

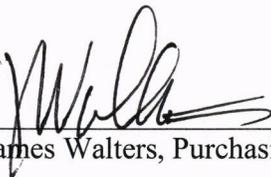
City of Niceville Procurement Manual

Procurement Services Department
208 Partin Drive North
Niceville FL, 32578
850-279-6436



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James Walters, Purchasing Director

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David Deitch, City Manager

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PART 1 – GENERAL

MISSION STATEMENT

It is the mission of the City of Niceville Procurement Services Department first and foremost to conduct all procurement duties in accordance with all applicable Federal, State and Local Laws, statues, ordinances, regulations and rules. The Procurement Services Department will strive to receive the maximum value for the taxpayer's dollar, obtain the goods and services at the best possible prices, provide the highest quality of service to work crews, administrators and support staff, and develop a mutually beneficial relationships with the vendors with which the City does business. Additionally, Procurement Services will ensure that all purchasing personnel conduct their duties within the highest degree of ethical behavior, transparency, and fairness.

SECTION 1 - PURPOSE

The City of Niceville maintains a central procurement system which promotes efficiency, economy, and fair and open competition in an effort to eliminate any opportunity waste, favoritism or impropriety, and will seek to inspire public confidence that all purchases and contracts are awarded equitably and economically. The purpose and objectives of this Procurement Manual (the "Manual") are:

1. To deal fairly and equitably with all suppliers wishing to do business with the City of Niceville.
2. To assure adherence to all purchasing laws, regulations, and procedures.
3. To maximize competition for all procurements.
4. To administer the procurement function with internal efficiency.
5. To purchase goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable suppliers meeting the City's needs.

This Manual is to serve as a permanent, up-to-date guide to City's procurement policies and procedures.

SECTION 2 – DISTRIBUTION & REVISIONS

This Manual will be made available electronically to all City employees and the public. The Procurement Services Department shall be responsible for maintaining the official adopted version of this Manual electronically and for the continual updating of this Manual as necessary.

All revisions to this Manual shall be reviewed and approved by the Purchasing Director, City Manager or their designee.

SECTION 3 - APPLICATION OF MANUAL AND EXEMPTIONS

3.02 - Applicability

This Manual, and the policies and procedures contained herein, govern all departments under the jurisdiction of the City Council, as well as all purchasing transactions, which are paid for directly from City and grant funds under the control of the City.

This Manual supersedes all previously existing Procurement Manuals, policies and procedures. All previously existing Procurement Manuals, policies, and procedures are revoked.

3.03 - Exemptions from the Procurement Manual

The following types of purchasing activities shall be exempt from the competitive procurement requirements of this Manual as described below. These exemptions do not preclude the City from utilizing competitive procurement practices where possible.

1. Service/Maintenance Contracts; Continuing service and/or maintenance contracts which are a part of product acquisition/installation to a vendor who is the manufacturer, developer, or who is the authorized service agent thereof are exempt from further competitive requirements of this Manual. Examples: building systems maintenance, security systems, etc.
2. Real property, options of title or abstracts of title for real property, title insurance for real property, and other related costs of acquisition, rental, or sale of real property.
3. Library Media and Materials. The purchase of library books, education and/or textbooks, printed instructional materials, reference books, periodicals, databases, indexes, pre-recorded library media materials, (e.g., audio and video cassettes, film strips, films, sound recordings, etc.) and printed library cards that are to be a part of the library collection are exempt.
4. Publication of notices and legally required advertisements.
5. Training Media and Services. When such materials or services are available only from the producer, publisher, owner of the copyright or patent, educational institution or training service provider, which developed the training program, the purchase is exempt from competitive requirements.
6. Software. Upgrades, software modification services by the copyright holder, maintenance agreements, and related software enhancements to installed software purchased through competitive means are exempt. The purchase of new software packages or systems shall follow the thresholds and procedures of the Manual to ensure competitive selection.
7. Training and educational courses, lectures by individuals and education events or programs, contracts between the City and governmental entities or nonprofit corporations, memberships, training/trades publications, meeting rooms, and hotels when below the formal bid threshold.
8. Services of legal counsel authorized by the Office of the City Attorney, including, but not limited to, expert witnesses, conflict counsel, and other services required by the Office of the City Attorney as may be authorized in the City Attorney's contract.
9. Food, to include water and beverages, may be purchased with an explanation of the public purpose.
10. Supplies or services procured utilizing General Services Administration, State of Florida and other contracts and agreements that have been competitively procured, awarded and contracted by a Federal, state, municipal, City, or local governmental entity, body politic, or using agency, or from any vendor so long as purchases are at or below listed state/Federal contract price; or from purchasing specialized items from sole or single source vendors without competitive bids provided that said procurement is not otherwise prohibited by law.
11. Supplies or services or commodities provided by governmental entity or agencies.
12. Prevention services related to mental health, including drug abuse prevention programs, child abuse prevention programs, and shelters for runaways, operated by not-for-profit corporations. In acquiring such services, the ability of the vendor, past performance, willingness to meet time requirements and price shall be considered in an effort to obtain the highest quality services at the greatest economic value to the City.
13. Services provided to persons with mental or physical disabilities by not-for-profit corporations which have obtained exemptions under the provisions §501(c)(3) of the United States Internal Revenue Code. In acquiring such services, the ability of the vendor, past performance, willingness to meet time requirements and price shall be considered in an effort to obtain the highest quality services at the greatest economic value to the City.

14. Health services involving examination, diagnosis, treatment, prevention, medical consultation, or administration.
15. Lectures by individuals.
16. Artistic services or performances.
17. Lobbying services.

SECTION 4 – IMPLEMENTATION

4.01 - Delegation for Implementation

- A. It shall be the responsibility of the City Manager or designee, through the Procurement Services Department, headed by the Purchasing Director, to implement and enforce the policies and procedures set forth in this Manual.
- B. The Purchasing Director, as head of the Procurement Services Department, shall exercise functional authority over the City procurement process for the purpose of implementing and enforcing these policies and procedures on a City-wide basis, as well as in the Procurement Services Department for its role in the process.
- C. Each department and Department director shall be responsible for implementing and enforcing these policies and procedures within their respective jurisdictions.

4.02 - Violations of the Procurement Manual

A violation of any of the policies and procedures in this Manual may be grounds for disciplinary action, up to and including termination of employment, and may result in the City's refusal to pay for any improperly ordered goods or services.

4.03 - Waiver of Procurement Policies and Procedures

The City Manager, and the Purchasing Director shall have the authority to waive the policies and procedures contained in this Manual when deemed to be in the best interest of the City.

SECTION 5 – TRAINING

All City employees who are responsible for implementing the procurement process within their department must attend mandatory training classes provided by the Procurement Services Department on an annual basis. The Procurement Services Department will provide the training and maintain records related thereto. New employees, who will be assigned in their respective Departments to have procurement responsibilities must attend mandatory training classes. Consultants and other City contractors, when applicable, must attend mandatory training classes.

SECTION 6 – SUPPLEMENTARY GENERAL PRINCIPLES OF LAW APPLICABLE

The principals of law and equity, including laws relative to contracts, agency, business entities, ethics, fraud, misrepresentation, duress, coercion, mistake or bankruptcy shall supplement the provisions of this Manual. All contracts awarded by virtue of this Manual, and all procurements of the City pursuant to this Manual, shall be governed by and construed under the laws of the State of Florida and the local laws of Okaloosa County Florida, and the City of Niceville unless otherwise provided.

SECTION 7 - CODE OF ETHICS

7.01 - Ethics General

The City of Niceville is committed to a purchasing process which fosters fair and open competition, is conducted under the highest ethical standards, and enjoys the complete confidence of the public. To achieve these purposes, the City subscribes to the following code of ethics:

1. The City will avoid unfair practices by granting all competitive respondents' equal consideration as required by State, Federal, and City regulations.
2. The City will conduct business in good faith; demanding honesty and ethical practices from all participants in the purchasing process.
3. The City will promote positive respondent and contractor relationships by affording respondent representatives courteous, fair, and ethical treatment. The City will make every reasonable effort to negotiate equitable and mutually agreeable settlements of dispute or disagreement with a respondent.
4. The City will avoid involvement in any transactions or activities that could be considered to be a conflict between personal interest and the interest of the City.

7.02 - Employee Ethics

Employees are subject to the Human Resources Policy - Code of Conduct and [Florida Statute Section 112.313](#) as may be revised and amended from time-to-time. All employees, regardless of position, will maintain high standards of ethics and conduct and will avoid unethical or compromising practices in relationships, actions and communications. Purchasing staff shall maintain complete independence and impartiality in dealings with vendors to preserve the integrity of the competitive process and to ensure public confidence in all procurement activities.

In addition, the provisions of [Section 112.313, Florida Statutes](#), pertaining to the standards of conduct for public officers and employees shall expressly apply to all City officials and employees. A violation of [Section 112.313, Florida Statutes](#), pertaining to purchasing or contractual relationships shall also be deemed a violation of this Manual. Violations of these provisions of ethics and standards of conduct will be subject to disciplinary action up to and including termination of employment.

SECTION 8 – RESERVED

PART 2 – PROCUREMENTS

SECTION 9 - REQUISITIONS

9.01 - Requisitions General

1. When a department desires to procure a service or good, it must first submit a requisition to the Procurement Services Department. The requisition shall be entered in the ERP software, but on occasion may be emailed or hand delivered to the Procurement Services Department.
2. For each requisition the requesting Department shall:
 - a. Submit a requisition online in the ERP software requisition module. When ERP is not available,

type or hand write specific requirements needed on the correct form and email it to Procurement Services Department. The Department Director or designee must authorize the requisition, by electronic review and approval in the ERP workflow, or by signature if a form is submitted. Any designee of a Department Director must be listed with the Procurement Services Department. The Procurement Services Department will annually review the list.

- b. Only place items of similar nature on the requisition (e.g., hardware, paint, building materials, etc.). A requisition shall be to one vendor.
- c. The requisition should be precise, and define in sufficient details the supply or service requested, and shall include, by each line item, the description of service or part number, quantity, unit cost and extended cost.
- d. The requisition shall also include by reference the quote, contract, co-operative agreement number, and a copy of the required quote(s) and proposal documentation shall be submitted with the requisition.
- e. The requisition shall be submitted in a timely manner to ensure that the Procurement Services Department has the opportunity and time to obtain the requested goods or services.

9.02 - Instructions for Preparing the Requisitions

1. Requisitions shall be properly entered and forwarded directly to the Procurement Services Department electronically by submission through the City's ERP software requisition module.
2. Once received from the requesting department, the Procurement Services Department will, in a timely manner, review/process requisitions. In no event shall a requisition be held in excess of five (5) working days without action.
3. Based on the requisition, the Procurement Services Department will process the procurement of the requisitioned items in accordance with the threshold amounts set forth in Table 1, and the procurement methods set forth herein.

SECTION 10 – PURCHASING CATEGORIES; THRESHOLD AMOUNTS; GENERAL GUIDELINES

10.01 - Delegation of Threshold Amounts

1. The procurement method and authorization authority will vary based upon the dollar amount of the purchase. Generally, all purchases for commodities, equipment and services, when the estimated cost thereof shall equal or exceed \$5,000.00 shall be purchased competitively; purchases above \$100,000.00 shall be handled in the manners specified herein, which are designed to maximize competition and ensure the City is receiving a fair price while balancing against the need for an efficient use of staff resources. The Purchasing Director, City Manager, or City Council may waive the competitive procurement requirements when deemed to be in the best interest of the City. The waiver of any competitive requirement shall be documented.
2. Table 1 establishes the thresholds and procedures to govern procurement of commodities, equipment and services. Additionally, the authority for approving purchases within the established threshold set forth below is hereby delegated to the person(s) with designated signature authority.

For purchases utilizing a Purchasing Card, refer to Appendix 1.

Table 1 – Purchasing Process Thresholds

Procurement Method	\$0- to \$5000	\$5001 to \$50,000	\$50,001 to \$100,000	\$100,001
Verbal Quotes (See Section 12.01)	Department Director or designee	N/A	N/A	N/A
Requisitions / Written Quotes (See Sections 9 and 12.02)	Department Director or designee	Department Director or designee Purchasing Director	Department Director or designee Purchasing Director City Manager	Department Director or designee Purchasing Director City Manager City Council
Direct Payments (See Section 23)	Department Director or designee	Department Director or designee	Department Director or designee	Department Director or designee
Contracts (Amendments / Task Orders) (Amendments see Section 33.3; Task Orders see Section 33.4)	Department Director or designee	Department Director or designee Purchasing Director	Department Director or designee Purchasing Director City Manager	Department Director or designee Purchasing Director City Manager City Council
Change Orders (Purchase Orders / Contracts) (Change orders see Section 33.3; Purchase Order see Section 34)	Department Director or designee	Department Director or designee Purchasing Director	Department Director or designee Purchasing Director City Manager	Department Director or designee Purchasing Director City Manager City Council

3. All procurements will be procured in accordance with the methods permitted in relation to the threshold amounts, and as set forth in this Manual.
4. Change orders and contract amendments shall be reviewed and executed based on the authorized individual pursuant to the Table 1. Change orders and contract amendments shall not be used to avoid any standard purchasing procedure for procurement by the competitive procedures. The valuation of the procurement will be calculated based upon the value of the initial term of the contract to be awarded. The valuation of contract renewals will be based upon the value of the renewal term.

5. For purposes of construction contracts, the City department shall not be required to have a change order executed by the individual who approved the original purchase order or contract if such change order(s) includes minor changes in the Work not involving an adjustment to the Contract Amount or an extension to the Contract Time which would cumulatively exceeding ten percent (10%) of the Work or the Original Contract Time. Such changes shall be effective by a written executed change order which may be executed by the authorized individual pursuant to the Table 1.

10.02 - Encumbrance of Funds

1. It is the responsibility of each City department, their Department Director, in cooperation with the Finance Department to ensure sufficient and proper funding is available **prior** to obligation and/or expenditure.
2. No City employee, except in cases of emergency as defined in this Manual, or as provided by [Florida Statutes Chapter 252](#), and/or as instructed by the City Manager, shall issue any order for delivery on a contract or open market procurement until there is, to the credit of the using department concerned, a sufficient unencumbered appropriation balance to defray the amount of such order and the order is for a budgeted commodity or service.
3. After determining availability of funds, the procurement as set forth in this Manual shall be performed. After procurement a purchase order or contract shall be approved as set forth within this Manual.

SECTION 11 - RESERVED

SECTION 12 - QUOTES

12.01 - Verbal Quotes (not to exceed \$5000.00)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Commodities, equipment, and services with an estimated cost within the threshold authorized in Table 1 for verbal quotes, except those purchased on purchasing cards and through direct purchases, shall be procured by competitive, verbal quotes. Purchases at this level do not require written quotes, except when deemed advisable by the Procurement Services Department. Additionally, if there is an ongoing need for certain commodities, equipment, or services on a fairly regular basis that would otherwise qualify for a procurement through verbal quotes pursuant to the threshold amount in Table 1 if viewed in isolation, then competitive procurement may be required if the threshold in accordance with Table 1 is met in a fiscal year.
2. At least one (1) quote must be obtained for each purchase, which must then be approved by the City departments director or approved designee. The City employee soliciting the quote shall clearly document the commodities, equipment, or services requested, and document quotation received for the purchasing file. Quotes may also be obtained from reputable internet vendors. All vendors providing verbal quotes must have the required expertise and capability to perform the work or supply the commodities or equipment. In determining if a vendor has the capability to perform the work or supply the commodities or equipment, consideration shall be given to the vendor's geographic proximity to the City for future ease of delivery, mobilization, or customer support after a purchase. The lowest cost, responsible and responsive vendor who is capable of performing the services or supplying the commodities or equipment shall be awarded the contract.

12.02 - Written Quotations (not to exceed \$100,000)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Commodities, equipment, and services with an estimated cost within the threshold under Table 1 shall be procured by competitive, written quotations.
2. At least three (3) written quotations must be obtained for each purchase. In those instances where the securing of three (3) quotations is not practicable, the City employee shall provide written justification of such. The City employee shall prepare a written quotation solicitation form that clearly documents the commodities, equipment, or services requested and when needed, contact information, the due date for quotation, any vendor requirement, and other relevant transactional terms. The requested commodities, equipment, or services must be adequately described on a consistent basis to assure a like-to-like comparison among vendors. The written quotation solicitation form shall be emailed or mailed to at least three (3) vendors who have the required expertise and capability to perform the services or supply the commodities or equipment.
3. Quotes received must be on company letterhead, a City approved quotation solicitation form, or in a similar format with a date and signature of an authorized representative of the vendor. Screen captures are not acceptable as quotes. If the company is quoting cooperative contract or State contract pricing, they shall reference the cooperative or State contract number and expiration date.
4. All vendors providing written quotes must have the required expertise and capability to perform the work or supply the commodities or equipment. In determining if a vendor has the capability to perform the work or supply the commodities or equipment, consideration shall be given to the ease of delivery, mobilization, or customer support after a purchase. The lowest cost, responsible and responsive vendor who is capable of performing the services or supplying the commodities or equipment shall be awarded the contract.

