

**RESOLUTION NO. 22-156**

**A RESOLUTION OF THE CITY OF PANAMA CITY BEACH,  
FLORIDA, ESTABLISHING AND APPROVING A  
PROCUREMENT MANUAL.**

**BE IT RESOLVED** by the City Council of the City of Panama City Beach that the Procurement Manual dated May 2022, **attached** and incorporated herein as Exhibit A to this Resolution is hereby approved.


**THIS RESOLUTION** shall be effective immediately upon passage.

**PASSED** in regular session this 12<sup>th</sup> day of May, 2022.

**CITY OF PANAMA CITY BEACH**

By:   
Mark Sheldon, Mayor

**ATTEST:**

  
Lynne Fasone, City Clerk

# CITY OF PANAMA CITY BEACH



## **Procurement Manual**

The City of Panama City Beach is committed to providing quality procurement for all the City Departments, Citizens and Customers with the assurance that taxpayer dollars are spent efficiently and ethically, and in a manner that is transparent, accountable and fair.

The manual serves as a procedural guideline of effective and equitable principles, policies and practices to provide the support to all personnel who have the responsibility of purchasing products and services for the City.

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## **SECTION 1 – PURPOSE**

The City Procurement Manual is intended to promote efficient and fair open competition in an effort to reduce the appearance of and opportunity for favoritism or impropriety, and to inspire public confidence that purchases and contracts are awarded equitably. The purpose and objectives of this Procurement Manual (the “Manual”) are:

- A. To establish a consistent purchasing practice for the City.
- B. To be fair and equitable with suppliers wishing to do business with the City.
- C. To assure adherence to the City’s Charter, purchasing laws, regulations, and procedures.
- D. To maximize competition for procurements.
- E. To administer the procurement function with internal efficiency.
- F. To procure goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable suppliers meeting the City’s needs.

This manual is to serve as a permanent procurement policy and procedure for the City. In the event of a conflict between this manual and the Charter, the Charter shall control.

## **SECTION 2 - DISTRIBUTION & REVISIONS**

This manual will be made available electronically to all City employees involved in the procurement process. The Purchasing Manager shall be responsible for maintaining and distributing the official adopted version of this Manual electronically including any subsequent revisions, as necessary.

Administrative changes or processing procedure portions of this manual may be amended when required by changes in law or when such changes are minor procedural changes, i.e. flow of documents, internal department procedures, etc. with the review and concurrence of the Purchasing Manager, City Manager and City Attorney. The City Manager shall have the authority to revise the operating procedures necessary to successfully implement the policy direction of the City Council. Any change in procurement policy shall be approved by a duly enacted Resolution of the City Council.

## **SECTION 3 - APPLICATION OF MANUAL**

This manual governs all departments and all purchasing transactions made on behalf of the City. The contents of this manual supersede all previously existing purchasing policies and procedures as such may exist other than in the City’s Charter or Code of Ordinances.

### **3.01 Responsibility**

- A. It shall be the responsibility of the City Manager or his/her designee, in conjunction with the Purchasing Manager and Finance Director to implement and enforce the policies and procedures set forth in this manual.
- B. It shall be the responsibility of the City Manager, Assistant City Manager, Finance Director, Department Directors and the Purchasing Manager to exercise functional authority over the City procurement process for the purpose of implementing and

enforcing these policies and procedures on a City-wide basis for their role in the process.

- C. It shall be the responsibility of each department director to implement and enforce these policies and procedures within their respective departments.

### **3.02 Compliance Reviews**

The City Manager reserves the right to conduct compliance reviews on any purchase at any time to ensure best practices are upheld.

### **3.03 Violations of the Procurement Manual**

A violation of any of the policies and procedures in this manual may be grounds for employee disciplinary action and may result in the city's refusal to pay for any improperly procured goods or services. Specific disciplinary actions for violations of or failure to comply with this Procurement Manual and the policies and procedures contained therein may include any or any combination of the following:

- A. Reduction of threshold authority levels;
- B. Revocation of procurement authority;
- C. Reimbursement from employee to the City for any unauthorized items purchased via a Purchase Order or Purchasing Card;
- D. Revocation of Purchasing Cards from individual cardholders for a time period of up to one (1) year by the City Manager.
- E. Requirement to attend additional training conducted by the Purchasing Manager or;
- F. Disciplinary action, up to and including termination of employment.

A violation of Section 112.313, F.S. pertaining to purchasing or contractual relationships shall also be deemed a violation of this manual. Violators of City or State codes of ethics and standards of conduct may be subject to disciplinary action up to and including termination of employment.

## **SECTION 4 - TRAINING**

All City employees who participate in the procurement process within their department must periodically attend a mandatory procurement training class conducted by the Purchasing Manager.

## **SECTION 5 - GENERAL PRINCIPLES OF LAW**

The principles of law and equity, including laws relative to contracts, agency, business entities, ethics, fraud, misrepresentation or coercion, shall guide and supplement the provisions of this manual. Contracts awarded in accordance with this manual, and procurements of the City pursuant to this manual, shall be governed by and construed under the laws of the State of Florida, the laws of the Federal Government (when applicable) and the local laws of the City of Panama City Beach, Florida.

## **SECTION 6 - CODE OF ETHICS**

### **6.01 Ethics in Procurement**

The City of Panama City Beach is committed to a procurement process which fosters fair and open competition, which is conducted under the highest ethical standards, and which inspires the confidence of the public. Employees and elected officials are subject to the State Code of Ethics and are expected to conduct themselves according to the highest level of standards by avoiding involvement in any transactions or activities that could be considered a conflict between personal interest and the interest of the City. Unethical actions by employees or Vendors will not be tolerated. To achieve these purposes, the City subscribes to the following code of ethics:

- A. The City will avoid unfair practices by granting all competitive Respondents' equal consideration as required by local, state or federal regulations. The City will conduct business in good faith, demanding honesty and ethical practices from all participants in the purchasing process.
- B. The City will promote positive Respondent and contractor relationships by affording Respondent representatives courteous, fair, and ethical treatment.
- C. The City will make every reasonable effort to negotiate equitable and mutually agreeable settlements of controversies with a Respondent.

In order to ensure objective contractor performance and to eliminate an actual and/or perceived competitive advantage, contractors who assisted in the development of specifications, requirements, statements of work, and procurements are prohibited from submitting a bid/proposal tied to the assisted procurement.

### **6.02 Employee Ethics**

Employees are required to maintain high standards of ethics and conduct. Purchasing employees shall strive to maintain complete independence and impartiality in dealings with vendors to preserve the integrity of the competitive process and to ensure there is public confidence that Purchase Orders and contracts are entered equitably.

Employees involved in purchasing shall read and follow the requirements of Chapter 112, Part III, Florida Statutes.

A. For the purpose of this section:

1. "Restricted individuals" are reporting individuals within the meaning of section 112.3148(2)(d) and employees and agents of the City that would otherwise meet the definition of a procurement employee within the meaning of section 112.3148(2)(e).
2. "Immediate family" means any parent, spouse, child, sibling, or domestic partner of a restricted individual.
3. "Employer" means any business or organization which employs a restricted individual or their immediate family in a managerial capacity, or any business or organization for which a restricted individual or their immediate family serves as an officer, director, partner or similar capacity. It shall not include a nonprofit organization for which a restricted individual or their immediate family serves as an officer or director without compensation.
4. "Conflict of interest" means a circumstance in which any restricted individual, any member

of his or her immediate family, or any employer of the foregoing, shall be financially interested or have any personal beneficial interest, directly or indirectly, in any purchase or contract of any supplies, materials, equipment, or services used by or furnished for the City.

B. Restricted individuals shall recuse themselves from the selection, award, or administration of any City procurement in which they have a conflict of interest and shall disclose to their supervisor the nature of the conflict of interest. Restricted individuals who are appointed or elected public officials shall disclose their conflict of interest on the Commission on Ethics forms promulgated for such purpose.

C. Restricted individuals and their immediate family are prohibited from accepting or receiving from any City vendor or lobbyist any money, rebate, gift or anything of value or any promise, obligation or contract for future reward of compensation.

D. Notwithstanding the foregoing, with respect to Restricted individuals who are only Restricted individuals because of their appointment to a City board without compensation, the restrictions contained in section B and C shall only relate to contracts, vendors, and lobbyists related to the work of their board.

E. As required by Title 2 of the Code of Federal Regulations (CFR) 200.112, Conflict of Interest and 200.318(c)(1), General Procurement Standards, the City Manager is the reporting official for all instances of real or apparent conflicts of interest. Any employee, officer, or agent of the City who has knowledge or suspicion of a conflict of interest will report this to their immediate supervisor who will then report the instance to the City Manager for him or her to further evaluate. In the case that the conflict of interest involves the employee, officer, or agent's immediate supervisor, the employee may report the instance to the next person in the City's hierarchy. In the governance of performance of its employees engaged in the selection, award and administration of contracts associated with federal awards, the City will ensure that no employee, officer, or agent participates in the aforementioned activities if he or she has a real or apparent conflict of interest. If the City Manager has determined that a real or apparent conflict of interest has occurred, disciplinary action, at a level consistent with the nature of the event and at management's discretion, will be taken to ensure that the conflict is eliminated, and that the City is not at risk for reoccurrence. The City Manager will submit in writing the nature and extent of any potential conflict of interest to the federal awarding agency as well as any actual conflict of interest that has occurred.

