Procurement User Guide

Issued by:

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Purchasing and Materials Management

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Purchasing User Guide

Purpose

It is the purpose of this user guide to describe in general terms the policies and procedures for purchasing supplies and services. It is a general guide and may not answer all your questions. If you need more comprehensive information please read the Purchasing and Materials Policy and Procedures Manual. All policies and procedures described in this guide are in accordance with the St. Petersburg City Code Chapter 2, Article V, Division 3, Procurement Code, Section 2-232.

Mission Statement

Our mission is to procure supplies and services for our customers at the best value utilizing innovative supply-chain practices and technology.

Our vision is to be recognized by our customers as a value-added resource for obtaining supplies and services.

Our values:

- Customer Focused
- Professional & Ethical
- Honesty & Integrity
- Accountable & Socially Responsible
- Effective

Definitions

Below is a list of terms used in this user guide:

Award The presentation, after careful consideration, of a purchase agreement or contract to the selected bidder or offeror.

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.

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.

Source Selection The method used to determine the supplier of goods or services. Methods of source selection: Competitive Sealed Bidding; Multi-Step Sealed Bidding; Competitive Sealed Proposals; Small Purchases; Sole Source/Non-Competitive Negotiations; and Emergency Purchases.

Specification A description of the physical or functional characteristics or the nature of a supply, service, or construction item; the requirements to be satisfied by a product, material or process indicating, if appropriate, the procedures to determine whether the requirements are satisfied.
Professional Services

Professional services shall mean professional engineering, architectural, landscape architectural, registered land surveying, brokerage and financial investing, accounting, auditing and medical services.

Responsibilities

The purchasing process begins with the determination of need and ends with the payment of the invoice. The following responsibilities and activities form the purchasing process:

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>RESPONSIBILITY AND ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requesting Department</td>
<td>• Determine need</td>
</tr>
<tr>
<td></td>
<td>• Prepare purchase request in iProcurement</td>
</tr>
<tr>
<td></td>
<td>• Director or designee approves purchase request (purchases &lt; $10,000 iProcurement auto creates a purchase order. Purchases &gt; $10,000 are send to purchasing for processing)</td>
</tr>
<tr>
<td>Budget</td>
<td>• Approve all purchase requisitions &gt; $10,000</td>
</tr>
<tr>
<td>Purchasing</td>
<td>• Receive and review purchase request &gt; $10,000</td>
</tr>
<tr>
<td></td>
<td>• Assign requisition to a Procurement Analyst</td>
</tr>
<tr>
<td></td>
<td>• Determine procurement method</td>
</tr>
<tr>
<td></td>
<td>• Solicit formal sealed bids or proposals for purchase &gt; $50,000</td>
</tr>
<tr>
<td></td>
<td>• Receive and evaluate quotes, bids or proposals</td>
</tr>
<tr>
<td></td>
<td>• Award and prepare the purchase order and/or contract</td>
</tr>
<tr>
<td></td>
<td>• Approve and distribute purchase order</td>
</tr>
<tr>
<td>City Council</td>
<td>• Approve awards &gt; $100,000</td>
</tr>
<tr>
<td>Vendor</td>
<td>• Ship product or perform service</td>
</tr>
<tr>
<td></td>
<td>• Submit invoice to requesting department for payment</td>
</tr>
<tr>
<td>Requesting Department</td>
<td>• Receive and inspect product or service</td>
</tr>
<tr>
<td></td>
<td>• Receive item in Oracle iProcurement</td>
</tr>
<tr>
<td></td>
<td>• Enter invoice for payment in Oracle AP module</td>
</tr>
<tr>
<td></td>
<td>• Match PO, receiving report and invoice and submit to Finance for payment</td>
</tr>
</tbody>
</table>

Policies

Ethical Standards

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:

- 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.
- No employee acting as a purchasing official, purchasing manager or Procurement Analyst 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, and lease or sell any supply or service to the City.
Purchase Requisition

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. 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.

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:

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

Competitive Sealed Proposals  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.

Small Purchases  Small purchases under $50,000 which are not accomplished through either a blanket purchase agreement or use of a purchasing card are solicited in the following manner:

<table>
<thead>
<tr>
<th>Under $5,000</th>
<th>$5,000 - $9,999</th>
<th>$10,000 - $49,999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best quote</td>
<td>Three telephone quotes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Five written, facsimile or electronic quotes</td>
<td></td>
</tr>
</tbody>
</table>

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.

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.

City Council Approval

All purchases of $100,000 or more, or change orders over $25,000 shall be approved by the 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.
Awards

Bids and proposals will be evaluated on the following basis:

**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.

**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.

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

Specifications

Specifications should 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.