SECTION 13 – TYPES OF COMPETITIVE PROCUREMENTS

13.01 - Standard Formats

All competitive procurements shall be developed using a standardized format and language, unless an exception is made by the Purchasing Director, City Manager and/or City Attorney. It should be noted on all competitive procurements that the City retains the right to reject any and all responses and may choose to resolicit at its discretion.

13.02 - Requests for Proposals (RFP)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Definition: Requests for proposals are used when the scope of work, specifications, or contractual terms and conditions cannot be well defined. Evaluation of a response is based on prior established criteria which involves more than price. A request for proposal includes, but is not limited to, applicable laws and rules, functional or general specifications, statement of work, proposal instructions, and evaluation criteria. The City department, their engineer of record, and their Department Director shall decide, based on the specific services needed, if professional services are required. This decision can be made once it is determined that in-house resources are not available to adequately provide such services.
2. Criteria: The Department Director shall outline the specific needs and objectives and fully define the scope of services to be addressed by the proposer. The Department Director, in conjunction with the Procurement Services Department, shall prepare the criteria and development of the request for proposals package which should include, but not be limited to, the following:
 - Introduction;
 - Background;

- Scope of work or scope of services required;
- Time schedule;
- Price schedule;
- Evaluation criteria;
- Terms and conditions;
- Selection process;
- Required forms; and
- Proposed contract.

Selection: Proposers shall be ranked by a selection committee, as further detailed in Section 32, and presentations may be made to the selection committee or City Council for consideration.

13.03 - Invitation to Bid (ITB)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Definition: The invitation to bid should be utilized when the City is capable of establishing precise specifications for a commodity or defining, with specificity, a scope of services for the commodities or contractual services sought and when the estimated cost of these commodities, equipment or services exceeds the amount specified in Table 1. Through this process, vendors are able to compete on a cost basis for like items or services. The selection will be based upon the lowest priced, responsive, and responsible bidder.
2. Criteria: The Department Director shall outline specific needs and objectives and fully define the scope of services to be address by the bidder. The Department Director, in conjunction with the Procurement Services Department, shall prepare the criteria and development of the invitation to bid which should include, but not be limited to, the following:
 - Introduction;
 - Background;
 - Scope of services, commodities or equipment required;
 - Time schedule;
 - Price sheet;
 - Terms and conditions;
 - Evaluation criteria;
 - Selection process;
 - Required forms; and
 - Proposed contract.
3. Selection: Evaluation of bids shall be conducted by the Procurement Services Department in conjunction with the Department Director or designee. Evaluation of bids must include consideration of the total cost of the bid.
4. A contract shall be awarded to the responsible and responsive vendor who submits the lowest responsive bid.

13.04 - Invitation to Negotiate (ITN)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Definition: The invitation to negotiate should be utilized when the scope of the project is not clearly

defined and the City has determined that negotiations may be necessary to receive the best value. The invitation shall invite vendor input on the scope, schedule, and process for initiating the project. This method of procurement is frequently used in areas experiencing constant change in the marketplace and the City wants the opportunity to obtain current up-to-date goods or services at the time of contracting.

2. Criteria: The Department Director shall outline the general scope of services to be addressed by the proposer. The Department Director, in conjunction with the Procurement Services Department, shall prepare the criteria and development of the invitation to negotiate which should include, but not be limited to, the following:
 - Introduction;
 - Background;
 - Evaluation criteria;
 - Selection Process;
 - Required Forms; and
 - Proposed contract.
3. Selection: Respondents shall be ranked by a selection committee, as further detailed in Section 32, and presentations may be made to the evaluation committee or City Council for consideration.

13.05 - Invitation to Quote (ITQ)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Definition: The invitation to quote format should be utilized when the City is capable of establishing precise specifications for a commodity or defining, with specificity, a scope of services for the commodities or contractual services sought and when the estimated cost of these commodities, equipment or services does not exceed the amounts specified in Table 1. Through this process, vendors are able to compete on a cost basis for like items or services. The selection will be based upon the lowest priced, responsive, and responsible bidder.
2. Criteria: The Department Director shall outline specific needs and objectives that will make up the scope of services to be addressed by the proposers. The Department Director, in conjunction with the Procurement Services Department, shall prepare the criteria and development of the invitation to quote which should include, but not be limited to, the following:
 - Terms and conditions;
 - Scope of service or commodities required;
 - Schedule;
 - Proposed price; and
 - Selection process.
3. Selection: Evaluation of quotes shall be conducted by the requesting Department Director in conjunction with the Procurement Services Department. Evaluation of quotes must include consideration of the total cost of the quote.
4. A contract shall be awarded to the responsible and responsive vendor who submits the lowest responsive submittal.

SECTION 14 - COMPETITIVE PROCUREMENT – THE PROCESS

All competitive procurements are to be prepared by the Procurement Services Department in conjunction with issuing department, who will provide input on the scope of the commodities, equipment or services needed, dates, vendor lists and other pertinent information as may be required by the Procurement Services Department.

14.01 - Response Submission

1. Responses to all competitive procurements shall be submitted electronically via the City's eProcurement solution by using the eProcurement link listed on the City's purchasing webpage no later than the date and time designated in the instructions.
2. Mandatory and non-mandatory conferences may be held when deemed necessary by the requesting department or engineer of record. Notification of the conferences will be outlined in the competitive procurement package or provided by separate notice. However, any written material to be distributed to potential respondents must be approved in advance by the Procurement Services Department and made part of the competitive procurement.
3. Registration or certification under [Florida Statute Chapter 489](#) is required before any contract is awarded for construction work on buildings or other improvements to real property, except for roads or utilities as specified in [Florida Statutes section 489.113](#), or otherwise exempt under [Florida Statutes section 489.103](#).

14.02 - Opening of Responses

1. All competitive procurements shall be opened in public at the time and place stated in the public notice with at least two (2) witnesses present. At least one witness shall be a City employee to record the opening. The other witness may or may not be an employee of the City, but they cannot be a respondent to the competitive procurement.
2. The purpose of the opening is to record the responses received and to ensure that the responses are in compliance with the basic requirements of the competitive procurement. Responses are not analyzed for quality or substance at the opening. See Section 28 for additional information.

14.03 - Rejecting Responses

The Purchasing Director shall have the authority to reject any and all responses. The City will not be held responsible for any costs incurred by vendors/bidders in the case of rejection.

14.04 - Correction or Withdrawal of Responses; Material Mistakes; Cancellation of Awards

1. A response submitted to the City as part of a competitive procurement may not be withdrawn unilaterally by the respondent. Correction or withdrawal of inadvertently erroneous responses before or after the competitive procurement opening, or cancellation of the awards or contracts based on such mistakes, may be permitted where appropriate. Mistakes discovered before the competitive procurement opening may be modified or withdrawn by written notice received in the office designated in the procurement prior to the time set for opening.
2. After the competitive procurement opening, corrections of mistakes shall be permitted only to the extent that the vendor can show by clear and convincing evidence that a material mistake or nonjudgmental character was made, the nature of the mistake, and the price actually intended. After the competitive procurement opening, no changes in prices or other provisions prejudicial to the interests of the City or fair competition shall be permitted. The assigned unit price, when applicable, will be the prevailing decision when an extension price is in error. In place of correction, a low bidder establishing a non-judgmental material mistake of fact may be permitted to withdraw its procurement if:

- a. The response was submitted in good faith;
- b. The magnitude of the error made would make enforcement a severe hardship;
- c. The miscalculation was not the result of gross negligence;
- d. The error was reported immediately to the City;
- e. It is not later than 24 hours after the competitive procurement opening, except that if the following day is not a business day for the City, in such case, a withdrawal may be made until 12:00 (noon) the next City business day.

14.05 - Evaluations of Invitations to Bid

In an invitation to bid process, the City may consider, but is not limited to, the following factors in addition to price when determining whether the bidder is responsive and responsible:

1. Ability, capacity, and skill of the bidder to perform the contract.
2. Whether the vendor can perform the contract within the time specified, without delay, interference, or conflict with current workload.
3. Quality of performance of previous contracts.
4. Previous and existing compliance by the vendor with laws and regulations relating to the contract.
5. Sufficiency of the financial resources and ability of the vendor to perform the contract or provide the product or service.
6. Quality, availability, and adaptability of the supplies or contractual services to the particular use required.
7. Ability of the vendor to provide further maintenance and service for the use of the subject of the contract.
8. Number and scope of conditions attached to the bid or quote.
9. Qualifications of personnel, licensing and corporate qualifications.
10. Evidence of improper litigation.
11. Use of one or more subcontractors with a record of poor performance.
12. For the purpose of this section, the City may consider evidence from the ten-year period preceding the subject bid submittal date.
13. In the event the lowest, responsive, responsible bid for a construction project exceeds the architectural or engineering cost estimates, the City Manager or designee is authorized, when time or economic considerations preclude rebidding of work of a reduced scope, to negotiate an adjustment of the scope of work with the lowest, responsive, responsible bidder, in order to bring the bid within the amount of available funds. If the cost estimates exceed the City Manager's threshold amount, results of negotiations will be contingent upon City Council approval.
14. The City may run a financial background check during the evaluation of any solicitation. The vendor will need to have an adequate capital and credit rating in order to do business with the City of Niceville.

14.06 - Evaluation of Requests for Proposals, Requests for Qualifications, and Invitations to Negotiate

All responses to request for proposals, requests for qualifications, and invitations to negotiate that are deemed to meet the basic requirements of the competitive procurement and have not been rejected shall be distributed to the selection committee, as established in Section 32, for review in accordance with the established time frames outlined in the competitive procurement.

14.07 - Intent to Award

1. Once the City has determined the lowest, responsive, responsible bidder as provided for in Section 14.05 above or once the selection committee has completed its evaluation in accordance with Section 14.06 above, the Procurement Services Department shall prepare and post a notice of intent to award the competitive procurement.
2. The notice of intent to award shall be sent by electronic mail to the selected vendor, all responsive vendors to the competitive procurement. The notice of intent to award shall also be posted on the City website within 24 hours of the determination.
3. Upon the distribution of the notice of intent to award to all responsible vendors, which shall be considered done once the notice is sent by the City, the time period for a procurement challenge, outlined in Section 31, shall begin to run.

14.08 - Notice of Award and Contract Negotiations

1. After the challenge period in Section 31 has expired, the procurement shall be awarded with reasonable promptness by the person(s) authorized to approve the purchase, as provided in Table 1 of this Manual, unless a City Council member request after reviewing the intent to award that it be placed upon the Council's agenda for review, in which case it shall be placed onto the next available agenda. Any notice of award shall be sent to the successful respondent.
2. All procurements will be formalized by entering into either a contract with, or issuing a Purchase Order to, the successful respondent as described below.
3. Upon approval of the selection, the Purchasing Director or designee, in consultation with the issuing Department Director and, if requested, with the assistance of the City Manager or City Attorney, will negotiate a contract with the top ranked vendor.
4. Should the Purchasing Director or designee be unable to negotiate a satisfactory contract with the top ranked vendor within a reasonable time, upon approval by the City Manager, negotiations with the vendor shall be formally terminated by letter to the vendor. The Purchasing Director or designee shall then undertake negotiations with the second ranked vendor, if any.
5. Should the Purchasing Director or designee be unable to negotiate a satisfactory contract with the second ranked vendor, upon approval by the City Manager, negotiations with the vendor shall be formally terminated by letter to the vendor. The Purchasing Director or designee shall, with the approval of the City Council, negotiate with additional vendors from the original shortlist or re-procure.
6. Once a satisfactory contract has been reached, the contract shall be presented for approval and execution by the appropriate authority as provided in Table 1. Upon execution by both parties, the notice to proceed shall be issued.

SECTION 15 - NOTICE REQUIREMENTS FOR COMPETITIVE PROCUREMENTS

15.01 – Publishing of Notices

1. Noticing of all requests for proposals, requests for qualifications, invitations to bid, invitations to quote, and invitations to negotiate (unless waived by the City Council) shall be done by electronic publication on the City’s eProcurement platform, and the City’s purchasing webpage. There may be a requirement to advertise in a newspaper of general circulation.
2. If state or Federal law or a state or Federal agency provides other required methods, such as newspaper notice, which differentiate from the City’s requirements, in those circumstances, the requirements of state or Federal law or state or Federal agency shall be followed.
3. [Florida Statutes section 255.0525](#), states that any construction project that is projected to cost more than \$200,000.00 shall be publicly advertised at least once in a newspaper of general circulation in the City at least twenty-one (21) calendar days prior to the bid received date and at least five (5) calendar days prior to any scheduled pre-bid conference. If the construction project is expected to cost more than \$500,000.00, it must be advertised at least thirty (30) calendar days prior to the bid received date and at least five (5) calendar days prior to any pre-bid conference.
4. The notice shall include a general description of the goods and services to be purchased, the location where specifications may be obtained, closing date, and the time and place for receipt of and the opening of the competitive procurement.
5. Notice of all requests for written quotations, pursuant to Section 12, shall not require a newspaper ad.

15.02 - Website

Legal advertisements and public notices may also be posted on the official City website at the City Council’s discretion or as authorized by law.

SECTION 16 - REQUEST FOR QUALIFICATIONS (CCNA)

1. A request for qualifications (“RFQ”) is used where the specifications of required services are broad and specialized in nature. Evaluation of a response is based on prior established criteria which involves more than price. The purpose of obtaining professional services is to offer to the City special expertise, practical experience, knowledge, resources and an objective outside professional opinion. An RFQ must be utilized in CCNA procurements, but may be used in other instances when deemed appropriate by the Procurement Services Department.
2. The provisions and exemptions contained in [Florida Statutes section 287.055](#) (commonly known as the Consultants’ Competitive Negotiation Act, “CCNA”), shall apply herein for the procurement of all professional architecture, engineering, landscape architecture, or registered surveying and mapping services for projects that exceed certain statutory dollar thresholds.
3. For more information on CCNA please refer to [Florida Statutes Sections 287.017](#) and [287.055](#).
4. Selection of consultants for FTA funded projects shall be acquired in accordance with The Brooks Act, 40 U.S.C. 11, et seq, as may be amended from time-to-time.

SECTION 17 - EMERGENCY PROCUREMENTS

1. An emergency procurement is a procurement necessitated by a sudden unexpected turn of events (e.g., including but not limited to acts of God, riots, fires, floods, hurricanes, accidents, terrorism, or any circumstances or cause beyond the control of the agency in the normal conduct of its business) where the delay incident to competitive procurement would be detrimental to the interest of the City. It may also be a condition that stops or seriously impairs the necessary function of City government.
2. Following all purchases under this emergency procurement section, a report shall be prepared by the Department Director who initiated the procurement. The report must include complete documentation clearly stating justification for exception from normal purchasing procedures, an itemization of all individual transactions relating to the emergency procurement, and itemization of any additional work hours above and beyond the affected employees' usual work schedule, and documentation of communication with other governmental entities (FEMA, SERT, etc.) that have taken place.
3. In the case of emergencies that require the immediate purchase of commodities, equipment or services, the Purchasing Director or his/her designee, shall be empowered to secure such commodities, equipment or services without competitive bidding. In this event, all measures as are reasonably possible under the circumstances shall be taken to assure the maximum cost benefit to the City of the commodities, equipment or services procured.
4. In addition, during non-business hours, a Department Director, is authorized to make purchases without competitive bids, when an emergency arises and such immediate purchases are necessary to protect the health, safety, welfare, or property of the City or any of its citizens or to continue operations of the department.
5. Documentation for emergency purchases pertaining to the above shall be submitted to the City Manager, and the Purchasing Director with a detailed explanation, and support materials attached if applicable, within thirty working days after the event occurred. Emergency purchases that meet the \$100,000.00 or greater amount shall be submitted to the City Council for ratification.
6. While Government Services Administration (GSA) schedules [70](#) and [84](#) can be used by the City for routine business, all [GSA schedules](#) become open to City use during recovery from a natural disaster or in response to a public health emergency.

