, the member must refer the vendor or proposer to the Town Clerk. Selection Committee members are prohibited from participating in individual meetings, informal consultations, lunches, entertainment or any other direct or indirect contact with vendors or proposers.
3. After receipt of proposals, each Committee member must review and evaluate each

proposal independently, without discussing their evaluation with other Committee members.

4. At the Selection Committee Meeting, the Committee must make a determination as to whether or not the RFP process generated enough competition through a satisfactory number of responses to the request. The Committee would then either:
  - a) Recommend an acceptable proposal based on the evaluation process; or
  - b) Recommend that the Commission reject all proposals received; thereafter restructure the RFP/process in an effort to obtain more responses.
5. Evaluations must be based on the criteria established in the solicitation. All criteria must be scored. If a member elects to score only some of the proposals or criteria, the evaluations completed by that member will not be counted in order to prevent skewing of the final scores.
6. Evaluations must be both qualitative and quantitative based on the evaluation criteria outlined in the solicitation. If a member scores a zero (0) in any category, that member must identify the deficiency and provide a written explanation for the zero (0) score. All scores and comments become part of the solicitation and contract file and are subject to disclosure under the Florida Public Records Law. Committee members should have a reasonable, rational, and consistent basis for their scores, and be prepared to explain their scores in the event of a protest or inquiry.
7. Prior to the Selection Committee meeting in a public forum, any questions, clarifications, or additional information requested from a proposer by a member must be submitted in writing through the Purchasing Agent. The Purchasing Agent is responsible for obtaining a written response from the proposer and sharing the response with all Committee members prior to the first publicly advertised meeting.
8. Score sheets must be completed prior to the Committee meeting where rankings will be determined. After the Selection Committee members have independently completed the initial review and scoring of all proposals, the Committee will convene at a publicly posted meeting to openly discuss the proposals. Members may adjust their initial scoring based on their interpretation of any additional information gained from the Committee's discussions. After all discussions have been completed each Committee member shall finalize their scores. Each member is required to sign his/her score sheet and any note pages and submit them to the Chairperson as part of the public record.
9. Score sheets will be tabulated and ranked from the highest to the lowest by the

Chairperson.

10. Depending on the outcome of the scoring, the Committee will recommend one of the following:
  - a) Award the contract to the highest ranked proposer; or
  - b) Shortlist the top ranked proposers and request scheduling of oral presentations.
11. If the Committee recommends awarding the contract to the highest ranked proposal, no further action is required by the Selection Committee.
12. If oral presentations are requested, the Selection Committee shall identify which proposers will be asked to provide oral presentations. The Selection Committee may request oral presentations from as many proposers as necessary; however, it is recommended that the Committee come to a consensus and request presentations only from the top-ranked proposers.
13. When oral presentations are requested by the Selection Committee, the members shall submit a written request to the Chairperson for specific areas needing additional explanation and/or clarification or any other information the Committee would like the proposers to provide during the oral presentations. These questions must be submitted at a public meeting.
14. All proposers selected for oral presentations will be notified in writing of the publicly posted meeting by the Committee Chairperson or designee, identifying the date, time, location, with a uniform script listing the specific questions or information requested by the Selection Committee to be addressed at the presentation.
15. Prior to the oral presentations, the Chairperson will provide the evaluation criteria and score sheets to the Selection Committee.
16. During the oral presentations, Committee members will be able to ask questions of the proposers for a clear understanding of each proposer's position.
17. After oral presentations are completed, the Committee will have the opportunity to continue discussions among themselves. After discussions are completed, each member shall finalize their scores. Each member is required to sign his/her scoring sheet and any note pages and submit them to the Chairperson as part of the public record.
18. Score sheets will be tabulated and ranked from the highest to the lowest by the

Chairperson. The award recommendation will be for the proposer with the highest ranked score.

19. The Selection Committee Chairperson shall work with the Town department on a recommendation to award for processing through the Town Manager and/or the Town Commission, as appropriate.

K. Cone of Silence

Any person participating in a competitive solicitation issued by the Town shall comply with Section 2-355 of the Palm Beach County Code of Ordinances, as amended.

