



City of Tamarac, Florida Administrative Policy

Title: Purchasing Policy	Effective Date: January 23, 2013 Last Review: December 20, 2002 Next Scheduled Review: January 23, 2018
Originating Department: Financial Services/Purchasing	Supersedes: All previous and existing memos or administrative policies in conflict.
Policy Number: 96-06R	Page 1 of 26

I. PURPOSE:

To establish requisitioning, purchasing and contracting policies and procedures.

II. DEFINITIONS

- A. Blanket Purchase Order:** A contractual agreement with a vendor, normally for a fixed period of time such as; quarterly or annually, to allow departments to buy directly from the vendor by referencing the blanket purchase order number.
- B. Contract/Agreement:** An agreement between parties, with binding legal and moral force, usually exchanging goods or services for money or other consideration.
- C. Cooperative Purchasing:** When two or more agencies combine their purchasing requirements to competitively solicit specific goods or services. This consolidation normally affords greater buying power; therefore allowing the participating agencies to obtain lower prices.
- D. Emergency Order:** Circumstances that may require immediate action for protection of the safety, health, and welfare of the community or any segment thereof. This includes, but is not limited to, emergencies caused by acts of God, water and wastewater system breakdowns, City equipment breakdowns, or the need to obtain additional emergency equipment or supplies.
- E. Field Purchase Order (FPO):** An order processing application within the Sungard Public Sector System used primarily for processing check requests.
- F. Free on Board (F.O.B.):** The vendor's copy of the purchase order states "all shipments are F.O.B. destination unless otherwise stated by the vendor." This means that the seller bears all risk until the goods are delivered to the buyer's dock, after which risk will pass to the buyer.

- G. Open Purchase Order:** A purchase order that is issued for various services that require equal payments over a period of time, i.e. \$50 per month for 12 months. The purchase order is issued to allow for incremental payments against a set amount for the period.
- H. Piggybacking:** When an agency enters into an agreement solicited and awarded by another agency to purchase goods or services. The awarding agency and vendor must grant permission for the other agencies to take advantage of the awarded pricing.
- I. Procurement Card:** A type of charge card issued to designated employees to provide for purchases of small dollar items that are difficult to plan for. This method of purchasing allows projects to continue without the delay of going through the regular requisitioning process. Set limits and commodities are established for each authorized employee prior to receiving the card. The Procurement Card may be used to pay for larger purchases as authorized by the Purchasing and Contracts Manager, when it is in the best interest of the City.
- J. Purchase Order:** A document generated by the Purchasing Division authorizing the supplier to ship and invoice the requested service or commodity. An order is not legitimate without this document.
- K. Purchase Requisition:** An automated request generated by the initiating department. The Purchase Requisition must contain a complete and concise description of what is required to purchase a service or commodity. The requisition must be electronically approved by the department director or designee as well as the Accounting Division. The requisition must also be approved by certain other departments as specified in Section IV, Guidelines, Item E. The requisition is used by Purchasing staff to generate the Purchase Order.
- L. Quotation:** 1. An informal solicitation process used to obtain competitive prices from multiple vendors. Quotations are normally used for purchases when the total value is less than the formal solicitation threshold. 2. An appendix to the requisition that must be filled out by the initiating department when quotes have been obtained to identify vendors and prices for services and/or commodities. Documentation of all quotes must be submitted to the Purchasing Division.
- M. Single Source:** Refers to a supply source for goods or services to which purchases are directed because of issues related to standardization, warranty, or other factors, even though other competitive sources may be available.
- N. Sole Source:** Refers to a situation created due to the inability to obtain competition. This situation may result because only one vendor or supplier possesses the unique ability or capability to meet the particular requirements of the user, or situations where only one economically viable

source is capable of providing the service or item that the City seeks to purchase. Sole sources may be characterized by a marketplace where there is only one vendor because items are patented or geographically franchised.

- O. **Sungard Public Sector System:** The automated purchasing system that is utilized to submit requisitions, obtain approvals, check budget information, issue purchase orders, and receive goods electronically.

III. **POLICY/PROCEDURE**

The City of Tamarac recognizes that an effective procurement policy is critical to the effective management and control of resources within the City. The “Tamarac Procurement Code” found in Article V., of the City’s Code of Ordinances, The intent of the Tamarac Procurement Code is to generally prescribe the manner in which the City shall control the purchase of materials, supplies, services and construction required to better serve the City’s residents and businesses.

In addition to addressing the proper control of the City’s resources, the Tamarac Procurement Code and this policy are designed to support honest, ethical and fair behavioral practices on the part of all individuals engaged in procurement activities within the City. Specifically, City employees involved in the procurement process shall subscribe to the Values and Guiding Principles of the Public Procurement Profession of Accountability, Ethics, Impartiality, Professionalism, Service and Transparency in conducting any procurement activity on behalf of the City.

All employees of the City are required to follow the provisions of the Tamarac Procurement Code, and shall not engage in any unauthorized purchasing practices as delineated in Section 6.147 of the Code. Any individual making an unauthorized purchase may be subject to disciplinary actions as appropriate, which may include termination and/or prosecution.

The following are unauthorized purchasing practices:

Artificially dividing purchases into multiple segments in an attempt to issue single orders below the dollar threshold requirements as established herein (also known as “stringing” or “splitting purchase orders”) is prohibited.

- A. Purchasing any supplies or services above the thresholds delineated herein directly from a vendor, bypassing the Purchasing and Contracts Division.
- B. Committing to a purchase without issuance of an authorized purchase order, when one is required.
- C. Obtaining items available on an existing City term contract from a supplier that does not hold the contract.
- D. Providing false information such as false quotations (without actually contacting and obtaining a quotation, bid or proposal from a vendor).

- E. Adding unauthorized purchases to previously approved Purchase Orders without approval of the appropriate approval authority and subsequent modification of the purchase order.

The Purchasing and Contracts Manager shall arrange for purchases of all supplies, materials, contracted services and equipment required by any office, department or agency of the City Government (Tamarac Procurement Code Sec. 6-145). The initiating department shall be responsible for providing a complete concise description of goods or services required, verifying the proper budget account for the purchase and validating that sufficient funding exists in the account, and expressing a preferred vendor if it chooses.

