Purchasing Policy Manual

Prepared By: Financial Services Department

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PART I
Section I

A. PURPOSE
General Provisions

The purpose of the Purchasing Policy & Procedure Manual is to provide guidance and support for the formal rules adopted by the City Commission governing the purchasing process contained in the City's purchasing ordinance, Chapter 2, Article VII, of the City's Code of Ordinances.

This manual is intended to guide the user through the purchasing process within the City of Oakland Park. The City maintains a unified purchasing system with decentralized responsibility. The City's purchasing process provides for increased economy in purchasing activities, enabling the City to maximize, to the fullest extent practical, the purchasing value of public funds by fostering effective broad-based competition, while ensuring fair and equitable treatment of all vendors who deal with City purchasing. In addition, this manual provides safeguards for maintaining a purchasing system of quality and integrity and also is intended to provide for increased public confidence in the procedures followed by City purchasing.

This policy shall apply to all purchasing activity, except real property, of the City of Oakland Park, as well as the disposal of all City property other than real property.

For purposes of this manual the purchasing process is defined in five phases as follows:

1. Vendor selection – Identification and subsequent selection of the vendor best meeting identified City requirements for goods and services.
2. City commitment to purchase goods or services – The process by which the City commits to do business with a selected vendor.
3. Contract oversight – The process by which the City ensures the vendor is in compliance with a contract for goods or services.
4. Payment – Procedures for payment for goods and services.
5. Disposition – The process by which the City disposes of surplus, obsolete or damaged property.

Attachment 1 provides purchasing terms and definitions.

The remainder of this manual addresses these topics in this order.

B. LEGAL PROVISIONS

The principles of law and equity, including the Uniform Commercial Code of this State, the law relative to ethics, and the law relative to capacity to contract, agency, fraud, misrepresentation, duress, coercion, and mistake of bankruptcy shall supplement the provisions of this policy.

In any situation where compliance with this policy will place the City in conflict with State or Federal Law or terms of any grant, or cooperative agreement, the City shall comply with such Federal or State law, grant requirements, or authorized regulations that are mandated and which are either not reflected in this policy or are contrary to provisions of this policy

C. REQUIREMENT OF GOOD FAITH

This policy requires all parties involved in the negotiation, development, performance, or administration of City contracts to act in good faith.

D. ETHICS

All applicable provisions of the Code of Ethics for the Broward County Board of County Commissioners are incorporated herein by reference and made a specific part of this manual.

Section II
Vendor Selection Methods

A. GENERAL GUIDELINES

There are five vendor selection methods used by the City: Quotes, Invitations to Bid (ITB), Requests for Proposals (RFP), Requests for Qualifications (RFQ), and Letters of Interest (LOI). Quotes, written and or verbal, are normally used when the expected cost of goods or services is $25,000 or less. This is the informal method of vendor selection. The remaining four methods, ITB, RFP, RFQ, and LOI, are formal competitive vendor selection methods. Formal competitive vendor selection methods must be used when costs are expected to be above $25,000 and may be used for smaller purchases when the City will derive sufficient additional benefit to justify their use.

Exceptions to the required vendor selection methods are permitted in specific instances (See Part D. below in this section) or when pre-approved by the Purchasing Administrator or City Manager in other limited instances.

Under no circumstances may known or anticipated annual requirements for goods and services from a vendor be broken into smaller quantities to circumvent the requirement to use a formal vendor selection process. The City's purchasing policies are based on the total dollar amount of purchases made with a vendor in a given fiscal year. An annual purchase order must reflect the anticipated total amount of business to be done with a vendor for the year.

B. INFORMAL VENDOR SELECTION METHODS

The informal vendor selection method~~s~~ may be utilized where the cost of goods or services does not exceed $25,000, with the exception of public improvement capital projects in excess of $5,000 as discussed immediately below. The following procedure must be followed:

TABLE 1 – COST LEVELS / REQUIRED DOCUMENTATION

AMOUNT	REQUIRED DOCUMENTATION
Up to $1,000.00	None
$1,000.01 to $2,500.00	Two verbal documented quotes
$2,500.01 to $7,500.00	Three verbal documented quotes
$7,500.01 to $25,000.00	Three written documented quotes

Quotes must be consistent in content for comparison purposes. Quotes must include the vendor name, contact person, date, a clear description of the goods or services being offered by the vendor, a statement of price, and the terms of the sale. Written quotes may substitute for verbal quotes. Verbal quotes must be documented by the user department and retained on file. Written quotes must be signed and dated by the vendor.

C. FORMAL COMPETITIVE VENDOR SELECTION METHODS

Formal competitive vendor selection methods utilize competitive bidding to allow a maximum degree of competition among a number of suppliers offering similar products or services. All purchases of goods and services, where the total annual cost of the purchases or contract will exceed $25,000, must be approved by the City Commission. In addition, public improvement capital projects in excess of $5,000 require formal competitive vendor selection, per City Charter, Article IV, Administrative Offices, Section 4.03(j), City Manager; powers and duties.

A determination is made by the Purchasing Administrator, after consultation with the user department, as to which formal competitive vendor selection method will be used.

Invitation to Bid (ITB), Request for Proposals (RFP), Request for Qualifications (RFQ) and Letters of Interest (LOI) are effective formal procedures for soliciting competition from vendors in the purchasing sector. The ITB is awarded primarily on price alone. The RFP uses several different evaluation criteria, including price, to determine award. The RFQ ranks respondents based on their qualifications and experience. The LOI, the least formal process, sends out letters to interested parties to see if they are interested in applying for the work being offered. Evaluation is based on the experience of the responders and follow-on discussions with them.

Attachment 2 provides vendor evaluation guidelines.

1. Invitation to Bid (ITB)

An ITB is used when specifications are well-defined, competition is prevalent, and substitutions are allowable. The ITB shall include instructions to bidders, plans, drawings and specifications if any, bid form, and other required forms and documents to be submitted with the bid. As a result, prices obtained are generally lower than “list” pricing. Under this type of solicitation, normally the recommendation of award must go to the lowest responsive and responsible bidder. There are generally no other evaluation criteria considered in this type of solicitation.

2. Request for Proposal (RFP)

An RFP is a formal request from the City to vendors to submit proposals. The proposal is to provide a solution to a need the City has specifically identified. The vendor’s experience and qualifications, together with the proposed solution, is evaluated and may take precedence over price. The evaluations of the proposals are completed by an evaluation committee comprised of at least three (3) voting members, at least one of whom is City staff. (In some instances a person outside of City staff, who has experience with the need identified, may be a voting member also). The committee members are generally selected by the director of the user department. The Purchasing Administrator facilitates the evaluation process.

All RFPs shall state the relative importance of price and any other evaluation criteria. The City may engage in negotiations with offerors for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

3. Request for Qualifications (RFQ)

An RFQ is a formal invitation from the City to vendors to submit a statement of qualifications. This approach differs from the traditional request for proposals approach in that it places greater emphasis on the actual qualifications of the potential contractor, (his or her track record), rather than how well the potential contractor responds to detailed project specifications and requirements.

The RFQ identifies the desired minimum qualifications of the firm, a scope of work statement, any project requirements, and states the relative importance of selection criteria that will be used in compiling the short list of prospective firms for further consideration.

Responses are evaluated by an evaluation committee and facilitated by the Purchasing Administrator. Depending on the number of qualification responses received, a shortlist of three to five firms are identified for further consideration. These short listed firms are then interviewed by the evaluation committee. Based on the interview, experience and qualifications, the short listed firms are ranked. This ranking is presented to the Commission for approval along with a request for the proper City officials to be authorized to negotiate and execute the contract.

4. Letter of Interest (LOI)

An LOI is a formal invitation from the City to vendors to submit an offer. It identifies, in general terms, the work required and directs the respondents to provide a letter regarding the respondent's interest in working with the City on the particular project(s). Respondents provide a statement of experience and qualifications of key personnel. Costs or fees are not part of the response.

Responses are evaluated by an evaluation committee and facilitated by the Purchasing Administrator as described in the RFP section. Based on the experience and qualifications, the responses are ranked. This ranking is presented to the Commission requesting authorization to enter into contract negotiations with the top ranked vendor. The resulting contract is then brought back to Commission for final approval. Architectural and engineering services are examples of when this type of solicitation would be used.