L. Protest Procedures

Standing. Parties that are not actual bidders, proposers or responders, including, but not limited to, contractors or consultants that do not submit a bid or proposal, subcontractors, material and labor suppliers, manufacturers and their representatives, shall not have standing to protest or appeal any determination made pursuant to this Section. A party will have standing to protest or appeal a determination made pursuant to this Section if that party has a substantial interest to be determined by the Town. For example, if the party protesting/appealing is not the second lowest bidder who would receive the award if the challenge was successful, then that party does not have standing.

M. Procedure

1. Upon notification by the Town that a proposer or responder is deemed non-responsive and/or non-responsible, the proposer or responder who is deemed non-responsive and/or non-responsible may file a protest with the Purchasing Agent by close of business on the third business day after notification (excluding the day of notification) or any right to protest is forfeited. It shall be the sole responsibility of such proposer or responder to verify the operating hours of Town Hall.
2. After a Notice of Intent to Award an Agreement is posted, any actual proposer or responder who is aggrieved in connection with the pending award of the agreement or any element of the process leading to the award of the agreement may file a protest with the Purchasing Agent by close of business on the third business day after posting (excluding the day of posting) or any right to protest is forfeited. It shall be the sole responsibility of such bidder, proposer or responder to verify the operating hours of Town Hall.

A Notice of Intent to Reject all Proposals or Responses is not subject to the protest procedure.

3. The protest shall be in writing, shall identify the name and address of the protester, and

shall include a factual summary of, and the basis for, the protest. Filing shall be considered complete when the protest and the Protest Bond are received by the Purchasing Agent. The clock located in the Town Clerk's office shall govern.

N. Protest Bond

Any proposer or responder filing a protest shall simultaneously provide a Protest Bond to the Town in the amount equaling ten percent (10%) of the recommended award price pertaining to the protested RFP, RFQ, etc., documents. If the protest is decided in the protester's favor, the entire Protest Bond shall be returned to the protester. If the protest is not decided in the protester's favor, the Protest Bond shall be forfeited to the Town. The Protest Bond shall be in the form of a cash or a letter of credit with a bank located in Palm Beach County, Florida.

O. Protest Committee

The Protest Committee shall review all protests at a public meeting as soon as possible or no later than thirty (30) days after a bid protest is filed. The Town Manager shall appoint the members of the Protest Committee. No member of the Town Commission shall serve on the Protest Committee. The Town Attorney or designee shall serve as counsel to the Committee. The meeting of the Protest Committee shall be opened to the public and all the actual bidders, responders or proposers shall be notified of the date, time and place of the meeting. If the Protest Committee determines that the protest has merit, the Town Manager shall direct that all appropriate steps be taken. If the Protest Committee denies the protest, the protester may appeal to the Town Commission. All the actual responders or proposers shall be notified of the determination by the Protest Committee. The Protest Committee shall terminate upon the award of the contract, or such other time as determined by the Town Commission.

P. Stay of award of Agreement or Sealed Competitive Method

In the event of a timely protest, the Purchasing Agent shall stay the award of the Agreement or the Sealed Competitive Method unless the Town Manager determines that the award of the Agreement without delay or the continuation of the Sealed Competitive Method is necessary to protect any substantial interest of the Town. The continuation of the Sealed Competitive Method or award process under these circumstances shall not preempt or otherwise affect the protest.

Q. Appeals to Town Commission

Any actual proposer or responder who is aggrieved by a determination of the Protest Committee may appeal the determination to the Town Commission by filing an appeal with the Town Clerk by close of business on the third Business Day after the protester has been notified (excluding the day of notification) of the determination by the Protest Committee. The appeal shall be in writing and shall include a factual summary of, and the basis for, the appeal. Filing of an appeal shall be considered complete when the appeal is received by the Town Clerk.

R. Failure to File Protest



Any actual proposer or responder that does not formally protest or appeal in accordance with this Section shall not have standing to protest the Town Commission's award.

