

## **Purchasing Policy**

### **PROCUREMENT POLICY**

#### **Resolution #**

**Passed January 21, 2016**

#### **Effective**

#### **Section 1: Purpose**

The City's Charter, Article III, Section 3.01, vests the Charter Officers of the City with the authority to ~~purchase~~procure and contract for ~~supplies~~, materials, equipment and services required to perform their assigned duties subject to the rules adopted by the ~~commission~~City Commission. The Charter Officers shall have the authority to bind the City for all purchases unless prior approval of the City Commission is required, and may delegate such authority as they see fit. Approval of the City Attorney shall be obtained on all written contracts, except where standardized documents approved by the Attorney's office are used. ~~The policies contained herein~~This Policy as amended shall constitute the regulations which shall govern the sale and purchase of ~~supplies~~, materials, equipment, and contractual services by the City, which regulations shall be implemented by procedures approved by the City Manager and the General Manager for Utilities (the "Managers"). ~~The~~ Purchasing Procurement Divisions of the City derive their authority to supervise purchases and sales through the Managers. Nothing herein shall be construed to regulate the purchase and sale of any interest in real property by the City.

#### **Section 2: Responsibilities of Purchasing Procurement**

- (a) ~~The purchasing divisions~~Procurement Divisions shall:
- (a) ~~assist all departments and divisions, including Charter Officers, in making purchases and sales of~~ supplies, materials, equipment and services in accordance with ~~the~~ policies established by the City Commission and the procedures established by the Managers.
  - (b) ~~The purchasing divisions shall~~ provide support to enable all purchases to be made at prices, which are the most in an efficient and cost effective and manner through the application of sound business practices.
  - (c) ~~The purchasing divisions shall maintain records, which document~~ establish procedures for documenting that purchases have been made in accordance with ~~City Commission policy and established procedures~~the City's Procurement Policy.

#### **Section 3: Functions of the City's purchasing divisions Procurement Divisions**

~~In carrying out its responsibilities, the purchasing divisions shall perform~~The Procurement Divisions shall, as follows applicable:

- (a) provide customer ~~responsive management of~~support for the purchase, receipt, and delivery of materials, equipment and services to support ~~corporate and~~ public operational requirements.
- (b) identify ~~qualified suppliers of and maintain information about businesses that~~ provide materials, equipment and services; ~~develop and maintain bid lists of~~

- ~~quality suppliers; add and delete vendors and contractors from the list of qualified suppliers in order to maintain, including performance standards; records, as applicable~~
- (c) develop and maintain fair and impartial business relationships \_
- ~~(d) assist as needed with vendors that contract administration to ensure that quality, cost-effective products and services are provided for the benefit of tax and rate payers;—~~
- ~~(d) — conduct quality control and performance checks as needed to ensure that vendors/businesses fulfill contractual requirements; and—~~
- (e) ~~supervise/oversee the proper disposition of supplies, surplus materials and equipment by approved processes.—~~

**Section 4: Ethics in Public Contracting Procurement**

~~City employees~~ City Officials and Employees, as defined herein, shall have no interest, financial or otherwise, direct or indirect, nor engage in any business transaction or professional activities nor incur any obligation of any nature which is in conflict with the City's Code of Ethical Standards and Florida Statutes, Chapter 112 as applicable. To this end, City ~~employees~~Officials and Employees are expected to demonstrate the highest standards of personal and professional integrity in public activities and conduct their duties ~~in ways that are~~ free from the inference or perception that favorable treatment was sought, received or given and to avoid any interest or activity which is in conflict with the conduct of their official duties.