No City employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. City employees, officers, and agents may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

## SECTION 7 - DEFINITIONS

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

1. **AGREEMENT** - Any type of instrument, regardless of what it may be called, that memorializes the purchase or disposal of supplies, services, materials, equipment, or construction.
2. **BID, PROPOSAL or QUOTATION** - An Offer specifically given to the City in response to an advertisement.
3. **BLANKET PURCHASE ORDER** - A Purchase Order issued to a vendor for a not-to-exceed specific amount for a fiscal year.
4. **BRAND NAME** - A specification limited to one or more items by, for example, manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet the City requirements and which provides for the submission of equivalent products.
5. **CHANGE ORDER** - A written document which amends an agreement or purchase order to correct errors, omissions, or discrepancies in an agreement or purchase order, to cover acceptable cost over-runs and freight costs, to expand or reduce the scope of goods or services ordered, or to direct other changes in the performance of the contract to meet unforeseen field, regulatory or market conditions.
6. **COMMODITY** - A product that the City may contract for or purchase for the use and benefit of the City. A commodity is not the rendering of time and effort by a provider.
7. **COMPETITIVE SEALED BIDDING** - A procurement solicitation for sealed competitive bids used for the procurement of a Commodity or Services. An Offer submitted in response to a formal solicitation shall be in a sealed envelope and publicly opened at a specific time and place.
8. **CONSULTANTS' COMPETITIVE NEGOTIATIONS ACT (CCNA)** - Set forth in Section 287.055, Florida Statutes, it is the process required for the acquisition of architectural, engineering, landscape architectural or surveying and mapping services.
9. **CONTRACT** - A type of legally enforceable binding document between two parties. Any City Agreement, regardless of form or title, for the procurement or disposition of goods or services. Contracts also include Change Orders, modifications, amendments, and supplemental agreements with respect to any of the foregoing. Every Contract must be duly authorized and approved prior to execution.
10. **COOPERATIVE PURCHASING (PIGGYBACKING)** - A procurement conducted by, or on behalf of, more than one government entity.
11. **EMERGENCY PURCHASE** - A purchase made to alleviate a situation in which there is an imminent threat to public health, welfare, or safety, which does not allow for the normal, competitive purchasing procedures.
12. **EQUIPMENT** - Tangible property of a more or less permanent nature. Examples are tools, trucks, cars, furniture, and furnishings.
13. **FISCAL YEAR** - The twelve (12) month period of time to which the annual operating budget applies and at the end of which the City determines its financial position and



the results of its operations. The City's fiscal year is October 1 through September 30.

14. **INVITATION TO BID (ITB)** – A competitive process used to solicit sealed Bids for procurement above a certain threshold as defined in City Charter. It is used when required specifications are clearly and completely defined. Price is the basis for award. See Competitive Sealed Bidding.
15. **INVITATION TO QUOTE (ITQ)** - A solicitation that calls for pricing information for purposes of competitively selecting and procuring goods or contractual services.
16. **OFFER** - Any Bid, Proposal or Quotation made to the City.
17. **PROFESSIONAL SERVICES** - May include any services provided by a licensed professional in a particular field or subject.
18. **PURCHASING CARDS (P-CARDS)** - City-issued credit cards.
19. **PURCHASE ORDER** – The formal notice to a vendor to furnish the Commodity or Service described in detail thereon.
20. **REQUEST FOR PROPOSALS (RFP)** - A written solicitation used in purchasing complex services when the City is either unable to specifically define the scope of work for the Commodity or Service, or the Competitive Sealed Bid is neither practical nor advantageous. The RFP process considers both quality of the solution offered and price.
21. **REQUEST FOR QUALIFICATIONS (RFQ)** - A written solicitation for sealed qualifications with the title, date, and hour of public opening designated. The Request for Qualifications is used where the specifications of required services are broad and specialized in nature. Evaluation of a response is based on prior established criteria and is rarely based on price.
22. **REQUISITION** – The initial written request to have goods or Services purchased.
23. **RESPONSIBLE BIDDER** – A Respondent who has demonstrated the capability in all respects to perform fully the Contract requirements. One who has the experience, capacity, facilities, equipment, credit, sufficient qualified personnel, integrity, and reliability, demonstrated by a record of timely and acceptable past performance, to perform.
24. **RESPONDENT** - A person who replies to something: one who is supplying information or responding to an advertisement.
25. **RESPONSIVE BIDDER OR OFFEROR** – A Respondent who has submitted a Bid, which conforms in all material respects to the requirements and criteria set forth in the Invitation to Bid, Request for Proposals, or Request for Qualifications.
26. **SERVICES** – The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than those which are not defined as commodities, and which are merely incidental to the required performance. This term shall not include employment Agreements or collective bargaining Agreements.
27. **SOLE SOURCE** – A vendor determined to be the only known source or supplier of a Commodity. Vendors of proprietary products or brand names do not automatically qualify as sole sources.
28. **SPECIFICATIONS** - Any description of the physical or functional characteristics of the nature of a material, supply, service, construction, or equipment item. They may include a description of any requirement for inspection, testing, recycling or

degradable materials content, or the preparation of a material, supply, service, construction, or equipment item for delivery.

29. **SUCCESSFUL BIDDER** - The lowest, Responsible and Responsive Bidder to whom the Purchasing Manager or Evaluation Committee, based on evaluation, recommends award of the Agreement.
30. **TIE (IDENTICAL PROCUREMENT)** – The situation which results when two or more responses to a procurement are equal with respect to price and it appears the quality and service offered by the Respondents are otherwise comparable.

## **SECTION 8 - DUTIES AND RESONSIBILITIES**

### **8.01 Finance Department**

- A. The Finance Department has the sole authority for issuing Purchase Orders. Purchase Orders will be required for all purchases over \$3,500 unless the procurement of goods or services is governed by a written contract, or in an emergency.
- B. The Finance Department shall issue a Purchase Order number to the selected vendor.
- C. The Finance Director is the sole authority responsible for issuing and setting spending limits on P-Cards issued to City Employees.
- D. The Finance Department, in conjunction with the City Clerk, shall maintain a detailed database of all City contracts, leases, and agreements.
- E. The Finance Department shall strive to take advantage of discounts offered by vendors for early and prompt payments of invoices.

### **8.02 Purchasing Manager**

- A. The Purchasing Manager shall be responsible for developing and administering the City's purchasing program.
- B. The Purchasing Manager shall guide, assist, and cooperate with City Departments in the procurement of Commodities and Services and shall maintain adequate records necessary to create an audit trail for purchasing transactions.
- C. The Purchasing Manager may assist the requesting department in soliciting quotes where competitive solicitation is not required.
- D. The Purchasing Manager shall maintain all original bid documents. Copies of the original bid documents will be provided to the applicable Department upon completion of the bid award and contract execution. Original bid documents shall not be attached as exhibits to subsequent or resulting contracts, leases, or agreements.

### **8.03 Budget Analyst**

The Budget Analyst shall confirm that sufficient funds are available in the budget of the requesting department for any purchases requiring the expenditure of \$25,000 or more. No City employee, except in cases of emergency and then only as authorized by Florida Statute

or City Charter, shall issue any order for delivery on a Contract or open market procurement until there is, to the credit of the requesting department concerned, a sufficient unencumbered appropriation balance to defray the amount of such order and the order is for a budgeted Commodity or Service. After determination of the availability of funds, the procurement as set forth in this manual may be initiated.

**8.04 Requesting Department and Department Director**

- A. Department Directors are responsible for ensuring that sufficient budgeted funds are available for all expenditures desired by their Department. It is the responsibility of each Department Director to ensure sufficient and proper funding is available prior to obligation and/or expenditure.
- B. The requesting department is the department initiating the procurement.
- C. The requesting department Director is responsible for ensuring purchases comply with this manual.
- D. The requesting department will follow the Procurement Manual process for solicitation of quotes where competitive bidding is not required by the Charter.
- E. Department Directors may establish internal operating procedures to fully implement the manual so long as such procedures are consistent with this Procurement Manual. In the event of a conflict, the procurement manual shall control.
- F. Requesting departments will use the forms supplied by the Purchasing Manager for procuring goods and services.
- G. Department Directors shall monitor the Purchasing Card policies of their employees.
- H. Departments shall formulate Specifications or the scope of work, including any pre-qualification requirements, for competitive Bids or Requests for Proposals or Qualifications, to include any terms and conditions specified in related funding documents (i.e., local, state and federal grant funding).

**SECTION 9 - PURCHASING AUTHORITY, PROCUREMENT CATEGORIES AND THRESHOLDS**

**9.01 Purchasing Authority.**

- A. Purchasing Authority identifies the City designee who shall approve the purchase and/or award of non-emergency Commodities and Services up to a dollar threshold amount:

Designated Department Staff	Procurements not exceeding \$3,500
Purchasing Manager/Department Director	Procurements not exceeding \$7,500
City Manager /Assistant City Manager	Procurements not exceeding \$24,999
City Council	Procurements equal to or exceeding \$25,000.

- B. Unless another has been designated by Resolution of the City Council, every contract made by or on behalf of the City shall be signed by the City Manager and attested by the City Clerk.

**9.02 Thresholds dictating Procurement Method**

- A. The procurement method will vary based upon the amount of the purchase. Generally, all purchases for goods and services, when the estimated cost thereof shall equal or exceed \$25,000.00 (all goods other than utilities) and \$100,000.00 (utilities only), shall be purchased competitively through a formal bidding process.
- B. Table 1 establishes the thresholds and procedures to govern the non-emergency procurement of goods and services for water, sewer, and stormwater utilities. Table 2 establishes the thresholds and procedures to govern the non-emergency procurement of goods and Services by all other departments. Purchase thresholds utilizing a Purchasing Card are located in Appendix 1.

**TABLE 1 – UTILITY PURCHASING THRESHOLDS AND METHOD**

<b>Purchase Amount</b>	<b>Process Required</b>
\$0 - \$3,500	No quotes required. No PO required.
\$3,500.01 - \$7,500	No quotes required. Purchase Order (PO) form required to memorialize.
\$7,500.01 - \$25,000	3 Telephone or Internet Quotes or Sole Source or Emergency Justification AND Purchase Order (PO) to memorialize.
\$25,00.01 - \$50,000	3 Written Quotes on Vendor letterhead or City offer form, or Sole Source or Emergency Justification AND Purchase Order
\$50,000.01 - \$100,000	3 Written Quotes on Vendor letterhead or City offer form and Purchase Order (PO)
\$100,000.00 and above	Competitive solicitation

**TABLE 2 – GENERAL (NON-UTILITY) PURCHASING THRESHOLDS AND METHOD**

<b>Purchase Amount</b>	<b>Process Required</b>
\$0 - \$3,500	No quotes required. No PO required.
\$3,500.01 - \$7,500	3 Telephone or Internet Quotes required. Quote Form and Purchase Order (PO) to memorialize.
\$7,500.01 - \$24,999.99	3 Written Quotes on Vendor letterhead or City Offer Form and Purchase Order (PO)
\$25,000.00 and above	Competitive solicitation

**SECTION 10 - PURCHASE ORDERS**

**10.01 Purchase Orders**

A Purchase Order is required for the procurement of goods and services over \$3,500, unless on the exemption or exclusion list as directed in this policy.

