Preface

This Procurement Operations Manual provides guidance to the management and employees responsible for procuring supplies and services and ensures that the City is receiving the “best value” for each dollar spent.

The Manual consists of operating procedures and methods that encourage the best procurement practices. These are based on the City Code of St. Petersburg, Chapter 2, Article V, Division 3, the Procurement Code, Sections, 2-237 through 2-260 and the Administrative Policies issued by the Mayor.

The Manual is a current document that is updated periodically with new subjects as well as additions or changes to existing subjects. The additions/changes will be based on: (1) changes in the City Code (2) the result of action by the Mayor or City Council (3) the need for further clarification, and (4) new or innovative practices.

The Manual consists of 14 chapters:

- Chapter 1 Organization, Authority and Responsibility
- Chapter 2 General Purchasing Policies and Procedures
- Chapter 3 Processing Purchase Requests
- Chapter 4 Maintaining the Bidders List
- Chapter 5 Source Selection and Contract Formation, Part I & II
- Chapter 6 Purchase Orders, Contracts and Change Notices
- Chapter 7 Contract Management
- Chapter 8 Processing Invoices for Payment
- Chapter 9 Quality Assurance, Specifications
- Chapter 10 Quality Assurance, Receiving and Documenting Vendor Performance
- Chapter 11 Cooperative Purchasing
- Chapter 12 Inventory Management & Warehousing
- Chapter 13 Disposal of Surplus
- Chapter 14 Standards of Ethical Conduct

The management and employees of the City of St. Petersburg are responsible for ensuring full and open competition and equitable treatment of all potential sources in the procurement process. They are also responsible for planning, sourcing, evaluation and award, contracts management and compliance, documentation of all City contracts.

During the procurement process, the Procurement Analyst is responsible for making comprehensive business judgments based on the application of sound procurement practices. This Manual will not make business judgments for the Procurement Analyst. It will aid in performing the steps necessary to ensure public funds are expended properly and will protect the integrity of the City’s procurement process.
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CHAPTER 1
ORGANIZATION, AUTHORITY AND RESPONSIBILITY

I. Purpose

The purpose of this Procurement Operational Manual is to establish policies and procedures for an effective, fiscally responsible procurement program.

The underlying purposes of this Procurement Operational Manual are to:

a. Simplify, clarify and modernize the policies and procedures governing the city's procurement program;
b. Instill increased public confidence in the procedures followed in city procurement;
c. Ensure fair and equitable treatment of all persons who deal with the city's procurement program;
d. Obtain in a cost-effective and responsive manner the supplies, services and construction required by city departments in order for those departments to better serve the city's businesses and residents;
e. Provide increased economy in city procurement activities and maximize to the fullest extent the purchasing value of public funds of the city;
f. Provide safeguards for the maintenance of a procurement system of quality and integrity; and
g. Foster effective broad-based competition within the free enterprise system.

The procurement policies and procedures in this manual are based on the City Code of St. Petersburg, Chapter 2, Article V, Division 3, Procurement Code, Section 2-232 and Administrative Policies issued by the Mayor.

II. Objectives

The objectives of the City of St. Petersburg’s procurement program are to:

a. Maintain a centralized procurement function capable of providing superior service and support to client departments.
b. Assure responsible and accountable procurement of supplies, services and construction.
c. Assist management at all levels in reaching responsible, cost-effective decisions in the acquisition of quality supplies, services and construction.
d. Promote good will and clear communication with vendors and all involved in the procurement process.
e. Seek and refine quantitative procurement performance measures.
f. Work with requesting departments and with vendors to bring about the best value and the lowest total cost.
g. Maximize the use of technology to improve procedures and to provide current and accurate information.
h. Use team buying and other organizational configurations for more effective performance.
III. Organization

A. Organization Chart

Figure 1-1 illustrates the organization of the Procurement & Supply Management Department.

![Organization Chart]

B. Functional Organization

Figure 1-2 illustrates the programs and activities of the Procurement & Supply Management function which include administration, acquisition, quality assurance and materials management. They also encompass such activities as consolidating department requirements for long-term agreements, contract administration, monitoring vendor performance and reviewing commodity usage to determine which items should be stored in inventory. The Procurement & Supply Management function consists of four programs. Each program is broken down into major activities:

1. Acquisition Program. The acquisition function encompasses the activities of planning and scheduling requirements; developing specifications and/or scope of work; preparing bids and proposals; soliciting bids and proposals; opening and evaluating bids and proposals; making recommendations for awards; receiving; following up on delivery; and verifying and approving
invoices for payment.

2. **Contracts Management.** The contracts management function the monitoring of major contracts from execution to close-out. Activities include ensuring that the City obtains needed supplies or services promptly and that the contractor receives prompt and proper compensation; provide assurance that contractors and the City meet all contractual obligations and providing mechanism for modifying contracts; adjusting prices; follow-up and expediting; handling discrepancies and deficiencies; taking care of defaults and termination; handling claims, disputes and appeals; administering payment provisions; and monitoring and evaluating contractor performance.

3. **Supply Management Program.** Two primary functions are associated with this program:

   a. **Inventory Management and Warehousing.** Inventory management includes the activities of analyzing and forecasting material usage, replenishing stock and running the warehouse operations of receiving, stocking, picking, shipping, cycle counting, physical inventory as well as security and physical control.

   b. **Disposition of Surplus.** The disposition of surplus property includes the transfer of excess property from one department to another and the sale and retirement of surplus property through public auction, sealed bids, or direct negotiation.

4. **Administration.** This function envelops the day-to-day administration of the procurement program. Activities include the development and execution of the department’s strategic plan; the running of the Procurement Advisory Council (PAC); administration of the P-Card program; certificate of insurance tracking; support for the department’s E-Business Suite (EBS), online supplier registration and maintenance; supplier database management, as well as, support for the department’s presence on the internet and intranet.
IV. Responsibility

A. Procurement & Supply Management Department

1. Centralization of Procurement. The Procurement Department serves as the central procurement authority for the City. The Procurement Director performs the procurement functions and implement the provisions of the St. Petersburg Procurement Code.

2. Duties of the Procurement Director. It is the responsibility of the Procurement & Supply Management Director to:
(a) procure or supervise the procurement of all supplies, services, and construction needed by the City;

(b) exercise general supervision and control over all inventories of supplies stocked at the Consolidated Warehouse;

(c) sell, trade, or dispose of surplus supplies belonging to the City;

(d) establish and maintain programs for specification development, receiving, inspection and acceptance of goods and services, contract management in cooperation with requesting departments; and

(e) ensure compliance with the Procurement Code and implementing Administrative Policies by reviewing and monitoring procurements conducted by City.

3. Authority to Adopt Operational Procedures. The Procurement Director is authorized to adopt operational procedures, consistent with the Procurement Code, governing the procurement, management, control, and disposal of any and all supplies, services and construction procured by the City, unless exempted pursuant to Section 2-239.

4. Consistent with the provisions of the Procurement Code, the Procurement Director may also adopt operational procedures governing the internal functions of the Procurement Department.

5. Delegation of Procurement Authority to Other Departments. The Procurement Director may delegate in writing such authority as may be deemed appropriate to any department of this City. Such delegation shall be in writing and shall specify:

(a) the activity or function authorized;
(b) any limits or restrictions on the exercise of the delegated authority;
(c) whether the authority may be further delegated; and
(d) the duration of the delegation.

B. Operating Department

It is the responsibility of the director of the operating department to:

a. Determine the quality and quantity of supplies or services needed and the delivery date required.

b. Anticipate and requisition requirements, giving accurate descriptions of articles required in sufficient time so they can be purchased on a competitive basis.

c. Receive and inspect items delivered by vendors and reject shipments that fail to meet purchase order requirements.

d. Handle emergency purchases.

e. Cooperate with Procurement to establish standards and commercial specifications.

f. Provide written justification for sole source purchases.
V. **Hierarchy of Procurement Documents**

The hierarchy of procurement documents is listed in Figure 1-3. These documents regulate the procurement process. At the most general level is the City Code, the most specific, Instructions to Bidders and General Conditions.

![Hierarchy of Procurement Documents](image)

In tracing the hierarchy from the City’s Procurement Code to Instructions to Bidders and General Conditions it should be understood that each document fills a specific role. Each document is described below:

**Procurement Code.** Promulgated by City Council, the Procurement Code provides authority to the Mayor or the Procurement Director to promulgate procurement policies governing the procurement, management, control and disposal of all supplies, services and construction to be procured by the City. This document defines the authority of the procurement officials and specifies the guiding principles which govern the procurement process (See *St. Petersburg, Florida, Code of Ordinances Part II – St. Petersburg City Code, Chapter 2 – Administration, Article V, Purchasing, Contracts, etc. Division 3 – Procurement Code, Sec. 237 - 268*).

**Administrative Policies.** This document establishes policies as it pertains to the procurement function. Policies provide a more detailed outline of guiding principles and operational procedures which must be followed in procurement. The administrative policies are the statement to staff, vendors, contractors, the public and other governmental bodies on how procurement is to be conducted (See - *Administrative Policies # 050100 – 050900*).
**Procurement Operations Manual.** This document provides a comprehensive source of information for those engaged in procurement within the City. The procurement manual also called the “red book” provides a detailed description of the entire procure-to-pay process. It covers subjects such as how to prepare an internal or external requisition, process small orders, solicit competitive bids and proposals, sole source and emergency procurement, process invoices for payment, monitor and report vendor performance, replenish and receive stock, inventory control and the disposal of surplus property. The manual is supplemented with flow charts outlining each step which must be followed when undertaking a procurement activity or process. This information is targeted for use by both the internal and external procurement staff (See - Procurement Operations Manual, Rev., Dec. 2017).

**P-Card Program Guide.** This document provides procurement cardholders and department representatives with a comprehensive look at the City’s policies and procedures regarding the P-Card program. It provides step-by-step instructions on how to acquire, use and protect the card (See – Purchasing Card Program Guide: Rev., Sep. 2016).

**Warehouse Operating Standards.** This document establishes departmental rules for operating the warehouse. It also provides warehouse management and staff with a guide to running a safe, orderly and efficient warehouse (See - Consolidated Warehouse: Operating Standards, Jan. 2009).

**Procurement User Guide.** These two documents provide an overview of various topics related to City procurement. The purpose of the user guide is to briefly outline pertinent information of importance to internal customers when participating in the procurement process. The supplier guide provides current and potential suppliers with useful information on how to do business with the City (Procurement User Guide: Rev., April 2008).

**Instructions to Bidders and General Conditions.** These documents are issued with each invitation for bid or request for proposal and provides bidders or offerors with instructions for completing their offers. It also outlines the general terms and conditions under which the transaction will be made. In addition, these documents cover such items as instructions for submitting offers, how bid protests are handled, assistance for Small Business Enterprise, insurance and bonds (See Instruction to Bidders and General Conditions for the Purchase of …Supplies/Services/Construction).

**VI. References**

*St. Petersburg City Code, Chapter 2, Article V, Division 3, Procurement Code Section 2-237 -268.*
CHAPTER 2
GENERAL PURCHASING POLICIES AND PROCEDURES

I. Purpose

It is the purpose of this chapter to describe general policies and procedures with regard to the purchase of supplies and services.

II. Scope

These policies and procedures apply to all departments in the City.

III. Definitions

A. Award. The presentation of a purchase agreement or contract to the selected bidder or offeror.

B. Cooperative Purchasing. The combining of requirements of two or more public procurement units in order to obtain the benefits of volume purchases and/or reduction in administrative expenses.

C. Small Business Enterprise Program (SBE). This City sponsored program assists local, small businesses to participate in City contracts.

D. Multiple Awards. The award of a contract to two or more vendors or contractors to furnish the same or similar supplies or services, where more than one vendor is needed to meet the contract requirements for quantity, delivery or service.

E. Responsible. A person who has the capability in all respects to perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment and credit which will assure good faith performance.

F. Responsive. A person who has submitted a bid which conforms in all material respects to the requirements set forth in the invitation for bids.

G. Source Selection. The method used to determine the supplier of goods or services.

H. Specifications. A description of the physical, functional or performance characteristics or nature of a supply or service. A specification includes, as appropriate, requirements for inspecting, testing, or preparing a supply or service for delivery.

IV. Policies

The City's purchasing policies include:

A. Purchase Request. All purchase requests for supplies or services, unless exempt by code, acquired by purchasing card, available on a blanket purchase agreement or less than $10,000 shall be submitted to purchasing through Oracle
iProcurement and approved by the department director or designee. For purchases of less than $10,000, iProcurement will auto create a purchase order upon creation and approval of a purchase requisition.

B. **Budget Approval** All purchase requests must be within the limits of the current budget or covered by supplemental appropriation. All purchases over $10,000 must be approved by Budget and Management Department.

C. **Method of Source Selection** The following methods are available to be utilized in the acquisition of supplies and services, depending on the nature of the supplies/services being sought and the projected expense:

1. **Competitive Sealed Bidding** - purchases of $50,000 or more, competitive sealed bidding is the preferred method for purchasing supplies and services.

2. **Competitive Sealed Proposals** - are used when it is determined that competitive sealed bidding is not practicable or not advantageous to the City, a contract may be entered into by using the competitive sealed proposals method.

3. **Small Purchases** - under $100,000 which are not accomplished through either a blanket purchase agreement or use of a purchasing card are solicited in the following manner:

   - Under $5,000: Best quote
   - $5,000 - $9,999: Three telephone quotes
   - $10,000 - $99,999: Five written, facsimile or electronic quotes

4. **Sole Source** - a contract may be awarded without competition when it is determined in writing that there is only one source for the required supply or service or when competitive bidding is either not feasible or advantageous to the City.

5. **Emergency Purchase** - a purchase may be made under emergency provisions when it is determined that conditions exist which create a disruption of essential operations or conditions adversely affecting the safety, health or security of persons or property such as may arise by reason of floods, hurricanes, riots, equipment failures, or such other reason as may be proclaimed by the mayor.

D. **City Council Approval.** All purchases of $100,000 or more, or change orders over $25,000 shall be approved by City Council. The mayor or designee is authorized to execute, without City Council approval, change orders up to a cumulative total of $25,000 on any one contract. The authority to execute change orders is limited to monies previously appropriated by City Council for the supply, service or construction which is the subject of the change order.

E. **Awards** Bids and proposals will be evaluated on the following basis:

1. **Competitive Sealed Bids** - The contract is to be awarded to the lowest
responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids. No bid shall be evaluated for any requirements or criteria that are not disclosed in the invitation for bids.

2. **Competitive Sealed Proposals** - An award is made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the city, taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors shall be used in the evaluation.

3. **Multiple Awards** - A multiple award may be made when two or more bidders or offerors for similar supplies are necessary for adequate delivery, service, or product compatibility.

F. **Specifications** shall be written in a manner to allow open competition. Specifications should emphasize functional or performance criteria and should limit, when practicable, design or physical descriptions to those meeting the need or those suitable for the intended purpose. Available standard commercial products should be used and unique requirements should be avoided when practicable. Performance criteria should clearly identify how the acceptability of work performed will be determined; the user department’s duties in terms of identifying and documenting unacceptable performance; and the consequences of unacceptable performance.

G. **Environmentally Preferable Purchasing (Green Purchasing)**. It is the policy of the city to purchase recycled and environmentally preferable goods. Environmentally preferable goods are defined as "products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose." This includes products that contain recycled material, reduce toxicity and pollution, conserve energy, conserve water and prevent waste. This policy encourages City departments to:

1. Develop energy saving, waste prevention and recycling strategic plans implementing the green purchasing requirements.
2. Consider environmental factors, as appropriate, in acquisition planning for all procurements and in the evaluation and award of contracts.
3. Revise existing specifications, descriptions and standards to enhance the procurement of environmentally preferable products and services.
4. Use EPA’s guiding principles and EPA’s Comprehensive Procurement Guidelines (CPG) in identifying and purchasing environmentally preferable products and services.
5. Encourage City contractors to follow EPA’s guiding principles and EPA’s Comprehensive Procurement Guidelines (CPG).
6. Include energy, environmental and recycling concerns in the acquisition and management of public space, including leased space, and the design and construction of new buildings.

This policy will be carried out consistent with the City's obligations and purpose, and with an overall intent to obtain competitive prices to provide value to the taxpayers.
H. Performance and Payment Bond. Pursuant to Florida State Statute 255.05, any contract for construction of a public building, for the pursuit and completion of a public work, or for repairs upon a public building or public work shall require a Performance and Payment Bond with a surety insurer authorized to do business in the State. For contracts less than $200,000, City Council may exempt a contractor from executing the Performance and Payment Bond upon administration’s recommendation. For construction contracts of less than $50,000, the mayor or designee may waive or reduce the level or change the types of bonding normally required or accept alternative forms of security to the extent reasonably necessary to encourage procurement from SBEs.

I. Bid Protests

1. A protest from a bidder must first be made in writing to the purchasing director. The purchasing director shall investigate the protest and present the findings in writing to the bidder. If the protest is not resolved to the satisfaction of the bidder, he or she may then make an appeal to the mayor or designee within five working days.

2. In accordance with City Council Resolution 88-1002, it is the policy of the City Council not to hear oral presentations from unsuccessful bidders concerning the award of a contract.

3. There is no stay of procurement during protests.

J. Cooperative Purchasing. The City may participate in or administer cooperative purchasing agreements for the purchase of supplies or services. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts with other public entities and open-ended state contracts made available by the State of Florida. The City may also, in lieu of other competitive sealed bidding procedures, accept a competitively bid proposal or contract which has been supplied by state, or county government, or any municipality or agency.

K. Small Business Enterprise (SBE). Pursuant to the Small Business Enterprise Ordinance, City Code Section 2-239, it is the City’s policy to foster growth in the local economy by affording certified SBEs an opportunity to gain the experience, knowledge and resources necessary to compete and survive, both in public and private procurement arenas. The intent of this race/gender neutral initiative is to enhance procurement and construction contracting opportunities for certified SBEs domiciled in Pinellas, Pasco, Hillsborough, Manatee and Polk counties. To be eligible, a firm must meet the following criteria: (a) be certified by the City’s Business Assistance Division; (b) have been in business for at least one year; (c) employ less than 25 people with annual sales of less than $3 million dollars, except for construction, where annual sales must be less than $5 million dollars.

L. Conflict of Interest. Pursuant to Section 112.313 of the Florida Statutes, all City employees who participate in the purchasing program shall adhere to the following ethical standards:

1. A City official or City employee may not directly or indirectly procure
contractual services for the City from a business entity of which a relative is an officer, partner, director, or proprietor, or in which he, his spouse, or child has a material interest.

2. No employee acting as a purchasing official, purchasing manager, or buyer may, directly or indirectly, purchase, rent, or lease any supply or service from a business entity in which he, his spouse, or child is an officer, partner, director, or proprietor, or in which he, his spouse, or child (or any combination of them) owns a material interest. Nor may a public officer or employee, acting in a private capacity, rent, lease, or sell any supply or service to the City.

V. Procedures

A. The Purchasing Cycle

All purchase requests for supplies or services, unless exempt by code, acquired by purchasing card, or is less than $10,000 are submitted to purchasing for solicitation. A description of the purchasing cycle follows and is illustrated in Figure 2-1:

The requestor enters a purchase requisition in the Oracle iProcurement system and if necessary, attaches technical specifications or a statement of work which is approved by the department director.
1. If the requisition is less than $10,000 then a Purchase Order (PO) is auto created and distributed to the vendor by the department. If the purchase is greater than $10,000 it is sent to the Budget Department where funds availability is checked. If approved it is sent to purchasing for processing.

2. Purchasing reviews the requisition and determines the method of source selection. If the purchase is under $100,000 a minimum of five written quotes are solicited. As quotes are received, they are tabulated and evaluated and an award made to the lowest and best quote. A PO is prepared and issued to the vendor via e-mail.

3. If the purchase is over $100,000, bids are required; the procurement analyst prepares an IFB or RFP and a bidders list. A public notice may be published in a newspaper of general circulation. The IFB or RFP is solicited from all prospective bidders in the City’s vendor database from vendors registered for that commodity or service.