**Section 5: Definitions**

- a) ~~(a) — Award Basis. The basis on which the purchase. A decision is made. or outcome resulting from a solicitation.~~
- ~~(b) — Best Evaluated Bid. The bid which, through analysis, is determined to be most advantageous to the City considering factors such as qualifications, past performance, stated price, costs of transportation, ownership and operation, elements of service, technical support, product quality, fitness for purpose or design, delivery time and/or time required for performance, warranties, exceptions taken to the specifications or any other basis of award stated in the bid documents.—~~
- b) ~~(c) — City. The operating and administrative departments of the City. The operating and administrative departments of~~ General Government, Gainesville Regional Utilities, and the Charter Officers of the City of Gainesville, Florida.
- c) ~~(d) — City Officials and Employees. Public Officers, elected or appointed, including~~ City Commissioners, Charter Officers, and Advisory Boards, and City Employees/employees, and agents of the City.
- d) ~~(e) — Competitive Situation. Exists if at least two suppliers/businesses submit responsive bids/responses to a solicitation in an effort to obtain an award and the receipt of quotations is without prior disclosure of a competitor's quotation; also, the receipt of quotation(s) by auction.~~
- ~~e) (f) — Cone of Silence. The period of time during which there is prohibition on communication regarding a competitive solicitation.~~
- e)f) Contractual Services. Services performed for the City by persons not ~~in the~~

~~employ of~~ directly employed by the City including, but not limited to, ~~travel, freight, express, parcel post, postage, telephone, telegraph, utilities, rent, professional~~ professional services and the construction, ~~repair, alteration~~ and maintenance of City facilities of the City.

~~f)g)~~ (g) — **Cooperative Purchasing.** Purchases made ~~under the terms and conditions of another~~ through a public agency's bid where the vendor awarded the bid is willing to supply the items at the agency's bid price or the agency's bid documents provided for purchases agency contract which allows the use of the contract by other agencies under the same pricing and contract terms.

~~g)h)~~ (h) — **Emergency Purchase.** Any A purchase which ~~becomes~~ is necessary due to unforeseen circumstances and ~~which affects~~ that can negatively impact the operation of the City; ~~or is~~ a purchase needed ~~in a life-threatening situation or for a~~ public safety emergency or where delay of ~~the~~ a purchase ~~would subject~~ subjects the City to ~~substantial~~ additional costs or hardship.

~~h)i)~~ (i) — **Formal Bid Solicitation.** A process ~~of bidding,~~ conducted by ~~Purchasing, a Procurement Division~~ which sets forth the requirements of a purchase or sale and which is issued by Invitation to Bid, Request for Quotation, Request for ~~Qualification, or Request for Proposal~~ or other procurement method.

~~i)j)~~ (j) — **Item.** A unit of ~~supplies,~~ materials, equipment, or contractual services; a quantity of the same units purchased at the same time; or, a combination of items which are purchased together because the purchase of one item is required for the use of ~~other(s)-another.~~

~~k)~~ (k) **Lobbying.** When a person seeks to influence or attempt to influence City Officials or employees with respect to a decision of the City, except as authorized by procurement procedures.

~~l)~~ (l) **Lowest Responsive Bid.** The ~~lowest~~ bid which offers the least cost and which conforms in all material respects to the requirements set forth in the bid documents.

~~(l)~~ (l) **Manager) Managers.** The City Manager ~~or and~~ General Manager for Utilities as ~~appropriate~~ applicable, or their designee.

~~(m)~~ (m) **Non-competitive situation.** Exists when the product or service is being purchased from a ~~sole source, a specified source, or an only approved source.~~

~~(n)~~ (n) **Obsolete materials and equipment.** ~~Materials and equipment that are no longer used, useable, useful, or cost-effective.~~

~~(o)~~ (o) **Only Approved Sole Source.** ~~Only one source meets the stated requirements of a specification based on a thorough qualitative and/or quantitative evaluation, or Specified Source.~~

~~(p)~~ (p) **Professional Services.** Services which involve extended analysis, the exercise of discretion and independent judgment in their performance, and an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience in the field.

~~(q)~~ (q) **Purchasing) Procurement Division.** The ~~purchasing~~ procurement organization of General Government or Gainesville Regional Utilities, ~~as appropriate.~~

(f) **Sole Source.** The only available source through which materials, goods, equipment or services may be purchased.

(s) **Specified Source.** A source selected without competitive bidding for justifiable reasons.

(t) **Standard Material.** Any material, items which is specified as in an approved materials manual, material and routinely stocked for use of any City operations department of the City.