- A. A Purchase Order to purchase goods or services must have the appropriate documentation and be approved by the appropriate authority level before the Purchasing Manager will initiate and complete the Purchase Order process. The following information shall be provided with the Purchase Order:
1. Name and department of individual requesting goods or services
  2. Vendor name (if new Vendor, department must acquire completed W-9)
  3. Fund/account number
  4. Total amount of order
  5. Department director signature
  6. Quantity, unit size, catalog or part number, description, unit cost, and total cost of items
  7. Total of all items
  8. Contract, proposal or resolution number (if applicable)
  9. Remarks (in body of requisition) - this is for further breakdowns in fund/budget/line-item numbers and any special "ship to" or "bill to" information
  10. All back up documentation to substantiate the costs of #4
- B. The requesting department must complete the Requisition.
- C. A Purchase Order number will be emailed by the Purchasing Manager once final approval has occurred.

## 10.02 Blanket Purchase Orders

A Blanket Purchase Order (BPO) is a simplified method of filling anticipated repetitive requirements for goods or Services with qualified vendors during a specified period. BPOs are designed to reduce administrative costs in accomplishing purchases by eliminating the need for issuing individual written Purchase Orders.

- A. A Blanket Purchase Order is not intended to circumvent the competitive procurement process.
- B. A Blanket Purchase Order is issued for a period of time no less than one calendar quarter and not to exceed beyond the current fiscal year end.
- C. A Blanket Purchase Order allows a requesting department to make multiple purchases with one Purchase Order number, limited by the time period allowed and the specified dollar amount as indicated on the blanket Purchase Order.
- D. It is the responsibility of the requesting department Director to ensure invoices and receipts are acquired and properly sent to the finance department. All departments which are issued Blanket Purchase Orders will be notified in writing by the Purchasing Manager of the Purchase Order number, amount, and "good through" dates.
- E. It is the responsibility of the requesting department Director to monitor the cumulative purchases made under a Blanket Purchase Order to ensure all purchases are budgeted and to ensure that cumulative actual expenditures to date do not exceed the amount authorized by the Purchase Order.
- F. Blanket Purchase Orders should only be used for **operating** expenditures which do not require competitive procurement, or which have been competitively procured and awarded by City Council.
- G. The only **capital** expenditures made with a Blanket Purchase Order should be owner direct purchases of supplies on an already issued capital Contract.

## 10.03 Quotes

Competitive quotes shall be permitted for the purchase of certain goods and services as set forth in Section 9.02. Before any order is placed, an approved Purchase Order must be obtained.

- A. **WRITTEN QUOTES** – Written Quotes must be on vendor letterhead or City generated forms, dated and executed by an authorized representative of the vendor. Written quotes are required from three or more separate vendors. Quotes must be identical in content for comparison purposes. For example, do not ask one vendor to supply a quote for a quantity of one single item and ask another vendor to supply a quote for a quantity of 10 items.

In those instances where the securing of three (3) quotations from qualified vendors is not practicable or obtainable, execution of the Minimum Quote Form will be required with explanations of what vendors were contacted, replies from each vendor, signed by the department Director and attached to the Purchase Order request.

Quotes from one vendor shall not be shared with other vendors before the procurement process is complete. For Sunshine Law purposes, quotes shall be safeguarded and kept confidential until an award is made. Employees are prohibited from obtaining a revised quote in order to utilize a specific vendor. The award should go to the lowest Responsive and Responsible vendor providing a quote.

## **B. TELEPHONE OR INTERNET QUOTES.**

For procurements requiring telephone or internet quotes, requests for quotes may be made by email, snapshot of pricing from a potential vendors' website or official quotes submitted by the vendors on their letterhead. Documentation of the solicitation should be memorialized on the quote form provided by the Purchasing Manager.

### **10.4 Exemptions**

There are certain expenditures for which the processing of a Purchase Order or Contract is exempt, but which must be approved prior to purchase in accordance with the authorized individual(s) as set forth in Section 9. Signature authority shall still apply as specified in the guidelines.

The following types of procurement activities may be made without Purchase Orders:

- A. Utilities - All purchases of services from a utility whose rates are determined and controlled by the Public Service Commission or other governmental authority, including but not limited to electricity, water, sewer, telephone, and cable television services.
- B. Pharmaceutical products and health services administrations including, but not limited to, substance abuse and mental health services, and reimbursement of administrative costs to providers of services purchased. For purposes of this subparagraph, "providers" means health professionals, health facilities, or organizations that deliver or arrange for the delivery of health services.
- C. Interdepartmental billing such as worker's compensation premiums and other insurance premiums.
- D. Publication of notices.
- E. Insurance premiums.
- F. Reimbursable employee expenses such as conference registration, mileage and travel costs.
- G. Petroleum products.
- H. Dues and memberships in trade or professional organizations.

## **SECTION 11 – EMERGENCY PURCHASES**

The City Council may substitute competitive quotes for the competitive bidding required upon finding by extraordinary vote that a public emergency exists making the Bid delay contrary to public interest.

An Emergency Purchase is a procurement necessitated by a situation where the competitive procurement delay would be detrimental to the health, safety, and welfare of the citizens of the City. It may also be a condition that stops or seriously impairs the necessary function of City government.

The City Council may authorize the City Manager to expend up to \$100,000 for emergency purposes to procure necessary supplies and services to manage emergency circumstances which require immediate action for the protection of the health, safety, or welfare of the City.

The City Manager shall exercise such present authority only in the manner and within the limits established by the City Council and only if a special meeting of the City Council is not possible. The City Manager shall present any such expenditures at the next meeting of

the City Council for ratification, whether it be a regular or special meeting. Documentation of Emergency Purchases shall be submitted by the City Manager with a detailed explanation, and support materials attached, no more than ten working days after the event occurred or the purchase was made.

Departments are responsible for understanding additional requirements for local, state and federal reimbursements related to Emergency Purchases. At a minimum, all purchases must be diligently documented and tracked including City workforce hours. Any procurements that are categorized as "Emergency Purchases" should be maintained, safeguarded and kept in effect through any such circumstances, including the clean-up and repair of property following an emergency event.

Following all purchases under this Emergency Purchases section, a report shall be prepared by the requesting department Director. The report must include complete documentation clearly stating justification for exception from normal procurement procedures, an itemization of all individual transactions relating to the Emergency Purchase, and itemization of any additional work hours beyond the affected employees' usual work schedule, and documentation of communication with other governmental entities (FEMA, SERT, etc.) that have taken place.

## **SECTION 12 - UNAUTHORIZED PROCUREMENT**

It shall be a violation of the City Procurement Manual for any Director, employee, or agent of the Council to order the purchase of any goods or Services or to make any Contract within the purview of this manual other than through the guidelines established in this manual. Any Purchase Order or Contract made contrary to the provisions herein shall be considered an unauthorized purchase and may be grounds for disciplinary action and the City shall not be bound thereby.

### **12.01 Subdividing Procurements**

Purchases, orders, or Contracts that are subdivided to circumvent the requirements of this manual shall be considered unauthorized and subject to disciplinary action.

## **SECTION 13 - VENDOR POLICIES**

### **13.01 Full and Open Competition**

It is the intent of the City to provide all eligible vendors with a fair and impartial opportunity to compete for the City's business.

### **13.02 Public Entity Crime: Denial and Revocation of Rights**

- A. In accordance with Section 287.133, F.S., any Vendor listed on the State Department of Management Services Convicted Vendor List shall be denied the right to conduct business or render any type of service for any City department to the extent required by the debarment, suspection, or other determination of ineligibility by the State.
- B. Suspension. After consultation with the City Attorney, the Purchasing Manager is authorized to suspend a vendor from consideration for award of contracts if there is



probable cause to believe that the vendor has engaged in any activity which might lead to debarment pursuant to subsection D below. The suspension shall be for a period not to exceed three months, and the Purchasing Manager shall immediately inform the Council at the next regular meeting and provide notice to the affected vendor.

C. Debarment. After reasonable notice and an opportunity for the suspended vendor to be heard, the Council shall either debar such vendor or terminated the suspension. The debarment should be for a period of not more than three years.

D. Grounds for debarment include:

1. Entry of a plea of guilty, or no contest, or nolo contendere to or conviction of a criminal offense as an incident to obtaining or attempting to obtain public or private contract or subcontract, or in the performance of such contract or subcontract; or
2. Entry of a plea of guilty, no contest, or nolo contendere to or conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty; or
3. Entry of a plea of guilty, no contest, or nolo contendere to or conviction under state or federal antitrust statutes arising out of the submission of bids or proposals; or
4. Violation of contract provisions, as set forth below, the character which is regarded by the Council to be so serious as to justify debarment action:
  - a. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
  - b. A past record of failure to perform, or of unsatisfactory performance in accordance with the terms of one or more contracts;
5. Having been adjudicated guilty of any violation of the City Building Department or the State of Florida Construction Industry Licensing Board within the past 12-month period prior to the time of bid submittal; or
6. Having been adjudicated guilty by City Code Enforcement or the Department of Environmental Protection of any violation of an environmental ordinance within the past six-month period at the time of bid submittal; or
7. Having been disqualified or found nonresponsive, based on the vendor's fraud or disqualification; or
8. Having been adjudicated insolvent, having proceedings in bankruptcy instituted against it, or having a receiver or trustee appointed over its property; or
9. Being in a proceeding (i.e., court proceeding, arbitration, or administrative proceeding) adverse to the City arising from or related to the vendor's performance of a contract with the City, or having unresolved financial claims pending by or against the City for a period of more than sixty (60) days; or
10. Having been suspended or debarred by any other government entity; or
11. Any other cause the City Council determines to be so serious and compelling as to affect responsibility as a City vendor, including debarment by another governmental entity.

