



CITY OF HAINES CITY

PURCHASING POLICY

Adopted by Ordinance ~~14-1481~~ 23-2064
~~January, 2015~~ February 1, 2024

**City of Haines City, Florida
Purchasing Policy
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A. Purpose

The purpose of this policy is to establish procedures to ensure the City of Haines City purchases goods and/or services in the most efficient and economical manner possible in accordance with Section 6.07 of the City Charter and/or applicable State or Federal laws.

The City of Haines City Commission and City Manager recognizes that fair and open competition is the basic principle of public procurement; that such competition reduces the opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically; and that documentation and monitoring of the procurement process are important means of curbing any improprieties and establishing public confidence in the process in the process by which property and services are procured.

B. Scope

This policy shall apply to all purchases of goods and/or services regardless of payment method by the City pointing out duties and responsibilities for employees to maintain the City's reputation for fairness and integrity involving requesting, ordering, receiving or paying for and disposing of goods, services and construction needs.

C. Ethics

The acceptance of gifts at any time, other than advertising novelties, is prohibited. Employees must not become obligated to any suppliers and shall not conclude any city transactions from which they may personally benefit.

No commissioner or employee shall bid for, enter into or be in any manner interested in any contract for city purchase. Nor shall any commissioner or employee seek to influence the purchase of a product or service from any offeree. This restriction shall not be construed to restrict persons from evaluating and appraising the quality and value of the product to be purchased or service to be rendered where the person's scope of employment contemplates advice and council with respect to the purchase. No commissioner or employee shall receive benefit of any prospective bidders. The avoidance of actual or perceived conflicts of interest is a prime requisite to the efficient and sound operation of the City and maintenance of the public trust.

D. Minority Businesses

Minority businesses shall be ensured to have an equitable opportunity to participate in the City's procurement process.

E. Purchasing Methods

1. Informal Purchasing

Informal purchasing may be used for the purchase of goods and/or services costing less than \$1,000. While quotes and bids are not necessary with items costing less than \$1,000, every effort should be made to ensure goods and/or services are being purchased in the most efficient and ~~cost~~ effectivecost-effective manner possible.

Only designated employees in each department shall be authorized to actually purchase the commodity, after the purchase has been approved. Employees are required to immediately turn in the purchase receipt to his direct supervisor.

2. Verbal Quotes

At least three (3) verbal quotes are necessary to be received by the City in respect to purchases of goods and/or services costing at least \$1,000, but less than \$5,000. If at least three (3) quotes are not possible, a written explanation of such shall be included in the vendor payment supporting documentation.

Vendor selection and award shall be based on qualification of the vendor, acceptability of the product, delivery time, inventories, and past performance. If service is to be provided on City property, the selected vendor must provide proof of insurance and name the City as an additional insured, as well as any other required documentation.

3. Written Quotes

At least three (3) written quotes are necessary to be received by the City in respect to purchases of goods and/or services costing at least \$5,000, but less than ~~\$50,000~~25,000. Departments shall submit the quotes with the Pruchase Order Request for approval prior to acquiring goods or services. If at least three (3) quotes are not possible, a written explanation of such shall be included ~~as in the vendor payment~~ supporting documentation. An allowable exception to this policy are any purchases pursuant to Section 7 'Other Governmental Agengices Purchasing Contracts'.

Vendor selection and award shall be based on qualification of the vendor, acceptability of the product, delivery time, inventories, past performance, degree of compliance with requirements, price and other circumstances

that will encourage delivery of the best products and services for the money expended.

4. Invitation to Bid

The invitation to Bid method ~~is acceptable~~ may be utilized for purchases of goods and/or services reasonably estimated to cost at least ~~\$25,000~~ 50,000. This method shall be ~~is typically~~ used when the City is capable of specifically establishing precise specifications defining the actual commodity or contractual service.

Responses to Invitation to Bid shall be received in a sealed bid format and opened and read aloud at a specific date, time and location. All ITB's shall be administered by the Finance Department.

5. Request for Proposal

The request for proposals method ~~is acceptable~~ may be utilized for the purchase of goods and/or services reasonably estimated to cost at least ~~\$25,000~~ 50,000. This method shall be ~~is~~ used when the City cannot specifically define the scope of work for which the goods and/or service is required for. The vendor provides detailed information in response to the Request for Proposal and usually the purchase results in a contractual agreement. The process does allow for negotiation in the scope of requested services, price and delivery.

Responses to Request for Proposals shall be received in a sealed bid format and opened and read aloud at a specific date, time and location. All RFP's shall be administered by the Finance Department.

6. Request for Qualifications

The Request for Qualifications method ~~is used~~ shall be utilized in the acquisition of professional services reasonably estimated to cost at least ~~\$25,000~~ 50,000. Requests for Qualifications proposals shall be utilized when it is primarily necessary to indicate information regarding the education and experience background of the proposer. Price is not to be indicated in the proposal. If the Request for Qualifications is for professional architectural, engineering, landscaping architectural or surveying and mapping services, then rules of Chapter 287.055 of the Florida State Statutes shall apply. Section 287.055 is short-titled the "Consultants Competitive Negotiation Act" (CCNA)

Responses to Request for Qualifications shall be received in a sealed bid format and opened and read aloud at a specific date, time and location. All RFQ's shall be administered by the Finance Department.