4. As bids or proposals are received, they are secured and opened at the time and date designated in the solicitation. Offers are tabulated, evaluated and the lowest responsive and responsible bidder is selected or the responsible offeror whose proposal is determined to be the most advantageous to the City, taking into consideration price and the evaluation criteria set forth in the RFP.

5. If the purchase exceeds $100,000, City Council approval is required. A purchase order and/or contract is prepared and issued to the successful bidder or offeror.

6. After the award is approved, the procurement analyst prepares and issues a purchase order or contract. The purchase order or contract is sent to the supplier.

7. Upon receipt of the supplies or services, a representative of the requesting department inspects the items to determine whether they are in an acceptable condition and if specifications are met. If the item is in acceptable condition or the service rendered is complete, a representative enters the receipt in the purchasing electronic database. The item is stored or put in production. If the material and packing slip are correct, the representative initials it and submits it to the designated department representative for processing. If the supplies and documents are not correct, do not accept them. Return the incorrect or defective item to the vendor. If documents are incorrect, work with the vendor and purchasing to make the correction.

8. The designated department representative matches the packing slip, vendor invoice and purchase order. If there are variances > than 10% or > $500, a change order must be issued, otherwise it is ready for payment. The designated department representative prints a payment voucher and it is reviewed and signed by the director or designee.
9. The payment voucher and invoice are submitted to finance for final review and payment.

B. Purchasing Exceptions

In accordance with the *St. Petersburg City Code Chapter 2, Article V, Division 3, Procurement Code Section 2-239*, the provisions listed in this section are exempt.

C. Non-PO Payment Requests

Below is a current list of ‘categories’ that can be paid without an existing Purchase Order.

1. **Bank Fees** – Used for bank service charges to be paid to the financial institution.
2. **Change** – Used for Cashier preapproved change drawer funding.
3. **Claims** – Used for City insurance related payments by Risk Management/HR/Legal.
4. **Fee Instructors and Sports Officials such as Referees** – Used for Leisure Services only.
5. **Filing Fees** – Used for filing various county and State permits.
6. **Inter-Library Remittance** – Used by Library only for inter-library agreements.
7. **Inter-Local Agreements for Utility Services** – Used by Billing and Collections to remit collections.
8. **Investigative Services** – Used by Police Department only.
9. **Petty Cash Replenishment** – Used to replenish petty cash drawers after furnishing proper receipts.
10. **Police Pension Supplemental Payout** – Used by Finance only.
11. **Postmaster** – Used for replenishing City postage meters
12. **Refunds** – Used to refund overpayments and returns of deposit.
13. **Training/Travel Reimbursements** – Used for employee reimbursement after travel and training.
14. **Travel Advances** – Used for advancing approved travel and training expenses.
15. **Unclaimed Cash** – Used by Finance only to remit unclaimed cash to the State.
16. **Zero Dollar** – Used for correcting prior entries to reclassify to proper GL and/or PATEO codes.

VI. References

1. *St. Petersburg City Code Chapter 2, Article V, Division 3, Procurement Code Section 2-232*
CHAPTER 3
PROCESSING PURCHASE REQUESTS

I. Purpose

The purpose of this chapter is to provide guidelines on how to process purchase requests.

II. Scope

These guidelines apply to the procurement of all supplies and services.

III. Policy

The purchasing director has the responsibility to purchase supplies and services. It is vital to the performance of this duty that the purchasing manager and procurement analysts hereafter referred to as “purchasing”, have the authority to review purchase requests, specifications and suggested sources.

Purchasing shall have the responsibility and authority to review specifications and sources within the following guidelines:

A. It is the responsibility of purchasing to review the specifications of each purchase request. This review shall include, but not be limited to (1) requests for "sole source" purchases or a waiver of competitive bidding; (2) requests for supplies of a quality that seems to be greater or less than required; (3) requests where material seems inconsistent with the requirement; (4) requests that do not conform to city standards; and (5) requests without proper authorization. Purchasing should not materially alter specifications without the review and approval of the requesting department.

B. The requesting department and purchasing are jointly responsible for developing a list of acceptable vendors for a specific supply or service, with the requesting department being responsible for the technical aspects of the evaluation and purchasing being responsible for the financial, commercial and service aspects.

C. The purchase request shall be submitted to the Budget Department if the estimated purchase price is $10,000 or more. All requests for the purchase of computer hardware, software and peripherals must be routed through the ICS Department for approval. Once the necessary approvals have been obtained from budget, the request is forwarded to purchasing for processing.

IV. Responsibility

A. Requestor. The individual responsible for creating a new purchase request, entering the request information in the electronic procurement database and forwarding it for approval.

B. Approver. An approver is the person designated by the department director to access, approve and forward the purchase requests to purchasing.
C. **Procurement Analyst.** The purchaser assigned to make the purchase.

V. **Procedures**

A. **Internal Purchase Requests**

When preparing a purchase request from the Consolidated Warehouse, the following information must be presented by the requestor.

1. **Internal item number:** Enter the stock number of the item to be purchased.

2. **Quantity:** Enter the quantity of the commodity or service that you wish to order.

3. **Source:** Choose the Consolidated Warehouse as the source for the supplies.

4. **Need by Date:** Enter the date by which the commodities or services are to be delivered.

5. **Requestor:** Enter the requestor’s name.

6. **Deliver-To Location:** Enter the ship-to address.

7. **Account Code:** Enter the account code(s) and percentage or dollar distribution.

B. **Release from Blanket Purchase Agreement**

When preparing a purchase request from a blanket purchase agreement, the following information must be presented by the requestor.

1. **Item description.** Choose the description of the item from those listed on the agreement.

2. **Quantity:** Enter the quantity of the commodity or service that you wish to order.

3. **Need by Date:** Enter the date by which the commodities or services are to be delivered.

4. **Requestor:** Enter the requestor’s name.

5. **Deliver-To Location:** Enter the ship-to address.

6. **Account Code:** Enter the account code(s) and percentage or dollar distribution.

7. **Enter notes.** Enter comments or other information.
8. **Attachments**: If prices have already been received from vendors, enter the method of price solicitation.

C. **Non-catalog Request**

When preparing a purchase request for an item not stocked at the Consolidated Warehouse or on a blanket purchase agreement, the following information must be presented by the requestor:

1. **Item Type**: The type of item being purchased (goods billed by quantity, goods or services billed by amount or services billed by quantity).

2. **Item Description**: Enter the purchase description for the item. The item(s) requested must be identified with a complete description, including the size, style, model number, part number, amps, voltage, hp, brand, catalog reference, color, dimensions, equivalent substitute data, etc. *Do Not Generalize.* Use specific descriptions, name place, date, etc. If an equivalent substitute is allowable, specify `≈ or equal` after the applicable commodity description. Communicate any information that will assist purchasing and vendors in determining the application of the supply or service requested, including special shipping instructions, suggested vendors, etc. Also, include the total estimated cost of the supply or service. If a more detailed description is necessary, please attach an additional document.

3. **Category**: Enter the NIGP commodity service code.

4. **Quantity**: Enter the quantity of the commodity or service that you wish to order.

5. **Unit of Measure**: Enter the appropriate unit of measure for the commodity or service.

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6. **Unit Price:** Enter the estimated unit cost.

7. **Supplier:** Enter the name of the supplier the items are being purchased from.

8. **Need by Date:** Enter the date by which the commodities or services are to be delivered.

9. **Requestor:** Enter the requestor’s name.

10. **Deliver-To Location:** Enter the ship-to address.

11. **Account Code:** Enter the account code(s) and percentage or dollar distribution.

12. **Enter notes.** Enter comments or other information.

13. **Attachments:** If prices have already been received from vendors, enter the method of price solicitation.

### D. Approve Purchase Request

1. The request is then submitted to the department director or designee for approval.

2. All requests for computer and technology related products must be submitted to ICS Department for approval.

3. The purchase request is submitted to the Budget Department for approval if the estimated price is $10,000 or more.

### E. Send Purchase Request to Purchasing

1. Once approved, purchase requests over $10,000 are sent to purchasing. Purchasing receives and reviews the purchase request for proper approvals, funding source, purchase description or statement of work and estimated cost.

2. The purchase request is assigned to a procurement analyst/specialist.
The procurement analyst/specialist determines the method of source selection.

VI. References

Administrative Policies - 050100, Procurement of Supplies and Services, 12/17/2007
CHAPTER 4

MAINTAINING THE BIDDERS LISTS

I. Purpose

The chapter describes the procedures for registering suppliers and maintaining the bidders list.

II. Scope

These procedures cover the supplier registration and profile maintenance as well as the maintenance of the bidder's lists.

III. General

A. Bidders List. A list of names and addresses of vendors from whom bids, proposals or quotations can be solicited.

B. Supplier Registration. A prospective supplier may be placed on the city's bidders lists by completing an online application. The supplier provides detailed information about the company and this is used to develop the bidders list. A company's failure to submit complete information on its application may preclude it from receiving invitation for bids, request for proposals or quotations.

C. iSupplier Portal. iSupplier Portal is an internet self-service tool, which gives suppliers the ability to directly access information and enter business transactions across the procure-to-pay life cycle. This is a secured web site and suppliers are only able to access information related to their own supplier site.

IV. Procedures

A. Supplier Registration

The city is committed to supplier diversity. All suppliers, local, small or minority business enterprise must first register in iSupplier in order to be considered for future sourcing or potential bid opportunities. If the supplier is a sole proprietor a W-9 form must also be submitted. To register with the city, a prospective supplier must create a profile in the iSP by following the steps in the supplier registration process. They include:

1. A representative from the supplier must login to the iSupplier portal and enter the company details including: company name, taxpayer ID (SSN, EIN, TID), address name, country, address, city/town/locality, state, postal code, note or comment, e-mail address, first name, last name, phone number and extension.

2. The supplier representative receives a confirmation that their application has been submitted and the status by e-mail within 24 hours.
3. Purchasing's registration administrator receives a notification that the supplier's registration has been submitted and is pending approval.

4. Once the registration has been approved the supplier representative is sent by e-mail a user ID and password. The supplier is also required to enter their NIGP commodity/service codes in iSP.

When a bid opportunity arises, the procurement analyst will query the bidders' database to identify suppliers that match the commodity or service being sourced. To remain actively available for sourcing opportunities it is the suppliers' responsibility to provide accurate and up-to-date profile information as well as updates to your commodity/service codes.

B. Managing the iSupplier Portal

Suppliers that have registered and have been approved may be invited to participate in the department's supplier collaboration network. With a user ID, password, and Internet link to access the iSP a supplier using the portal is able to:

1. Access to the Supplier Profile Management, which enables them to manage key profile details used to establish and maintain a business relationship with the city. This profile information includes: address information, names of main contacts, user accounts, business classification, banking details and information about commodities/services they are able to provide the city.

2. Complete the following transactions: acknowledge purchase orders; change promised dates for delivery; enter advanced shipment notices (ASN); enter invoice.

3. Inquire and view the following; invoices received; payments sent; open delivery schedules; overdue receipts; supplier item summary; purchase orders; receipt history on-time delivery performance; returns supplier; shipping schedules; purchase order history.

4. View and respond to sourcing opportunities.

C. Maintaining the Bidders Lists

1. Purchasing maintains its bidders lists by (a) adding new suppliers to provide increased competition, (b) modifying and refining commodity groups for more accuracy and efficiency; and (c) removing prospective suppliers who fail to bid or suppliers whose performance is unsatisfactory.

2. Suppliers may be removed from bidders list(s) for any of the following reasons:
   
a. two or more consecutive failures to bid or to acknowledge invitation for bids;

b. continued failure to meet delivery dates;
c. failure to comply with specifications or scope of work; or
   d. default or unsatisfactory performance.

3. The procurement analyst must make every effort to resolve the problem before recommending that a supplier be removed from the bidders list.

4. Before a supplier is removed, suspended, debarred, inactivated or deleted from the bidder’s list, the purchasing director must (a) review and investigate all reasons and evidence supporting the proposed action and make a final decision, and (b) when removal from the supplier’s mailing list is justified, inform the vendor in writing.

5. When removal from the bidders list is based on failure to bid, it should be confined to the particular commodity or service involved.

6. There must be complete documentation of the reasons for the action and any contacts with the supplier, as well as a record of the purchasing director’s review and approval.
CHAPTER 5

METHODS OF SOURCE SELECTION

I. Purpose

This chapter describes operating procedures for source selection in accordance with St. Petersburg City Code, Chapter 2, Article V, Division 3, Procurement Code, Section, 2-244 through 2-250.

II. Scope

These operating procedures cover the following methods of source selection: Competitive Sealed Bidding; Competitive Sealed Proposals; Multi-Step Sealed Bidding; Small Purchases; Sole Source Purchases; and Emergency Purchases.

III. Responsibilities

A. Requesting Department. The requesting department is responsible for completing the purchase requisition; verifying funds; developing plans and specifications; reviewing the invitation for bids, request for proposals, and bidders lists; attending pre-bid/proposal conferences; answering technical questions about the bids/proposals; technical evaluation of the bid and proposal; participating in discussions with the vendor; and providing supplemental information for the consent agenda brief.

B. Department Director. The department director is responsible for approving purchase requests; signing sole source justifications; signing emergency purchase requests; verifying funds; approving plans and specifications; approving recommendation for awards; approving the evaluation team; and answering City Council questions.

C. Purchasing Manager. The Purchasing Manager is responsible for assigning the purchase request to the Procurement Analyst; reviewing the sole source justification; supervising the development of the invitation for bids and request for proposals; reviewing bids/proposal packages and bidders list; reviewing the addendum; recommending the evaluation team; and supervising the preparation of the written recommendation for award.

D. Procurement Analyst. The Procurement Analyst is responsible for planning and scheduling the solicitation; reviewing specifications; preparing invitation for bids and request for proposals; preparing bidders lists; holding the pre-bid/proposal conference; preparing the addendum; receiving, opening and evaluating the bid and/or proposal; developing an evaluation plan; preparing technical reports for proposal evaluation; conducting written and oral discussions; preparing the written recommendation for awards; notice of award, and the purchase order and/or contract.

E. Contracts Compliance. Contracts compliance is responsible for ensuring that the City obtains needed supplies or services promptly and that the contractor receives prompt and proper compensation; providing assurance that contractors and the
City meet all contractual obligations. Additionally, contract compliance establishes procedures for modifying contracts; adjusting prices; handling discrepancies and deficiencies; taking care of defaults and termination; handling claims, disputes and appeals; administering payment provisions; and monitoring and evaluating contractor performance.

**F. Purchasing Director.** The Purchasing Director is responsible for approving the purchase request, invitation for bids, request for proposals and bidders list; approving the evaluation plan, the evaluation committee; and the recommendation for award; submitting the consent agenda brief to City Council for award; issuing the notice of award; and signing the purchase order and/or contract.

**G. Risk Management.** Risk Management is responsible for assessing risk and determining insurance requirements.

**H. Budget.** The Budget office is responsible for reviewing purchase requests for proper funding authorization; authorizing, reviewing and signing off on purchases over $10,000; and signing resolutions.

**I. Administrator/Chief.** The department administrator/chief is responsible for approving recommendation for awards under $100,000; reviewing and signing recommendation for awards over $50,000; approving sole source justifications; and signing emergency requests.

**J. Mayor, City Administrator or designee.** The Mayor, City Administrator or designee is responsible for awarding the contract if it is less than $100,000.

**K. City Attorney/Assistant City Attorney.** The City Attorney/Assistant City Attorney is responsible for preparing and signing resolutions for City Council approval for purchases over $100,000.

**L. City Council.** City Council is responsible for approving contracts as to form for awarding the contract if it is $100,000 or more.

### IV. Methods of Source Selection

**A. Competitive Sealed Bids**

1. **Application**

   All city contracts shall be awarded by competitive sealed bidding except as otherwise provided for in accordance with City’s Procurement Code.

2. **Condition of Use**

   The Invitation for Bids (IFB) is used to initiate competitive sealed bids (See flowchart for Invitation for Bids).

3. **Procedures**
This procedure is established for the procurement of supplies, services and construction of more than $100,000:

a. **Preparing the Invitation for bids:**

   (1) The Purchasing Manager assigns the purchase requisition to a Procurement Analyst, who reviews the purchase description or scope of work for clarity and completeness.

   (2) The Procurement Analyst prepares the IFBs, which will include the following:

      (a) the purchase description or scope of work, evaluation criteria, delivery or performance schedule, and such inspection and acceptance requirements as are not included in the purchase description; and

      (b) instructions to bidders concerning the bid submission requirements, including the date and time for receipt of bids; the maximum time for bid acceptance by the City; and any other special information.

      (c) the contract terms and conditions, including warranty and bonding or other security requirements, as applicable.

   (3) The Procurement Analyst plans and schedules dates for issuing the IFB; the public notice; the pre-bid conference; the bid opening; evaluation; City Council approval; and issuing the purchase order and/or contract.

   (4) The IFB documents and bidders list is submitted to the Purchasing Director for approval. It is also sent to the requesting department for review.

b. **Bidders List:** The Procurement Analyst compiles a bidders list with the names of businesses that may be interested in competing for the contract.

c. **Issue Public Notice:** The Procurement Analyst prepares a public notice that includes the purchase description, the date, time and place of the bid opening.

d. **Issue Invitation for Bids:** The Procurement Analyst issues the IFB online to all vendors on the bidders list.

e. **Pre-Bid Conference:** A pre-bid conference with vendors may be necessary, depending on the complexity of the specifications or the scope of work to be performed. When a pre-bid conference is held,
the Procurement Analyst must prepare a summary or transcript of the meeting.

f. Amendments to Invitation for Bids: If changes are made to the IFB, the Procurement Analyst must prepare an amendment and issue it to all vendors on the bidders list.

g. Bidders Response: Bidders open the IFB, review and acknowledge the invitation. They then create and submit their response online.

h. Bid Closing: After closing, the bids are opened publicly and read aloud at the time and date designated in the IFB. The name of each bidder, the bid price, and such other information as is deemed appropriate are read aloud or otherwise made available. All persons present at the bid closing must sign the bid receipt register. The bids are then made available for inspection by the public.

i. Bid Evaluation: The Procurement Analyst tabulates and evaluates the bids to determine the lowest responsible and responsive bid meeting the specifications.

(1) Small Business Enterprise (SBE) discounts are calculated and evaluated and any SBE affidavit reviewed and verified.

(2) For items requiring technical review, the Procurement Analyst submits copies of the bids received to the appropriate technical staff. At the completion of the technical analysis, a written determination regarding the bidder’s compliance with the technical requirements must be submitted to the Procurement Analyst.

j. Prepare Recommendation for Award: Upon completion of the evaluation, the Procurement Analyst prepares a recommendation for award. The bid tabulation and the Procurement Analyst's recommendation is signed by the Procurement Director and then forwarded to the department director for approval. If the department director does not concur with the Procurement Analyst's recommendation and determines that the contract should be awarded to a vendor other than the recommended bidder, a justification for such determination must be prepared and forwarded to the Procurement Analyst and reviewed by the Procurement Director.

k. Bid Award: In accordance with the Sec. 2-244, of the Procurement Code, the contract shall be awarded to the lowest responsible and responsive bidder whose bid meets the specifications, requirements and criteria set forth in the IFB.

(1) Awards Under $100,000: The recommendation for award under $100,000 is approved by the department’s director, Administrator/Chief and Budget Analyst.
(2) **Awards Over $100,000:** For awards over $100,000 a consent agenda brief is prepared, reviewed and signed by the Budget Office and the department’s administrator. The City Attorney’s Office prepares a resolution accompanying the consent agenda brief. Both documents are forwarded to the City Clerk’s Office for placement on Consent Agenda for City Council approval.

l. **Notice of Award:** Upon approval, the Procurement Analyst may issue a notice of award and will request required insurance certificates, performance and payment bonds or other contractual documents from the vendor.

m. **Prepare Purchase Order or Contract:** The Procurement Analyst prepares and signs the purchase order or contract and submits it to the procurement director for approval prior to distribution.

B. **Competitive Sealed Proposals**

1. **Application**

   Competitive sealed proposal is used when (i) the complex nature or technical details of a particular procurement make the use of competitive sealed bidding either not practicable or not advantageous to the City; (ii) specifications cannot be fairly or objectively prepared so as to permit competition in a competitive sealed bidding process; (iii) advanced technology or electronic equipment is available from a limited number of sources; or (iv) specifications cannot practicably be prepared except by reference to specifications of the equipment of a single source of supply.