The City may engage in negotiations with responders for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Responders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

D. EXCEPTIONS

The following are exceptions from the requirements of the competitive vendor selection process. Please refer to the City Code of Ordinances, Chapter 2, Administration, Article VII, Purchasing, Section 2-198, Exceptions to competitive procurement requirement, for further details. Exceptions must be pre-approved by the Purchasing Administrator. Purchases not subject to the competitive procurement requirement must still have the same levels of approval as purchases subject to the regular competitive vendor selection process.

1. Sole source – only one vendor's goods or services will meet City requirements. Approval requires written justification by purchasing department.
2. Emergency purchases – requires written justification.
3. Purchase of goods or services under contracts of the federal government, the State of Florida, or its political subdivisions (also referred to as "piggybacking").
4. Certain contractual services.
5. Cooperative Purchasing - Contracts available through the City's participation in governmental purchasing cooperative groups.

Section III

Formal Selection Solicitation Process

Once the appropriate vendor selection method has been determined, the solicitation process will be overseen by the Purchasing Administrator, as shown below.

A. SPECIFICATIONS

The Purchasing Administrator will ensure the solicitation documents include specifications that are as well-defined as possible. The user department is responsible for developing specifications, such as bid specifications, scope of service and evaluation criteria. As the prime user, the department is best aware of any special characteristics, any new developments in the field, as well as the technical specifications of the product or service. The Purchasing Administrator may review specifications and make suggestions, such as alternate products, when appropriate.

The Purchasing Administrator shall strive to assure that all specifications issued by the City provide for free and open competition among all vendors and preclude lock-in of any vendor or brand, unless items are purchased under approved sole source or sole brand provisions. Any specification may eliminate some vendors or brands if the vendor or brand does not meet the legitimate needs of the City.

There are many different types of specifications; however, all specifications regardless of the type must be clear and complete. A specification is an essential communication link between the City and the vendor. The specification must clearly and completely express the needs of the City in such a manner that the vendor will have the same understanding as that of the City in what is required. The following are some of the more common type of specifications:

1. Brand Name Specification

A specification using one or more manufacturers' brand names, with identifying model numbers, to describe the acceptable items; all other items will be excluded. Since use of a brand name specification is restrictive of product competition, it may be used only when pre-approved by the Purchasing Administrator.

2. Brand Name "or Equal" Specification
These specifications describe the characteristics of the item required by reference to a particular manufacturer's product, referring to that product by its brand name and model number. These specifications describe the standards of quality, performance, and other characteristics needed to meet the requirements of the solicitation, and invites bids for equivalent products from any manufacturer. These are often used to obtain low-value, commercially available products, such as janitorial supplies, office supplies and chemicals.

3. Design Specification
A design specification is also known as a material and method of manufacture specification. This type of specification spells out in great detail the physical characteristics including size and shape, the materials to be used and the manner in which they are to be assembled or processed. Design specifications may also reference engineering drawings or plans. A design specification is generally not appropriate for standard commercial items; its use being reserved for "made-to-order" products.

4. Performance Specifications
Performance specifications describe the functions which must be performed without or with only a limited reference to materials to be used or construction details. Performance specifications are non- restrictive, they spell out standards of performance, define operating limits, describe a specific task, emphasize dependability and reliability and look at the end result. Performance specifications are non-restrictive and encourage vendors to be innovative and propose a variety of means to accomplish a stated performance measure and to determine whether or not a performance specification has been satisfied.

B. SOLICITATION DOCUMENTS

The Purchasing Administrator will ensure all solicitation documents are properly prepared, with particular emphasis on effective specifications as discussed in the prior section, and distributed as appropriate. In conjunction with the preparation of the solicitation documents, the Purchasing Administrator will make himself / herself available to provide information to all potential responders.

C. PUBLIC NOTICE

Public notice of the ITB, RFP, RFQ or LOI shall be given not less than ten (10) calendar days prior to the date set forth in the notice for the opening of the responses. Such notice shall be given by publication in a newspaper of general circulation within Broward County, at a minimum. The notice shall state the place, date, and time of the opening of the responses.

D. RESPONSE SUBMISSIONS

All responses shall be submitted in sealed envelopes which shall be clearly identified with the name and number of the response on the exterior of the envelope and delivered to the City Clerk office.

E. BID / PROPOSAL BOND

Bid bonds (also known as proposal bonds) may be required in conjunction with responses. They guarantee the responders will not withdraw their bids for a specified time period and will accept a contract, if offered, or will forfeit the bond amount.

Bid bonds shall be required for all construction projects when the total contract price is estimated to exceed fifty thousand dollars ($50,000). In all other cases the City reserves the right to require a bid or proposal bond when deemed necessary by the Purchasing Administrator.

Bid bonds shall be by cash, a certified or cashier's check, a surety bond or an irrevocable standby letter of credit in an amount not less than five percent (5%) of the amount of response. If a surety bond is provided, the surety company must be authorized to do business as a surety in Florida.

F. CANCELLATION OR POSTPONEMENT OF RESPONSE OPENING

Any time prior to the response opening date and time, the Purchasing Administrator may postpone the opening or cancel the solicitation in its entirety.

G. FORMAL OPENING OF RESPONSES

Responses shall be opened by the Purchasing Administrator at the time and place designated in the public notice. The opening shall be witnessed by the City Clerk, or designee. No late responses shall be accepted or opened if received after the date and time specified in the public notice. All late responses shall be returned unopened to the bidder.

For ITB responses, names and amounts of each bid shall be read aloud by the Purchasing Administrator and a list of all responses shall be made available for public inspection after the opening.

For RFP, RFQ and LOI responses, a list of the names of all responders shall be prepared by the Purchasing Administrator and made available for public inspection after the opening of the responses.

All response documents shall become the property of the City and do not become public record for a period of 30 days after opening or when a recommendation of award is made (whichever occurs first). Response documents will not be returned to the responders. When the contract is awarded, all documentation produced as part of the contract shall become the exclusive property of the City.

For an RFP, RFQ or LOI response, the Purchasing Administrator, or designee, may, at the evaluation committee's request and within a reasonable time period after the response opening, request additional or corrective information of the responder concerning his/her responsibility to perform, and the bidder may voluntarily, after bid opening, provide additional or corrective information concerning his/her responsibility as a vendor.

H. MODIFICATION OR WITHDRAWAL OF RESPONSES

Responses may be modified or withdrawn by an appropriate document duly executed and delivered to the office of the Purchasing Administrator at any time prior to the submission deadline. A request for withdrawal or modification must be in writing and signed by a person duly authorized to do so. Any modifications made by the City to the solicitation documents prior

to the opening of the responses shall be by addenda provided in writing to the same potential responders to whom the original solicitation documents were presented.

After expiration of the period for receipt of responses, no withdrawal or modification is permitted, except in extenuating circumstances. If within twenty four (24) hours after responses are opened, any responder files a duly signed written notice with the City, through the office of the Purchasing Administrator and within five (5) calendar days, thereafter demonstrates to the satisfaction of the City, by clear and convincing evidence, that there was a material mistake in the preparation of the response, or that the mistake is clearly evident on the face of the response document but the intended correct response is not similarly evident, then the responder may withdraw its response document. Thereafter, the responder will be disqualified from further bidding on the contract for which the response was withdrawn.

Section IV

Formal Solicitation, Evaluation Process, Award of Contract and Protest Procedure

Once the solicitation has been completed and all responses have been received and opened, the responses will be evaluated and a contract awarded as follows:

A. REJECTION OF RESPONSES

After an initial review of responses, responses may be rejected for any of the following reasons:

- If the evidence submitted by a responder or if investigation of a responder fails to satisfy the City that the responder is properly qualified to carry out the obligations and to complete the requested work.
- If there is reason to believe collusion exists among responders.
- If the response is not responsive, not delivered by the due date and time or not delivered to the City Clerk's office, not properly signed or is unsigned, shows serious omissions, alterations in form, additions not called for, conditions or unauthorized alterations, or
irregularities of any other kind. The City reserves the right to waive such technical errors as may be deemed in the best interest of the City.

B. EVALUATION AND AWARD OF CONTRACT - INVITATION TO BID

The contract shall be awarded to the most responsive and responsible responder whose response meets the requirements and criteria set forth in the solicitation documents except as otherwise provided below.