SECTION 18 - SOLE SOURCE PROCUREMENTS

1. A sole source is when the commodity or service can be legally purchased from only one source. This is usually due to the source owning patents and/or copyrights. A requirement for a particular proprietary item does not justify a sole source purchase, if, there is more than one potential supplier for that item. Use of Brand Names and Model numbers does not constitute a sole source.
2. A contract may be awarded, except as otherwise provided under state law, for a supply, service, material, equipment or construction item(s) without competition when the Purchasing Director or designee, certifies in writing, after conducting a good faith review of available sources, that there is only one available source for the required material, supply, service, equipment, or construction item(s).
3. Prior to award, a notice of intent to award shall be posted for any and all sole source procurements as set forth in Section 14.07 of this policy.
4. Such awards will be made within the authorized procurement limits identified in Table 1 of this Manual.

When a purchase exceeds the threshold amount for staff approval, and has not been budgeted in the current fiscal years adopted budget, the item will be placed on the agenda for City Council approval.

5. The Procurement Services Department shall be authorized, after initial sole source certification, to make additional purchases from a sole source vendor for a reasonable specified period of time, not to exceed 365 days, as set forth in a written agreement between the City and contractor or until such time as contrary evidence is presented regarding sole source eligibility, whichever period is less.

SECTION 19 - SINGLE SOURCE PROCUREMENTS

1. A single source means that a commodity or service can be purchased from multiple sources, but in order to meet certain functional or performance requirements (e.g., parts matching existing equipment or materials) there is only one economically feasible source for the purchase.
2. Purchases of goods and/or services from a single source may be exempted from the competitive procurement requirements upon confirmation that: (1) the use is justified based on costs or interchangeability factors; (2) the use is recommended by the project architect, engineer, or affected Department Director; and (3) the rationale for single source is approved by the Purchasing Director. Such awards will be made within the authorized limits identified in Table 1 of this Manual.
3. Prior to award, a notice of intent to award shall be posted for any and all single source procurements as set forth in Section 14.07 of this policy.
4. When a purchase exceeds the threshold amount for staff approval, and has not been budgeted in the current fiscal years adopted budget, the item will be placed on the agenda for City Council approval.
5. The Procurement Services Department shall be authorized, after initial single source certification, to make additional purchases for a single source vendor for a reasonable specified period, not to exceed 365 days, of time as set forth in a written agreement between the City and contractor or until such time as contrary evidence is presented regarding single source eligibility, whichever period is less.

SECTION 20 - COOPERATIVE PROCUREMENTS (PIGGYBACKING)

20.01 - General Cooperative and Piggybacking Procurement Requirements

1. The Procurement Services Department shall have the authority to purchase from and join with other units of governments in cooperative purchasing ventures when the best interest of the City would be served thereby. It is standard policy of the City to cooperate with other government agencies in the purchase of commodities, equipment and services required by the City.
2. The most common form of cooperative purchasing agreements include, but are not limited to, purchasing from contracts issued by the State of Florida, Federal General Services Administration (GSA), The Interlocal Purchasing System (TIPS), Sourcewell, Omnia Partners, U.S. Communities, National Joint Powers Alliance, and other government pricing for specific commodities, equipment and services.
3. When any other government agency had competitively procured and awarded any contract for any commodities or service, the City may purchase that commodity or service from the awarded vendor at the awarded price if the original bid specifications and award allow it. This method is known as Piggybacking. Where the public purchasing unit administering a purchase complies with the requirements of this Manual, the City when participating in such a purchase, shall be deemed to have complied with the provisions of this article. Such purchases shall be made without additional City competitive procurement provided that the

funding has been appropriated and the purchase has been authorized by a person with signatory authority as provided in Table 1.

4. The City may bid and award the purchase of any commodities, equipment or services with the stipulation that any other government agency may also purchase the awarded product or service at the same awarded price.

20.02 - Cooperative Procurements - Documentation Requirements

The following documentation is the minimum required to use another government entity's awarded contract.

Florida Contracts. The Procurement Services Department is authorized to purchase commodities, equipment or services for any dollar amount from authorized vendors listed on the respective state contracts (state term continuing supply contracts, SNAPS agreements (state negotiated agreement price schedules), agreements resulting from invitations to negotiate (ITN), the Florida Sheriff's Association statewide purchasing contracts, or other such contracts authorized by statute for use by local governments) of the Florida Department of Management Services, other state agencies and groups. For all cooperative procurements from state contracts, the current state contract number is required. If the contract has fixed unit prices, a copy of the contract is required. If the contract is a percent discount from list, then a copy of the original manufacturer's list price must be attached. This will usually be in the form of a published price list. If only some of the items on the contract are being sought, then only the pages with those prices are required.

1. Federal GSA contracts. The Procurement Services Department is authorized to purchase commodities, equipment and services for any dollar amount from authorized vendors listed on the eligible Federal supply schedules (such as GSA schedule 84 for Emergency Preparedness and First Responder Equipment, Training and Services, GSA schedule 70 for Information Technology) issued by the Federal General Services Administration.
 - a. For all cooperative procurements off Federal GSA contracts, a copy of the GSA contract showing the contract name, number and contract term is required. The ordering information pages and the pages with the pricing are also required. If the contract is a percent discount from list, then a copy of the original manufacturer's list price must be attached. This will usually be in the form of a published price list. If only some of the items on the contract are being sought, then only the pages with those prices are required.
2. Contracts with other government entities. The Procurement Services Department shall have the authority to join with other units of government in cooperative purchasing ventures when the best interest of the City would be served thereby, and the same is in accordance with City and state law. The Procurement Services Department shall appropriately document such cooperative procurement arrangements. All cooperative procurements conducted under this section shall be through contracts awarded through full and open competition, including use of source selection methods equivalent to those required by this Manual. Each selection method shall clearly state the intention to include participation by other units of government as a requirement for use in cooperative procurement. For all cooperative procurements from other government entities, the required documentation includes:
 - a. A complete copy of the original procurement;
 - b. A copy of award letter/memo/agenda item with minutes by the government entity to the vendor to document award;
 - c. A complete copy of the vendor's proposal; and
 - d. A complete copy of the current contract with the vendor and any amendments thereto. If Federal funds are used, the City may exercise the option to utilize other government contracts provided that:

- The original contract was procured in compliance with 2 C.F.R; An assignability clause is included in the originating government's contract; the terms and conditions are substantially similar to the terms and conditions of the option as stated in the original contract at the time it was awarded;
- The option price is better than prices available in the market, or that when it intends to exercise the option, the option is more advantageous;
- The original contract contained an assignability clause and that the terms and conditions of that contract meet the FTA requirements (if funded by FTA);
- The original contract contains appropriate assignability provisions that permit the assignment of all or a portion of the specified deliverables under the terms originally advertised, competed, evaluated, and awarded, or contains other appropriate assignment provisions;
- The contract price is fair and reasonable;
- The contract provisions are adequate for compliance with all Federal requirements;
- The scope of work to be performed falls within the scope of work under the original contract and there are no cardinal changes to the contract, the scope of the assigned contract originally procured by the assigning party does not exceed the amount of property and services required to meet the assigning party's original, reasonably expected needs.
- The regulation at 44 C.F.R. § 13.36 requires the grantee or subgrantee to have procurement procedures that preclude it from acquiring property or services it does not need. Therefore, a contract would have an improper original scope if the original party added excess capacity in the original procurement primarily to permit assignment of those contract rights to another entity. Moreover, an assignable contract with an overbroad scope of work may lead to unreasonable pricing and thus should not be used. For example, a statewide debris removal contract that does not have pricing that accounts for variables in the actual scope of work required by a local government subgrantee or the specific conditions of that local market may lead to unreasonable pricing;
- The quantities the assigning party acquired, coupled with the quantities the acquiring grantee or subgrantee seeks, do not exceed the amounts available under the assigning entity's contract.

SECTION 22 – RECOGNITION AND HOSPITALITY

22.01 - Purpose

The expenditure of public funds in compliance with the requirements of this policy are declared to serve a proper and valid public purpose, and the requirements set forth herein, provide controls to guard against abuse and assure accountability to the taxpayers and the public.

22.02 - Policy

It shall be the policy of the City to establish clear and concise guidelines for the expenditure of funds to be used for approved City events or recognition to employees, officials and volunteers within the City government, and to governmental boards, councils, committees, and other ad hoc groups established by the City and their members.

22.03 - Authority

The City Manager or designee shall be authorized to approve the expenditure of public funds for the purposes below.

22.04 - Procedures

1. Authorized Expenditures

1. The reasonable cost of food, refreshments, and non-alcoholic beverages, to include meal utensils and associated items, pursuant to approval:
 - a. served at a meeting, training program, recognition event, workshop or function held by the City specifically designed to recognize longevity, retirement, or meritorious service to City government; or to improve employee work skills or professionalism; or to recognize completion of specialized programs; or to otherwise enhance work productivity.
 - b. to be consumed by members of the public in or on the grounds of City owned or City controlled facilities or property during an open house or special event, including but not limited to meetings of regional or intergovernmental agencies or organizations when held at a City facility, where furnishing of such food and refreshment is a customary role of the host agency.
2. Frames, plaques, certificates, trophies, pins and other suitable tokens of recognition to acknowledge significant contributions by individuals for their service to City government and the community to include employees, volunteers, members of unpaid advisory boards, councils and committees.
3. Coffee and water available for the public who are visiting the City offices.

2. Approval

1. Recognition and hospitality items detailed and adopted in the annual budget are considered approved by the City Manager.
2. Other authorized expenditures not exceeding \$100 may be approved by the Department Director.
3. Any other requests must be pre-approved in writing by the City Manager.
4. Approval documentation must be provided with each Purchasing Card transaction and must include:
 - 1) the date;
 - 2) a list of items and purchase price; and
 - 3) the authorized event or purpose.

SECTION 23 - DIRECT PAYMENTS

The following types of payments are exempt from the competitive procurement requirements of this Manual, but must be approved in accordance with the authorized individual as set forth in Table 1. After receiving the appropriate approval, all departments shall submit payment requests directly to Finance Department for the

following items:

****Items in bold below require DIRECT PAY****

1. Appraisals, Title insurance, and Title searches;
2. **Court Orders;**
3. **Court Reporting Services;**
4. **Electronic Payments to the State of Florida and the IRS;**
5. **Employee Reimbursements;**
6. **Florida Department of Law Enforcement Payments (FDLE), Okaloosa City Sheriff's Office payments;**
7. **Insurance payments for coverage for property, automobile, liability and special risk insurance;**
8. Lectures/training by Individuals;
9. Memberships and associated fees;
10. Notary Services;
11. Payments for employee drug testing medical services;
12. **Payment of invoices on behalf of the State Attorney's Office, Public Defender, and Court Administration- IT when the State's \$2 filing fee is exhausted;**
13. Permits;
14. Postage/Shipping;
15. Public Speakers used for training for City purposes;
16. Recording Fees;
17. **Recurring Budgetary Appropriations (with City Managers' annual approval);**
18. Refunds (Deposits and Overpayments);
19. Risk Management Claim Settlements;
20. **SHIP Rehabilitation Contractors, so long as the Contractor:**
 - a. **Submits a complete SHIP Rehabilitation Contractor Application;**
 - b. **Submits an executed Certification of Compliance with City, City, State and Federal Laws and Regulations;**
 - c. **Submits all documentation as required by the City and SHIP;**
 - d. **Complies with the City Contractor SHIP Housing Rehabilitation Programs; and**

Receives approval by the City.

21. Software (**REQUIRES IT DEPARTMENT PRE-APPROVAL**) modification services by the copyright holder, maintenance agreements, and related software enhancements to installed software purchased through competitive means;
22. Subscriptions, publications, legal advertisements;
23. TDD Paid Media;
24. Training (Tuition, Lab Fees, Books, Required Course Material for Approved Schooling);
25. Travel (Hotel, Registration, Employee, Transportation of Discharged Inmates per section [951.04, Florida Statutes](#));
26. **Utilities (Electric, Water & Sewer, Phone, Garbage, Internet, Cable Television, Medical Oxygen, etc.);**
27. **Value Adjustment Board Fees;**
28. Vehicle Registration;

SECTION 24 - OWNER DIRECT PURCHASES CONSTRUCTION MATERIALS, SUPPLIES AND OR EQUIPMENT

Pursuant to [Florida Statutes, Section 212.08\(06\)](#), and [Florida Administrative Code, 12A-1.094](#), the City is exempt from Florida Sales Tax for purchase of construction materials, supplies and/or equipment incorporated into a construction project. Under this program, only the Florida Sales Tax rate shall apply. All owner direct purchases for supplies and materials for use in City construction projects shall be made in accordance with Owner Direct Purchase Manual set forth in Appendix 2.

SECTION 25- IDENTICAL (TIE) PROCUREMENT RESPONSES

In cases of identical procurement responses, the award shall be determined either by lot or on the basis of factors deemed to serve the best interest of the City. In the case of the latter, there must be adequate documentation to support such a decision.

SECTION 26 - UNAUTHORIZED PROCUREMENTS

26.01 - Ultra Vires Procurements

Except as herein provided, it shall be a violation of this policy for any officer, employee or agent of the City to order the purchase of any commodities, equipment or services or to make any contract within the purview of this Manual other than through the guidelines established in this Manual. Any purchase order or contract made contrary to the provisions herein shall be considered to be an ultra vires act, shall not be approved, and the City shall not be bound thereby.

26.02 - Subdividing Procurements

Purchases, orders, or contracts that are subdivided to circumvent the requirements of this Manual or threshold authority as set forth in Table 1 are strictly prohibited.

SECTION 27 - MINORITY, WOMEN, AND SMALL BUSINESS ENTERPRISE (W/MBE), LABOR SURPLUS AREA (LSA), AND DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM.

27.01 - General

1. The purpose of the minority, women, and small business enterprise program and Disadvantaged Business Enterprise is to provide guidance in the outreach of W/MBEs to ensure awareness and opportunities of doing business with City. The minority, women, and small business enterprise program shall only apply to those projects, services, or commodities funded by a Federal or state grant / contract / agreement having W/MBE requirements and, not otherwise covered by a W/MBE or disadvantaged business enterprise program.
2. The Procurement Services Department will ensure compliance with this purpose by ensuring its requirements are included in competitive procurements as it applies to both primary and subcontractors.
3. The City will accept certification of W/MBE status from the City of Tallahassee, Leon County and State of Florida, Office of Supplier and Diversity as well as the Florida Department of Transportation (FDOT), DBE program in lieu of creating its own certification program. The City may also consider and accept certification from other State of Florida, City or city programs on a case-by-case basis.
4. The City will include businesses located in Labor Surplus Areas on solicitation lists and assure they are considered for contracts, where applicable.

27.02 - W/MBE Requirements

1. The City will utilize the State of Florida and/or when deemed appropriate FDOT directories to notify certified W/MBE firms of procurement opportunities in City. The efforts of such outreach shall be maintained in the original procurement solicitation file.
2. When deemed appropriate by the City, primary contractor that intends to use subcontractors shall also use the State of Florida, and/or when deemed appropriate FDOT directories of W/MBE to solicit W/MBEs for subcontracting opportunities under a primary contract.
3. When deemed appropriate by the City, primary contractor that intends to use subcontractors shall be responsible for documenting outreach activities in accordance with the competitive procurement document.

SECTION 28 - PUBLIC RECORDS AND PUBLIC MEETINGS INVOLVING PROCUREMENTS

28.01 - Public Records

The City is governed by the state public records laws provided in [Florida Statutes Chapter 119](#). Pursuant to current state law, responses to competitive procurements received by the City may be exempt until such time as the City provides notice of an intended decision or until thirty (30) days after opening, whichever occurs first. Certain proprietary and financial information from vendors may also be confidential or otherwise exempt from public disclosure.

1. Official records and documents shall be retained per the requirements set forth in the Florida Statutes regarding records retention.

28.02 - Public Meetings

1. The City is governed by the state public meeting laws as provided in [Florida Statutes section 286.011](#). Any meetings of a Council, board or committee where presentations, rankings, short listings, or other award recommendations or decisions are to be made shall be held at a duly noticed public meeting, unless otherwise exempt from [Florida Statutes section 286.011](#).
2. Any portion of a meeting at which a negotiation with a vendor is conducted pursuant to a competitive procurement, at which a vendor makes an oral presentation as part of a competitive procurement, or at which a vendor answers questions as part of a competitive procurement is exempt from [Florida Statutes section 286.011](#).
3. Any portion of a negotiation team meeting at which negotiation strategies are discussed is exempt from [Florida Statutes section 286.011](#).
4. A complete recording shall be made of any meeting, or portion thereof, that is exempt from state public meeting laws. The recording of, and any records presented at, the exempt meeting are exempt from [Florida Statutes section 119.07\(1\)](#), until such time as the City provides notice of an intended decision or until 30 days after opening the bids, proposals, or final replies, whichever occurs first.