IV. **GUIDELINES**

In order to fulfill the requirements of the City Code, the Purchasing Division has the authority to review all purchase requisitions within the following guidelines:

- A. The Purchasing staff is authorized by the City Manager to question and obtain additional information necessary to properly evaluate the specifications on all requests for sole source, requests for supplies of a quantity that are greater or less than required, requests where materials seem inconsistent with the requirement, requests that do not conform to City standards, requests without proper authorization, or any other requests that require clarification. However, the Purchasing Division will not materially alter specifications without the consent of the initiating department. The Purchasing Division does reserve the right to change vendors when determined to be in the best interest of the City.
- B. Blanket Purchase Orders are encumbered orders used to purchase a variety of commodities and services used throughout the year to maintain continuity of operations. Blankets should most frequently be issued against a term contract (annual bids). This provides the blanket pricing information before the purchase order is issued rather than giving the vendor a "blank check". When completing a requisition for a Blanket Purchase Order, "Blanket Purchase Order Request" must be indicated on the requisition. The Purchasing and Contracts Manager reserves the right to establish a single purchase limit for individual transactions when establishing a Blanket Purchase Order.
- C. Open Purchase Orders are primarily used to pay for construction projects, where progress payments are required; and monthly invoices for rentals and annual maintenance agreements

Examples: Rental of equipment such as photocopy machines or any other type of equipment for which the department is billed periodically throughout the year and maintenance agreements for alarm systems, fire extinguishers, pest control, etc.
- D. Procurement Cards are used to pay for small dollar value items purchased throughout the year. This method covers items that cannot be planned for in advance. Transaction limits, monthly limits and commodity code limits are

established for each cardholder. The Procurement Card may be used to pay for larger purchases as authorized by the Purchasing and Contracts Manager, when it is in the best interest of the City. (See City of Tamarac Procurement Card Administrative Policy, #98-10R.)

Examples: Open accounts with local vendors for miscellaneous supplies purchased in small quantities such as small tools, fasteners, auto parts, and food supplies.

- E.** The Field Purchase Order is an order processing application within the Sungard Public Sector System used primarily for processing check requests.

The FPO process shall not be used for procurement of commodities and services. All orders for goods and services shall be processed using a purchase order. Only the following transactions are approved for payment using a Field Purchase Order:

1. Membership Dues
2. Seminar Registrations & Fees, Hotels, Per Diem, Mileage, etc. (Reimbursement for Travel)
3. Petty Cash Reimbursement
4. Governmental Permit Fees Including County, etc.
5. Legal Fees
6. Workers' Comp Claims
7. Bond Issuance Payments
8. Insurance Premiums
9. Professional Dues & Licenses
10. Books, Magazines, & Newspaper Subscriptions
11. Newspaper Advertising (Legal, Bids, & Personnel Ads)
12. Performance & Bid Bonds Refunds
13. Debt Service Bond Payments
14. Utility Deposit & Overpayment Refunds
15. Employees' Benefit Option Reimbursements
16. Employees' Education Reimbursements
17. Employees' Service Awards (Savings Bonds)
18. Customers' & EMS Refunds
19. Payroll, Sales Taxes
20. Employees' Union Dues

21. Employees' Garnishments (Taxes, Child Support, etc.)
22. Election Officials' Salaries
23. Utility Payments (Electricity, Water, Telephone, Propane, etc.)
24. Instructors
25. Meals (Reimbursement)
26. Deposits for Entertainment: Dancers/Instructors, etc.

F. Competitive quotations are not required for purchases less than \$2,500. The following requirements pertain to all purchases:

Per the requirements of Section 6-147 of the Tamarac Procurement Code, quotations must be obtained per the requirements for the specific thresholds shown below:

\$0 - \$2,499.99	Minimum of One (1) Quote Required
\$ 2,500 - \$ 4,999.99	Minimum of three (3) Verbal Quotes
\$ 5,000 - \$29,999.99	Minimum of Three (3) Written Quotes
\$30,000 - \$65,000.00	Formal written quotations required
Over \$65,000	Formal solicitation issued by Purchasing

In the event that fewer than three (3) quotations are received, the City may consider those quotations received; however, the Purchasing and Contracts Manager or designee reserves the right to validate the availability of suppliers for an item or service.

Documentation Required: Individuals receiving verbal quotations shall, at a minimum, transcribe all verbal quotation information on a tabulation document which shall be made a part of the quotation record. Informal written quotations may be submitted electronically by e-mail or facsimile, or may be submitted as a paper document. When issuing a formal written quotation, the submittal requirements should be detailed within the body of the quotation terms and conditions. When using a City procurement card for purchases under \$2500, the receipt shall serve as acknowledgement of the one (1) quotation requirement.

The initiating department is responsible for furnishing a preferred vendor for all requests that are less than \$30,000. All quotations obtained by the initiating department must be entered in the Quotes section of the purchase requisition. Documentation must be submitted to Purchasing as backup. Upon request, Purchasing & Contracts Division staff will assist with obtaining quotations. For purchases of \$30,000 through \$65,000 as indicated above, specifications must be submitted to the Purchasing and Contracts Division in order to facilitate formal quotations to be issued by Purchasing. (The Purchasing Division may, at its discretion, solicit quotations for any amount when determined to be in the best interest of the City; or may delegate the authority to solicit quotations as appropriate.)

G. Contract Development and Implementation :

1. General -- Purchase Orders & Contract Templates

The Purchasing and Contracts Division has several methods for establishing contracts with vendors, and have developed several contract templates which may be utilized depending on the type of goods or services being acquired.

2. Purchase Orders

The most common type of contract document is the purchase order. Purchase orders are usually issued for the purchase of commodity and equipment items not available on a term contract agreement. A purchase order may only be considered a contract, however, when it is issued as an acceptance of an offer made by a vendor. Offers include a formal response to an Invitation for Bid (IFB) or a Request for Proposal (RFP), or an informal written quotation, where pricing is included as a part of the offer. Purchase orders are issued in response to a requisition entered into the Sungard Public Sector system by the using department, and will be created by the Purchasing and Contracts Division.