(u) ~~Black out period means the period between the time the submittals for invitation for bid or the request for proposal, or qualifications, or information, or the invitation to negotiate, as applicable, are received at the City of Gainesville Purchasing Departments, and the time the City Officials and Employee awards the contract.~~

(v) ~~Lobbying means when any natural person for compensation, seeks to influence the governmental decision making, to encourage the passage, defeat, or modification of any proposal, recommendation or decision by City Officials and Employees, except as authorized by procurement documents.~~

t) Surplus. Materials and equipment that are no longer used, useable, useful, or cost-effective to maintain.

### Section 6: Method of Source Selection

6.1 ~~To~~ Competitive bidding will be used to ensure the greatest economic benefit to the City, ~~competitive bidding will be used~~ except as provided herein. The value of the award shall determine the bidding process as follows:

(a) Purchases with ~~an anticipated cost exceeding \$50,000 require Formal Bids submitted through the a value of \$5,000 or less do not require a competitive process. The purchase should be made from a small or service-disabled veteran business when feasible. The use of a Purchasing Division; Card is recommended.~~

(b) Purchases with ~~an anticipated cost of a value between \$5,000.01 and \$50,000 or less, but greater than \$2,000~~ are required to have three (3) written quotes, including one from a small or service-disabled veteran business, when feasible.

(c) Purchases with an anticipated cost exceeding \$50,000 require a Formal Solicitation issued by the Procurement Division.

(d) Verbal quotations are permissible for petroleum products and emergency purchases.

6.2 Basis of award will be as designated in the solicitation.

6.3 A small or service-disabled veteran business, as certified small and/or service-disabled veteran business, if it exists. The Office of Equal Opportunity will maintain a list of certified firms for General Government. GRU purchasing by the City of Gainesville, will maintain be given a list preference of certified firms for GRU. Quotes are 5% of the total price not to be submitted either through the Purchasing Division or the originating department, except that verbal quotations will be permissible for exceed \$25,000, when all of the following apply:

i. Petroleum products;

ii. Emergency purchases.

~~6.2 Best evaluated or lowest responsive bids, as designated by the bid solicitation, will serve~~

~~as the basis for bid awards in competitive situations. Except where prohibited by law, when a purchase~~ (a) Purchase is anticipated to be greater than \$50,000, ~~and;~~

(b) Award is based on evaluation criteria other than to the lowest responsive and responsible bidder;

(c) The certified small or service-disabled veteran business being evaluated did not receive a Local Preference; and

(d) The preference is not prohibited by law.

~~6.4 In the purchase is qualifications based, if the business enterprise has been certified as either a small or a service-disabled veterans business enterprise it will be awarded an additional 5% of total points, provided, however, a business enterprise may not be awarded points for being both small and service-disabled veterans' business enterprise. All case of tie bids with all factors being equal, preference shall be given to the business in the following order to products, manufactured, produced, or distributed by a person, firm, or corporation of priority: 1) with business has a drug-free workplace programs program meeting the requirements of Florida Statutes; 2) business is located within the corporate limits of the City of Gainesville, if the solicitation is not subject to the Local Preference Ordinance; 3) business is located within Alachua County; 4) business is located within the State of Florida. When; 5) coin toss.~~

~~6.5 All bids may be rejected by the appropriate Charter Officer determines that rejection of all bids is, or designee, when it is determined to be in the best interest of the City, all.~~

~~6.6 Competitive bids may be rejected and either the purchase discontinued or additional bids sought. are not required for the~~

~~6.3 The following may be purchased without receipt of competitive bids:~~

~~(a) Items of supplies, materials, equipment, or contractual services whose cost does not exceed \$2,000, as defined in Section 5, not exceeding \$5,000.~~

~~(b) Non-competitive situations such as a Sole Source or Specified Source.~~

~~(c) Materials, equipment, or services purchased~~ (c) Purchases made under state or federal ~~contracts~~ or other public agency agreements or cooperative ~~purchasing opportunities. contracts.~~

~~(d) Utility services when the subject utility is the only available source of such service.~~

~~(e) Contractual Professional services of a professional nature whose cost does not exceed \$50,000, except as required by State law and except for legal.~~

(f) Legal services in which case then not exceeding \$100,000. The City Attorney may supply specify the qualifications of one a firm for legal services in connection with litigation involving the City.