**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 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.

**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, exception for construction, where annual sales must be less than $5 million dollars.
The Purchasing Cycle

The normal purchasing cycle begins with the requisition of supplies or services by a requesting department and ends with a payment to the vendor. Between these two points, certain commonly accepted practices must be followed. A flowchart, as shown in Exhibit 1 The Purchasing Cycle, diagrams these procedures. The flowchart also shows the role each function plays in the process.

Source Selection Procedures

The Procurement Analyst determines the method of source selection based on the amount of the purchase and/or how technical or complex the supplies or services to be procured. The source selection methods are small purchases, competitive sealed bids, competitive sealed proposals, multi-step sealed bidding, sole source/non-competitive negotiations and emergency. Descriptions of each of these methods follow.
Small Purchases -- Under $10,000

User Departments are authorized to make purchases under $10,000 in the following manner.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Method</th>
<th>Who</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $3,000</td>
<td>Purchasing Card</td>
<td>Card Holder</td>
</tr>
<tr>
<td>$3,001 to $4,999</td>
<td>Best Quote</td>
<td>Departments</td>
</tr>
<tr>
<td>$5,000 to $9,999</td>
<td>3-telephone quotes</td>
<td>Departments</td>
</tr>
</tbody>
</table>

Small Purchases -- $10,000 to $49,999

Purchases over $10,000 require a minimum of five written requests for quotations. The procedure is as follows:

1. A minimum of five written quotes are solicited.
2. As quotes are received, they are tabulated and evaluated.
3. The lowest and best quote is selected and an award made.
4. A Purchase Order (PO) is prepared and issued to the vendor via email, facsimile or mail.
5. To view the PO, see Oracle Purchasing Inquiry.

Competitive Sealed Bids

For purchases over $50,000, the competitive sealed bidding process is required. The procedure is as follows:

1. The Procurement Analyst prepares an invitation for bids (IFB) and a bidders list.
2. A public notice or notice to bidders is published in a newspaper of general circulation.
3. The IFB is solicited from all prospective bidders in the City's vendor database from vendors registered for that commodity or service.
4. As bids are received, they are secured and opened at the time and date designated in the IFB.
5. Bids are tabulated, evaluated and the lowest responsive and responsible bidder is selected.
6. If the purchase exceeds $100,000, City Council approval is required.
7. A purchase order and/or contract is prepared and issued to the successful bidder.
8. Copies of the contract are forwarded to the City Clerk's office and the requesting department.

Competitive Sealed Proposals

When competitive sealed bidding is neither practicable nor advantageous to the City, as is the case for highly technical products of complex services, competitive sealed proposal method is used. Depending on the complexity of the supply or service to be purchased, an evaluation team may be formed to handle the procurement. The procedure is as follows:

1. The requesting department prepares the technical specifications or statement of work which is reviewed by the evaluation team.
2. The Procurement Analyst and/or the evaluation team reviews the technical specifications or statement of work, prepares the evaluation criteria and schedule with milestones.
3. The Procurement Analyst prepares the RFP documents and a list of prospective offerors.
4. A public notice or notice to offerors is published in a newspaper of general circulation.
5. The RFP is solicited from all prospective offerors on the mailing list.
6. As proposals are received, they are secured and opened at the time and date designated for the closing.
7. Proposals are evaluated by the evaluation team and classified as acceptable or unacceptable. At this time, an award may be made to the lowest acceptable offeror. If an award is made, the unsuccessful offerors are notified and offered a debriefing. If no award is made, then the competitive range is determined.
8. Acceptable offers in the competitive range may be invited to make oral presentations or participate in written discussion (negotiation).
9. After discussion is completed, best and final offers (BAFO) are requested.
10. The BAFOs are evaluated and the award made to 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.
11. If the purchase exceeds $100,000, City Council approval is required.
12. A purchase order and/or contract is prepared and issued to the successful offeror.
13. Copies of the contract are forwarded to the City Clerk’s office and the requesting department.
14. Unsuccessful offerors are notified and offered a debriefing.