SECTION 29 - CONE OF SILENCE

29.01 - Cone of Silence

1. The Cone of Silence is a prohibition on communications relating to a competitive solicitation or advertised solicitation which commences upon the issuance of the solicitation document.
2. The Cone of Silence for awards requiring City Council approval concludes at the beginning of the meeting at which the City Council will be presented the award(s) for approval or to request authorization to negotiate a contract(s), or when the City Council rejects all bids or responses to the sealed competitive solicitation or takes other action which ends the sealed competitive solicitation process. However, if the City Council refers the item back to the City Manager for further review, or otherwise does not take action on the item, the Cone of Silence will be reinstated until such time as the City Council meets to consider the item for action.
3. Bidders, respondents, lobbyists, or consultants shall not contact any City employee or City official, including the City Council, the City Manager, or any member of the Evaluation Committee concerning an active Solicitation during the Cone of Silence Period. All questions and inquiries concerning procedural matters shall be directed to the Purchasing Director, or delegated department contact as identified within the active solicitation only. The contact person must not be a member of the Evaluation Committee.
4. Evaluation Committee members shall not speak with other committee members, staff, or the public relating to an active solicitation, except during Evaluation Committee meetings.
5. Any City employee or officer who violates this section shall be prohibited from serving on the City Evaluation Committee relating to the solicitation. In addition, violation of the Cone of Silence shall subject said employee to disciplinary action up to and including dismissal. Any bidder who violates this section may be disqualified. The determination of a violation and the penalty shall be made by the City Manager.

29.02 - Exceptions to the Cone of Silence

The cone of silence shall not apply to:

6. Communications at any public proceeding or meeting, including pre-bid conferences, evaluation committee presentations or pre-award meetings.
7. Communications during contract negotiations between designated City employees and the intended contract awardee.
8. Communication with a vendor by a Procurement Services Department employee following bid opening to clarify the vendor's bid or intended scope of services.
9. Communication following the filing of a protest between the protesting party and the Procurement Services Department, City Administrator's Office and City Attorney's Office, including, but not limited to, during the dispute resolution process provided herein.
10. Purchases exempt from competitive selection, sole source procurements, single source procurements, and emergency procurements, as defined in this Manual.
11. Communications with existing vendors in the performance of existing contracts.

29.03 - Termination of the Cone of Silence

The cone of silence commences from the date of advertisement until award of contract.

SECTION 30 – GRANT FUNDING USED IN PROCUREMENTS

1. When property or services are procured using funds derived from a federal grant or agreement (whether direct to the City or “pass-through” from another entity such as the State), the City is required to and will follow the Federal procurement standards in the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”, [2 CFR Part 200, 200.213](#) and [200.317 through 200.326](#).
2. The City shall use the same procedures as otherwise contained in this Procurement Manual to the extent that they do not conflict with the Federal procurement standards. The requirements of 2 C.F.R. Sections 200.213 and 200.317 through 200.326 will apply in the case of a conflict. Applicable Davis Bacon wage determinations shall be submitted by the requesting department and will be verified by Procurement Services Department and the Grants Manager for inclusion in the solicitation together with technical specifications. Departments should also ensure that Federal grant requirements do not prohibit the use of previously awarded vendors.
3. Purchases utilizing Federal Transit Administration (FTA) and/or other Federal funds must comply with all requirements of Title 2 of the Code of Federal Regulations (CFR) and FTA Circular C 4220.1F, as amended from time to time, and shall include all Federal contract clauses, and Executive Orders, as applicable.
4. It is the responsibility of the requesting Department to notify the Procurement Services Department whether Federal funds will be used on any project and of any special conditions that are imposed upon the City through such Federal funding.
5. The Following are examples of provisions that may be included in a federally funded solicitation and contract award;

- a. Contract Remedies;
- b. Termination for Cause and Convenience;
- c. Equal Employment Opportunity;
- d. Contract Work Hours and Safety Standards Act;
- e. Clean Air Act and the Federal Water Pollution Control Act;
- f. Debarment and Suspension;
- g. Byrd Anti-Lobbying Amendment;
- h. Procurement of Recovered Materials;
- i. Prohibition on Contracting Telecommunications Equipment or Services, and
- j. Domestic Preferences for Procurements.

6. See Attachment 3 for additional procurement requirements.

SECTION 31 – PROCUREMENT CHALLENGE

31.01 - General – Procurement Challenge

A competitive procurement award recommendation may be challenged on the grounds of material irregularities in the procurement procedure, or material irregularities in the evaluation of the response.

In the first instance, a potential respondent to a solicitation may file a complaint about the contents of the document, including the specifications, terms, conditions, methods of ranking bids or offers, or scope of work. Additionally, a respondent can object on the basis that the procurement process was not legal or properly followed. Under the second instance, a respondent can object to the outcome of the evaluation of the bids or proposals or can object based on an improper evaluation process.

31.02 - Time Requirements for a Challenge

1. To initiate a challenge, the respondent must file a notice of intent to challenge the procurement in writing with the Procurement Services Department within three (3) business days of posting of the notice of intent to award in accordance with Section 14.07.
2. A formal written procurement challenge shall be filed within three (3) business days in the City Administrator’s office, after the date on which the notice of intent to challenge has been submitted.
3. Saturdays, Sundays, and state holidays are excluded in the computation of the time periods related to the challenge process.

31.03 - Untimeliness of Challenge and Standing

Failure to file a timely notice of intent to challenge, or failure to file a timely formal written procurement challenge shall constitute a waiver of procurement challenge proceedings. Respondents who do not submit a legitimate response to the competitive procurement challenge shall constitute a waiver of procurement challenge proceedings. Respondents who do not submit a legitimate response to the competitive procurement do not have standing to file a protest. Furthermore, respondents who would not be awarded the subject contract, even if the protest were successful, lack standing.

31.04 - Contents of the Notice of Intent to Challenge and Formal Written Challenge

1. The notice of intent to challenge shall contain at a minimum: the name of the respondent, the respondent’s address, e-mail address, fax number and phone number, the name of the respondent’s representative to

whom notices may be sent, the name and procurement number of the competitive procurement, and a brief factual summary of the basis of the intended challenge.

2. The formal written challenge shall contain at a minimum:
 - a. The identification of the petitioner, including the petitioner's e-mail address, if any, for the transmittal of subsequent documents by electronic means.
 - b. A statement of when and how the petitioner received notice of the City's action or proposed action.
 - c. An explanation of how the petitioner's substantial interests are or will be affected by the action or proposed action.
 - d. A statement of all material facts disputed by the petitioner or a statement that there are no disputed facts.
 - e. A statement of the ultimate facts alleged, including a statement of the specific facts the petitioner contends warrant reversal or modification of the City's proposed action.
 - f. A statement of the specific rules, ordinances, or statutes that the petitioner contends require reversal or modification of the City's proposed action, including an explanation of how the alleged facts relate to the specific rules, ordinances, or statutes.
 - g. A statement of the relief sought by the petitioner, precisely stating the action petitioner wishes the City to take with respect to the proposed action.
 - h. The name, address, e-mail address, and telephone number of the party making the request and the name, address, and telephone number of the party's counsel or qualified representative upon whom service of decisions and other papers shall be made.
 - i. Challenge bonds are required for all formal written bid or proposal challenges. The challenge bond shall be the greater of \$25,000 or the amount of the bid or proposal indicated by the City as the recipient of an intended contract award. A challenge bond is not required to be filed with the notice of intent to challenge, however it is required to be filed with the formal written challenge. If the bond is not filed with the formal written challenge, it must be submitted to the Purchasing Director within the three (3) day filing period allowed for the formal written challenge.
 - j. Failure by the actual or prospective respondent to file a written notice of challenge or a formal written challenge with a bond in the form set forth by the City shall constitute an absolute waiver of proceedings under this policy and a waiver of any challenges or protests by any person.
3. Challenges must be filed with the Purchasing Director for resolution on behalf of the City.

31.05 - Agency Action/Determination for a Challenge

The City Manager shall, within ten (10) business days of receipt of the formal written challenge, cause the challenge to be reviewed and provide a written recommendation as to the challenge. In the event the challenge is not resolved, the Council shall, within a reasonable time, be presented with the written challenge and the City Manager's analysis and recommendation to the challenge prior to award of the contract. The Council shall consider the challenge and the City Manager's analysis and recommendation and issue a written determination as to the challenge. The Council's decision shall constitute final agency action.

31.06 - Tolling of Procurement Process and Exceptions

1. The procurement subject to the protest shall not proceed until a final decision is made; unless the Council makes a determination that the contract must proceed without delay to protect the interest of the City.
2. Nothing herein relinquishes the City's right to waive irregularities and formalities in accordance with its procurement package and instructions. Further, nothing herein shall create any rights in the unsuccessful

challenger.

SECTION 32 – SELECTION COMMITTEE

1. For purposes of reviewing Requests for Qualifications, Requests for Proposals, and Invitations to Negotiate responses, a selection committee shall review, score, and rank the responses and make recommendations to the Council.
2. The Procurement Director shall distribute responses determined to be responsive and responsible along with the published solicitation, addenda, and the scoring sheets to the committee members.
3. The City Manager, in consultation with appropriate City staff (such as the Purchasing Director, Department Director, Project Manager, or the City Attorney) will approve the selection committee. Should the City Manager be appointed to the selection committee, the Mayor, in consultation with appropriate City staff (such as the Purchasing Director, Department Director, Project Manager, or the City Attorney) will approve the selection committee. The committee shall be comprised of no less than three (3) and not more than seven (7) members. A majority of members shall constitute a quorum. Committee appointees will be required to sign a Conflict of Interest form. See # 9 Below. The Purchasing Director shall not serve on selection committees to avoid conflict with their administrative role in procurement matters.
4. Each committee member will independently review and score each response based upon the evaluation criteria established in the solicitation and will provide a written score for each response evaluated on the provided scoresheet. The written scores from each committee member will be collected by the Purchasing Director or designee prior to the scheduled review and ranking committee meeting where committee scores are tabulated. The tabulated scores will read aloud and recorded at this meeting.
5. Selection committee shall meet as needed to review procurements and a quorum is required to take any official action. All meetings of the selection committee shall be advertised, open to the Public, and have minutes recorded.
6. The Council may establish a separate selection committee to review any particular procurement in lieu of the procurement selection committee.
7. If necessary, the selection committee may require proposers to conduct presentations to provide clarification or explanation of their proposed solutions.
8. If a selection committee requests presentations by respondents to a competitive solicitation, it may identify any particular topics it would like to be covered in the presentations, and the Purchasing Director or their designee shall notify the invitees of those topics when notifying them of the date, time, and place for the presentations. In accordance with section 286.0113(2)(b), Florida Statutes, portions of meetings at which a respondent makes a presentation or answers questions are exempt from the open meetings requirement of section 286.011, Florida Statutes, and section 24(b), Article I of the Florida Constitution.
9. Selection committee members shall avoid any real or apparent conflicts of interest in selecting or awarding contracts. No employee, officer, or agent may participate in any procurement action in which they, a family member, partner, or organization with which they are affiliated, have a financial or other interest that could influence their actions. Violations of this standard may result in disciplinary action, up to and including termination. This standard of conduct applies to all employees, officers, and agents involved in selecting, awarding, or administering contracts funded by Federal awards. It establishes expectations to prevent conflicts of interest and ensure integrity, transparency, and fairness in procurement.

10. Employees involved in procurement must disclose any potential conflict of interest to their supervisor and Purchasing Director immediately upon identification. This includes any financial or personal interests that could appear to influence the employee's decisions.

PART 3 – CONTRACTS AND PURCHASE ORDERS

SECTION 33 - GUIDELINES OF USE CONTRACTS, PURCHASE ORDERS, CHANGE ORDERS, CONTRACT AMENDMENTS, and TASK ORDERS

All procurements will require a contract and/or purchase order with the vendor. The following provides guidance as to when each method shall be utilized:

1. Purchase order. A purchase order is issued for any requisitioned items, either separately or in conjunction with a contract. A purchase order is used to authorize a vendor to proceed with the purchase of goods, services and/or construction as specified, and obligated the City for payment. The purchase order is used in support of other contracts or by itself to establish legal financial obligations. A purchase order may result from any type of procurement. A purchase order shall be issued upon receipt of an acceptable, authorized requisition, after having justification, proper procurement as per the thresholds set forth in Table 1 and after confirming the availability of funding. A purchase order is issued only after a requisition has been completed and approved. The purchase order must be written so that all pertinent information is clear, concise and complete therefore preventing any unnecessary misunderstandings with the vendor.
2. Contract (written contract). A written contract, as described below, is used when engaging in construction, purchasing of goods and/or services where a purchase order is not adequate to describe all the terms and conditions, and is required to be executed by both parties. A purchase order, as described above, may be used as backup to a contract and processed as encumbrance of funds. The Purchasing Director, City Attorney, City Manager, and/or Council must approve the written contract where applicable per this Procurement Manual. A contract refers to a written document, between the supplier, contractor, and/or vendor and the City. This document establishes the legal working relationship between the two parties. It specifies everything that is to be provided: what, when, where, how much, how many, what size, what color, how delivered, where delivered, etc. It specifies how and when payments of goods and services are to be made, maintenance terms, guaranties, etc. The contract establishes in advance the ground rules of the terms and conditions.
3. Change order or contract amendment. A change order or contract amendment is processed whenever a change to the original agreement is necessary. Change orders or contract amendments are completed for modifications to scope, descriptions, unit cost, quantities, completion times etc. Change orders and contract amendments must be executed by the authorized individual pursuant to the Table 1 who approved and executed the original purchase order or contract, unless it is a construction contract as further detailed in subsection D below or unless the change order or contract amendment increases the total dollar amount to such a level that in accordance with Table 1, it shifts to another authorized individual/entity (the approval authority). In such instances the change order or contract amendment may be approved and executed by the new authorized individual/entity pursuant to Table 1. Change orders and contract amendments shall not be used to avoid any standard purchasing procedure for procurement by the competitive procedures. The change order and contract amendment must be clearly and concisely defined with justification provided as to why the change is being requested.
 - a. For purposes of construction contracts, It shall not be required to have a change order executed by the individual who approved the original purchase order or contract if such change order includes changes in the Work not involving an adjustment to the Contract Amount or an extension to the Contract Time that would cumulatively exceed ten percent (10%) of the

Contract amount or the Original Contract Time. Such changes shall be effective once executed by the individual authorized pursuant to Table 1.

4. Task orders. A task order is processed whenever there exists new work to be assigned under an existing contract previously approved; many times, these involve consultant and engineering contracts. All task orders require a written request which has been reviewed and signed signifying approval by the issuing department's director and the contractor/vendor. Approval shall be pursuant to the threshold level for authorization and requires contract coordination where any terms and conditions differentiate from those set forth in the original contract. All task orders must contain a clearly defined and detailed scope of work must not exceed the terms and conditions of the approved contract, unless otherwise approved by the Council. Task order approvals must follow the threshold guidelines.
5. All contracts shall be in a form approved by the City Attorney.
6. All construction contracts for which the estimated construction cost exceeds \$1 Million shall include a liquidated damages provision. In case of failure on the part of the Contractor to complete the work within the time(s) specified in the contract, or within such additional time(s) as may be granted by the City, the City will suffer damage, the amount of which may be difficult, if not impossible, to ascertain. Therefore, the Contractor shall pay to the City, as liquidated damages, the amount consistent with the schedule of Liquidated Damages produced by the FDOT which may be amended from time to time. The amount of liquidated damages that shall be assessed for contract amounts exceeding \$10,000,000 shall be capped at the FDOT daily rate for contract amounts of \$10,000,000 but less than \$20,000,000. Exceptions to the use of the FDOT schedule of Liquidated Damages is authorized if identified and required by any participating funding agency or if approved on a case-by-case basis provided there is sufficient justification demonstrating that the anticipated costs experienced by a project delay or other contract breach justifies a greater or lesser daily liquidated damages amount. Exceptions must be approved in writing by the City Attorney and the City Manager.

SECTION 34 - PURCHASE ORDERS GENERAL

1. A purchase order is prepared for any requisitioned items, regardless as to whether or not a contract is also involved, with the exception of the Purchasing Card purchases and those purchases defined as direct pay.
2. A completed purchase order shall be made available electronically for the Finance Department, the issuing Department, and an electronic copy will be kept on file by the Procurement Services Department.
3. The Procurement Services Department has the responsibility to review the purchase order and shall determine that the expenditure serves a public purpose, that the necessary approvals and procedures for the expenditure have been complied with and that the issuing department has certified that funds are available for the purchase. The funds are encumbered and obligated at this point in the purchasing process.
4. Purchase orders may be amended to reflect any changes that may have been necessary during delivery of a commodity, supply or service. The increase/decrease shall be approved based on the thresholds defined in Table 1.

