



City of Palatka

PURCHASING POLICY

Adopted 10/01/22

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Section 1. List of Definitions

A. **Agreement:**

1. An understanding, usually in writing, between two or more competent parties, under which one party agrees to certain performance as defined in the agreement and the second party agrees to compensation for the performance rendered in accordance with the conditions of the agreement. Agreements and contracts are sometimes used synonymously.
2. A legally binding promise, enforceable by law.
3. An agreement between parties with binding legal and moral force, usually exchanging goods or services for money or other consideration.

B. **Award:** An award on a quote, bid, or proposal for which the City Commission has lawfully appropriated funds.

C. **Bid:** Formal written offer of a price by a vendor to the City to furnish specific goods and/or services in response to an Invitation to Bid.

D. **Change Order:** A written order that is issued by the City directing the Contractor to change contract amount or time within the scope of the contract in accordance with the contract's terms allowing changes by the City to be made with the consent of the Contractor or, when authorized by contract, to issue such change order unilaterally without the consent of the Contractor.

E. **Emergency Purchases:** Procurement that is made in response to a requirement when the delay incident for complying with all governing rules, regulations, and procedures would be detrimental to the health, safety, and welfare of the City and/or its citizens and includes immediate repairs that are needed to prevent further damage to public property.

F. **Invitation to Bid (ITB):** The solicitation for competitive sealed Bids for goods and/or services for which the scope of work, specifications or contractual terms and conditions can be reasonable and closely defined.

G. **Local Preference:** Procurement laws mandating that bid prices for a preferred class of bidders be given special consideration when comparing their bid prices with those of other bidders not in the preferred class, i.e., "local" suppliers may be given a bid preference over suppliers that are not defined as "local."

- H. **Piggyback:** Form of intergovernmental cooperative purchasing in which an entity will be extended the pricing and other terms of a contract entered into with another entity. Generally, a larger entity will competitively award a contract that will include language allowing other entities to utilize the contract, which may be to their advantage in terms of pricing, thereby gaining economies of scale that they normally would not receive if they competed on their own.
- I. **Procurement:** Buying, purchasing, renting, leasing or otherwise acquiring any goods or services for public purposes in accordance with the laws, rules, regulations, and procedures intended to provide for the economic expenditure of public funds. It includes, but is not limited to, all functions that pertain to obtaining any supplies, materials, equipment and/or services including construction projects.
- J. **Professional Services:** Those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the State of Florida, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice, the acquisition of which is pursuant to Florida Statute 287.055.
- K. **Proposals:** An executed formal document submitted to the City stating the good(s) and/or service(s) offered to satisfy the need requested in the Request for Proposals or Request for Statement of Qualifications.
- L. **Purchase Order:** The City's document used to authorize a purchase transaction with a vendor.
- M. **Quotation:** A statement of price, terms of sale, and description of goods or services offered by a supplier that will not exceed \$25,000.00.
- N. **Request for Proposal (RFP):** A solicitation for Proposals for goods and/or services for which the scope of work, specifications or contractual terms cannot reasonably be closely defined. Evaluation of Proposals is based on stated criteria and the RFP shall state the relative importance of all evaluation factors. Other factors may be considered as stated in the RFP.
- O. **Single Source:** A procurement decision whereby purchases are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.

- P. **Sole Source:** Selection of one particular supplier to the exclusion of all others. This decision may be based on lack of competition, proprietary technology, copyright, or a supplier's unique capability. In government procurement, a sole source justification may be required from the requestor.

Section 2. Introduction

Purpose of the Purchasing Policy

The purpose of this Purchasing Policy is to serve as the approved source of instruction on purchasing policies and procedures for the purchase, procurement, and acquisition of goods and/or services. It also serves as the official reference document on purchasing questions and issues.

Applicable Laws, Regulations, and Rules

Compliance with City of Palatka Ordinances, Florida Statutes, the Florida Administrative Code, Federal Procurement Regulations, and the Uniform Commercial Code, when and where applicable, with compliance with the strictest of the rules that pertain, is made a specific requirement of all procedures covered in this policy even though they may not be stated specifically. If cooperative agreement has stringent rules and regulations, City will follow when and where applicable, with compliance with the strictest of the rules that pertain, is made a specific requirement of all procedures covered in this policy even though they may not be stated specifically.

The Sunshine Law:

- a. Florida's Government-in-the-Sunshine law provides a right of access to governmental proceedings at both the state and local levels. It applies to any gathering of two (2) or more members of the same board to discuss some matter that will foreseeably come before that board for action. There is also a constitutionally guaranteed right of access.
- b. The Sunshine Law requires that: 1) meetings of boards or commissions be open to the public; 2) reasonable notice of such meetings be given; and 3) minutes of the meeting be taken.
- c. The Sunshine Law applies to all discussions, deliberations, and formal actions taken by a board or commission. The Law, in essence, is applicable to any gathering, whether formal or casual, of two (2) or more members of the same board or commission to discuss some matter on which foreseeable action will be taken by the board or commission. There is no requirement that a quorum be present for a meeting to be covered under the Law.
- d. There are a limited number of exemptions which would allow a public agency to close a meeting. These include, but are not limited to, meetings of an agency negotiating team to discuss negotiation strategies or to negotiate with a vendor pursuant to a competitive solicitation subject to certain statutory requirements, certain discussions with the City Attorney over pending or threatened litigation, and portions of collective bargaining sessions.
- e. Members of a public board or commission are not prohibited under the Sunshine Law from meeting together socially, provided that matters which may come before the board or commission are not discussed at such gatherings.
- f. Selection Committee members and advisors are subject to the Sunshine Law. During the evaluation process, the Selection Committee members shall not have any communication

regarding any aspects of the topic with each other, unless the meeting was publicly noticed in accordance with the Law.

Section 3. Local Preference

Policy

It shall be the policy of the City that vendors located in the City of Palatka and then Putnam County shall be given preference in the procurement process, unless otherwise prohibited or waived by the City Manager. The City strives to use local vendors whenever practicable and possible. The Local Bidder (must meet definition below) shall be entitled to match the lowest qualified bid and be considered the lowest bidder by giving written notice to that effect to the City by 3:00 p.m. on the third business day after the bid opening.