## **VII. INFORMAL SOLICITATIONS**

Acquisitions of or contracts for non-real property, goods, or services where the expenditure by the Town (including expenditures during renewal periods, but not expenditures relating to Change Orders) is estimated to be \$50,000 or less shall not be subject to a Sealed Competitive Method. The town will utilize the procurement methods outlined below based on the total purchase price.

### **A. Purchase of Items up to \$10,000**

1. A minimum of one written quote is required.
2. A Town of Highland Beach purchase requisition must be completed by the ordering department and approved by the department head or his/her designee prior to the purchase being made.
3. The requisition, with all supporting documentation attached, must be approved by the Finance Department for verification of the availability of unencumbered budgeted funds.
4. The requisition, with all supporting documentation attached, must then receive final review and approval from the Town Manager or his/her designee.
5. Once fully approved, the requisition is converted to a Purchase Order by the Support Services Department.
6. After conversion to a Purchase Order, the ordering department will receive an automated email notification from the Town's ERP system that the requested Purchase Order has been issued.

### **B. Purchase of Items \$10,000.01 to \$50,000.00**

1. A minimum of three written quotes are required to demonstrate due diligence in obtaining high-quality goods and services at a commercially reasonable price. When the required number of quotes is not obtained, the ordering department must submit documented evidence and/or written justification for review and authorization by the Town Manager.
2. A Town of Highland Beach purchase requisition must be completed by the ordering department and approved by the department head or his/her designee prior to the

purchase being made.

3. The requisition, with all supporting documentation attached, must be approved by the Finance Department for verification of the availability of unencumbered budgeted funds.
4. The requisition, with all supporting documentation attached, must then receive final review and approval from the Town Manager or his/her designee.
5. Once fully approved, the requisition is converted to a Purchase Order by the Support Services Department.
6. After conversion to a Purchase Order, the ordering department will receive an automated email notification from the Town's ERP system that the requested Purchase Order has been issued.

#### **VIII. DIRECT ACQUISITION PROCUREMENTS**

##### **A. Professional Services**

Except as otherwise provided for in Florida Law (e.g., CCNA), contracts for professional services (which include but are not limited to services provided by architects, engineers, surveyors, attorneys, physicians, accountants, actuaries, lobbyists and financial advisors) may be made or entered into by the Town Manager without utilizing a Sealed Competitive Method or the Written Quotations Method. Acquisitions of professional services where the expenditure by the Town (including expenditures during renewal periods, but not expenditures relating to Change Orders) is estimated to be greater than \$50,000.00 are subject to approval by the Town Commission. For those professional services governed by the CCNA, staff shall confirm whether the CCNA procedures are applicable due to the estimated amount of the proposed contract.

##### **B. Specialty Goods and Services**

Acquisitions of or contracts for specialty goods and services (including but not limited to performing artists, artwork, special events, entertainment, and food and beverage) may be made or entered into by the Town Manager without utilizing a Sealed Competitive Method or the Written Quotations Method. Acquisitions of specialty goods and services, where the expenditure by the Town is estimated to be greater than \$50,000.00, are subject to approval by the Town Commission.

##### **C. Emergency Acquisitions**

The Town Manager may acquire or contract for non-real property, goods, or services required in contemplation of, preparation for, or during an Emergency without utilizing a Sealed Competitive Method or the Written Quotations Method regardless of the amount. Emergency acquisitions of non-real property, goods or services where the expenditure by the Town is greater than

\$50,000.00 must be ratified by the Town Commission as soon as practicable.

D. Sole Source

The Town may acquire or contract for non-real property, goods or services that are available to the Town from only one source without utilizing the Sealed Competitive Method or Written Quotations Method. Sole Source acquisitions where the expenditure by the Town (including expenditures during renewal periods, but not expenditures relating to Change Orders) is estimated to be greater than \$50,000.00 are subject to approval by the Town Commission.

E. Town Standard

Where the Town has determined that a particular style, brand, make, or model is the only type that meets the Town's requirements for performance, consistency, compatibility or other salient characteristics, and such determination has resulted in there being only one source available to the Town, the Town may acquire or contract for such goods without utilizing a Sealed Competitive Method or the Written Quotations Method. Town Standard acquisitions where the expenditure by the Town (including expenditures during renewal periods, but not expenditures relating to Change Orders) is estimated to be greater than \$50,000.00 are subject to approval by the Town Commission.