Each purchase order document includes standard terminology defining requirements for the vendor to follow which cover the following areas:

- (a) Items are to be shipped F.O.B. Destination, freight pre-paid. This requires that title to the goods remain with the vendor until delivery and acceptance. The vendor is responsible to pay damage claims.
- (b) The City's tax-exempt information is provided.
- (c) Purchase Order numbers should be included on all shipments.
- (d) Required seller warranties are included.
- (e) Sellers are required to indemnify the City for damages, losses and liabilities arising out of the operations of Seller pursuant to the Purchase Order specifically including but not limited to those caused by or arising out of a defective condition in the goods.
- (f) Vendors are required to comply with the Federal Fair Labor Standards and Equal Opportunity orders.
- (g) Florida law governs all purchases.

3. Contract Templates

As a means to provide the appropriate level of flexibility and protection for the City, the Purchasing and Contracts Division has developed several contract template documents which are used depending on the type of acquisition required. Template documents are available in the City's Intranet Library, however using departments interested in reviewing a contract template document should consult with a representative of the Purchasing & Contracts Division in order to determine which contract template is most appropriate for the specific purchase. The Purchasing and Contracts Division is responsible for the final preparation of all two-party contracts, and using departments are not authorized to create or distribute copies of contract documents without the express permission of the Purchasing and Contracts Division Manager or designee. As a matter of reference, however, the following contract templates are used on a regular basis by the City:

- (a) Construction Agreement: A construction agreement addresses certain issues uniquely related to construction requirements, including change order requirements, management of labor, bonding requirements, change order requirements and special remedy provisions.
- (b) Standard Agreement: A standard agreement document which may be utilized for any miscellaneous requirements not covered by any of the specialty agreements.
- (c) Event Agreement: An event agreement is normally used to contract with an entertainer, caterer, instructor, or for some other purpose related to a specific event or group of events. Event Agreements are required when the cost of this particular type of Contract is in excess of \$2,500.00.
- (d) Hold Harmless Agreement: A hold harmless agreement is normally utilized for an individual independent contractor working on City property, such as an instructor or a group facilitator. The purpose of the hold harmless agreement is to ensure the independent contractor status of the individual. The City may often utilize a two-party purchase order document which incorporates hold harmless language as well as language that addresses the independent contractor relationship of an individual to the City for purposes of mitigating potential risk to the City.
- (e) Piggyback Agreement: An agreement which establishes the ability of the City to piggy-back the contract of another governmental entity with a specific vendor. The Piggy-back agreement ensures that standard contractual requirements of the City are incorporated as a part of the contractual relationship with the vendor in addition to any requirements

already incorporated in the agreement with the other governmental entity.

- (f) Professional Services / Consultant Agreement: An agreement for professional services with a consulting firm, which specifically relates to legal requirements for professional services contracts including, but not limited to architects and professional engineers.
- (g) Services Agreement: An agreement for standard services to be provided to the City.
- (h) Sponsorship Agreement: A sponsorship agreement is utilized when for private sector firms to offer support of a specific event. The Agreement may be for monetary support, volunteer effort or something else of value provided to the City in support of the event or activity.

H. Issuance of Purchase Orders and Contracts:

1. General -- Purchase Order creation and issuance:

Purchase Order and Contract Coordination Process: The Purchasing and Contracts Manager or designee shall be responsible for the issuance of purchase orders and two-party signed agreements to vendors as applicable. The purpose of this requirement is to ensure that contract documents are processed in a consistent manner. The Purchasing and Contracts Manager or designee shall provide appropriate instructions to the vendor related to the execution of the agreement. Contractors are required to execute at least two (2) original contract documents, and return the executed originals to the Purchasing and Contracts Manager. The Purchasing and Contracts Manager will then check for accuracy and completeness, and coordinate the process of contract review by the appropriate parties. The City Manager may delegate the Purchasing and Contracts Manager, Department Directors, or any other designee the authority to approve purchase orders or two-party agreements as appropriate; however, such authority shall not exceed the limits shown in Section IV. F herein.

2. Purchase Order Issuance:

Once a properly prepared and documented requisition is received by the Purchasing and Contracts Division, Purchasing staff will process the requisition into a Purchase Order, and distribute the purchase order to the selected vendor.

3. Contract Issuance:

- (a) Upon completion of all review action, the Purchasing and Contracts Manager will issue an original agreement to the vendor, along with any appropriate written notification by the City Manager, and a copy to the using department. The City Clerk will maintain the official City copy of the Agreement.

- (b) There may be certain circumstances that warrant the use of a two-party signed agreement between the City and vendor. As an example, ongoing service agreements are often established through the use of a two-party signed agreement, with a purchase order or blanket order used as a means to encumber funds and process receipts of invoices. City contract templates are available for the establishment of two-party agreements by accessing the Financial Services/Purchasing Division Library on the City's Intranet site. The use of City authored contract templates is preferable to using vendor agreements whenever feasible.
- (c) All two-party Agreements must be routed to the Purchasing and Contracts Manager for review and approval. The Department Director or designee is required to initial the agreement next to the City's signature block on the Agreement prior to forwarding it to Purchasing. Generally, the Purchasing and Contracts Manager will execute agreements of \$25,000 or less, or up to an amount as may be delegated by the City Manager.
- (d) Contracts with a value between \$25,000 and \$65,000 must also be accompanied by a decision memorandum initiated by the Department Director and addressed to the City Manager which justifies the purchase. A copy of the memorandum should accompany the contract documents sent to the Purchasing and Contracts Manager. Once the Agreement is executed, the Purchasing and Contracts Division will then issue the executed agreement to the vendor. Upon final approval and execution, the using department will be responsible for creating a requisition document to encumber the purchase. Please note that procurement related agreements should not be submitted directly to the City Manager without prior Purchasing review and City Attorney approval.
- (e) Contracts must comply with all other requirements and provisions delineated in this policy, specifically as noted in Section IV, Guidelines.
- (f) All vendors performing work on City property must have insurance as required by Section 6-150 of the Tamarac Procurement Code. The insurance certificate must comply with the City's insurance requirements and shall name the City as additional insured. All service related work or delivery must be reviewed by the Risk and Safety Manager if the vendor does not meet the City's level of insurance compliance. A purchase order will not be issued, or any contract executed, if the insurance certificate does not meet the City's insurance requirements or have a prior waiver of the insurance requirements by the Risk and Safety Manager. In these instances, the Risk and Safety Manager's waiver of insurance

requirements and copy of insurance certificate must be submitted to Purchasing with the requisition backup documentation. Should the work being performed involve any type of construction including electrical, plumbing or HVAC, the vendor must obtain a permit from the Building Department prior to commencement of work. An approved copy of the vendor's insurance certificate also will be maintained by the Purchasing and Contracts Division.