SECTION 35 - CONTRACTS GENERAL

1. When reasonably feasible, contracts will be drafted in a format established by the City Attorney in conjunction with the Procurement Services Department. Contracts will be initially drafted prior to

advertisement of the procurement and attached as part of the procurement packet.

2. It is the responsibility of the issuing departments to submit the following information to the Procurement Services Department:
 - a. The scope (including, but not limited to, technical details, and projected compensation amounts);
 - b. The proposed term of the contract; and
 - c. If any, the proposed renewal term of the contract.
3. Once in receipt of the required information, the Procurement Services Department shall draft a proposed contract, in an approved form, to be submitted as part of the procurement.
4. Once procurement has been awarded, any necessary changes to the proposed contract shall be made by the Procurement Services Department in coordination with the issuing department during the contract negotiation process. Once the contract is in final draft form, the Procurement Services Department shall coordinate with the City Attorney and City Manager for review and approval of the contract. No contract shall be signed by the vendor prior to contract coordination approval.
5. The Procurement Services Department shall establish a central repository of all City contracts, leases, and non-grant agreements in the Procurement Services Department.
6. It shall be the responsibility of the individual departments to assign a department monitor for each of the department's agreements, and serve as point-of-contact throughout the term of the agreement. Administration of the agreement rests with the issuing Department.
7. All continuing contracts shall clearly set forth a defined term and such term may not exceed five (5) years plus a ninety (120) day extension period if allowed by contract to allow for completion of services or re-bid process. Contract terms exceeding the aforementioned term require Council approval. Contracts utilizing FTA funding shall not exceed five (5) years. All continuing contracts shall clearly set forth a total maximum contract value. Such maximum value may be exceeded to allow for completion of a project or re-bid process if approved through an amendment process.

SECTION 36 – DUTIES AND RESPONSIBILITIES ASSIGNED FOR CONTRACTS

36.01 - Procurement Services Department Responsibilities

1. Maintain a central repository of all City contracts, leases and non-grant agreements.
2. Assign a unique contract/lease control number; refer to Contract Control Number form in Form Appendices.
3. Create and maintain a file of approved agreements in contract/lease control number sequence. This information will be available on-line to the public and departments.
4. Prepare and file Contract, Lease, and Agreement Control Form. Conduct periodic reviews to maintain accuracy.
5. Establish and update agreements in the Contracts/Lease database.
6. File all related correspondence in the repository file with copies forwarded to the Clerk's Records Office and department monitor.

7. Assist City issuing departments in the administration and maintenance of agreements.
8. Coordinate contract/lease agreement through the departmental review process and actively pursue timely corrections as required.
9. Review all Council agendas and minutes to determine repository action (if appropriate).
10. Generate, as necessary, correspondence and inquiries required to maintain the integrity of the repository. Issuing department monitors will be initial points of contact.
11. Review repository lease and agreement insurance certificates to ensure valid policy effective dates. If expired, request in writing, a department monitor to contact contractor/lessee to obtain a current compliant Certificate of Insurance from the contractor or lessee.
 - a. In the event a portion of an invoice submitted to the City for payment is disputed, payment for the disputed amount may be withheld pending resolution of the dispute, and the remainder of the invoice may be processed for payment without regard to that portion which is in dispute.
12. Close out agreement in database upon notification of approved final payment.
13. Participate, as required, in audits and the resolution of issues raised in those audits.
14. Maintain an automated computer insurance certificate database in Contract Number Order.
15. Maintain close liaison with the Clerk's Records Office to ensure the integrity of the original files and the repository.
16. Responsible for recording Performance/Payments Bonds and Notice of Commencement with the City Clerk and making distribution upon completion.
17. Responsible for coordinating and reviewing the final contract payment and closeout documents prior to Council approval. Closeout documents will be forwarded to the Finance Department for financial review and submission to the City Manager for inclusion in the Council Agenda (if approval threshold requires).
18. Attend Pre-bid conference.
19. Responsible for coordinating and reviewing all task orders assigned by departments to existing contracts.

36.02 - Issuing Department Responsibilities

1. Ensure agreements, amendments and change orders are properly authorized by the Council, City Manager or Purchasing Director using the appropriate authorizing thresholds and forms provided herein.
2. Assign a department monitor for each department-initiated agreement to serve as point-of- contact throughout the term of the agreement.
3. Administration of the agreement rests with the issuing City Department.
4. Serve as liaison with the contractor or lessee or subrecipient.

5. Point of contact for all agreement questions, concerns and initial correspondence.
6. Assure that standard contract/lease insurance terminology is included in agreement and any other requirements noted by the City Manager, and Grant Manager if applicable.
7. Ensure appropriate administrative controls and monitoring procedures are in place to oversee agreement compliance. Periodic inspections shall be conducted as an integral part of the monitoring procedures.
8. Attend meetings as applicable with contractor or lessee, such as pre-construction conference, progress meetings, job conferences and other related agreement meetings.
9. Review progress schedule. Conduct on-site observations of the work/service.
10. Maintain a log as applicable, recording contractor hours on the job site, weather conditions, data relative to questions of work directive changes and change orders.
11. Monitor contractor completion of work in accordance with the agreement for the price found in the bid prior to certifying invoices for payment.
12. Review contractor change orders, if allowable, forward to Department Director for approval and submission to the Council, City Manager or Purchasing Director or their designee for approval pursuant to the approval authority contained in this Manual.
13. Notify Procurement Services Department of agreement completion.
14. Liaison with Procurement Services Department and contractor providing service/work regarding contract or lease performance, operational requirements and monitoring as applicable
15. Ensure project is conducted in accordance with the approved agreement.
16. Provide, as required, supporting agreement documentation to Procurement Services Department for inclusion into the repository file and originals to Clerk's Records Office.

36.03 - City Attorney Responsibilities

Review all contracts, leases and agreements for legal sufficiency and to assure that the City is in compliance with Federal, State, and local rules and regulations.

36.04 – Purchasing Director Responsibilities

Review all agreements to ensure:

- a. Agreements incorporate the necessary insurance and bonding requirements.
- b. Purchased insurance and bonding policies provide the nature and scope of coverage intended.
- c. If specific coverage is unavailable, may approve alternate policy or assurances.
- d. If discrepancies exist, will resolve discrepancies with Department Monitor.

SECTION 37 - CLOSE OUT OF CONTRACT PROCEDURES

Upon project completion, the issuing department must review the contract closeout requirements. Submission of the closeout “package” must be forwarded to the Purchasing Director prior to approval. The package will consist of:

- a. Final Invoice;

- b. Completed Contract Payment Form Marked “Final” and
- c. Required Closeout documents as specified in the contract.

PART 4 – BONDS AND INSURANCE

SECTION 38 - BID BONDS

1. All bidders are required to submit a bid bond (when deemed by the Purchasing Director or designee to be in the best interest of the City) in the form of a cashier’s, certified check or paper bid bond in the amount of 5% of their total bid.
2. The bid bond shall be attached to the electronic bid submittal. Cashiers, certified check, and original paper bond shall be mailed and received by the Procurement Services Department within 48 hours of bid opening.
3. Unsuccessful bidders shall be entitled to full return of their bid bond.
4. Upon determination by the Council, the successful bidder shall forfeit its bid bond or a portion thereof, upon failure to enter into a contract or failure to act on the purchase order issued after the bid award date.
5. The release of any bid bond shall be determined by the Purchasing Director.

SECTION 39 – SUPPLY, PAYMENT AND PERFORMANCE BONDS

1. When a construction project is less than Two Hundred Thousand dollars (\$200,000), the City may require a payment and performance bond.
2. When a construction project is Two Hundred Thousand dollars (\$200,000) or more (\$100,000 or more for FTA/Federally funded procurements), a payment and performance bond shall be required. The conditions of the payment and performance bonds shall be set forth in the City’s standard contract. Approval of such bonds is subject to compliance with the written standards for sureties developed and approved by the Finance Director.
3. All bonds shall be written by a surety with no less than an “A” rating by a national rating agency. All sureties must be on the U.S. Department of Treasury’s Listing of Approved Sureties (Department Circular 570) and bonds must be within the Treasury’s underwriting limitation.
4. A copy of all bonds must be delivered to the Procurement Services Department prior to the City executing the contract. Once the contract has been executed by all parties, the vendor must record the bonds in the official records with the City Clerk. A certified copy of the recorded bond(s) must be provided to the Procurement Services Department no later than fourteen (14) days after the contract is fully executed.

SECTION 40 - INSURANCE REQUIREMENTS

1. Insurance policies for procurements shall be required as established by the Purchasing Director.
2. All insurance policies shall be with insurers licensed in the State of Florida with a minimum Rating of A+, Class X or higher in the Bests Key Rating Guide.
3. All policies shall be written such that the City will be notified in writing of cancellation or amendment at least 30 days prior to effective date of cancellation or amendment.

4. The certificate holder shall be the City of Niceville.
5. Procurement Services Department shall be furnished Certificates of Insurance prior to commencement of any work or lease execution. The City shall retain the right to reject all insurance contracts that do not meet our requirements. The contract, lease or agreement will not be fully executed until all insurance requirements are met.
6. The City matches insurance requirements to the risk exposure. Consult the contract, lease or agreement for specific insurance types and limits required.
7. The City reserves the right to amend the insurance requirements upon 60-days' notice to affected third party.
8. All liability insurance shall be written on an occurrence basis only.
9. Statutory limits must be indicated for worker's compensation.
10. Contractor shall purchase and maintain in force insurance as required by and for the life of the contract, lease or agreement.

PART 5 – FEDERALLY FUNDED PROCUREMENTS

SECTION 41 - FEDERALLY FUNDED PROCUREMENTS

41.01 - General, Federal Funding Procurements

Purchases utilizing Federal Transit Administration (FTA), Federal Emergency Management Agency (FEMA) or other Federal funds must conform to applicable Federal law, including: [2 CFR Part 1201](#) incorporating [2 CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"](#) and comply with all requirements of [FTA Circular C 4220.1F](#), as amended from time to time. Contracts utilizing Federal funds shall include all required Federal contract clauses (see Appendix 3, Exhibit L).

41.02 - Solicitation Prohibitions

Solicitation requirements may not contain features that unduly restrict competition including, but not limited to:

1. Imposing unreasonable business requirements/qualifications for bidders or offerors.
2. Imposing unnecessary experience requirements for bidders and offerors.
3. Using prequalification procedures (except in the case of qualifications-based procurement for Architect/Engineer services).
4. Making a noncompetitive award to any person or firm on a retainer contract with the recipient if the award is not for the property or services specified for delivery under the retainer contract.
5. Excessive Bonding shall not be permitted. Bid bonds and payment performance bonds shall be required for construction projects in excess of the Federal small purchase threshold only.
6. Specifying only a "brand name" product without allowing offers of "an equal" product, or allowing "an equal" product, or allowing "an equal" product without listing the salient characteristics that the "equal" product must meet to be acceptable for award.

7. Specifying in-State or local geographical preferences, or evaluating bids or proposals in light of in-State or local geographical preferences, even if those preferences are imposed by State or local laws or regulations. In particular, [49 U.S.C. Section 5325 \(i\)](#) prohibits an FTA recipient from limiting its bus purchases to in-State dealers.
8. Supporting or acquiescing in noncompetitive pricing practices between firms or between affiliated companies including acceptance of submission of identical bid prices for the same products by the same group of firms, or an unnatural pattern of awards that had the cumulative effect of apportioning work among a fixed group of bidders or offerors.
9. Taking any arbitrary action in the procurement process.

41.03 - Pre-procurement

1. The **Procurement Decision Matrix** (Appendix 3, Exhibit A) shall be used to determine the most efficient and economical method of purchase.
2. An **Independent Cost Estimate** (Appendix 3, Exhibit B) is required prior to bidding for all Federally grant funded purchases over the Simplified Acquisition Threshold and can be obtained by:
 - a. Design/engineering firm or in-house technical staff for construction work;
 - b. Published price lists or past pricing with inflation factors; and
 - c. Independent third-party staff member not impacted by the final procurement.
3. **Statement of Work Template** (Appendix 3, Exhibit C) shall be completed for all piggyback purchases.
4. The **Piggybacking Checklist** (Appendix 3, Exhibit D) shall be completed for all piggyback purchases. Vendor shall be checked for Conflict of Interest to piggyback purchase.
5. A **Sole Source Justification Form** (Appendix 3, Exhibit E) and Cost Analysis (Appendix 3, Exhibit F) is required for all sole source purchases. Sole sourcing shall be allowed if:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
6. A review of proposed procurements shall be conducted to avoid purchase of unnecessary or duplicative items and to ensure an economic purchase. This may include breaking out or combining purchases, or using annual contracts and performing a lease versus buy analyses to ensure the most economical approach.
7. Qualification based procurements shall be acquired in accordance with [The Brooks Act, 40 U.S.C. 11](#), et seq.

41.04 – Procurement

1. The City shall ensure that adequate competition exists by confirming that responsible bidders are willing

and able to compete effectively for the business.

2. A **Cost Analysis** (Appendix 3, Exhibit F) is required for all State grant funded procurements over \$35,000 [per Florida Statutes 287.055(5)(a)].
3. **Price Analysis** (Appendix 3, Exhibit G) and/or **Fair and Reasonable Price Determination** (Appendix 3, Exhibit H) shall be completed prior to purchase as well as a **Procurement Summary** (Appendix 3, Exhibit I). The City shall rely on [FAR Part 31](#), Contract Cost Principles and Procedures, and 2 C.F.R. 200.324 (a) for allowable costs. In general, costs must be necessary and reasonable, allocable to the project, authorized or not prohibited by Federal law or regulation, and must comply with Federal cost principles applicable to the recipient.
4. Advertisement shall be once in a newspaper of general circulation in the City not later than the fourteenth day before the day set for receipt of bids.

41.05 - Post-Bidding

1. Buy America pre and post-delivery audits are required for purchase of rolling stock greater than \$100,000.
2. A **Responsibility Determination Form** (Appendix 3, Exhibit J) and reference check form shall be completed prior to the recommendation for award in order to consider whether the bidder meets the standards of qualification. Factors to be considered shall include whether the bidder has the following:
 - a. The appropriate financial, material, equipment, facility, and personnel resources and expertise available or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;
 - b. A satisfactory record of performance;
 - c. A satisfactory record of integrity;
 - d. Ability to get bonding and insurance;
 - e. The legal ability to contract with the City;
 - f. Supplied all necessary information in connection with the inquiry concerning responsibility including, but not limited to licenses, permits, or organization papers required;
 - g. Satisfactory status with the City;
 - h. No conflict of interest. An organizational conflict of interest exists, when any of the following occur:
 - i. Because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice;
 - ii. A contractor's objectivity in performing the contract work is or might be otherwise impaired; or
 - iii. The contractor has an unfair competitive advantage.

41.06 - Contracts

1. **Contract Administration.** All contracts shall include provisions adequate to form a sound and complete agreement which shall comply with Federal laws and regulations and include all required Federal contract provisions to ensure compliance with those laws and regulations.
2. The Contract Administration procedures in Appendix 3 shall be followed for all Federally funded contracts.
3. The Procurement History File Checklist (Appendix 3) shall be used to ensure proper contract

administration including, but not limited to:

- a. The executed contract and notice of award;
 - b. Performance and payment bonds, bond-related documentation, and correspondence with any sureties;
 - c. Contract-required insurance documentation;
 - d. Post-award (pre-performance) correspondence from or to the contractor or other Government agencies;
 - e. Notice to proceed;
 - f. Approvals or disapprovals of contract submittals required by the contract and requests for waivers or deviations from contractual requirements;
 - g. Modifications/changes to the contracts including the rationale for the change, change orders or amendments issued, and documentation reflecting any time and or increases to or decreases from the contract price as a result of those modifications;
 - h. Documentation regarding settlement of claims and disputes including, as appropriate, results of audit and legal reviews of the claims and approval by the proper authority of the settlement amount;
 - i. Documentation regarding stop work and suspension of work orders and termination actions (convenience as well as default); and
 - j. Documentation relating to contract closeout.
4. The Contract Clause Matrix (Appendix 3) shall be used to determine Federally Required Contract Clauses (Appendix 3) to be included with each contract.
 5. Time and Materials contracts shall only be allowed, in the following instances:
 - a. After determination that no other contract type is suitable,
 - b. The contract specifies a ceiling price that the contractor may not exceed except at its own risk.
 6. Davis-Bacon prevailing wage and hour restrictions shall apply to all construction contracts exceeding \$2,000.
 7. Cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be allowed.
 8. A change order/amendment review checklist (Appendix 3) shall be completed for all Contract Change Orders/Amendments. All out-of-scope Contract Change Orders/Amendments shall include the following:
 - a. An independent estimate and cost analysis prepared by the Architect/Engineer or Project Manager,
 - b. The contractor's proposal,
 - c. Meeting minutes discussing the change order and written evidence of negotiations,
 - d. Evidence of Council approval prior to initiation of work (if applicable),
 - e. Change order form signed by all parties.