F. Utilization of Other Governmental Entities' Contracts

The Town may acquire or contract for non-real property, goods or services without utilizing a Sealed Competitive Method or the Written Quotations Method where the desired goods or services are the subject of a contract with the State, its political subdivisions or other local governmental entities in the State, with associations in Florida affiliated with state and/or local governmental entities or departments (such as the Florida Sheriffs Association and the Florida Fire Chiefs' Association) or with the United States government or national cooperatives, provided that the contract is based strictly on competitive bidding and not on any preference, and provided that the form of the contract is acceptable to the Town Attorney. Some terms and conditions of the existing contract may be modified by the Town so long as they do not substantially change the purchase. Acquisitions utilizing other governmental entities' contracts where the expenditure by the Town (including expenditures during renewal periods, but not expenditures relating to Change Orders) is estimated to be greater than \$50,000.00 are subject to approval by the Town Commission.

Utilization of other government entities' contracts shall only be permitted during the term of the other governmental entity's contract or for one year from the date the other governmental entity awards the bid, whichever is longer.

If the Town desires to utilize another governmental entity's contract, the Town shall require the vendor to certify the same pricing, terms and conditions as the original agreement except as amended by the Town Attorney.

G. Cooperative Acquisitions

The Town may acquire or contract for non-real property, goods or services without utilizing a Sealed Competitive Method or the Written Quotations Method where the Town participates in joint procurement of non-real property, goods or services with other public entities within the State, including, but not limited to acquisitions made pursuant to interlocal agreements entered into with other governmental entities in accordance with Chapter 163 Florida Statutes. Cooperative acquisitions where the expenditure by the Town (including expenditures during renewal periods, but not expenditures relating to Change Orders) is estimated to be greater than \$50,000.00 are subject to approval by the Town Commission.

H. Utilities

Water, cable, sewer, gas, electrical, internet (wifi), telephone and other utility services may be acquired without utilizing a Sealed Competitive Method or the Written Quotations Method and without Town Commission approval.

I. Resale

Food, beverages and merchandise purchased for resale, may be acquired without utilizing a Sealed Competitive Method or the Written Quotations Method and without Town Commission approval.

J. Employee Benefits and Health Services

Employee Benefits and health related services may be procured/renewed directly through a negotiating process conducted by an expert in the field, or to maintain continuity of employee-health records, and not be subject to competitive procurement methods.

K. Property, Casualty, Workers Compensation, Liability, Automobile Insurance

Insurances may be procured/renewed through a negotiating process and is not subject to competitive procurement methods.

L. Best Interest Acquisitions

The Town may acquire or contract for non-real property, goods, or services without utilizing a formal solicitation method or written quotations if the Town Commission declares by at least a four-fifths (4/5) affirmative vote that the formal solicitation or written quotations methods are not in the best interest of the Town. The Town Commission shall make specific factual findings that support its determination, and such contracts shall be placed on the regular Town Commission agenda. This provision may not be used when the purchasing or procurement method is prescribed by state law, such as F.S. Sections 287.055 or 255.20, as amended.

IX. FORM OF CONTRACT

A. Written Agreements

Written agreements shall be utilized for all acquisitions of non-real property, goods or services where the total expenditure by the Town (including expenditures during renewal periods, but not expenditures relating to Change Orders) is estimated to be greater than \$50,000.00. The Town may utilize a written agreement for any acquisition of less than \$50,000.01 that the Town deems appropriate. All written procurement agreements must be approved as to form and legality by the Town Attorney and executed by the Town Attorney.

B. Purchase Orders

Where no other form of contract exists, purchase orders, in a form pre-approved by the Town Attorney, shall be utilized for acquisitions of non-real property, goods or services where the total expenditure by the Town is estimated to be greater than \$10,000. The Town may utilize a purchase order for any acquisition of \$10,000 or less that the Town deems appropriate. No change shall be made to the pre-approved purchase order form without express approval of the Town Attorney.