- (g) Prior to soliciting a vendor for a Certificate of Insurance, employees should review the "*New Insurance Expiration*" list maintained in the Financial Services / Purchasing Library on the City's Intranet site to determine if the firm's insurance coverage has already been approved by the City.
- (h) All contracts for purchases of any type that exceed \$65,000 must be approved by the City Commission, and will be competitively solicited, except as detailed in Section IV. Guidelines, Sections H and I below.

I. Exemptions to Formal Competition:

Section 6-148 of the Tamarac Procurement Code provides that the following goods and services are exempt from formal competition. While the Code provides that competition is not required in the areas, Departments will be expected to prepare appropriate requisition documents using the Sungard Public Sector System; or shall use another means such as a procurement card to make such purchases in order to create an encumbrance for such purchases. The use of confirming Check Requests shall be allowed only in accordance with procedures outlined in Section IV.E of this policy.

The procurement of dues and memberships in trade or professional organizations

1. Registration fees for trade and career fairs
2. Subscriptions for periodicals and newspapers
3. Advertisements
4. Postage
5. Legal and mediation services
6. Lobbying services
7. Abstracts of title for real property; title searches and certificates
8. Title insurance for real property
9. Real estate appraisal services
10. Water, sewer, telecommunications and electric utility services payments

11. Copyrighted materials or patented materials including, but not limited to, technical pamphlets, published books, maps, testing or instructional materials
12. Fees and costs of job-related seminars and training
13. Goods purchased with petty cash or city procurement cards in accordance with the City's petty cash and procurement card procedures
14. Items purchased for resale to the general public; for example, supplies for a city-owned concession area.
15. Purchase of groceries
16. Artistic services or works of art
17. Travel expenses, hotel accommodations and hotel services
18. City-sponsored events held at venues not owned by the City
19. Entertainment and entertainment-related services for City-sponsored events
20. Purchase of motor vehicle license plates from a governmental agency
21. Persons or entities retained as "expert consultants" to assist the City in litigation, or in threatened or anticipated litigation
22. Educational or academic programs
23. Health services involving examination, diagnosis, treatment, prevention, medical consultation, or administration
24. Auditing services that are not subject to the requirements of F.S. Chapter 218, Part III
25. The purchase of items critical to the security of City facilities
26. Any services identified in F.S. § 287.057, as may be amended from time to time, as being exempt from competitive bid/request for proposal requirements.

J. The following types of purchases are **exempt** from formal competition, but require approval of the City Commission for transactions in excess of \$65,000, except as specifically noted:

1. Sole and Single Source Procurements:
 - (a) A contract may be awarded for a supply, service, or construction item without competition when the Purchasing and Contracts Manager determines in writing that there is only one economically feasible source for the required supply, service, or construction item, or when requirements for standardization, warranty, geographic and territorial restrictions, or other factors create a situation where competition is either not feasible or practicable. **Important Note: It is a felony to knowingly**

circumvent a competitive process for commodities or services by fraudulently specifying sole source. Florida Statute 838.22(2.)

- (b) A City Department requesting a single, or sole source procurement of \$2,500 or greater, must submit a written request to the Purchasing and Contracts Manager for approval, which must be accompanied by a written justification signed by the department head. A Single/Sole Source Justification form is available at the Purchasing Library Drive on the City Intranet web-site, and is included as **Appendix A** herein. The justification must document the purpose of the purchase, the reason(s) for the single or sole source purchase, and a summary of attempts to obtain competition. The Purchasing and Contracts Manager reserves the right to seek additional sources which may be able to meet the needs of the department. Justification requests submitted by vendors on their own behalf are normally not appropriate documentation, and may not be considered when reviewing a single or sole source request.

2. Emergency Procurements:

- (a) The City Manager or designee may make or authorize others to make emergency procurements when a threat exists to public health, welfare, or safety under emergency conditions, provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. City Commission approval of emergency purchases made pursuant to this policy will not require the express approval of the City Commission; however, a written determination of the basis for the emergency and for the selection of the particular contractor shall be provided by the City Manager to the City Commission and included in the contract file.
- (b) The City Manager is authorized to determine if an emergency exists for purposes of emergency purchases and procurements. If an emergency does exist, the City Manager shall authorize emergency expenditures for the procurement or temporary acquisition of supplies, equipment and services necessary to meet the City's needs as a result of the emergency, and may delegate authority for a department head or other designee to secure emergency proposals. The City Manager, the Purchasing and Contracts Manager, or the designee shall endeavor to secure proposals from at least two (2) separate sources.

3. Cooperative Purchasing:

When deemed to be in the best interests of the City, the Purchasing and Contracts Manager may participate in, sponsor, conduct or administer contracts under a cooperative purchasing program with

one (1) or more governmental units for the procurement of any supplies, services, or construction. Such cooperative purchasing programs may include, but not be limited to, joint or multiparty contracts between public procurement units and open ended public procurement term contracts that are made available to other governmental units.

4. Purchases from other Governmental Entities:

Purchases of goods or services from the federal government, any state or political subdivision thereof, or any municipality are exempt from the requirements of this section.

5. Purchases of goods or services from contracts awarded by other governmental or not-for-profit entities by a formal competitive selection process:

The purchase of goods or services under a contract awarded by the United States Government or another governmental or not-for-profit entity by a formal competitive process is authorized provided the Purchasing and Contracts Manager makes a determination that time, expense and marketplace factors make it financially advantageous for the City to do so.