Multi-step Sealed Bidding

Multi-step sealed bidding may be used when available specifications or purchase descriptions are not definite or complete to permit an award based on price. This process is done in two phases. In phase one offerors are asked to submit unpriced technical offers. Acceptable offerors from phase one are invited to submit priced sealed bids in phase two. The procedure is as follows:

1. The requesting department prepares a purchase description or statement of work that is reviewed by the Procurement Analyst.
2. The Procurement Analyst prepares a request for unpriced technical offers and a list of prospective offerors.
3. A public notice or notice to offerors is published in the newspaper.
4. Unpriced technical offers are solicited from all prospective offerors on the mailing list.
5. As unpriced technical offers are received, they are secured and opened at the time and date designated for the closing.
6. The Procurement Analyst, along with the requesting department, evaluates the offers and categorizes them as (a) acceptable; (b) potentially acceptable; or (c) unacceptable.
7. The Procurement Analyst and the requesting department record in writing the reasons why an offer is unacceptable and notifies unacceptable vendors accordingly.
8. Discussions may be conducted with any offeror who submits an acceptable or potentially acceptable technical offer during the course of such discussion.
9. 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.
10. 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.
Sole Source Purchases

A contract may be awarded without competitive bidding if it is determined in writing that there is only one source for the required supply or service. For purchases of $100,000 or more, City Council’s approval is required before entering into a contract. The procedure is as follows:

1. The requesting department prepares a purchase request along with a written sole source justification.
2. The Procurement Analyst reviews the sole source request and determines in writing, after conducting a good faith review of available sources, that there is only one source for the required supply or service.
3. The Procurement Analyst requests a technical and cost proposal from the sole source vendor and conduct negotiations, as appropriate, as to price, delivery, and terms.
4. When an agreement is reached, if acceptable, an award made.
5. If the purchase exceeds $100,000, City Council approval is required.
6. A purchase order and/or contract is prepared and issued.
7. Copies are forwarded to the requesting department and City Clerk.

Emergency

When an emergency is declared by the Mayor or designee, purchases for the supplies or services over $10,000 must be made under the following procedures:

1. During normal working hours, the requesting department must obtain written approval from the Mayor or designee, before making the purchase.
2. The requesting department must provide created a requisition in iProcurement, along with 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 must be accompanied by written authorization from the Mayor or designee.
3. Purchasing, immediately after receiving this information, may purchase the supply or service or delegate to the requesting department the responsibility for purchasing the supply or service. In this case, Purchasing will issue a purchase order number to the requesting department.
4. If the purchase is for construction services exceeding $200,000, Purchasing must require the contractor to provide a performance and payment bond as well as the required insurance certificates.
5. After normal working hours, the requesting department may proceed with the procurement and inform Purchasing on the next working day. Immediately following the procurement, the requesting department shall prepare a purchase requisition along with written approval from the Mayor or designee.
6. The requesting department must prepare and submit to Purchasing written determination stating the circumstances surrounding the emergency and the selection of the supplier.
7. Purchasing will issue a purchase order documenting the emergency.
8. Emergency purchases 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 ratification and approval.
Purchasing Exceptions

In accordance with the *St. Petersburg City Code Chapter 2, Article V, Division 3, Procurement Code Section 2-232*, the provisions of this guide shall not apply to:

- the purchase of groceries, foodstuffs, alcoholic beverages and expendable items of supplies used in connection with a restaurant or lounge business operated by the City;
- the purchase of merchandise for resale in City-operated retail shops;
- the leasing of concessions within City buildings;
- expert witness and other legal services procured through the City Attorney’s Office in furtherance of anticipated or pending litigation;
- professional services;
- artistic services or works of art; and
- purchases of goods and services used in connection with the acquisition (including acquisition through means other than direct purchase), demolition, new construction, rehabilitation, marketing and maintenance of properties identified in the Neighborhood Housing Strategy.

Non-PO Payment Requests

Below is the list of 'Categories' that can be paid without an existing Purchase Order.

- Cash awards, co-sponsored events, contest and talent show winners
- Taxes, including alcoholic beverage, licensing and fuel tanks
- Training reimbursements
- Utilities (electric, gas, telephone service, water)
- Refunds
- Travel advancements & reimbursements
- Filing fees
- Housing subsidies (rent, relocation fees, Federal programs)
- Subscriptions to newspapers, magazines, professional memberships, conference registrations, professional certifications and licenses and banquets (not accepting Purchasing Cards)
- Petty cash replenishment
- Change (for cashiers)
- Arbitrators, expert witness fees
- Claims
- Investigative services
- Unclaimed cash
- Down payment for special Housing programs
- Shipping/Mailing Services – Fed Ex, UPS, USPS
- Federal funds to sub-recipient agencies
- Homeowner escrow accounts for rehabilitation loans
- Fee Instructors and sports officials such as referees
- Police resource center grants
- State assessment for workers’ compensation
- Reserve Officers Uniform Cleaning
- Lost book invoices
- Disposal of debris at Pinellas County Utilities Department of Solid Waste