   A contract for more than $100,000 may be entered into by use of the

2. **Condition of Use**

   The Request for Proposal (RFP) is used to initiate competitive sealed proposals/competitive negotiations (See flowchart for Request for Proposals & Request for Proposals Evaluation Process).

3. **Procedures**

   a. **Prepare the Request for Proposals.**

      (1) The Purchasing Manager assigns the purchase requisition to a Procurement Analyst, who reviews the purchase description and scope of work for clarity and completeness.

      (2) The Procurement Analyst prepares the RFP, which includes the following:

         (a) A statement that discussions may be conducted with offerors who submit proposals determined to be
reasonably qualified to be selected for award, but that proposals may be accepted without such discussions;

(b) A statement of when and how price should be submitted;

(c) All evaluation factors including their relative importance; and

(d) The manner in which proposals are to be submitted, including any forms for that purpose.

(3) The Procurement Analyst plans and schedules dates for the RFP review and issuance, public notice, the pre-proposal conference, the proposal closing (opening), evaluation, approvals, and the preparation and execution of the purchase order and/or contract. When necessary, dates are scheduled for holding discussions with individual offerors and for determining the best and final offer.

(4) The request for proposals documents and bidders list are submitted to the Procurement Director for approval. It is also sent to the requesting department for review.

b. **Bidders List.** The Procurement Analyst compiles a bidders list with the names of businesses that may be interested in competing for the contract.

c. **Issue Public Notice.** The Procurement Analyst prepares and issues a public notice that includes the purchase description, the date, time and place of the proposal opening.

d. **Issue Request for Proposals.** The Procurement Analyst issues the proposal documents online to all prospective offerors on the bidders’ mailing list.

e. **Pre-Proposal Conference.** A pre-proposal conference with offerors may be beneficial, depending on the complexity of the specifications or scope of work to be performed. When a pre-proposal conference is held, the Procurement Analyst must prepare a summary or transcript of the meeting. If changes are made to the RFP, the Procurement Analyst must prepare an amendment and issue it to all vendors on the bidders list.

f. **Amendments.** Amendments to the RFP submitted prior to and after submission may be made in accordance with the procedures set forth in the RFP.

g. **Offerors Response.** Prospective offerors open the RFP, review and acknowledge the RFP. They then create and submit their response online.
h. **Proposal Closing.** After closing, proposals are opened publicly on the date and time designated in the RFP. The name of each offeror, a description sufficient to identify the supply or service, and such other information, as is deemed appropriate, are read aloud or otherwise made available. All persons present at the opening must sign the proposal receipt register.

i. **Evaluation of Proposals.**

1. **Select Evaluation Committee:** The Procurement Director may establishes an evaluation committee comprised of a minimum of least three voting members that have the experience related to the type and nature of the supply or service to be obtained. Members must be qualified, professional employees. The committee may include, but is not limited to, the following participants:

   (a) Purchasing Manager  
   (b) Procurement Analyst  
   (c) Project Manager  
   (d) Technical Staff of Operating Department  
   (e) Risk Management  
   (f) Legal  
   (g) Internal Audit  
   (h) Finance  
   (i) Technology Services  
   (j) Budget  
   (k) Greenhouse (SBE)  
   (l) Consultant  
   (m) Members of the public

2. **Evaluation Criteria:** Proposals are evaluated based on the evaluation criteria set forth in the RFP, including price, and the relative importance of such criteria.

3. **Evaluation Plan:** The Procurement Analyst in cooperation with the evaluation committee must establish the evaluation criteria that will be used to evaluate the proposal. The evaluation criteria must incorporate technical, commercial and cost criteria including, but are not limited to:

   (a) qualifications  
   (b) experience and technical competence  
   (c) capacity to accomplish the work  
   (d) past performance  
   (e) schedule  
   (f) cost or price

4. **Determine Adequacy of Proposals:** The Procurement Analyst reviews the proposal in detail to determine the
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adequacy of the proposals. Criteria to be used in determining adequacy include, but are not limited to:

(a) Proposal letter
(b) Addendum acknowledgment
(c) Cost/Pricing, in prescribed format
(d) Lists of proposed subcontractors
(e) SBE affidavits
(f) List of current or completed projects
(g) References provided
(h) Financial status
(i) Technical experience
(j) Licensing
(k) Certification

If the proposal is found to be inadequate with regards to any of the requirements, the Procurement Analyst should make the determination whether the deficiency can be corrected through receipt of best and final offer, or if the proposal should be eliminated or found nonresponsive.

j. Evaluate Proposals. The evaluation committee reviews the proposals in accordance with the instructions provided by the Procurement Director and the evaluation plan stated in the RFP. Based on the review and the evaluation of proposals, the competitive range or short-list is established. Eligibility for the short-list will not be established on the basis of predetermined grade. The short-list will be established on the basis of the array of scores or ranking actually achieved by each proposal, so that if four or five proposals are highly or closely ranked, they will constitute the short-list. Once a proposal is determined to be in the short-list it will not be excluded from the competitive range on the basis of discussion without an opportunity to submit a revised proposal. A proposal may be dropped from the competitive range, as a result of further submissions from the offeror.

k. Classifying Proposals. For the purpose of conducting discussions, proposals are initially classified as acceptable; potentially acceptable, that is, capable of being made acceptable; or unacceptable.

l. Award Without Discussion. Upon completion of the technical and cost evaluations, the Procurement Analyst or evaluation committee must determine whether to proceed to contract award without oral or written discussions. Awards may be made on initial proposals when the lowest priced proposal is responsible and responsive.

m. Written or Oral Discussion. The Procurement Analyst coordinates with the evaluation committee, and when necessary, holds discussions (negotiations) with those offerors on the short-list. The purpose of the discussions is to determine each offeror's
capabilities, technical and management approach and financial status. Deficiencies in each offeror's proposal may be discussed. Written or oral discussions also promote an understanding of the City's requirements and the offeror's proposal and facilitate arriving at a contract that will be most advantageous to the City, taking into consideration price and the other evaluation factors set forth in the RFP.

n. **Best and Final Offers (BAFO).** Following oral discussions with offerors in the competitive range or short list, the Procurement Analyst schedules a date and time for offerors to submit BAFO. All BAFOs must be evaluated in accordance with the evaluation criteria.

o. **Prepare Recommendation for Award.** Following the evaluation of proposals, including BAFO, if required, the Procurement Analyst prepares a technical evaluation report which includes a recommendation for award. The report is signed by each member of the evaluation committee. The evaluation committee makes a recommendation for award to the Procurement Director.

p. **Award.** In accordance with Sec. 2-246 of the Procurement Code, an award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, taking into consideration price and the evaluation factors set forth in the RFP. Awards are made in the following manner:

1. **Awards Under $100,000:** The recommendation for award under $100,000 is approved by the department's director, Administrator/Chief and Budget Analyst.

2. **Awards Over $100,000:** Awards over $100,000 are reviewed and signed by Budget Office and the department's administrator then forwarded to the City Clerk's Office for placement on the consent agenda for City Council approval. The City Attorney's Office prepares an accompanying resolution.

q. **Notice of Award.** Upon approval by the City Council, the Procurement Analyst may issue a notice of award and will request required insurance certificates, bonds or other contractual documents from the offeror when necessary.

r. **Debriefing.** Unsuccessful offerors are notified and debriefed upon request.

s. **Issue Purchase Order or Execute Contract.** The Procurement Analyst prepares the purchase order or contract and submits it to the Procurement Director for approval. The purchase order and/or contract is sent to the offeror for project delivery execution.
C. Multi-Step Sealed Bidding

1. Application

a. Multi-step sealed bidding is a two-phase process consisting of a technical first phase composed of one or more steps in which bidders submit unpriced technical offers to be evaluated by the City, and the second phase in which those bidders whose technical offers are determined to be acceptable during the first phase have their price bids considered. It is designed to obtain the benefits of competitive sealed bidding by award of a contract to the lowest responsive and responsible bidder, and at the same time obtain the benefits of the competitive sealed proposals procedure through the solicitation of technical offers and the conduct of discussion to evaluate and determine the acceptability of technical offers (See flowchart for Multi-Step Sealed Bidding).

2. Condition of Use

Multi-step sealed bidding may be used when it is not practical to initially prepare a definitive purchase description that will be suitable to permit an award based on price. Multi-step sealed bidding may be used under the following circumstances:

a. Available specifications or purchase descriptions are not definite or complete.
b. Definite criteria exist for evaluating technical proposals.
c. More than one technically qualified source is available.
d. Sufficient time will be available for using the two-step method.
e. A firm, fixed-price contract or a fixed-price contract with economic adjustment will be used.

3. Procedures for Phase One of Multi-Step Sealed Bidding

a. Prepare Invitation for Bids. The request for unpriced technical offers is used to initiate a multi-step sealed bidding procurement.

(1) The Purchasing Manager assigns the purchase request to a procurement analyst, who reviews the purchase description for clarity and completeness.

(2) The procurement analyst prepares a multi-step invitation for bids. The multi-step invitation for bids must state:

(a) that unpriced technical offers are requested;
(b) whether priced bids are to be submitted at the same time as unpriced technical offers; if they are, such priced bids shall be submitted in a separate sealed envelope;
(c) that it is a multi-step sealed bid procurement, and priced bids will be considered only in the second
phase and only from those bidders whose unpriced technical offers are found acceptable in the first phase;

(d) the criteria to be used in the evaluation of the unpriced technical offers;

(e) that the City, to the extent the Purchasing Director finds necessary, may conduct oral or written discussions of the unpriced technical offers;

(f) that bidders may designate those portions of the unpriced technical offers that contain trade secrets or other proprietary data that are to remain confidential; and

(g) that the item being procured shall be furnished generally in accordance with the bidder’s technical offer as found to be finally acceptable and shall meet the requirements of the invitation for bids.

(3) The Procurement Analyst plans and schedules dates for:

(a) *Phase One*: the review and issuance of the request for unpriced technical proposals package, public notice, pre-bid conference, receipt of proposals, evaluation and acceptance of proposals, and notification of unacceptable proposals; and

(b) *Phase Two*: the bid opening date, evaluation of final offers, City Council approval, and the preparation of the purchase order and/or contract.

(4) The invitation for bids package and the bidders list are submitted to the Purchasing Director and requesting department for review and approval.

b. *Bidders List*. The Procurement Analyst compiles a bidders list with the names of businesses that may be interested in competing for the contract.

c. *Issue Public Notice*. The Procurement Analyst prepares a public notice that includes the purchase description, the date, time and place of the bid opening.

d. *Issue Invitation for Bids*. The Procurement Analyst issues the bid documents to the vendors on the bidders mailing list.

e. *Conduct Pre-Bid Conference*. A pre-bid conference with vendors may be necessary, depending on the complexity of the specifications or the scope of work to be performed. When pre-bid conferences are held, the Procurement Analyst must prepare a summary or transcript of the meeting.
f. *Addendum to the Invitation for Bids.* After receipt of unpriced technical offers, addendum to the invitation for bids will be distributed only to bidders who submitted unpriced technical offers and they will be permitted to submit new unpriced technical offers or to amend those submitted. If the addendum will significantly change the nature of the procurement, the invitation for bids must be canceled.

g. *Receipt and Handling of Unpriced Technical Offers.* The Procurement Analyst receives, opens and records the unpriced technical proposals.

h. *Evaluation of Unpriced Technical Offers.* The Procurement Analyst, along with the requesting department, evaluates the offers and categorizes them as (a) acceptable; (b) potentially acceptable; or (c) unacceptable. The Procurement Analyst and the requesting department record in writing the reasons why an offer is unacceptable and notify unacceptable vendors accordingly.

i. *Discussions of Unpriced Technical Offers.* Discussions may be conducted with any bidder who submits an acceptable or potentially acceptable technical offer during the course of such discussion. Once discussions have begun, any bidder who has not been notified that its offer has been finally found acceptable may submit supplemental information amending its technical offer at any time until the closing date is established.

j. *Notice of Unacceptable Unpriced Technical Offers.* When a bidder’s unpriced technical offer is determined to be unacceptable, such offeror shall not be afforded an additional opportunity to supplement its technical offer.

4. **Procedures for Phase Two of Multi-Step Bidding**

Upon completion of phase one, vendors whose proposals have been determined to be acceptable are invited to participate in phase two. Bids are received, evaluated and accepted and a contract awarded in accordance with the procedures used in the Competitive Sealed Bidding method.

D. **Small Purchases**

1. **Application**

This procedure is established for procurements of less than $100,000 for supplies and services (See flowchart for Small Purchase).

   a. *Amount.* Quotations are solicited in the following manner:

   - Under $5,000 Single quote User
   - $ 5,000 - $9,999 Three written quotes User
$10,000 - $99,999 Five electronic quotes Procurement

A price check should be made for expenditures of less than $5,000 when purchasing unfamiliar supplies.

b. \textit{Purchasing Card.} The P-Card is authorized for use in making and/or paying for small purchases of supplies or services of up to $10,000.

c. \textit{Available from One Business Only.} For items exceeding $5,000, a sole source justification is required. If the supply or service is available from only one business, the sole source procurement method shall be used even if the procurement is a small purchase as specified.

d. \textit{Cooperative Purchasing.} Pricing obtained through a cooperative purchasing agreement made under Sec. 2-256 of the Procurement Code, satisfies the small purchase policy where the contract was awarded through open competition and the source selection method was substantially equivalent to that specified in Administrative Policy, #050300, (Method of Source Selection).

e. \textit{Split Transactions.} Transactions should not be split to avoid using other source selection methods. For example, do not purchase one product or service greater than $10,000 and separate the requirement into two transactions.

3. \textbf{Procedures}

Small purchases are made under the following procedures.

a. The requestor prepares a requisition that includes a purchase description or statement of work, quantity, estimated cost and account code.

b. The requisition is submitted to the department director, or designee, for approval.

c. For requisitions of less than $10,000, the purchase is delegated to the requesting department. On the director’s approval of the requisition, a purchase order is auto-created and sent to the vendor.

d. Requisitions where the estimated price exceeds $10,000 are submitted to the Budget Office prior to the director’s approval.

e. For requisitions of more than $10,000:

i. The requisition is submitted to Procurement, where it is reviewed by the Purchasing Manager. The Purchasing Manager assigns the requisition to the Procurement Analyst.
ii. The Procurement Analyst reviews the requisition for proper approvals, funding source, purchase description or statement of work and estimated cost.

iii. The Procurement Analyst solicits five electronic quotes. As quotes are received, they are tabulated, evaluated and the lowest and best quote selected.

iv. After the selection is approved, the Procurement Analyst prepares a purchase order. The Procurement Analyst signs the purchase order and sends it to the Procurement Director for approval. Upon approval, the purchase order is e-mailed to the vendor.

E. **Sole Source Procurement**

1. **Application**

   A contract may be awarded for a supply, service, or construction without competition when it is determined in writing that there is only one source (See flowchart for Sole Source/Non-Competitive Negotiations).

2. **Condition of Use for sole Source Procurement**

   Examples when a sole source procurement may be used shall include, but not be limited to, the following:

   a. Where the compatibility of equipment, accessories, or replacement parts is the paramount consideration;
   b. Where a sole supplier's item is needed for trial use or testing;
   c. Where public utility services are to be procured;
   d. Where the item is a used item which is subject to immediate sale;
   e. Where additional supplies or services are needed to complete an ongoing task; or
   f. Where the item is a component or replacement part for which there is no commercially available substitute and which can be purchased only from the manufacturer or distributor.

3. **Procedures**

   Sole source purchases are made under the following procedures.

   a. **Purchase Request.** The requesting department prepares a purchase request along with a sole source justification. The purchase request includes the purchase description or statement of work, quantity, estimated cost and account code.

   b. **Review Sole Source Justification:** The sole source justification shall be submitted in writing on the appropriate Sole Source Justification
Form and a complete sole source justification. This sole source justification must be signed by the requesting department’s director and Administrator.

c. **Approvals.** The purchase request is submitted to the Budget Office for approval if the estimated price exceeds $10,000.

d. **Send to Purchasing.** The purchase request is sent to Procurement where it is reviewed by the Purchasing Manager.

e. **Assign Purchase Request.** The Purchasing Manager assigns the purchase request to a procurement analyst, who reviews the sole source justification, purchase description and scope of work for clarity and completeness. The form must be analyzed by the Procurement Analyst and make a recommendation.

f. **Procurement Director Reviews Justification.** The Procurement Director reviews the sole source justification and Procurement Analysts’ recommendation against criteria listed in (Subsection Sole Source Procurement, Policies). If it meets the criteria the purchase will be negotiated under the sole source provisions of this section. If it does not meet the criteria it will be competitively bid.

g. **Request Proposal.** The Procurement Analyst solicits a written proposal which includes:

   1. purchase description or type of service required
   2. type of contract to be used
   3. terms and conditions
   4. delivery or schedule
   5. cost or price

h. **Written or Oral Discussion.** Upon receipt of proposals, the Procurement Analyst coordinates the acceptability of the proposal with the requesting department. Written or oral discussions may be held to promote an understanding of the City’s requirements and the offeror’s proposal and to facilitate arriving at a contract that will be the most advantageous to the City. Any changes to the initial proposal must be in writing.

i. **Award.** Upon completion of the negotiations, the Procurement Analyst prepares a written recommendation for award for review by the Procurement Director.

   1. **Awards Under $100,000:** The recommendation for award under $100,000 is approved by the department’s director, Administrator/Chief and Budget Analyst.

   2. **Awards Over $100,000:** Awards over $100,000 are reviewed and signed by Budget and the department’s
Administrator then forwarded to the City Clerk’s Office for distribution to City Council for approval.

j. Notice of Award. Upon approval, the Procurement Analyst may issue a notice of award and will request required insurance certificates, bonds or other contractual documents from the offeror.

k. Prepare Purchase Order or Contract. The Procurement Analyst prepares and signs the purchase order or contract and submits it to the Procurement Director prior to distribution.

F. Emergency Purchases

1. Application

Emergency purchases must comply with the procedures established for such situations by the Procurement Director (See flowchart for Emergency Purchases).

2. Procedures

When an emergency is declared by the Mayor, or designee, the supply or service must be made under the following procedures:

a. Request for Emergency Purchase.

(1) Normal working hours: The requesting department, after obtaining necessary approvals, should contact Procurement when an emergency condition exists.

   (a) The requesting department must provide Procurement with the following information: department name, contact person, the nature and type of the item(s) to be purchased, and the vendor from whom the supply or service can be obtained. This information should be accompanied by the written authorization by the City Administrator.

   (b) Procurement, immediately after receiving this information, may purchase the supply or service or delegate to the requesting department the responsibility of purchasing the supply or service. In this case, Procurement will issue a purchase order number to the requesting department.

(2) After normal working hours: If the emergency exists after normal working hours, the requesting department may proceed with the procurement and obtain the authorization from the City Administrator and inform Procurement on the next working day. Immediately following the procurement,
the requesting department shall prepare a purchase requisition and obtain necessary approvals.

b. **Documentation.** The requesting department must prepare and submit to Procurement written determination, including authorization from the City Administrator stating the basis of the emergency procurement and the selection of the supplier. If the emergency is construction related, a performance and payment bond shall be required if the estimated cost is over $200,000.

c. **Purchase Order.** The Procurement Analyst issues a confirmation purchase order documenting the emergency.

d. **Ratification and Approval by City Council.** Emergency purchases over $100,000 are reviewed and signed by the department director, Administrator and Budget Analyst, then forwarded to the City Clerk’s Office for placement on the consent agenda for ratification and approval by City Council.

V. **References**

St. Petersburg City Code Chapter 2, Article V, Division 3, Procurement Code Section(s), 2-244, 2-246, 2-248, 2-249, and 2-250.