Definition

The term City Vendor or Putnam County Vendor means any business:

1. Having a physical location within the boundaries of the City of Palatka or Putnam County for at least 12 months immediately prior to the issuance of the request for Quotes, Bids or Proposals;
2. Holding any business licenses required by the City, if applicable; and
3. Employing at least one full time employee or two part-time employees whose primary residence is in the City of Palatka or Putnam County. If the business has no employees, the business shall be at least fifty percent owned by one or more persons whose primary residence is in the City of Palatka or Putnam County.

Notice

Any procurement for purchases over \$25,000.01 or more by the City to which the provisions of this section are being applied shall contain a statement that a local preference will be used in the evaluation and award of that purchase. When local preference will apply, it is the vendor's responsibility to request Local Preference by submitting a completed Local Preference Affidavit with its sealed bid or proposal indicating if they are selecting City of Palatka Local Preference or Putnam County Local Preference.

For City purchases \$25,000.00 or less, it is the vendor's responsibility to request Local Preference by submitting a completed Local Preference Affidavit with its sealed bid or proposal indicating if they are selecting City of Palatka Local Preference or Putnam County Local Preference.

Affidavit Certification

Any vendor claiming to be a City of Palatka Vendor or Putnam County Vendor shall deliver a written affidavit to the City of Palatka General Services Department. The General Services Department shall verify the accuracy of any such affidavit when determining whether a vendor

meets the definition of a City of Palatka Vendor or Putnam County Vendor. The affidavit shall certify that the business meets the definition of a City of Palatka Vendor or Putnam County Vendor , shall provide all necessary information establishing that fact, and shall be signed under penalties of perjury. It is the responsibility of any vendor claiming to be a City of Palatka Vendor or Putnam County Vendor to include a copy of its affidavit with its quote, bid, or proposal. Failure to submit shall constitute a waiver of the vendor's ability to exercise Local Preference in the procurement.

Exceptions to Local Preference Policy

1. The procurement preference set forth in this policy shall not apply to any of the following:
 - a. Purchases or contracts which are funded, in whole or part, by assistance of any federal, state, or local agency that disallows local preference.
 - b. Purchases or contracts that are funded, in whole or part, by a governmental entity and the laws, regulations or policies governing such funding prohibit application of local preference.
 - c. Goods or services purchased under a cooperative purchasing agreement, state contract or interlocal agreement.
 - d. Contracts for professional services, procurement of which is subject to the Consultants' Competitive Negotiation Act (CCNA) or subject to any competitive consultant selection policy or procedure adopted or utilized by the City Commission.
 - e. Purchases made or contracts let under emergencies or retainer agreements for legal services.
2. Application of local preference to a particular purchase may be waived upon written justification to and approval by the City Manager.
3. The local preference established in this policy does not prohibit or lessen the right of the City Commission or City staff to compare quality or fitness for use of supplies, materials, equipment, and services proposed for purchase and to compare qualifications, character, responsibility, and fitness of all persons and vendors submitting Quotes, Bids or Proposals.
4. The local preference established in this policy does not prohibit the City Commission from giving any other preference permitted by law, in addition to the local preference authorized in this policy.

Section 4. Women/ Minority Business Enterprises (W/MBE) Vendor Preference

Policy

It shall be the policy of the City that W/MBE vendors may be given preference in the procurement process, after local vendors were given preference, unless otherwise prohibited or waived by the City Manager. The City strives to use Women/ Minority Business Enterprises vendors whenever practicable and possible. Women/ Minority Business Enterprises (must meet designation below) shall be entitled to match the lowest qualified bid and be considered the lowest bidder by giving written notice to that effect to the City by 3:00 p.m. on the third business day after the bid opening. In the event the lowest bidder has filed Local Preference, Local Preference will supersede the W/MBE Vendor preference.

Notice

Any procurement for purchases over \$25,000.01 or more by the City to which the provisions of this section are being applied shall contain a statement that a vendor preference will be used in the evaluation and award of that purchase. When W/MBE preference will apply, it is the vendor's responsibility to request W/MBE Preference by submitting a valid W/MBE Certification with its sealed bid or proposal.

For City purchases \$25,000.00 or less, it is the vendor's responsibility to request W/MBE Preference by submitting a completed W/MBE Certification with its quotation.

Certification

Any vendor claiming to be a W/MBE shall deliver certification to the General Services Department. The General Services Department shall verify the accuracy of any certifications when determining whether a vendor meets the definition of a W/MBE. It is the responsibility of any vendor claiming to be W/MBE to include a valid certification with its quote, bid, or proposal. Failure to submit such certification shall constitute waiver of the vendor's ability to exercise W/MBE vendor preference in the procurement.

Designation: In order for a vendor to be designated as a W/MBE, a valid W/MBE Certification from one of the following must be submitted:

- a. Florida Minority Supplier Development Council
- b. Women Business Enterprise National Council
- c. The State of Florida Office of Supplier Diversity
- d. Florida Department of Transportation
- e. U. S. Small Business Administration
- f. Federal Aviation Authority

Exceptions to W/MBE Vendor Preference Policy

1. The procurement preference set forth in this policy shall not apply to any of the following:

- a. Purchases or contracts which are funded, in whole or part, by assistance of any federal, state, or local agency that disallows W/MBE vendor preference.
- b. Purchases or contracts that are funded, in whole or part, by a governmental entity and the laws, regulations or policies governing such funding prohibit application of W/MBE vendor preference.
- c. Goods or services purchased under a cooperative purchasing agreement, state contract or interlocal agreement.
- d. Contracts for professional services, procurement of which is subject to the Consultants' Competitive Negotiation Act (CCNA) or subject to any competitive consultant selection policy or procedure adopted or utilized by the City Commission.
- e. Purchases made or contracts let under emergencies or retainer agreements for legal services.

2. Application of W/MBE vendor preference to a particular purchase may be waived upon written justification to and approval by the City Manager.

3. The W/MBE vendor preference established in this policy does not prohibit or lessen the right of the City Commission or City staff to compare quality or fitness for use of supplies, materials, equipment, and services proposed for purchase and to compare qualifications, character, responsibility, and fitness of all persons and vendors submitting Quotes, Bids or Proposals.

4. The W/MBE vendor preference established in this policy does not prohibit the City Commission from giving any other preference permitted by law, in addition to the local preference authorized in this policy.

Section 5. Standardization

Policy

It shall be the policy of the City that standardization of equipment and supplies shall be permissible in instances where it allows the City to capitalize on purchasing economies and provides other benefits such as maintenance efficiency, spare parts consolidation, or interchangeability.

General

Examples where standardization may be beneficial include, but are not limited to, information technology equipment, telephone and radio equipment, firefighter equipment, and police equipment. Standardization of materials, equipment or services shall not be used as a means to circumvent the policies and procedures contained in this Purchasing Policy.

Authority

The City Manager has the authority to approve requests for standardization, following review and recommendation by the General Services Director and Finance Director.

Procedure

1. To obtain approval for standardization of supplies or equipment, the requesting Department Director must submit a Request for Standardization to the General Services Director and Finance Director. The request must include sufficient justification. Justification could be based on issues such as, but not limited to, purchase economies, safety considerations, training, and maintenance economies.
2. The General Services Director and Finance Director will review and either reject or concur with the request.
3. Requests rejected by the General Services Director and Finance Director will be returned to the requesting department/division and normal procurement procedures will be followed.
4. If the General Services Director and Finance Director concur with the request it will be forwarded to the City Manager for review.
5. Requests rejected by the City Manager will be returned to the General Services Director and Finance Director and normal procurement procedures will be followed.
6. Requests approved by the City Manager will be returned to the General Services Director and Finance Director. Future purchases for the approved supplies or equipment may be purchased in accordance with the adopted standard specifications. The standard specification(s) shall be used to obtain quotes, bids, or proposals, as appropriate.

Section 6. Single/ Sole Source

Policy

It shall be the policy of the City that single/sole source purchases shall be permissible in instances where the conditions and circumstances necessitate the need for a particular product or service, which is available only from one vendor.

General

1. Purchases of goods or services from a single/sole source are exempt from competitive procurement requirements upon approval of a single/sole source purchase request.
2. Single/ sole source purchases may be requested when any of the following apply:
 - a. Only one product or service will produce the desired results and that product or service is available from only one vendor.
 - b. The product or service is a component, repair, replacement part, or service on or for existing equipment for which no commercially available substitute exists and the product or services can only be purchased from the manufacturer or its sole distributor.
 - c. Additional unanticipated goods or services are needed to complete an ongoing task.

Authority

The Finance Director, upon consultation with the City Attorney, has the authority to approve or deny the single/sole source purchase requests.

Market Research

The Finance Director will also attempt to contact the manufacturer of the product to identify vendors that can supply the product.

1. If there are no submittals received and no other vendors were located by the Finance Director, the Finance Director may authorize the single/sole source purchase.
2. If submittals are received, the Finance Director and user department will review them. If after the review the decision is made that no submittals meet the specified requirements, the Finance Director may proceed with the sole source purchase. If it is found that the information submitted indicates that the product or service requested can be provided by other vendors an invitation to bid or request for proposals will be issued.

Section 7. Cooperative Purchasing Programs

Policy

It shall be the policy of the City that Staff participates in cooperative purchasing programs that are found to provide cost savings to the City.

1. Piggybacking

Definition: A form of intergovernmental cooperative purchasing in which an entity will be extended the pricing and other terms of a contract entered into with another entity. Generally, a larger entity will competitively award a contract that will include language allowing other entities to utilize the contract, which may be to their advantage in terms of pricing, thereby gaining economies of scale that they normally would not receive if they competed on their own.

Procedures

The following procedures apply when piggybacking:

- a. The vendor must agree to extend the same terms and conditions of the contract, including pricing, to the City in writing to allow the City to piggyback on the Bid, Proposal, or contract. The City may opt to utilize the Bid, Proposal, or contract if in its best interests, but in every case, the goods or services provided must be the same. In addition, the procurement procedures utilized by the Lead Agency to select the vendor must be substantially similar to the procedures delineated in this Manual.
- b. Purchases cannot be made against a contract that has expired.
- c. The Department utilizing the piggybacking must obtain the following documentation from the agency that issued the Invitation to Bid, Request for Proposals, or other solicitation:
 - i. A complete copy of solicitation
 - ii. A complete copy of the awarded vendor's response to the solicitation.
 - iii. A copy of the award letter/ memo/ agenda item to the awarded vendor;
 - iv. The contract, if any, between the agency and the vendor including all exhibits, attachments, addenda, and amendments.
- d. If a contract between the City and vendor is needed, a contract must be prepared and approved by City Commission unless under threshold defined in Section 8 for General Authority.

2. State of Florida Contracts

The following procedures apply when using a State of Florida Contract:

- a. If the Finance Director or requesting department identify an existing State Contract that would meet the needs of the requesting department, that contract may be used in lieu of conducting a procurement.
- b. It is not necessary to request approval by the Commission to make purchases pursuant to the user of a State Contract so long as the purchase does not exceed the purchasing limits under Section 8 General Authority of this policy.
- c. The Department utilizing the State of Florida contract must obtain the following documentation from Department of Management Services (DMS) Division of State Purchasing:
 - i. A complete copy of solicitation
 - ii. A complete copy of the awarded vendor's response to the solicitation;
 - iii. A copy of the award letter/ memo/ agenda item to the awarded vendor;
 - iv. The contract, if any, between the agency and the vendor including all exhibits, attachments, addenda, and amendments.
- d. Upon requisition entry, the requestor shall reference the State of Florida Contract Number.
- e. If a contract between the City and vendor is needed, a contract must be prepared and approved by City Commission unless under threshold defined in Section 8 for General Authority.

Section 8. General Authority

General Authority

The Authority for the commitment of goods and services, including but not limited to, work authorizations, contracts, and contract amendments, is listed below.

- Up to \$25,000.00 – The City Manager or designee may authorize
- \$25,000.01 or more- City Commission; will be presented to the Commission for approval and executed by the Mayor or designee.

When determining the commitment amount, the entire value must be considered. (For example, if the annual price for ongoing services is \$20,000.00, and the term is 5 years, it is considered as a \$100,000.00 commitment.)

As determined by the Finance Director, any purchase of goods and services that are not typical of or necessary for City operations and management and/or were not approved in the budget may require Commission approval.

No employee (outside of Finance Director, City Attorney for legal service-related agreements within budget, City Manager or Mayor) shall have the authority to execute or electronically submit unless designated for authorization/approval for orders, contracts, agreements, lease agreements, grants, or any other form of commitment, regardless of dollar value.

Signature Authority

The Finance Department shall maintain signature authorities for expenditure related approvals through the Approval Process Authority. These authority levels are related to the current financial system and workflow components.

Section 9. General Purchase Process

A. General Procedures

The following procedures shall govern the procurement of goods and services.

1. No employee has the authority to order the purchase of any goods or services or make any contract without prior written authorization of the City Commission under Section 8 General Authority. Any purchase order or contract made contrary to this restriction and the provisions of this Purchasing Policy shall not be approved and the City shall not be bound thereby.
2. Materials are not to be received and no work or services are to be authorized or commenced prior to having a fully executed contract or purchase order.
3. No contract, purchase, or group of requisitions shall be subdivided to avoid the competitive procurement requirements contained herein.
4. Acceptance of gifts or gratuities is prohibited. No employee shall become obligated to any vendor and shall not conduct a City transaction from which they may personally benefit.
5. No employee of the City shall obligate the City when or if that employee may derive income or benefit, other than those provided as remuneration from the City for their employment.
6. No employee shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for the City from any vendor of which the employee, employee's spouse, or child is an officer, partner, director, or proprietor or in which the employee, employee's spouse, or child has a material interest.
7. No employee or their family may receive any benefit from any contract or purchase made by or on behalf of the City unless the benefit is available to all City employees or families.

B. Requisitions

1. **Authority-** Authorization to access the City's requisition system will only be given to employees approved by their Department Director.
 - a. The requisition/ purchase order process includes the following levels of review and approval:
 - (i) Approved requisitioner for the Department: Responsible for ensuring that sufficient funds exist within the account and project (if applicable) and for ensuring that the appropriate procurement method has been followed, and that all required documentation is obtained and attached to the requisition.
 - (ii) Department Director Review and Approval: Responsible for certifying that sufficient funds exist within the account and project (if applicable) and authorizing the expenditure for the purchase.

(iii) Finance Review and approval: Responsible for reviewing that sufficient funds exist within the account and project (if applicable), ensuring that they are properly coded and backup documentation is included, ensuring proper procurement method was used, and authorizing the expenditure for the purchase.

2. Purpose: The authorized requisition signifies authority to charge a specific account number and project (when applicable) and verify there are funds available in the account specified. This process, which includes the Department Director, also authorizes payment when the goods or services are properly received.

3. Finance Department Responsibilities

a. To provide training to approved requisitioners on the proper procedures to requisition goods and services.

b. To review, pre-audit, and reject (prior to processing) any requisitions that are incomplete, inaccurate, unauthorized, or in violation of City policy.

c. To process requisitions in accordance with the purchasing policies and procedures contained herein.

d. To ensure that vendor has been set up in financial software.

4. User Department Responsibilities

a. To identify anticipated requirements in advance and keep the Finance Department advised of any abnormal demands.

b. To write a clear and accurate description of goods or services to be purchased and the purpose for which they are intended and prepare generic specifications for items that require a technical background.

c. To verify that funds are available and that requisitions are properly coded to the appropriate fund, account number, and project (when applicable). If the account number is incorrect, the Finance Department may modify or reject the requisition.

d. To enter requisitions in the City's online requisition system for all purchases, allowing ample time for the Finance Department to process the Purchase Order and for the vendor to deliver.

e. Departments shall maintain all purchase orders associated with their department.

5. Process

a. A Request for Authorization to Access Online Requisition and Approval must be completed in order that have access to enter or approve online requisitions.

b. Requisitions should be prepared far enough in advance to permit the Finance Department to process the Purchase Order and to allow sufficient time for deliveries to be made.

c. If funding is not available, a requisition cannot be completed until a budget transfer or amendment is approved by the Finance Director and/ or the City Commission, where applicable.

d. Under the City's online requisition system, the approval process for requisitions is handled electronically. Prior to being converted to a Purchase Order, all requests are reviewed and approved by Finance Staff.

C. Purchase Orders

1. Purpose: A purchase order authorizes a vendor to ship goods or perform services and subsequently invoice the City for the stated amount of the purchase order.

2. Who issues: Only the Finance Department is authorized to issue purchase orders. The Finance Department will issue a purchase order for all properly authorized and executed contracts that have been generated from the procurement process. The requesting department shall place the order with the vendor only after the purchase order has been issued.

3. Changes to Purchase Orders (Change Orders)

a. If a change to a purchase order is required, the requesting department must submit a "Change Order Request Form" to the Finance Department and request the change.

b. Change orders shall not be used to circumvent any purchasing procedures by issuing a purchase order for an amount below a certain threshold, then requesting an additive change order.

c. Change orders are limited to correcting clerical or technical errors, changing account number or project number (if applicable), change to price, quantity, or unit of measure. Changes to vendor on a purchase order are not permitted.

d. Change orders will be used to liquidate a purchase order with an outstanding balance. This includes the cancellation of a purchase order.

D. Payment Procedures

1. Prompt Payment Policy

a. Purpose: The City of Palatka reaffirms its commitment to ensuring that vendors and contractors who provide goods and/or services requisitioned by the City and its employees receive payment for such goods and/ or services on a timely basis pursuant to the Prompt Payment Policy and the Local Government Prompt Payment Act, Part VII of Chapter 218, Florida Statutes.

b. Requirements of a proper invoice: The requirements of a proper invoice shall be set forth in the agreement or contract governing the purchase. However, no invoice shall be considered a

proper invoice unless the invoice is an original invoice and is delivered to the City in accordance with the contract, agreement, or purchase order and has the following information.

- i. The invoice shall set forth the name, address and phone number of the business organization that is recited in the City Purchase Order; and
- ii. The invoice shall set forth the date of its preparation; and
- iii. The invoice shall set forth an identifying number to facilitate identification of the invoice; and
- iv. The invoice shall set forth a description of the goods or services to include service dates, when applicable, or property provided to the City; and
- v. The invoice shall set forth the quantity of the goods or services or property provided to the City; and
- vi. The invoice shall set forth the unit price of the goods or services or property provided to the City;
- vii. The invoice shall set forth the extended total price of the goods or services or property provided to the City;
- viii. The invoice shall set forth all applicable charges and discounts; and
- ix. The invoice shall not charge sales tax.

c. Receipt of payment request or invoice: All payment requests or invoices received by the City shall be marked as received on the date on which it is delivered. All invoices should be emailed to Finance@palatka-fl.gov or mailed/ delivered to:

City of Palatka
ATTN: Finance (Invoicing)
201 North 2nd Street
Palatka, FL 32177

2. Issuance of Payment:

- a. All payments will be charged against the respective Purchase Order, where applicable.
- b. Payments will not be processed against a Quote or Statement. An invoice is required for payment.
- c. When invoices are received by a department, the department shall certify that any equipment, supplies, or services have been received and meet accuracy, quantity, quality, and condition.
- d. Always check the invoice price and compare to the purchase order or contract amount to insure it is billed correctly.
- e. To avoid delays in payment of invoices, the department shall attach the purchase order and the Department Director will sign Payment Approval authorizing payment. The invoice shall be forwarded to the Finance Department to process the invoice for payment in accordance with their procedures. The Finance Department will maintain all invoices and payment documents, in accordance with Chapter 119, Florida Statutes.

3. Request for Payment without a Purchase Order (After the Fact)

a. Purchases without a Purchase Order are not consistent with procedure, and are discouraged; however, rare exceptions may occur. Abusers of this process will be reported to the City Manager.

b. Violations of this policy will subject the offending party to disciplinary action up to and including discharge and personal financial responsibility. Additionally, the City is not legally obligated to tender payment for items.

c. The department that made the purchase must submit the proper form, as described below, for a series of approvals that include the Finance Director and the City Manager. Approval from the Commission is required prior to payment when the purchase without a Purchase Order exceeds \$25,000.00, unless outlined in an approved budget or prior approval by the Commission.

- i. Submit the invoice and letter of explanation as to why Purchase Order was not done to Finance Department as the first step in the approval process. The documents will continue for review and approval by the Finance Director, City Manager, and Commission (if applicable).
- ii. If all authorities approve, the documents will be returned to the Finance Department for issuance of payment. If not, additional justification or steps may be required.

Section 10. Small Purchases – Up to \$25,000.00

General

A small purchase is any purchase authorized to be made outside the formal competitive procurement process. All purchases of supplies and contractual services whose estimated value is \$25,000.00 or less may be made by open market without newspaper advertisement and without observing formal solicitation procedures. All open market purchases shall only be made by a purchase order. Open market purchases shall be made as follows:

- \$5,000.00 or less – one documented verbal quote or written quote
- More than \$5,000.01 up to \$15,000 – Two written quotes or continuing services contract required
- More than \$15,000.01 up to \$25,000.00 – Three written quotes or continuing services contract required.

Exempt items listed below do not require quotes/ formal solicitation.

1. Advertisements and Public Notices
2. Legal services, including attorneys, paralegals, expert witnesses, interpreters, translation services, mediators, and court reporters
3. Medical or health services, including but not limited to, Veterinarian services, Indigent medical care and burial as required by State Statute, Inmate medical care, services mandated through the court system involving examinations, diagnosis, treatment, prevention, medical consultation, counseling, and outside providers administering the program, including but not limited to substance abuse and mental health services.
4. Bond related expenses
5. Charitable contributions
6. Court ordered payments
7. Debt service payments
8. Dues, memberships, certifications, subscriptions, workshop, conference, class and seminar registration fees and accommodations, training, and costs of job-related travel
9. Employee reimbursements
10. Employment Services, including pre-approved interview and or moving expenses (personnel only)
11. Expenses related to tourism promotion services and/or activities
12. Grant Services - Grant opportunity, research, and application development.
13. Instructor fees
14. Insurance related costs, fees, etc.
15. Owner Direct Purchases
16. Payments to other government agencies
17. Postage (U.S. Post Office only, no invoice required)
18. Risk Management claims settlements

19. Statutory Required payments
20. Utilities and telecommunications, such as natural gas, electricity, water, garbage, phone, internet.
21. Purchases of materials, equipment or services used for the operation and maintenance of utility plants, distribution and collection facilities, substations, lift stations, gate stations, and purchase of standard materials.
22. Purchases for the repair and maintenance of system-wide computer software and hardware.
23. Single/Sole Source Goods or Services
24. Railroad signal and crossing maintenance
25. Maintenance of Information Technology equipment/systems, including replacement/expansion parts that maintain system compatibility and integrity
26. Insurance renewals (as allowed by law)
27. Heavy equipment diagnostic and repair. Heavy equipment shall be defined as follows: (1) Public Safety, Construction and Material Handling Equipment with a rating of more than 85 horsepower (2) Transportation Equipment with a GVWR (Gross Vehicle Weight Rating) of more than 10,000 pounds (3) Fire and Rescue Vehicles with a GVWR (Gross Vehicle Weight Rating) of more than 10,000 pounds
28. General Services Administration (GSA) and State Contracted vendors - purchases made directly from vendors awarded a GSA Schedule Contract at prices equal to the vendor's current GSA or State price
29. Emergency Purchases - (retroactive approval)
30. Contracted Commodities or Services awarded through a competitive solicitation process by other governmental agencies including, but not limited to: federal, states, counties, cities, school boards, community colleges, and state university systems (piggyback)

Section 11. Procurement of Goods and Services - \$25,000.01 or more

General

Upon request from a department the General Services Department and Finance Department will seek a source of supply and enter transactions for the purchase of goods or services, in the amount of \$25,000.01 or more. The method of sourcing used will be determined by the estimated dollar amount of the requested purchase, the nature of the purchase, and other factors. Examples of sourcing methods include, but are not limited to:

1. Invitation to Bid (ITB)
2. Request for Proposals (RFP)
3. Request for Statement of Qualifications (RSQ)
4. Cooperative/ Piggyback Purchasing
5. Sole and Single Source Procurement
6. Emergency Procurements

When a purchase or contract may extend over multiple years, the total cumulative amount per the proposed term will be the amount determinative of the solicitation requirement.

Nothing in this Section reduces or invalidates the City's right to accept or reject any or all solicitations, or any parts thereof, and to award, if an award is made, to the lowest responsive and responsible Bidder/Proposer whose submittal and qualifications indicate that the award will be in the best interests of the City.

Formal Procurement

Unless exempt as stated in Section 10, formal competitive solicitation is required for goods, services, and construction with an estimated cost over \$25,000.00, and as otherwise required by state and federal laws and grant agreements. Formal procurement types include invitations to bid, request for proposals, and request for qualifications. The formal process shall be conducted to ensure a fair and equitable solicitation and include all contractual terms and conditions applicable to the procurement, including the criteria to be used in determining acceptability and relative merit of the bid, proposal or reply. In addition to bids and proposals, the City may require respondents to provide presentations to a selection committee and/or commission during the selection process as stated in the solicitation document. All respondents selected for presentation shall be accorded fair and equal treatment.

The using department shall be responsible for developing all technical specifications and bid requirements. The general services department shall be responsible for developing bid templates and for reviewing all bids before they are finalized for advertising.

1. **Public notice.** Public notice shall be given to prospective vendors for a reasonable period of time as determined by General Services, which shall, at a minimum include:

- U.S. mailing or emailing public notice to prospective vendors on an applicable bidders list maintained by the purchasing department, and
- Posting public notice on the City website.

For the purchase of capital construction valued in excess of \$200,000.00 advertisement of the public notice will be either in a newspaper of general circulation in the City, trade journal, bulletin or other publication that will inform prospective vendors of the proposed purchase, as determined to be appropriate by General Services. The advertisement inviting bids for construction projects expected to cost between \$200,000.00—\$500,000.00 shall be published in at least one newspaper of general circulation within the City at least 21 calendar days prior to the scheduled bid opening. The advertisement inviting bids for construction projects expected to cost more than \$500,000.00 shall be published in at least one newspaper of general circulation within the City at least 28 calendar days prior to the scheduled bid opening. General Services reserves the right to modify the period for bid advertisement based on need and/or urgency. The public notice shall briefly describe the goods or services sought, and shall state the place, date, and time that bids or proposals must be received.

2. **Vendor List.** Vendors who have requested to be included in the City's vendor list will be notified of relevant bids based on the type of business/ services the vendor provides on the City's website.
3. **Pre-qualification.** A pre-qualification process may be conducted by the general services department prior to the issuance of a solicitation in order to establish a list of qualified bidders or respondents.
4. **Procurement of construction services.** The City Manager, or designee, shall have the discretion to select the appropriate delivery method for a construction project. In determining which method to use, consideration shall be given to the City's requirements and resources. Contracts for construction services shall be procured in accordance with Florida Statutes and/or applicable funding requirements and pursuant to any applicable city policies and procedures established by the Commission and City Manager, or designee.
5. **Owner direct purchase program.** When a construction project is proposed, the general services department, in conjunction with the end user department, will determine, prior to the solicitation process, whether the owner direct purchase program will be utilized for that particular project. The City may, if not prohibited by law, exercise a right to purchase directly various materials, goods, and/or equipment to be used in the construction project pursuant to F.S. § 212.08(6), as amended. The general services director is authorized to execute owner direct purchase program purchase orders if the associated contract is approved by the City Manager includes clauses allowing the owner direct purchase program. Nothing herein shall prohibit the City from deleting items within the solicitation and purchasing said items directly from a supplier, without further bidding, in an effort to benefit from the City's tax-exempt status, in accordance with the proper authorization.
6. **Cancellation or rejection of solicitations.** Solicitations may be cancelled, or any or all submittals in response to solicitations issued by the City may be rejected, in whole or in part, without recourse, when it is in the best interest of the City. Confidentiality will be maintained according to Florida Statutes.
7. **Value Engineering.** The City reserves the right to engage in value engineering discussions in the pre-award period based on the following conditions:

- a. Bid responses exceed project budget
- b. The City Manager deems it in the best interest of the City to explore value engineering options and assembles a committee, comprising of not less than three individuals with direct project knowledge.
- c. The lowest qualified, is given the opportunity to meet with the “value engineering committee” to determine if viable options exist to meet the budget threshold without substantially reducing the scope of the project as designed and solicited. Local preference, if applicable, applies in determination of lowest qualified bidder.
- d. The lowest qualified bidder will be given seven days to submit deductive modifications/options, prior to submission to the value engineering committee; bidder must gain approval of deductive modifications/options by the architect/engineer of record for the project that the deductive modifications/options do not violate City or state building code. Timeline extensions may be approved circumstantially with written approval from the City administrator.

Bids/proposals

Bid/proposal acceptance and evaluation will only be accepted during the designated period.

1. Opening. competitive sealed bids/proposals received in the location stated in the solicitation document no later than the precise date and time set for the opening shall be accepted without alteration or correction. The City reserves the right to accept and/or reject any or all bids/proposals or to waive any formalities, technicalities, or irregularities.

2. Correction or withdrawal of bids. After bid opening, no changes in bid prices or other bid provisions shall be permitted. In the event of mathematical mistakes in extended pricing, the unit price shall prevail. Mistakes discovered before opening may be modified or withdrawn via written notice from the bidder if received in the general services department prior to the time set for bid opening, as deemed appropriate by the general services director.

3. Evaluation. Bids/ proposals shall be evaluated based on the requirements set forth in the solicitation document. No criteria may be used in evaluation that is not set forth in the solicitation document. With the exception of solicitations procured pursuant to 287.055 F.S., evaluation of bids shall include consideration of the total costs for each year of the contract, including renewal years, as submitted by the vendor. Consideration for the lowest and best responsible bidder shall include:

- a. The ability, capacity, and skill of the bidder to perform the contract.
- b. Whether the bidder can perform the contract within the time specified without delay or interference.
- c. The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
- d. The quality of performance on previous contracts.
- e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract.

f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.

g. The quality, availability and adaptability of the supplies or contractual services to the particular use required.

The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.

4. Award to other than low bidder. When the award is not given to the lowest and best bidder, a full and complete statement of the reasons for placing the order elsewhere shall be prepared and signed by the General Services Director and Finance Director and filed with the other papers related to the transaction.

5. Exceeding Allocated Funds. In some circumstances the lowest acceptable bid for a project exceeds allocated/ budgeted funds; however, the projects' scope, time or economic considerations preclude the re-Solicitation of work of a reduced scope. The General Services Department and the End User Department are authorized to negotiate an adjustment of the bid price with the lowest responsive and responsible bidder so long as the adjusted bid price does not exceed allocated/ budgeted funds and the City Manager, or designee, has approved such adjustment. Financial adjustments will be done at the first available public meeting as needed.

6. Tie Bids. If there are two (2) or more bid submittals that are identical in price and meet all the requirements and criteria set forth in the solicitation, the award may be made by the Commission, City Manager, or designee pursuant to the approval limitations as stated in Section 8. In making the tie-breaker decision, the following may be considered, including but not limited to bidder's location, and/or the bidder's past performance with the City.

7. Rejection. The City reserves the right to reject any or all bids/proposals. This includes the right to reject the bids/proposals of any respondent due to the following:

- a. Previously defaulted on a quote or failed to perform properly, or to complete on time a contract of similar nature.
- b. Failed to establish they are able to perform the contract.
- c. Habitually, and without just cause, neglected the payment of bills, or otherwise disregarded its obligations to subcontractor or employees.
- d. Failure of appropriation of funds received by the City.

8. Determination of Non- Responsibility. If a bidder or respondent, who otherwise could have been awarded a contract, is found non-responsive, a written finding of nonresponsibility, setting forth the basis of the finding, shall be prepared by the General Services Department. The written finding shall be maintained as part of the City's procurement file.

9. Right to Inspect. The City may inspect the plant or place of business of, or equipment to be utilized by a proposed bidder or respondent or any subcontractor of an awarded contract or a contract to be awarded by the City to assist in determination of bidder/ respondent responsibility.

Bonds and Security Requirements

The bonds shall be recorded and held in the Finance Department and shall become binding on the parties upon the execution of the Contract. Nothing in this section shall be construed to limit the authority of the Commission, the City Manager, or the General Services Director to require or accept other security in addition to, or in lieu of, those bonds or in circumstances other than those specified in this Code, when in the best interest of the City.

1. Bid Security. The City may require the submission of a Bid Bond or other form of security to guarantee full bid compliance. When the solicitation requires a Bid bond or security, failure of the bidder to supply same, in the amount and type required, shall automatically render the bidder as non-responsive to the requirements of the solicitation. Unsuccessful bidders shall be entitled to a return of their deposit. A successful bidder shall forfeit its deposit upon failure on his/her part to enter a contract within the limits established by the bid.

2. Contract Payment and Performance Bonds. When a contract is awarded, the City may require the successful bidder to supply payment and performance bond as required by State Statute. When a payment and performance bond is required, it shall be in the amount and type satisfactory to the City and executed by the surety company authorized to do business in Florida that is acceptable to the City. The bonds shall guarantee the full and faithful performance of the contract obligations and the payment of labor and material expended pursuant to the contract.

Bid Protests

The General Services Department shall scribe at the Bid opening, a bid tabulation sheet documenting all bids received. Immediately following the bid opening, the bid tabulation sheet will be posted to the Procurement section on the City's website. Any contractor/vendor that has submitted a bid to the City who wishes to challenge an intended recommendation with respect to the award of such bid shall file with the General Services Director a written notice of intent to file a protest not later than 3:00 p.m. on the third business day after the posting of the bid notice from the City of the intended recommendation.

The notice of intent to file a bid protest shall state all grounds claimed for the protest. Failure to list a ground for protest in this notice shall constitute a waiver with respect to that ground. If the contractor then wishes to pursue a formal written protest, it must be filed within five (5) calendar days after the date of filing of the notice of intent to file a protest.

The formal written protest shall contain the following:

1. City bid/proposal identification number and title.

2. The name and address of the protesting party, and the title or position of the person submitting the protest.
3. A statement of disputed issues of material fact. If there are no disputed material facts, the protest must so indicate.
4. A concise statement of the facts alleged and of the rules, regulations, statutes, and constitutional provisions entitling the party of relief.
5. A statement indicating the relief sought by the party.
6. Such other information deemed material.

Upon receipt of a timely filed notice of intent to protest, the General Services Director shall delay the award process until the protest is resolved pursuant to fundamental principles of due process, except and unless the General Services Director sets forth in writing particular facts and circumstances which would require the continuation of the award process for the purpose of avoiding an immediate and serious danger to the public health, safety, or welfare.

The General Services Director shall conduct a meeting with the protesting party to attempt an amicable resolution of the protest. If such resolution does not occur, the General Services Director shall forward to the City Manager a recommendation, which shall include background information related to the bid. The City Manager or Designee shall attempt to resolve the protest. If such resolution does not occur, the City Manager shall forward to the Commission for a recommendation, which shall include background information related to the bid. The Commission shall thereafter conduct an informal hearing at a regularly scheduled meeting or at such other time as may be arranged. Following presentation by all involved parties, The Commission shall render its decision on the merits of the protest.

All bid/proposal solicitations shall set forth the following statement:

“Failure to follow the Bid Protest procedures prescribed by the City of Palatka Purchasing Policy shall constitute a waiver of your protest and any resulting claims.”

Section 12. Contracts

In addition to the General Authority outlined in Section 8, all procurement contracts/agreements shall be approved for legal sufficiency by the City Attorney and signed by the Mayor, City Manager, or Designee. All City contracts shall include provisions necessary to define the responsibilities and rights of the parties to the contract.

When applicable, purchases shall be based on valid, written contracts. Contracts will be executed in accordance with this code, will be managed by the End User Department to ensure legal compliance and will be renewed, or goods/services re-procured, in a timely manner.

1. Multi-year contracts and appropriation of funds. A Contract for Goods, Services, or Construction may be entered into for more than one (1) fiscal year if it is deemed to be in the best interest of the City, if the term of the Contract and conditions of renewal or extension are included in the Solicitation, and funds are available for the current fiscal year. Obligations for succeeding fiscal years may be subject to the availability and appropriation of funds by the Commission. Renewal of a contract must be in writing and is subject to the same terms and conditions as set forth in the initial contract and any written amendments/change orders signed by the parties.

2. Administration and Compliance. After a contract has been awarded, the end user department will conduct contract administration and compliance activities. This encompasses all interaction between the City and the vendor from the time the contract is awarded until the work has been completed and accepted or the contract terminated, payment has been made, and disputes have been resolved.

The end user department will ensure all contracts are signed and paperwork is completed; renewals are handled properly; agenda items and/or change orders approved and/or executed by the Commission, City Manager, or Designee.

The end user department's project administrator is responsible for the contract administration and compliance functions to ensure compliance with the contract, City Codes, City Ordinances, Florida Statutes and Federal Regulations, as applicable, City Procedures and other applicable requirements.

The end user department will request purchase orders for goods, services, and construction, including Owner Direct Purchases, that are associated with the agreements, contracts, task orders, and amendments.

3. Right to Audit Records. The City may, at reasonable times and places, audit the books, records, and accounts of any person, to the extent that the books, records, and accounts relate to the performance of services in accordance with a City Contract. Any person that is awarded a contract or granted a contract amendment shall maintain all books, records, and

accounts in compliance with generally accepted accounting procedures; and shall retain all books, records, and accounts for three (3) years, or longer term as required by the funding source and designated in the solicitation and contract documents, from the date of final payment, termination, or until a full City audit is complete, whichever comes last. All books, records, and accounts related to the performance of a City contract shall be subject to the applicable provisions of the Florida Public Records Act, Chapter 119, Florida Statutes, as amended.

4. **Settlement of a Contract Dispute.** The City Attorney, is authorized to settle disputes arising out of the performance of a City Contract, provided the settlement amount does not cause the total Contract amount, including the settlement amount, to exceed the authority of the City Manager as established by this policy. Any settlement exceeding the authority of the City Manager must be approved by the Commission.
5. If it is determined that termination is in the best interest of the City, the End User Department shall present a proposed letter of termination for the City Commission or City Manager approval, pursuant to original agreement approval.

Section 13. Suspension and Debarment

Authority

The General Services Director or Finance Director may request from the City Manager to suspend or debar, for cause, the right of a vendor to be included in a vendor database and any solicitation or response from that vendor may be rejected.

Causes for debarment

- A. Conviction of any person, under any statute of the federal government, this state, or any other state, for embezzlement, theft, forgery, bribery, falsification, or destruction of records, receiving stolen property, or any other offense indicating a lack of Business integrity or Business honesty which currently, seriously, and directly affects responsibility as a City Contractor/ Vendor within the last thirty-six (36) months.
- B. Conviction for a commission of a criminal offense as an incident obtaining, or attempting to obtain, a public or private contract or sub-contract, or in the performance of such contract or sub-contract within the last thirty-six (36) months.
- C. Conviction of or civil judgement against any person based on a violation of a state or federal antitrust statute, relating to a response to a solicitation within the last thirty-six (36) months.
- D. Violations of contract provisions within three (3) years of current debarment action of a character which are reasonable deemed to be so serious as to justify the current debarment or suspension action.
- E. Abatement of a contract.
- F. Knowing failure, without good cause, to perform in accordance with the terms and conditions as stated in an awarded contract.
- G. Failure to perform or unsatisfactory performance of any of the terms of a contract with the City. However, failure to perform or unsatisfactory performance caused by acts beyond the control of the person shall not be considered to be a basis for debarment or suspension.
- H. Failure to pay contractor, subcontractor, or materials provided as required.
- I. A determination by a court, the Florida Department of Business and Professional Regulation or the Federal Government that the person has violated the provisions of any Florida Statute, Federal Regulation, or local law and/or has been placed on the State of Florida or Federal Government list of debarred contractors.
- J. Any other cause that the City reasonably considers to be as serious and compelling enough to support a determination of debarment.

Disputes

- A. If the Vendor disagrees with the suspension or debarment, they shall have seven (7) business days from the mailing date to rebut. Written notification must be sent to the General Services Director and Finance Director outlining points of disagreement.
- B. The General Services Director will review the evaluation with the Finance Director, Project Manager, Department Director, City Manager, and City Attorney after which a finding will be sent to the vendor wither upholding or revising the suspension or debarment.
- C. If the vendor does not dispute the suspension or debarment within the seven (7) day period, the suspension or debarment will be deemed acknowledged.

Section 14. Grants

Applications

The City Commission shall approve all agreements for state, federal, and other grants after confirming through the Finance Director that matching funds, if required, are available. The City's ability to fund any ongoing costs of a potential grant, including personnel, operating and maintenance, shall be considered as early as possible in the application process but no later than prior to acceptance of award.

Acceptance

Upon notice of grant award, the City Manager will submit the grant to the City Commission for acceptance and for approval of the associated budget resolution if required. Confirmation of the availability of matching funds and the City's availability to fund operating, maintenance, and other ongoing costs shall be provided to the Commission.

Procurement

- A. Generally, expenditures from funds other than City tax or special assessment revenues may require special processes because of the specific legal terms and conditions placed by the funding agency. Grants often have certain purchasing requirements that are different or additional to the City's procurement policy and they require special purchasing procedures. It is the responsibility of the User Department to identify any special purchasing requirements or provisions, include in procurement, and to ensure that all requirements are followed. Unless otherwise specified in the grant, all grant procurements shall follow the general standards set forth in this policy.
- B. For projects funded in whole or in part with Federal funds, the City will follow the procurement standards set forth in this policy, plus the additional most current standards set forth in 2 CFR Part 200.