E. Notice of decision. The Mayor shall render a written notice to the vendor of the decision

to debar or suspend. The final decision shall state the reasons for the action taken and inform the debarred or suspended person involved of his/her rights concerning judicial review by certiorari appeal to the Fourteenth Judicial Circuit Court. The written decision shall be mailed or otherwise furnished immediately to the debarred or suspended vendor.

### **13.03 Reinstatement**

Vendors that have been suspended from doing business with the City may be reinstated upon written request; however, debarred or suspended firms shall not be reinstated during the period of a debarment or suspension.

### **13.04 Litigation and Arbitration**

The City shall not issue any Purchase Orders or Contracts to any vendors currently involved in litigation or arbitration with the City of Panama City Beach until such time as a satisfactory resolution is reached with such vendors; however, the City Council may, in its sole discretion, award Purchase Orders or Contracts to such vendors.

### **13.05 Dispute Resolution**

In the event a dispute occurs between a vendor and a department, and the employee responsible for the contract cannot resolve the dispute, the following procedures shall apply:

- A. The vendor shall submit a written statement via certified mail no later than 45 days from the time when the invoice was submitted to the City specifying the nature of the dispute regarding payment of the invoice.
- B. Within five days of the receipt of the written statement submitted by the vendor, the appropriate department manager shall investigate the dispute and submit a decision to the City Manager's Office.
- C. Within five days of the receipt of the written decision, the City Manager will review the dispute and make a final decision on the matter. The Purchasing Manager will notify the vendor in writing, via certified mail and within five days of the date of the final decision. These procedures do not change the method of a bid protest as set forth in section 18.

### **13.06 Drug-Free Workplace**

Preference shall be given to vendors with drug-free workplace programs. Whenever two or more offers which are equal with respect to price, quality and service are received by the City, an offer received from a vendor that certifies that it has implemented a drug-free workplace program shall be given preference.

### **13.07 Equal Opportunity Employment**

The City is an equal opportunity employer. To the extent permitted by law, as a condition of conducting business with the City, all individuals or organizations desiring to do business with the City shall have an equal opportunity employment policy consistent with state and federal law.

## **SECTION 14 –COMPETITIVE PROCUREMENT**

### **14.01 GENERAL**

A. All formal competitive procurements begin with an executed Master Approval Form submitted from the requesting department to the Purchasing Manager. The requesting department shall provide the department(s) name, requested goods or services needed, procurement method, scope of work, general ledger account code(s), and cooperative agreement number (if applicable), The Purchasing Manager shall determine the date, time and location for submitting Bids, as well as the date, time and location of the public Bid opening.

B. It will be the City's objective to consolidate for purchase and bidding all goods and services of a similar nature.

C. All competitive solicitations should include the following provisions:

1. A reservation of the rights to accept or reject any and all Bids, proposals, in whole or in part, to waive informalities in the solicitation documents, to obtain new Bids, or to postpone the Bid opening.
2. An acceptance clause granting the City a minimum of forty five (45) days in which to accept or reject the Bid, during which time the tendered bid shall remain valid.
3. The number, duration and condition of any intended renewal periods.
4. An estimated time for contract award.
5. The basis for award.
6. Procedures to award when Tie Bids are received.
7. Public Entity Crimes Statement pursuant to Section 287.133(3)(a), Florida Statutes.
8. Non-collusion affidavit.
9. Everify affidavit.
10. All other requirements of the solicitation or related funding Agreements.

D. Federally funded projects will follow Federal procurement standards in the "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards", 2 C.F.R. Sections 200.213 and 200.317-326.

E. The requesting Department, in conjunction with the Purchasing Manager, will determine which competitive procurement method is most practicable and advantageous to the City. Those methods may be by:

1. Request for proposals (RFP);
2. Request for qualifications (RFQ);
3. Invitation to Bid (ITB);
4. Invitation to Quote (ITQ);
5. Sole source procurement;
6. Cooperative Purchasing (Piggybacking).

F. The solicitation document shall specify evaluation procedures.

#### **14.01 Cooperative Purchasing (Piggybacking)**

- A. A purchase of goods made by or on behalf of the City on the same terms and conditions as were obtained by federal, state or municipal governments or cooperative purchasing entities through an advertised, competitive bidding process shall be deemed to be made through competitive bidding under the City Charter.
- B. The Purchasing Manager shall have the authority to purchase from and join with other units of governments in cooperative purchasing ventures when the best interest of the City would be served thereby. It is standard policy of the City to cooperate with other government agencies in the purchase of goods and services required by the City.
- C. When any other government agency has awarded a Contract for any goods, the City may purchase those goods from the awarded vendor at the awarded price if the original Bid specifications and award allow it. Where the public purchasing unit administering a cooperative purchase complies with the requirements of this manual, the City when participating in such a purchase, shall be deemed to have complied. Such purchases shall be made without additional City competitive procurement provided that the funding has been appropriated and the purchase has been authorized by proper signatory authority along with Purchasing Manager approval.
- D. The City may Bid and award the purchase of any goods with the stipulation that any other government agency may also purchase the awarded product or service at the same awarded price.
- E. The following documentation is the minimum required to use another government entity's awarded Contract.
  1. A complete copy of the original procurement;
  2. A copy of award letter/memo/agenda item with minutes by the government entity to the vendor to document award;
  3. A complete copy of the vendor's proposal;
  4. A complete copy of the current Contract with the vendor and any amendments thereto.
- F. If federal funds are used (with the exception of CDBG-DR funds), the City may exercise the option to utilize other government contracts, provided that:
  - The original Contract was procured in compliance with federal procurement standards in the "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" 2 C.F.R. Sections 200.213 and 200.317-326 and City's Charter;
  - An assignability clause is included in the originating government's contract, the terms and conditions are substantially similar to the terms and conditions of the option as stated in the original Contract at the time it was awarded;
  - The option price is better than prices available in the market, or that when it intends to exercise the option, the option is more advantageous;
  - The original Contract contained an assignability clause and that the terms and conditions of that Contract meet the Federal Transit Administration (FTA) requirements (if funded by FTA);
  - The original Contract contains appropriate assignability provisions that permit the assignment of all or a portion of the specified deliverables under the terms originally advertised, competed, evaluated, and awarded, or contains other appropriate assignment provisions;

- The Contract price is fair and reasonable;
- The Contract provisions are adequate for compliance with all federal requirements;
- The quantities the assigning party acquired, coupled with the quantities the acquiring grantee or subgrantee seeks, do not exceed the amounts available under the assigning entity's Contract.

#### **14.06.1 Federally Funded Projects**

The City will not utilize cooperative purchasing (piggybacking) for federally funded contracts unless prior authorization has been granted by the federal award agency and the Contract is compliant with federal regulations.

### **SECTION 15 – PUBLIC NOTICE / ADVERTISEMENTS**

A public notice shall include a general description of the goods and Services to be purchased, the location where Specifications may be obtained, closing date, and the time and place for receipt of and the opening of the competitive procurement.

Public notice of each intended purchase by competitive Bid shall be posted on a designated webpage noticed upon and linked to the landing page of the City's official website for 21 consecutive days or published in a newspaper of general circulation within the City once each week for three consecutive weeks prior to the opening date of the Bid. In addition to the posting requirements of this section, the City Council may direct the City Manager to notify by whatever means it chooses additional potential suppliers of such request for Bids wherever the City Council determines that the website posting requirements of this section is inadequate to produce sufficiently competitive bidding.

#### **15.01 Capital Projects - \$200,000 or greater**

Section 255.0525 Florida Statutes states that any construction project that is projected to cost \$200,000.00 or greater shall be publicly advertised at least once in a newspaper of general circulation in the City at least 21 calendar days prior to the Bid received date and at least five calendar days prior to any scheduled pre-bid conference. If the construction project is expected to cost more than \$500,000.00, it must be advertised at least 30 calendar days prior to the Bid received date and at least five calendar days prior to any pre-bid conference.

### **SECTION 16 – COMPETITIVE BIDDING RESPONSE PROCESS**

#### **16.01 Response Submission**

- Responses to all formal competitive procurements shall be submitted to the Purchasing Manager no later than the date and time designated in the instructions. The envelope containing the competitive procurement shall be sealed and marked according to instructions in the Specifications. The Purchasing Manager, or designee, shall date and time stamp each response as it is received and file the responses, unopened, in a secure file until the time designated for the opening. Responses received after the designated time shall be returned unopened to the sender.
- Mandatory and non-mandatory conferences may be held when deemed necessary by

the requesting department. Notification of the conferences will be outlined in the competitive procurement package or provided by separate notice. However, any written material to be distributed to potential Respondents must be approved in advance by the Purchasing Manager and made part of the competitive procurement.

#### **16.02 Issuance of Addenda**

- A. Occasionally after a Bid or a Request for Proposal or Qualifications is advertised, but prior to Bid opening or submittal time, changes to the Specifications, delivery schedules, quantities, etc. may be needed. Ambiguous provisions may need to be clarified, or errors and oversights corrected which may or may not have been brought to the attention of the Purchasing Manager, by the potential supplier. In these circumstances, and at the City's sole discretion, addenda may be issued.
- B. Verbal changes shall not be made, and interpretations of a material consequence shall not be made verbally to potential Bidders. All Bidders who are submitting a Bid for an ITB or a proposal for an RFP/RFQ are responsible to obtain and confirm any Bid/proposal addendum of any material changes made in a competitive procurement process.