Cardinal Changes (tag-on) defined as a change which cannot be redressed within the contract (base and option) as it was not bargained for when originally advertised, competed, and awarded, whether for the use of the buyer or for others, and then treating the add-on portion as though it met the requirements of competition shall not be allowed.

9. Revenue Contracts. A revenue contract is a contract in which the City or sub-recipient provides access to public transportation assets for the primary purpose of either producing revenues in connection with an activity related to public transportation, or creating business opportunities with the use of FTA assisted property. The City shall provide opportunities as follows:
 - a. Limited Contract. If there are several potential competitors for a limited opportunity (such as advertising space on the side of a bus), then the recipient should use a competitive process to permit interested parties an equal chance to obtain that limited opportunity.
 - b. Open Contract. If, however, one party seeks access to a public transportation asset (such as a utility that might seek cable access in a subway system), and the recipient is willing and able to provide contracts or licenses to other parties similarly situated (since there is room for a substantial number of such cables without interfering with transit operations), then competition would not be necessary because the opportunity to obtain contracts or licenses is open to all similar parties.

The requirements for competitive selection procedures apply to all business opportunities including all revenue generating contracts. The competitive process may consist of a formal bid or proposal process and the City shall document how competitive requirements were met.

10. Options. Contracts may include options to ensure the future availability of property or services, so long as the recipient is able to justify those options as needed for its purposes. An option to unilateral right in a contract by which, for a specified time, a recipient may acquire additional equipment, supplies, or services than originally procured. An option may also extend the term of the contract.

41.07 - Protest Procedures

The procedure outlined in Section 31 shall be followed. The granting agency (for example: the FTA) shall be notified in writing within seventy-two (72) hours or receipt of a protest in instances when all or part of the funding for the contract is by the granting agency. The granting agency shall be copied on all subsequent responses to the protest and appeals filed in accordance with this Section.

SECTION 42 – CONFLICT OF INTEREST

42.01 – Standard of Conduct

1. This Standard of Conduct applies to all elected officials, employees, immediate family members, City officers, and agents involved in selecting, awarding, or administering contracts funded by Federal awards. It establishes expectations to prevent conflicts of interest and ensure integrity, transparency, and fairness in procurement.
2. A conflict of interest exists when an individual’s personal interests could improperly influence their judgment, decisions, or actions in conducting organizational duties.
3. Elected officials and employees must avoid any real or apparent conflicts of interest in selecting or awarding contracts. No elected official, employee, officer, or agent may participate in any procurement action in which they, a family member, partner, or organization with which they are affiliated, have a financial or other interest that could influence their actions. Violations of this standard may result in disciplinary action, up to and including termination.

SECTION 43 – DEFINITIONS

The following terms defined in this section shall have the meanings set forth below whenever they appear in this Manual:

ADVERTISEMENT – is a public announcement inviting responses for services to be performed or materials to be furnished.

AGREEMENT – includes all types of agreements, regardless of what it may be called, that involve the purchase or disposal of supplies, services, materials, equipment, or construction.

AUDIT – is an official inspection of an individual’s or organization’s accounts, either by the City or its designee.

AWARD – is the acceptance, by the City, of the successful bidder, respondent or contractor’s proposal.

BEST AND FINAL OFFER- may be used at the end of a competitive negotiation to obtain the proposer’s most favorable terms for price, service or product to be delivered. May be used in the request for proposal and invitation to negotiate process.

BID, PROPOSAL or QUOTATION – is an offer specifically given to the City in response to an Invitation.

BIDDER – is any individual, partnership, firm or corporation, acting directly or through a duly authorized representative, sole proprietor, joint venture, or any other legal entity, who submits a bid or proposal for the goods or services contemplated.

BIDDING DOCUMENTS – is the Advertisement or Invitation to Bid, instruction to bidders, the bid form and the proposed contract documents, including all addenda issued prior to receipt of bids.

BIDDING REQUIREMENTS – is the Advertisement or Invitation to Bid, instruction to bidders and the bid forms.

BLANKET ORDER – is a purchase order with a supplier to allow multiple delivery dates over a period of time, often negotiated to take advantage of predetermined pricing. It is normally used when there is a recurring need for expendable goods.

BONDS – are performance, payment, challenge, and supply bonds and other instruments of surety.

BRAND NAME OR EQUIVALENT SPECIFICATION – is a specification limited to one or more items by, for example, manufacturers’ names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet the City requirements and which provide for the submission of equivalent products.

BUSINESS – is any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

CCNA – is Consultants’ Competitive Negotiations Act per section [287.055, Florida Statutes](#).

CENTRAL REPOSITORY – is a file system of all fully executed contracts, leases and non-grant agreements maintained in auditable format.

CERTIFICATES OF COMPLIANCE – is a written statement by the manufacturer stating the material furnished is in conformance with the work specifications. Also called a certificate of conformity or certificate of conformance.

CHANGE ORDERS – is a document, which amends the scope of, or corrects errors, omissions, or discrepancies in an agreement or purchase order, which is signed by the Contractor and approved in accordance with authorization levels.

CITY – is the City of Niceville, Florida. The City Council retains the authority to enter into all contracts on behalf of the City within the City’s proper name.

CLERK’S RECORDS OFFICE – is the section under the City Clerk that maintains a repository of all original contracts and grant documents.

COMMODITY – is a product, goods or materials that the City may contract for or purchase for the use and benefit of the City. A specific item, which is different from the rendering of time and effort by a provider.

COMPETITIVE SEALED BIDDING (Invitation to Bid) – is a written solicitation for sealed competitive bids used for the procurement of a commodity, group of commodities, or services valued more than the threshold for this category. The invitation to bid must be publicly advertised with the title, date, and hour of the public bid opening designated and specifically define the commodity, group of commodities, or services for which bids are sought. It includes instructions prescribing all conditions for bidding and shall be distributed to all prospective bidders simultaneously. The invitation to bid is used when the City is capable of specifically defining the scope of work for which a contractual service is required or when the City is capable of establishing precise specifications defining the actual commodity or group of commodities required.

CONSTRUCTION – is the process of building, attaining, repairing, improving, or demolishing any public structure or building, or other public improvement of any kind to any public real property. It does not include routine operation, routine repair, or routine maintenance of existing structures, buildings or real property.

CONTRACT – includes all types of legally enforceable agreements, regardless of what they may be called, for the purchase or disposal of supplies, services, materials, equipment, or construction and which describe the terms and obligations of the business transaction.

CONTRACT AMENDMENT OR MODIFICATION – is any alteration in specification, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

CONTRACTOR – is any person under contract with the City (not to include employment contracts).

CONTRACT/LEASE CONTROL NUMBER – is a systemized unique number assigned by Purchasing Staff to each fully executed contract, lease or agreement providing ready reference, status and totality of the agreement.

CONTRACT/LEASE DATABASE – is a computer automated file affording organized search and retrieval of contracts, agreements, and leases.

CONTRACTUAL SERVICES – is the rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors, and such services may include, but are not limited to: evaluations; consultations; maintenance; accounting; security; management systems; management consulting;

educational training programs; research and development studies or reports on the findings of consultants engaged thereunder; and professional, technical, and social services.

CONTRACTUAL SERVICES CONTRACT – is a contract for a contractor’s time and effort rather than the furnishing of specific commodities. Satisfactory completion of services and/or a specified period of time or date complete such contract.

COOPERATIVE PURCHASING – is a procurement conducted by, or on behalf of, more than one public procurement unit.

COST ANALYSIS – is the evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid, and costs to be reimbursed.

COUNCIL – is the City Council of the City of Niceville, Florida. The Council maintains the authority to enter into all agreements on behalf of the City under the City’s proper name.

DEPARTMENT MONITOR – is the Department Director, manager, or designee, responsible for monitoring compliance with terms and conditions, oversight, and review of contracts within the issuing/managing City Department.

DEFINITE QUANTITY CONTRACT – is a contract whereby the contractor(s) agree to furnish a specific quantity of an item or items at a specified price and time to specified locations. Delivery by the contractor and acceptance of the specific quantity by the City completes such contract.

EFFECTIVE DATE OF AGREEMENT – is the date indicated in the agreement on which it becomes effective.

EMERGENCY PURCHASE – is a purchase necessitated by a sudden unexpected turn of events (e.g., including but not limited to acts of God, riots, fires, floods, hurricanes, accidents, terrorism, or any circumstances or cause beyond the control of the agency in the normal conduct of its business) where the delay incident to competitive bidding would be detrimental to the interest of the City. It may also be a condition that stops or seriously impairs the necessary function of City government.

EMPLOYEE – is a full time, part time, or temporary employee, whether elected or non- elected. For the purposes of this Manual, it also includes any non-compensated individual performing services for the City.

ESTABLISHED CATALOG PRICE – is the price included in a catalog, price list, schedule, or other form that:

- a. Is regularly maintained by a manufacturer or contractor;
- b. Is either published or otherwise available for inspection by customers; and
- c. States prices at which sales are currently or were last made to a significant number of any categories of buyers or those buyers constituting the general buying public for the supplies or services involved.

EXPIRED FILES – are files of agreements where the time period fixed in the contract, lease or agreement has expired. Retention of expired files shall be in accordance with the State of Florida’s retention

schedules.

FINAL PAYMENT – is payment issued upon satisfactory completion and final close-out of agreement or lease.

FISCAL YEAR – is a twelve (12) month period of time to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The City’s fiscal year is from October 1 through September 30.

F.O.B. or (Free on Board) – is a term used in conjunction with an identified physical location to determine the responsibility and basis for payment of freight charges, and the point at which title for the shipment passes from seller to buyer.

FULLY EXECUTED AGREEMENT – is a contract, lease or agreement executed and approved by the appointed representative of both parties, submitted with all required supporting documentation, approved per appropriate threshold signature and signed by an official.

FUND – is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

GENERAL FIXED ASSETS – are fixed assets used in operations accounted for in governmental funds. General fixed assets include all fixed assets not accounted for in proprietary funds. For additional information on fixed assets, please see the Capital Asset Policy.

IMPROVEMENT – includes buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains and sewers. Sidewalks, curbing, sewers and highways are sometimes referred to as “betterment” but the term “improvements” is preferred.

INTENT TO AWARD – is a written notice that states the firm(s) to whom the City intends to award a contract resulting from a solicitation and which establishes the period in which a notice of intent to protest may be timely filed. The intended decision is posted on the City website and on the public notice board in the Procurement Services Department office.

INVENTORY OF SUPPLIES – is an asset account, which reflects the cost of supplies on hand for use in operations.

INVITATION TO BID (Competitive Sealed Bidding) – is a written solicitation for sealed competitive bids used for the procurement of a commodity, group of commodities, or services valued more than the threshold for this category. The invitation to bids must be publicly advertised with the title, location (physical or electronic), date, and hour of the public bid opening designated and specifically define the commodity, group of commodities, or services for which bids are sought. It includes instructions prescribing all conditions for bidding and shall be distributed to all prospective bidders simultaneously. The invitation to bids is used when the City is capable of specifically defining the scope of work for which a contractual service is required or when the City is capable of establishing precise specifications defining the actual commodity or group of commodities required.

INVITATION TO NEGOTIATE (ITN) – is a written solicitation that calls for responses to select one or

more persons or business entities with which to commence negotiations for procurement of commodities or contractual services.

INVITATION TO QUOTE (ITQ) – is a solicitation that calls for pricing information for purposes of competitively selecting and procuring commodities and contractual services.

IRREGULARITY – is any change or omission in an offer or contract that does not have an adverse effect on the City’s best interest, and does not affect the outcome of the source selection process by giving an offeror an advantage or benefit not enjoyed by any other offeror, and not inconsistent with applicable laws.

ISSUING DEPARTMENT – is the department for which the procurement documents (ITB, ITN, ITQ, RFP), agreement or lease is to be issued and where the agreement procedures are to be administered.

JOINT VENTURE – is (1) a combination of contractors performing a specific job in which business enterprises participate and share a percentage of the net profit or loss; or, (2) a joint business association of individual(s)/firm(s) to carry out a single business enterprise for which purpose the individuals/firms combine their property, money, efforts, skills and/or knowledge.

LEASE – is the written instrument in which the rightful possessor of real or tangible property (Lessor) conveys the right of use and/or to occupancy of property to another (Lessee) in exchange for consideration, usually in the form of rent.

LESSEE – is one who has a possessory interest in real or personal property under a lease.

LESSOR – is a person who conveys real or personal property by lease; esp., Landlord.

LIQUIDATED DAMAGES- Damages that are pre-set in amount by agreement of the parties contained in contract, contingent on the happening of a named event, usually late delivery by the contractor. The dollar amount must be reasonable and reflective of the probable loss to the City, and is not to be calculated as a penalty to the Contractor. Factors that may be considered in the determination of a daily rate include the anticipated cost of delays considering all project costs including project-related delays, project user costs, the loss of revenue caused by project delays, maintenance of traffic or detours and other similar costs.

MACHINERY AND EQUIPMENT – includes tangible property of a more or less permanent nature, other than land or buildings and improvements thereon. Examples are tools, trucks, cars, furniture, and furnishings.

MANUFACTURER – is a person or firm engaged in the process of making, fabricating, constructing, forming or assembling a product(s) from raw, unfinished, semi-finished, finished, or recycled materials through a direct contract/agreement on behalf of the general contractor.

MATERIAL MISTAKE – is any deviation or variance from the bid requirements or other mistake that gives one bidder a substantial advantage over other bidders. A non-material mistake is any mistake that does not affect the price, give one bidder an advantage or benefit not enjoyed by other bidders and does not adversely affect the interests of the City.

MICRO PURCHASE - is the procurement of commodities or services with a value within the thresholds set for this category without the requirement of quotes, or bids, from at least three (3) vendors. This is also

commonly referred to as a Small Purchase.

NOTICE OF COMMENCEMENT – is a notice recorded in accordance with [Section 713.13, F.S.](#) prior to the commencing or recommencing to improve any real property.

NOTICE OF AWARD – is the written notice by the Procurement Services Department to notify the successful respondent that the offer they submitted for the advertised work has been accepted, contingent upon written approval by the appropriate City designee as determined by the authorization thresholds.

NOTICE TO PROCEED – is a written notice given by the Procurement Services Department establishing the original date on which the work under the agreement/contract will commence. The Contractor shall begin to perform his/her obligation according to the agreement documents on the dates provided in the Notice to Proceed.

OFFER – is any bid, proposal or quotation made to the City.

OFFEROR – is any business submitting an offer to the City.

PURCHASING DIRECTOR – is the City employee designated as the Director of the Procurement Services Department who is duly authorized to enter into and administer contracts and make written determinations with respect thereto under the terms of this Manual.

OPTION TO RENEW – is a contract clause that allows a party to reinstate the contract for an additional term.

ORIGINAL – is the initial, non-reproduced, signed agreements, amendments, change orders and task orders, and any and all other documents that are required to be retained by the Clerk's Records Office.

PAYMENT BOND – is the approved form of security furnished by the Contractor and their surety as a guaranty that they will pay all bills and accounts for materials and labor used in the work or services.

PERFORMANCE BOND – is the approved form of security furnished by the Contractor and their surety as a guaranty that the Contractor will complete the work or service in accordance with the terms of the agreement.

PERSON – is any business, individual, committee, club, other organization or group of individuals.

PRE-BID CONFERENCE (or PRE-PROPOSAL CONFERENCE) – is a meeting held with prospective bidders prior to solicitation of, or the date of receipt of, bids or proposals, to discuss technical aspects, specifications, and standards relative to the subject, and to elicit expertise and bidders' interest in pursuing the task.

PROFESSIONAL SERVICES – may include any services provided by a licensed professional in a particular field or subject. As to Consultants' Competitive Negotiations Act (CCNA), professional services are defined as those services within the scope of the practice of architecture, professional engineering, landscaping architecture, or registered land surveying, as defined by the State of Florida, or those performed by any architect, professional engineer, landscape architect, or registered land surveyor in connection with his professional employment or practice.

PROPERTY – is any external thing over which the rights of possession, use and enjoyment are exercised.

PURCHASING CARDS (P-CARDS) – are City-issued credit cards to be used for small purchases of supplies or services within the single purchase limits established in this manual and the limit set by the Procurement Services Department .

PURCHASE ORDER – is the City’s official document issued separately or in conjunction with other documents such as a contract, which delineates the responsibilities of both parties in provisions of the payment of goods and services required by the City. The Purchase Order is also the mechanism by which budgetary and cash balances are encumbered in the City’s finance system.