(g) Work performed under Continuing contracts Contracts, as defined by Florida Statutes, for professional services of indefinite duration. Continuing Contracts shall be reviewed for appropriateness with regard to the quality of the service and the competitiveness of the cost. Such review shall be the responsibility of the appropriate charter officer or his/her designee Manager and shall be conducted not less than every five years.

~~(f-h) Emergency purchases Purchases, at the discretion of the Manager, where the~~

~~circumstances of the emergency~~ Managers, when urgent situations do not permit sufficient time to obtain competitive quotes/bids.

**Section 7: Purchases Requiring City Commission Approval**

7.1 — Every purchase of an ~~item~~ Item of ~~supplies,~~ materials, equipment, ~~contractual~~ services, ~~or extension(s) and extensions~~ to existing contracts ~~costing in excess of \$50 with a value greater than \$100,000~~ shall require ~~the~~ approval ~~of~~ by the City Commission, except ~~that no prior approval shall be required~~ for the following:

- (1) ~~any~~ Any adjustment to a contract or purchase order previously approved by the City Commission which does not ~~affect~~ increase the cost, ~~including change of the contract time, or which constitutes a deduction to the purchase amount or which constitutes an addition to the purchase amount of more than~~ ten (10%) percent ~~or less~~ of the previously approved amount.
- (2) Purchases of fuels used in operating plants and equipment or for the delivery of customer services, including petroleum products and fuel oil for generation; coal meeting environmental requirements at the lowest delivered price per BTU available and the transportation thereof; and natural gas and liquefied petroleum gas at the lowest delivered price per BTU available and the transportation thereof; also natural gas rebates.
- (3) Purchases of materials, equipment or services used for the operation and maintenance of utility plants, ~~and~~ distribution and collection facilities, substations, lift stations ~~and~~, gate stations, and purchases of standard materials.
- (4) Purchases for the repair and maintenance of system-wide computer software and hardware.
- (5) Purchases for or related to the expansion ~~or~~, operation and/or maintenance of the fiber optic of other telecommunication systems and contracts for telecommunication access, transport, and other services.
- (6) ~~Used lease vehicles and purchases~~ Purchases for ~~the~~ maintenance of fleet equipment ~~and used vehicles~~.
- (7) Materials, equipment or services purchased under ~~state or federal contracts or other~~ public agency cooperative purchasing ~~opportunities, provided funds for the items have been included in the approved budgets, contracts, agreements or consortiums~~.
- (8) Utility services when the subject utility is the only available source of such service.
- (9) Emergency purchases as defined in Section 5 this policy.
- (10) ~~Contracts or purchase orders~~ Purchases and contracts for construction projects, ~~or professional services associated with~~ when the cost of the construction projects, ~~which do~~ project does not exceed \$300,000.

7.2 — Reports shall be made to the City Commission of any purchase of materials, equipment or services greater than ~~\$50~~ \$100,000 for which ~~prior~~ City Commission approval has not been obtained.

7.3 — Reports shall be made to the City Commission of any Bid Protest for purchases that do not require approval of the City Commission.

**Section 8: Small and Service-Disabled Veteran Business Programs**

The ~~Purchasing Divisions~~City shall take affirmative steps to seek out, identify, and work with Small and Service-Disabled Veteran Business Enterprises in accordance with programs and procedures developed by the ~~Purchasing~~Procurement Divisions and the Office of Equal Opportunity. -As part of these programs, the ~~Purchasing~~Procurement Divisions may waive competitive bidding requirements for the first time order with a Small and/or Service-Disabled Veteran Business Enterprise in an amount not greater than \$~~4020~~,000 in order to fairly assess ~~their~~the capabilities of the business to perform in accordance with required standards. -The programs and procedures may also include sheltered market opportunities for Small ~~And~~and Service-Disabled ~~Veteran~~ Veteran Business Enterprises when appropriate.