6. Professional Services:

Contracts for the service of professionals, including but not limited to the practice of law, management consulting, medicine, real estate appraisal, or other area of expertise as determined by the City Manager or designee to be in the best interest of the City, and not otherwise subject to the requirements of the Consultant's Competitive Negotiation Act (CCNA -- F.S. 287.055, as amended) may be entered into without competitive bidding, however, qualifications, work history and other relevant data shall be reviewed before entering into such contracts. Professional Services contracts that exceed \$65,000 will require approval by the City Commission.

7. Owner Direct Purchase:

A contract may be awarded for supplies or materials without competition where such supplies or materials are being procured by the City as an owner direct purchase for incorporation into a public works project, the contract for which was previously awarded by the City, which prior award included the cost of such supplies and materials. In such event, the City shall procure the supplies or materials in accordance with Florida Statutes and regulations related to owner direct purchases by governmental entities.

8. Waiver of Procurement Procedures:

The City Commission may authorize the waiver of procurement procedures upon the recommendation of the City Manager that it is in the City's best interest to do so to obtain goods and services which cannot be acquired through the normal purchasing process due to

insufficient time, the nature of the goods or services, or other factors. Purchases authorized by the waiver process shall be acquired with such competition as is practicable under the circumstances and only after a good faith review of all available sources and negotiation as to price, delivery and terms. There shall be no waiver of procurement procedures for procurements that are subject to the provisions of F.S. 287.055 or 255.20, as amended.

V. PROCEDURES FOR PREPARING PURCHASE REQUISITIONS

A. A purchase requisition must be submitted and a purchase order issued prior to ordering any commodity, equipment or service, not procured through the use of a procurement card. Pursuant to the City of Tamarac Procurement Code Section 6-147, it shall be a violation for any City officer, employee, or other person to order the purchase of any materials or supplies or make any contract for municipal materials, supplies or services, other than through the Purchasing & Contracts Division.

B. Preparation of a Requisition

The using department shall complete, approve and submit the electronic requisition via the SunGard Public Sector System. The requisition shall include all required information. If the requisition requires supporting material, it shall be forwarded to Purchasing & Contracts Division noting the respective requisition number. In addition, the using department should also contact the vendor to obtain proof of insurance, in instances where the vendor will be performing work on City property. The insurance coverage required will be determined by the City's Risk Manager, and the vendor must provide the City with a "Certificate of Insurance" document, that names the City of Tamarac as an "additional insured" party.

C. Items to be Included with the Requisition

Before submitting an electronic requisition for items of \$2,500 or more, the initiating department must - a) fill out the quotation section of the requisition and where applicable, submit written quotations to the Purchasing Office or b) submit complete and concise specifications to the Purchasing Office so that quotations may be solicited or c) submit a sole source justification form if requested item is sole or single source. When obtaining quotations, the individual preparing the requisition shall provide a complete description of the services and/or item(s) being requested (i.e., make, model, manufacturer, etc.). The more complete the description, the sooner commodity/equipment/service can be ordered. Be sure to include specifics on what or how the commodity is expected to perform. It is strongly recommended that written specifications/requirements be provided to the vendors so that all quotations will be based on the same information. Follow specific guidelines as delineated in paragraphs V.A and V.B above.

- D.** All vendors performing work on City property must have an approved copy of their Insurance Certificate on file with the City, pursuant to Section 6-152 of the Tamarac Procurement Code. The insurance certificate must comply with the City's insurance requirements and shall name the City as an additional insured. The purchase order or two-party signed agreement will not be issued if the insurance certificate does not conform to the City's Standard Insurance Requirements, or any specific requirement required by the Risk and Safety Manager. Should the work being performed involve any type of construction or electrical work the vendor must obtain a permit from the Building Department.
- E.** Requisitions for purchases in excess of the City's prescribed formal solicitation threshold which exceeds \$65,000 shall not be approved unless those purchases have been formally approved by the City Commission. The City shall utilize a formal sealed competitive solicitation process for the acquisition of items and services over the competitive threshold in accordance with the most appropriate source selection method. Upon formal City Commission approval, the Using Department shall input a requisition in accordance with the requirements outlined in paragraph V.A above even if a two-party agreement is in place in order to establish a formal encumbrance. All pertinent information shall be included in the extended description, including the Resolution Number as assigned by the City Clerk's Office. Additionally, all relevant documentation must be forwarded to the Purchasing Office. (This requirement does not apply to recurring expenditures associated with previously approved contracts or purchases or when not applicable, including but not limited to: utilities, FPL, telephone service, life and health insurance, and other benefits related to payroll).
- F. Approvals**
1. All requisitions must be electronically approved by the Department Director or designee, as well as by the Financial Services Accounting Division. Depending on the item being purchased, additional approvals may be required. The approval levels must be entered into the Sungard Public Sector system to give authority as provided by department directors. Authority must be given to persons authorized to sign in the absence of their department director and their authority dollar limits. Additional approvals will specifically be required in the following instances:
 2. Technology Equipment, Software & Telecommunications Equipment: Requires the approval of the **Director of Information Technology**.
 3. Vehicular equipment, gasoline/diesel powered tools and/or equipment, as well as modifications, repairs or alterations to existing City vehicles or equipment must be reviewed by the Public Works **Fleet Supervisor**.
 4. All requests for over-rides of an account budget over \$500 per line item must be approved by the Financial Services Department **Management & Budget Division**.

5. Service related work or delivery is subject to the review by the **Risk & Safety Manager** for appropriate insurance compliance.
6. All repairs, additions, construction, renovations, modifications and alterations to City facilities or building systems - must be approved by the Public Services Department **Facilities Superintendent**. This includes but is not limited to: exterior/interior wall finishes, carpeting and floor finishes, exterior/interior doors and locks, roof systems and repairs, partitions, interior trim, ceiling and ceiling finishes, plumbing fixtures, HVAC systems and equipment, lighting fixtures and electrical systems.

G. Verification of Budgeted Funds

Purchases without appropriated funding will not be approved by the Purchasing and Contracts Division. Funding should be available in the current fiscal year budget before proceeding with a purchase request. Prior to submitting a requisition, the Sungard Public Sector System automatically verifies sufficient budgeted funds are available to support the request. In addition, the City's Financial Services Accounting Division will review the request to ensure use of the proper account code; however, the using department is ultimately responsible to verify the account code or funds availability prior to processing the requisition. There may be circumstances where some costs are defrayed by a grant award. In such cases, funding must be available from the grant source at the time of purchase, unless otherwise enumerated in the grant contract.