If two or more qualified responders are tied, as reflected by cost, the tie may be broken by the following criteria, presented in order of importance and consideration, as reflected in the solicitation document:

1. Quality of the items or services bid if such quality is ascertainable
2. Delivery time if provided in the response

If the above criteria do not resolve the issue, the award will be given to the response received earliest by the City as indicated by the City time clock stamp on the response. This criterion will also be indicated in the solicitation document.

Multiple award contracts may be used only when it is determined by the Purchasing Administrator that the use of more than one vendor is in the best interest of the City.

A recommendation for vendor selection, together with the criteria used for selection, will be presented to City Commission by the user department for approval, along with a request that staff be authorized to sign a contract with the recommended vendor.

C. EVALUATION AND AWARD OF CONTRACT - REQUESTS FOR PROPOSALS, REQUESTS FOR QUALIFICATIONS, AND LETTERS OF INTEREST

The award shall be made to the responder whose proposal is the most advantageous to the City, taking into consideration evaluation criteria set forth in the solicitation document. The vendor selection process is done through an evaluation committee, (Committee), appointed by the user department director and comprised of a member of the user department, together with at least two other members familiar with the goods or services being evaluated. Each committee member shall complete a "Conflict of Interest Statement" upon appointment to the committee and prior to review of submittals (See Attachment 6).

The Committee shall review all qualifications and submittals of those firms responding based on predetermined criteria contained in the solicitation document. The Committee will then score each qualified response using the predetermined criteria.

Depending on the number of qualified responses received, the Committee may reduce the number of responders to be evaluated further to a minimum of three (called a "short list"), based on the ranking (highest points). If less than three qualified responses have been received, all qualified responses must be considered. The Committee may choose to hold discussions with all responders on the "short list". Such discussions may encompass formal presentations by each responder. The format of the discussion must be the same for each responder.

If the Committee requires clarification of the original response, they may request revised proposals.

For an RFP, once the Committee has ranked the qualified responses, the ranking information will be presented to City Commission by the user department with a request for approval along with a request for the proper City officials to be authorized to negotiate and execute the contract.

For an RFQ or LOI, a recommendation for vendor selection, together with the ranking information, will be presented to City Commission by the user department. Additionally, it will be requested that staff be given direction to negotiate or execute a contract, subject to final Commission approval.

Following vendor approval by the Commission, the next step in the RFQ or LOI process is for the Committee to negotiate a contract with the highest ranked vendor at a compensation determined to be fair and reasonable. If this proves unsuccessful, negotiations will be formally terminated and negotiations will begin with the next highest ranked vendor. This will continue until an acceptable contract is agreed to or until negotiations with all vendors on the short list have been unsuccessful. If no contract can be negotiated with any vendor on the short list, a new solicitation must be initiated. If a successful contract is negotiated with a vendor, a recommendation will be presented to the Commission by the user department to approve the contract with the indicated vendor.

D. NOTICE OF AWARD

Upon approval by the Commission, the successful vendor will receive a Notice of Award indicating the vendor's selection. The Notice of Award is contingent on a contract being executed and the required certificates of insurance and applicable bond coverage have been received and approved. If the selected vendor fails to provide the required coverage documents or fails to deliver the signed contract within the specified time, the City may annul the Notice of Award.

E. BOND RELEASE

All responders' bid bonds, if required for a solicitation, will be retained until the selected vendor has met all requirements for the final contract award. At that time, the bid bonds of the unsuccessful responders will be returned. If the successful vendor fails to meet these requirements and the City annuls the Notice of Award, the successful vendor's bid bond shall be forfeited.

F. NOTIFICATION TO RESPONDENTS

After the contract award has been finalized, the Purchasing Administrator will notify the remaining respondents of the selection.

G. PROTEST PROCEDURE

The following shall govern any protest made by a participant in any competitive process utilized for the selection of a person or entity in regard to any response to a City Request for Proposal / Invitation to Bid and /or Request for Qualifications.

Protest of any City recommendation for an award in response to a Request for Proposals shall be filed with the City's Purchasing Manager within 3 days of the City's recommendation for an award or the City's actual award, whichever comes first. Service of a protest by mail or courier shall not expand the time period allowed for delivery of a protest. The date the letter is received by the City shall constitute the date of delivery. The calculation of days shall exclude Saturdays, Sundays and holidays observed by the City.

Such protest shall be in writing, shall state the particular facts and law or ordinance which the protest of the proposed award is based, and shall include all pertinent documentation and evidence. A written protest may not challenge the relative weight of evaluation criteria or a formula for assigning points.

The protest letter shall be accompanied by a non- refundable cashiers check in the amount of $500.00 representing the filing fee, made payable to the City of Oakland Park, to reimburse the City for all administrative costs associated with the protest process.

The Purchasing Manager, after consulting with the City Manager and City Attorney, shall issue a written decision to the protesting party upholding or denying the protest within 7 days from receipt of a timely protest.

The protesting party may appeal to the City Commission a decision by the Purchasing Manager denying the protest by delivering a notice of appeal to the Purchasing Manager within three (3) days from the protesting party's receipt of the decision. Upon receipt of a timely notice of appeal

the City will schedule the protest for consideration by the city commission, which may affirm, reverse, or modify the Purchasing Manager's decision.

Failure of a party to submit timely a written protest to the Purchasing Manager within the time provided in this section shall constitute a waiver of such party's right to protest pursuant to this section.

Any and all costs incurred by a protesting party in connection with a protest pursuant to this section shall be the sole responsibility of the protesting party.

PART II

Section I

Conducting Business With A Vendor

The purchase order will be the City's commitment to conduct business with a vendor and will be subject to the approval authority limits delineated later in this section. Vendors may submit quotes or contracts, depending on the process, whether informal or formal, and the dollar amount of the purchase.

For the informal vendor selection process, normally for purchases under $25,000, the selection will be accomplished through quotes. For purposes of this manual, the term "quote" will include proposed scope of service statements when submitted as a quote. Quotes must be signed by authorized representatives of the responders when submitted in writing; however the City will not normally sign these documents. When a quote requires a signature by a representative of the City, it will be processed together with the related purchase order and will be subject to the same approval authority limits as a purchase order. In no instance shall the quote be signed by a person not authorized to be the final approving authority on the accompanying purchase order.

Quotes normally relate to goods and identify the type and quantity of the goods to be provided and possibly the associated payment terms. When the proposed goods or services are more complicated, there will normally be more comprehensive terms involved which would necessitate a formal contract requiring the signature of both the vendor and the City. Formal contracts will always be required for formal competitive vendor selection situations. This will normally be for purchases greater than $25,000, which require Commission approval.

Once approved by Commission, the contract will be processed. As discussed previously, the formal competitive vendor selection process can be utilized for purchases under $25,000 when the additional effort is justified. The resulting contract will be processed at the same time as the related purchase order approval request in accordance with the approval authority limits discussed in "D" below. Even when a contract has been signed, the vendor is not authorized to begin work until a fully approved purchase order has been issued.

The following sections will discuss contracts and purchase orders used to commit the City to do business with a vendor.

A. CONTRACTS

1. Contract Period
Unless otherwise provided by law, a contract for supplies or services may be entered into for any time period deemed to be in the best interests of the City provided the extension beyond the current fiscal year, if any, is included in the solicitation and funds are available for the current fiscal year at the time of contracting. Payment and performance obligations for future fiscal years shall be subject to the availability of funds.

2. Price Adjustment
Contracts may be awarded with the provisions for upward or downward price adjustments provided this allowance is part of the original bid solicitation and the adjustments are based on a nationally recognized or published index or other criteria acceptable to the City.

3. Advance Payments
The City may make advance payments not to exceed one (1) year to vendors for maintenance service contracts and lease agreements when it would be economically efficient to do so or when the vendor offers a discount for advance payments.

4. Amendments
Any changes to a contract that materially alter the terms and conditions of a contract, or provide for a change in the scope of the contract, must be contained in a formal amendment to the contract executed by the same authority as the original contract.

5. Insurance Requirements
All contracts shall contain requirements for the protection of the City through sufficient insurance as specified in the bid documents. The selected vendor shall be required to obtain,

at the vendor's expense, all required insurance coverage and shall submit evidence of insurance to the City for approval before the contract award will be finalized. The Risk Manager will review insurance certifications, approving those which comply with the requirements of the solicitation. Non–approved certifications will be returned to the user department with the reasons for non-approval and instructions as to how the certification may be corrected by the vendor. The user department shall not allow a contract to be finalized, nor work commence, until the Risk Manager has approved the sufficiency of insurance coverage.