**Section 9: Prohibition of ~~lobbying~~Lobbying in ~~procurement matters~~Procurement Matters**

Except as expressly set forth in ~~section~~Section 10, during the ~~blackout period~~Cone of Silence, as defined herein, no person may lobby, ~~on behalf of a competing party~~ City Officials or employees in a particular procurement process, ~~City Officials or employees~~ except the ~~purchasing division, the purchasing~~ designated staff contactProcurement Division representative. Violation of this provision shall result in disqualification of the party on whose behalf the lobbying occurred.

**Section 10: Remedies/Appeals**

~~\_\_\_\_\_~~Any actual ~~or prospective~~ bidder ~~or contractor~~ who is aggrieved in connection with ~~the~~ solicitation or award of a contract shall comply with the administrative procedures published for a bid protest established by the ~~Purchasing~~appropriate Procurement Divisions ~~established for bid protest. In the case of purchases that require approval of the City Commission, a bidder or proposer who has exhausted the foregoing procedures may appeal the decision of the City Manager, or other Charter Officer as applicable, to the City Commission, which appeal shall be scheduled by the Charter Officer involved, prior to the award.~~

~~The City Commission shall review the decision of the Charter Officer, the record before the Charter Officer, and written or oral argument of the parties involved in the protest. No new evidence shall be considered and the City Commission may only reverse or modify the decision of the Charter Officer upon a determination that his/her decision was not based on substantial competent evidence or that his/her reasoning or application of the policies, procedures and law was fundamentally flawed. The decision of the City Commission shall constitute final administrative action.~~

**Section 11: Sale of ~~Obsolete and Unusable Property~~ Surplus Items**

- (a) The sale of surplus items such as obsolete or ~~other unused~~unusable equipment and materials, or the sale of by-products of utilities operations or improvements on real property (such as timber or hay) shall be at the discretion of the ~~Manager~~.Managers. The sale shall be by method selected by the ~~Purchasing Manager~~Procurement Division as appropriate to reach prospective buyers.
- (b) ~~Any~~ Surplus items ~~sold with~~that have a current ~~book~~ value ~~in excess of~~greater than \$10,000 shall be sold by ~~written quotations except when the sale is by auction.~~
- (c) ~~Obsolete or unusable~~ a competitive process. Surplus items with a current ~~book~~

value of \$~~25~~10,000 or less may be sold ~~in accordance with written guidelines promulgated by on a first come basis at the discretion of~~ the Manager ~~or~~ designee.

- ~~(d)~~ (c) If the items cannot be sold as is, surplus may be sold through a scrap contract, or properly disposed of if no other options exist. The surplus items may be given away to avoid the cost of disposal, giving preference to governmental agencies or non-profit organizations.
- (d) Surplus items with a current value greater than \$50,000 require approval by the City Commission prior to the sale.
- (e) All items shall be sold for cash, payable by certified check, wire transfer, or other means acceptable to the Accounting ~~Manager.~~ Division.

### **Section 12: Donations of Property**

The ~~Manager~~Managers may authorize ~~and approve~~ the donation ~~to any governmental agency of obsolete or unusable~~ of surplus items whose value does not exceed \$~~7,500~~10,000 ~~to a governmental agency~~ after making a determination that such donation is in furtherance of governmental objectives.

### **Section 13: Loans, Sales, or Rentals to Other Entities**

The ~~Manager~~Managers may, at ~~his~~their discretion, lend ~~, sell or lease~~ materials, supplies, or tools ~~or services to non-City entities. The Manager or his designee may sell or lease useable materials, supplies tools or services~~ to non-City entities at no cost or at cost plus overheads. All loans, sales or rentals shall be in accordance with the following criteria when: a) ~~when an~~ emergency or unusual conditions dictate the need for such sale, rental or loan; b) a community service would be served and the good or service is in sufficient supply that the sale, rental or loan would not impair service to customers or citizens; or c) an agreement entered into by the City ~~contemplates or~~ requires such assistance.