#### **16.03 Opening of Responses**

- A. All formal competitive procurements shall be opened in public at the time and place stated in the public notice/advertisement with at least two (2) witnesses present. At least one witness shall be a City employee to record the opening.
- B. The purpose of the opening is to record the responses received and to ensure that the responses comply with the basic requirements of the competitive procurement. Responses are not analyzed for quality or substance at the opening.

#### **16.04 Rejecting Responses**

- A. The City may reject all submitted Bids and provide for the request of additional Bids whenever it finds that the Bids submitted are not responsive to the request for the Bids, that the Bids are not responsible or that the Bid prices are unacceptable.
- B. The City Council reserves the right to accept or reject any and all Bids, proposals, competitive or otherwise, in whole or in part, to waive informalities in the solicitation documents, to obtain new Bids, or to postpone the Bid opening as it may deem in the best interest of the City.

#### **16.05 Correction or Withdrawal of Responses**

- A. Responses submitted to the City as part of a competitive procurement may be corrected or withdrawn unilaterally by the Respondent before the opening of sealed bids. Mistakes discovered before the competitive procurement opening may be modified or withdrawn by written notice received in the office designated in the procurement prior to the time set for opening.

After the competitive procurement opening, no changes in prices or other provisions prejudicial to the interests of the City or fair competition shall be permitted. The

assigned unit price, when applicable, will be the prevailing decision when an extension price is in error.

#### **16.06 Evaluations of Invitations to Bid and Invitations to Quote**

In the ITB and ITQ processes, the City may consider, but is not limited to, the following factors in addition to price when determining whether the Bidder is Responsive and Responsible:

- A. Ability, capacity and skill of the Bidder to perform the Contract;
- B. Whether the vendor can perform the Contract within the time specified, without delay, interference, or conflict with current workload;
- C. Quality of performance of work performed under previous Contract;
- D. Previous and existing compliance by the vendor with laws and regulations relating to the Contract;
- E. Sufficiency of the financial resources and ability of the vendor to perform the contracted service or provide the good;
- F. Quality, availability and adaptability of the goods or contractual services to the particular use required;
- G. Ability of the vendor to provide further maintenance and service for the use of the subject of the Contract;
- H. Number and scope of conditions attached to the Bid or quote;
- I. Qualifications of personnel, licensing and corporate qualifications;
- J. Use of one or more subcontractors with a record of poor performance.

For the purpose of this section, the City may consider evidence from the 10-year period preceding the subject Bid.

In the event the lowest, Responsive, Responsible Bid for a construction project exceeds the architectural or engineering cost estimates, the City Manager or designee is authorized, when time or economic considerations preclude rebidding of work of a reduced scope, to negotiate an adjustment of the scope of work with the lowest, Responsive, Responsible Bidder, in order to bring the Bid within the amount of available funds.

#### **16.07 Evaluation of Requests for Qualifications and Requests for Proposals**

For purposes of reviewing RFQs and RFPs, a selection committee shall review the responses and make recommendations to the Council.

- A. The Purchasing Manager shall be responsible to provide the selection committee with all meeting information (list of personnel, date, time, location, and reason for meeting) no less than 72 hours in advance of any scheduled meeting, excluding holidays and weekends.
- B. Contact with the selection committee. Members of the selection committee are prohibited from discussing a project among themselves or with any professional or professional firm that may submit a response during the procurement process, except in noticed committee meetings.
- C. Evaluation of Proposals. Only written responses of statements of qualifications, performance data, and other data received by the City by the publicized submission

time and date shall be evaluated.

- D. The initial ranking of proposals is based upon the weighted criteria in the solicitation.
- E. Shortlisting. The best-qualified Respondents shall be based upon the selection committee's ability to differentiate qualifications applicable to the scope and nature of the services to be performed as indicated by the ratings on the scoring sheet. Typically, the top three rated firms, if there are at least three responsive Respondents, will be considered as the shortlisted firms, unless the City Manager, after input and discussion with the selection committee, approves adding additional firms to the shortlist. If less than three firms are deemed responsive, all responsive firms shall be shortlisted.
- F. Formal Presentations/Interviews . The selection committee may choose to conduct formal presentations/interviews with shortlisted firms prior to final ranking.
- G. Final Ranking. The selection committee shall use the ordinal process ranking the firms. The Respondents shall be listed in order of preference. The list of best-qualified firms shall be forwarded to the City Manager for approval by the City Council prior to beginning contract negotiations.

#### **16.08 Notice of Award and Contract Negotiations**

- A. The City Council shall award the Contract to the lowest, fully Responsive and Responsible Bidder. In the event that the lowest Bidder does not offer the reliability, quality of service, or product afforded by another Bidder, the City Council may award the Contract to a Bidder other than the lowest Bidder should it be in the best interests of the City.
- B. The notice of award shall be sent to all Respondents.
- C. All Procurements will be formalized by entering into either a Contract with, or issuing a Purchase Order to, the successful Respondent.
- D. Once a satisfactory Contract has been negotiated, the Contract shall be presented for approval and execution by the appropriate authority as provided in Section 9. Upon execution by both parties, the notice to proceed shall be issued.

#### **SECTION 17 - IDENTICAL PROCUREMENT RESPONSES (TIE)**

In cases of identical procurement responses, preference shall be given to businesses with drug-free workplace programs. Whenever two or more bids which are equal with respect to price, quality, and service are received by any political subdivision for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process.

If both businesses have a drug-free workplace program, then the bid will be awarded by a coin toss. The Purchasing Manager with a minimum of one witness shall conduct the coin toss.

#### **SECTION 18 – BID PROTEST**

In any competitive solicitation context, no later than the business day following the day



approval is granted the Purchasing Department will electronically notify a representative of each respondent of the award decision. Approval by the awarding authority does not constitute formation of a contract.

After notification of the award decision, any party with standing may challenge the decision by initiating an action in the Circuit Court of the Fourteenth Judicial Circuit in Bay County against the City. If a party intends to initiate such an action, it must electronically notify the Purchasing Manager and the City Attorney no later than one business day after notice of the awarding authority's decision. If no such notice is received by the City, the City may proceed to execute a contract to formalize the award decision. If the City does receive notice of intent to challenge the decision, the City will stay the contracting process, unless the City manager determines that the contract must proceed without delay to protect substantial interests of the City. If a party notifies the City of its intent to challenge a decision under this subsection, it must file its challenge within fourteen business days after providing its notice. If the party fails to file its action within this period, the City may proceed with the contracting process. If the party files its action, the court will uphold the City's decision unless the court determines that the awarding authority did not act in good faith and the challenger demonstrates illegality, fraud, oppression or misconduct by the City or anyone acting on the City's behalf.

No action other than an award decision can be protested, including (i) requests for quotations or requests for qualifications; (ii) rejection of some, all or parts of bids or proposals; (iii) disqualification of bidders as non-responsive or non-responsible; or (iv) recommended awards less than the mandatory bid or proposal amount.

## **SECTION 19 – PUBLIC MEETINGS**

The City is governed by the state public meeting laws as provided in Section 286.011, F.S. Any meetings of a Council or committee where presentations, rankings, short listings, or other award recommendations or decisions are to be made shall be held at a duly noticed public meeting, unless otherwise exempt from Section 286.011, F.S.

## **SECTION 20 - CONE OF SILENCE**

### **20.01 Cone of Silence**

A cone of silence shall be established on all City competitive selection processes. The cone of silence prohibits any communication regarding an ITB, RFP, ITQ, RFQ or other competitive solicitation between the Bidder (or its agents or representatives) or other entity with the potential for a financial interest in the award (or their respective agents or representatives) regarding such competitive solicitation, and any City Council or City employee, selection committee member or other persons authorized to act on behalf of the Council including the City's Architect, Engineer or their subconsultants. The cone of silence shall be in effect from the time of Advertisement until the Bid is officially awarded. Each competitive solicitation shall provide notice of the cone of silence requirement.

### **20.02 Exceptions to the Cone of Silence**

The cone of silence shall not apply to:

- A. Communications at any public proceeding or meeting, including pre-bid conferences, selection committee presentations or pre-award meetings.
- B. Communications during contract negotiations between designated City employees

and the intended contract awardee.

- C. Communication with a vendor by the Purchasing Manager following Bid opening to clarify the vendor's Bid or intended scope of services.
- D. Communication following the filing of a protest between the protesting party and the Purchasing Manager, City Manager's Office and City Attorney's Office, including, but not limited to, during the dispute resolution process provided herein.
- E. Purchases exempt from competitive selection, Sole Source Procurements, and Emergency Purchases, as defined in this manual.

### **20.03 Termination of the Cone of Silence**

The cone of silence shall terminate when the Council, or City employee authorized to act on behalf of the Council, awards a Contract or rejects all Bids or responses or otherwise takes action to end the selection process.

## **SECTION 21 - GRANTS OR FEDERALLY FUNDED PROJECTS**

Expenditures using funds derived from a federal grant or agreement (whether direct to the City or "pass-through" from another entity such as the State) may require special processing because of specific legal terms and conditions placed by the funding agency. Grants often have certain purchasing requirements that are different or additional to the City's purchasing requirements and may require special purchasing procedures. It is the responsibility of the requesting department to identify any special purchasing requirements or provisions, to notify the Purchasing Manager of them, and to ensure that all requirements are followed.

Purchases utilizing federal funds must comply with all requirements of federal procurement standards in the "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards," 2 CFR 200 and FTA Circular C 4220.1F, as amended from time to time, and shall include all federal contract clauses, and Executive Orders, as applicable.

In addition to the requirements set forth in this Procurement Manual, the City will comply with all additional state and federal regulations outlined in the CDBG-DR Policies and Procedures Manual for CDBG-DR-funded projects.

## **SECTION 22 - CONTRACTS**

A Contract is a legal agreement which has cycled through the proper procedure, review and approval and has been entered into by the City Council. Any changes to a Contract must have approval of the City Manager, City Attorney and City Council.

### **22.01 Contract Administration**

Contract administration begins when it is determined that a Contract is either desirable or necessary. Various aspects of contract administration include negotiation between the parties, preparation of Contracts and other written documents, review and comment by various departments and public officials, proper approval and execution of Contracts, distribution and filing of Contracts, and implementation and monitoring of Contracts.