6. Payment and Performance Bonds
When a contract is estimated to exceed fifty thousand ($50,000) for the construction of a public building, for the completion of a public work or for repairs upon a public building, or other public work as provided in Florida Statute Section 255.05, as amended, or when the Purchasing Administrator deems it to be reasonably necessary to protect the best interests of the City, the following bonds shall be executed and delivered to the Purchasing Administrator before the contract award will be finalized and shall become binding on the parties upon the execution of the contract:

A. A performance bond guarantees the selected vendor will perform all requirements of the contract. It protects the City from loss due to the selected vendor's inability to complete the work. A performance bond satisfactory to the City in an amount equal to one hundred percent (100%) of the price specified in the contract must be provided to the City and is conditioned on the selected vendor performing the contract in the time and manner prescribed in the contract.

B. A payment bond guarantees the selected vendor will make all required payments to the subcontractors and suppliers providing goods and services to the selected vendor. A payment bond satisfactory to the City in an amount equal to one hundred percent (100%) of the price specified in the contract must be provided to the City and is conditioned on the selected vendor promptly making payments to all persons and entities supplying labor, materials or commodities used directly or indirectly in the performance of the work provided for in the contract.

7. Indemnification

All vendors shall indemnify and hold harmless the City, its officers, agents and employees from any injuries or damages received by any person during any operations connected with the construction project, by use of any improper materials, or by any act or omission of the contractor, or subcontractor, agents or employees.

B. CONSTRUCTION CONTRACT REQUIREMENTS

In addition to the requirements under Section A, the following shall apply to construction contracts:

1. Construction Contract Change Orders

The City shall have the right, based on a clause contained in each construction contract, to require changes in quantities, additions or deletions of work or other changes within the original intent of the contract. All change orders, where the amount of the entire contract, including the change order, is over $25,000 shall be approved, in advance, by the City Commission. The approval of change orders equal to or under this amount for both construction contracts and professional design services shall be approved, in advance, by the City Manager or his/her designee.

2. Amendments To Construction Contracts

All changes to construction contracts that materially alter the terms and conditions of the contract or provide for a change in scope of the project beyond the original intent, must be contained in a formal amendment to the contract. Such an amendment must be approved with equal dignity and formality as the original contract and signed by the individuals holding the positions of the original signatories. If the amendment causes the total dollar amount of the contract to move to the next dollar threshold (see “approval authority limits), approval is required, approval must be given as named for that threshold.

C. ONGOING CONTRACT ADMINISTRATION

After the award of any contract, the user department will ensure that both the City and the vendor are in compliance with all terms and conditions of the contract, including, but not limited to, maintaining current insurance certificates.

In cases where the vendor does not adhere to delivery and specifications or is in technical breach of a contract, the user department must attempt to rectify the situation with the vendor and maintain written record of these attempts. This written record should contain specific instances of non-compliance with the contract requirements and a timeframe for resolution of the issues involved.

In cases where the user department is unable to rectify a breach of contract with the vendor, the user department may recommend to the City Manager or City Commission (depending on the

amount of the contract) that the contract be cancelled, the vendor be suspended or debarred (the City will no longer conduct business with the vendor), or to begin appropriate legal action through the City Attorney.

The City may suspend a contract for a period not to exceed thirty (30) days following a determination by the City Manager that there has been a material deviation by the vendor from the requirements of the contract. Any suspension of contract shall be provided in writing to the affected vendor within three (3) working days of such determination. The City reserves the right to obtain goods or services, which are the subject of the contract, from alternate sources during the suspension period.

Contracts originally approved by the City Commission shall be canceled or revoked only after specific City Commission action.

D. PURCHASE ORDER

A fully executed purchase order (PO) is the user department's authority to purchase goods or services. As discussed elsewhere, a purchase order must reflect the anticipated total amount of business to be done with a vendor for the year. The total shall not be broken into smaller amounts to keep from crossing a dollar threshold with additional approval requirements, including the requirement for formal competitive vendor selection. Without exception, all PO's must be fully approved before the issuing department may place the order. This is true even when a contract with the vendor has been fully executed. Supporting documentation must be maintained within the department for purchases up to $7,500 and forwarded, as discussed below, for greater amounts.

A purchase order is the vendor's authorization to ship goods or perform services as specified. The purchase order constitutes a contract (in some instances a second contract if a more formal contract is also being utilized) between the City and the vendor, and as such, is a legal document. The purchase order also reserves (encumbers) the funds within the financial system so the funds cannot be allocated for other purposes before the transaction has been completed and the purchase order fully closed out.

A purchase order will normally be for a specified dollar amount for specified goods or services. Additionally, an open end purchase order can be issued for a specific not-to-exceed dollar amount and may also be for a specific length of time, not to exceed one fiscal year. The open purchase order is utilized to facilitate multiple purchases from a single vendor over a given term. Purchase orders are not required for certain vendors; see Attachment 5.

Approval authority limits per Sections 2-194 through 2-196, City Code of Ordinances:

TABLE 2 – APPROVAL AUTHORITY LIMITS

APPROVAL	DOLLAR THRESHOLD
Department Director	Up to $1,000.00
Purchasing Administrator	$1,000.01 to $7,500.00
City Manager	$7,500.01 to $25,000.00
City Commission	$25,000.01 and above

The PO preparer will use the financial system (MUNIS) to prepare requisition to purchase goods or services. The preparer will enter sufficient information, and attach the required cost level documents.

The submitted requisition with the proper required documentation attached will go through the approval process via MUNIS

1. Requesting department, approval of department director
2. Related department, approval of department director
3. Financial Services, approval of Financial Services Director
4. City Manager or approval City Manager as designated

TABLE 3 – REQUIRED DOCUMENTATION

BASIS OF PURCHASE ORDER	REQUIRED DOCUMENTATION
Three quotes	Copies of each quote, signed by vendor
Sole Source - Purchase Admin Approval	Written justification
Exempt Contractual Service*	Note exempt category
Emergency procurement	Written justification
Professional services procedures**	Note service category
Cooperative purchasing	Note entity, attach other entity contract
Existing contract – other government entity	Note entity, attach other entity contract
Renewal contract	Copy of contract, executed by both parties
Competitive sealed bidding	Copy of contract, executed by both parties

* City Code of Ordinances, Chapter 2, Article VII, Section 2-198
**Consultants Competitive Negotiations Act, Florida Statutes 287.055 (1991)

When an exception to the formal vendor competitive selection process has been used, the justification must be clearly identified and documented.

E. EMERGENCY PURCHASES

Emergency purchases may be made by the department on approval of the department head when the cost does not exceed one thousand dollars ($1,000.00) and on approval by the Purchasing Administrator when the cost does exceed seven thousand five hundred dollars ($7,500.00).

The City Manager may authorize emergency procurements where the cost exceeds twenty-five thousand dollars ($25,000). The City Commission must be notified, after the fact, of any emergency purchases in excess of twenty-five thousand dollars ($25,000.00) at the next scheduled commission meeting.

Section II

Payment For Goods And Services

A. INVOICES

Invoices are itemized statements of goods or services provided and are a means of settlement of financial obligations. The timeliness of processing invoices may affect the relationship between the City and its vendors and must be processed within 30 days of receipt (20 days in the case of construction services), per State Statute 218.70, Local Government Prompt Payment Act. Invoices should contain the following basic information:

- Purchase order number (if applicable)
- Itemized listing of materials or services rendered
- Quantity of each item
- Unit price with extensions
- Discount terms if applicable
- Services provided, including hours and billing rates where applicable

B. PAYMENT – PURCHASE ORDER

The PO instructs vendors to send invoices directly to the user department. The user department should hold the PO while waiting for an invoice. The City will pay only from an original invoice (electronic invoices are acceptable as originals) and not a fax copy or photocopy. The user department will follow the PO "receiving" and "invoicing" procedures as required by the financial system (MUNIS) invoices are routed through "MUNIS" to Accounts Payable for payment.

Only individuals authorized to normally receive goods or services may do so. The receiving individual must certify that the quantity, brand name, or model ordered is received or that the required services have been provided.

C. PAYMENT – CHECK REQUEST

Check requests should be used only in exceptional situations. Refer to Attachment 4, Sample Check Request forms.