PURCHASING – is buying, procuring, renting, leasing, or otherwise acquiring any materials, supplies, services, construction, or equipment. It also includes all functions that pertain to the obtaining of any material, supplies, services, construction, and equipment, including description of specifications and requirements, selection and solicitation resources, preparation and award of contract.

QUOTES –

- a. **VERBAL QUOTES** – is the procurement procedure used to purchase commodities or contractual services with a value within the threshold amounts. At least one quote must be obtained for each purchase.
- b. **WRITTEN QUOTES** – is the procurement procedure used to purchase commodities or contractual services with a value within the threshold amounts. Written Quotes are conducted by obtaining written quotations from three or more vendors. It does not require a public bid opening, and are awarded as per threshold limits and authorizations. In those instances where the securing of three (3) quotations is not practicable, requesting Department Director shall provide written justification of such. Written evidence of all quotations must be maintained. Screen captures are not acceptable quotes.

REAL PROPERTY – is land and anything growing on, attached to, or erected on it, excluding anything that may be severed without injury to the land. Real property can be either corporeal or incorporeal.

RECYCLED CONTENT – are materials that have been recycled and are contained in the products or materials to be procured, including, but not limited to, paper, plastic, aluminum, glass and composted materials. The term does not include internally generated scrap that is commonly used in industrial or manufacturing processes or waste or scrap purchased from another manufacturer who manufactures the same or a closely related product.

REGULATION– is a statement by the City having general or particular applicability and future effect, designed to implement, interpret, or prescribe law, policy or practice.

REQUEST FOR PROPOSALS (RFP) – is a written solicitation for sealed proposals with the title, date, and hour of public opening designated. The request for proposals is used when the scope of work, specifications, or contractual terms and conditions cannot be well defined. Evaluation of a response is based on prior established criteria which involves more than price. May be a single or multi-step process. May include a provision for the negotiation of a best and final offer. A request for proposal includes, but is not limited to, applicable laws and rules, functional or general specifications, statement of work, proposal instructions, and evaluation criteria.

REQUEST FOR QUALIFICATIONS (RFQ) – is a written solicitation for sealed qualifications with the title, date, and hour of public opening designated. The request for qualifications is used where the

specifications of required services are broad and specialized in nature. Evaluation of a response is based on prior established criteria which involves more than price.

REQUISITION – is a written request to have commodities or services purchased. A requisition can also be electronically entered in the city’s Electronic Resource Planning (ERP) software suite.

RESPONSIBLE BIDDER OR OFFEROR– is having the capability in all respects to perform fully the contract requirements and the experience, capacity, facilities, equipment, credit, sufficient qualified personnel, and having the integrity and reliability with a record of timely and acceptable past performance that will assure good faith performance.

RESPONDENT – is a person who replies to something: one who is supplying information or responding to an advertisement or solicitation/procurement.

RESPONSIVE BIDDER OR OFFEROR– is an individual, person, contractor, business or institution who has submitted a bid, which conforms in all material respects to the requirements and criteria set forth in the Invitation to Bid, Invitation to Negotiate or the Request for Proposals.

SERVICES – is the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than those which are not defined as supplies and which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.

SINGLE SOURCE – is a commodity or service that can be purchased from multiple sources, but in order to meet certain functional or performance requirements (e.g., parts matching existing equipment or materials) there is only one economically feasible source for the purchase.

SMALL PURCHASE – is the procurement of commodities or services with a value within the thresholds set for this category without the requirement of quotes, or bids, from at least three (3) vendors. (Also referred to as Micro Purchase).

SOLE SOURCE – is a commodity or service that can be legally purchased from only one source. This is usually due to the source owning patents and/or copyrights. A requirement for a particular proprietary item does not justify a sole source purchase, if, there is more than one potential supplier for that item. Use of Brand Names and Model numbers does not constitute a sole source.

SPECIFICATIONS – is any description of the physical or functional characteristics of the nature of a material, supply, service, construction, or equipment item. It may include a description of any requirement for inspection, testing, recycling or degradable materials content, or preparing a material, supply, service, construction, or equipment item for delivery.

SUBDIVIDING PROCUREMENTS – is the illegal act of submitting two or more purchases to the same vendor within a period of time in order to acquire goods and/or services over the limitations and requirements set forth.

SUCCESSFUL BIDDER – is the lowest, responsible and responsive bidder to whom the Procurement Services Department, based on evaluation, recommends award of the fully executed agreement.

SUPPLIER – is a person or firm who engages in the selling of materials and supplies to contractors, subcontractors, and/or manufacturers for the purpose of constructing, repairing, altering, remodeling,

adding to or subtracting from or improving any building, structure or property through a direct contract/agreement on behalf of the general contractor.

SUPPLY BOND – is a surety guarantee that the supplier will furnish supplies or material as contracted.

SURETY BOND – is a written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through default. For example, a surety bond might be required of an independent contractor. Surety bonds also include Fidelity Bonds covering governmental officials and employees.

SURPLUS PROPERTY – is any tangible personal property or real property interest owned by the City which has been declared by the City as obsolete or the continued use of which is uneconomical or inefficient or which serves no useful function as to any activity or location under the City’s supervision.

TASK ORDER – is synonymous with the term “new work” against an existing task-order specific contract, or a continuing services contract, approved by the City Council. Selected contractor will be given a scope of work by the managing department. Contractor will prepare and submit a written technical and cost proposal addressing the scope of work. The issuing department will review and negotiate the terms of the task order and forward the task order to the Procurement Services Department for authorization. The next consecutive task order number will be assigned and the document will be forwarded for the appropriate level of approval.

TANGIBLE PERSONAL PROPERTY – is personal property that can be seen, weighed, measured, felt or touched, or is in any way perceptible to the senses, such as furniture. It is not fixed in place and not an integral part of a structure or facility; and is not an integral part or component of another piece of equipment. The Tangible Personal Property Manual is available on the Procurement Services Department website.

TIE (IDENTICAL PROCUREMENT) – is when two or more responses to a procurement are equal with respect to price and it appears the quality and service offered by the vendors are otherwise comparable.

USING AGENCY – is any department, Department, agency, Council, committee, authority or other unit in the City government using supplies or procuring contractual services as provided for in this Manual.

VENDOR – (also known as a supplier) is an individual or business that will be or has been awarded a contract by the City.

APPENDICES

APPENDIX 1- PURCHASING CARD POLICY

A. - PURCHASING CARD POLICY AND PROCEEDURE

The City's Purchasing Card Program is designed to improve efficiency in processing low dollar purchases from vendors accepting the Purchasing Card (P-Card). This program will allow cardholders to purchase approved commodities and services directly from our vendors. P-cards may be used as an efficient and cost-effective means of paying for purchases of goods and services that do not exceed the limits set forth herein and that have otherwise been properly approved in accordance with these Policies. P-cards may be issued to City employees who frequently purchase goods or services for the City or who may need a card for after-hour calls and/or in the event of an emergency. The Procurement Services Department will implement and manage the program.

All questions, requests, or concerns related to this program shall be directed to the Procurement Services Department.

B. - ASSIGNMENT AND CONTROL OF THE PURCHASING CARD

1. All requests for P-cards shall be approved by the employee's Department Director, who will submit an electronic or written request to the Purchasing Director or their designee.
2. The Purchasing Director or their designee shall make arrangements with the City's bank or card issuer for issuance of a card to the employee with appropriate overall charging limits.
3. P-cards will be issued in the name of each individual and the City of Niceville.
4. The P-card will remain the property of the City of Niceville.
5. Requests for changes to current cardholders must be authorized by Department Directors. Such requests shall be submitted for review to the Procurement Services Department.
6. Each potential cardholder shall be required to complete the P-Card Training session, and sign the City of Niceville P-Card Agreement prior to being issued the P-card.
7. Employees will receive a copy of the City of Niceville Purchasing Policy, and will agree to abide by all rules and procedures contained in the document. The Procurement Services Department shall annually review the list of current cardholders to ensure card holder agreement forms have been received and are on file with the Procurement Services Department.
8. Refreshed training as to the use of the Purchasing Card shall be conducted when determined by the Procurement Services Department to be appropriate

C.- REPORTING LOST OR STOLEN PURCHASING CARDS

If an employee's P-card is lost or stolen, the employee shall immediately notify the Purchasing Director or their designee, who shall immediately notify the bank or card issuer. If a P-card is determined to be missing during non-business hours, the employee should take steps to notify the bank or card issuer if they are unable to reach the Purchasing Director or their designee. Use of the account tied to the P-card shall cease immediately and not resume until a replacement p-card is issued by the bank or card issuer.

D. - TERMINATION OR TRANSFER OF CARDHOLDER

1. When an employee holding a P-Card ceases to be employed by the City, the employee shall prior to their last day of employment surrender their P-card to the Purchasing Director or their designee. The Purchasing Director or their designee shall notify the bank or card issuer that the employee's P-card should be deactivated.
2. If a department is unable to collect the Purchasing Card when an employee leaves employment with the City, the Department Director must immediately notify the Procurement Services Department.

3. If a cardholder transfers to a new department, the cardholder is responsible to inform the Procurement Services Department of the transfer. The cardholder is responsible to verify with the new Department Director if they are to retain the card within the new department. If they are not to retain the card, the cardholder is responsible to notify the Procurement Services Department for cancellation.

E. - PURCHASING CARD INVENTORY

The Procurement Services Department shall maintain a list of Purchasing Cards issued to all City employees.

F. - USE OF PURCHASING CARDS

1. The Purchasing Card may only be used by the employee whose name is embossed on the card. No other person is authorized to use the Purchasing Card (in person, online or by phone).
2. The Purchasing Card is to be used for City authorized purchases only. The Purchasing Card shall not be used for any personal transaction. State or Federal grant purchases must be in compliance with the applicable funding source requirements.
3. Supplies or services purchased with a P-Card must be available for pick up, shipment or delivery within the monthly billing cycle following their purchase or order. The order should not be placed without this assurance.
4. Spending Limitations - P-Cards may be used by Department Directors for the purchase of individual items or services that do not exceed \$5,000, unless prior approval has been granted by the Purchasing Director. P-Cards may be used by other employees for the purchase of individual items or services that do not exceed \$1,000, unless prior approval has been granted by the Department Director and the Purchasing Director. Individual purchases over these limits must be made by Purchase Order in accordance with these Policies and shall not be made using the P-Card, unless authorized by the City Manager.
5. Each cardholder will have a monthly dollar limit to be set by the Department Director. Limit changes must be initiated and authorized by Department Directors through the Procurement Services Department.
6. Payment for purchases shall not be divided to circumvent the single purchase limit.
7. All items purchased must be immediately available. No back ordering is allowed.
8. Established City Contracted Services are not allowed to be expensed with the p-card.
9. Gas and Fuel shall not be purchased, unless as defined in the travel or emergency p-card section.
10. Cash advances shall not be obtained using the Purchasing Card.
11. Gift Cards shall not be purchased without prior written approval from the City Manager or designee.
12. The Procurement Services Department shall block card use for certain types of goods and services. It shall be the cardholder's responsibility to become familiar with these limits and restrictions.

G.- GENERAL RESTRICTIONS

A City of Niceville P-Card is issued to a named City employee and is to be used exclusively by the cardholder. The card is to be used only for official City of Niceville purchases as authorized by this policy. **Under no circumstances shall personal purchases be charged to the City's P-Card, even if the intent is to reimburse the City for such charges.** Although the card is issued to a specific employee, it remains City property and may be rescinded anytime.

Under limited circumstances, services may be purchased using a P-Card, however, departments and cardholders are urged to be cautious. Many services require legal contracts to protect the City's interests, and stipulate performance criteria, payment terms and conditions, and other requirements for complying with federal and state law. Prior approval by the Director of Purchasing or designee is required to use a P-Card to purchase or pay for services that are, or should be, contracted. When in doubt, call the Procurement Services Department.

H. – PROHIBITED PURCHASES

1. Personal purchase of any kind
2. Advance Payments
3. Any unlawful or inappropriate purchase for a public governmental entity
4. Payment of invoices in lieu of creating a required purchase requisition and purchase order (without prior written approval from Purchasing Director)
5. Splitting purchases to avoid transaction, card limits, or purchasing thresholds as stated in the Procurement Manual
6. Alcoholic beverages, drugs, or pharmaceuticals
7. Work related clothing that is not a uniform
8. Cash advances, money orders, traveler's checks
9. Capital equipment, capital or fixed assets
10. Construction and renovations
11. Entertainment (restaurants, theaters, clubs, casinos, concerts, sporting events)
12. Gift certificates, gift checks, gift cards (without prior written approval of the City Manager)
13. Tobacco or vaping products
14. Parking or traffic violations
15. Credit card fees or surcharges
16. Gaming transactions, lottery tickets
17. Fuel for City vehicles while traveling locally (an exception will be made if the City's fuel system is unavailable)
18. Meals covered under the City's Travel Policy.

I. ALLOWABLE USES WITH RESTRICTIONS

The following items require written approval from the cardholder's Director, and Director of Procurement or

designee. Written approval must be included with the account holder's billing statement;

1. Goods and services that should be competitively procured for best pricing, frequent or volume purchasing, or on-going requirements.
2. Licenses such as professional, vehicle, or computer software (also requires in advance Innovation and Technology Department Director approval)
3. Food or meals directly related to City of Niceville business
4. Furniture and appliances items such as refrigerators, stoves, vacuums, and microwaves
5. Printing, promotional or other items intended for public distribution
6. Vehicles or vehicle accessories and repairs
7. Fuel for City owned vehicles (only when traveling on City business outside of City of Niceville)
8. Tolls and ferry charges
9. Equipment rental (requires prior approval of Director of Procurement and approval of rental agreement)
10. Consulting, legal, and other professional services – legal services require City Attorney pre-approval
11. Plaques, awards, and frames for employee or volunteer recognition
12. Medical services, such as drug testing or employee background checks
13. Prescription drugs and controlled substances unless required for medical care of animals
14. Services that may be restricted by collective bargaining agreements unless cleared by Human Resources
15. Any item purchased with grant proceeds requires cardholder's Director, and Director of Procurement pre-approval

J. – ALLOWABLE USES

1. Conference, seminar, and training registrations
2. Magazine subscriptions, newspapers, periodicals, books
3. Membership dues
4. Meeting room rentals
5. Animal related services, including but not limited to canine unit
6. Fees charged by other public agencies such as recording fees or license permit fees
7. Postage, mailing, shipping, and delivery charges

8. Training videos and materials
9. Advertisements in compliance with marketing and communication standards including Procurement Policy
10. Business cards purchased directly from the City's vendor
11. IT approved computer hardware
12. Utilities such as electricity, heat, sewer, phone, or telecommunications service

K. - TAX EXEMPT NUMBER

Purchasing Card purchases are exempt from all Florida state and local use tax. The City's tax-exempt ID number may be printed on the face of the Purchasing Card. When issued a Purchasing Card is issued to a City employee, a copy of the City's tax-exempt ID is provided to keep with the card. This number shall be given to all vendors to avoid payment of state and local use tax. The use of the City's tax-exempt ID number for personal use is strictly prohibited. Any employee who uses the City's tax-exempt ID number for personal use shall receive disciplinary action which may include immediate termination of employment. Additionally, [F.S. 212.085](#) states that in addition to being liable for payment of the tax plus a mandatory penalty of 200 percent of the tax, such person shall be liable for fine and punishment as provided by law for a conviction of a felony of the third degree, as provided in [s. 775.082](#), [s. 775.083](#), or [s. 775.084](#), F.S.

L. – PURCHASES

1. The cardholder must obtain and record the customer copy of the itemized receipt or invoice.
2. The itemized receipt or invoice shall be retained by the cardholder for monthly review by all appointed approvers, including Department Directors and Procurement Services Department.
3. When placing a telephone or on-line order, the cardholder must confirm that the vendor will charge the Purchasing Card only after shipment is made, and will not include sales tax.
4. Employees will make no purchase that does not serve a public purpose. The public purpose shall be clearly documented at the time the order is reconciled. The employee shall also write the general ledger (budget) account number, and a narrative description of the account/project to be charged, on each receipt or on an additional page attached to the original receipt (reconciliation log).
5. The Departments shall submit all transactions with complete documentation to the Procurement Services Department. If receipts and invoices are submitted without sufficient time to make a timely payment, the interest, if any, will be charged to the department's budget.
6. If supporting documentation of a purchase is missing, the employee responsible for the P-Card purchase shall contact the vendor and request a duplicate receipt. If the employee is unable to obtain duplicate documentation, the employee shall submit a lost receipt affidavit to the Purchasing Director or their designee after obtaining signatures from their Department Director.

Failure to comply with the guidelines for filing P-Card expenses may result in loss of Purchasing Card privileges.

M. – DISPUTED/DENIED CHARGES

Employees shall report any problems with charges on their P-Card to the Purchasing Director or their designee,

who shall, with the assistance of the employee (if necessary) who made the purchase, seek a credit for any errors involving billing, defective supplies or unacceptable services, returned supplies or canceled orders, which should appear on the P-Card statement within 60 days of the purchase.

If an employee attempting to make a purchase with a P-Card encounters a denial of the charge by the vendor, the employee or their Department Director shall report the denied charge to the Purchasing Director or their designee with the following information: the name of the employee attempting to make the purchase and their P-Card account number, the vendor, the item that was to have been purchased, and the date of the denied charge. The Purchasing Director or their designee shall contact the bank or card issuer and inquire into the denied charge, take appropriate action, and report back to the Department Director and/or employee.

N. – RETURNS/CREDITS

In the event of returns, the cardholder must check the subsequent monthly statements to ensure credit has been received and attach documentation (credit slip) when processing the monthly detail for payment. If a credit slip was not obtained, attach other documentation explaining the return. Credit receipts must be submitted with original purchase receipts.

O. - REVIEW

Department Director, or designated card representatives (“Department Card Reviewers”) shall review and approve the employees’ transactions within their department and verify departmental account numbers for billing purposes. By reviewer approval signatures, it is verified:

- a. The goods and services obtained were necessary and appropriate
- b. The public purpose for the expenditure is sufficiently documented
- c. The date the goods or services were received is sufficiently documented
- d. An itemized receipt/invoice is provided; and
- e. The Cardholder’s transactions are fully documented on the reconciliation form.

Department Director transactions shall be reviewed by the City Manager or designee prior to being forwarded to the Procurement Services Department for approval of payment. The City Manager’s, Mayor, and Council members’ transactions shall be reviewed by the City Clerk.

P. - DISCIPLINARY ACTION - (SEE RESTRICTION OF USE GUIDELINES)

- a. Unauthorized purchases shall be reported to the Department Director, the Purchasing Director, and the City Manager.
- b. When purchases are found to be unauthorized, the employee must provide a credit receipt proving the item(s) were returned for credit or the employee shall reimburse the City within ten (10) days by submitting a personal check for the full amount of the purchase. Checks shall be sent to the Procurement Services Department with an explanation and account number. Failure to reimburse the City within the above time period shall be authorization for deduction of the full amount of the purchase from compensation paid by the City.
- c. Failure to comply with the policies and procedures herein shall result in:
 - i. Suspension or revocation of Purchasing Cards from employee for a time period to be determined

by the Procurement Services Department.

- ii. Disciplinary action, up to and including termination of employment.

Q. - EMERGENCY USE

In the event of an emergency, as defined by the Emergency Purchase section of this Manual, the City Manager or Purchasing Director may waive the Purchasing Card requirements. Under such circumstances, the following rules shall apply:

- a. Advance approval must be received from the Purchasing Director and the City Manager.
- b. The individual \$5,000.00 limit per item/purchase is temporarily lifted.
- c. Responding Cardholders will be assigned an Emergency Spend Control profile and limit increase as appropriate.

R. - TRAVEL

Purchasing Cards may be used for pre-approved travel expenses, which shall include:

- a. Hotel/motel reservations and payments.
- b. Flight reservations.
- c. Flight Travel payment.
- d. Rental car use, taxi, shuttle and ride-share services.

If requested in advance, the single transaction dollar limit on approved travel can be waived and you will be issued a credit limit increase for your trip. However, all travel expenses/reservations must comply with the City Travel Policy and are subject to review and disciplinary action.

All travel must be approved by the City Manager, or designee, prior to making arrangements. All travel vouchers will be audited to confirm travel was approved prior to purchasing card transaction dates. Failure to adhere to pre-approval requirements may result in suspension of card privileges.

P-Cards may not be used for travel meals or travel gas (except for City or rental car use).

S. - RESERVED

T. - RESTRICTION OF USE GUIDELINES

The following shall be used as a guideline for all cardholders to identify the types of infractions and resulting penalties. In the event of an infraction, the Procurement Services Department shall notify the affected cardholder of any infraction. In addition, disciplinary action may be taken. Repeat infractions by the same cardholder may result in greater restrictions and/or disciplinary action.

The City Manager and/or Purchasing Director shall have the authority to deviate from penalty guidelines in any situation where an employee can show he or she immediately corrected a mistake or has reasonable documentation proving a diligent effort is being made to correct a mistake made by the vendor or the employee.

Violations (Infractions) include: sales tax*, missing receipt(s), unmatched receipt to transaction amount, delayed submission, split purchase, personal expense, incorrect public purpose, use of an account not in your Department budget, missing pre-approval travel request, missing uniform issuance forms, gas charges, charges on your P-Card

that should have been processed on a City contract or Direct Pay and others as noted.

*AN INADVERTENT SALES TAX CHARGE on a purchase under \$100.00 will not receive an infraction. Employees are required to request all in-person and website vendors honor the City Sales Tax Exemption in advance of each purchase, and are responsible to make contact with the vendor to correct the transaction. Blatant disregard for the City's tax-exempt policy on small purchases will result in a 30-day suspension of your P-Card and remedial training to reactivate your card.

Offenses are for the violations within same fiscal year (City FY Oct 1-Sept 30)

1st offense = Written Notice to Cardholder, Department Director.

2nd offense = Written Notice to Cardholder, Department Director, and City Manager, and mandatory Remedial P-Card training.

3rd offense = Written Notice of 90-Day Suspension and Remedial P-Card training prior to re-activation of card.

1. Appeal Process - An employee, or department representative on behalf of an employee, may appeal any penalty by submitting a written appeal within five (5) days of penalty imposition to the Purchasing Director with appropriate documentation. The Purchasing Director shall forward the appeal along with supporting documentation of the P-Card infraction to the City Manager or designee who shall have the final authority to determine the appropriate action.
2. Additional Training – The Purchasing Director may (at their discretion) require a City employee to attend a refresher Purchasing Card training session if the employee makes repeated errors/violations within a twelve (12) month period.

APPENDIX 2 – DIRECT PURCHASE PROCEDURES

A. GENERAL

Pursuant to [Florida Statutes, Section 212.08\(6\)](#), and [Florida Administrative Code, Number 12A-1.094](#), the City is exempt from Florida Sales Tax for the purchase of construction materials, supplies and/or equipment incorporated into a construction project. Under this program, only the Florida Sales Tax rate shall apply.

The Owner has elected to exercise this right to direct purchase selected materials on all construction projects and such direct purchase shall be without any additional cost to the Owner. All bids are to be submitted with all applicable taxes included. See project plans and specifications for complete details and information.

The Contractor shall assume all risk and remain fully responsible for all material incorporated into any project, directly purchased by the Owner or not. This will include, but not be limited to, insurance, theft, storage, damage during installation, coordination, quantities ordered, submittals, protection, scheduling, shipping, security, expediting, receiving, installation, cleaning and all applicable warranties, etc.

The procedures outlined here may change at any time without prior notice to Contractor.

B. TERMS

For the purpose of this Appendix, the following terms will be defined:

1. Change Order (CO): A written order authorizing a change in the scope of work, contract amount or contract time.
2. Contractor: A General Contractor (GC) or Construction Manager (CM).
3. City: the City or Owner.
4. Direct Material Purchase (DMP): A purchase made directly by the Owner from a vendor, and not through a contractor.
5. Direct Purchase Purchase-Order (DPPO): A purchase order issued by the Owner directly to the Contractor's vendor for the purchase of materials exempt from sales tax.
6. Direct Purchase Procedures (DPP): Guidelines outlined in this document.
7. Facilities: Department under the City that is contract manager for the project.
8. Material: Any material, supplies, or equipment incorporated into a City construction project.
 - a. **Purchase Requisition (PR):** A request to purchase stated material or services for a quoted price.
 - b. **Purchase Order (PO):** A written authorization issued by the Owner for a vendor to deliver material or services at a specified price, which becomes a legally binding contract upon acceptance by the vendor.
 - c. **Vendor:** A company supplying material to the Project, whether such provision includes installation or not.

- d. **Vendor Requisition Form (VRF):** A list of material and price quotes provided by the Contractor to the Owner for issuance of a Direct Purchase Purchase-Order (DPPO) by the Owner.
- e. **Vendor List:** A list provided by the Contractor of the vendors the Owner will direct purchase material from.

Summary of Steps for Direct Purchase of Material

1. Contract Awarded.
2. Contract Signed.
3. Purchase Order issued to Contractor for full amount of contract.
4. Schedule of Values reviewed by the City and selected items identified for Direct Purchase.
5. Contractor will submit a Vendor List to Owner of only the Vendors that the City will purchase from.
6. Contractor will submit a Vendor Requisition Form (VRF) and required support documents to Owner. Florida Sales Tax rate of 6% shall apply. VRF must include quote from Vendor.
7. Change Order is issued to reduce Contractor's PO in the amount of direct materials purchased.
8. Contractor's PO is reduced for amount of Direct Purchase Change Order.
9. Issuance of Direct Purchase Purchase-Order (DPPO) to Vendor for Direct Purchase as outlined in the Change Order.
10. The City issues a Letter to Vendor, Contractor and Subcontractor confirming DPPO for direct purchase material.
11. Contractor coordinates delivery with Vendor.
12. Material is delivered and Vendor sends invoice DIRECTLY to Owner.
13. Upon receipt, Owner records invoice and forwards to Contractor for approval.
14. Contractor approves invoice, returns to Owner (within 5 days).
15. Owner issues check to Vendor in payment for materials delivered.
16. Purchase orders are closed, and tax savings reverts to Owner.

C. INSTRUCTIONS

Overview

1. The Owner (City) is exempt from sales tax on the purchase of construction materials, supplies and/or equipment incorporated into a construction project. The Owner has elected to exercise this right to direct purchase selected materials on all construction projects and such direct purchase shall be without any additional cost to the Owner. All bids are to be submitted with all applicable taxes included.

2. The Owner shall, via Direct Purchase Purchase-Order (DPPO), purchase material and the Contractor shall assist the Owner in the preparation of the DPPO. The Owner will purchase the material from Vendors selected by the Contractor for the price originally negotiated by the Contractor.
3. The Contractor's PO and contract amount shall be reduced by the amount of the DPPO plus Florida State Sales Tax. This reduction in the Contractor's PO and contract amount will occur through a Change Order (CO), which will reference the Contractor's PO affected by the change.
4. Issuance of DPPO's by the Owner shall not relieve the Contractor of any contract responsibilities for any material purchased and incorporated into a construction project, directly purchased by the Owner or not, with the exception of the payments for the material or equipment purchased via DPPO.
5. The Contractor shall remain fully responsible for: insurance, theft, storage, damage during installation, coordination, quantities ordered, submittals, protection, scheduling, shipping, security, expediting, receiving, installation, cleaning and all applicable warranties, etc. The Contractor must maintain the Builder's Risk policy to include ALL material and equipment stored on-site and installed on-site.
6. It is recognized that the Contractor may encounter additional overhead costs in assisting the Owner with its Direct Purchase Program. The Contractor is charged with including all additional costs as part of the Bid or Proposal.
7. No payment will be made for material or equipment stored off-site.

All invoices must contain the Owner's DPPO number in order to be accepted and processed for payment.

Vendor List

8. Upon contract award of the construction project, the Owner will review the schedule of values with Contractor and determine which items the Owner will direct purchase.
9. Contractor will submit a Vendor List to Owner of only the Vendors that the City will purchase from.

Purchase Order Request - Vendor Requisition Form

10. When the materials to be direct purchased have been determined, the Contractor shall issue a Vendor Requisition Form (VRF) addressed to the Owner. The VRF shall contain the following minimum information and be submitted at least 20 days prior to shipment of material.
 - a. Date of VRF
 - b. Project name, number and location
 - c. Contractor contact information
 - d. Subcontractor contact information
 - e. Vendor's full business name, address, complete contact numbers - telephone, fax, e- mail, etc.
 - f. Any special instruction; for delivery and contact person

- g. Quantity of each material
 - h. Description of all material including item and/or serial number
 - i. Unit cost of each material
 - j. Extended price of each material (quantity times unit cost)
 - k. Sales tax on material to be purchased. Florida Sales Tax rate of 6% shall apply.
 - l. Shipping - The VRF and the quote must indicate FOB Destination or Job Site. The Owner will not pay shipping and handling charges.
 - m. Total price for all material ordered (extended prices plus sales tax)
 - n. Copy of detailed quote from Vendor indicating same information including sales tax amount
 - o. Signature and printed name of Contractor
 - p. Signature of the City Project Manager
11. All VRF's may be submitted at the same time.
12. All VRF's should be sent by E-mail to the designated City employee.

Change Order Request

13. At the same time the VRF is requested, a Change Order must be submitted/executed for reduction of the Contractor's PO and issuance of the DPPO. For this CO, the following documents are required:
- a. Three (3) completed and approved original CO's
 - b. Complete description of proposed change
 - c. The CO must indicate the amount of tax savings
 - d. List all VRF requested

Issuance of Purchase Order

14. The Owner will issue a DPPO in the amount of the VRF less sales tax. The DPPO will contain the following minimum information:
- a. Date of DPPO;
 - b. Project name, number and location;
 - c. Vendor's full business name and address;
 - d. Special instruction for delivery and contact person;
 - e. The authorized quantity, material description, unit cost, and extended price for each material;
 - f. Total price for material ordered.

15. The Owner will send the DPPO to the Vendor, with a copy retained by the Owner, and copies sent to the Contractor and subcontractor.
16. Upon receipt of the DPPO by the Vendor, the Vendor and Contractor shall coordinate and schedule delivery of the material to the job site.
17. After delivery, the Vendor must issue and deliver the invoice directly to the Owner. The invoice must clearly reference the Owner's DPPO number.
18. All material is to be delivered to the job site, where the Contractor assumes all responsibility and risk.

Invoice Approval and Payment

19. Upon receipt of the Vendor's invoice by the Owner, the Owner will fax a copy to the Contractor for verification and approval. The Contractor will have five (5) working days to process the invoice for payment. Once approved by the Contractor and Owner, the Vendor's invoice will be paid.
20. The Owner will issue payment to Vendor in the amount approved by the Owner and Contractor. The amount paid to the Vendor will not exceed the amount of the DPPO. In order to maintain timely payments, it will be the responsibility of the Contractor to process invoices in accordance with the payment schedule. The Contractor shall pay any late fees incurred as a result of the Contractor's failure to process invoices in a timely manner.

Contractor's Pay Request

21. The Contractor shall be responsible for maintaining details of direct material purchased and tax savings on the AIA Form G702, Application and Certificate for Payment, in the project. The material direct purchased by the Owner and the resulting sales tax savings must appear on each pay request along with all other CO's.
22. The Contractor's pay request:
 - a. Must have Direct Material Purchases (DMP) deducted from pay request.
 - b. Must show all CO's and DPPO's (complete details).
 - c. Facilities will reconcile pay request with their records:
 - 1) Contractor will be contacted to resolve any discrepancies.
 - 2) Owner will fax summary as transactions occur.

End of Process

23. All DPPO's have been issued, materials delivered, invoices approved and paid.
24. Facilities will close all DPPO; no CO is required for this action.
Any discounts for prompt payment are for the account of the Owner.

**APPENDIX 3 – FEDERAL PROCUREMENT FORMS
AND MATERIALS**

ATTACHMENT 3, EXHIBIT A: Procurement Decision Matrix

ATTACHMENT 3, EXHIBIT B: Independent Cost Estimate

ATTACHMENT 3, EXHIBIT C: Statement of Work (SOW)

Template ATTACHMENT 3, EXHIBIT D: Piggybacking Checklist

ATTACHMENT 3, EXHIBIT E: Sole Source Justification Form

ATTACHMENT 3, EXHIBIT F: Cost Analysis Form

ATTACHMENT 3, EXHIBIT G: Price Analysis

ATTACHMENT 3, EXHIBIT H: Fair and Reasonable Price Determination

ATTACHMENT 3, EXHIBIT I: Procurement Summary

ATTACHMENT 3, EXHIBIT J: Responsibility Determination Form

ATTACHMENT 3, EXHIBIT K: Contract Clause Matrix

ATTACHMENT 3, EXHIBIT L: Federally Required Contract Clauses

ATTACHMENT 3, EXHIBIT M: Change Order Review Checklist

ATTACHMENT 3, EXHIBIT N: Procurement History File Checklist

ATTACHMENT 3, EXHIBIT O: Procurement File Checklist

ATTACHMENT 3, EXHIBIT P: Contract Administration

ATTACHMENT 3, EXHIBIT Q: 2 CFR §200.236 & 2 CFR Part 200 Appendix II

ATTACHMENT 3, EXHIBIT R: FEMA Checklist for Reviewing Procurements