Administrative Policies # 050300, Methods of Source Selection: Part I, 8/24/2017
**Invitation for Bids (IFB)**

Start →
- Department prepares purchase requisition

→ Budget check available funds →
- Department director approves requisition →
  - Requisition/SOW sent to Procurement

→ Procurement reviews Description and/or SOW →
- Requisitions assigned to procurement analyst →
  - Bidders’ list and bid schedule developed →
    - Procurement creates and electronic IFB

→ Public notice prepared and issued →
- Management Approves IFB documents →
  - IFB sent online to prospective bidders

→ Conduct pre-bid conference →
- Pre-bid conference

→ Yes →
- Amendment

→ No →
- Bidders respond online to IFB →
  - Procurement closes and receives online bids →
    - Procurement and department review and evaluate bids →
      - Award to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the IFB.

→ No →
- Procurement issues a Notice of Award

→ Yes →
- Procurement issues a Purchase Order or contract

→ End

- City Council accepts bid →
- Recommend award

Header Lines Controls Suppliers

**Flowchart Diagram**:
- Start → Department prepares purchase requisition
- Budget check available funds → Department director approves requisition
- Requisition/SOW sent to Procurement
- Procurement reviews Description and/or SOW
- Requisitions assigned to procurement analyst
- Bidders’ list and bid schedule developed
- Procurement creates and electronic IFB
- Public notice prepared and issued
- Management Approves IFB documents
- IFB sent online to prospective bidders
- Conduct pre-bid conference
- Yes → Amendment
- Bidders respond online to IFB
- Procurement closes and receives online bids
- Procurement and department review and evaluate bids
- Award to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the IFB.
- Procurement issues a Notice of Award
- Procurement issues a Purchase Order or contract
- End

City Council accepts bid → Recommend award
Recommend award
City Council accepts bid
Procurement issues a Notice of Award
Procurement issues a Purchase Order or contract
End

Procurement issues a Notice of Award
Procurement creates and electronic IFB
Bidders’ list and bid schedule developed
Procurement reviews Description and/or SOW
Requisitions assigned to procurement analyst
Management approves IFB documents
Public notice prepared and issued
Budget check available funds
Department prepares purchase requisition
Requisition/SOW sent to Procurement

Pre-bid conference
Yes
Conduct pre-bid conference
No
Amendment

Procurement closes and receives online bids
Procurement and department review and evaluate bids
Award to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the IFB.

IFB sent online to prospective bidders
Procurement creates and electronic IFB
Bidders’ list and bid schedule developed
Procurement reviews Description and/or SOW
Requisitions assigned to procurement analyst
Management approves IFB documents
Public notice prepared and issued
Budget check available funds
Department prepares purchase requisition

Start

Procurement issues a Purchase Order or contract
End

Invitation for Bids (IFB)

Department prepares purchase requisition

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Request for Proposals (RFP)

**Start**

- Department prepares purchase requisition
- Budget check available funds
- Department director approves requisition
- Requisition and Scope of Work (SOW) sent to Procurement

Procurement reviews RFP description or SOW

- RFP assigned to procurement analyst
- Bidders list, RFP schedule developed
- Procurement analyst creates the RFP document

Procurement

- Public notice prepared and issued
- Procurement Director approves RFP documents
- RFP sent online to prospective offerors

**Establish evaluation criteria**

Pre-proposal conference

- Yes: Conduct pre-proposal conference
- No: Addendum

Offerors respond online to RFP

- Procurement closes and receives online proposals
- Evaluation Committee evaluate proposals

**End**

See Request for Proposals (RFP) Evaluation Process
**Request for Proposal (RFP) Evaluation Process**

- **Evaluation Committee (EC) sign non-conflict of interest form**
  - EC members are provided copies of each proposal
    - EC members begin individual review of proposals
      - Review all proposals

- Determine status: responsive or “non-responsive”
  - EC individually score proposals (evaluation criteria)
    - Convene EC meeting (public meeting)
      - Full EC discuss all aspects of proposals

- EC collectively score or rank proposals
  - Develop short-list
    - Interview or request presentations (optional)
      - Discussion/Negotiations (optional)

- Request Best and Final Offer(s)
  - Recommend Award
    - Prepare technical evaluation
      - Notice to unsuccessful offer and debriefing
        - Award to the selected offeror whose proposal is determined to be most advantageous to the City, taking into consideration price and the evaluation criteria set forth in the RFP
  - End

*Take notes, make comments or prepare questions for discussions*
**Multi-Step Sealed Bidding**

### Procedures for Phase One

1. Prepare request for unpriced technical offers
2. Prepare bidders’ list and create schedule
3. Issue public notice
4. Send online request to prospective bidders
5. Conduct pre-bid conference
6. Pre-bid conference: Yes or No
   - Yes: Conduct pre-bid conference
   - No: Amendment

#### Procedures for Phase Two

1. Offerors respond to online request
2. Evaluate unpriced technical offers
3. Develop short-list
4. Notice to unacceptable offers
5. Select acceptable offers
6. Conduct discussions with short-listed offerors
7. Debrief unsuccessful offerors

8. Send IFB to acceptable offerors
9. Bidders respond
10. Evaluate bids
11. Award to the lowest responsible bidder
12. Issue purchase order or execute contract

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Small Purchase

- Prepare requisition
- Director approves requisition
- <$10,000 auto-create purchase order on director’s approval
- >$10,000 Budget check available funds

- Requisition >$10,000
- Are quotes required?
  - Yes
    - Request five quotes
    - Sole Source or cooperative agreement
    - Select the lowest and best quote
    - Prepare Purchase order
    - E-mail Purchase order
    - Vendor delivers goods or render service submit invoice
    - Send Invoice to Finance
  - No
    - User receives and inspect delivery. Enter receiving information
    - Deliver supply or service to user
    - Meet requirements?
      - Yes
        - User Approves receipt
      - No
        - Finance approves invoice and receiving documents
        - Pay invoice

- Pay invoice
- Vendor delivers goods or render service submit invoice
- Send Invoice to Finance
- User receives and inspect delivery. Enter receiving information
- Deliver supply or service to user
- Meet requirements?
  - Yes
    - User Approves receipt
  - No
    - Finance approves invoice and receiving documents
    - Pay invoice

- User receives and inspect delivery. Enter receiving information
- Deliver supply or service to user
- Meet requirements?
  - Yes
    - User Approves receipt
  - No
    - Finance approves invoice and receiving documents
    - Pay invoice
Obtain authorization from City Administrator

Enter requisition with written authorization

Submit requisition to Procurement

Procurement make the purchase

Procurement issues confirmation purchase order

Advise City Council at the next scheduled meeting

Obtain authorization from City Administrator

Enter requisition with written authorization

Submit requisition to Procurement

Construction over $200,000

Yes

Secure construction bond

No

City Council ratify and approve purchase

Provide Procurement with:
- department name
- contact person
- the nature and type of the item(s) to be purchased,
- vendor from whom the supply or service can be obtained.
CHAPTER 6
PURCHASE ORDERS, CONTRACTS AND CHANGE NOTICES

I. Purpose

To establish policies and procedures for the processing of purchase orders, contracts and change notices.

II. Scope

These policies and procedures will cover the processing of purchase orders; purchase order change notices; blanket purchase agreements; and term contracts.

III. Definitions

A. Standard Purchase Orders

The standard purchase order is a legal document used to authorize the delivery of supplies and services in accordance with specific terms and conditions. It also acknowledges the obligation that payment will be made upon receipt of the required supply or service. When a purchase order is written as an acceptance of a bid, quotation or an offer, a contractual relationship is established upon its issuance.

B. Blanket Purchase Agreements

A blanket purchase agreement (BPA) is a contractual agreement with a vendor for ongoing highly repetitive needs of supplies or services for a pre-determined period of time. The requesting department prepares purchase requests for specific line items on the contract as needed, and releases are processed automatically upon department approval. BPAs simplify the filling of recurring needs for supplies or services, while leveraging buying power by taking advantage of quantity discounts, saving administrative time, and reducing paperwork. No confirming purchase orders are issued by the city.

C. Contract Purchase Agreements

A contract purchase agreement (CPA) is a contractual agreement with a vendor for ongoing but variable needs of supplies or services for a pre-determined period of time. The requesting department prepares purchase requests using customizable descriptions for items or services under the contract, and releases are processed automatically upon department approval. CPAs do not contain specific line items. CPAs simplify the filling of recurring needs for supplies or services with variable specifications, while leveraging buying power by taking advantage of quantity discounts, saving administrative time, and reducing paperwork. No confirming purchase orders are issued by the city.

D. Change Notice
The change notice is prepared by the procurement analyst to alter, adjust, revise, terminate or cancel a purchase order, blanket or contract purchase agreement.

IV. Policy

A. All purchase orders shall be prepared by the Purchasing and Materials Management Department from a properly completed and fully approved purchase requisition.

B. The city council's approval is required if the purchase order or contract price is $100,000 or more. After council approval, single or cumulative change notices totaling $25,000 or more for any one purchase order or contract require city council's approval.

C. Purchase orders and change notices shall be submitted to the Budget Department for approval if the purchase order price is, or is being increased by, $10,000 or more;

D. Purchasing, in cooperation with the requesting department, will determine the need for a blanket purchase agreement after examining the past usage, or identifying a new ongoing requirement of a supply or service.

E. Requesting departments shall not use blanket purchase orders to purchase (a) capital equipment, (b) items supplied by the city’s consolidated inventory warehouse, or (c) items or services with a unit cost of $50,000 or more, unless specifically authorized by the blanket purchase agreement.

F. Purchases of less than $10,000 that are not covered by a current purchase agreement shall be delegated to the requesting department. These purchase requests are auto-created into purchase orders upon final approval by the requesting department. The requesting department shall be responsible for filing documentation of their phone quotes, and shall issue the resulting purchase order number to the supplier prior to transacting business.

G. Only the items listed may be purchased on the blanket purchase agreement. Purchases must be made within the time period stipulated for the blanket purchase order agreement.

V. Procedures

A. Standard Purchase Orders

1. **Condition for Use** A standard purchase order is used for one-time purchase of various items. You create standard purchase orders when you know the details of the goods or services you require, estimated cost, quantities, delivery schedule, and accounting distribution. Funds are encumbered when the purchase order is approved.

2. **Create a Standard Purchase Order** The steps to create a standard purchase order follow:

   a. **PO Number:** A PO number is generated by the system.
b. **Type**: Select standard purchase order.

c. **Created Date**: The system date is displayed as the creation date.

d. **Supplier**: Select the name of the supplier for this purchase order.

e. **Supplier Site**: Enter the site of the supplier.

f. **Contact**: Select contact from supplier record.

g. **Ship To**: Enter the ship to location.

h. **Bill To**: Enter the bill to location.

i. **Buyer**: Enter buyer name.

j. **Currency**: Will default to USD.

a. **Total**: The system displays the current total amount.

k. **Description**: Enter a brief description of the commodity or service.

l. **Descriptive Flex Fields “[ ]”**: Enter information for council approval, resolution number, insurance and bond expiration, and type of solicitation.

m. **Lines**: Enter purchase order line information.
   
   - **Number**: Enter the line number.
   
   - **Type**: Select goods or services by quantity or amount.
   
   - **Item**: Enter the item being purchased. If its an inventory item, enter the item number. The category, item description, unit of measure, and unit price associated with the item will default. To create a purchase order line for a non-inventory item, enter a purchasing category (NIGP code) and an item description but do not enter an item number.

   - **Category**: Category defaults for inventory items. You cannot change a category for an inventory item. Select a category (NIGP code) from the list of values for non-inventory items only.

   - **Description**: Description defaults for inventory items. Enter a purchase description for non-inventory items.

   - **UOM**: UOM defaults for inventory items. Enter a unit of measure for non-inventory items.
Purchase Orders, Contracts and Change Notices

Chapter 6

- **Quantity**: Enter the quantity to be purchased.
- **Price**: Enter the unit price for the item.
- **Promised**: Enter the promised date that the supplier promised delivery of the items.
- **Need-By**: Enter the need-by date.
- **Supplier Item**: Optional, enter the supplier's item number for this item, if known.
- **Amount**: Amount is system-generated from price and quantity.
- **Charge Account**: Enter the account for non-inventory items.

**Terms**: Select terms to enter terms and conditions as follows:
- **Payment**: Enter the payment terms, i.e., 2/10, N 30
- **Freight**: Enter the freight terms. (i.e., Freight Prepaid)
- **Carrier**: Enter the freight carrier for shipment on the purchase order. (i.e., UPS, common carrier).
- **FOB**: Enter the FOB point for the purchase order. (i.e., FOB Destination)
- **Confirming Orders**: Select this box to print on the purchase order; “This is a confirming order. Do not duplicate.”
- **Enter Notes**: Enter comments or other information.

3. **Review and Approval of Purchase Order** The purchase order is reviewed by the procurement analyst then forwarded to the purchasing director for approval. Once approved by the purchasing director the purchase order is ready for distribution.

4. **Purchase Order Distribution** Purchase orders of less than $10,000 are distributed to the vendor only by request of the end user. Purchase orders between $10,000 and less than $50,000 are distributed if solicited by the purchasing department or by request of the end user in the “Note to Buyer” field of the requisition. All purchase orders of $50,000 or more are distributed to the vendor. In lieu of internal distribution, departments may view purchase orders on demand via electronic inquiry in the database.

B. **Blanket Purchase Agreements**
2. **Condition for Use** A blanket purchase agreement (BPA) is created when you know the detail of the supply or service you plan to buy from a specific supplier in a period, but you do not know the details of the delivery schedules. You can use BPA to specify negotiated prices for your items before actually purchasing them. BPS can be created for a single department or shared by different departments. Funds are not encumbered when a BPA is created.

3. **Create a Blanket Purchase agreement** The steps to create a blanket purchase agreement follow:

   a. **PO Number:** A BPA number is generated by the system.
   
   b. **Type:** Select blanket purchase agreement.
   
   c. **Created Date:** The system date is displayed as the creation date.
   
   d. **Supplier:** Select the name of the supplier for this BPA.
   
   e. **Supplier Site:** Enter the site of the supplier.
   
   f. **Contact:** Select the contact from the supplier record.
   
   g. **Ship To:** Choose location from the list of values.
   
   h. **Bill To:** Choose location from the list of values.
   
   i. **Buyer:** Will default from requisition workload assignee, or to buyer name as designated in the automation process.
   
   j. **Currency:** Will default to USD.
   
   k. **Amount Agreed:** Enter the total value of the blanket purchase agreement.
   
   l. **Description:** Enter a brief description of the commodity or service.
   
   m. **Descriptive Flex Fields “[ ]”:** Enter information for council approval, resolution number, insurance and bond expiration, and type of solicitation.
   
   a. **Lines:** For the BPA enter line information.

      o **Number:** Enter the line number.
      
      o **Type:** Select goods or services by quantity or amount.
      
      o **Item:** Enter the item being purchased. If it’s an inventory item, enter the item number. The category, item description, unit of measure, and unit price associated with the item will default. To create a purchase order line for a
non-inventory item, enter a purchasing category (NIGP code) and an item description but do not enter an item number.

- **Category**: Category defaults for inventory items. You cannot change a category for an inventory item. Select a category (NIGP code) from the list of values for non-inventory items only.

- **Description**: Description defaults for inventory items. Enter a purchase description for non-inventory items.

- **UOM**: UOM defaults for inventory items. Enter a unit of measure for non-inventory items.

- **Price**: Enter the unit price for the item.

- **Supplier Item**: Optional, enter the supplier’s item number for this item, if known.

**Terms**: Select terms to enter terms and conditions as follows:

- **Payment**: Enter the payment terms. (i.e., 2/10 N 30)

- **Freight**: Enter the freight terms. (i.e., Freight Prepaid)

- **Carrier**: Enter the freight carrier for shipment on the purchase order. (i.e., UPS, common carrier).

- **FOB**: Enter the FOB point for the purchase order. (i.e., FOB Destination)

- **Enter Notes**: Enter comments or other information.

- **Effective**: Enter the beginning and ending contract effective date.

- **Amount Limit**: Enter the amount limit, which is the maximum amount the supplier will be allowed to invoice against the agreement. The amount limit must be equal to or greater than the amount agreed.

- **Minimum Release**: Optionally, enter the minimum release amount that can be released against this purchase order.

- **Price Update Tolerance**: Enter a price update tolerance only if you are importing price/sales catalog information through the purchasing documents open interface.

4. **Review and Approval of Blanket Purchase Agreement** The purchase order is reviewed by the procurement analyst then electronically
for distribution.

5. **Purchase Order Distribution** Purchase orders of less than $10,000 are distributed to the vendor only by request of the end user. Purchase orders between $10,000 and less than $50,000 are distributed if solicited by the purchasing department or by request of the end user in the “Note to Buyer” field of the requisition. All purchase orders of $50,000 or more are distributed to the vendor. In lieu of internal distribution, departments may view purchase orders on demand via electronic inquiry in the database.

6. **Correcting Discrepancies** Discrepancy adjustment must be initiated by the requesting department. Rejected items will be either canceled by the requesting department or returned for replacement from their e-procurement tool. A new invoice should accompany any replacement shipments. The requesting department shall notify purchasing of orders that are to be closed short of their full receipt so the appropriate transaction can be completed.

C. **Contract Purchase Agreements**

1. **Condition for Use** A contract purchase agreement (CPA) is a contractual agreement with a vendor for ongoing but variable needs of supplies or services for a pre-determined period of time. The requesting department prepares purchase requests using customizable descriptions for items or services under the contract, and releases are processed automatically upon department approval. CPAs do not contain specific line items. No confirming purchase orders are issued by the city.

7. **Create a Blanket Purchase agreement** The steps to create a blanket purchase agreement follow:

   a. **PO Number.** A Contract Purchase Agreement number is generated by the system.

   b. **Type:** Select contract purchase agreement.

   c. **Created Date:** The system date is displayed as the creation date.

   d. **Supplier:** Select the name of the supplier for this CPA

   e. **Supplier Site:** Enter the site of the supplier.

   f. **Contact:** Select the contact from the supplier record

   g. **Ship To:** Choose location from the list of values.

   h. **Bill To:** Choose location from the list of values.

   i. **Buyer:** Will default from requisition workload assignee, or to buyer name as designated in the automation process.
j. **Currency:** Will default to USD.

k. **Amount Agreed:** Enter the total value of the blanket purchase agreement.

l. **Description:** Enter a brief description of the commodity or service.

m. **Descriptive Flex Fields “[ ]”:** Enter information for council approval, resolution number, insurance and bond expiration, and type of solicitation.

n. **Terms:** Select terms to enter terms and conditions as follows:
   - **Payment:** Enter the payment terms. (i.e., 2/10, N 30)
   - **Freight:** Enter the freight terms. (i.e., Freight Prepaid)
   - **Carrier:** Enter the freight carrier for shipment on the purchase order. (i.e., UPS, common carrier).
   - **FOB:** Enter the FOB point for the purchase order. (i.e., FOB Destination)
   - **Enter Notes:** Enter comments or other information.
   - **Effective:** Enter the beginning and ending contract effective date.
   - **Amount Limit:** Enter the amount limit, which is the maximum amount the supplier will be allowed to invoice against the agreement. The amount limit must be equal to or greater than the amount agreed.
   - **Minimum Release:** Optionally, enter the minimum release amount that can be released against this purchase order.
   - **Price Update Tolerance:** Enter a price update tolerance only if you are importing price/sales catalog information through the purchasing documents open interface

D. **Change Notices**

1. **Condition for Use** A Change notice is used to alter, adjust, revise, terminate or cancel a purchase order, contract, blanket purchase agreement or term contract. A change notice is used to:
   a. Correct a typographical error.
   b. Adjust the purchase order if there is an over shipment or under shipment which the requesting department is willing to accept.
   c. Increase or decrease the quantity, price or total value of the
purchase order.

d. Revise specifications, shipping terms, cash and quantity discounts or other terms and conditions accepted by the city.

e. Cancel or terminate a purchase order.

2. **Change order distribution**  Once the change notice has been prepared and approved, it is distributed in the same manner as a purchase order.
I. Purpose

The purpose of this chapter is to establish operating procedures for the administration of contracts and to help City staff ensure maximum contract performance.

II. Scope

These operating procedures contain basic guidelines for the management of contracts to which the City is a party. Contracts administration encompasses the full realm of implementation and oversight, including, without limitation, receipt of work, services and supplies; monitoring contractor performance; issuing status reports; reviewing invoices; and similar types of review and responsibility.