While no two contractual situations are necessarily identical and different types of Contracts or contractual situations may be treated differently, it is the purpose and intent

of this policy to provide a guide to those who participate in the contractual process on behalf of the City. The contract process is designed to provide understanding of how Contracts are managed to ensure that Contracts administered by the City of Panama City Beach are both legal and in the best interest of the City. Good contract administration also minimizes duplicity of effort and provides for the proper coordination and participation of those who are necessarily involved in the contract process.

Certain legal requirements must be satisfied to create a legally binding Contract. The parties to an Agreement must have the legal capacity to enter into a Contract. There must be mutual assent to the terms of the Contract. Certain formal requisites to a Contract are also necessary, such as proper signing of the Agreement, which is called execution of the Contract.

Contracts which violate constitutional or statutory provisions or are deemed by law to be against public policy, or which are otherwise illegal can have serious ramifications on one or more parties to the purported Contract.

The City Manager has the power and authority to enter into Contracts and bind the City by Contract only when and as authorized by law. For example, certain state laws require that public Contracts be awarded only upon competitive Bids. The duration or time period in which a Contract may be deemed to exist also depends on the type of Contract and certain other legal considerations.

## **22.02 Contract Procedure**

- A. Contracts will be drafted in a format approved by the City Attorney's Office.
- B. Once a contract has been awarded, any necessary changes to the contract shall be made through the City Attorney's Office.
- C. The City Clerk shall establish a central repository of all city contracts.

## **22.03 Staff Responsibilities**

- A. Each Department shall monitor and administer Agreements procured by the Department. Responsibilities of each Department with regard to Contracts include:
  - 1. Determine the need for a Contract;
  - 2. Assign a project manager;
  - 3. Establish the expected standards, quality, and/or performance required;
  - 4. Develop Contract requirements (such as scope of work/services, terms, duration, or basis for price adjustment), which may include participation in Contract negotiations, including the scope of work/services;
  - 5. Ensure that sufficient funds have been appropriated or are available for the purpose of the Contract as well as other budgetary considerations;
  - 6. Draft or coordinate the drafting of documents in conjunction with the Purchasing Manager, Risk Manager and/or the City Attorney's Office, defining all details of the Contract including adjusting standard language or boilerplate documents to ensure compliance with all applicable local, state and federal requirements;
  - 7. Establish schedules for the duration, completion, and renewal of Contracts;
  - 8. Verify that required performance security will be satisfied in conjunction with

the Purchasing Manager (for Purchasing Contracts) and the City Attorney's Office;

9. Coordinate, route, and obtain necessary reviews of all adjustments to documentation, although these roles may be shared with one or more of the reviewing authorities (such as the Purchasing Manager);
10. Prepare necessary documents for proper Council, or delegated approval as applicable, execution, distribution, and filing with the City Clerk;
11. Provide Contract administration in accordance with approved policies and guidelines including monitoring performance, documenting contract performance deficiencies and subsequent cure process if applicable, securing proof of insurance, maintaining the administrative file relating to the Contract including compliance with public records retention policies, and monitoring Contract term expiration, in conjunction with the Purchasing Manager for Purchasing Contracts.

- B. Purchasing Manager – The Purchasing Manager's role in Contract review is to provide input on all specifications and applicable Contracts to ensure strict compliance with the current Procurement Manual implementing the Charter, all applicable Florida Statutes, the City's Financial Management Policy, and best governmental purchasing practices. Until such time as these requirements are satisfied, no Purchase Order shall be issued. In addition, the Purchasing Manager analyzes proposed purchase methods to determine the most economical means of procurement.
- C. Risk Management Department – The Risk Management Department's review of Contracts is intended to evaluate risk exposure for the Contract and recommend adequate levels and types of insurance coverage, assure indemnification provisions are included in the Contract, as prepared and/or approved by the City Attorney's Office, and transfer, if possible, the risk exposure to the other party.
- D. Finance – The Finance Director has a role in all contractual obligations, which are related to the statutory requirements imposed upon the City, including the pre-audit functions of the City. The review processes may occur at any time during the contract/obligation period. As part of the Contract review, Finance considers the terms and conditions of a Contract to assure, to the extent possible, that it is not an open-ended obligation, and that financial items and payments are free of ambiguities.
- E. Legal – The Office of the City Attorney has a role in all contractual obligations involving the City. Routine or standard contractual situations require only a minimal involvement on the part of this office, and such Contracts are often reviewed and approved at latter stages of the Contract process and prior to execution. Contracts which are unique or represent a significant departure from practices and policies most often require a significant involvement by this office and participation at a very early stage of the Contract review process.

The City Attorney's Office reviews all Contracts to ensure their legal sufficiency with respect to form and to evaluate the legal sufficiency of Contract terms and provisions to ensure compliance with applicable laws, including approval of all indemnification provisions. As previously noted, certain provisions may be legally impermissible. Lastly, this office may provide comments regarding the legal impacts and consequences of contractual rights or obligations.

## **22.04 Contract Finalization**

Once the review process has been completed, the original Contract(s) shall be submitted pursuant to current agenda procedures to the City Clerk.

In those cases where comments of one or more reviewing authorities result in material revisions to the Contract, the entire Contract review process shall be repeated. Non-material revisions may be made during the Contract review process. The requesting department/official is responsible for making necessary revisions to the Contract and acknowledging on the Contract review transmittal slip that these revisions have been completed and are correct.

The contract review process is intended to constitute a general guideline, and there may be exceptions or situations that necessitate modifications to the review process. In those situations, the requesting department/Official shall be responsible for the modified contract review process, including securing approval to modify the process from the person with oversight of the requesting department.

## **22.06 Federal Contract Provisions**

All federally funded contracts entered into by the City will contain the applicable provisions required by 2 CFR 200.318 through 200.327 and identified in Appendix II to 2 CFR Part 200.

### **22.06.1 Time-and-Materials Contracts**

Time-and-materials contracts should not be used for federally funded projects. However, in circumstances where a determination by the City is made that no other Contract is suitable, a time-and-materials contract may be used if the Contract includes a ceiling price that the Contractor exceeds at its own risk. Time-and-materials Contracts include Contracts whose cost to the City is the sum of:

1. The actual cost of materials; and
2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

### **22.06.2 Contract Cost and Price**

The City will make independent estimates before receiving Bids or proposals. The City will then utilize a cost analysis to determine if costs are reasonable.

Costs or prices based on estimated costs for Contracts under federal awards are allowable only to the extent that costs incurred, or cost estimates included in negotiated prices are allowable, reasonable, and allocable.

For costs to be considered allowable under federal awards, they must meet the following criteria:

- A. Be necessary and reasonable for the performance of the federally funded project.
- B. Conform to any limitations or exclusions set forth in § 200.403 or in the federal award as to types or amount of cost items.
- C. Be consistent with the City's policies and procedures that apply to both federally funded and non-federally funded projects.
- D. Be accorded consistent treatment.

The cost plus a percentage of cost and percentage of construction cost methods of contracting will not be used by the City for projects under federal awards.

## **22.07 City Contract Provisions**

### **22.07.01 PUBLIC RECORDS**

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS (850) 233-5100, [cityclerk@pcbfl.gov](mailto:cityclerk@pcbfl.gov) ; 17007 Panama City Beach Parkway, Panama City Beach, Florida 32413.**

- A. The Contractor shall comply with public records laws, specifically to:
  - 1. Keep and maintain public records required by the City to perform the service.
  - 2. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
  - 3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following completion of the Contract if the Contractor does not transfer the records to the City.
  - 4. Upon completion of the Contract, transfer, at no cost, to the City all public records in possession of the Contractor or keep and maintain public records required by the City to perform the service. If the Contractor transfers all public records to the City upon completion of the Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.
- B. Request for records; noncompliance.
  - 1. A request to inspect or copy public records relating to a City's Contract for services must be made directly to the City. If the City does not possess the requested records, the City shall immediately notify the Contractor of the request, and the Contractor must provide the records to the City or allow the records to be inspected or copied within a reasonable time.
  - 2. If a Contractor does not comply with the City's request for records, the City shall enforce the contract provisions in accordance with the Contract.
  - 3. A Contractor who fails to provide the public records to the City within a reasonable time may be subject to penalties under Section 119.10, F.S.

**22.07.02 ADA/504 Statement**

1. The City makes a great effort to ensure that its facilities, programs, services, and activities are available to those with disabilities. The City encourages citizenry to report any facility, program, service, or activity that appears inaccessible to the disabled. Furthermore, the City will provide reasonable accommodation to disabled individuals who wish to review documents related to the City's procurements with advance notification of seven days.
2. Questions, concerns, comments, or requests for accommodation should be made to the City of Panama City Beach's ADA Officer:

Name of ADA Officer: Wyatt Rothwell  
Address: 116 South Arnold Road, Panama City Beach, FL 32413  
Phone number: (850) 233-5100, ext. 2421  
FAX: (850) 233-5116  
Email: wyatt.rothwell@pcbfl.gov

**SECTION 23 - INSURANCE REQUIREMENTS**

- A. Insurance policies for procurements shall be required at the coverages and thresholds established by the Risk Manager.
- B. All insurance policies shall be with insurers licensed in the State of Florida with a minimum Rating of A+, Class X or higher in the Bests Key Rating Guide.
- C. All policies shall be written such that the City of Panama City Beach will be notified in writing of cancellation or amendment at least 30 days prior to the effective date of cancellation or amendment.
- D. The certificate holder shall be the City of Panama City Beach.
- E. The Risk Manager and City Clerk shall be furnished Certificates of Insurance prior to commencement of any work. The City shall retain the right to reject all insurance contracts that do not meet these requirements.
- F. Insurance coverages required for each Contract are specifically determined based upon the risk exposure arising from the Contract.
- G. The City reserves the right to amend the insurance requirements upon 60-days' notice to an affected third party.
- H. All liability insurance shall be written on an occurrence basis only.
- I. Statutory limits must be indicated for worker's compensation.
- J. The Contractor shall purchase and maintain in force insurance as required by and for the life of the Contract, Lease or Agreement.
- K. The City must be listed as additionally insured.