H. Other Items to Remember When Submitting a Requisition Request

1. Freight costs to be included in quotation: The standard terms and conditions of the City Purchase Order form includes the requirement that shipments are Free on Board (F.O.B.) destination, meaning the seller bears all risk until the goods are delivered to the City's specified destination. During discussions with vendors, please remember to obtain the cost of any required freight to be included in the price. It is the City's goal not to pay freight charges if possible. Should the vendor state that freight charges will not be included, the initiating department must include freight as a separate line item on the purchase requisition.
2. All requisitions requesting a check with P.O. must have a copy of the invoice or appropriate price backup submitted to purchasing in order to be processed.
3. All requisitions requesting a sole source or otherwise non-competitive procurement, must have written justification submitted to the Purchasing & Contracts Division in accordance with the procedures outlined in IV.H.1.b herein.
4. New Vendors: All requisitions for a vendor not currently on the City's vendor list must include a request to add a new vendor in the comment section of

the requisition. The name, address, city, state, zip code, phone number, fax number, and e-mail address, as well as contact name of the vendor must be included. **Additionally, each department is responsible for collection of a valid Internal Revenue Service form W-9 from ALL new vendors. Payment will not be made to any vendor that does not have a form W-9 on file with the City.** A writable form W-9 is available at the following link: www.irs.gov/pub/irs-pdf/fw9.pdf.

It is imperative that a complete search is made of the vendor file using the full vendor name prior to requesting that a new vendor be added. If the vendor is not on the list, a representative of the Purchasing & Contracts Division will enter the information in the automated vendor system, which will automatically assign a vendor number. The Purchasing & Contracts Division will advise the user department regarding the updated vendor number and information upon entry into the Sungard Public Sector system.

5. Account Access: Individuals who require on-line account access to enter and/or process requisitions must obtain access to the Sungard Public Sector system for the Purchasing and Inventory module as well as the GMBA module. Access requests should include the appropriate account codes to be accessed and shall be submitted on the City's Account Access Form, and approved by the Department Director. All such requests shall be forwarded to the Financial Services Division Controller for approval.

VI. PROCEDURES FOR SOLICITATIONS

The determination of the most appropriate method for solicitation is an integral part of the purchasing process. Each purchase is unique in its requirements, and may lend itself to a different method of purchase. Some examples: The purchase of a shovel for \$20 would best be handled through a small purchase acquisition such as a procurement card. It would be completely inefficient to utilize a formal competitive bid process for a \$20 purchase. On the other hand, the purchase of a \$150,000 bulldozer requires that the City exhibit a high level of accountability to the taxpayers of the City, and therefore, it would be necessary to develop open, fair specifications to provide for a formal competitive bid process.

A. Factors that Impact Source Selection

The factors evaluated in determining the type of source selection method are quite varied. Some of the variables that come into play include, but are not limited to the following:

- What is the cost of the item or service?
- What is the level of standardization of the item or service in the industry?
- What is the level of competition available in the marketplace?
- How much time will it take for the item to be delivered?
- How quickly do we need the item?
- Are we concerned about just price, or do we need to evaluate other criteria such as expertise, experience and quality of work?

- Are there federal, state or local statutes that specifically address the acquisition method?
- Is there a high or low level of contract risk associated with the purchase?
- A combination of one or more of the above.

B. General Overview of Source Selection Methods

Some of the most common methods of source selection include the following:

- Competitive Sealed Bid (Invitation for Bid – IFB)
- Competitive Sealed Proposal (Request for Proposal – RFP)
- Small Purchases (Requests for Quotation – RFQ, Procurement Cards)
- Sole and Single Source Purchase (See Section IV.J.1 herein)
- Emergency Purchases (See Section IV.J.2 herein)

C. Matrix of Competitive Source Selection Methods

A competitive Matrix of Competitive Source Selection Methods has been included as a part of this policy to provide guidance regarding the requirements and characteristics of various methods of competitive source selection. This matrix is included herein as Appendix B to this policy. More detailed explanation of all source selection methods; and the proper deployment of those methods will be discussed in greater detail in the remaining sections of this Chapter.

D. Competitive Sealed Bidding

1. General:

Unless otherwise noted in the City of Tamarac Code or the City Charter, competitive sealed solicitations are used for the procurement of supplies and services where the estimated cost is over \$65,000. Using departments should allow a minimum of 60 days between the submission of their requisition and award of the contract when items must be competitively solicited

2. Invitation for Bids:

An invitation for bid is prepared and issued by the Purchasing and Contracts Division. The Purchasing and Contracts Division, with the assistance of the City Attorney, is responsible for developing contractual terms and conditions. The using department has the initial responsibility to prepare specifications, subject to review and approval by Purchasing and Contracts Division. Note: Purchasing and Contracts Division staff is available to assist, if needed, in the development of the initial specifications.

(a) Specifications

(1) Supplies - Specifications

The using department shall have the responsibility to prepare and submit the initial specifications to the Purchasing & Contracts Division for use in the competitive bid process. The Purchasing & Contracts Manager has the responsibility to review, revise, approve, maintain and monitor the use of all specifications in coordination with the using department. Using departments should obtain assistance from the Purchasing and Contracts Division Department in drafting specifications.

(2) Specifications should be simple, clear, accurate, competitive and flexible. Minimum requirements should be identified and allow for competition, equitable award and measurability, and should include a clear statement of intended use. The specifications portion of a solicitation should not contain bidding instructions, contractual terms and conditions, delivery, pricing formats or sheets, or similar material. Those matters should be addressed separately in the solicitation.

(3) Objectives of a Specification. A specification should accomplish four objectives:

- (a) Identify minimum requirements
- (b) Allow for a competitive bid
- (c) List repeatable test methods to determine compliance with specifications
- (d) Allow for an equitable award at the lowest possible cost

(4) Competition. One of the purposes of a specification is to invite maximum reasonable competition. By its nature, a specification sets limits and thereby eliminates, or potentially eliminates, goods and services outside the boundaries drawn. However, a specification should encourage, not discourage, competition to promote potential spend savings; therefore references that are overly restrictive to one product should be avoided at all costs.

E. Competitive Sealed Proposals

1. General:

A Competitive Sealed Proposal, more commonly known as a Request for Proposal (RFP) is a competitive acquisition method providing for evaluation based on criteria other than price, and provides for negotiation of all contract terms, including price, prior to contract award. RFP'S are most commonly used when looking for the best approach to a need, rather than simply the lowest price. Criteria may be weighted in order to consider such factors as service, experience, expertise and quality, in addition to price. Proposal

evaluation is based on finding the best overall value for the City. RFP'S are used for contracts where the estimated cost is \$65,000 under the following conditions:

- (a) The contract is for professional or consulting services, excluding architectural, engineering or land surveying services. (Note that contracts for architectural, engineering or land surveying services will be handled in accordance with the requirements of Florida Statute 287.055 the "Consultant's Competitive Negotiation Act".)
- (b) The Purchasing and Contracts Division Manager determines the use of competitive sealed bidding is either not practical or advantageous to the City due to a need to make a final award determination by criteria in addition to price.
- (c) When criteria other than price are to be evaluated, and the City is looking for the overall best approach to meet our need. Other criteria may include but not be limited to quality of work, contractor experience and capabilities, unique qualifications to complete a specific project, strength of references and the ability of the to meet the City's schedule.

Using departments should allow a minimum of 75 to 90 days between submission of their request and award of the contract.

2. Request for Proposals:

The Request for Proposal is prepared and issued by the Purchasing & Contracts Division. The Purchasing & Contracts Division is responsible for developing the contractual terms and conditions. The using department is initially responsible for preparing the scope of work, subject to review and approval by Purchasing & Contracts Division. Template Request for Proposal documents are available from the Purchasing & Contracts Division.

3. Serving on an Evaluation Committee:

Prior to the beginning of the formal evaluation process, the City Manager will appoint an Evaluation Committee to evaluate proposal responses. The Evaluation Committee will normally be comprised of City employees who will be specifically impacted by the final outcome, as well as subject matter experts who may have a unique perspective related to the purchase. A representative of the Purchasing & Contracts Division will facilitate the process, and will be responsible for coordinating all of the activities of the Committee, as well as providing guidance of the entire evaluation process.

- (a) Typical Evaluation Criteria Scored by Evaluation Committees

Evaluation criteria may include, but not be limited to:

- (1) Price (may not necessarily be the most important factor)
- (2) Past performance
- (3) Demonstrated understanding of the project
- (4) Technical and/or management approach, including proposed methodology
- (5) Ability to meet schedule and budget limitations
- (6) Relevant experience and expertise
- (7) Quality of submission
- (8) Oral presentations
- (9) Availability to perform as reflected by current and projected workloads and the availability of key personnel, equipment and facilities.

4. Proposal Scoring by Evaluation Committee Members

The Evaluation Committee will be required to individually score proposals against the proposal evaluation criteria, in accordance with instructions provided by the Purchasing & Contracts Division facilitator; however, members will only be allowed to discuss their scoring activities with other members of the committee during formal public meetings of the committee. Evaluation Committee members are also prohibited from speaking with any of the proposing offerors before and during the evaluation process. Proposal scoring shall consider the weights assigned to each individual criteria. For example, if "Past Performance" has a weight of 20 percent of 100 possible points, the most points that may be assigned to an offeror's response for that factor will be 20 points.

5. Reference Checks

During the evaluation process, one or more members of the Evaluation Committee with specific expertise in the area related to the pending purchase may be requested to perform reference checks of proposing offerors. As a matter of practice, offerors are requested to provide the City with a list of their references. Committee members performing such reference checks will be required to memorialize all reference check results in writing. The Purchasing & Contracts Division may supply a standard form to be used for reference checks in order to ensure that the same information is gathered from all references.

6. Evaluation Committee Meetings

After allowing a reasonable amount of time for the review and scoring of proposals, the Evaluation Committee will meet to discuss their scores in a public meeting, as required by Florida Statutes F.S. 286, which will be transcribed or recorded for archival purposes. All Evaluation Committee Meetings shall be publicly posted by the City Clerk no less than 36 hours in advance of the meeting. During this meeting, the Committee will be able to

discuss their specific concerns about proposals and offerors, and may make minor adjustments to their scores based on information disclosed during the Evaluation Committee meeting. The Evaluation Committee will normally determine that several vendors should be selected or "short-listed" for further evaluation and discussions. It should be noted; however, that in certain cases, the Evaluation Committee may determine that a single vendor best meets the requirements of the City, and may recommend that an award be made to that vendor. All scores are to be memorialized in writing, and will be maintained as a part of the proposal file.

7. Discussions & Presentations by Offerors

In the event that the Evaluation Committee determines the need for further discussion with a short-list of offerors, oral presentations by each short-listed offeror will be formally scheduled with the Evaluation Committee. All offerors invited to provide oral presentations will be notified in writing by the Purchasing & Contracts Division. All oral presentation meetings are not open to the public, but shall be transcribed or recorded for the public record pursuant to Florida Statute Chapter 286. The order for Offeror presentations will normally be determined by lottery. Additionally, City employees, and other interested parties who are NOT facilitating the process, or who are not on the RFP Evaluation Committee may not attend such presentations, as these presentations are not open to the public.

8. Clarification Requests During Evaluation

In some instances, clarifications are required from vendors during the evaluation process. When such clarifications are required, members of the Evaluation Committee should provide their requests for clarification to the Purchasing & Contracts Manager or designee, who will then request clarification. In many instances, the Evaluation Committee may choose to prepare a set of general questions for all offerors, or questions specific to individual offerors. The Purchasing & Contracts Division Manager or designee will then normally forward those questions in writing to the offerors, with the request that the offeror either respond in writing, or address the questions during oral presentations.

9. Final Proposal Scoring by the Evaluation Committee

Great care shall be taken by the Evaluation Committee in the final evaluation of proposals. While price/cost may not be the most important criteria factor, the Committee shall carefully evaluate comparative costs between offerors in order to ensure that cost information is accurate and competitive. Pricing may be scored based on a ratio comparison of each offeror's price with the lowest price, by determining the lowest price per technical point, by an overall ranking, by comparison using a standard scenario, or by other means determined to be most advantageous to the City.

All other proposal criteria shall be carefully considered referencing the results of other information provided which may include, but not be limited to information shown in the narrative of the offeror's proposal, reference checks, analysis of the offeror's financial condition, the level of professional capabilities demonstrated by the offeror, the offeror's ability to complete work within a reasonable schedule, the offeror's success on other similar projects and the offeror's proposed work plan.

Final Determination: Upon completion of any oral presentations, the Evaluation Committee will rank or re-score offerors based on the information presented using the proposal criteria. Committee members should score proposals in a manner that will readily distinguish the highest ranked firms from lower ranked firms to ensure complete clarity in scoring. The final ranking/scoring will then be the basis for a formal recommendation for award of a contract. All final scoring/ranking information will be maintained in the proposal file.

10. Proposals covered by CCNA & The Selection Advisory Committee

Pursuant to Florida Statute 287.055, the Consultant's Competitive Negotiation Act (CCNA), certain professional services, including Architectural, Engineering, Land Surveying, Mapping and Landscape Architecture must be evaluated based on qualifications only. Price cannot be requested or evaluated in the evaluation for these types of services, and as such, Evaluation Committee recommendations shall be made to the highest qualified firm. Upon completion of the recommendation, the City shall negotiate price with the highest ranked firm. Should negotiations with the highest ranked firm be unsuccessful, then that proposal shall be rejected, and negotiations will be initiated with the next highest ranked firm.

Design-build proposals are also covered by CCNA, and the City may use a two-step procurement process where firms submit qualifications, and are considered to be qualified or unqualified to complete the work. Once this process is complete, all qualified firms are then asked to submit competitive pricing to perform the work.

The City of Tamarac Procurement Code Section 6-146(b) established the Selection Advisory Committee (SAC) for the purpose of evaluating firms submitting proposals in accordance with the CCNA. The Committee is composed of the Purchasing & Contracts Manager, the Director of Public Services, the Director of Financial Services, the Director of Community Development, the City Engineer, the Assistant City Manager and the City Manager, or their designees, who shall be voting members of the committee, who will be responsible to evaluate the qualifications of firms, conduct discussions and receive presentations pursuant to Florida law and the Tamarac Procurement Code.

Upon consensus on the recommendation by the SAC, the City shall negotiate with the top ranked firm, and upon completion of negotiations, make recommendations to the City Commission for award.

F. Contract Award and Contract Administration

Please refer to Administrative Policy, Vendor Quality Assurance #09-03 for detailed procedures regarding the contract award process and subsequent contract administration activities.

Approved:  1/23/13
Michael C. Cernech Date
City Manager

Appendix A

SOLE SOURCE JUSTIFICATION

To Be Submitted With All Requisitions For Sole Source Purchases above \$2,500.

POLICY: A contract may be awarded for a supply, service, or construction item without competition when the Purchasing and Contracts Manager determines in writing that there is only one economically feasible source for the required supply, service, or construction item, or when requirements for standardization, warranty, geographic and territorial restrictions, or other factors create a situation where competition is either not feasible or practicable. A City Department requesting sole source procurement of \$2,500 or greater, must submit a written request to the Purchasing and Contracts Manager for approval, which must be accompanied by a written justification signed by the department head. Sole source requests in excess of \$65,000 will require City Commission approval. *(Tamarac Procurement Code, Section 6-148(b))*

Important Note: It is a felony to knowingly circumvent a competitive process for commodities or services by fraudulently specifying sole source. Florida Statute 838.22(2.)

Date _____ Department _____

Vendor Name _____

Item or Service Being Purchased _____

Requisition Number _____

PLEASE CHECK THE CATEGORY APPROPRIATE TO THIS PURCHASE *(Additional pages should be included for detailed justification comments):*

 One-of-a-kind

The commodity or service has no competitive product (one-of-a-kind) AND IS AVAILABLE FROM ONLY ONE VENDOR.

 No Substitute

A component or replacement part has no substitute AND CAN BE OBTAINED FROM ONLY ONE VENDOR.

 Compatibility

Compatibility is the overriding consideration AND THE ITEM/SERVICE CAN BE OBTAINED FROM ONLY ONE VENDOR.

 Delivery Date

The ability of ONLY ONE VENDOR to meet a necessary delivery date.

 Follow-up Service

ONLY ONE VENDOR is able to make on-call repairs at a particular location.

 Emergency

Urgent need or the item or service does not permit soliciting competitive bids, as in cases of emergencies, disasters, etc.

 Monopoly

A monopoly exists as in the case of the U.S. Post Office, Florida Power & Light, Sun-Sentinel, Broward County and so on.

Requested By _____ Date _____

Department Head Signature _____ Date _____

PURCHASING APPROVAL _____ Date _____

Appendix B Methods of Competitive Source Selection

	Competitive Sealed Bidding	Competitive Sealed Proposal	Small Purchase
Solicitation Document	Invitation for Bid (IFB)	Request for Proposals (RFP)	Request for Quotation (RFQ)
Purpose	Commodities Construction Services	Professional Services Design-Build Construction Outsourcing Information Technology	Under competitive sealed bid dollar threshold
Public Notice	Yes	Yes	No
Bidder's Mailing List	Yes	Yes	Yes
Solicitation Documents: Specifications Statement of Work Term and Conditions	Yes No Yes	Commodities & Equip. only Yes Yes	No Yes Yes
Pre-Bid or Proposal Conference	Option	Recommended	No
Amendments	Option	Option	Option
Technical Offer	N/A	N/A	N/A
Statements of Qualifications	No	Yes	No
Evaluation of Bids/Proposals	Yes	Yes	Yes
Discussion/Negotiations	No	Yes	No
Best and Final Offer	No	Yes	No
Basis of Award	Lowest Responsive, Responsible	Most Advantageous	Lowest Responsive, Responsible