D. PAYMENT – PETTY CASH

In some instances it may be necessary for an employee to go to a local store to purchase small items, without a purchase order. The employee will be reimbursed if a Petty Cash form, signed by the department director, is presented to the cashier at the Utility and Billing Services service window in City Hall, or at the employees department if that department has petty cash. Tax will not be reimbursed.

E. CHANGING OR LIQUIDATING PURCHASE ORDERS

Purchase Order Changes:

When a change of the total on the Purchase Order is required, the initiating department requests the change by forwarding a written request and brief explanation to the Purchasing Administrator. Department director approval may be required depending upon the amount of the change requested (generally if the requested change is more than 10%). Freight, shipping & handling charges & back-order related changes do not require an explanation.

If the original PO was awarded by Commission action, and a change order is being made, sufficient documentation (copy of the resolution, change order, written authorization from the City Manager etc.) authorizing the change must be submitted before further processing.

If the original PO total was for less than $25,000.00 and the change will make the total over $25,000.00 then the change order must be approved by Commission before further processing.

Changes may also be done to correct errors, omissions, or discrepancies; cover acceptable overruns and freight costs; and incorporate requirements to expand or reduce the scope of goods or services order.

Purchase Order Liquidations:
A purchase order is liquidated when a partial receipt has been done on a purchase order and the remainder of the total will not be received. When a liquidation is done, the purchase order is closed and no other transactions can take place against that particular purchase order. Any remaining funds that had been encumbered on that purchase order are released back into the account that had been encumbered.

Purchasing is notified by the using department when a purchase order is to be liquidated

Section III

Pca rds (Purchasing Cards)

A. INTRODUCTION

The City of Oakland Park Purchasing Card Program is designed to improve control and efficiency in processing purchases from any vendor that accepts the VISA credit card.

This program will allow the employee/cardholder to purchase approved commodities and services directly from our vendors. Each purchasing card is issued in the name of an employee with "City of Oakland Park" as the government buyer of goods and services, and the City sales tax exemption number, clearly shown on the card. Cardholders will also be issued a copy of the city's sales tax exemption certificate.
The Purchasing Division, Financial Services, will monitor the performance of the program. All questions or concerns should be directed to:

Maggie Turner	954-630-4257
Lynn Houston	954-630-4256

The purpose of these policies and procedures is to accomplish the following:

A. To ensure purchasing card purchases are in accordance with the City of Oakland Park's Purchasing Ordinance (Section 2, Article VII) and adopted policies and procedures.

B. To provide an efficient method of purchasing and paying for goods and services from specified vendors within specified commodity groups, within a

predetermined amount per item purchased, per total invoice purchase or per total per day, week or month per vendor.

C. To reduce the use of purchase orders, blanket purchase orders, checks and petty cash, and the related processing and mailing costs.

D. To reduce transaction processing time.

E. To provide procedures and policies for disciplinary action if a purchasing card is misused.

F. To ensure budget, commodity, and vendor control over purchases.

G. To provide for purchases during a state of emergency (e.g., hurricane)

The policies and procedures provided herein are minimum standards for departments. Departments may establish additional controls as deemed necessary.

How It Works

The purchasing card system simplifies the purchasing/disbursement process. Purchasing responsibility is delegated to the ordering department enabling an authorized cardholder to place an order directly with the vendor.

When a purchase authorization is requested by the supplier at the point of sale, the VISA purchasing card system validates the transaction against preset limits established by the Department Director and Purchasing Manager. All transactions are approved or declined electronically based on the purchasing card authorization criteria established. The authorization criteria may be adjusted periodically as needed and may include, but are not limited to, the following:

- Approved Vendors
- Approved Commodities
- Number of transactions allowed per day
- Number of transactions allowed per month
- Single item purchase limit
- Daily transaction limit
- Monthly total

The authorization process occurs through the electronic system that supports the purchasing card processing services under the City of Oakland Park's Linking Authorization Contract with the SunTrust Bank

Who Does What?

The following is a summation of the responsibilities of the individuals involved in the purchasing card system.

Department Director

- Request purchasing cards for designated employees
- Set transaction limits, frequency of use, and vendors
  - Responsible for authorizing charges (or designated representative) – must initial transaction log
- Ensure compliance with all additional approval requirements prior to purchase (quotes, solicitation, Commission approval, etc.)
- Monitor availability of budgeted funds
- Review receipts, cardholder statement(s) and department transaction log(s)
- Sign and date transaction log
  - Ensure that approved cardholder statement(s) and department transaction log(s), along with all supporting documentation, are sent to Purchasing within two (2) days of the end of each week, or partial week, at month end
- Notify VISA of any disputes and follow dispute procedures
- Document all disputes
- Notify Purchasing Representative of open disputes
- Collect card from cardholders who end employment
- Notify and send Purchasing terminated cards
- At the end of each day collect all Pcards held by department staff, as necessary
- Comply with all purchasing and purchasing card policies and procedures

Cardholder

- Hold and secure purchasing card
- Request/receive authorization to purchase
- Order/receive materials and services
- Ensure sales tax is not charged (<u>self check-out is not to be used</u>)
- Make sure there are no back-orders
- Compare receipts with supporting documentation and verify totals are the same
  - Request correct receipt and credit slip (never cash or store credit) if totals do not agree
- Initial all receipts following verification of accuracy
  - Turn in all receipts and supporting documentation to department representative on a daily basis
- Immediately notify Purchasing, cardholder's Director and department representative of lost or stolen card
- Responsible for all missing documentation
- Resolve all issues with vendor - notify Purchasing of any unresolved issues
- Comply with all purchasing and purchasing card policies and procedures

Department Representative

(Individual(s) designated by Director)

- Ensure completion of transaction log including Department Director authorization

(initials)

♦ Receive all receipts, supporting documentation and credit slips on a daily basis from cardholders

♦ Verify there are no sales tax or back orders

♦ Match purchase authorization with receipt and supporting documentation and verify that all totals agree

♦ Return all unequal charges to cardholder for correction

♦ Ensure G/L account number is properly coded and complete

♦ Sign and date transaction log

♦ Submit all documentation (weekly spend report and supporting documentation) to Department Director for review and signature

♦ Send approved cardholder statement(s) and weekly spend report(s), along with all supporting documentation, to Purchasing within two (2) days of the end of each week, or partial week, at month end

♦ Immediately notify the Department Director and Purchasing Administrator of any abuse or misuse of the program by a cardholder, or the failure of a cardholder to comply with applicable policies and procedures

♦ Comply with all purchasing and purchasing card policies and procedures

Purchasing Representative

♦ Receive approved cardholder statements, supporting documentation, and weekly spend report(s)

♦ Confirm that all department weekly spend reports are complete and are authorized by Department Directors

♦ Notify departments when approved weekly department documentation is not received on time

♦ Notify Purchasing and Comptroller of disputes

♦ Initial and forward all approved documents to Purchasing staff

♦ Ensure compliance with all purchasing and purchasing card policies and procedures

Purchasing/ VISA Account Administrator

♦ Coordinate program policy issues

♦ Initiate and distribute all purchasing cards

♦ Execute the Purchasing Card Employee User Agreement (original is maintained in HR personnel file and copy is maintained in Purchasing)

♦ Block commodity codes for purchasing card program

♦ Initiate training program for all cardholders

♦ Request issuance and cancellation of cards

♦ Maintain policy and cardholder guides/manuals

♦ Evaluate purchasing card feedback from vendors and departments

♦ Coordinate and maintain internal controls

- Handle billing disputes
- Participate in ongoing program reviews
- Pursue supplier discount opportunities
- Conduct semi-annual inventory of purchasing cards

Accounts Payable/Financial Services Department

- Receive monthly statements from SunTrust VISA
- Reconcile statements to City Total Summary
- Verify all documentation received
- Pay all non-disputed monthly charges from consolidated statement
- Process related accounting data
- File and store statements, receipts, etc.
- Monitor missing documentation from City Total Summary and notify Purchasing
- Notify Purchasing of any violations or discrepancies on the City Total Summary

B. POLICIES AND PROCEDURES

Assignment and Control of the Purchasing Card

Request for and Issuance of Purchasing Card

A. Purchasing cards will be issued by Department and Purchasing to individual employees who frequently purchase goods and services of a pre-approved amount.

B. The Purchasing card will have the employee's name, "City of Oakland Park", the City sales tax exemption number and the expiration date embossed on the face of the card. The purchasing card issuing company will not have individual cardholder's information other than name. No credit records, social security numbers, etc. of the cardholder are maintained.

C. All requests for new cardholders, changes to current cardholders, or changes to authorization must be made in writing by the Department Director to Purchasing.

D. Each employee designated to receive a card will be given a copy of this policy and procedure manual, along with training, from Purchasing personnel.

E. When Purchasing receives a purchasing card from the issuing card company, the cardholder will be required to personally take receipt of the card from Purchasing and sign the Purchasing Card Employee User Agreement.

Lost or Stolen Purchasing Cards

A. If a purchasing card is lost or stolen, the cardholder must immediately notify Purchasing, the department Director and department representative.

B. The cardholder will be responsible for reporting all information necessary to reduce the liability to the City for a lost or stolen card.

C. Disciplinary action will be taken in the event that Purchasing is not notified.

D. The cardholder will make payment to the City for any unauthorized charges if he/she fails to report the card as lost or stolen. If charges are not repaid, the City will take disciplinary action, up to and including termination. The City will also pursue all legal avenues available for collection.

Termination or Transfer of Cardholder

A. When an employee ends his or her employment or is transferred to another department, the Department Director must immediately notify Purchasing. Purchasing will ensure that the card is canceled.

B. The Department Director is to collect the card from the employee and send to Purchasing.

Limitations on Use of Purchasing Card

A. Cardholder Use Only

Only the employee whose name is embossed on the card may use the purchasing card. No other person is authorized to use the card.

B. City of Oakland Park Purchases Only

The purchasing card is to be used for City authorized purchases only. The purchasing card cannot be used for any personal use. Any such use will require immediate reimbursement and <u>will result in disciplinary action, which may include dismissal.</u>

Dollar Limitations

A. The Department Director approving the issuance of a purchasing card will set limits for each cardholder: transaction amount, frequency, vendor, and commodity as required. All such limits will be reviewed by Purchasing.

B. A purchase may be made of multiple items, but the invoice cannot exceed the cardholder's limit.

C. Declared Emergencies – at the discretion of the City Manager or designee, restrictions on purchase limit and merchant category groups may be revised once an emergency has been declared

Other conditions

A. All items purchased over-the-counter must be immediately available. No back ordering is allowed.

B. All items purchased by telephone transaction must be confirmed by fax. A faxed receipt from the vendor initialed by the cardholder will be given to the department representative at time of order.

C. All items purchased by telephone, fax or internet must be delivered by the vendor within the current billing cycle. The order should not be placed without this assurance. No back ordering between cycle periods is allowed. The City will not accept charges for items not received.

Prohibited uses of purchasing cards

The following types of items may not be purchased with a purchasing card, regardless of dollar amount.

A. Food or auto fuel for personal vehicle when traveling

B. Entertainment during travel

C. Cash Advances

D. Sport or Recreation Tickets

E. Personal Items

F. Telephone Calls

G. Any additional goods or services specifically restricted by the Department Director, Purchasing or the Financial Services Department

H. Any item that would be an unlawful expenditure in accordance with the City's Code of Ordinances adopted Resolutions and adopted Policies.

Violations

A. Purchase of any item, which would be an unlawful expenditure in accordance with the City's Code of Ordinances (Section 2, Article VII) and adopted policies and procedures.

B. Attempting to make a purchase that exceeds limit. It is the responsibility of the ordering department to ensure all "extra" charges such as freight, handling, set up, etc. are considered before a purchasing card transaction is made. A vendor's willingness to honor a purchasing card transaction exceeding the limit does not authorize cardholder or department to make such a purchase.

C. Attempting to make more transactions per day or month than allowed.

D. Purchases from vendors that create conflicts of interest.

E. Multiple purchasing card transactions to circumvent the pre-determined limits.

F. Failure to produce proper documentation receipts, to department representative daily.

G. Failure to report lost or stolen purchasing card.

H. Purchasing card transactions referenced as items prohibited for purchase with card.

When purchases are questioned, the Director or designated department representative will be responsible for resolving the issue with the cardholder. If the Director or department representative cannot be satisfied that the purchase was necessary and for official use, the cardholder must provide a credit voucher proving the item(s) were returned for credit. If items cannot be returned, then a payment will be made in cash to the City by the employee/cardholder.

The City reserves the right to take disciplinary action, up to and including termination. The City may also pursue all legal avenues available for collection. Any abuse or misuse of the purchasing card will result in the privilege being suspended or revoked.

Purchasing will refer violations and discrepancies to Human Resources for disciplinary or other appropriate action.

C. PROCEDURES FOR MAKING AND PAYING FOR PURCHASE

A. Documentation of Over the Counter Purchases.

1. When a purchase is made, the cardholder must obtain the customer's copy of the detailed receipt. The cardholder verifies that the receipt and any related documentation are for the same amount. He/she also verifies that no tax has been charged and that discount has been given, if applicable. If the receipt is incorrect the cardholder will request a credit slip (never cash or store credit).

2. The receipt will be initialed following verification of accuracy, to be turned in daily, along with any supporting documentation, by the cardholder to the department representative for review and reconciliation.

B. Telephone Orders

1. When placing a telephone order, the cardholder must confirm that the vendor will charge the purchasing card when the item is shipped so that the receipt of the item occurs during the same billing cycle as the charge. The City will pay for items that have been received. The City will not pay for items not received within the billing cycle.

2. Ensure that the vendor knows that the City will not pay tax and is aware of any discounts. The tax ID # is to be provided

3. Absolutely no back-orders will be allowed.

4. Telephone orders will be confirmed by fax or email. The fax or email will be initialed and given to Department representative.

C. Missing Documentation

1. If the cardholder does not have documentation of the transaction, he/she must obtain a copy and if this is not possible, details of the purchase must be attached. The information will include a description of each item, the number of items purchased, the unit cost, the date of purchase, the vendors name and explanation as to why there is no supporting documentation. Continued incidents of missing documentation will result in the cancellation of the employee's purchasing card.

D. DISPUTES

1. If items purchased with the purchasing card are defective, the cardholder must return the items(s) to the vendor for replacement or credit. If the service paid for with a purchasing card is faulty, the vendor must be notified and asked to correct the situation or provide a credit (never cash or store credit). If the vendor refuses to replace or correct the faulty item or service, the purchase will be considered in dispute. Any item or amount the Director or the Director's designated representative considers as an inappropriate or incorrect charge and the vendor will not credit will be a disputed item or amount.

2. Director of the Director's designated representative contacts the Merchant about the transaction and suppliers the necessary information to begin the resolution process

3. Purchasing must be notified of all disputed items. All documentation concerning the disputed items will be turned into Purchasing as soon as possible.

Clarification, Questions, Violations – Contact the City's Purchasing Division, Financial Services Department

Section IV

Transfer or Disposal of Surplus and Obsolete Equipment

In order to dispose of an item that has become surplus or obsolete to the user department, the Department Director of the user department must send a memorandum to the Purchasing Administrator listing the description, condition, serial number and asset tag number of the item being disposed of. The Purchasing Administrator will attempt to relocate the item directly to

another department in need of such equipment. If no need exists, it may be traded in on new purchase of similar equipment whenever feasible to do so.

Items will be kept at the user department until they can be transferred or disposed of. If the items are damaged or worn beyond repair, after inspection by the Purchasing Administrator, the items will be declared to have no further value to the City and approval will be requested by the Purchasing Administrator to the City Manager to dispose of the items.

When equipment is still usable but it has been determined over a period of time that no need exists within the City Departments and further storage is impractical, surplus equipment may be offered for sale or auction. This will be coordinated by the Purchasing Administrator in conformance with competitive conditions, including when necessary, advertising and sealed bids. Permission to sell or auction the item must be obtained from the City Commission if the estimated value of an item is twenty thousand dollars ($20,000) or greater.

ATTACHMENT
"A"

Disaster Procurement

The Uniform Rules at 2 C.F.R. part 200.110 provide that:

Federal awarding agencies must implement the policies and procedures applicable to Federal award by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

For procurement standards in 200.317-200.326, non- federal entities may continue to comply with the procurement standards in previous OMB guidance (superseded by this part as described in 200.104) for two additional fiscal years after this par goes into effect.

If a non- Federal entity chooses to use the previous procurement standards for additional fiscal year before adopting the procurement standards in this part, the non-Federal entity must document this decision in their internal procurement policies.

The grace period is for two years.

The City of Oakland Park, will be utilizing the available grace period. We will be in compliance with the above mentioned uniform rules by October, 1, 2017.

ATTACHMENT 1

Purchasing Terms and Definitions

The purchasing profession is characterized by various terms and definitions that may not be commonly used by other disciplines. As a reference, the National Institute of Government Purchasers (NIGP) "Dictionary of Purchasing Terms" is the standard being used by the City of Oakland Park. As used in this manual, the following terms shall mean:

Addenda: written or graphic instruments issued prior to the opening of formal solicitations which clarify, correct, or change the response documents or contract documents.

Advertising: giving notice in the official local newspaper that sealed responses will be received at a set time and place.

Alternates: substitutes offered by vendors that differ materially from the specifications as set forth in the purchasing solicitation.

Amendment: a method of substantially changing the terms and conditions of a response or contract beyond what is specifically required by the contract.

Award: the acceptance of a bid, offer, or proposal by the proper authority.

Bidders' List: is a current file of vendors who have indicated a desire to supply goods and or services for City use.

Bid Closing: the time and date set for termination of accepting bids.

Bid Bonds (also known as proposal bonds): guarantee the responders will not withdraw their bids for a specified time period and will accept a contract, if offered, or will forfeit the bond amount. They may be by cash, a certified or cashier's check, a surety bond or an irrevocable standby letter of credit

Brand Name or Equal Specifications: a specification limited to one or more items by manufacturers' names or catalog numbers to describe the standard of quality, performance or other salient characteristics needed to meet the City's requirements and which provides for the submission of equivalent products.

Brand Name Specification: a specification limited to one or more items by manufacturers' names or catalogs

Change Order: a written order amending a purchase order to correct errors, omissions, or discrepancies in purchase orders to cover acceptable overruns and freight costs; incorporate requirements to expand or reduce the scope of goods or services ordered; or to direct other changes in contract execution to meet unforeseen field, regulatory or market conditions.

Competitive Bids or Offers: the solicitation of two or more bids or offers submitted by responsive and qualified bidders or offerors.

Construction: the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property. It

does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property.

Construction Change Order: is a written order authorized by the proper authority, directing the contractor to make changes, which the changes clause of the construction contract authorizes.

Consultants Competitive Negotiation Act (CCNA): is the common name for Section 287.055 of the Florida Statutes concerning the purchasing of Architectural, Engineering (including testing), Landscape Architecture, and Registered Land Surveying and Mapping Services.

Contract: all types of binding agreements, including purchase orders, of the City of Oakland Park, regardless of what they may be called, for the purchasing of supplies and contractual services.

Contractor: any person or business entity having a contract with the City of Oakland Park to perform a service or sell a product (same as vendor).

Contractual Services: the rendering of time and effort by a contractor rather than furnishing specific supplies. Contractual services shall not include exempt contractual services as more specifically identified in the Purchasing Ordinance.

Cooperative Purchasing: the purchasing conducted by or on behalf of more than one governmental entity.

Emergency Purchase: A purchase made to alleviate a situation in which there is a threat to health, welfare, or safety under certain conditions defined as an emergency by the jurisdiction, that does not allow for the normal, competitive purchasing procedures.

Evaluation Committee: is a group of persons appointed to rank in preferential order those professional firms or individuals interested in providing services on a particular project.

Goods: Supplies or anything purchased or available for purchase, other than real property or services.

Governmental Agency: any agency of the Federal, State, or any Local Government.

Invitation to Bid (ITB): a written solicitation for competitive, sealed bids with the title, date, and time of the public bid opening designated therein and specifically defining the supplies or contractual services for which bids are sought. The Invitation to Bid shall be used when the City can establish precise specifications that define the scope of work for which a contractual service is required or that define the actual supplies required.

Letter of Interest (Request for Letter of Interest - LOI): a method of selecting a vendor whereby all vendors are invited to submit a summary of their qualifications and state their interest in performing a specific job or service.

Mandatory Bid Amount: the dollar amount at which the formal bid process is required, unless an exemption is provided in the Ordinance.

Multiple Award Contracts: contracts which provide awards to more than one vendor for the same item.

Notice of Award: the written notice by the City to the apparent successful bidder or offeror stating that upon compliance by the apparent successful bidder or offeror with the conditions precedent to the contract within the time specified, the City will sign and deliver the contract.

Obsolete Property: any personal property belonging to the City which can no longer be used for its intended purpose, which has completed its useful life cycle, or whose use has become economically impracticable as determined by the Purchasing Administrator.

Personal Property: all City owned property other than real estate.

Professional Services: any services where the City is obtaining advice, instruction, or specialized work from an individual specifically qualified in a particular area. Professional service may include a report, or written advice which may be lengthy; however, the main thrust of the service is not considered labor, but the exercise of intellectual ability. The purchasing of professional services does not lend itself to normal competitive bidding and price competition alone. These services may be procured by Letter of Interest or Requests for Proposals and selected through competitive selection and negotiation.

Proposals (Request For Proposals - RFP): a written solicitation for sealed proposals with the title, date and hour of public opening designated. A Request for Proposals shall include, but is not limited to, general information, functional or general specifications, statement of work, proposal instructions and evaluation criteria.

Public Improvements: Municipal and other public buildings, bridges, tunnels, streets, and sidewalks.

Purchasing Administrator: the principal purchasing official for the City who is responsible for purchasing of commodities and contractual services, as well as the management and disposal of commodities. Where Purchasing Administrator is used in this document, it may be a designee when assigned.

Purchase Order: a purchaser's document to formalize a purchase transaction with the vendor, conveying acceptance of a vendor's proposal. The purchase order should contain statements as to quantity, description, and price of the supplies, services, or construction ordered and applicable terms as to payment, discounts, date of performance, transportation, insurance and other factors or suitable references, pertinent to the purchase and performance by the vendor. The purchase order constitutes a contract between the City and the vendor and, as such, is a legal document.

Purchase Order, Open-end: a purchase order whereby a vendor provides supplies, services, or construction on demand or on a prescribed schedule not to exceed the amount of the purchase order. An open-end purchase order may be used as a release and encumbrance document to authorize the Using Agency to order any predetermined amount from an open–end contract on an as–needed basis.

Qualifications (Request For Qualifications – RFQ): An RFQ is a formal invitation from the City to vendors to submit a statement of qualifications. The RFQ identifies the desired minimum qualifications of the firm, a scope of work statement, any project requirements, and states the relative importance of selection criteria that will be used in compiling the short list of prospective firms for further consideration.

Quote: notice by a vendor to the buyer stating the prices, terms, and conditions under which he/she will furnish certain goods or services.

Responsible Bidder or Responsible Offeror: a person or business entity having the capability in all respects to fully perform the contract requirements and the experience, ability, reliability, capacity, facilities, equipment, financial resources and credit which will give a reasonable expectation of good faith performance.

Responsive Bidder or Responsive Offeror: a person who has submitted a bid, which conforms in all material respects to the Invitation to Bid or Request for Proposals.

Services: the furnishing of labor, time, and effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements but shall include both professional and general services.

Specifications: any description of the physical or functional characteristics or of the nature of a supply, service or construction item that is prepared by the requesting department. It may include a description of any requirement for inspecting, testing, or preparing a supply, service or construction item for delivery. Specifications may also contain provisions for inclusion of factors that will lead to the ultimate calculation of lowest total cost. All specifications shall seek to promote overall economy for the purposes intended, and encourage competition in satisfying the City's needs and shall not be unduly restrictive.

Sole Brand: the only known reasonable brand capable of fulfilling the needs of the City.

Sole Source: the only known responsible vendor capable of providing supplies or contractual services to the City.

State Contracts: are annual term contracts released by the State of Florida Department of Management Services Purchasing Division or any other State of Florida Agency (University, College etc.) that may be utilized at the option of local government using agencies.

Surplus Property: any personal property belonging to the City, which is capable of being used but is in excess of the normal operating requirements of the City.

User Department: any department or division of the City which utilizes any goods, services, or construction procured.

Vendor: any person or business entity having a contract with the City of Oakland Park to perform a service or sell a product (same as contractor).

ATTACHMENT 2

Vendor Evaluation Guidelines

Responsiveness

Vendors can be determined to be responsive or non-responsive to the solicitation. Vendors are basically responsive to the solicitation if they have provided all the information required as

mandatory and have signed the solicitation making the response a bona fide offer. Vendors are basically non-responsive if they have not provided all the required information or have not signed the solicitation.

Depending on the specifications, vendors who meet or exceed the minimum specifications are considered responsive while those that do not meet the required minimum specifications are considered non-responsive.

Responsible
A vendor can also be evaluated to determine if they are "responsible" or "not responsible." A vendor shall be found to be "not responsible" for reasons including, but not limited to the following;

- The vendor has failed to perform in a satisfactory manner under a prior contract with the City of Oakland Park.
  - The vendor has shown poor performance based upon comments from previous and current clients, especially those in the governmental sector. The City reserves the right in all solicitations issued to contact previous vendor clients to determine the satisfaction or dissatisfaction with the work performed.
  - A vendor shows a lack of financial resources to assure contract completion on a timely basis.
  - A vendor lacks the necessary training and or experience to fulfill the contract requirements with the proper skill level.
  - The vendor has inadequate equipment and/or personnel to properly complete all contract requirements in a timely manner.
- The vendor is unable to secure necessary insurance and bonding (if required by the City).
  - The vendor fails to comply with any other factors relating to completion of the contract on a timely basis and in a proper manner as determined by the City.

ATTACHMENT 3

PURCHASE ORDER EXCEPTION VENDORS

The following vendors do **not** require a Purchase Order:

Vendor

20/20 Eye Care (02450)
All Service Refuse / Republic Services of FL (04158)
American Bankers Insurance
Arch Wireless (02260) - pagers
AT&T (00003)
AT&T Wireless (02613)
BellSouth (00770)
Blue Cross Blue Shield (02451)
Board of County Commissioners - EN/Environmental Services (00146, 00312, & 01596)
Board of County Commissioners - Waste & Recycling Services (03810) - waste disposal/incinerator
Broward County Sheriff's Office - fuel charges
City of Fort Lauderdale/Wastewater (00199)
City of Fort Lauderdale/Water (00198)
City of Fort Lauderdale/Sampling (00200)
City of Oakland Park/Refuse (00168)
City of Oakland Park/Water (00616)
Colonial Life & Accident Insurance (02217)
Florida Municipal Insurance Trust (02563)
Florida Unemployment Comp Fund (00378)
FPL (00375)
Investors Life Insurance Co (02517)
Nextel Communications (01638 & 01962)
Preferred Legal Plan (03272)
Professional Administrators (00662)
Prudential Financial (02458)
Safeguard Health Plan (02454)
Sprint Business (01878)
State of Florida Dept. of Management Services (Suncom) (00263)
Sun Recycling (04797)
Unipsych Benefit (02459)
Unum Life Insurance (03320)
Waste Management (00850) - waste disposal/landfill

DUES / MEMBERSHIP

American Planning Assoc (02513)
Broward League of Cities (00140)
FGFOA (01053)
GFOA (01526)
ICMA (02337)
National League of Cities (00905)
National Safety Council (00589)
PRIMA (02357)
ULI (03499)

ATTACHMENT 4

CONFLICT OF INTEREST STATEMENT

For the purposes of determining any possible conflict of interest, all voting members of the Selection/Evaluation Committee for_____

Solicitation # and Name

Must disclose if they have an interest in any of the firms responding to the above solicitation as an owner, Corporate Officer, employee of the business or consultant of the firm. Indicate either "yes" (this City employee is associated with the firm(s) indicated and in what capacity) or "no". If yes, give firm(s) name(s) and position(s) held with the firm(s).

YES_

NO

_____

_____

Firm name(s) and position(s) held:

_____

_____ _____

Signature of Committee Member Date

(Note: if answer is "yes", you must file a statement with the Supervisor of Elections, pursuant to Florida State Statutes 112.313)

ATTACHMENT 5

Agreement to Accept the Visa Purchasing Card

Your participation in the Visa Purchasing Card Program is a convenience that carries responsibilities along with it. Although the card is issued in your name, it is the property of the City of Oakland Park and should be used with good judgment. Your signature below verifies that you understand the Visa Purchasing Card Program guidelines outlined below and agree to comply with them.

1. The Visa Purchasing Card is provided to employees based on their need to purchase ***City-related*** goods and services. A card may be revoked at any time. The card is not an entitlement nor reflective of title or position.

2. The card is for ***City related*** purchases only; personal charges are not to be made on the card.

3. Each purchase must be approved as dictated by City ordinance and purchasing procedure, **prior** to purchase.

4. Making multiple transactions to circumvent purchase limits is not allowed.

5. You are the only person entitled to use the card and are accountable for all charges made against the card.

6. Improper use of the card can be considered misappropriation of City funds that will result in disciplinary action, up to and including termination.

7. Cardholders must comply with internal control procedures in order to protect City assets. This includes keeping receipts, reconciling all Visa Purchasing Card transactions and following proper card security measures. No purchase is to be made without obtaining a receipt.

8. Cardholders will be responsible for resolving any discrepancies by contacting the supplier.

9. All City purchases are exempt from sales tax. If tax is charged, the employee is responsible for either obtaining a credit or personally reimbursing the City for any sales tax charged.

10. A lost or stolen card should be reported immediately by telephone to the employee's Director, department representative and to Maggie Turner at 954-630-4257 or Lynn Houston at 954-630-4256.

11. A cardholder must surrender his or her card upon termination of employment (i.e. retirement or voluntary/involuntary termination). At this point, no further use is authorized.

In return for the purchasing authority delegated and in consideration of the responsibility to properly steward public resources, the Cardholder agrees to undertake the following responsibilities:

- **To purchase ethically, fairly and without conflict of interest; to seek the best value in the use of the card.**
- **To avoid being charged sales tax.**
- **To ensure that transaction documents are obtained and submitted to the Department representative on a daily basis.**
- **The Cardholder understands that use of the Purchasing Card may be audited, and the Cardholder shall assist reviewers and auditors in examining transactions of the Cardholder.**
- **To comply with the terms and conditions of this Agreement and any Purchasing Policy or Procedure which may be subsequently issued.**
- **To protect and safeguard the Purchasing Card.**

The undersigned party agrees that if he/she willfully violates the terms of this Agreement or is negligent in the use of the Purchasing Card, the Cardholder will reimburse the City of Oakland Park for all incurred charges and any fees related to the collection of those charges.

Purchasing cards are issued to an individual only at the discretion of the City Manager or designee. It is understood that the City of Oakland Park may cancel the Cardholder's privilege to use the Purchasing Card at any time.

Cardholder Signature	***Cardholder Printed Name***	***Date***

Sept. 23, 2016

Re: OMB Uniform Guidance – 2 CFR 200 Compliance Statement (Procurement)

The City of Oakland Park hereby elects to utilize the grace period established in the Office of Management & Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; final Rule – 2 CFR Chapter I, Chapter II, Part 200, et al. also known as the Uniform Guidance (UG) for July 1, 2015 (FY16) and continue use of Circular A-110.

Excerpt from §200.110(a) Effective/applicability date: *"The standards set forth in this part which affect administration of Federal awards issued by Federal awarding agencies become effective once implemented by Federal awarding agencies or when any future amendment to this part becomes final. Federal awarding agencies must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB. For the procurement standards in §§ 200.317-200.326, non-Federal entities may continue to comply with the procurement standards in previous OMB guidance (superseded by this part as described in § 200.104) for two additional fiscal years after this part goes into effect. If a non-Federal entity chooses to use the previous procurement standards for an additional two fiscal years before adopting the procurement standards in this part, the non-Federal entity must document this decision in their internal procurement policies."*

In accordance with the latest guidance from the OMB, the primary purpose of this letter is to document that procurements processed for the City of Oakland Park and funded with grants awarded by the Federal Government, are and will be in compliance with the "old standard" – Circular A-110, for the current Fiscal Year and the next Fiscal Year ending September 30, 2017.

In the meantime, the City of Oakland Park shall modify and develop procurement procedures to become consistent with the Uniform Guidance. City of Oakland Park shall be in compliance with the Uniform Guidance effective October 1, 2017 (FY18).

Maggie Turner
Purchasing Manager

cc: Andrew Thompson, Director of Financial Services