X. CHANGE ORDERS

A. Town Commission Approved Contracts

1. Any Change Order that materially expands or alters the scope of the work in a Town Commission approved contract shall be subject to prior approval by the Town Commission.
2. The Town Manager may approve a Change Order provided that it does not alter the scope of the work in a Town Commission approved contract and that the cumulative total of all change orders, for the duration of the contract, does not exceed twenty percent (20%) of the contract amount or \$100,000, whichever is less.
3. Any Change Order that extends the original substantial or final completion date of a Town Commission approved contract shall be subject to prior approval by the Town Commission, except for the time allowed under Article VIII.

B. Town Manager Approved Contracts

The Town Manager is authorized to approve a Change Order to a contract that was not approved by the Town Commission, provided that the Change Order does not cause the total acquisition from the vendor to exceed the aggregate sum of \$50,000 during any Fiscal Year pursuant to Article VIII.

## **XI. TERMINATIONS, EXTENSIONS, AND RENEWALS**

### **A. Town Commission Approved Contracts**

1. Contracts approved by the Town Commission may be terminated only by the Town Commission. If the Town Manager desires to terminate a Town Commission approved contract, the Town Manager may suspend the work under the contract until the Town Commission makes a final determination.
2. The Town Manager may extend a Town Commission approved contract for up to 90 days. The extension of any Town Commission approved contract for longer than 90 days shall be subject to prior approval by the Town Commission. In the event of an Emergency, the Town Manager may extend a Town Commission approved contract without Town Commission approval, subject to later ratification by the Town Commission.
3. When a contract is entered into by the Town pursuant to Town Commission approval and provides for one or more renewals by affirmative action of the Town, only the Town Commission may approve such renewals.
4. The Town Manager may suspend a Town Commission approved contract for up to 90 days. Suspension of a Town Commission approved contract for longer than 90 days shall be subject to Town Commission approval.

### **B. Town Manager Approved Contracts**

1. Contracts that were not approved by the Town Commission may be terminated by the Town Manager.
2. The Town Manager is authorized to extend for up to 120 days any contract entered into by the Town that was not approved by the Town Commission.
3. When a contract is entered into by the Town pursuant to Town Manager approval and provides for one or more renewals by affirmative action of the Town, the Town Manager is authorized to approve such renewals without Town Commission approval.
4. Contracts that were not approved by the Town Commission may be suspended by the Town Manager.

## **XII. BLANKET PURCHASE ORDERS**

Blanket purchase orders are used when commodities, products and services are purchased on a regular and routine basis, and the cost for the item(s) or the specified quantity cannot be easily identified (i.e. fuel, routine vehicle maintenance, janitorial supplies, etc.). A blanket purchase order may be issued for a not-to-exceed dollar amount and for a set period of time. Use of blanket purchase orders are not designed to get around the requirement to competitively bid items for known quantities of commodities, products and services (i.e. annual chemical purchases, annual landscape maintenance, etc.). All blanket purchase orders close at the end of the fiscal year. No capital items may be purchased with a blanket purchase order. Blanket Purchase Orders are subject to the Purchasing Procedures defined in this manual. Blanket purchase orders do not require quotes when the not to exceed amount is \$10,000 or less.

## **XIII. UNBUDGETED PURCHASES**

In the event that a department needs to purchase an item or items that are outside of the amount which was originally part of the approved budget for their department, the following procedure will be followed:

- Items \$50,000 or less must be approved by the Town Manager.
- Items over \$50,000 must be approved by the Town Commission.
- All unbudgeted purchase requests must be accompanied by a memo from the ordering department head explaining the immediate need for the items requested.

## **XIV. PURCHASES NOT TO BE DIVIDED**

No purchase shall be divided or sub-divided to circumvent the competitive bid requirements of the State of Florida Statutes, Town of Highland Beach Code, or purchasing rules and regulations.

## **XV. PROPERTY DISPOSAL**

### **A. Excess, Surplus, and Obsolete Materials**

It shall be the duty of the User Department Head to report all excess, surplus or obsolete materials to the Support Services Department. At this point, the Support Services Department and Town Manager, in conjunction with the User, will examine alternatives as to the most advantageous disposition of the items. Items could be refurbished or reconditioned, transferred, traded in on new equipment or sold by auction or sealed bid.

The Town Manager shall have the authority to dispose of all non-real property that is determined to have a book value or market value (whichever is greater) of less than \$2,500 in any manner authorized by Chapter 274, Florida Statutes "Tangible Personal Property Owned by Local

Governments". Surplus non-real property with a book value or market value (whichever is greater) greater than \$2,500 will be subject to Town Manager approval prior to its disposal.

1. The most gainful method for handling an item no longer needed by a department is to transfer it to another department that has a use for the item.
2. In replacing obsolete equipment, it may be financially advantageous to trade-in the old equipment. Requests for bids on the replacement item may call for bid prices with or without trade-in and provide that award may be made either way.
3. Excess, surplus and obsolete items (greater than \$2,500) not transferred or traded-in may be consolidated and offered for sale by auction or by sealed bid method. Auctions can be traditional or contemporary including online auctions such as [www.govdeals.com](http://www.govdeals.com) or similar websites. The property offered for sale will be on an "AS IS/WHERE IS" basis. The sale will be given public notice. Sealed bids will be opened at the time and place announced with the Town, retaining the right to reject any and all.
4. The Town Manager may declare that any non-real property that is determined by the Town Manager to have reached the end of its useful life and/or may expose the Town to potential liability from its continued use or sale and/or whose disposition cost exceeds its value, is junk. Non-real property declared by the Town Manager to be junk shall be disposed of without receipt of consideration (or, if necessary, at a cost to the Town) and shall be rendered useless.

B. Sale to Employees

To avoid any appearance of impropriety in the disposition program, it will be the Town's policy to prohibit the direct sale of surplus property to any Town Employee, Official or Agent. This policy does not prohibit any Town Employee, Official or Agent from extending an offer at a public auction or in the form of a sealed bid.

C. Allocation of Proceeds

Proceeds from the sale of excess or surplus property will go into the Town's Fund that held the asset.



## **PURCHASING CARD POLICY**

### **I. PROCEDURES**

- A. The Finance Director or designee shall be the Program Administrator for Purchasing related issues and will administer the Purchasing Card Program for the Town of Highland Beach.
- B. This policy is applicable to those departments who have identified employees who may use purchasing cards to purchase goods and services allowed under this policy. The decision to issue a purchasing card is the responsibility of the department director with the approval of the Town Manager.
- C. Since the Town of Highland Beach, not the individual employee, will pay for purchases made with the purchasing card for official Town use, additional controls have been added to these purchasing cards.
- D. The standard purchasing card limit is \$2,500 per billing cycle. Department directors may establish lower limits for their employees.
- E. Purchasing Card Use
  - 1. The purchasing card shall be used for Town of Highland Beach business only.
  - 2. The purchasing card shall have the cardholder's name embossed on it and shall only be used by that employee or another employee that has been established as an authorized purchaser on the cardholder's account.
  - 3. All items purchased using the purchasing card shall be available immediately; purchasing back ordered items is prohibited.
  - 4. The Town is tax exempt and shall not be charged sales tax on any transactions. If the vendor charges sales tax in error, the cardholder must contact the vendor and obtain a credit equal to the amount of the sales tax.
  - 5. All transactions require a sales receipt. A sales receipt may be referred to as an invoice and must include the following:
    - a) Vendor name
    - b) Itemized breakdown
    - c) Grand total price
    - d) Transaction date

## II. DISPUTES

- A. If items purchased with the purchasing card are found to be defective or services faulty, the cardholder has the responsibility to return the item(s) for replacement or refund or have services redone or refunded. If the vendor refuses to replace or refund the item, or redo or refund the service, the purchase will be entered into dispute.
- B. The cardholder shall notify the credit card provider, the Town's Program Administrator, and their department head of any dispute situations.

## III. LOST OR STOLEN CARDS

- A. Should any employee lose or have their purchasing card stolen, it is the responsibility of the employee to immediately notify the card issuer, their department head, and the Program Administrator of the loss. The appropriate Police Department should also be notified depending on situation, i.e., robbery, burglary, etc.
- B. The following information must be provided to the department head and the Program Administrator:
  - 1. Complete name as it appears on the card
  - 2. Card number
  - 3. Date police were notified (if stolen)
  - 4. Date card issuer was notified
  - 5. Purchases made on the day the card was lost or stolen
- C. The department head is required to make a written report to the Program Administrator WITHIN ONE (1) WORKDAY including:
  - 1. Complete information on the loss
  - 2. Date the loss was discovered
  - 3. Location where the loss occurred, if known
  - 4. Purchases cardholder made prior to the loss
  - 5. Any other pertinent information
- D. Should the card be found, it must be returned to the Program Administrator for destruction.

## IV. TERMINATING EMPLOYEE

- A. The Program Administrator, or designee, will be responsible to collect and destroy the purchasing card upon termination, resignation, or retirement. The Program Administrator will notify the issuer and destroy the purchasing card.

- B. In the event that the Program Administrator, or designee, is not able to collect the purchasing card when the employee is terminated or otherwise leaves the employment of the Town, the Program Administrator, or designee, shall immediately notify the card issuer by telephone and follow-up with a memo to take action to ensure the purchasing card is voided.
- C. The Program Administrator, or designee, will confirm at the exit interview that the purchasing card has been turned in.

**V. DISCIPLINARY ACTION GUIDELINES**

- A. Any incident of improper or unauthorized use of the card shall be immediately reported to the Program Administrator, or designee, and the Town Manager.
- B. The Program Administrator, or designee, and the Town Manager may suspend or terminate cardholder privileges for improper or unauthorized use, or otherwise in the Town's sole discretion at any time and without prior notice.
- C. The appropriate disciplinary action will be taken as per the Town of Highland Beach Personnel Rules and Regulations. Improper or unauthorized use of the card as specified within this policy may subject the employee to appropriate disciplinary action, such as:
  - 1. Written reprimand to be maintained in employee's personnel file.
  - 2. Suspension without pay.
  - 3. Termination of employment.
- D. In addition to any administrative and disciplinary action that may be taken, the employee may be required to reimburse the Town of Highland Beach for the total amount of improper charges through a payroll deduction, in accordance with applicable law. The Town may also initiate any other lawful collection methods necessary in its sole discretion.
- E. Failure to submit properly completed reports related to cardholder activity during the time periods specified within this policy may subject the employee to appropriate action, such as:
  - 1. First Offense – Suspension of cardholder privileges for a minimum of thirty (30) business days.
  - 2. Second Offense – Termination of cardholder privileges and a written reprimand to be maintained in the employee's personnel file.

## **VI. PROGRAM GUIDELINES**

Several unique controls have been developed for the Purchasing Card Program that do not exist in a traditional credit card environment. These controls ensure that the card can only be used for specific purchases and within specific dollar limits.

### **A. General Information**

1. The unique purchasing card that an employee receives has his/her name embossed on it and the words "TOWN OF HIGHLAND BEACH". It shall only be used by that employee or another employee that has been established as an authorized purchaser on the cardholder's account.
2. The purchasing card shall only be used for Town business and shall not be used to make personal purchases.
3. The standard purchasing card spend limit is \$2,500 per billing cycle.
4. All cardholders shall sign a Town of Highland Beach Cardholder Agreement Form at the time of card issuance.

### **B. Conditions**

1. Each single purchase may be comprised of multiple items, but the total cannot exceed the single purchase dollar limit on the purchasing card.
2. The least expensive item that meets the Town of Highland Beach basic needs should be sought.
3. Cardholders must follow their department's administrative control of funds procedures to ensure that sufficient funds are available prior to making a purchase. Items purchased with a purchasing card will be reconciled to the appropriate expense line item.

C. The purchasing card issuer will not request any personal information from the cardholders, nor should any personal information be furnished to the purchasing card issuer.

D. Use of the purchasing card does not relieve the cardholder from complying with Federal, state, and local laws, ordinances, and regulations.

E. The purchasing card is not intended to replace effective procurement planning which enables volume discounts or appropriate travel arrangements.

F. Questions regarding a purchasing account or specific purchasing card procedures should be directed to the Program Administrator, or designee.

G. The following list covers purchases for which purchasing card use is prohibited:

1. Cash advances.
2. Personal items.
3. Fuel – Exception for pre-approved travel in a Town or rental vehicle.
4. Phone services.
5. Professional services (Architects, Engineers, Attorneys, Physicians, etc.)
6. Supplies or services related to personal memberships or agreements.
7. Gift cards.
8. Specifically set department restrictions.

## VII. PROCEDURES FOR PURCHASING CARD RECONCILIATION

A. Monthly statements are mailed directly to employees who are assigned a Purchasing card. Upon receipt of the statement, the cardholder should complete the following reconciliation steps before the end of the month:

1. Review the statement for accuracy and report any errors to PNC any of the following ways:

- a) Mail – PO Box 2859 Kalamazoo, MI 49003-2859
- b) Fax – (269) 973-1688
- c) E-mail – [billinginquiries@pnc.com](mailto:billinginquiries@pnc.com)

2. Enter the details for each transaction then upload the supporting documents in the BS&A Accounts Payable Module as follows:

- a) Invoice Date - Transaction/Post Date on the Statement
- b) Due Date - 4<sup>th</sup> of the month following the statement closing date

B. If there is a credit/return, enter the transaction with a minus in the “amount” field.

C. Upon completion of entering the transactions from the statement, double-check to ensure that the total transactions entered (Including credits) matches the total activity reflected on the statement.

## TOWN OF HIGHLAND BEACH CARDHOLDER AGREEMENT FORM

Please review the terms stated below, sign, date and return to the Purchasing Division upon receipt of your Purchasing Card. Please note that this Cardholder Agreement also acts as your signature card and will be kept on file in the Purchasing Division.

I, \_\_\_\_\_, hereby acknowledge receipt of a Town of Highland Beach Purchasing Card and have reviewed the Town's Purchasing Card Policy.

Card Number: \_\_\_\_\_ (the "Purchasing Card"), is received in good condition, with both the Town's name and mine appearing on the face of the Purchasing Card. I have verified the information contained thereon and attest to its accuracy.

"Proper and Authorized Charges" shall mean charges which conform to and meet all requirements of the Purchasing Card Policy and any other applicable law, ordinance, rule or regulation. I hereby agree to abide by the Ethics in Public Contracting as detailed in the Palm Beach County Code of Ethics Ordinance.

I agree to accept responsibility for the protection and proper use of the Purchasing Card in accordance with the above referenced instructions and policies and procedures.

I understand that my use of the Purchasing Card is subject to audit by the Town, that my purchases with the Purchasing Card are limited to the dollar purchase limit per month as set forth in the policies and procedures and Purchasing Card charges for purchases shall not be split. Splitting charges will be considered abuse of the Purchasing Card program and may result in disciplinary action and revocation of the Purchasing Card. The Purchasing Card is not to be used to purchase certain commodities and services as outlined in the policies and procedures. I further understand that I am to use the Purchasing Card solely for proper and authorized charges for official business on behalf of the Town.

I agree to immediately notify the Program Administrator by telephone or email if the Purchasing Card is lost or stolen. I also agree to immediately notify the Program Administrator if unauthorized charges appear on my Statement of Account. I understand that my failure to immediately notify the Program Administrator of unauthorized charges to my Statement of Account could make me responsible for improper or unauthorized charges.

The improper or unauthorized use of the Purchasing Card may result in disciplinary action and or suspension or termination of the Purchasing Card and all associated Cardholder privileges. I understand that the Town may suspend or terminate my privileges to use the Purchasing Card at any time for any reason.

If the Town initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay court costs, reasonable attorney's fees and other expenses incurred by the Town in such proceedings, assuming the Town prevails in such legal action.

I agree to surrender the Purchasing Card immediately upon retirement, termination of employment, termination of Cardholder privileges, or upon the request of the Town. I understand that I will be held responsible for improper or unauthorized charges in accordance with the Purchasing Card Policy.

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Town Manager Signature

\_\_\_\_\_  
Date