## **SECTION 24 - OWNER DIRECT PURCHASING**

### **24.01 General**

- A. The City shall have the option to utilize sales tax recovery (savings) for construction projects, renovation projects or other purchases as needed to take advantage of the City sales tax exemption status. Prior to a ITB or RFP the use of sales tax recovery will be determined, and nothing herein shall prohibit the City from deleting items within the ITB or RFP and purchasing items directly from a supplier to avoid sales tax being paid by the City as a part of a Contractor's Bid price.
- B. The City may utilize the awarded vendor's suppliers and place Purchase Orders for the purchase of the supplies needed by the awarded vendor without further competition. The Contractor shall take receipt of and utilize the supplies on the awarded project. The City shall pay all invoices associated with the Purchase Orders and deduct the invoice cost plus the sales tax from the contract amount.
- C. The City's direct purchase option normally will be utilized only on large projects. The decision concerning utilization of the process will be made by the City but announced to proposers as a part of the solicitation process.

### **24.02 Ordering**

- A. The City may exercise its right to direct purchase any component of the Bid in order to save the sales tax on the selected component which may include equipment, materials and supplies contained within the Bid. The items selected may, at the discretion of the City, be purchased directly from vendors the Contractor used to submit the Bid to the City and made a part of the construction contract executed with the City and approved by City Council. The Contractor shall fully cooperate with the City, providing information for the preparation of Purchase Orders for these direct purchases, monitoring deliveries and approving invoices.
- B. The City will issue a Purchase Order to the material supplier for the component selected for Owner Direct Purchase (ODP). The Purchase Order will be sent to the Contractor, who shall verify that the order was issued correctly and, if so, send to the material supplier.
- C. The Contract will be reduced by the amount of sales tax savings.

### **24.03 Receipt**

The Contractor shall sign for and receive all materials, retaining packing slips and delivery tickets for all materials delivered for the project. All documentation shall be timely delivered to the City and subcontractors shall be responsible for the safe care, custody and control of all materials under all circumstances.

### **24.04 Billing/Payments**

- A. All ODPs shall be directly billed to the City in care of the Contractor.
- B. The Contractor shall check all invoices for accuracy and completeness when received. The Contractor shall be responsible for immediately notifying the City and the supplier of any billing errors and requesting corrected invoices, as necessary.
- C. Receipts and invoices must be processed in a timely manner in order to take advantage of any discount payment terms and all discounts shall accrue to the City.



- D. The Contractor shall prepare a direct purchase report for the City upon submittal of each pay request.

#### **24.05 Other Considerations**

- A. The City shall have title to all items for which payment has been made.
- B. The selection of ODP does not relieve the Contractor of liability for that item as related to the quantity ordered, the maintenance and care of the item when delivered or the installation or incorporation of the item in the work to be performed in accordance with the Contract documents. The Contractor shall maintain products liability insurance which shall include ODP items.
- C. The City shall have access to all necessary records in order to conduct audits to determine the correctness and accuracy of any item purchased in accordance with this and all provisions.
- D. The City will comply with all statutory and administrative rules and regulations imposed by the Florida Department of Revenue in order to maintain a compliant direct purchase program. To the extent required by Florida law, the risk of loss with respect to product delivered shall be on the owner but the City may, to the extent allowed by Florida law, require that the Contractor and its subcontractors indemnify and hold harmless the City for any loss to products delivered because of Contractor breach of contract or negligence. The City may also require the scope of services in the Contract include services of the Contractor or its subcontractors concerning scheduling, acceptance of products delivered, storage, sequencing of delivery and incorporation of products in the project. None of the provisions in this section shall be interpreted to provide any procedure for ODP different from the procedures required by the Florida Department of Revenue (DOR) except to the extent a DOR procedure can be shown to be in contravention of Florida law.

### **SECTION 25 - HOW TO DO BUSINESS WITH THE CITY**

Each year, the City of Panama City Beach contracts with various vendors, firms, and contractors for various types of goods and services for the benefit of the constituents of the City of Panama City Beach. The Purchasing Manager in conjunction with the City Manager is responsible for managing the City's purchasing and contracting processes. The City welcomes and encourages qualified vendors and contractors to respond to solicitations by submitting offers and proposals.

The City of Panama City Beach does not require any vendor, firm, individual or organization to register with the City in order to do business. However, Vendors are encouraged to visit the City's website at [www.pcbfl.gov](http://www.pcbfl.gov) and register to receive email notifications when solicitations are advertised. City solicitations are advertised on the City website and are also available on DemandStar. Vendors are encouraged to visit DemandStar at [www.demandstar.com](http://www.demandstar.com) to register and receive notification of solicitations from the City of Panama City Beach.

When a vendor is awarded a Contract with the City, the requesting department contacts the vendor to obtain a copy of the vendor's completed W-9 and to register the vendor in the financial system for invoice processing and payment. Vendors may choose ACH or virtual card for payments, as these forms of payment result in quicker payment of invoices.

The City of Panama City Beach awards Contracts and Agreements to the lowest Responsible and Responsive Bidders. The City observes the cone of silence on all advertised solicitations and policies for ethical and professional behavior. Purchasing along with the City Attorney can also review vendor performance on City Contracts, and other public entity contracts, in arriving at a determination if a Bidder meets the definition of a responsible vendor and may be recommended for award.

For more information on the City's purchasing policies and procedures, and to learn more about doing business with the City of Panama City Beach, please visit the City's website at [www.pcbfl.gov](http://www.pcbfl.gov) or telephone (850) 233-5100 to speak directly with the Purchasing Manager.

**PURCHASING CARD POLICY**

**A. PURCHASING CARD POLICY AND PROCEDURES**

The City of Panama City Beach Purchasing Card Program is designed to improve efficiency in processing low dollar purchases from vendors accepting the Purchasing Card. This program will allow cardholders to purchase approved goods and services directly from our vendors. The Finance Department and Purchasing Manager will monitor the performance of the program.

All questions, requests, or concerns related to this program shall be directed to:

Procurement Related - Purchasing Manager, (850) 233-5100 (ext. 2332)

Accounting Related - Finance Director (850) 233-5100 (ext. 2334)

**B. ASSIGNMENT AND CONTROL OF THE PURCHASING CARD**

Requests for and issuance of Purchasing Cards

- a. Purchasing Cards will be issued to employees who purchase goods and services with single transaction amounts from \$2,500 up to \$10,000 and with monthly spending limits up to \$10,000 as assigned by Department Director in conjunction with the Finance Director.
- b. The Purchasing Card will contain the employee's name, the City name, and an account number.
- c. Requests for new, additional or replacement cards or for changes to current cardholders must be submitted on a New Employee or User Purchase Card Request Form and authorized by the Department Director or City Manager.
- d. New cardholders will be required to personally take receipt of the Purchasing Card by signing a Purchase Card User Agreement. New cardholders will be provided a copy of the Purchasing Card policy and must attend training.
- e. The Finance Department shall annually review the list of current cardholders to ensure card holder agreement forms have been received and are on file with the Finance Department. If the Finance Department finds it necessary, a refresher training class as to the use of the Purchasing Card shall be conducted
- f. The Finance Department shall notify the Purchasing Manager upon issuance of any new Purchasing Cards.

**C. LOST OR STOLEN PURCHASING CARDS**

Cardholders must immediately notify the Finance Department of any lost or stolen Purchasing Card and complete the Lost or Stolen Purchasing Card Reporting Form.

#### **D. TERMINATION OR TRANSFER OF CARDHOLDER**

1. If the cardholder is no longer employed by the City, the Department Director is responsible to ensure the Purchasing Card is returned to the Finance Department for cancellation (The Human Resources Department provides notification to the Finance Department upon any employee separation from the City). This notification is utilized to ensure that the Purchasing Card is immediately cancelled.
2. If a department is unable to collect the Purchasing Card when an employee leaves employment with the City, the Department Director must immediately notify the Finance Department.
3. If a cardholder transfers to a new department, the cardholder is responsible to inform the Finance Department of the transfer. The cardholder is responsible to verify with the new Department Director if they are to retain the card within the new department. If they are not to retain the card, the cardholder is responsible to return the card to the Finance Department for cancellation.

#### **E. PURCHASING CARD INVENTORY**

The Finance Department and Purchasing Manager shall maintain a list of Purchasing Cards issued to all City employees.

#### **F. USE OF PURCHASING CARDS**

1. The Purchasing Card may only be used by the employee whose name is embossed on the card. No other person is authorized to use the Purchasing Card (in person, online or by phone).
2. The Purchasing Card is to be used for City of Panama City Beach authorized purchases only. The Purchasing Card shall not be used for any personal transaction.
3. The Purchasing Card should not be used on City Corporate Accounts. (See List of Accounts)
4. Spending Limitations
  - a. The maximum limit/transaction for certain cardholders shall be up to \$10,000 for a single purchase as determined by the Department Director and approved by the Finance Director. A majority of cardholders will have a single transaction limit up to \$2,500.00.
  - b. Department Directors will have a monthly dollar limit which shall not exceed \$10,000. Monthly limit changes may only be authorized by the City Manager through the Finance Director.
5. Payment for purchases shall **not** be divided to circumvent the single purchase limit.
6. International purchases are strictly prohibited.
7. Cash advances **may not** be obtained using the Purchasing Card.

8. All Florida Purchasing Card purchases are exempt from sales tax (See tax-exempt number). However, other states may not recognize the City's tax-exempt certificate.
9. **The Cardholder shall not store their Purchasing Card account number and expiration date in a web browser or with any Vendor.**

#### **G. TAX EXEMPT NUMBER**

The City's tax-exempt ID number shall be given to all Vendors to avoid payment of state and local use tax. **The use of the City's tax-exempt ID number for personal use is strictly prohibited.** Any employee who uses the City's tax-exempt ID number for personal use shall receive disciplinary action which may include immediate termination of employment. Additionally, Section. 212.085, F.S. states that in addition to being liable for payment of the tax plus a mandatory penalty of 200 percent of the tax, such person shall be liable for fine and punishment as provided by law for a conviction of a felony of the third degree, as provided in s. 775.082, s. 775.083, or s. 775.084, F.S.