The City will diligently and proactively monitor performance and progress of the contract and take necessary steps to require compliance with the terms, specifications, conditions, and provisions of the contract, as well as foster and maintain compliance with City Code (Procurement Code), Administrative Policies, state and federal regulations and laws and procedures.

III. Objectives

The objectives of this Contracts Compliance Program are as follows:

A. To ensure that the City obtains the needed supply or service on time and the contractor receives proper compensation.

B. To ensure that the contractor and the City perform all contractual obligations.

C. To ensure that the contractor is in compliance with all Federal, State, and local statutes and ordinances during the contract term.

D. To establish a mechanism for modifying contracts; adjusting prices; follow-up and expediting; handling discrepancies and deficiencies; dealing with default and termination; handling claims, disputes and appeals; administering payment provisions; and monitoring and evaluating contractor performance.

IV. Responsibility

A. Contracts Compliance Division

The Contracts Compliance Division (Contracts Compliance) will assist requesting departments in the administration of contracts. In the execution of this responsibility, the Contracts Compliance will:

1. Require from the contractor full conformance to specifications;
2. Obtain appropriate price reductions when less than full contract
3. Hold contractor responsible for damages suffered by the City resulting from the contractor's failure to perform as agreed, or damages resulting from the contractor’s negligence.

4. Make certain that the City fulfills its obligations, thereby relieving the contractor of performance responsibilities;

5. Preclude the issuance of unnecessary or excessively priced change orders or contract amendments.

6. Maintain standard clauses for contractual terms and conditions which promote the best interest of the City.

7. Maintain records of the following information: contractors, contract or purchase order numbers, dollar values, requesting departments, brief descriptions of work, names and telephone numbers of project managers, procurement analysts, dates, types of contracts, as well as the status of each contract.

8. Establish procedures for modifying contracts: adjusting prices; follow-up and expediting; handling discrepancies and deficiencies; dealing with default and termination; handling claims, disputes, and appeals.

9. Administer payment provisions; and monitoring and evaluating contractor performance.

10. Maintain and monitor records of contractor performance.

11. Ensure Contractor compliance with City ordinances.

12. Provide recommendations to City departments based on compliance data gathered.

**B. Requesting Department**

In the execution of its responsibilities, the using department will:

1. Determine the need for a contract, lease, maintenance agreement, etc.;

2. Develop the contract requirements, specifications, or scope of work;

3. Determine the expected quality or performance level required;

4. Establish schedules for the duration and completion of contracts;

5. Assign a project manager (PM) or department representative;

6. Require from the contractor full conformance to specifications;

7. Make certain that the City does not fail to perform its obligations, thereby relieving the contractor of performance responsibilities;

8. Preclude the issuance of unnecessary or excessively priced change orders or contract amendments.

**C. City Attorney’s Office**

The City Attorney’s Office shall review and approve contracts as to form and content and will ensure compliance with laws, statutes, charters, ordinances, etc.

**D. Risk Management**

Risk Management reviews solicitations and contracts to determine insurance requirements to minimize the City’s risk.

**V. Procedures**
A. Initial Contracting Requirements

1. **Budget Approval.** Prior to the issuance of a solicitation, the budget analyst will verify budget authority or an available funding source for contracts over $10,000. All requests for supplies or services shall be initiated by an authorized requestor and approved by the department director or designee.

2. **City Council Approval.** If the initial contract cost exceeds $100,000, or change orders cumulatively exceed $25,000, City Council approval is required in accordance with City Code, Sec. 2-179. The Mayor or designee is authorized to execute, without City Council approval, change orders up to a cumulative total of $25,000 on any one contract. The authority to execute change orders is limited to monies previously appropriated by City Council for the supply, service or construction which is the subject of the change order.

3. **Solicitation/Award of Contract.** Solicitations shall be conducted by the Procurement Director or designee in compliance with applicable City Code and administrative policy. Contracts shall be awarded in accordance with the terms of the solicitation. The award will be to the responsive and responsible firm or individual whose bid, proposal or quotation conforms to all specifications, terms and conditions as set forth in the solicitation. The method and terms of solicitation will be determined by the supply or service. The estimated price or cost will also be a factor in the solicitation method; the procurement analyst shall obtain a cost estimate prior to the solicitation. Contract awards will be made on the basis of the lowest price, provided the offer is responsive, responsible, and is in the best interest of the City to accept it.

4. **Contract Tracking/Monitoring.** Upon electronic approval, a contract or purchase order number is assigned to each contract. The Purchasing Manager will maintain tracking and monitoring information in a Contract Listing for individual tracking purposes as required herein. The Contract Listing will be issued by the Purchasing Manager to management and staff on a monthly basis. The Purchasing Manager will review termination dates sufficiently in advance to determine whether implementation will be timely and to determine appropriate steps in the event of untimely completion.

5. **Post Award Conference.** Following the award of a contract, a post award conference should be held to discuss applicable information as it pertains to the contract awarded, including to identify personnel, discuss the scope of work, state and federal requirements, if applicable, safety issues, timetable for deliverables, payment methods, required forms to be submitted and other contract related documents and issues. The contractor will be provided with the opportunity to inspect the work site, if applicable, prior to execution of the contract documents. Post award conference minutes should be recorded, in writing, and minutes should be made a part of the contract file. Post award conferences held in the field (on the site) may be recorded electronically or summary/recap of the issues discussed will be drafted and submitted in writing to each person present at the
conference.

B. Contract Execution and Term

1. **Contract Execution and Term.** The term specified in the solicitation will establish the basis for the time for performance of the contract. A start and completion date shall be mutually agreed upon by the PM and the contractor, and specified in the contract. Three (3) original contracts should be prepared and executed by the parties. One (1) original is maintained in the contract file in the Procurement Department; one (1) original is maintained in the City Clerk Office; one (1) original is forwarded to the contractor. A copy of the fully executed contract will be sent to the PM.

2. **Notice to Proceed.** Upon full execution of the contract documents and delivery by the contractor of all required bonds and certificates to the procurement analyst prior to execution of the contract, the Procurement Director or PM shall prepare and issue a Notice to Proceed to the contractor. The Notice to Proceed will be forwarded to the contractor by mail, e-mail, or personally delivered. The PM shall monitor the progress of the contract from the date of its commencement forward.

3. **Authorized Signatory.** The Procurement Director is designated as the officer or representative authorized to sign or execute contracts for supplies and services on behalf of the City. The exception is real estate transactions, where the Real Estate and Property Management Director is the signatory official. For contracts of less than $10,000 (including the contract and all modifications thereof), the department director has the authority to sign on behalf of City, and for such purposes is the contracting officer for the City. That is, provided such contracts have been procured in compliance with the City procurement code and administrative policy, state and federal regulations, contracts terms have received appropriate review, and provided such purchases have been authorized by the Mayor or designee. For all contracts in excess of $10,000, the Procurement Director is the contracting officer with authority to sign on behalf of the City. There are no other authorized representatives for the purpose of binding the City to the terms of any contract or agreement for sales or services, including any amendments, modifications, or changes, except as specifically authorized in writing by the Procurement Director.

C. Contracts Administration

1. **PM and Contracts Compliance/Contracts Management.** The PM is defined as the individual designated to oversee and manage the performance of the contract on behalf of the City. The department director will designate the PM for each contract and shall make the designation based on the requirements and purpose of the contract. A Contracts Management plan will be prepared by Contracts Compliance and the PM. The plan will include, at minimum, the contract amount, funding source, contractor contact person, other pertinent vendor information, schedule to guide implementation of the contract, and other information as may be necessary and appropriate. Contracts Compliance will set up a file, which includes the
contracts, the Contracts Management plan and other information pertaining to the contract. Contracts Compliance will maintain, in the file, sufficient documentation to track and monitor the progress of performance of the contract. Files are subject to review by Internal Audit.

2. **Pre-construction meeting.** The PM will schedule a pre-construction meeting to include, at a minimum, the contractor and a member of the Contract Compliance Division. During this initial meeting, the Contract Compliance Division will review all contractual obligations, City ordinances applicable to the project, as well as answer any contractor’s questions. The contractor shall provide the Contract Compliance Division a project schedule which will include, but not be limited to, the usage of SBEs, disadvantaged workers and apprentices (if applicable) and approximate time of usage. The contractor shall provide a copy of all executed contracts with each subcontractor who signed an SBE Letter of Intent and that was submitted with the contractor’s bid submittal within ten (10) days of execution to Contracts Compliance.

3. **Implementation.** The PM has the primary responsibility for facilitating the implementation of the contract on behalf of the City. This means that the PM has oversight responsibilities on behalf of the City and will monitor implementation of performance and compliance with the specifications and terms of the contract by the contractor. The PM will monitor the contractor’s compliance with the contract from the date performance is to commence until the date of anticipated or actual completion or delivery of the services or supplies procured, or, thereafter, as may be applicable.

4. **Inspection/Monitoring/Reporting.** Contracts Compliance and PM will maintain a shared designated file for each contract being administered. The file will include, without limitation, the following: copy of the contract with all addenda/exhibits; all amendments/modifications; completed Contracts Management plan; diary of the progress of the work, services, or supplies procured; inspection and monitoring reports; implementation records as applicable; copies of correspondence and notices to the contractor, and change orders pertaining to the contract; and any other pertinent and relevant documentation. The PM will prepare inspection and/or monitoring reports, sufficient to fully comprehend, understand or evaluate the status of the contract implementation and performance.

5. **Deficiencies.** During implementation by the contractor, in receiving supplies and services, and during the ongoing contract management, the PM will remain alert for irregularities or deficiencies in the performance of the contract. Deficiencies must be brought to the attention of the Contracts Compliance. Non-conforming work, services, products, equipment or goods must be promptly and definitely rejected when specifications or contract requirements are not met. Where appropriate, the Contracts Compliance Manager shall promptly prepare a letter for the Procurement Director’s signature notifying the contractor of any irregularities or deficiencies in performance under the contract. The PM shall reject all work that does not comply with the contract requirements and notify the
contractor of any deficiencies or non-conformance observed by the City and of expectations or requirements as specified by the contract.

D. **Time Extensions**

1. *Time Extensions.* The contractor is responsible for completing the work within the time established by the contract. Time extensions will be considered only if the contractor requests an extension from the PM in writing, within a reasonable time prior to the time for the contract to end. The written request must clearly state the contractor’s reason for the delay and offer facts supporting justification and verification. The PM shall review the request, stated justification, supporting facts and verification submitted by the contractor for the delay; if the contractor’s documentation appears to be acceptable and verifiable, the PM shall promptly prepare a letter to the contractor acknowledging receipt of the request and stating that the request is under review and consideration. The PM will prepare a finding of facts and recommendation to be submitted within three (3) working days to the Contracts Compliance Manager for review and consideration as to whether the time extension will be granted.

2. *Approval of Extension.* If the time extension is authorized by the Contracts Compliance Manager, the contract will be modified in writing; this is expected to be completed in advance of the time stated in the contract for completion. The written modification to the contract will be signed by the Procurement Director and delivered by the City to the contractor to become an amendment to the original contract.

3. *Disapproval of Extension.* If the time extension is not authorized, the PM will communicate the rejection in writing to the contractor prior to the date stated in the contract for completion, subject to adequate time being available within the City’s regular business hours. The contractor will be reminded of the obligation to complete the work in a timely manner in accordance with the terms of the contract.

E. **Contract Modifications/Additional Work/Expanded Scope of Services**

1. *Contract Modifications.* A contractor may request a modification to a contract for additional work to be performed. In such an event, the contractor shall submit to the PM a detailed description of the proposed work, an estimate of the additional time, if any, required to complete the additional work, and a breakdown of the cost of materials, labor, and any other relevant factors. Justification must also be provided as to why the proposed change was not in the original scope of work or subsequent change orders. The PM or the Procurement Director may determine the need for additional work under the contract, and in so doing, will provide the specifications for the desired scope of work to the contractor for a proposal of the cost to complete the additional work. The proposal shall be inclusive of all costs for the additional work and shall state the additional time, if any, required to complete the work. Modifications that require changes in the scope of work that impact the price require that a cost analysis is done to ensure that the cost proposed is reasonable. The
modification must be justified as a non-competitive action if the initial cost exceeds $100,000. If the change order cumulatively exceeds $25,000, City Council approval is required in accordance with City Code, Sec. 2-179.

2. **Budget Authority for Modification.** Upon determination of the proposed cost of the additional work, the PM will verify budget authority and funding availability. In the event of proper authority and sufficient availability, the PM will notify the Contracts Compliance Manager of the request for modification.

3. **Consideration to Modify.** The PM shall provide a written recommendation to the Contracts Compliance Manager for review of any proposed contract modifications before proceeding with the change. The recommendations shall include all documentation, justification, and verification as provided by these provisions. The Contracts Compliance Manager must approve the negotiation of the modifications prior to the PM engaging in such negotiations. The PM shall negotiate the proposed modification within the parameters established by the Contracts Compliance Manager. The PM shall inform the contractor that no decision is final until approved by the Procurement Director and communicated in writing to the contractor. The PM shall notify the Contracts Compliance Manager of the need for a written modification to the contract with documentation of the Procurement Director’s approval.

4. **Written Authorization Required.** All contracts must be modified in writing by a bilateral agreement (signed by both parties), in triplicate, prior to performance of the work that is the subject of the modification. This bilateral agreement may be in the form of a change order. The PM is not authorized to modify or enter contracts verbally or in writing. Contracts, modifications, and change orders may only be signed by the Procurement Director as defined within these procedures. Any purported modification by the PM or any other unauthorized party shall be ineffective to bind the City. Contract modifications must be fully documented in the contract file. The PM must maintain full documentation of any changes to the contract.

F. **Termination**

Termination of a contract shall be in accordance with the governing provisions of the contract under which the work or services are being performed. In the event it is determined that the contract should be terminated for cause or convenience, the PM shall provide a written recommendation to the Contracts Compliance Manager for termination of the contract with facts and details of the reasons for the proposed termination, and of the anticipated impact of such termination. The Contracts Compliance Manager shall be provided a copy of the contractual provision under which the PM proposes that the Contracts Compliance Manager terminate the contract. The documentation shall also include any disputed claims between the contractor and the City, and the possible consequences to the City and the contractor of the proposed termination. In the event termination of the contract is approved by the Procurement Director, the Contracts Compliance Manager shall prepare a Notice of Termination of the Contract, in the form of a letter, for the signature of the Procurement Director. The Notice will include a
statement of whether the termination is for convenience or default, specifying any claim of default and any opportunity for cure permitted the contractor; whether the termination is in whole or in part, and if in part, the extent to which terminated or maintained; the effective date and hour of the termination; any right of the contractor to proceed under a part not terminated; and any special or additional instructions or provisions. The notice shall be sent by US Mail or e-mail via certified mail, return receipt requested.

G. **Progress/Installment Payments**

The PM and the contractor will consult and agree whether the contractor will be paid in progress or installment payments, or whether all compensation due to the contractor under the agreement will be due and payable within thirty (30) days of the contractor’s invoice, with any applicable discounts for early payment, and approval for payment upon completion of the work/services to be performed under the contract. If a contractor is to be paid in progress payments, the contract must indicate the schedule of payments to be made to the contractor. The contractor shall prepare a schedule of amounts of contract payments and submit it to the PM for consideration and approval prior to issuing a Notice to Proceed to the contractor. The method of payment shall be specified in the contract. For contracts with an approved schedule of progress payments, inspection shall be performed progressively on work as it is completed. The contractor shall submit to the PM a statement of completion of phases of the work with a request for inspection and payment for the completed work.

H. **Completion of Work**

The contractor shall provide prompt written notification to the PM when all work is completed. The City may take up to five (5) working days to inspect/process final contract documents. The PM will provide written verification of completed work to the contractor and to the Contracts Compliance.

I. **Payment**

The contractor will be informed of the procedures for payment. The contractor shall submit invoices or payment requests with required documentation to the PM for review and approval. Upon approval, the PM shall process the invoice and submit it to Finance for payment, unless otherwise specified in the contract. Payment shall be made within 45 days for non-construction services and 25 business days for construction services to avoid interest penalties in accordance with the Local Government Prompt Payment Act, Chapter 218, Florida State Statutes. The PM will notify the contractor within ten (10) working days of any dispute for payment of the amount due. Checks are not allowed to be picked up from the City. All payments will be made by check or credit card (single user account) and mailed or electronically transferred.

J. **Disputes and Dispute Resolution Procedures**

1. **Disputes.** City contracts shall include a disputes clause that explains the procedure for handling disputes. The PM shall maintain a written and dated record of any actions that may or does result in a dispute or claim. A copy
of the written and dated record will be forwarded to the Contracts Compliance.

2. \textit{Dispute Resolution Procedures}. The following Dispute Resolution Procedure provides a process to resolve any disputes or concerns relating to the administration of an awarded supply or service contract between the City and its contractors. Contractors and department staff should first attempt to come to a resolution informally through discussion and negotiation. If informal discussion has failed to resolve the problem, contractors and departments should employ the following steps:

\textbf{Step 1.} The contractor or the PM will submit a written statement of the concern or dispute addressed to the Procurement Analyst who oversees the agreement in question. The writing should describe the nature of the concern or dispute, i.e., program, reporting, monitoring, budget, compliance or other concern. The Procurement Analyst will investigate the concern with the appropriate department staff that are involved, and will either convene a meeting with the contractor and PM or provide a written response to the contractor or PM within 10 working days.

\textbf{Step 2.} Should the dispute or concerns remain unresolved after completion of Step 1, a review by the Contracts Compliance will take place. The Contracts Compliance will consult with department staff as appropriate, and will provide a written determination of the resolution to the dispute or concern within 10 working days.

\textbf{Step 3} Should Steps 1 and 2 above not result in a determination of mutual agreement, the dispute will be forwarded to the Procurement and Materials Management Director. This dispute shall be in writing and describe both the nature of the dispute or concern and why the steps taken to date are not satisfactory to the contractor. The Director will respond in writing promptly so as not to impede progress of the project.

K. \textbf{Warranties}

1. \textit{Warranty}. The warranty period for labor and work performed or equipment/materials provided shall be specified in the contract between the City and the contractor. All manufacturers’ warranties are expected to be obtained. At minimum, warranties on the work shall begin from the date of final inspection and acceptance by the City for a period as specified in the contract, manufacturer’s and/or contractor’s specifications. The PM shall promptly send the contractor a written notice of any defects in work, services, equipment or materials that occur during the warranty period. The contractor may also be held responsible for damages resulting from such defects.
2. **Warranty Inspection.** A warranty inspection shall be conducted one month prior to the warranty expiration date, or within a reasonable time prior to the expiration of the warranty, as may be appropriate, to provide the opportunity for the City to observe and determine defects prior to the expiration of the warranty period. The PM shall notify the Contracts Compliance of upcoming warranty inspections. Materials, equipment or work appearing to be defective shall be promptly reported to the contractor and/or manufacturer prior to the end of the warranty period.

3. **Warranty Records.** Original warranty records, documents, and cards shall be maintained by the PM or department representative or in the Procurement Department’s contract file.

L. **Contract Documents**

1. **General.** All applicable contracts shall adhere to the foregoing procedures as well as those outlined in this section.

2. **Required Contract Documents.** The contractor shall submit specified documents prior to the issuance of a Notice to Proceed. The procurement analyst shall review and verify all documents and forward them to the Procurement Director with a recommendation. As applicable, the following shall be required to be submitted by the contractor to the Procurement Director:

   a. **Certificate of Insurance.** All insurance shall be carried with companies that are financially responsible and admitted to do business in the state of Florida. All certificates of insurance, as evidence of coverage, shall provide that no coverage may be canceled by the insurance company prior to the completion of the contract.

   b. **Building Permits.** The contractor shall obtain all building or other work permits required by City Code, administrative policy, state or federal law.

   c. **General Contractor’s License.** A General Contractor’s License shall be required on all construction contracts as required by law.

   d. **Performance and Payment Bonds.** To assure completion of the work without damage to the City and to promote prudent use of public funds, performance and payment bonds shall be required for 100 percent of the total contract price for all contracts exceeding One Hundred Thousand Dollars ($100,000.00). The contractor shall furnish a bond executed by a surety company duly authorized to do business in the State of Florida, which shall be counter-signed by an agent for the company, a resident in the State of Florida. The surety shall have a rating classification and a financial category as evaluated in the current Best’s Key Rating Guide as specified in the contract documents under Property Liability. In lieu of a
performance and payment bond, the contractor may submit an irrevocable letter of credit, cash, certified check, treasurer's or cashier's check issued by a responsible bank or trust company payable to the City of St. Petersburg, unless otherwise specified in the contract documents.

e. *Executed Agreement and Acknowledgement.* Within 10 work days of receipt of the agreement and/or acknowledgement documents, the contractor shall submit the required number of executed copies to the City. The contractor shall notify the City of any changes in company status or ownership.

3. **Close-out Documents.** At project completion, the contractor shall submit specified close-out documents to the PM. The PM shall review and verify all documents and maintain them in the project’s contract file. Where applicable, the following close-out documents shall be required to be submitted by the contractor to the PM:

   a. *Certificate of Substantial Completion.* A written certification that the project can be utilized for the purpose for which it was intended, along with a written punch list of items to complete.
   
   b. *Certificate of Final Completion.* Signed by the PM only after all provisions of the contract documents have been carried out. Accompanied by a signed-off punch list.
   
   c. *Certificate of Occupancy.* A document issued by a local government agency or building department certifying a building's compliance with applicable building codes and other laws, and indicating it to be in a condition suitable for occupancy.
   
   d. *Consent of Surety.* Written consent of the surety on a performance bond and/or labor and material payment bond to final payment.
   
   e. *Release of Liens.* Executed by all subcontractors and suppliers.
   
   f. *Affidavit of Payment of all Debts and Claims.*
   
   g. *Warranty documents.*
   
   h. *Operation/Instruction Manuals.*
   
   i. *As Built Drawings.* Project drawings that accurately reflect all changes to the character and scope of work performed from the original drawings prepared by the design professional.
   
   j. *Training.* Written evidence that training specified in the contract documents has been completed.
   
   k. *Final Payment Application.* The agreed upon form for payment applications with supporting documentation required by contract documents.
   
   l. *Product Specifications.* Items such as paint and flooring materials.

M. **Liquidated Damages**

In addition to provisions otherwise provided in these procedures, the contractor may be held responsible for liquidated damages if the work is not completed on time. The contractor will have to compensate the City for damages it may sustain for the work not being completed. This is not a penalty for the contractor.
If the contract is within sixty (60) days from the scheduled completion date, or the completion date is drawing near as may be applicable, and the PM has determined that the contractor will not complete the work on time, the Contracts Compliance Manager will prepare a written notification to the contractor. The notification will be of the impending expiration date and that failure to complete the work on time could result in liquidated damages being assessed, if such assessment is allowed by the contract. Written notification will be approved and signed by the Procurement Director. The Contracts Compliance Manager may obtain legal counsel and advice prior to sending a notice regarding assessment of liquidated damages.

Upon the expiration date of the contract, the PM shall notify the Contracts Compliance Manager. The Contracts Compliance Manager will prepare a written notification to the contractor notifying him/her of the contract expiration date and request an updated project schedule detailing a fast track mode to complete the project. The updated project schedule shall be submitted to the Contracts Compliance Manager and the PM within 10 days of written request.

Upon expiration of the newly agreed completion date, the Contracts Compliance Manager will prepare a written notification to the contractor of the expiration date and that failure to complete the work on time will result in liquidated damages being assessed retroactively to the original completion date.

1. **Consultation and Authority of the Procurement Director.** The PM and Contracts Compliance shall consult with the Procurement Director prior to the assessment of liquidated damages under any contract. The PM and the Contracts Compliance shall provide a detailed report to the Procurement Director for review and consideration pertaining to delay in completion of work. The Procurement Director will make the final determination regarding the assessment of liquidated damages. Legal Dept role?

2. **Notice of Assessment of Liquidated Damages.** Upon determination by the Procurement Director that the assessment of liquidated damages is proper under the terms of the contract and the relevant portions of these procedures, the Contracts Compliance Manager shall promptly prepare a letter for the Procurement Director’s signature notifying the contractor of the City’s assessment of liquidated damages, with a copy to the PM. The amount of liquidated damages assessed may be deducted from the contractor’s final invoice. Should the amount of the liquidated damages exceed the final invoice amount, the PM shall submit an invoice to the contractor for the difference.

N. **Service Agreements**

*Service Agreements.* Service agreements are contracts that include, within the scope of services, provisions covering a contractor’s time and effort rather than for a product or materials, although the use of products and materials may be an aspect of the work/service to be performed. The work performed does not involve the delivery of any specific end product, other than results and reports that are incidental to the required performance. Examples of service agreements are for repairs to equipment, training, or consulting. Agreements must be in writing, specify the service to be obtained, the method and amount of payment for those
services, and any other provisions necessitated by the procurement documents, law or regulation.

O. **Blanket or Contract Purchase Agreements**

Blanket Purchase Agreements (BPA) shall be administered consistent with the procedures for contracts covering goods, services, equipment or products as provided herein. These contracts will be administered by the Procurement Analyst or other designee of the Procurement Director. The procurement analyst may establish procedures appropriate for administration of the BPA. These procedures will include, without limitation, the following: (a) each vendor will reference every shipment and invoice with a BPA release number; (b) all vendors must obtain and use this BPA release number when shipping and invoicing the City; (c) no order will be received or processed for payment without a BPA release number.

P. **Contractor Performance Ratings**

Upon completion of a contract, and at designated intervals during the contract period, the PM will be required to rate the contractor’s performance using the vendor performance rating form. Contractors shall be rated based on product quality, service quality, accessibility, responsiveness, documentation, delivery, schedule, skills, creativity and innovation, customer interfaces, price, flexibility, subcontractor management and overall job performance. Performance ratings shall be forwarded to the contractor, documented in the contract file and used to determine contractor’s performance of current contract requirements and responsibility in considering future contracts.
I. Purpose

This chapter applies to the payment of vendor invoices in accordance with the Local Government Prompt Payment Act, Chapter 218, Florida State Statutes. This act, governing financial matters of local government entities provides that payment for all purchases be made in a timely manner; that the entities specify requirements for a “proper invoice” and make such requirements available to vendors; and that the entities establish dispute resolution procedures concerning payment of an invoice.

II. Scope

These policies and procedures shall apply to the processing of vendor invoices originating from the issuance of open market and term contract purchase orders as well as blanket purchase agreements. These procedures do not apply to invoices originating from requests for payments.

III. Policy

A. Definitions

For the purposes of this policy, the following terms shall be defined:

1. Construction Services - all labor, services, and materials provided in connection with the construction, alteration, repair, demolition, reconstruction, or any other improvements to real property.

2. Contractor or provider of construction services - means any person who contracts directly with the city to provide construction services.

3. Proper invoice - any invoice or pay application which is received by the city which conforms to the required criteria established in this policy.

4. Prompt Payment - payment of proper invoices made within 45 days for non-construction services and 25 business days for construction services of the payment due date as calculated by the “bill to” department according to the Local Government Prompt Payment Act.

5. Purchase - the purchase of goods, services, or construction services; the purchase or lease of personal property; or the lease of real property by a local governmental entity.

6. Vendor - any person who sells goods or services, sells or leases personal property, or leases real property directly to a local governmental entity.
B. Responsibilities

1. **Procurement & Supply Management Department** - It shall be the responsibility of the Procurement Director to develop and implement policies and procedures for the following:
   a. Providing that no purchase order or contract entered into by the City and a vendor violates the Prompt Payment Act;
   b. Providing that purchase orders and contracts clearly specify requirements for submitting a proper invoice as defined in this policy;
   c. Providing that purchase orders and contracts clearly specify the City's prompt payment dispute resolution procedures;
   d. Providing for and arbitrating the dispute resolution process in compliance with the Prompt Payment Act; and

2. **Finance Department** - It shall be the responsibility of the Finance Director to develop and implement procedures for the following:
   a. Notifying vendors of improper invoices in writing within 10 days of receipt;
   b. Date stamping of all invoices and other documents required for prompt payment;
   c. Providing for prompt payment of all invoices within 45 days of the calculated payment due date for non-construction services and 25 business days for construction services;
   d. Entering invoices, pay applications, retainage, credit memos or other documents required for prompt payment to the accounts payable system;
   e. Notifying as soon as possible the vendor, and Procurement of the development of any controversies that might affect prompt payment;
   f. Notifying the vendors of the city's prompt payment dispute resolution procedures when controversies that might affect prompt payment arise;
   g. Complying with the city's prompt payment dispute resolution procedures;
   h. Providing vendor payment processing procedures to be followed by all departments.
3. **Departments** – It shall be the responsibility of the departments to develop and implement procedures for the following:

a. Entering requisition information, including price and a general description of what is being purchased in the iProcurement system.

b. Ensuring that all purchases, except non-purchase order requests and P-Card transactions have a PO number or a blanket release number.

c. Entering receiving information or contract deliverables in the iProcurement System.

d. Identifying and promptly resolving receiving issues.

e. Cooperation with the Finance Department in resolving payment disputes.

C. **General**

The following applies to all external procurement of supplies or services for the city:

1. **Bill to.** All invoices must be sent directly to the Finance Department by the vendor. The Finance Department will authorize payment after delivery and acceptance of supplies or services by departments and review and matching of vendor’s invoice with the purchase order (3-way match).

2. **Vendor Invoice.** The vendor’s invoice must be:

a. in compliance with the terms of the purchase order, agreement, or contract governing the purchase of the particular supplies or services;

b. an original invoice; and shall contain the following information:

   (1) the name of the vendor;
   (2) the date of preparation;
   (3) the number of the invoice to facilitate identification;
   (4) the authorizing city purchase order number which shall correlate to the city purchase order with which the purchase was made, and respective receiving entry;
   (5) the vendor’s federal identification number (if not already on file);
   (6) an accurate description of the supplies or services;
   (7) the correct quantity, unit price, and total cost of supplies or services delivered;
   (8) any applicable discounts;
   (9) the location and date of delivery of the supplies or services to the city (if applicable); and
   (10) the address to which the payment should be mailed (if not already on file).
3. **Finance Department.** It shall be the responsibility of the Finance Department to:

   a. Resolve discrepancies between purchase orders and invoices in collaboration with the requesting department;
   b. On standard purchase orders and blanket releases conduct a 3-way match; that is, match purchase order, receipt and vendor invoice;
   c. Expedite invoice processing to ensure timely payment or take advantage of early payment cash discounts when available.; and
   d. Review the payment documents; schedule payment based on the terms established by the purchase order, and issue a check to the vendor.

4. **Exceptions.** Any exceptions or unusual circumstances not provided for in this policy must be documented and will be subject to review and approval by the purchasing director.

5. **Acceptance for the Purpose of Payment.** Delivery of supplies or services to the city does not constitute acceptance for the purpose of payment. Final acceptance and authorization of payment shall be given only after delivery and a thorough inspection indicates that the supply or service meets contract specifications and conditions. Should the delivered supply or service differ in any respect from the specifications, payment will be withheld until such time as the supplier takes necessary corrective action. The Procurement Department shall be notified of the deviation in writing within five days of delivery. If the proposed corrective action is not acceptable to the city, the Procurement Department may authorize the requesting department to refuse final acceptance, in which case the supply(s) shall remain the property of the supplier, and the city shall not be liable for payment for any portion thereof.

IV. **Procedures**

A. **Match Invoice to Purchase Order**

   In order to pay an invoice a purchase order or blanket purchase agreement release with the supplier must have been generated and approved. Upon receipt of the supply or completion of the service, the requesting department must enter the receiving information in the purchasing system verifying that the quantities ordered have been received, inspected and found in satisfactory condition. The following steps must be followed:

1. The supplier must submit to Accounts Payable a proper invoice for payment due for supplies furnished or services rendered.

2. As invoices are received the Finance Department must:
   a. time stamps the invoice (s) and match to packing slip (s);
b. review the invoice and verify accuracy of quantity, unit prices, extensions, discounts and freight charges;
c. enter purchase order number, invoice date, invoice number, invoice amount in the accounts payable system;
d. if multiple payments must be made create a payment batch, according to Oracle Accounts Payable User’s Manual.
e. Once the information has been entered, print an invoice register and attached the invoice(s) and sent to finance for payment.

B. Correcting Discrepancies

Discrepancies must be adjusted by the Finance Department. Items that are to be rejected and returned will be crossed off the invoice to ensure that only acceptable items are paid for. Rejected items will be either canceled by the requesting department or returned for replacement. A new invoice should accompany any replacement shipments.

1. **Credit Memo** is a negative amount invoice created by a supplier notifying the city of a credit. To process credit memo the department representative:
   a. describes the transaction; and
   b. enters the supplier, supplier number, and invoice date, invoice number, invoice amount (as a negative) and account code.

2. **Debit Memo** is a negative amount invoice created by the city notifying the supplier of a credit the city is recording. To process credit memo the department representative:
   a. describes the transaction; and
   b. enters the supplier, supplier number, and invoice date, invoice number, invoice amount (negative) and account code.

V. References

Administrative Policies - #050400, Payment of Invoices, 12/30/13

Local Government Prompt Payment Act, Chapter 218, Florida State Statutes; Purchasing and Materials Management Department Policy and Procedures Manual, Chapter 8 (Processing Invoices for Payment)
CHAPTER 9
QUALITY ASSURANCE, SPECIFICATIONS

I. Purpose

This chapter establishes guidelines for the development and use of specifications.

II. Scope

This section applies to all persons who may prepare specifications for city use.

III. Definitions

The following are definitions of terms used in this chapter:

A. Brand Name Specification: A specification that is limited to one or more items by manufacturers' names and/or catalog numbers.

B. Brand Name or Equal Specification: A specification that uses one or more manufacturers' names or catalog numbers to describe the standard of quality, performance and other characteristics needed to meet city requirements and which provides for the submission of equivalent or equal supplies.

C. Purchase Description: The words used in a solicitation to describe the supplies or services to be purchased, including any performance, physical or technical requirements. Purchase descriptions and specifications may be used interchangeably.

D. Qualified Products List: An approved list of supplies or services described by model or catalog number which, prior to competitive solicitation, the city has determined will meet applicable specifications and requirements.

E. Specification: Any description of the physical, functional, or performance characteristics or nature of a supply or service. A specification includes, as appropriate, requirements for inspecting, testing, or preparing a supply or service for delivery.

IV. Responsibility

A. Purchasing should maintain a library of current specifications for supplies and services.

B. The requesting department will prepare technical specifications for supplies and services. Terms, conditions and contractual provisions are the responsibility of the purchasing department.

C. The purchasing director may modify, alter or change specifications to increase competition to improve quality or to ensure that specifications are accurate, clear,
unambiguous and non-restrictive. When specifications are modified, altered or changed, they must be reviewed and approved by the director of the requesting department.

V. Policies

A. General

The purpose of a specification is to serve as a basis for obtaining a supply or service adequate and suitable for the city's needs. This should be done in a cost effective manner, taking into account the total cost of ownership and operation, as well as the initial acquisition cost. It is the policy of the city that specifications permit maximum practicable competition consistent with this purpose. Specifications should be drafted with the objective of clearly describing the city's requirements.

B. Functional or Performance Description

Specifications should, to the extent practicable, emphasize functional or performance criteria while limiting design or other physical descriptions to those necessary to meet the needs of the city. To facilitate the use of such criteria, requesting departments should endeavor to include as part of their purchase requests the principal functional or performance needs to be met.

C. Commercially Available Products

It is the general policy of the city to purchase standard commercial products whenever practicable. In developing specifications, accepted commercial standards should be used, and unique requirements should be avoided to the extent practicable.

VI. Development of Specifications

A. Purchase Description or Specification

The purchase description or specification should include the essential physical and functional characteristics necessary to express the minimum requirements of the city, such as: (a) common nomenclature; (b) kind of material, i.e., type, grade, class, alternatives, etc.; (c) electrical data, if necessary; (d) dimensions; (e) size or capacity; (f) principles of operation; (g) environmental conditions; (h) intended use, including location, operating conditions and acceptable product levels within the range of products available in the commercial marketplace; (i) equipment with which the item is to be used; and (j) other pertinent information that further describes the supply or service required.

B. Alternate Specification

A specification may provide an alternate description of supplies or services where two or more design, functional, or performance criteria will satisfactorily meet the city's requirements.
C. **Contractual Terms - Not to be Included**

Specifications must not include any solicitation or contractual terms or conditions, such as the time or place for the bid opening, time of delivery, payment, liquidated damages, or qualification of bidders. These clauses should be included in the appropriate sections of the bid package, i.e., instructions to bidders, terms and conditions, etc.

D. **Use of Existing Specifications**

If a specification for a common or general use item has been developed, or if a qualified products list has been developed for a particular supply or service, it must be used unless the purchasing director or the director of the requesting department makes a determination that it is not in the city's best interest and that other specifications should be used.

E. **Brand Name or Equal**

Brand name or equal specifications may be used when it is determined that:

1. no other design or performance specification or qualified products list is available;

2. time does not permit the preparation of another form of purchase description not including a brand name;

3. the nature of the product or the nature of the city's requirements makes use of the brand name or equal specification suitable for the procurement;

4. the use of brand name or equal specifications is in the city's best interest.

F. **Designation of Several Brands**

Brand name or equal specifications should designate three, or as many different brands as are practicable, as "or equal" references and must state that substantially equivalent products to those designated will be considered for award.

G. **Qualified Products List**

A qualified products list may be developed when testing or examination of supplies prior to issuance of the solicitation is desirable or necessary in order to best satisfy the city's requirements.

When developing a qualified products list, a representative group of potential suppliers must be solicited in writing to submit products for testing and examination to determine acceptability for inclusion on a qualified products list. Any potential supplier, even though not solicited, may offer his product for consideration.
Inclusion on a qualified products list must be based on results of tests or examinations conducted in accordance with prior published requirements.

VII. Procedures

A. After determining its requirements, the requesting department shall prepare a purchase requisition, attach technical specifications and forward it to purchasing, through budget and finance, for processing. If the item is automotive or communications equipment, the specifications must be approved by the director of fleet management except for sanitation equipment and golf course equipment.

B. The procurement analyst, under the supervision of the purchasing supervisor, reviews the technical specifications and, if necessary, recommends changes. The procurement analyst will also prepare a bidders mailing list.

C. The procurement analyst then forwards the bid package with specifications and the bidders mailing list to the requesting department and the purchasing director for approval.

D. If further revisions are necessary, the requesting department will revise the specifications and return them to the procurement analyst for appropriate action.

E. When all concerned parties have commented and are satisfied, the requesting department will give its final approval, and the bid package is mailed to all vendors on the bidders mailing list.

VIII. References

CHAPTER 10
QUALITY ASSURANCE, RECEIVING
AND DOCUMENTING VENDOR PERFORMANCE

I. Purpose

The purpose of this chapter is to establish guidelines for receiving, inspecting and documenting vendor performance.

II. Scope

These guidelines will apply to all City departments.

III. General

A. Although the inspection of supplies and services is not a responsibility of Procurement, the Procurement Analyst should be informed of any negative inspection results so that appropriate action can be taken with the vendor.

B. Under the Uniform Commercial Code (UCC) of the Florida Statutes, the City has no statutory duty to inspect supplies on arrival. However, failure to inspect supplies at the time of arrival may preclude the right to reject the shipment in its entirety, even though it does not constitute a waiver of the right to claim breach of warranty upon a subsequent discovery that the supplies are faulty.

C. Accurate specifications help to ensure receipt of proper quality and service. Quality buying involves buying supplies of a grade sufficient to fulfill, but not exceed, the requirements for which supplies are intended. Procurement attempts to secure the best quality for the intended purpose and is expected to work with other departments to obtain adequate specifications that are:

1. Simple, clear and exact so that suppliers cannot evade any provisions;

2. Capable of being checked, including a description of the inspection methods to be used where applicable;

3. Reasonable in tolerance;

4. Capable of being met by several bidders; and

5. Flexible, to encourage vendors to suggest cost-saving alternatives or substitutes.

IV. Receiving and Inspecting Procedures

A. The Procurement Analyst is responsible for ensuring that specifications are sufficient to allow the receiver or inspector to inspect supplies upon receipt.

B. Requesting departments must complete the following steps upon receipt of an item:
1. Check all packages and weights against shipper’s manifest.

2. Observe and record the condition of all packages for evidence of rough handling with carrier’s representative prior to acceptance; qualify acceptance accordingly.

3. Check all items to ascertain agreement with the supplier’s packing slip and the receiving report.

4. Record non-compliance, such as overages, shortages, damaged or incorrect materials, failure to meet specifications, etc. on a Vendor Complaint Report. (See attached Vendor Complaint Report).

5. Arrange for detailed inspection and testing of certain equipment, i.e., instruments, apparatus, etc.

6. Approving partial shipment, clearly documenting the date and quantity received.

7. Notify others concerned as to receipt of shipment and its quantity, condition and arrival time.

8. Mark, label and repackage as required.

9. Deliver material to proper location for use or for storage.

V. Documenting Vendor Nonperformance

A Vendor Complaint Report should be prepared when a vendor fails to perform in accordance with the specifications, terms and conditions of a purchase order or contract or performs in any manner deemed unsatisfactory by the requesting department. The requesting department must take all steps necessary to ensure contract compliance.

Complaints registered with a vendor should be confirmed in writing to Procurement, either on a Vendor Complaint Report or in a memorandum. If the problem has not been resolved, the Procurement Analyst must take appropriate action.

A. Instructions For Preparing Vendor Complaint Reports

1. To document a complaint, the requesting department must prepare and submit to Procurement a Vendor Complaint Report or a memorandum providing details regarding the nature of the complaint.

2. The requesting department should enter the following information on the Vendor Complaint Report:

   a. vendor name, address, etc.
   b. department
   c. contact person
   d. purchase order number, etc.
   e. commodity or service
   f. nature of the complaint
   g. details and support documentation; and
   h. signature, title and phone number of the complainant.
3. If the problem has not been resolved, the Procurement Analyst must take prompt remedial action. This action must be documented by the Procurement Analyst in the section entitled "Action Taken by Procurement Analyst."

4. The Procurement Analyst must sign and date the Vendor Complaint Report. The vendor complaint will then be filed.

B. Communication With Vendors

In order to resolve complaints or unsatisfactory delivery, these guidelines should be followed:

1. For routine cases of noncompliance, such as late delivery, the requesting department should contact the supplier to arrange for the correction of the deficiencies. Whatever arrangements are necessary under the circumstances should be made. If the situation is not corrected promptly, then it should be reported to Procurement promptly by phone and confirmed on a Vendor Complaint Report.

2. Where major purchases of supplies or services are involved, the situation should be reported immediately to Procurement, who will then initiate action with the supplier.

3. Where it may be necessary to revise a delivery schedule, cancel a contract, initiate a new purchase order, or remove a supplier from a bidders list, Procurement is responsible for such under the Uniform Commercial Code (UCC) of the Florida Statutes. The City has no statutory duty to inspect supplies on arrival. However, failure to inspect supplies at time of arrival may preclude the right to reject the shipment in its entirety, even though it does not constitute a waiver of the right to claim breach of warranty upon a subsequent discovery that the supplies are faulty.

VI. Performance Evaluation

During the term of the agreement, the vendor’s performance will be evaluated on multiple criteria including service, quality, accessibility, responsiveness, documentation, problem solving, professionalism, project management, customer satisfaction, flexibility and compliance with city codes. Noncompliance or substandard performance may be grounds for termination of the agreement.
CHAPTER 11
COOPERATIVE PURCHASING

I. Purpose

The purpose of this chapter is to provide guidelines for the City’s participation in cooperative purchasing programs.

II. Objective

The objective of cooperative purchasing is to provide the City with the following benefits: (1) better prices due to larger purchasing volumes; (2) better quality due to more expansive competitive specifications; and (3) savings in time and administrative costs, since only one entity prepares and issues the invitation for bids.

III. Definitions

A. Cooperative Purchasing: Cooperative purchasing is two or more public entities combining their purchase requirements to obtain lower prices through volume buying and to reduce administrative costs.

B. Joint Bidding: Joint bidding is two or more local entities combining their purchase requirements into one invitation for bids.

C. Lead Agency: The entity which solicits bids on behalf of other participating entities in a cooperative purchasing agreement.

D. Piggyback Purchasing: Piggyback purchasing involves a large purchaser of a particular item who requests competitive sealed bids, enters into a contract, and arranges, as a part of the contract, for other governments to purchase the item from the contractor under the same terms and conditions.

E. State Contract: A contract for supplies competitively bid by the State Division of Purchasing that is made available to the City and other political subdivisions.

IV. Policies

A. The City may participate in, sponsor, conduct, or administer cooperative purchasing agreements for the purchase of supplies or services with one or more public procurement entities in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts with other public entities and open-ended State contracts made available by the State of Florida.

B. All cooperative purchasing conducted under this section shall be awarded through full and open competition, including use of source selection methods substantially equivalent to those specified in the City’s Procurement Code.

C. A contract to purchase vehicles may be awarded through the alternative procedure specified in Section 2-256 (3) Purchase of vehicles of the Procurement Code. This section allows the Procurement Director to purchase vehicles from selected
vendors providing vehicles to the Florida Sheriffs Association and Florida Association of Counties negotiated purchase program.

D. A requesting department’s requirements may be satisfied by piggybacking supplies or services from another governmental agency’s contract, including local governments, other state governments, local governments in other states, federal agencies, consortiums and any not-for-profit entity comprised of more than one such unit, when the following criteria are met:

1. The contract must be current. All pricing must be valid through the City’s purchase order issuance date as stated in the contract.

2. The contract must have been advertised (if valued at $100,000 or more) and competitively bid by a governmental agency, consortiums or not-for-profit entity.

3. The purchase description, quantities, terms and conditions must be essentially identical.

4. Scope of work must be essentially identical and contract pricing must be broken out in the agency’s contract, such that the cost of each supply and/or service component from the piggyback contract can be clearly validated against the supplier’s proposal to City (no lump sum contract pricing).

5. The supplier must agree to accept additional terms as determined by City.

6. Construction projects of other agencies may not be piggybacked.

7. The requesting department must provide a detailed proposal from the supplier under the piggybacked contract. The proposal shall reference the contract number, contract date, and terms being piggybacked.

8. The requesting department must create a written scope of work specific to the City’s project needs for all services to be performed.

9. Procurement will review the request to piggyback and will determine whether essential criteria are met.

10. Procurement will present piggyback purchases greater than $100,000 to City Council for approval.

11. Procurement will issue a purchase order, referencing the entity’s bid or contract number, along with the contract terms and conditions, scope of work and pricing.

V. Procedures for Joint Bidding

When participating in joint bids, the following procedures are observed:
The cooperative purchasing participants, consortiums or not-for-profit designates a lead agency to prepare and solicit bids on behalf of the cooperative purchasing participants.

1. The lead agency gathers the requirements of all the participants, prepares the specifications, bid package and bidders list for review by the participating entities.
2. The lead agency solicits, receives, and tabulates the bids.
3. Bids are evaluated based on the specifications and criteria set forth in the invitation for bids, and a recommendation for award is made.
4. Purchases of $100,000 or more are submitted to the City council for approval.
5. Each entity issues its own purchase order or contract and is invoiced separately.
6. Disputes are resolved in the following manner:
   a. All pre-award disputes related to specifications, provisions of the invitation for bids, the evaluation of bids, or other contractual matters are the responsibility of the lead agency.
   b. Any other disputes over which the lead agency has no control, for example, violations of contractual conditions, such as late delivery, poor quality, or late payment on the part of another entity, shall be resolved by the entity and the vendor.
   c. This does not preclude participating entities working together to resolve a common dispute.

VI. References

St. Petersburg City Code Chapter 2, Article V, Division 3, Procurement Code Section 2-256
CHAPTER 12
INVENTORY MANAGEMENT

I. Purpose

This chapter describes policies and procedures for the management and control of inventory. It is the objective of the inventory control program to minimize inventory investment and operating costs while maintaining an adequate supply of inventory to meet the needs of requesting departments.

II. Definitions

A. Issue - The physical movement of items from a stocking location.
B. Backorder - An unfilled customer order or commitment.
C. Return - An issued item that is put back into inventory.
D. Receipt - The physical acceptance of an item into a stocking location and the transaction reporting of the activity.
E. Receiving - The function encompassing the physical receipt of material, the inspection of the shipment for conformance with the purchase order (quantity and damage), the identification and delivery to destination, and the preparation of receiving reports.
F. Adjustment - An adjustment correct stock item balances resulting from discrepancies between quantities recorded and quantity resulting from physical count.

III. Responsibility

A. Warehouse Supervisor. The warehouse supervisor is responsible for the day-to-day operation and the supervision of the warehouse staff. The supervisor is also responsible for establishing and maintaining ordering parameters (minimum - maximum), classifying inventory, forecasting, determining when and how much to order and monitoring stock levels to prevent stock outs. In addition, the supervisor accounts for transactions and evaluates effectiveness.

B. Storekeeper. The storekeeper is responsible for taking physical inventory, cycle counting, replenishing stock, receiving, inspecting, storing, handling, picking, issuing and restocking returns. Also, the storekeeper is responsible for matching invoices and other documents for payment and disposing of surplus property.

C. Maintenance Worker. The maintenance worker is responsible for maintaining a clean and neat facility, minor facilities repairs, maintaining material handling equipment, storing and handling stock, picking stock and making deliveries.

D. Customer. The customer is responsible for identifying needs and communicating it to the warehouse. They are also responsible for preparing supply requests.
IV. Policy

A. The centralized warehouse shall be the supplier of first choice for all items available through the warehouse. Any question of availability through the warehouse should be resolved before an item is acquired from another source.

B. All supplies purchased for the warehouse shall be charged to the internal service fund designated for this purpose. Supplies purchased for the warehouse shall not be charged to a departmental appropriation until the supply is drawn from the warehouse.

C. When supplies are issued, the price of the material(s) is charged to the requesting department. The price shall include the direct cost of the item, or purchase price, and a prorated share of the overhead expenses of the warehouse program.

D. To ensure that the supplies shown by the records are actually on hand, a physical inventory shall be taken at least once annually.

E. Warehouse management will prepare monthly reports, which will evaluate inventory changes, performance, and value.

F. A commodity catalog listing all items carried by the warehouse must be prepared and distributed periodically. The catalog may include the item number, description, unit of measure, price or any other information deemed appropriate.

G. Warehouse opening hours are from 6:30 a.m. to 4:00 p.m. Monday through Thursday. On Friday opening hours are from 6:30 a.m. to 12:00 noon. All gates and doors must be kept locked after work hours or when the area is unattended.

H. Only authorized persons are allowed unescorted around the facility. All other individuals must be escorted by an authorized person at all times.

I. Only qualified personnel who have completed instructions are authorized to operate lift equipment.

J. All personal vehicles must be parked in the area designated for employee parking.

V. Procedures

A. Receipts

As supplies are delivered to the warehouse, they are received and inspected by the storekeeper. The item is then assigned an aisle/bin location and stored after the following steps are completed.

1. Check all packages and weights against shipper’s manifest. Segregate each incoming shipment or delivery by supplier. Review the Expected Delivery report covering the shipment. Check the material and documents to ensure accuracy including:
   a. Purchase order number
   b. Part number or make/model
   c. Item
   d. Description
2. Count the items noting any shortages or overages. If the material(s) are incorrect or defective, do not accept them. Return the incorrect or defective item to the vendor. If documents are incorrect work with the vendor and purchasing to make correction.

3. Enter into the inventory system the quantity received and the packing slip information. Once entered, write the receipt number, location and initials on the packing slip. The inventory on hand records are updated. Back orders may be relieved at this time.

4. The packing slip must stay with the material until it is put away. Once the product is put away, the packing slip must be date stamped and placed in the accounts payable inbox.

5. As invoices are received, the storekeeper must complete the following steps:
   a. Invoices must be date stamped and matched to the packing slips.
   b. If there is no match then it must be temporarily filed in the folder marked ‘Invoices’ until a match can be made.
   c. Once a match of packing slip and invoice is made, the purchase order number, invoice number, invoice amount, invoice date must be entered into the appropriate batch in Oracle Accounts Payable module for payment.
   d. Once the information has been entered into A/P, an invoice register is printed and the invoice(s) attached to be sent to finance for payment.
   e. Stamp the packing slip ‘Complete’ and file.

B. Issues

The storekeeper issues material to requesting departments daily. The procedures below show the steps that the storekeeper must take:

1. The customer enters an internal requisition in the iProcurement system. The customer must choose a deliver to location, walk-in or department order for delivery.

2. A pick slip with an order number is generated online.

3. The pick slip is printed and the storekeeper picks the item(s) from stock.

4. The storekeeper ship confirms the item(s) and the system generates a packing slip.

5. The item(s) is issued or delivered to the customer who signs the pick slip.

6. The packing slip is given to the customer at pick up or delivery and the pick slip is filed by date.
C. **Returns**

If the requestor is unable to use the issued item, it may be returned to stock and a credit applied to the requestor’s account. The steps in the return process are:

1. The customer returns the stock item to the warehouse.
2. The storekeeper inspects the returned item to determine its condition.
3. The storekeeper enters a miscellaneous receipt into the inventory system including the item number, quantity, locator and account code.
4. The customer signs and dates a return ticket (screen shot) of the item returned.
5. The storekeeper records the return in the miscellaneous transaction log book.
6. The storekeeper restocks the item in the proper aisle/bin location.
7. The return ticket (screen shot) is filed by date.

D. **Replenishment**

Timely inventory replenishment is essential to the smooth operation of the warehouse. The steps in the replenishment process include:

1. The warehouse supervisor generates a min/max report. The report provides information on when an item should be ordered and the quantity to be ordered so stock-outs can be minimized.
2. The warehouse supervisor reviews the information on the min/max report which includes item number, description, category, and min/max, on-hand and re-orders quantities.
3. The warehouse supervisor reviews the suggested restocking order and if it looks fine, or after necessary changes is made, the report is run a second time with parameters set to automatically generate new purchase requisitions. As an alternative, the storekeeper can enter a purchase requisition through the core purchasing system for replenishment.
4. The replenishment requisition is sent electronically for approval by the Purchasing and Materials Management Department director. It is then received into purchasing and assigned to a procurement analyst who determines the method of procurement.

E. **Reports**

At the end of each working day, the warehouse supervisor generates and reviews daily transactions including receipts, issues, returns and adjustments.

F. **Cycle Counting Procedures**

The objectives of cycle counting are to (a) maintain accurate inventory records, (b)
determine the cause of variances and discrepancies in inventory quantities and (c) take appropriate remedial action as necessary. The steps to performing cycle counting include:

1. The purchasing director defines cycle count parameters including method, frequency and tolerance of each count class.

2. The warehouse supervisor runs an ABC analysis and schedules item counts based on ABC frequency.

3. The warehouse supervisor generates cycle count sheets and distributes them to the storekeepers based on schedule.

4. The storekeeper verifies the location, item number, description, unit of measure and counts the quantity of items in stock and enters the count on the inventory count sheet. The storekeeper initials the count sheet and submits it for entry into the inventory record.

5. The counts are entered into the inventory database by the storekeeper.

6. The warehouse supervisor compares the cycle counts to the computer inventory record and identifies any variances. A variance is the difference between the physical count and the inventory record’s quantity on hand.

7. If there is a variance on the first count do not change the records. If there is a variance, request a second count. If still in error, find and fix the cause, correct the record by approving the adjustment.

8. If the physical count is accurate, the warehouse supervisor will approve the selected count entry and post it to the inventory record. If the count is rejected no adjustment or processing of the count is posted to the record.

9. Run and review Cycle Count Hit/Miss Analysis. When discrepancies (errors) in inventory quantities are discovered, the warehouse supervisor must identify the cause of the discrepancy and take the appropriate corrective action. The objective is to identify what needs to be done, and who must take the action to fix the problem.

10. A detailed listing of all adjustments (in and out) made to the inventory record as a result of the cycle counts will be reviewed by the purchasing director. In addition, the cause of the discrepancy and corrective actions taken must be documented.

G. Physical Inventory

Physical inventory is conducted by an inventory team to ensure that the supplies shown by the inventory records are actually on hand. The procedures to take an inventory are as follows:

1. Advise the user departments in advance that the warehouse will be closed except for emergency issues during the time required to take physical inventory.
2. All materials received must be entered into the system and stored in assigned locations prior to beginning physical inventory.

3. The warehouse supervisor furnishes inventory tags and issues them to the count teams for their assigned areas. Instructions are given to each team to inventory all materials sequentially from one location to the next.

4. Count teams consist of two people; one will identify and count each item, and the other will observe the count, write down the quantity and verify the item number, description and unit of measure on the inventory tag. Material being counted is examined and any defective items are noted on the inventory tag. Team member will Initial the count tag, and mark the location that was inventoried.

5. Counts recorded on the inventory tags are entered in the inventory system. The system will compare the inventory counts entered with the balance shown on the stock record.

6. Upon completion of the first count, if there is a significant difference, then a recount is taken. Check for emergency issues prior to the count of the item.

7. If a difference still exists after the recount, check postings for receipts and issues. The warehouse supervisor verifies the inventory recounts and rejects or approves adjustments to the book value.

8. The warehouse supervisor runs the final adjustments and calculates the total financial adjustments.

9. The final inventory value is posted to the general ledger by the Finance Department.

VI. **References**


CHAPTER 13
DISPOSAL OF SURPLUS

I. Purpose

This chapter describes procedures for the transfer and disposal of excess and surplus property.

II. Scope

These policies and procedures will cover the classification, transfer, and disposal of surplus property owned by the city.

III. Objective

It is the objective of this program to maximize returns on excess and surplus property by transferring the property or disposing of it through a public auction, sealed bids, posted prices, trade-in, destruction or abandonment, or donation.

IV. General

A. Departments must designate a surplus property coordinator who is responsible for all matters pertaining to the transfer and disposal of excess and surplus property.

B. Departments are invited to submit special requests for property, such as furniture, office equipment, etc. to the consolidated warehouse.

C. To reduce opportunities for deception and to avoid any appearances of impropriety in the city’s disposition program, no sale will be allowed to any employee of the City of St. Petersburg, whether full-time, part-time or temporary, or the spouse or minor child of an employee, or their agents.

D. Items classified as usable will be identified and held at the warehouse for a reasonable time to allow departments to inspect them for possible use. User departments are encouraged to visit the warehouse to view the items available.

V. Classification of Surplus Property

Items identified as surplus are classified as follows:

A. *Excess* - items without a useful purpose for a particular department, but which may be transferred to another department.

B. *Obsolete and surplus* - material that has no use to the city.

C. *Scrap* - items which have sale value for material content only.

D. *Junk* - items for destruction or abandonment that are unusable and have very little or no commercial value.
VI. **Methods of Disposal**

After items are classified, the best method of disposition must be determined. Depending on the nature of the item and the needs of other departments, items may be transferred or disposed of through public auction, sealed bids, posted prices, trade-in, destruction or abandonment, or donation. Items valued at less than $5,000 may be disposed of through direct price negotiations with potential buyers.

A. **Transfer**

The preferred method of disposition for an item no longer needed by a department is to transfer it to another department that needs it. The consolidated Warehouse will prepare and circulate a list of items available for transfer.

B. **Public Auction**

The auction method is the standard disposition method used by the city. Professional or online auctioneering services may be used to prepare and handle sales. Auctions should be publicly advertised and supplemented by the mailing of notices to regular bidders. After the auction is announced, interested parties should be able to inspect items either at the auction site or at the user department's location.

C. **Sealed Bids**

Property that cannot be transported to the site of an auction or which has failed to sell at an auction, or property which is otherwise inappropriate for auction sale, may be sold through bids on an individual item or lot basis. The invitation for bids should be issued to all persons or firms on the bidders' mailing list.

D. **Posted Prices**

Property that cannot be disposed of through auction or sealed bidding may be disposed of by posting a price and advertising it to the public.

E. **Trade-In**

In replacing obsolete equipment, it is sometimes advantageous to trade it in. Trade-in items are not required to be declared surplus. Obsolete, worn out, inactive, or uneconomical operating equipment may be traded in on the purchase of new equipment. If a determination has been made to trade in a particular piece of equipment, the invitation for bids for the replacement item should request bid prices with and without the trade-in and should allow for an award to be made either way. Items for trade-in must be fully described on the purchase requisition. The purchase order should show the price of the new equipment less the trade-in allowance.

F. **Destruction or Abandonment**

Property which is unusable and determined to have no commercial value, or property for which the cost of sale would exceed expected returns, may be destroyed or abandoned. Adequate documentation should be made and kept on file.
G. Donation

User departments may be given authorization to donate surplus property which remains unsold, or when the cost of handling the sale would exceed expected returns. Occasionally, it may be practical to donate rather than sell an item to a worthy non-profit organization. Donations must be approved on a case-by-case basis by the city council.

VII. City Council Approval

Any property sale with a value of $50,000 or more must have city council approval.

VIII. Procedures

A. Overview

1. All declared surplus assets or scrap, except for police forfeiture and seizure, that is no longer in service or was stolen, lost, damaged, returned or sold must be retired in the fixed asset system.

2. Arrangements for moving surplus property to the consolidated warehouse should be handled by the user department.

3. Upon receipt of surplus property, the consolidated warehouse will notify departments that the property is available for transfer.

4. When a surplus item is transferred from one department to another department, the fixed asset property record must be updated in the fixed asset system by the department making the transfer.

5. If the surplus property is not transferred, the property may be disposed of through one of the methods described in Section VII, "Methods of Disposal."

6. In general, proceeds from the sale will be submitted to the Purchasing and Materials Management Department for deposit into the fund from which the asset was acquired.

7. When an item is disposed of, the fixed asset property record is updated by the consolidated warehouse.

B. Documenting the Disposal of an Asset

1. If the asset is a complete PC system (CPU, monitor, keyboard and mouse) then the system, along with the system software, should be transferred to the Information and Communications Services Department (ICS) who will determine if the system can be reused within the city or needs to be disposed.

2. Desktop or laptop computers which have been determined to be obsolete for further city use may be sold to employees for personal use as a means of enhancing employee computer skills. Before any equipment
may be disposed of in this manner, the following steps must be followed:

a. The department-at-interest must declare that they have no further use for the equipment.
b. The chief information officer (or designee) must certify that the equipment is obsolete in terms of use elsewhere in the city.
c. The purchasing director should establish a minimum price for the equipment.
d. Items must be sold on a first-come, first-serve basis.
e. Equipment with an estimated value in excess of $300 may not be disposed of in this manner.
f. If ICS determines the asset to be unusable, it will need to be declared surplus and transferred to the warehouse.

3. All declared surplus items must be retired in the fixed asset system. In the fixed asset system, the asset must be transferred (except for automotive equipment handled by Fleet Management Department) to the location SURPLUS WAREHOUSE as the special retirement location for fixed assets that are to be retired. The asset must first be transferred to this location prior to the disposal. When an asset is declared surplus, it must be sent to the warehouse accompanied by one copy of the Asset Register Report.

4. The Asset Register Report must include: a description of the asset; the asset number; a statement regarding its condition; why the item is being disposed; if it’s computer related, a statement indicating that ICS has erased the applications and data from the hard drive; and the name, telephone number and e-mail address of the department's fixed asset coordinator.

5. If an asset has no asset tag, the fixed asset coordinator must prepare a memorandum signed by the department director. The memo must include: a description of the asset; why there is no asset tag; a statement regarding its condition; why the item is being disposed; and the name, telephone number and e-mail address of the department's fixed asset coordinator.

6. The department director or designee must sign the Asset Register Report.

7. The fixed asset coordinator must make one copy of the report, with notations and approvals, and attach it to the asset, then make arrangements to drop the asset off at consolidated warehouse.

8. The consolidated warehouse staff receiving the asset must date and time stamp the accompanying report, document where the asset was placed (i.e., dumpster, auction pallet, etc.); sign the report; and submit it to the Warehouse Supervisor for disposal and entry in the fixed asset system.

9. Once the asset has been properly disposed, the warehouse supervisor must return a receipt copy of the Asset Register Report to the
coordinator. The returned copy acknowledges receipt of the asset as well as identifies how the asset was disposed (i.e., sold as scrap, auctioned, put out to bid, destroyed, or sold at a posted price sale). The receipt copy of the report must be filed with the original.

C. Instructions for Warehouse Handling Surplus Assets

1. Surplus assets (which are not traded-in, transferred, donated or handled by fleet) should arrive at the warehouse a copy of the Asset Register Report attached to it. The report must provide the necessary details including:
   a. description of the asset and asset number;
   b. a statement regarding the condition of the asset and why it is being disposed of;
   c. if the asset is computer related, a statement indicating that ICS has erased the applications and data from the hard drive;
   d. name, telephone number, and email of department fixed asset coordinator and;
   e. the department director or designee signature.

2. The consolidated warehouse staff must determine if an item should be placed in the dumpster as scrap, placed on a pallet, accumulated with other items to be sent to the city’s contract auctioneer or photographed for bidding on the Internet.

3. The consolidated warehouse staff receiving the asset must:
   a. Time stamp the accompanying printout and indicate:
      (1) the date received
      (2) where the item was placed (i.e., dumpster, resale/reuse pallet, auction pallet, etc.)
   b. Sign the printout and submit it to the warehouse supervisor for approval and entry in the fixed asset system.

4. The Warehouse Supervisor will:
   a. Sign the printout as an acknowledgment and approval of where the asset was placed.
   b. The Warehouse Supervisor should retire the asset. See instructions for Retire Fixed Assets in the Oracle Fixed Assets User’s Manual located on the City’s intranet site.
   c. The copy is filed in the folder, labeled:
      (1) Dispositions FYXX - Month
   d. The warehouse supervisor will return the fixed asset printout to the department as a receipt.
   e. The warehouse supervisor should obtain a sales receipt or acknowledgment before the asset is released. File any related sales documentation or receipts in one of the preceding files.

D. Donating a City Asset
City council approval is required to donate surplus assets. Follow steps 1-9 in Section IX, “Documenting the Disposal of an Asset”, except do not send the asset to the warehouse. Once the asset has been prepared for disposal, its condition documented and department approvals obtained, information must be submitted to purchasing who will place it on the city council consent agenda for approval. A request is made to city council as follows:

1. The department director must obtain approval from the agency administrator or chief to donate the asset.

2. A request should be sent to purchasing with the specifics including:
   
   a. Make, model and age of the asset
   b. Description of any components included
   c. Book value of item in the fixed asset system
   d. An assessment of the condition of the asset
   e. Any other pertinent information

3. Include specific information on the donee:
   
   a. Name of non-profit’s executive director
   b. Organization’s name, address, telephone number and website, if any
   c. Official non-profit status (example: A501(c) 3)
   d. Organization’s official mission statement
   e. Non-profit’s FEIN (federal employer identification number)

4. Purchasing will prepare a consent agenda brief and forward it to legal who will prepare a resolution. The consent agenda brief with resolution is then submitted to the city clerk for inclusion on the city council consent agenda.

5. Once the donation of the asset is approved by city council and transferred to the donee, the department must get a signed acknowledgment on the non-profit’s letterhead or stationary.

IX. References

CHAPTER 14

Standards of Ethical Conduct

I. Purpose

This chapter contains ethical standards applicable to all participants in the city’s procurement process.

II. Scope

The ethical standards cover standards of ethical conduct including conflict of interest, gratuities and kickbacks, bid tampering and prohibited communication.

III. Policy Statement

Public employment is a public trust. City officials and employees must discharge their duties impartially in order to ensure fair, competitive access to City procurement by responsible contractors. Moreover, they shall conduct themselves in such a manner as to foster public confidence in the integrity of the City’s procurement process. To this end, City officials and employees shall have no interest, financial or otherwise, direct or indirect, nor engage in any business transaction or activities, nor incur any obligation of any nature, which is in conflict with the City Code or state or federal law. In addition, City officials and employees are expected to fully comply with all applicable ethical laws and to demonstrate the highest standards of personal integrity and to conduct their duties in ways that are free from the inference or perception that favorable treatment was sought, received or given, and to avoid any interest or activity which is in conflict with the conduct of official duties.

IV. General Standard of Ethical Conduct

A. Ethical Standards for City Employees. Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employee’s duties is a breach of a public trust.

B. Ethical Standards for Non-Employees. Any effort to influence any City official or employee to breach the standards of ethical conduct set forth in this chapter is also a breach of ethical standards.

C. Conflict of Interest. It shall be a breach of ethical standards for any City official or employee to participate directly or indirectly in a procurement when the employee knows that:

1. the employee or any member of the employee’s immediate family has a financial interest pertaining to the procurement;

2. a business or organization in which the employee, or any member of the employee’s immediate family, has a financial interest pertaining to the procurement; or
3. any other person, business, or organization with whom the employee or any member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

D. Gratuities. It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor.

E. Kickbacks. It is hereby prohibited for any payment, gratuity, or offer of employment to be made to a City official or employee, by or on behalf of, a potential vendor, contractor or subcontractor, or any person associated with a particular solicitation or award, as an inducement for an award or order.

F. Contingent Fees. It shall be a breach of ethical standards for a person or entity to be retained, or to retain a person, to solicit or secure a City contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

G. Bid Tampering.

1. It is unlawful for a City official or employee, with corrupt intent to influence or attempt to influence the City’s competitive bidding process undertaken for the procurement of commodities or services, to:
   (a) Disclose material information concerning a bid or other aspects of the competitive bidding process when such information is not publicly disclosed;
   (b) Alter or amend a submitted bid, documents or other materials supporting a submitted bid, or bid results for the purpose of intentionally providing a competitive advantage to any person who submits a bid.

2. It is unlawful for a City official or employee, with corrupt intent to obtain a benefit for any person or to cause unlawful harm to another, to circumvent a competitive bidding process required by law or rule by using a sole-source contract for commodities or services.
H. **Prohibited Communication.**

1. *Intent.* It is the intent of this section to prevent respondents, their agents and representatives, from having unauthorized communications with City departments, divisions, the Mayor, elected officials and their staff, selection committee members, and City employees during competitive procurements.

2. *Prohibited Communication Period.* To protect the integrity of the solicitation process, a prohibited communication period is hereby established for competitive solicitation processes, including invitations for bids, requests for proposals and requests for quotations. The prohibited communication period shall commence at the time of the issuance of the solicitation and terminate when a contract is fully executed, unless otherwise set forth in a solicitation. During the prohibited communication period, all contacts and communications by a respondent, or potential respondent, and their representatives and agents regarding a solicitation shall be directed to the Procurement Department in the manner provided in the solicitation, except as may otherwise be provided in the Procurement Code, authorized by the terms of a particular solicitation, or authorized by the Mayor or Procurement Director.

3. *Violations.* Prohibited contact or communications during the prohibited communication period may result in disqualification from the solicitation process, rejection of the solicitation, or termination of any resulting contract as determined by the Mayor or Procurement Director. In addition, prohibited contact or communications shall also be grounds for suspension and debarment of a respondent or potential respondent.

I. **Restrictions and Prohibitions**

It shall be a breach of ethical standards for:

1. a person to be retained to solicit or secure a City contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of *bona fide* employees or *bona fide* established commercial selling agencies for the purpose of securing business;

2. any City employee participating directly or indirectly in the procurement process to hold contemporaneous employment with any person or entity contracting with the City;

3. any former employee to act as a principal or an agent for anyone other than the City in connection with any contract in which the employee participated personally and substantially and where the City is a party or has a direct and substantial interest;
4. any former employee, within one year after cessation of their official responsibility, to act as a principal, or an agent for anyone other than the City in connection with any contract, in matters which were within their former official responsibility, where the City is a party or has a direct or substantial interest;

5. a business in which an employee has a financial interest knowingly to act as a principal, or as an agent for anyone other than the City, in connection with any contract in which the employee either participates personally and substantially or which is the subject of the employee’s official responsibility, where the City is a party or has a direct and substantial interest;

6. any former employee engaged in selling or attempting to sell supplies, services, or construction to the City for one year following the date employment ceased;

7. any employee or former employee using confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

V. Sanctions

To the extent that violations of the ethical standards of conduct set forth in this chapter constitute violations of F.S. Chapter 838 they shall be punishable as provided therein. Such sanctions shall be in addition to any civil remedies set forth in F.S. Chapter 112, Part III.
CHAPTER 15

UNIFORM GUIDANCE FOR FEDERAL AWARDS

I. Purpose

It is the purpose of this chapter to describe the Uniform Guidance for Federal Awards.

II. Scope


2. Section 200.110 of the Uniform Guidance states that non-Federal entities may continue to comply with the procurement standards in previous OMB guidance, instead of the procurement standards found in the Uniform Guidance, for three fiscal years after December 26, 2014. The City of St. Petersburg (City) will take steps to ensure that the procurement standards found in the Uniform Guidance are properly implemented and effective on October 1, 2018.

3. Uniform Guidance significantly reforms federal grant making to focus resources on improving performance and outcomes. The intent is to reduce administrative burdens for grant applicants and recipients and reduce the risk of waste, fraud, and abuse.

4. Procurement guidance is specifically located in Sections 2 CFR 200.317-200.326. This guidance focuses on increased competition and transparency in the procurement process. The City will implement best practices to meet the requirements mentioned in Sections 2 CFR 200.317-200.326.

III. Policy

A. General Procurement Standards

1. The City maintains its own documented procurement procedures that reflect local and state laws and regulations, provided that the procurement conforms to applicable Federal laws.

2. The City must maintain oversight to ensure all work is being performed in accordance with contracts or purchase orders.

3. The City must maintain written standards of conduct covering conflicts of interest.
4. The City must avoid unnecessary or duplicative items.

5. Foster greater economy and efficiency. In accordance with efforts to promote cost-effective use of shared services across the Federal government, the City is encouraged to enter into state and local inter-governmental agreements, or inter-entity agreements, where appropriate for procurement, or use of common or shared goods and services.

6. The City is encouraged to use Federal excess and surplus of property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

7. The City is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic analysis of each contract to ensure essential functions are provided at the overall lower cost.

8. Contracts must be awarded only to responsible contractors possessing the ability to perform the terms and conditions of the proposed procurement.

9. The City must maintain sufficient records to detail the history of procurement, which includes but not be limited to: rationale of procurement, selection of contract type, contractor selection or rejection, and basis for price.

10. The City may use time and material type contracts only after a determination that no other contracts are suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.

11. The City must be responsible, in accordance with good administrative practice and sound business judgement, for the settlement of all contractual and administrative issues arising out of procurements.

B. Competition

1. All procurement transactions must be conducted in a manner providing full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to:
   a. Placing unreasonable requirements on firms in order for them to qualify;
   b. Requiring unnecessary experience and excessive bonding;
   c. Noncompetitive pricing practices between firms or between affiliated companies;
   d. Noncompetitive contracts to consultants on retainer;
   e. Organizational conflicts of interest;
   f. Specifying only a “brand name,” instead of allowing “an equal” product to be offered;
   g. Any arbitrary action in the procurement process.
2. The City must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals; except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.

3. The City must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
   a. Incorporate a clear and accurate description of technical requirements for materials, products and/or services to be procured;
   b. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

4. The City must ensure all prequalified lists that are used for acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Additionally the City must not preclude potential bidders from qualifying during the solicitation period.

C. Methods of Procurement

The City must use one of the following methods of procurement:

1. *Micro Purchases* – Acquisition of supplies or services, the aggregate dollar amount of which does not exceed $3,000 (or $2,000 in the case for construction subject to the Davis-Bacon Act). To the extent practicable, the City must distribute micro-purchases equitably among qualified suppliers.

2. *Small Purchases* – Purchases which do not meet the Simplified Acquisition Threshold ($150,000) 2 CFR 200.88. A proper number of rate quotations must be obtained from an adequate number of qualified vendors.

3. *Sealed Bids* – Bids are publicly solicited and a firm-fixed-price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

4. *Competitive Proposals* - Conducted with more than one source submitting an offer, where either a fixed-price or cost-reimbursement type of contract is awarded. Generally used when conditions are not appropriate for the use of sealed bids. Only used if conditions do not allow for a sealed bid.

5. *Non-Competitive Proposal* – Proposal from one source and may be used only when one or more of the following circumstances apply:
   a. Item available only from a single source;
   b. Public exigency or emergency will not permit delay resulting from competitive solicitation;
   c. Federal awarding agency or pass-through entity authorizes.
   d. After solicitation of a number of sources competition is determined to be inadequate.
D. Contracting with Small and Minority Businesses, Women’s Business Enterprise, and labor surplus area firms

1. The City must take all necessary affirmative steps to ensure that Small and Minority Businesses, Women’s Business Enterprise, and labor surplus area firms are used whenever possible.

2. Affirmative steps must include:

   a. Placing qualified Small, Minority, and Women’s Business Enterprises on solicitation lists;
   b. Assuring Small, Minority, and Women’s Business Enterprises are solicited whenever they are potential sources;
   c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to allow maximum participation by Small, Minority, and Women’s Business Enterprises;
   d. Establishing delivery schedules, where the requirement permits, which encourage participation by Small, Minority, and Women’s Business Enterprises; using services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency, or the Department of Commerce; requiring the prime contractor, if subcontractors are to be let, to take affirmative steps listed in (1) through (5) of this section.

E. Procurement of recovered materials

The City is a political subdivision of the State of Florida and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, which includes:

   a. Procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable; consistent with maintaining a satisfactory level of competition; where the purchase price of the item exceeds $10,000, or the value of the quantity acquired by the preceding fiscal year exceeded $10,000.
   b. Procuring solid waste management services in a manner that maximizes energy and resource recovery.
   c. Establishing an affirmative procurement program for the procurement of recovered materials identified in the EPA guidelines.
F. Contract cost and price

1. The City must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold ($150,000) 2 CFR 200.88, including contract modifications.

2. The City must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed.

3. Cost or price based on estimated costs for contracts under the Federal Award are allowable only to the extent that costs incurred, or estimates included in the negotiated prices, would be allowable for the City under 2 CFR 200 E – Cost Principles.

4. The City must not use cost-plus-a-percentage-of-cost and the percentage of construction cost method of contracting.

G. Federal awarding agency or pass-through entity review

1. The City must make available upon request from a Federal or pass-through entity technical specifications on proposed procurements where a Federal or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.

2. The City must make available upon request from a Federal or pass-through entity pre-procurement review procurement documents, such as requests for proposals, invitations for bid, or independent cost estimates, when:
   a. The City’s procurement procedures or operation fails to comply with procurement standards.
   b. Procurement is expected to exceed the Simplified Acquisition Threshold ($150,000) 2 CFR 200.88 and is awarded without competition, or only one bid, or an offer is received after solicitation.
   c. Procurement is expected to exceed the Simplified Acquisition Threshold ($150,000) 2 CFR 200.88, or specifies a “brand name” product.
   d. Proposed contract is more than the Simplified Acquisition Threshold ($150,000) 2 CFR 200.88 and is awarded to other than the apparent low bidder under a sealed bid procurement.
   e. Proposed contract modification changes the scope or increases the amount of the contract by more than the Simplified Acquisition Threshold ($150,000) 2 CFR 200.88.

3. The City is exempt from pre-procurement review in (b) if the Federal awarding agency or pass-through determines the procurement system complies with the standards in this section.
   a. The City may request its procurement system be reviewed by the Federal awarding agency or pass-through to determine if its system meets these standards, in order for its system to be certified.
b. The City can self-certify the system but it cannot limit the Federal agency’s rights to survey the system.

H. Bonding requirements

The City may accept a bonding policy for construction of facility contracts exceeding the simplified acquisition threshold if the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such determination has not been made, the below minimum requirements must be met:

1. A bid guarantee from each bidder equivalent to the five percent of the bid price. The “bid guarantee” must consist of a firm commitment, such as:
   a. Bid bond;
   b. Certified check; or
   c. Other negotiable instrument.

4. A performance bond on the part of the contractor for 100 percent of the contract price.

5. A payment bond on the part of the contractor for 100 percent of the contract price.

I. Contract provisions

The City’s contracts must contain the applicable provisions described in Appendix II to Part 200 - Contract Provisions for non-Federal Entity Contracts Under Federal Awards.