



*City of*  
**Lake Worth**  
**Beach**  
**FLORIDA**

*The Art of Florida Living.<sup>SM</sup>*

# PROCUREMENT PROCESS



# PROCUREMENT DIVISION RESPONSIBILITIES

As part of the Financial Services Department, the Procurement Division is responsible for the procurement of all goods and services (including construction) in accordance with the Procurement code, Procurement Policy and the Contracts Management Policy

- Procurement provides direction, guidance, and oversight in all phases of the procurement cycle for each user department
- Procurement also provides direction, assistance, and oversight for contracts negotiations, contracts development, and execution



# PROCUREMENT CODE & POLICY

- City's Procurement code is located in the City's Code Of Ordinances, Chapter 2, Article XIV – Purchasing (most recently amended on October 15, 2019)
- Procurement Policy was adopted by the City Commission on October 15, 2019 (effective October 25, 2019)
- Procurement Policy provides the operational detail necessary to implement the Procurement Code
  - Also provides the tools to make the best-value procurements and provides guidance for internal and external users involved in procurement activities
- Uniform procurement procedures promote fair competition, transparency, saves money, and promotes integrity and public confidence in the City



# CONTRACTS MANAGEMENT POLICY

- Adopted by the City Commission on October 1, 2019
- Developed to define the process of contract planning, formation, execution, and administration
- All contracts are issued in compliance with the Procurement Code, Section 2-114, regarding the Contracting Authority
- Applies to:
  - Any contract that binds the City and/or obligates the City to provide payment, services, goods, or use of City's property, facilities or other resources
  - Any amendment, alteration, change, change order, correction, extension, modification, work or task order, of an existing City contract



# CITY'S PROCUREMENT PRACTICE

- The City maintains a decentralized procurement function (small procurements are executed by the user departments and overseen by the Procurement Division)
- Procurement Division, in coordination with the user departments, manages the Competitive Selection Process
- All City employees are required to be familiar with and comply with the Procurement Code and Policy



# USER DEPARTMENT RESPONSIBILITIES

- Ensure funds are availability PRIOR to initiating any procurement
- Obtain quotations for informal procurements/small procurement
- Develop specifications/scopes of work for formal procurements
- Work in partnership with Procurement during solicitation process
- Evaluate bid/proposal responses or participate in evaluation committee
- Prepare agenda items for City Commission (if required)
- Serve as designated contract representative for the City



# PROCUREMENT DIVISION RESPONSIBILITIES

- Review ALL City procurements and contracts to ensure compliance with the Procurement Code and Policy
- Issue, process, and maintain all Purchase Orders for the City
- Manage all formal solicitations and coordinate between the vendors and the user departments
- Draft contract documents using standard templates, assist in contract negotiations, and coordinate with the City Attorney for the review of all contracts
- Assist User departments in contract management and compliance





# PROCUREMENT PROCESS THRESHOLDS

- SMALL PURCHASES (single procurement with a total contract value not to exceed \$50,000 for goods and/or services)

*Small purchases are made according to the small purchase procedures by obtaining informal vendor quotations*

- COMPETITIVE SELECTION PURCHASES (single procurement with a total contract value exceeding \$50,000 for goods and/or services)

*Competitive selection purchases are made according to the competitive selection procedures and are publicly advertised*



# SOLICITATION AWARDS

- All contracts or purchase orders resulting from a solicitation process shall be awarded consistent with the solicitation and approved as follows:
  - The **City Manager** or designee shall have the authority to approve the award of contracts and purchase orders for single procurements with a total contract value of **\$50,000 or less**.
  - The **City Commission** shall have the authority to approve the award of contracts and purchase orders for single procurements with a total contract value **exceeding \$50,000**.



# COMPETITIVE SELECTION PROCEDURE

- Invitation for Bid (IFB)
  - The procurement has a total contract value estimated to exceed \$50,000;
  - Precise specifications of the needed goods and/or services are known and can be described in the IFB;
  - Adequate number of vendors are available for multiple bids to be received; and,
  - The City Commission awards the IFB consistent with the terms of the IFB (generally the lowest, responsible and responsive bidder providing a compliant bid)



# COMPETITIVE SELECTION PROCEDURE

- Request for Proposals (RFP)
  - The procurement has total contract value estimated to exceed \$50,000;
  - The use of an IFB is not applicable or practicable;
  - The City is seeking a solution for the goods and/or services where the potential vendors can provide different options for the City's consideration
  - The City establishes criteria for selection (e.g., qualifications, responsiveness, experience with similar projects, quality requirements, certifications, specific project requirements, etc.)
  - Proposals in response are normally evaluated by the Evaluation Committee consisting of City staff and subject matter experts (internal and external)
  - RFP process allows City to negotiate terms with the goal for getting the "Best Value" for the City
  - The City Commission shall award the RFP consistent with the recommendation of the Evaluation Committee and terms of the RFP (generally the highest ranking, responsible and responsive respondent)



# COMPETITIVE SELECTION PROCEDURE

- Request for Qualifications (RFQ)
  - used to obtain statements of qualifications from potential vendors when qualifications is the basis for award (e.g., for the selection of architects and engineers under the Consultants Competitive Negotiations Act (CCNA)).
- Request for Information (RFI)
  - an informal solicitation for the purpose of seeking information, comments, or reactions from a given industry, which can be used in conjunction with more formal solicitation methods



# SPECIFIC TYPES OF PROCUREMENTS

- CCNA
  - The Consultants Competitive Negotiation Act (CCNA) (section 287.055, Florida Statutes) governs the qualifications-based solicitation process required for procurement of design services for public projects
  - Design services involved are professional architectural, engineering, landscape architectural, and survey and mapping services, and design-build projects;
  - The CCNA applies if a construction project is anticipated to exceed \$325,000 or professional study is anticipated to exceed \$35,000
  - CCNA involves a competitive selection process where the qualifications of the design firms are evaluated and rates are negotiated once the highest qualified design firm is determined



# SPECIFIC TYPES OF PROCUREMENTS

- External Financial Auditor Services (must be procured in accordance with section 218.391, Florida Statutes)
- Construction (must be public advertised and bid if anticipated to cost more than \$200,000)
- Insurance coverage (competitively procured through broker)
- Professional Consulting Services (CM may select consultant with a distinctive field of expertise without competitive selection if anticipated cost does not exceed \$50,000)



# PROCUREMENTS EXEMPT FROM COMPETITION

- Single/Sole Source Purchase – goods and/or services can only be provided by one vendor
- Cooperative Purchase – City participates in State, Federal, or other cooperatively based purchasing efforts
- Other Governmental Contracts (Piggyback) Purchase – must meet Procurement Code and Policy requirements for competitive process and must have separate agreement with the City
- Emergency Purchase - authorized by CM or Commission due to a true emergency as set forth in the Procurement Code
- Waiver - City Manager or City Commission may authorize a waiver of competitive selection procedure in exceptional situations





# ASSISTANCE TO LOCAL BUSINESSES

- Local preference is provided under the Procurement Code to a local business with a physical address within the City (per a valid Business License)
  - The codified preference is provided in an IFB if the local business is determined to be a responsible and responsive bidder and the local business' bid is determined to be within five (5) percent or fifteen thousand dollars (\$15,000.00), whichever is less, of the lowest, responsible and responsive bid
  - Does not apply where prohibited by law, contract or other regulation
  - Staff is encouraged to use local businesses for small purchases



# ASSISTANCE TO SMALL BUSINESSES

- Small business preference is provided under the Procurement Code to a small business as certified with the County or another municipality
  - The codified preference is provided in an IFB where the small business is determined to be a responsible and responsive bidder and the small business' bid is determined to be within five (5) percent or fifteen thousand dollars (\$15,000.00), whichever is less, of the lowest, responsible and responsive bid
  - Does not apply where prohibited by law, contract or other regulation
  - Staff is encouraged to use small businesses for small purchases
  - Local preference takes precedence over small business preference in a best value determination



# QUESTIONS