#### **H. PURCHASES**

1. The cardholder must obtain the customer copy of the charge receipt. These documents are considered public records and every Purchasing Card user has a duty to collect, safeguard, and maintain these records.
2. The approved charge receipts shall be signed and uploaded in SharePoint OneDrive. These receipts will be attached to the monthly statement.
3. The signed monthly statement with signed receipts shall be forwarded via scan and upload to Finance by the 15<sup>th</sup> of each month.
4. All single purchases \$7,500.00 to \$10,000 will require 3 quotes.

#### **I. DISPUTED CHARGES**

In the event there are disputed charges, an Unauthorized or Disputed Charges Form shall be completed and forwarded to the Finance Department immediately.

#### **J. RETURNS**

In the event of returns, the cardholder must ensure credit slip or receipt has been received. The cardholder must forward via scan and upload required documentation (credit slip or receipt) to Finance Department with the statement.

If a credit slip or receipt was not obtained, the employee shall forward written documentation explaining the return and the reason a credit slip or receipt was not received.

#### **K. REVIEW**

1. The Department Director or Supervisor shall review each individual expenditure report within their department to ensure:
  - a. The goods and services obtained were necessary and appropriate;
  - b. The public purpose for the expenditure is sufficiently documented;

- c. The date the goods or services were received is sufficiently documented and;
  - d. An itemized receipt/invoice is provided.
2. The Finance Director or designee shall have authority to proceed with payment of the monthly Purchasing Card expenses to ensure late fees do not occur.

**L. DISCIPLINARY ACTION - (SEE RESTRICTION OF USE GUIDELINES, SUBPART O)**

1. Unauthorized purchases shall be reported to the Department Director, Finance Director and the Purchasing Manager.
2. When purchases are found to be unauthorized, the cardholder must provide a credit receipt proving the item(s) were returned for credit or the cardholder shall reimburse the City within thirty (30) days by submitting a personal check for the full amount of the purchase. Checks shall be sent to the Finance Department with an explanation and account number. Failure to reimburse the City within the above time period shall be authorization for deduction of the full amount of the purchase from compensation paid by the City.
3. Failure to comply with the policies and procedures herein may result in:
  - a. Revocation of Purchasing Cards from individual cardholders for a time period of one (1) year by the City Manager.
  - b. Disciplinary action, up to and including termination of employment.

**M. EMERGENCY USE**

In the event of an emergency, as defined by the Emergency Purchase section of this manual, the City Manager may waive certain spending limit requirements for the Purchasing Card. The City Manager shall inform the Finance Department in writing of any employee who has their Purchasing Card requirements waived and the duration of such waiver. The Council shall acknowledge and confirm the emergency or the waiver of requirements/limits at the next City Council meeting.

Under such circumstances:

1. Cardholder must provide City Manager approval to the Finance Department as soon as possible outlining the reasons for the per item and/or monthly purchase spending limit being temporarily lifted or increased as determined necessary during the emergency.
2. The Finance Director, Purchasing Manager and City Manager may have their

card limits increased as determined necessary during an emergency.

## **N. TRAVEL**

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

- a. Seminar or conference registrations
- b. Hotel/motel reservations and payments.
- c. Flight reservations.
- d. Flight travel payment.
- e. Rental car use, taxi, shuttle and ride-share services.

**Note (1): All travel expenses/reservations must comply with Section 112.061, F.S. and are subject to review and disciplinary action.**

**Note (2): All travel over \$100.00 must be approved by the Department Director prior to making arrangements. All travel vouchers will be audited to confirm travel was approved prior to Purchasing Card transaction date. Failure to adhere to pre-approval requirements may result in suspension of card privileges or discipline up to and including termination.**

## **O. RESTRICTION OF USE GUIDELINES**

The following shall be used as a guideline for all cardholders to identify the types of violations and resulting penalties. In the event of a violation, the Finance Department shall notify the Purchasing Manager and the affected department director of any such violation. In addition, disciplinary action may be taken in accordance with guidelines set forth in the Personnel Policies.

**Note: This is a guideline. Repeat violations by the same cardholder may result in greater restrictions and/or disciplinary action.**

The Finance Department may recommend deviation from penalty guidelines in any situation where an employee can show he or she immediately corrected a mistake or has reasonable documentation proving a diligent effort is being made to correct a mistake made by the vendor or the employee.

### **1. Use of a Purchasing Card to pay for a personal expense**

Permanent revocation of the Purchasing Card and disciplinary action up to and including termination of employment.

\*Termination of employment is subject to Civil Service Guidelines\*

### **2. Allowing sales tax to be charged (unless vendor does not honor Florida sales tax exemption)**

1<sup>st</sup> Offense

Written Reminder

2<sup>nd</sup> Offense (within 12 months)

60-day Suspension of Card

3<sup>rd</sup> Offense (within 12 months)

1 Year Suspension of Card

**3. Failure to comply with the expenditure report requirements (missing itemized detailed receipts/invoices, delayed submission)**

1st Offense	Written Reminder
2nd Offense (within 12 months)	30-day Suspension of Card
3rd Offense (within 12 months)	1 Year Suspension of Card

**4. Exceeding the \$2,500.00/\$10,000.00 single purchase price limit or (splitting an order)**

1st Offense	Written Reminder
2nd Offense (within 12 months)	60-day Suspension of Card
3rd Offense (within 12 months)	1 Year Suspension of Card

**Note: If the charge is not corrected within 2 weeks, the cardholder's privileges will be suspended for 30 days. Repeat violations of this nature may result in action up to and including permanent suspension of Purchasing Card privileges.**

1. Additional Training - The Finance Department may (at its discretion) require or recommend a City employee to attend a refresher Purchasing Card training session if the employee makes repeated errors/violations within a 12-month period.



**Exhibit A: Sole Source or Emergency Justification**

**Exhibit B: Telephone/Internet Quote Form**

## Exhibit A

### Sole Source or Emergency Justification



Estimated Costs:	Vendor/Contractor:
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**TYPE OF PROCUREMENT:** (Select one)

**Sole Source:**   **Emergency Purchase:**

A **Sole Source** means there is only one supplier/source capable of supplying the required goods or service.

An **Emergency Purchase** is where there is a threat to the public health, welfare and safety of the citizens which does not allow for normal competitive bidding; however, best practices of obtaining quotes are still required.

Staff are responsible for providing and certifying as accurate and complete necessary data to support their recommendation for other than full and open competition. The justification must demonstrate that only one company can perform or supply the goods for what reason.

#### **SOLE SOURCE JUSTIFICATION GUIDELINES**

- a) Only applicable to the City's operation and maintenance of potable water, stormwater, reuse-water or wastewater utility or a combination of those utilities
- b) Replacement of specialized, mechanical or electrical or component of Water/Sewer Stormwater Utility.

#### **\*\* IMPORTANT \*\***

- Statements that a supplier has the best capability or offers the lowest price are not basis for a sole source justification.
- The rationale that the recommended source is the most highly qualified to perform is not acceptable.
- Administrative delay or lack of adequate advanced planning resulting in urgency is not an acceptable reason for sole source or emergency purchase.
- All (SSJ) sole source justification documentation must be attached to all Purchase Orders.
- The letter from the vendor stating they are the sole source provider is not acceptable.

**JUSTIFICATION: (Select one)**

<input type="checkbox"/>	<p><b>Exclusive to a City Standard or Existing Environment.</b> (List the suppliers who were contacted below and the specific reasons why or why not each was or was not a viable source). If another supplier offers a similar item, provide the item description, supplier information and comparable pricing along with the reason as to why or why not this component can or cannot be used).</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<input type="checkbox"/>	<p><b>Applies to City's potable water, stormwater, reuse-water or wastewater utility.</b> (List the area(s) which apply)</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<input type="checkbox"/>	<p><b>Meets a certain specialized, mechanical or electrical requirement.</b> (The selected supplier is the only listed and authorized provider of this item. List the reasons why no substitute item can be used and if no similar item is available).</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<input type="checkbox"/>	<p><b>Emergency Purchase.</b> (The selected product or service is exempt from competitive bidding as outlined in the Procurement Manual. Describe the emergency).</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>

**DESCRIPTION AND REASONABLENESS OF PRICE:** (Provide written explanation, technical reasoning and/or evidence of the claim)

I certify that statements checked, and information provided above, are complete and correct to the best of my knowledge. I understand that the processing of this sole source or emergency justification precludes the use of full and open competition.

**DEPARTMENT SIGNATURES**

Department Employee: \_\_\_\_\_ Department: \_\_\_\_\_  
 (Employee requesting goods or services) Print

Department Employee: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signature

Department Director Signature: \_\_\_\_\_ Date: \_\_\_\_\_

City Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**\*\*The Department Director and City Manager signatures are required\*\***

**Exhibit B  
TELEPHONE/INTERNET QUOTE FORM**



Department \_\_\_\_\_

Item(s) Requested \_\_\_\_\_

Recommended Vendor/Contractor \_\_\_\_\_

Please explain if the Vendor/Contractor selected is not the lowest quote.

\_\_\_\_\_  
\_\_\_\_\_

1. Vendor/Contractor \_\_\_\_\_

• Date of Request \_\_\_\_\_

• Amount \$ \_\_\_\_\_

2. Vendor/Contractor \_\_\_\_\_

• Date of Request \_\_\_\_\_

• Amount \$ \_\_\_\_\_

3. Vendor/Contractor \_\_\_\_\_

• Date of Request \_\_\_\_\_

• Amount \$ \_\_\_\_\_

\_\_\_\_\_  
Department Manager/Director Date:

\_\_\_\_\_  
Purchasing Manager Date: