



CITY OF PALM BEACH GARDENS
10500 North Military Trail
Palm Beach Gardens, Florida 33410

PURCHASING DEPARTMENT



PURCHASING POLICY AND PROCEDURES MANUAL

Revised November 2022

PROCUREMENT



PROCUREMENT AND CONTRACTING AUTHORITY

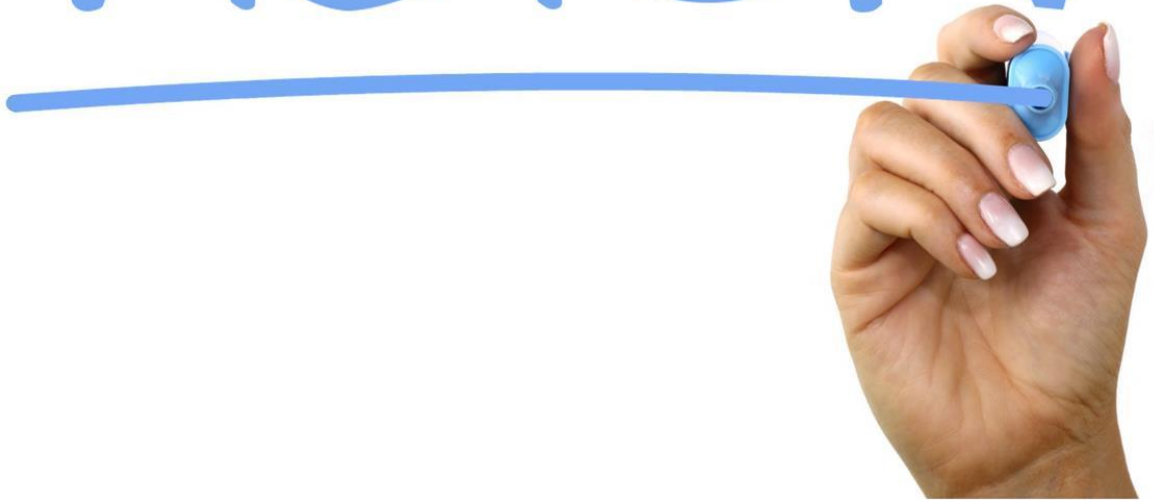
The procurement and contracting authority of the Purchasing Department is authorized under the City of Palm Beach Gardens' Code of Ordinances, Chapter 2 - Administration, Article V – Finance, Division 1 – Generally, Section 2-294 – Bidding Threshold; and Section 2-295 – Purchasing Procedures.

The most recent versions of the City of Palm Beach Gardens' Municipal Code of Ordinances, and the Purchasing Policy and Procedures Manual, are available at www.pbgfl.com.

Purchasing Department

www.pbgfl.com/purchasing

VISION



VISION STATEMENT

The vision of the Purchasing Department is to contribute ethically, quantitatively, and qualitatively to the strategic goals of the City by employing modern technology and best practices to achieve efficiency, transparency, cost savings, fairness, and equity in the City's procurement efforts.

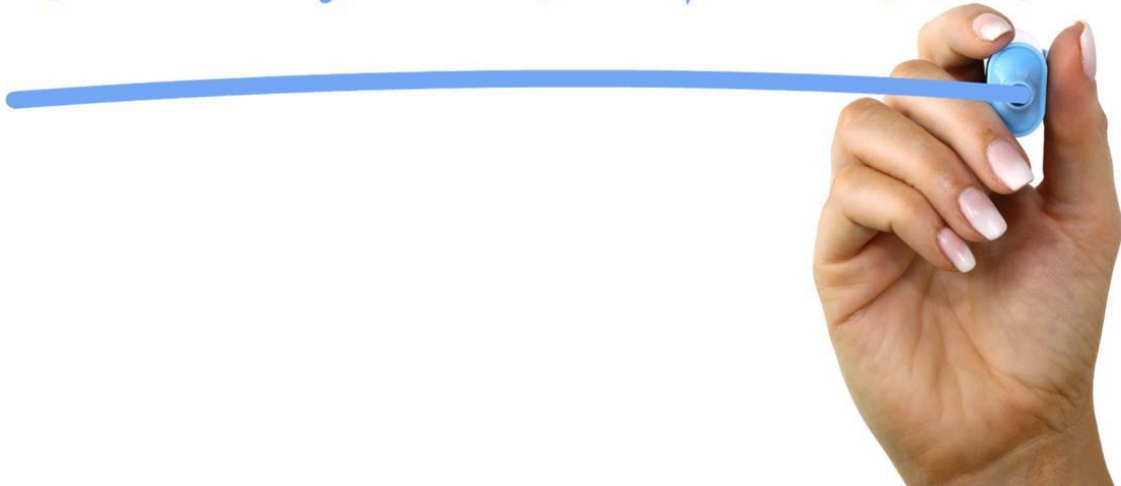
MISSION



MISSION STATEMENT

The Purchasing Department is committed to the fair, equitable, and timely acquisition of goods and services for the City of Palm Beach Gardens. Using modern technology, fair competition, and best practices, we strive to bring the greatest value to the City and its residents in an effective and cost-efficient manner.

CORE VALUES



VALUES STATEMENT

The primary objectives of a first-class procurement organization extend beyond the traditional belief that procurement's primary role is to obtain goods and services in response to internal needs. The primary objectives of the Purchasing Department include:

- Supporting the City's strategic mission.
- Supporting operational requirements.
- Managing the purchasing and contracting process equitably, efficiently, and effectively.
- Developing strong relationships with other functional groups and stakeholders.
- Supporting organizational goals and objectives.

The Purchasing Department is committed to the fair, equitable, and timely acquisition of goods and services for the City of Palm Beach Gardens, and to cultivating an ethical and professional environment. We embrace the Values and Guiding Principles of Public Procurement established by the National Institute of Governmental Purchasing (NIGP), which are:

- Accountability.
- Ethics.
- Impartiality.
- Professionalism.
- Services.
- Transparency.

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INTRODUCTION

This Purchasing Policy and Procedures Manual (“Manual”) is intended to provide general information that guide the operations of the Purchasing Department of the City of Palm Beach Gardens, Florida. It is not intended to be a detailed opus describing every aspect of the City’s procurement activities or for any specific project. These purchasing guidelines may not govern every purchasing situation that arises. In the event a specific purchase is not covered by these guidelines, the purchase shall be made based on these general objectives and in the spirit of fairness, following consultation with the Purchasing and Contracts Director.

This Manual is intended to provide sufficient procedural detail to enable City departments, other governmental entities, and the vendor community to:

- a. be fully aware of and comply with City purchasing policies and procedures.
- b. effectively participates in the City’s procurement and contracting process.

In the event there is any contradiction between these guidelines and City, County, State, or Federal legislation, the legislation shall prevail over the guidelines. The funding sources of procurement action may determine what legislation should be adhered to, as applicable.

PURCHASING POLICY

The general purchasing policy of the City of Palm Beach Gardens is that the acquisition of all goods and services shall be conducted based on full and open competition, to the greatest extent possible, with the contract award being made to:

- a. the lowest price from the responsive and responsible bidder.
- b. the best value proposer under qualitative solicitations that involve pricing as a competitive selection factor.
- c. the highest ranked technical proposer with whom a fair and reasonable price may subsequently be negotiated under solicitations that do not involve pricing as an initial competitive selection factor.
- d. that all specifications or statements of work included in City purchasing actions accurately describe the essential needs of the City and contain no artificial or arbitrary requirements that limit competition.
- e. that each purchasing action is conducted in accordance with the best interests of the City, and with the highest level of integrity and fairness to all involved parties throughout the procurement cycle.

- f. that all City purchasing operations be conducted in compliance with federal, state, and local laws, as applicable, and ensure the highest degree of ethical standards.
- g. that transparency and community inclusion be sustained throughout the purchasing process.
- h. that when economically feasible, the City will ensure that its procurement and contracting activities are performed in a sustainable and environmentally considerate manner.

VENDOR ENROLLMENT AND REGISTRATION

The City of Palm Beach Gardens does not require vendors or any firm, individual or organization to register with the City to respond to City solicitations. However, vendors are encouraged to visit the Purchasing Department's webpage at www.pbgfl.com/purchasing and sign up to receive notifications when solicitations are advertised by the City. The Finance Department requires that vendors complete an online Vendor Registration Form (www.pbgfl.com/finance), to receive a vendor number to allow for the processing of purchase orders and invoice payments. The City also uses vendor databases, and information on the electronic bidding platform can be found on the Purchasing Department's webpage.

PURCHASING ORGANIZATION AND AUTHORITY

GENERAL INFORMATION AND POLICY

The Purchasing and Contracts Director is appointed by the City Manager and is the City's Chief Procurement Officer. As such, the Purchasing and Contracts Director is the City Manager's designee for all procurement actions governed by the City's Ordinances.

The Purchasing Department is the central purchasing agency of the City of Palm Beach Gardens. It is the responsibility of the Purchasing Department to issue and maintain purchasing policies, procedures, and guidelines. It is also the responsibility of the Purchasing Department to issue solicitations and prepare contracts at the authorization levels established within those guidelines.

The Department has sole responsibility for the City's procurement process. The Purchasing Department is responsible for the procurement of all goods, commodities, and services, including but not limited to, professional services (architectural, engineering, etc.), non-professional services, audits, construction services (including design-build), landscaping services, fuel, temporary labor, food and beverage, research and consultations, investment services, MROs, waste collection, etc.

The Purchasing and Contracts Director is responsible for implementing programs and initiatives to improve competition. This includes, but is not limited to, effective market research, providing contracting opportunities for small business entities, scrutinizing sole source, single source, and bid waiver requests, reviewing change orders, and challenging specifications and statements of work to ensure no artificial barriers limit or reduce competition.

Technical specification reviews and draft solicitations, prior to solicitation advertisement, must be completed by the requesting departments and returned to the Purchasing Department in a timely manner. If additional time is required for review, the request must be made in writing (email is acceptable) by the Department Head or designee of the requesting department to the Purchasing and Contracts Director.

To obtain the best value for the taxpayer and to promote equitable economic participation by all segments of our community, the Purchasing Department is mandated to utilize a competitive bidding process, with the award being made to the lowest-priced responsive and responsible bidder. Section 2-295 of the City's Code of Ordinances establishes purchasing procedures for the competitive bidding process and associated alternative processes. These procedures also allow for the use of other than full and open competition should it be determined to be in the best interest of the City.

The Purchasing Department's goal is to provide the City with goods and services in the most cost-efficient manner, and at the time and place necessary to help ensure the City provides the public timely and quality service. The following policies and procedures, including stated approval authorization levels, apply equally to expenditure and revenue producing contracts.

PAYMENTS

All purchases shall be made in compliance with Florida Statutes, the City Code of Ordinances, these purchasing guidelines, and public procurement best practices. No person may make any purchase utilizing City funds unless specifically authorized to do so by ordinance, resolution, or delegation by the City Council or the City Manager. Payment for any unauthorized purchase may be the responsibility of the person placing the order (see "Unauthorized Purchases"). No payment shall be made for goods or services until such goods or services have been received, inspected, and accepted by the City.

The City does not make deposits or advanced payments because such payment actions have been defined by Florida State Attorney General as "a gift of public funds". On a case-by-case basis, the City may make payments of "booking fees" to certain performance artistes as a standard practice in that industry.

DELEGATION

Certain purchasing functions are delegated to employees in respective departments. For these employees, purchasing activities may not be a normal or regular part of their job duties. All employees involved in performing delegated purchasing activities such as contracts administration, generating requisitions for purchase orders, obtaining informal quotations from vendors, or other related work, must attend mandatory purchasing policies and procedures training conducted by the Purchasing Department. Employees who do not attend such training are not authorized or allowed to perform any delegated purchasing activity.

DIRECT PAYMENTS

Certain purchases made by the City are authorized for direct payments. The current list of purchases authorized for direct payment is shown below:

- a. Regulated utility payments: telephone, electricity, natural gas, water, or similar services where rates or prices are fixed by legislation or by federal, state, county, or municipal regulations.
- b. Casualty and property insurance.
- c. Life, health, and dental insurance.
- d. Employee benefits contracts with third parties for payroll deduction.
- e. Services procured with non-City funds that are a “pass-through” (developer deposits, recreation payments, etc.).
- f. Debt service payments.
- g. Pension payments.
- h. Unemployment compensation.
- i. Tax withholding payments.
- j. Retirement plans and Section 457 (deferred compensation) contributions.
- k. Memberships, dues, subscriptions, publications.
- l. Seminars and travel expenses.
- m. Retirement plan contributions.
- n. Investments.
- o. Postage.
- p. Recording fees.
- q. Automobile titling, tags, and license plates.

- r. Advertisements.
- s. Payments to tennis professionals who have a revenue-sharing independent contractor agreement with the City.
- t. Utility payments.
- u. Certain payments to the State, County, or other governmental entities.

EXCEPTIONS TO COMPETITIVE PROCESS

Certain purchases made by the City are exempt from the competitive processes outlined in this Manual. The current list of purchases exempt from the competitive process is shown below:

- a. Legal services.
- b. Items purchased for re-sale.
- c. Recreational programs provided by independent contractors.
- d. Lobbying services.
- e. Training.
- f. Art, talent, and artistic services.
- g. Medical services.
- h. Food and beverage.
- i. Consultant and professional services that are part of an existing contract pool that meet the CCNA thresholds.
- j. Purchase of information technology software applications and equipment directly from the manufacturer, developer, or producer of the product or service, including annual licenses, maintenance, support, and upgrades to existing information technology software, hardware, or firmware.
- k. Purchases made from other governmental, not-for-profit organizations, or public entities.
- l. Specialized staffing services, such as golf course labor services, recreation programmers, day laborers, and similarly situated employment services and contractors.

All payments made for the authorized purchase of City goods or services shall be made in accordance with the provisions of the State of Florida's Prompt Payment Act. All City departments shall be familiar and cognizant of the requirements of the Prompt Payment Act and ensure that the City is not unduly charged interest due to tardy handling of properly submitted invoices.

LOCAL, SMALL, AND MINORITY BUSINESS PARTICIPATION

The City will encourage and actively promote local, minority, and small business enterprises to bid on City purchases. The City will engage in regular outreach to the various vendor organizations that represent small business enterprises.

FEDERAL FUNDING

Goods and services to be procured, which are funded by a Federal grant program, shall be procured in accordance with the current guidelines and procedures in 2 CFR §200.318 through §200.326 ("Federal Super Circular").

PROJECT DELIVERY METHOD

In consultation with the requesting department, the Purchasing Department shall have the authority to select the project delivery method, including design-build, design-bid-build, construction manager at risk, job-order contracting, public-private partnerships, based on consideration of the City's priorities and the nature of the project, such as timing, cost, political considerations, and risk. Any exceptions to the project delivery method selected by Purchasing must be documented in writing.

RESPONSIVENESS AND RESPONSIBILITY DETERMINATIONS

The City will award its contracts to the responsive, and responsible vendor offering the best value, and whose offer or proposal is technically compliant with the City's requirements. Award shall be made to the vendor who offers the lowest price, is the highest ranked, or as otherwise prescribed in the solicitation. The use of the term bidder shall be understood to include any participant in the City's procurement process and the term bid shall be understood to include any offer in response to a solicitation.

RESPONSIVENESS DETERMINATION

Bidder responsiveness refers to a bidder's unequivocal promise, as shown on the face of its offer, to provide the items or services called for by the material terms of the solicitation. A responsive bid means one submitted at the correct time and place, in the correct format, containing all required information, signatures, and affidavits. A bid that deprives the government of the assurance that the contract will be entered into in accordance with its terms is not responsive. Any omission is normally not curable, as a bidder submitting an incomplete or qualified bid could opt in or out of the process at its will, depriving

the City of a valid offer and placing that bidder at a material advantage over other bidders who have made firm offers.

The determination of responsiveness is based on the application of bid requirements and legal precedent to facts provided by City staff or developed during a bid protest. The Purchasing and Contracts Director has the sole authority to determine whether a bid is responsive or non-responsive.

RESPONSIBILITY DETERMINATION

Bidder responsibility refers to whether the bidder can perform as provided in the bid. In general, solicitation requirements for information relating to a bidder's financial condition, capability, experience, and past performance pertain to a bidder's responsibility. The term responsibility is not limited in its meaning to financial resources and ability. Under its definition, the City has discretionary power to make determinations upon the honesty and integrity of the bidder necessary to a good faith performance of a contract, upon a bidder's skill and business judgment, its experience, and its facilities for carrying out the contract, the bidder's previous conduct under other contracts, and the quality of its previous work. The type of information bearing on a bidder's ability to perform may be furnished up to the time of recommendation to award or contract execution, whichever is later.

The Purchasing and Contracts Director shall conduct a responsibility review and inquiry, as may be reasonably required, to make the decision on vendor responsibility as a condition of recommending the bidder for award. City departments shall advise, in a timely manner, the Purchasing Department, of knowledge of any facts that may render a bidder non-responsible. Given the variety of goods and services purchased by the City, and the unique issues that may arise, the issues of responsibility shall be addressed on a case-by-case basis.

A determination of bidder responsibility shall be made, on a contract-by-contract basis. A responsible bidder is a bidder who the City affirmatively determines (prior to the award of a contract) has the ability, capability, and skill to perform under the terms of the contract; can provide the goods or services promptly within the time specified, without delay or interference; and has a satisfactory record of performance with the City or other public entity, including integrity and business ethics.

- a. In making the determination of whether the bidder has the capability to perform the contract the City may consider factors including, but not limited to, the following:
 - i. past performance of the bidder, its principals, affiliates, or supervisory personnel in the execution of prior City contracts or contracts with other public entities.
 - ii. any information which the City may obtain relating to the performance of the bidder, its principals, affiliates, or supervisory personnel on contracts with third parties, including without limitation, contracts with other governmental entities.
 - iii. financial performance and capability, including without limitation, pending and unsatisfied claims.

- iv. qualifications and past performance of the personnel who will have supervisory responsibility for the performance of the specific City contracts.
 - v. licensing, certifications, and other permits.
 - vi. any significant changes in the bidder's financial position or business organization.
- b. In making the determination whether the bidder has a satisfactory record of integrity and business ethics, the City may consider factors including, but not limited to, the following:
- i. pending criminal charges against the contractor, its principals, affiliates, or supervisory personnel.
 - ii. criminal conviction of bidder, its principals, affiliates, or supervisory personnel.
 - iii. debarment of the bidder, its principals, affiliates, or supervisory personnel in the City of Palm Beach Gardens or any other jurisdiction.
 - iv. pending disciplinary proceedings against the bidder, its principals, affiliates, or supervisory personnel.
 - v. pending enforcement cases, civil judgments, citations, or notices of violation of regulatory authorities with jurisdiction over the goods or services to be rendered, or any adverse determination resulting therefrom, including, but not limited to, those related to environmental protection, the health and safety of labor, and determinations by any government entity.
 - vi. pending investigation related to, or arising from allegations of dishonesty, illegal, or fraudulent business practices.
 - vii. efforts by the bidder to redress any breach of prior contracts, and compliance with settlement agreements to redress any contract deficiency.
 - viii. inaccurate, incomplete, or fraudulent business practices.
 - ix. efforts by the bidder to remediate any of the adverse conditions mentioned above, including compliance with the terms and conditions of any compliance agreement.
 - x. the preponderance of the evidence, nature, and credibility of all facts underlying any of the above-cited investigations, allegations, charges, accusations, proceedings, or indictments.

In evaluating the factors above, the City will give priority to acts or legal proceedings occurring within the five years preceding the submission of an offer to the City, and any violation or deficiency that is

continuous or uncured. Additionally, at any time, the City may require that the bidder submit documentary evidence and other information necessary to evaluate the factors identified above.

The City will be entitled to rely on information that a reasonable person relies on, in the conduct of its business affairs. If the bidder is unable to furnish such documentary evidence or other proof, or if the City is otherwise unable to make an affirmative determination that the bidder is responsible to perform the work as required, the bidder shall be determined non-responsible. Failure of the bidder to provide requested information to determine responsibility in response to a solicitation may cause such bid or proposal to be rejected.

Generally, contractors are responsible for determining the responsibility of their subcontractors. Determinations of subcontractor responsibility may affect the City's determination of the contractor's responsibility. A contractor may be required to provide written evidence of subcontractor responsibility, and the City may directly determine a subcontractor's responsibility. The same standards used to determine a contractor's responsibility shall be used to determine a subcontractor's responsibility.

In the event a bidder is determined to be non-responsible, the Purchasing and Contracts Director shall make, sign, and place in the contract file a determination of non-responsibility, which shall state the basis for the determination. All documents, reports, recordings of meetings, supporting a determination of non-responsibility shall also be included in the contract file.

In addition to responsiveness and responsibility determinations, the Purchasing Department, in collaboration with the requesting department, shall ensure that the goods or services to be procured are technically compliant with the specifications and requirements of the City's solicitation. The requesting department (or consultant, as may be the case) shall act as subject matter experts in determining whether the offered goods or services are technically compliant with the specifications of the solicitation.

ADVANCED ACQUISITION PLANNING

The Purchasing Department, in collaboration with the various departments, procures a wide range of goods and services for the operations of the City. In the past, the Purchasing Department's function essentially commenced upon receipt of requisitions and relevant supporting documentation from the requesting departments. While this approach may be sufficient for some purchases, it may not be appropriate for most major acquisitions. Advance acquisition planning is especially necessary for major procurements and should be conducted in accordance with sound business practices and in a timely manner. Advance acquisition planning involves the Purchasing Department, in collaboration with the requesting departments, reviewing specifications and statements of work to determine that the purpose of the acquisition is clear, and that the minimum requirements are clearly defined and stated in terms of performance and/or functionality when possible. It should also include market research and analysis to determine sources of supply and available solutions in the marketplace.

Advanced acquisition planning results in effective competitive solicitations, accurate budgetary projections, timely procurement of goods and services, consideration of multiple products or solutions, and enhanced competition.

It is often the case that procurement actions are delayed due to circumstances such as conflicting or unanticipated workloads, redundant requirements, repetitive after-the-fact revision of specifications or solicitation provisions, or initially unconsidered competition or business utilization issues. The best way to minimize the potential for such delays is to identify and resolve such concerns during the initial planning phase for a given purchase.

It is the Purchasing Department's intent and goal to work with departments at the earliest point possible in the acquisition cycle. The acquisition cycle begins when a department perceives a need for a given product or service and decides to purchase that good or service. The Purchasing Department can provide a significant value-added service by working collaboratively with requesting departments in the early phases of the acquisition cycle. Such early coordination will minimize or even eliminate procurement pitfalls such as those addressed above. It is the Purchasing Department's mission to ensure that City purchases are completed in the most effective and timely manner possible. The Purchasing Department considers Advance Acquisition Planning to be a major element towards achieving that goal.

CONE OF SILENCE

Pursuant to Section 2-355 of the Palm Beach County Ordinance No. 2011-039, and the purchasing policies of the City of Palm Beach Gardens, all unsolicited letters of interest and/or offers and all City issued solicitations, once advertised and/or until the appropriate authority has approved an award recommendation, are under the "Cone of Silence". This restricts communications between potential bidders, respondents, vendors, and/or partnering entities and the City's professional staff and requires documentation thereof. The solicitation vetting and evaluation process is administrative in nature and has been established to enhance transparency and to prevent bidders, respondents, vendors, and/or partnering entities from politicizing the process. Therefore, potential bidders, respondents, vendors, and/or partnering entities are specifically prohibited from communicating with City Council members while the Cone of Silence is in effect.

The Purchasing Department may issue an addendum in response to any inquiry received, prior to the close of the solicitation period, which changes, adds, or clarifies the terms, provisions, or requirements of the solicitation. The vendor may not rely on any representation, statement, or explanation whether written or verbal, other than those made in the solicitation document and any addenda thereto. Where there appears to be a conflict between the solicitation and any addenda, the last addendum issued shall prevail.

It is the vendor's responsibility to ensure receipt of all addenda, and any accompanying documentation. The vendor is required to acknowledge receipt of all addenda issued for the solicitation.

The City reserves the right to reject bids, proposals, and/or solicitation responses/proposals from any vendor who violates the provisions of the Cone of Silence.

NON-COLLUSION AFFIDAVIT

Any vendor responding to a City solicitation shall submit an affidavit under the penalty of perjury, on a form provided by the City, stating either that the vendor is not related to any other parties bidding in the competitive solicitation or identifying all related parties with which it has colluded in offering a bid in the solicitation; or attesting that the vendor's proposal is genuine and not sham or collusive or made in the interest or on behalf of any person not therein named, and that the vendor has not, directly or indirectly,

induced or solicited any other vendor to put in a sham offer, or any other person, firm, or corporation to refrain from proposing, and that the vendor has not in any manner sought by collusion to secure to itself or a related party an advantage over any other bidder. In the event a recommended bidder identifies related parties in the competitive solicitation its bid shall be presumed to be collusive, and the recommended bidder shall be ineligible for award unless that presumption is rebutted to the satisfaction of the City.

Any person or entity that fails to submit the required affidavit shall be ineligible for contract award. The Non-Collusion Affidavit will be included in all solicitations and bidders, or proposers may submit the executed document with their bid proposals, or during the bid evaluation period.

DISPUTE RESOLUTION

Any dispute arising out of or relating to City contracts shall be resolved by following the procedures below:

- a. The department and/or vendor shall bring details of the dispute to the attention of the Purchasing and Contracts Director.
- b. The Purchasing and Contracts Director shall obtain details of the dispute from both parties and develop a reasonable and fair solution acceptable to both parties, which shall be documented in writing.
- c. The documentation shall contain details as to the responsibilities of each party, to include:
 - i. A summary of the dispute.
 - ii. Actions to be taken.
 - iii. Follow-up schedule.
 - iv. Assessment of damages, penalties, or fees.
 - v. Monitoring by City staff to ensure that the issues were resolved in a timely manner and closed out.
- d. If the dispute cannot be resolved through the above process, the City Attorney shall be consulted for appropriate legal action (litigation, arbitration, or mediation).

REQUISITIONS OR REQUESTS FOR PROCUREMENT

When a City department requires a good or service that is not available from an existing City contract, and which exceeds the dollar limit for small purchases, a requisition or request shall be submitted to the Purchasing Department. All departments should evaluate the need for goods and services, determine expected usage, and plan their purchases to timely meet program and operational needs.

Before submitting a requisition or request, the user department shall ensure that:

- a. Valid requirements have been established.
- b. Funds are available to cover the purchase.
- c. Sufficient information is provided so that the Purchasing Department can determine the best method to make the purchase.
- d. Quotations or piggyback contract information are attached.
- e. Competitive specifications are provided.
- f. The estimated total dollar value of procurement has been reasonably estimated.

The Purchasing Department shall review the requisition or request for accuracy and compliance with purchasing policies and procedures.

TECHNICAL SPECIFICATIONS, SCOPE OF SERVICES, AND STATEMENTS OF WORK

Technical Specifications, Scope of Services, or Statements of Work should be stated in terms of function, performance, or design. The specifications should be based on the department's minimum requirements and the market available to satisfy those requirements. Design or prescriptive specifications are the least desirable type of specifications. Functional or performance specifications are preferred as they increase the potential for full and open competition.

All departments shall consider the following factors when developing specifications:

- a. Do the specifications clearly describe the needs in terms of the function or performance required?
- b. Do the specifications clearly state the minimum requirements acceptable?
- c. Do the specifications indicate the end usage or expected results?
- d. Are the specifications clear, concise, and understandable?
- e. Do the specifications encourage competition by considering more than one potential source of supply?
- f. Are standard specifications available?
- g. Are the specifications tailored to more than one vendor?
- h. If a specific brand and model are referenced, has the term "or Approved Equal" been included? If not, has a reason been clearly stated why an "approved equal" product is not acceptable?
- i. Is there anything unusual to be considered?

The Purchasing Department has the final authority on the preparation, review, modification, and approval of all specifications. The above rules and standards shall apply whether the specifications were developed

by City staff or by a consultant contracted by the City. Contractors who develop or assist with developing specifications for a project are not allowed to bid on the project.

PURCHASING THRESHOLDS AND SIGNATORY AUTHORITY LEVELS

PURCHASES EQUAL TO OR LESS THAN \$10,000

Purchases of goods and services that are equal to or less than \$10,000 should be made using the City's purchasing card. These purchases shall be made from vendors who supply the item at a reasonable price and with an acceptable quality level. Departments should obtain verbal quotations and determine its reasonableness, inspect the item before purchasing it, obtain confirmation of card acceptance via email, and obtain a receipt for monthly purchasing card reconciliation purposes. For purchases that cannot be paid with a purchasing card, the department shall issue an appropriate purchase order, which will constitute the City's authorization for the vendor to perform the work or provide the goods.

Policies and procedures governing the use of purchasing cards can be found in the City of Palm Beach Garden's Purchasing Card Policies and Procedures Manual. Those guidelines are complimentary to the Purchasing Policies and Procedures Manual.

Each department may establish more stringent rules to govern purchases up to \$10,000, as deemed appropriate by the Department Head.

PURCHASES GREATER THAN \$10,000 BUT NO MORE THAN \$65,000

Purchases of goods and services that are greater than \$10,000 but no more than \$65,000 require a requisition or request with written documentation of best attempts to obtain at least three quotations as provided below.

Quotations may be solicited by email or telephone. In cases when the requirements cannot adequately be expressed orally, a written Request for Quotations must be sent to potential bidders. Documentation of the quotations requested and received must be attached to the requisition. Vendors should be given a specific due date when quotations must be received by the City.

If at least three quotations were not obtained, or if other than the lowest quotation is being recommended for award, the reasons shall be documented in the requisition.

The completed requisition or request shall be submitted to the Purchasing Department for approval prior. In certain emergency or urgent situations, a purchase may be made after receiving oral approval from the

Purchasing and Contracts Director. Any emergency purchase receiving verbal approval must be submitted via requisition by the end of business that same day.

Purchases ordered per an existing piggyback contract must include the vendor's name, contract number, and contracting entity on the requisition (i.e., State of Florida, Omni Partners, US General Services Administration, etc.)

The person responsible for receiving the goods or services must check vendor invoices to ensure that quantities match the purchase order prior to approving the invoice for processing.

PURCHASES GREATER THAN \$65,000

For all purchases greater than \$65,000, formal bids or quotations shall be obtained using the guidelines in this Manual. In general, purchases greater than \$65,000 require the approval of the City Council.

A Market Research Summary Report or Course of Action Report shall be completed by the Purchasing Department for all purchases that fall within this authorization level. Requesting departments should also conduct their own market research to supplement the market intelligence that influences the purchasing decision.

Responses shall be solicited by openly advertising an Invitation to Bid or Request for Proposals on a public website and, if required to satisfy the requirements of a grant or other funding agency, in a newspaper of general circulation throughout the City.

Public notice of the solicitation shall be published on the City's website for a reasonable period prior to bid opening. Any bid that requires a Pre-Bid Conference shall be advertised at least one week in advance of the Pre-Bid Conference date.

Purchases ordered per an existing piggybacked contract shall include the vendor's name, contract number, and contracting entity on the requisition (i.e., State of Florida, Omni Partners, US General Services Administration, etc.), and a copy of the solicitation and contract.

All contracts to be awarded that do not exceed \$65,000 require the signature of the City Manager or designee. All contracts to be awarded with a value of more than \$65,000 require approval of the City Council and the signature of the Mayor, except where such signatory authority has been delegated to the City Manager by resolution of the City Council.

Any decision to award to other than the apparent low bidder or highest ranked proposer shall be fully documented in writing and must be reviewed and approved by the Purchasing and Contracts Director.

SOLICITATION PREPARATION

Requesting departments shall be actively involved in the preparation of solicitations to ensure that goods or services specific requirements are adequately addressed in the solicitation document. Departments may also be involved after solicitation issuance in assisting the Purchasing Department with conducting pre-bid or pre-proposal conferences, site visits, facility inspections, and the preparation of any requisite solicitation addenda.

SOLICITATION ADVERTISEMENT

The City Clerk shall publicly publish announcements and legal advertisements for formal solicitations and all related addenda and notices. The Purchasing Department shall also publish all formal solicitations to the Purchasing webpage, an enterprise e-procurement or electronic bidding platform, to reach as wide a population of vendors as possible.

Depending on the project, and when possible, the Department shall also provide copies of its solicitations to vendor organizations such as the Small Business Administration, the Florida Small Business Development Center, various chambers of commerce, to engage small business enterprises and encourage participation from historically disadvantaged vendors. A courtesy copy of the solicitation should also be provided to incumbent contractors, previous bidders on the project, and any vendors who may have expressed an interest in the project.

PRE-BID, PRE-PROPOSAL CONFERENCES, AND SITE VISITS

A pre-bid conference shall be scheduled for Invitations to Bid when it is deemed necessary to allow potential bidders to consult with Purchasing staff and the requesting department, to ensure clarity of the requirements for the goods or services and, if applicable, to view the site where the work is to be performed. A pre-proposal conference shall be scheduled for Requests for Proposals, as appropriate.

These conferences shall be scheduled roughly in the middle of the solicitation period to allow enough time for vendors to prepare for the conference, and to consider the information provided during the conference, and to ask any additional follow-up questions, prior to submitting a bid or proposal.

Attendance at these conferences by vendors is generally optional. However, vendor attendance at such conferences may be made mandatory depending upon the specific requirements of the project. Mandatory conferences may serve to limit competition and shall be the exception to the rule. The “Cone of Silence” is not applicable during these conferences and any subsequent site visits.

As required by the law, the City Clerk shall record all proceedings at pre-bid and pre-proposal conferences.

ADDENDUMS

There may be occasions when it is necessary to change or update the specifications, terms, or conditions of a given solicitation during the advertisement period. Such changes may be required in response to the revisions by the department, requests for clarifications from vendors, other contractor questions, or for

other reasons. Such changes shall be formalized by the issuance of written addendum by the Purchasing Department and distributed through the same channels the solicitation was originally advertised. The addendum becomes a part of, and supersedes, the original requirements in the solicitation.

DUE DATE FOR RESPONSES

Responses to solicitations shall be opened by the City Clerk at the place, date, and time specified in the solicitation or any subsequent addendum. No further responses will be accepted after the date and time for the receipt of responses (bids, proposals, qualifications). However, during the evaluation period, as appropriate, the City may request clarification to offers and proposals, provided such additional information does not give any vendor an unfair advantage over the other competing responses.

LATE BIDS OR PROPOSALS

The City will not accept late bids or proposals. All late bids or proposals shall be rejected.

WAIVING MINOR ISSUES

Each response shall meet the minimum requirements of the solicitation, unless waived as an irregularity or informality by the Purchasing and Contracts Director or designee. The waiving of such minor issues shall only be appropriate when such action does not affect pricing or gives an unfair advantage to the vendor benefitting from the waiver. Affidavits mandated by City Ordinances or Resolutions can be waived only by provisions contained within the Ordinances or Resolutions of the City Council.

TIED BIDS

Tied bids are offers where one or more responsive and responsible bidders offer the same low price for a good or service. In such instances, the Purchasing Department will first request best and final offers (“BAFOs”) from the bidders that offered the same price. The BAFOs must be requested at the same time or soon after the preliminary bid tabulation is provided to all responding bidders. This allows all bidders to see the prices that were bid, and the bidders that offered the same pricing.

Request for BAFOs shall include a due date (close of business is acceptable) and shall be emailed directly to the Purchasing and Contracts Director or through the e-procurement platform, as directed. In the event responses to best and final offers result in another tied bid, the tie shall be broken by the City Manager or designee flipping a coin in the presence of the Purchasing and Contracts Director and/or the City Clerk.

RECOMMENDATIONS FOR AWARD

Recommendations for Award within the purchase authorization levels shall be made to the responsive and responsible vendor offering the lowest price, or the highest-ranked proposer with whom the City can negotiate an acceptable agreement. The City Manager or designee, subject to further delegation of authority, shall have the authority to recommend or award such contracts, pursuant to the purchasing

authorization levels established. All such awards shall be completed and publicly noticed in accordance with the City's established purchasing policies and procedures.

APPEAL AND PROTEST PROCEDURES

After the City has decided the intended award of a contract, the City will post a Public Notice – Recommendation to Award, and the final Bid Tabulation or Evaluation Scores and Ranking. On the day of posting, all bidders or proposers who responded to the solicitation shall be notified via email of the posting of the Award Recommendation by the Purchasing Department.

Any responding vendor adversely affected by the decision of award may file a formal written protest within 72 hours (excluding Saturdays, Sundays, and legal holidays) from the time of initial posting by the City Clerk. Protestors shall file their written protests with the City Clerk between the hours of 8:00 a.m. and 5:00 p.m.

At a minimum, written protests shall contain:

- a. The name of the vendor.
- b. The vendor's address, phone number, and email.
- c. If applicable, the name of the vendor's representative or attorney.
- d. The number and title of the solicitation.
- e. A plain clear statement of the grounds on which the protest is based.
- f. Specific information regarding the relief to which the vendor deems itself entitled and/or the remedy requested.

Additionally, the vendor or entity filing the protest shall post with the City Clerk at the time of filing the formal written protest or within the 72-hour period allowed for filing the formal written protest, a bond, cashier's check or money order payable to the City of Palm Beach Gardens in an amount equal to \$10,000 or 10% of the bid amount (whichever is greater), which bond or security shall be conditioned upon the payment of all costs which may be adjudged against the protesting party in a court of law and/or to reimburse the City for additional legal expenses incurred and required to address the protesting party's claim(s). Failure to post the bond or security requirement within the time allowed for filing will result in a rejection of the protest without further recourse for the filing party. For bid protests, the filing party shall not stay the implementation of the bid award by the City.

Formal written protests shall not exceed 15 type-written pages and in all other respects shall comply with the formatting requirements for an appellate brief as set forth in the Florida Rules of Appellate Procedure. A written protest is considered received by the City when it is delivered to and received by the City Clerk. Delivery to and receipt by any other City department or staff member shall not constitute receipt by the City of Palm Beach Gardens.

Protests submitted via email do not meet the requirements of this section and will not be accepted.

Failure to file a timely formal written protest within the period specified shall constitute a waiver by the vendor of all rights of protest under the protest procedures and shall further constitute a failure of the vendor to avail itself of its administrative remedies.

A written protest may not challenge the specifications, scope of services, the relative weight of evaluation criteria, or a formula for assigning points.

The City's consideration of a timely written protest shall not necessarily stay the award process, as may be in the best interest of the City. The Purchasing Director may recommend to the City Manager to render moot any written protest that is overcome by events, in which case the City may abate or dismiss such protest.

Within 7 days (excluding Saturdays, Sundays, and legal holidays) of receipt of the formal written protest, the Purchasing and Contracts Director and the City Attorney shall attempt to settle or resolve the dispute with or without a hearing, at the City Attorney's sole discretion. A decision will be rendered in writing and shall: (1) state the reasons for the action taken; and (2) inform the protestor of its right to appeal as provided herein. A copy of the decision of the Purchasing and Contracts Director and the City Attorney shall be mailed or otherwise be furnished to the protestor.

Any person aggrieved by the decision of the Purchasing and Contracts Director and the City Attorney, may appeal to the City Manager within 7 calendar days from the date of the written decision. The appeal shall be in writing and shall state with specificity the grounds therefor and the action requested of the City Manager. The City Manager shall attempt to settle or resolve the matter, with or without a hearing. The City Manager shall render a decision, in writing, within 7 calendar days following receipt of the appeal and such decision shall be final and conclusive on the vendor.

Failure to follow the protest procedures or to meet any deadline set forth herein shall automatically nullify any protest or claim brought by an aggrieved vendor. The City is not subject to or bound by the requirements and/or procedures set forth in Chapter 120, *Florida Statutes*.

STANDARD FORMATS AND TEMPLATES

With the assistance of the City Attorney, the Purchasing Department shall develop a Clause Dictionary that is editable, and which shall contain commonly used terms and conditions. These standard terms and conditions shall be used, as appropriate, to develop the terms and conditions used in solicitations.

Provisions that are considered 'boilerplate', and are designated as general terms and conditions, shall be made available online to the vendor community, and shall not be also included in formal solicitation documents, provided information on locating the information online is provided in the solicitation document.

The Purchasing Department shall also develop standard formats and templates for solicitations, which follow the same general composition and layout to allow for vendor familiarity and ease of reading. The standard formats and templates shall contain all the requirements for the goods or service to allow prospective bidders and proposers to respond properly to City solicitations.

FORMAL SOLICITATION PROCESS

All purchases to be made through a formal solicitation process shall be conducted at the discretion of the Purchasing and Contracts Director or designee, based on the City's purchasing policies and procedures. All specifications shall be reviewed and approved by the Purchasing Department.

The City Clerk shall publish a legal advertisement for the solicitation of bids or proposals. The Purchasing Department shall provide free access to all solicitations, addendums, and award information (public notices) on the City's Purchasing Department website. Vendors on the Vendors List shall be notified each time a solicitation for their area of work or expertise is advertised, and any addendums posted for the solicitation.

Piggybacking State, County or another municipality's competitively solicited bid is permitted within the approval thresholds of the City Manager or City Council, in accordance with the purchasing criteria set forth in this Manual. The user department shall specifically identify the contract being piggybacked and include that information in the documents sent to the Purchasing Department for review.

AUTHORITY TO EXERCISE OPTIONS TO RENEW

A contract may contain a provision providing for the option to renew ("OTR") at the expiration of the initial term of the contract. The City Council shall authorize the award of any contract where the cumulative value of the initial term of the contract and any option to renew terms will exceed the threshold for Council approval. Authorization for the City Manager or designee to exercise future OTRs may be included in the language of the agreement or resolution approving the contract.

REQUEST FOR INFORMATION

A Request for Information ("RFI") is a written solicitation prepared and issued for the purpose of seeking information, comments, or reactions from the industry by a certain date and time. An RFI may be used during the market research phase of a procurement project to assist the City in identifying potential

proposers, strategies, prices, or other relevant information. The RFI precedes the issuance of a formal solicitation for the goods or services. Contract awards cannot be made only on responses to an RFI.

REQUEST FOR QUALIFICATIONS

A Request for Qualifications (“RFQ”) is used to obtain statements of qualifications from proposers for certain professional services and is the required process for certain professional services that fall under Florida’s Consultants Competitive Negotiations Act. The law requires the identification of specific qualifications to evaluate responding proposers, without the initial consideration of pricing. An RFQ includes, but is not limited to, a brief explanation of the project, a description of the work to be performed, required qualifications and licensing, instructions for response, and evaluation and selection criteria. These types of contract awards are not based solely upon price. Instead, there is an extensive evaluation, which include such criteria as qualifications and experience of principals and staff, technical knowledge and expertise, financial stability, prior performance and history of the firm, and client references.

REQUEST FOR PROPOSALS

A Request for Proposal (“RFP”) is a solicitation whose associated award evaluation and vendor selection process is predicated on a best value evaluation, rather than strictly upon award to the lowest priced responsive and responsible vendor. This type of evaluation is a sensitive and demanding process, and detailed guidelines have been developed to ensure such evaluations are conducted in an appropriate and accurate manner. The following section provides an overview of those procedures to enable departments to prepare for, and participate in, negotiated acquisitions in conjunction with the Purchasing Department.

FORMATION AND PERFORMANCE OF SELECTION COMMITTEE

The Purchasing Department is responsible for the review of all proposals for responsiveness and vendor responsibility before distributing those proposals to the Selection Committee for evaluation. A proposer is considered responsive if the proposal conforms in all material respects to the terms and conditions in the solicitation. Vendor responsibility determination may be performed up to and including the date on which a subsequent agreement is to be executed.

SELECTION COMMITTEE TEAM MEMBERS

In consultation with the Department Head, the Deputy City Manager and the Purchasing and Contracts Director shall determine the number and makeup of the Selection Committee.

- a. Each selection committee member shall have no personal or financial interest in any vendor or firm which has submitted a proposal to the City for the project to be evaluated.
- b. Each selection committee member shall have a professional interest that the recommendations of the Selection Committee can be supported and defended legally and ethically.
- c. Each selection committee member shall have a professional interest that the recommendations

of the Selection Committee will lead to the selection of a vendor who can provide the goods or services that are the best choice and value for that project.

The Purchasing and Contracts Director, or designee, shall serve as the Selection Committee Chairperson, and shall not award points for proposals or participate in the voting.

INITIAL MEETING OF THE SELECTION COMMITTEE

The Purchasing Department shall conduct an initial meeting (Kick-Off Meeting) with the Selection Committee to ensure that each member has a clear understanding of their duties and responsibilities in the selection process. A copy of the Standard Operating Procedures for Selection Committees, evaluation guidelines, training information for selection committees, the solicitation and any addenda, each proposer's submittal, and a copy of the evaluation criteria shall be distributed to Committee members as soon as available.

CONFLICT OF INTEREST

Once proposals have been received, a copy of the List of Proposers shall be provided to each member of the Selection Committee. Each member shall determine if they have a personal or financial interest in any proposer, and if the member understands and can perform impartially within the Selection Committee guidelines. If a conflict of interest exists or appears to exist, that member shall be disqualified from the Selection Committee and replaced with another person. An Evaluator's Statement of Independence and Non-Conflict of Interest form shall be signed by each Selection Committee member prior to the commencement of the evaluation of the proposals.

COMMITTEE RULES AND PROCEDURES

All evaluators on the Selection Committee are required to apply sound and unbiased judgment in scoring and awarding points for each proposal.

It is very important that all Selection Committee members read the solicitation thoroughly and have a clear understanding of the requirements and evaluation criteria before attempting to evaluate the proposals. All questions should be directed to the Purchasing and Contracts Director, the Chairperson of the Selection Committee.

- a. All Selection Committee meetings shall follow the requirements of Florida Statute 286.011 for public meetings, and meetings shall be publicly noticed at least 72 hours in advance. These meetings are open to the public, which may include proposers which have submitted responses to the solicitation. Meetings shall be recorded, and all recordings shall be available to the public from the City Clerk's office.
- b. Selection Committee members are prohibited from communicating with anyone, either verbally or in writing, regarding the proposals, outside of the scheduled and publicly noticed Selection

Committee meetings. Violations of FS 286.011 are very serious and have legal and ethical ramifications. If a vendor or proposer contacts a Selection Committee member, the member shall immediately refer the vendor or proposer to the Purchasing Department. Selection Committee members are prohibited from participating in individual meetings, informal consultations, lunches, entertainment, or any other direct or indirect contact with vendors or proposers under evaluation.

- c. After receipt of proposals, each Selection Committee member shall review and evaluate each proposal independently, without discussing their evaluation with other Selection Committee members, spouses, colleagues, friends, supervisors, managers, etc.
- d. Evaluations and scoring shall be based on the criteria established in the solicitation. All criteria shall be scored. If a member elects to score only some of the proposals or criteria, the evaluations completed by that member shall be thrown out to prevent skewing of the final scores.
- e. Evaluations shall be both qualitative and quantitative based on the evaluation criteria established in the solicitation. If a member enters a score of zero in any evaluation category, that member shall identify the deficiency and provide a written explanation for the zero score. All scores and comments shall become part of the solicitation record and contract file and are subject to disclosure under the Florida Public Records Law. Selection Committee members should have a reasonable, rational, and consistent basis for their scores, and be prepared to explain their scores in the event of a protest or inquiry.
- f. Prior to the Selection Committee meeting in a public forum, any questions, clarifications, or additional information requested from a proposer by a member shall be submitted in writing through the Purchasing Department. The Purchasing Department is responsible for obtaining a written response from the proposer and sharing the response with all the Selection Committee members.
- g. Individual initial scoring should be completed prior to the Selection Committee meeting where final scores and rankings are to be discussed. After each Selection Committee member has independently completed the initial review and scoring of the proposals, the Selection Committee shall convene a publicly noticed meeting to openly discuss the proposals. Members may adjust their initial scoring based on their interpretation of any additional information gained from the Selection Committee's discussions. After all discussions have been completed each Selection Committee member shall finalize their scores. Each member is required to sign the score sheet and any note pages and submit them to the Chairperson as part of the public record.
- h. The Chairperson shall tabulate the scores and rank the proposals from the highest to the lowest. The scores and rankings shall be read into the record.

- i. Depending on the outcome of the scoring and ranking, the Selection Committee may recommend one of the following:
 - i. Award the contract to the highest ranked proposer.
 - ii. Short-list the top-ranked proposers and request scheduling of oral presentations and interviews.
- j. If the Selection Committee recommends awarding the contract to the highest ranked proposal, no further action is required from the Selection Committee.
- k. If oral presentations are requested, the Selection Committee shall identify the proposers to be invited for the oral presentations and interviews. The Selection Committee may request oral presentations from as many proposers as necessary; however, it is recommended that the Selection Committee, by consensus, request presentations only from the top-ranked proposers.
- l. When oral presentations and interviews are requested by the Selection Committee, the members shall advise the Chairperson of the specific areas needing additional explanation or clarification, or any other information the Selection Committee would like the proposers to provide during the oral presentations and interviews.
- m. All proposers selected for oral presentations shall be notified in writing of the publicly posted meeting by the Purchasing Department, identifying the date, time, location, with a uniform script listing the specific questions or information requested by the Selection Committee to be addressed at the presentation.
- n. Prior to the oral presentations and interviews, the Chairperson shall provide copies of the evaluation criteria and initial score sheets to the Selection Committee.
- o. During the oral presentations and interviews, Selection Committee members may ask questions of the proposers for a clear understanding of each proposer's position.
- p. After oral presentations and interviews are completed, the Selection Committee shall have the opportunity to continue discussions among themselves. After discussions are completed, each member shall finalize their scores. Each member is required to sign the score sheet and any note pages and submit them to the Chairperson as part of the public record.
- q. Score sheets shall be tabulated and ranked from the highest to the lowest by the Chairperson. The award recommendation shall be for the proposer with the highest ranking or score.
- r. The Selection Committee Chairperson shall work with the City department on a Recommendation to Award, and an executed agreement, for processing through the City Manager or the City Council, as appropriate.

- s. Florida Statutes require that all internal workings of the Selection Committee be kept confidential until the Committee has completed its work and all proposers have been officially notified of the selection.

NEGOTIATIONS

The Purchasing Director shall manage the negotiation process for all City procurement projects, as may be necessary. This shall not preclude the use of consultants or legal assistance in developing negotiation strategy and conducting negotiations and discussions with vendors. In general, negotiations shall be conducted under the principle of “win-win”, where the City and vendor share benefits from the process and subsequent contract.

All negotiations shall follow the requirements of Florida Statutes, and shall be conducted with the highest ethical standards, fairness, and equity; and with the understanding that the City will not be placed in an unfair or unreasonable position to the vendor’s. All negotiation meetings with vendors shall be recorded and conform to the public records requirements of applicable laws.

The Purchasing Director, in consultation with the City Manager or designee, has the option to appoint a Negotiation Team to assist with various aspect of developing negotiation strategy and conducting negotiations with the vendors. The Team shall comprise stakeholders and individuals who are familiar with the project and can describe fully the scope of the project and clearly articulate the City’s position. All negotiating team meetings at which negotiation strategies are developed or discussed shall be recorded in accordance with Section 286.0113 Florida Statutes.

In general, the ability to negotiate, and the process to be followed are restricted as follows:

- a. Invitations to Bid; Invitations to Quote; Informal Quotations
Negotiations on price only with the responsive and responsible bidder offering the lowest price.
- b. Requests for Proposals
Negotiations on price, scope, and terms, based on the conditions for negotiations established in the solicitation.
- c. Requests for Qualifications
Negotiations on price only, based on the procedures established in the solicitation.

REJECTION OF BIDS OR PROPOSALS

The City Manager, or designee, may reject all bids or proposals or parts of all bids or proposals when such rejection is in the best interest of the City. Rejection of bids or proposals may also be protested. A bid or proposal may be rejected if any of the following conditions exist:

- a. The bid or proposal does not conform to the technical specifications or the solicitation documents.
- b. Insufficient financial resources or lack of technical ability, physical capacity, or skill of the vendor to perform the contract or the service required.
- c. Inability of the vendor to perform the contract or provide the service within the time specified without delays or interference.
- d. Previous and existing non-compliance by the vendor with laws and ordinances relating to the contract or services.
- e. Inadequate quality or performance on previous contracts for goods or services, at the City or other governmental entity.
- f. Vendor has been declared to be in default on any City or public entity contract or debarred or suspended by any public entity.
- g. Taking exceptions to the terms, conditions and specifications of the bid or proposal.
- h. Non-conformance with minority business or disadvantaged business enterprise provisions and requirements, where applicable.
- i. When the City determines that the price quoted is not fair and/or reasonable.
- j. Insufficient competition.
- k. The vendor made an error in pricing or other critical element in the bid or proposal that cannot be corrected after the due date for responses without giving that vendor an unfair advantage over other responding vendors.
- l. Any other reason that is in the best interest of the City.

VENDOR POOL CONTRACTS

Vendor pool contracts are agreements that have been awarded to multiple vendors that have met the basic qualifying requirements established for the contract, but do not contain within the contract itself all the data needed to establish firm pricing for a specific product or specific service to be provided under the contract. Examples of these contracts include, but are not limited to:

- a. Pre-qualification contracts awarded by the City. These contracts specify a pool of contractors who are authorized to provide the required product or service to the City. Pricing for specific goods or services are obtained through spot market bidding.
- b. Contracts awarded by the City that include unit pricing information such as hourly rates, discount percentages from catalogs or other established commercial pricing sources, or job task unit rate, are also vendor pool contracts. Contracts structured in this manner are usually awarded to multiple vendors per item (such as primary, secondary, and tertiary awards), and require the primary vendor to first submit a project price based on the lowest rate per unit price.
- c. Contracts awarded by other government agencies and not-for-profit organizations that include pricing information such as hourly rates, discount percentages from catalogs or other established commercial pricing sources, or job task unit rate, are also vendor pool contracts.

Vendor pool contracts usually require additional competitive action prior to award of a specific purchase to a specific vendor listed on the contract. Specific quoting and award procedures (such as a “road map”) for use of each vendor pool contract is developed on a contract-by-contract basis by the Purchasing Department. These procedures are structured to provide the competitive environment and documentation necessary to clearly support the award of a purchase to a specific vendor.

ADDITION OF VENDORS TO POOL CONTRACTS

A pre-qualification contract that establishes a pool of vendors based on minimum requirements may allow for additional vendors to be added to the pool at any time during the contract term. If this is allowed, it shall be specifically stated in the contract terms and conditions. Additional qualified vendors shall meet the minimum qualifications established in the original solicitation to be added to the pre-qualified vendor pool.

ACCESSING CONTRACTS FROM PUBLIC ENTITIES/GROUP PURCHASING ORGANIZATIONS

The City may award a contract by accessing the goods or services from any state contract, or contracts from any subdivisions of the state, or from any other governmental entity, from not-for-profit organizations; or a group purchasing organization serving public entities; provided the goods or services are not available through an existing City contract at a lower price.

Before any purchase controlled by this section can be made, vendors shall comply with all City requirements, (including, but not limited to, City affidavits), prior to contract execution. A copy of the contract or award documents shall be obtained from the government agency. If these documents are not available, copies of specific pages with information on the contract number and its expiration date, terms and conditions, the item description and price, warranty period, payment terms, shipping terms, and other pertinent information shall be obtained. Contracts awarded by other government agencies and not-for-profit organizations, can be used on a direct award basis when those contracts were awarded based on full and open competition. Use of pool-type contracts awarded by other governmental agencies

(or not-for-profit organizations) is also authorized, but such contracts may be subject to further competitive action by the Purchasing Department on a case-by-case basis.

When accessing another entity's contract, staff shall carefully review the terms and conditions of that contract, noting that vendors can provide services only in those categories they were awarded on the competitively solicited proposal or bid.

LIMITED COMPETITION ACQUISITIONS

POLICY

It is the policy of the City of Palm Beach Gardens to purchase its goods and services through a full and open competitive process. However, when competition is not available or when it is determined in the best interest of the City to utilize other than full and open competition, the execution of purchases by other methods, such as a bid waiver, sole or single source, or emergency basis (specific guidance on emergency actions is contained in a separate section of this Manual - this section pertains only to bid waiver and sole source acquisitions) is authorized.

One of the Purchasing Department's primary goals is to foster full and open competition in the acquisition of goods and services for the City. The Department shall review all sole source, single source, bid waiver, and City standardization requests to determine the appropriate acquisition approach. The Department shall also perform industry and product market research to determine if alternative sources of supply are available. The Purchasing Department shall work closely with user departments to ensure that contract scope and work requirements are expressed in terms of performance or functionality, whenever practical.

When the user department has decided internally that full and open competition is not in the City's best interests, the appropriate justification for that decision shall be submitted in writing to the Purchasing Department for approval to waive the competitive process. Using the appropriate justification form, the user department shall indicate the purpose of the acquisition, the uniqueness of the item or service, why waiving the competitive process is in the City's best interests, what market research was performed by the user department to support its decision, and what proposed actions may enhance competition in future acquisitions.

DEFINITIONS

A sole source purchase is the acquisition of a good or service for which there is only one source that can provide the good or service, and an equal product or service is not available from any other source.

A bid waiver is a purchase of a good or service without formal competitive bidding, when it is determined to be in the best interest of the City. In a non-competitive bid waiver only one quote is sought. In a competitive bid waiver (limited informal competition) more than one quote is sought.

A city standard purchase is the acquisition of a good when the City has determined that a particular style, brand, make, or model is the only type that meets the City's requirements for performance, consistency, compatibility, or other salient characteristics, and such determination has resulted in there being only one source available to the City.

The Purchasing Department shall negotiate with vendors to obtain the best possible contractual arrangements for the City.

PROCESS

The Purchasing Department shall review all justifications to determine the appropriate acquisition approach. This shall include evaluating specifications and statements of work to ensure that no artificial barriers or unnecessary restrictions prohibit or reduce competition. The Department shall work closely with user departments to ensure that minimum requirements are expressed in terms of performance or functionality. The Department shall perform product and industry market research to determine if alternative sources of supply may be available to meet the requirements.

To make the administration of non-competitive acquisition effective and efficient, and to avoid redundant efforts, user departments shall submit a completed sole source or bid waiver justification form to the Purchasing Department for review and approval prior to entering any type of negotiations with a proposed vendor. Both advance acquisition planning, and early Purchasing Department involvement in the planning process, are key to a successful procurement, competitive or otherwise.

It is the responsibility of the requesting department to justify in writing to the Purchasing Department why it is in the City's best interest to waive the competitive process. For all sole source, single source, bid waiver, or city standard requests, the user department shall submit a fully completed justification form to the Purchasing Department supported by:

- a. Specifications or statements of work that clearly establish the minimum performance or functional requirements of the product(s) or service(s).
- b. Description of the user department's unique need that precludes full and open competition.
- c. For sole source requests, evidence that the vendor is the exclusive distributor or authorized repair or service center or has exclusive territorial rights, if applicable.
- d. Evidence of proprietary rights, if applicable.
- e. Vendor's proposal or quotation, if any.
- f. Any other supporting documentation, such as a copy of the market research report, technical brochure, etc.

SOLE SOURCES

Upon receipt of a signed justification for a sole source, the Purchasing Department shall decide, through a review of the material and appropriate market research, if the sole source is justified. If it is determined that more than one source is present in the market, the Department shall provide the user department with a written market research summary report with a recommendation on the appropriate procurement process to follow.

If the Purchasing Department determines that there is only one source, and competition is not available, and the dollar value of the purchase does not exceed \$65,000; the Purchasing Department, with the support of, and in collaboration with the user department, shall negotiate a contract that represents the best interest of the City, including terms and conditions, and price. The Purchasing Department shall issue the appropriate contract award documentation, subject to the applicable authorization levels.

BID WAIVERS

Upon receipt of a signed justification memorandum requesting a waiver of the competitive process, the Purchasing Department shall decide, through a review of the material and appropriate market research, if the bid waiver is justified. If it is determined that a bid waiver is appropriate, the Purchasing Department shall, with the support of and in collaboration with the user department, negotiate a contract in the best interest of the City, including terms and conditions, and pricing. Upon completing negotiation, the Purchasing Department shall issue the appropriate contract award documentation, subject to the applicable authorization levels.

CITY STANDARD

Upon receipt of a signed memorandum from the Department Head for a city standard purchase, the Purchasing Department shall decide, through a review of the material and appropriate market research, if the product standardization is justified. If it is determined that a city standard purchase is appropriate, the Purchasing Department shall, with the support of and in collaboration with the user department, negotiate a contract in the best interest of the City, including terms and conditions, and pricing. Upon completing negotiation, the Purchasing Department shall issue the appropriate contract award documentation, subject to the applicable authorization levels.

AWARD OF LIMITED COMPETITION ACTIONS

When all requirements are met, and the Purchasing Director or designee is satisfied that there is only one source of supply or determines that a non-competitive situation exists for goods or services to be purchased, full and open competition may be waived by the Director. When the expenditure exceeds \$65,000, the Purchasing Director shall forward an appropriate recommendation to the City Manager. If the City Manager is satisfied that a no competition or limited competition purchase request is in the best interests of the City, the City Manager shall forward the subject request to the City Council for approval. The vendor shall comply with all applicable City requirements prior to award. Additional funding or extensions of time that may be requested during the resultant contract period are subject to the purchasing threshold signatory authority levels for all such contract modifications.

In addition to the above-described limited competition actions, there may be certain exceptional situations where full and open competition procedures cannot be used for certain administrative requirements. Such actions are hereby identified as “administrative purchases”. The only situations that justify processing as “administrative purchases” on a limited-competition basis are as follows:

a. Post-Expiration Fund Disbursement

This authorized administrative purchase is defined as an administrative function that allows for the disbursement of funds after the expiration date of a contract period or which allows additional funds to be allocated to effectuate previously executed lease agreements. This category of administrative purchase shall only be approved by the Purchasing Director, in consultation with the Finance Administrator, and in accordance with the authorization thresholds established in this Manual, and only then to satisfy a financial commitment made under a previously approved contract that has expired. Administrative purchases are needed primarily to facilitate lease payments and other type arrangements that may outlive the original contract term or may be overtaken by events.

b. Unauthorized/Confirmation Purchases

This administrative procedure is defined as a ratification of an unauthorized purchase executed by a user department that is not in compliance with the City’s purchasing policies and procedures. An unauthorized/confirmation purchase requires retroactive approval, if appropriate, of an unauthorized purchase. Such purchases require retroactive approval by the City Manager for actions over \$10,000 and up to \$65,000, and by the City Council for commitments exceeding \$65,000. Payment for any unauthorized purchase may be the responsibility of the person making the unauthorized purchase. The Department Head having responsibility over the unauthorized purchase shall provide to the Purchasing Department a written memorandum, with details on the specific unauthorized purchase and the corrective action intended to prevent recurrence of the incident. A copy of this memorandum shall be attached to the Unauthorized/Confirmation Purchase form.

EMERGENCY PURCHASES

An emergency purchase is defined as an unforeseen or unanticipated urgent and immediate need for equipment, supplies, or services where the protection of life, health, safety, or welfare of the community or the preservation of public properties would not be possible using normal purchasing procedures.

EMERGENCY PURCHASES

Before any purchase controlled by this section is made, the user department shall contact the Purchasing Department for concurrence, explaining the nature of the emergency, and shall provide a written explanation of the emergency. Unless precluded by the nature of the emergency, vendors shall comply with all City purchasing requirements, including but not limited to City affidavits, prior to recommendation of approval by the Purchasing and Contracts Director, City Manager, or the City Council.

If the good or service cannot be obtained from a vendor on an existing City contract, the user department shall obtain a written quotation, if possible, from the vendor. The user department shall be responsible for obtaining from the vendor the necessary affidavits, insurance certificates, proof of proper licenses, trade certificates, permits, etc., as the emergency work may require.

As soon as possible, the user department shall submit to the Purchasing Department the following documentation:

- a. A requisition identifying the request as an emergency purchase order (“EPO”).
- b. The vendor’s written quotation or a best guess estimate for the good or service.
- c. The user department’s written explanation of the emergency, to include a clear description of the goods or services sought and how and where it will be used.
- d. Any other supporting documentation, as may be applicable.

AUTHORITY TO AWARD EMERGENCY PURCHASES

In the event a Department Head or designee determines that an emergency exists that poses a clear and present danger to the community, and which requires an immediate response, a contract may be awarded regardless of the amount of expenditure. A purchase order shall be issued afterwards by the Purchasing Department upon receipt of acceptable supporting documentation from the user department. If the expenditure is more than \$65,000, the City Manager shall present the circumstances to the City Council for its ratification via resolution.

MONITORING EMERGENCY PURCHASE REQUESTS

The Purchasing and Contracts Director shall report to the City Manager any department emergency procurement practices that reflect poor operational planning or management and have the potential effect of defeating the purpose of the competitive procurement process.

EMERGENCY DISASTER PURCHASES

Emergency disaster purchases are those purchases needed due to acts of nature, to include but not limited to, hurricanes, tornadoes, floods, fire, etc., and only when the federal government, state, county, mayor, or City Manager declares such events a state of emergency. Such events may also be man-made, such as terrorist attacks, an industrial accident, an active shooter, or a bacterial or viral pandemic.

For acquisitions of this type, the following procedures shall apply:

- a. The Department Head or designee, after verbal consultations with the Purchasing and Contracts Director and the City Manager, shall have the authority to enter any contract when the Department Head determines that the acquisition is necessary to preserve the life and safety of City residents and the greater community.

- b. The Department Head or designee shall first contract with vendors already on City contracts for the goods or services needed.
- c. All emergency disaster purchases that are acquired without full and open competition or under an existing contract shall be subsequently ratified by the City Manager or City Council, as appropriate.

REQUEST TO MODIFY A CONTRACT OR PURCHASE ORDER

When a department requires a change to a purchase order or a modification to a contract, the request shall be submitted to the Purchasing Department for review and approval. Before submitting a request to modify a purchase order or contract, the department should ensure the following prerequisites are met:

- a. Valid requirements for the change have been established.
- b. Funding is available to cover any cost impact of the modification.
- c. An appropriate written justification is provided with the request.

The department shall submit its request, together with all supporting documentation, to the Purchasing Department for review and determination as follows:

- d. Justification or explanation for the request to modify the purchase order or contract. If goods or services are going to be used for the first time, state what the department was using before.
- e. Any other supporting documentation, as may be applicable.

Modifications and change orders to contracts and purchase orders require approval at the established authorization levels. User departments shall not proceed with any action until approval has been received from the Purchasing and Contracts Director, the City Manager, or the City Council, as appropriate.

MONITORING AND REPORTING VENDOR PERFORMANCE

Vendor performance is any action or inaction by a vendor under a contract, purchase order, or other binding agreement with the City. Any action or inaction by a vendor, which does not comply with the contractual terms and conditions, is considered nonperformance and is to be documented and reported to the Purchasing Department. Nonperformance includes but is not limited to, late or non-deliveries, substandard or unacceptable goods or service levels, habitual under- or over-shipments, and unauthorized subcontracting or contract assignments.

The user department shall appoint project managers, who shall be responsible for monitoring vendor performance as it relates to the terms and conditions of the contract or purchase order. Vendor nonperformance actions are to be documented and reported to the Purchasing Department for appropriate action aimed at correcting vendor performance, placing the vendor on probation for a period, suspension from bidding on City contracts, vendor debarment, or contract termination.

For major projects, vendor performance shall be documented by the project manager using the vendor Performance Project Evaluation Form available on the Purchasing Department's intranet page.

USER DEPARTMENT ACTIONS

The non-performing vendor shall first be contacted by telephone to discuss the problems being experienced. A mutual understanding should be reached, if possible, and a time frame for corrective action established.

The user department shall convene a meeting with the vendor to help resolve problems, whenever possible. Should the vendor continue to not meet the performance requirements of the contract, the department shall submit a memorandum to the Purchasing Department detailing the extent of the problem and the unsuccessful attempts at a resolution. The department shall attach any available documentation to substantiate the problem, including copies of all communications with the vendor or records of meetings.

After receiving the vendor nonperformance documentation, the Purchasing Department shall review the information to determine the appropriate course of action. This action may include contacting the vendor to clarify the issues, transmitting a "Notice to Cure" to the vendor, or scheduling a meeting with the vendor for further discussions.

Where progressive steps aimed at correcting vendor performance have proven futile, the Purchasing Department may hold a hearing to determine the next course of action. The vendor and the user department shall be invited to this meeting, where the Purchasing and Contracts Director or designee shall act as the hearing officer. After listening to all parties, the hearing officer may:

- a. Establish a probation period for the vendor to correct all noncompliance problems.
- b. Terminate the contract for default.
- c. Terminate the contract for convenience.
- d. Find no action necessary.

A copy of all written actions or documents shall be provided to the user department. The final decision and formal action shall be filed with the contract documents for use in determining vendor responsibility in future evaluations.

For contracts up to \$65,000, the Purchasing and Contracts Director may terminate the vendor for convenience or default in accordance with the relevant provisions of the contract. For contracts greater than \$65,000, the City Manager shall execute such termination actions.

CONTRACTS ADMINISTRATION

Contracts administration is defined as,

- a. Following the award of a contract, the management actions to be taken to ensure full compliance with all the terms and conditions contained within the contract document, including price.
- b. Action steps that ensure that the contractor is in full compliance with the entire contract.
- c. Payment, monitoring of progress, inspection and acceptance, quality assurance, monitoring and surveillance, modifications, negotiations, contract closeout, and other activities.

(Source: NIGP's Public Procurement Dictionary of Terms, 2010)

POLICY AND PROCEDURE

For each contract or agreement executed with a vendor or contractor, it is the responsibility of the Department Head to assign a staff member as the contract manager to oversee the project, to ensure that the vendor performs to the requirements, standards, and deliverables established in the agreement.

The Department Head shall assign the contract manager during the time the Purchasing Department is developing the solicitation or agreement for the project. This person shall be the main point of contact for information regarding the specifications of the good or service, market research, and any additional information required by the Purchasing Department. The Department Head may perform the function of contract manager.

Depending on the type of good or service being procured, the contract manager may manage the performance of the vendor using the principle of management by exception. However, even in such instances, it is strongly recommended that the contract manager perform periodic inspections and reviews of the vendor's performance and provide feedback to the vendor to maintain a regular crossflow of information. As much as possible, contract managers shall document all communication with the vendor in writing, whether they be of a positive or negative nature, as this information is critical to resolving disputes and as reference for future vendor performance reviews.

Contract managers and individuals who may be assigned to oversee vendor performance shall attend contracts administration training provided by the Purchasing Department. City employees who have not attended this training shall not be appointed as contract managers by Department Heads.

A key factor in contracts administration is communication. Contract managers shall ensure that there is always an open and professional line of communication between the contract manager and the vendor.

The contract manager's responsibilities include, but are not limited to:

- After execution of the agreement, obtaining a copy of the executed agreement from the City's records management database or the Purchasing Department.
- Submitting a requisition for a purchase order to encumber the funds for the goods or services being procured. The vendor should not begin any performance until an executed purchase order is approved and delivered to the vendor. On construction projects, the purchase order may serve as the Notice to Proceed.
- Notifying the contractor when to begin work.
- Monitoring contract compliance:
 - Work progress to ensure services are performed according to the quality, quantity, objectives, timeframes, and manner specified within the contract.
 - Reviewing progress reports, status reports, and compliance with time schedules.
 - Approving the final goods or services by accepting the deliverables, in writing.
 - Providing copies of any contract administration documentation or communication to the Purchasing Department.
 - Monitoring expenditures, ensuring funding availability and proper fiscal encumbrances through purchase orders when contract extends over multiple years.
 - Verifying the accuracy of invoices and approving those invoices for payment.
 - Requesting amendments, addendums, supplements, changes orders, and/or contract renewals in a timely manner.
 - Verifying all work is completed and accepted by the department prior to the contract expiration date.
 - Performing contract close out activities:
 - Notifying the Finance Department when funds can be dis-encumbered.
 - Reporting any contract disputes immediately to the Purchasing Department.
 - Keeping an accurate auditable documented trail of contract

administration.

j. Contract managers are not authorized to:

- Instruct the vendor to start work before the contract is fully executed.
- Change the scope of the agreement without doing so through the formal process managed by the Purchasing Department.
- Direct the vendor to perform work that is not specifically described in and funded by the contract.
- Extend the term of the contract without execution of an approved amendment.
- Allow the vendor to incur any additional costs over the limit set by the contract.
- Sign a contract as the City's authorized signatory, unless authorized in writing.
- Sign any vendor contract forms.

BID BONDS, PERFORMANCE AND PAYMENT BONDS, AND INSURANCE

BID BONDS

A bid deposit to guarantee the vendor's intention to enter a contract with the City, not to exceed 10% of the estimated total bid price, may be required by the Purchasing Department. If a bid bond is required, it shall be in the form and amount specified in the solicitation.

PERFORMANCE AND PAYMENT BONDS

The Purchasing Department may require performance and payment bonds from the vendor selected for contract award in such amounts as may be deemed reasonably necessary to protect the best interests of the City, or as may be required by law for construction projects. The bonds shall be in the basic format as provided by the City (other formats may not be accepted) and in the amounts required by the solicitation.

INSURANCE

The City may require insurance coverage from the vendor selected for award as may be deemed reasonably necessary to protect the interests of the City. The insurance coverage shall be in the form and amounts outlined in the solicitation, and as reviewed and approved by the City's Risk Coordinator.

Awards may be contingent upon submission of required insurance coverage and performance and payment bonds. If the vendor selected for award fails to fulfill these requirements the following default actions shall be followed.

- a. For contracts up to \$65,000, the City Manager or designee may render the vendor in default, re-award the contract to the next lowest-priced responsive and responsible vendor, and subject the

defaulted vendor to re-procurement charges, forfeiture of the bid bond, or security in an amount equal to any damages to the City because of the default.

- b. For contracts greater than \$65,000, the City may re-award to a new vendor who participated in the solicitation but was not awarded any portion of the contract. The City Manager shall obtain the approval of the City Council for such awards.

MARKET RESEARCH

Market research shall be conducted in anticipation of City procurement projects to ensure that specifications are suitable for fair and open competition. Market research is the foundation for developing an effective solicitation and successful contract that includes terms and conditions consistent with sound business practices and procurement laws.

PURPOSE OF MARKET RESEARCH

The primary purpose of market research in public procurement is to determine the availability of sources of supply or alternative solutions that will meet minimum requirements. Market research should always begin with the intent to satisfy a legitimate City requirement or need. The need should be stated in terms of performance or functionality, whenever practical. This means that the minimum requirements should be clearly understood and defined before market research can begin. Once the need has been established, market research should be conducted to determine the capability of the marketplace to meet the need of the City.

Market research includes identifying the attributes of existing products, processes or services that meet minimum requirements, or identifying the characteristics that a yet to be identified product, process or service should possess. Effective market research should provide adequate information regarding existing products or services, qualified sources, industry trends, pricing, and what other entities are doing to meet the same or similar requirements. Failure to conduct thorough market research may result in requests for sole source or bid waiver purchases that cannot be adequately justified.

It is extremely important that the integrity of the procurement process be sustained at the highest standards and that suppliers are given a fair opportunity to compete for City business. In anticipation of a City procurement, market research shall be conducted to ensure that specifications are not exclusionary, restrictive or favor any one vendor or proposer.

WHEN TO CONDUCT MARKET RESEARCH

When planning for a purchase (prior to or during the development of specifications or statements of work), the user department should conduct market research. Contact, whenever possible, a minimum of three different sources to determine if existing products or services are available to meet requirements or if existing products or services can be modified to meet requirements.

For projects that may result in formal solicitations, the Purchasing Department shall conduct the market research in conjunction with the user department. In instances when the primary market research has been conducted by the user department, and the goods or services have been adequately identified, along with a competitive acquisition source, the Purchasing department shall document its actions in a summary Course of Action Report. This report shall be recorded in the procurement project folder to document the reasons for the specific steps taken by the user department and the Purchasing staff.

MARKET RESEARCH TECHNIQUES

At a minimum, market research shall include, as applicable -

- a. The industry trends and customary terms and conditions regarding warranties, acceptance, and inspection.
- b. Buyer financing and payment methods, and best practices.
- c. Standard maintenance support by the City and vendor.
- d. Capable sources (including small businesses) of supply.
- e. General pricing information and availability of the good or service.
- f. Competitive factors such as quality, product features, speed of technology and typical lead time.
- g. Commercial practices, other government entities practices; and industry support capabilities and practices.
- h. Environmental issues – recovery and disposal of products and energy efficiency standards as might be appropriate.
- i. Risk management and mitigation plans.
- j. Market and industry trends.

EXTENT OF MARKET RESEARCH

As stated before, a minimum of three potential sources should be sought prior to or during the planning of a pending acquisition. However, the extent of market research may vary depending on factors such as urgency, the estimated dollar value, complexity, prior experience, and the amount of information already available. In many circumstances, the Purchasing Department shall perform the market research.

It is important to remember that market research is not a substitute for full and open competition. It is not to be used to determine which product, service, or supplier is best. Market research is conducted to determine the availability of products or services that meet the City's minimum requirements and to ensure that specifications are not exclusionary or otherwise restrictive.

SOURCES OF RESEARCH DATA

There are various sources to research for information. However, perhaps the first place to start is with the City's own database of vendors, including those in the electronic bidding platform's database. Using commodity codes, departments may find firms with the ability to meet their requirements. Departments may also contact one or more of the following:

- a. Subject matter experts within the City, other governments, or private industry.
- b. Publications and trade journals from industry.
- c. Marketing organizations, professional associations, and tradeshow.
- d. Procurement professionals from other jurisdictions.
- e. Public procurement associations such as the National Institute for Governmental Purchasing.
- f. Web searches using internet search engines and the appropriate search terms and parameters.

BLANKET PURCHASE ORDERS

A blanket purchase order with any vendor for multiple small purchases (generally not exceeding \$10,000 for each purchase), may be established within the guidelines below.

- a. The blanket purchase order shall indicate a dollar limit of the estimated spend for the fiscal year, which may not exceed the total amount budgeted for that line-item account and, for vendors without an existing City contract, must not exceed \$65,000 for the fiscal year.
- b. Blanket purchase orders expire at the end of the fiscal year within which it was issued.
- c. Blanket purchase orders are subject to the same review process applicable to all other purchase orders.

COOPERATIVE PURCHASING

The City may join with other units of government in cooperative purchasing projects when the best interest of the City is served, subject to the requirement that any purchase more than \$65,000 shall require City Council approval. The City may also become a member of other group purchasing organizations that serve the public sector, and piggyback contracts meeting the competitive solicitation requirements of the City's applicable ordinance.

PURCHASE OF USED EQUIPMENT

Used equipment may be purchased within the following guidelines.

PURCHASE AT AUCTION

The Department Head shall submit a written request to the Purchasing Department requesting permission to purchase an item at auction. The request shall include,

- a. An estimated cost and a maximum bid amount.
- b. A justification for purchasing used rather than new equipment.
- c. A report of an inspection by a mechanic or other qualified technician, indicating the condition of the equipment, estimated repair cost if not operational, annual maintenance costs, and expected life of equipment after acquisition by City.

If the maximum bid is expected to be more than \$65,000, the City Council shall approve a bid waiver prior to the auction.

If the maximum bid amount is expected to be less than \$65,000, the Purchasing and Contracts Director or City Manager shall approve the request in writing and indicate the approved maximum bid amount prior to the auction.

After approval, the Department Head may bid up to the maximum bid amount to purchase the equipment.

The department shall prepare and submit a requisition as part of this procedure.

PURCHASE FROM OTHER AGENCIES AND PUBLIC ENTITIES

The Department Head shall submit a written request to the Purchasing Department requesting permission to negotiate the purchase of an item from another agency or entity. The request shall include,

- a. An estimated cost and a maximum offer amount.
- b. A justification for purchasing used rather than new equipment.
- c. A report of an inspection by a mechanic or other qualified technician, indicating the condition of the equipment, estimated repair cost of not operational, annual maintenance costs and expected life of equipment after acquired by the City.

If the maximum offer is more than \$65,000, the City Council shall approve a bid waiver.

If the maximum offer is \$65,000 or less, the Purchasing and Contracts Director shall approve the request in writing and indicate the approved maximum offer amount prior to the commencement of negotiations.

After approval, the Department Head shall negotiate a price with the agency or entity, not offering more than the maximum approved amount.

The department shall prepare and submit a requisition as part of this procedure.

Under no circumstances shall an unauthorized employee offer to purchase used equipment from any individual, including an employee of the City.

CHANGE ORDERS AND AMENDMENTS

Contracts shall be amended in the same way they were executed, and at the requisite authorization levels, unless the contract provides for an alternative method of amendment.

The City Manager or designee may extend expiring contracts, with prorated dollar value, to ensure continuity of City services while a new contract is being awarded, not to exceed a total of 180 days.

PETTY CASH

Petty cash accounts may be established, with the approval of the Finance Administrator, to expedite miscellaneous small purchases. Petty cash may be used by departments for facilitating the transaction of City business but shall not normally be authorized for purchases more than \$100. Petty cash reimbursements greater than \$100 shall be approved by the Finance Administrator or designee.

The use of petty cash shall be limited to:

- a. The purchase of items that are not ordinarily on hand in the City.
- b. The payment of handling or C.O.D. charges for goods delivered.
- c. Small purchases that are made from vendors who do not accept the City's purchasing card.
- d. Toll receipts and mileage reimbursement.

Petty cash reimbursements shall be accompanied by a receipt and approved by a petty cash custodian. Each department that manages a petty cash box shall provide the Finance Administrator with a list of authorized custodians, designating each as a primary or alternate custodian.

SALES TAX EXEMPTION

The City of Palm Beach Gardens is exempt from paying the State of Florida's Sales Tax. All employees who purchase goods or services on behalf of the City will supply the vendor with a copy of the City's tax

exemption certificate or number to avoid being assessed state sales taxes. Employees shall not be reimbursed for the payment of state sales tax, except for travel outside the State of Florida.

The Sales Tax exemption privilege is for the purchase of goods exclusively for use of the City. City employees are expressly prohibited from purchasing goods or supplies for personal use using the City's tax exemption number or certificate.

OWNER DIRECT PURCHASES

On certain projects, the City, as "Owner", may determine that it is in its best interest to purchase materials directly instead of having the contractor provide the materials. The City may decide to choose this method based on the need to save sales taxes, obtain a government-entity discount, or for any other reason it deems in its best interest. When this determination is made, the City will issue a Direct Material Purchase Order or Owner Direct Purchase Order for the material. If the direct purchase is for a construction project, and the contractor has already included this cost in its proposal, the City will ensure that the process complies with the provisions of Florida Statutes Section 212.08. The Purchasing Department shall work directly with the contractor to ensure that all the required documentation is provided to the contractor and the Finance Department, and the proper deductions made against the project cost. The procedure that controls the issuances of City purchase orders shall be followed and complied with, including the required approval levels and signatures.

REFERENCES AND ENDORSEMENTS

Only Department Heads or senior management staff may provide references for City vendors. These references shall be very general in scope and information and should provide information in a non-inflammatory or derogatory manner. Department Heads and senior management staff may decline to provide a reference on any City vendor for any reason whatsoever.

City staff shall not give endorsements or make statements on behalf of the City to vendors for use in vendor advertising, sales brochures, website promotions, etc. Such requests shall be referred to the Media Relations Office for review and discussion with the City Manager.

UNSOLICITED PROPOSALS

All unsolicited proposals or offers shall be brought to the attention of the Purchasing and Contracts Director for review. Unsolicited proposals that are public private partnerships shall be subject to the provisions and procedures established in Florida Statutes.

As appropriate, the Purchasing Director or designee shall inform the City Manager. After the review, a determination and decision shall be made on how to proceed. The City will have the right to reject and not review any unsolicited proposal submitted for any project. The City will notify the proposer of its decision, in writing, and does not have to give a reason for its decision.

SUSPENSION OR DEBARMENT OF VENDORS

The City expects and requires that all vendors or contractors who seek to do business with any department or agency of the City of Palm Beach Gardens comply with certain ethical and professional standards established by the City's Vendor Code of Conduct. A copy of the Vendor Code of Conduct is available at www.pbgfl.com/purchasing.

The City reserves the right to suspend or debar any vendor or contractor doing business with the City, who violates the terms of its agreement or the Vendor Code of Conduct. The City also reserves the right to suspend or debar any vendor due to violations committed by that vendor at other public entities.

The vendor shall be entitled to a meeting or hearing prior to being suspended or debarred by the City. In general, suspension or debarment of vendors shall follow the below procedures. However, the City may waive these procedures, at its own discretion, if it believes that the actions of the vendor are so egregious as to merit immediate suspension or debarment.

- a. The City serves the vendor written notice of the issue that may result in the vendor being debarred or suspended.
- b. The notice requests a written response from the vendor on the issues that gave rise to the possible suspension or debarment.
- c. The City reviews the response from the vendor and schedules a suspension or debarment hearing. The suspension or debarment hearing shall be chaired by the City Manager or designee, and shall include the City Attorney, the Purchasing and Contracts Director, the Department Head, the contracts administrator or project manager, and any other person the City believes is necessary for the proceedings.
- d. The City will make a record of the suspension or debarment hearing, and upon conclusion of the proceedings, the City Manager shall provide a written determination to all participants of his decision. The City Manager's decision shall state,
 - i. Whether the vendor is suspended or debarred.
 - ii. The effective date and length of time of the suspension or debarment.

If the City Manager determines that the vendor should not be suspended or debarred, the City Manager shall have the right to require certain corrective actions by the vendor by a prescribed date and time.

The decision of the City Manager in these proceedings shall be final and not open to appeal by the vendor or the vendor's legal representative.

The City will reject any offer to do business from a vendor who is suspended or debarred under these procedures for the entire term of the suspension or debarment.

EXCELLENCE IN PUBLIC PROCUREMENT

CODE OF ETHICS

The staff of the Purchasing Department of the City of Palm Beach Gardens individually and collectively embrace and subscribe to the professional standards of the Code of Ethics of the National Institute for Governmental Purchasing.

These professional standards are:

- a. Seeks or accepts a procurement position only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the City.
- b. Believes in the dignity and worth of the service rendered by the City, and the societal responsibilities assumed as a trusted public servant.
- c. Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the City and the public being served.
- d. Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- e. Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.

- f. Believes that neither the Purchasing Department or any City employee should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.
- g. Keeps the City informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
- h. Resists encroachment on control of personnel to preserve integrity as a professional manager.
- i. Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment based on politics, religion, color, national origin, disability, gender, age, pregnancy, and other protected characteristics.
- j. Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.



HOW TO DO BUSINESS WITH THE CITY OF PALM BEACH GARDENS

Each year, the City contracts with various vendors for more than \$30 million of different types of goods, services, and commodities for the benefit of the constituents of Palm Beach Gardens. The Purchasing Department is the City's central purchasing unit with the responsibility for managing the City's purchasing and contracting processes.

The City welcomes and encourages qualified vendors and contractors, including local businesses, minority-owned firms, small business enterprises, and veteran-owned companies, to respond to solicitations by submitting offers and proposals.

Palm Beach Gardens does not require vendors or any firm, individual or organization to register with the City to do business. However, vendors are encouraged to visit the City's website at www.pbgfl.com/purchasing and Sign Up to Receive Bid Notifications when solicitations are advertised. City solicitations are advertised in the Palm Beach Post and are also available through the City's e-procurement website and on the Purchasing webpage.

When a vendor is awarded a contract with the City that vendor shall complete the online Vendor Enrollment Form at www.pbgfl.com/finance to for the City to generate a purchase order and to process invoice payments for the vendor. Vendors are strongly advised to choose direct deposit for payments, as this process results in quicker processing and payment of invoices.

Palm Beach Gardens awards contracts and agreements to responsible and responsive bidders and proposers, and whose offers or proposals represent the lowest price or best value for the City. The City has a strict **No Gifts Policy**, observes a **Cone of Silence** on all advertised solicitations, and has a **Vendor Code of Conduct**, which outlines expected ethical and professional behavior. The Purchasing Department also reviews vendor performance on City contracts, and other public entity contracts, in arriving at a determination if a bidder or proposer meets the definition of a responsible vendor and may be recommended for award.

For more information on the City's purchasing policies and procedures, and to learn more about doing business with Palm Beach Gardens, please visit the City's website at www.pbgfl.com or telephone 561.799.4197 to speak directly with the Purchasing Department.



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