7. Other Governmental Agencies Purchasing Contracts

Competitive selection procedures are waived in the event that the desired goods and/or services may be purchased pursuant to purchase contracts of other governmental agencies to include any political subdivision of the State of Florida or the United States, the United States Federal Services Administration, or cooperative purchasing consisting of a combination of these, when such contracts are the result of a competitive bidding process.

A. Types of Cooperative Contracts

The following are types of cooperative procurement that may be used by the City. There must be mutual agreement between the awarded vendor and awarding agency to allow the participant to purchase under the cooperative arrangement.

- a. Purchasing from State-recognized agencies and organizations.
- b. “Piggy-backing” another jurisdiction’s contract. The vendor must agree to offer the commodities to the “riding” jurisdiction at the same terms and conditions as were offered to the contracting jurisdiction. The process under which the other jurisdiction awarded the contract must satisfy our minimum purchasing standards for the City to “piggy back”.

8. Sole Source Purchasing

Competitive selection procedures is the preferred method of acquiring goods and services under the City Code. Competitive procedures are waived when it is determined and substantiated in writing, after conducting a good faith review of available sources, that there is only one source for the goods and/or services based upon performance criteria established by the City.

The City shall electronically post a description of the commodities or contractual services sought for at least 15 business days to ensure sole source. The description shall include a request that prospective vendors provide information regarding their ability to supply the commodities or contractual services described.

Price and terms shall be negotiated and a record of the sole source procurement shall be maintained as a public record.

For all purchases under the statute threshold, Aa written justification of the sole source purchase must be approved by the City Manager and accompany the invoice for payment.

9. Emergency Purchases

Competitive selection procedures are waived when the City Manager is notified and determines that (i) immediate action is required for the preservation or protection of property, or the continuance of vital City normal functioning functions and operation of the City would be jeopardized or (ii) where the public safety and welfare are endangered through unexpected circumstances by adhering to the usual purchasing procedures.

Subsequently, the Department Director shall submit the Emergency Purchase Authorization Form for approval and adhere to all applicable guidelines on the form. A written justification of the emergency purchase must be approved by the City Manager and accompany the invoice for payment.

The emergency purchase shall be limited to the purchase of the type of items and quantities needed during the emergency event and for a time period sufficient to meet the immediate threat or emergency situation, and shall not be used to meet long-term requirements.

10. Direct Negotiation

Competitive selection procedures are waived when it is determined by a decision of the City Manager and approved by the City Commission that it is neither practical, feasible nor advantageous to the City to conduct competitive sealed bidding or competitive sealed proposal procedures. Purchases may be made by direct negotiation in the open market and without strictly observing the procedures prescribed in this Policy, except as related to Purchasing Approvals.

F. Response Rejections

In all of the above stated purchasing methods, the City has the authority to reject any or all responses after the solicitation due date when it has been determined that the respondent(s) is non-responsive or award recommendation is not in the best interest of the City. In the event that there is a Selection Committee established to review the responses, the Selection Committee must authorize the rejection of any or all responses.

G. Advertisement Requirements

Advertisement of formal solicitations such as Invitation to Bids, Request for Proposals and Request for Qualifications shall be advertised in newspapers and other appropriate publications. The solicitation shall be advertised once on its release date. Other notification sources may be used in addition to this requirement to reach selected markets. The City may also advertise the solicitation via the City’s web site, e-mail or other methods as deemed appropriate by the City.

Formal solicitations for construction projects that are projected to cost more than \$200,000 must be advertised at least twenty-one (21) days prior to the established bid opening and at least five (5) days prior to any scheduled pre-bid meeting. If the project costs are estimated to exceed \$500,000, the solicitation for such must be advertised at least thirty (30) days prior to the opening and at least five (5) days prior to any scheduled pre-bid meeting. See §255.0525, Fla. Stat.

H. Local Vendor Preference

1. Definitions

- A. Business** – A person, firm, corporation or other business entity which is duly licensed and authorized to engage in a particular work in the State of Florida.
- B. Local Vendor** – Except as exempted in this policy, any business having a physical location within the legal boundaries of the City of Haines City for a period of at least twelve (12) months prior to the issuance of Invitation to Bid or Request for Proposal (RFP) by the City, and can provide documentation of a valid current and active business tax receipt. Post office boxes are not verifiable and shall not be used for the purpose of establishing a physical business address.

2. Local Preference Policy

- A.** There is hereby established a local vendor preference that shall apply to all purchases or acquisitions of products, materials, or services of the City of Haines City that have gone through the Invitation to Bid or Request for Proposal (RFP), except as may be exempted herein or by applicable State or Federal Law. Preference shall be given in the procurement of goods and services when bids are sought as follows:

1. Local Vendor Preference – Invitation to Bid

- a. When bids are received and the lowest bid price falls between \$25,000.00 and \$50,000.00 and the vendor offering the lowest bid price is not a local vendor, and a local vendor is within six percent (6%) of the lowest bid, the local vendor shall be given the opportunity to match the lowest bid price offered, and if agreed to, the local vendor will be awarded the bid as long as the local vendor is fully qualified and meets all bid requirements as determined by the City. In the case of more than one (1) local vendor, the local vendor closest to the lowest bid price, within the established percentage, shall have the first right of refusal and so on and so forth.
- b. When bids are received and the lowest bid price falls between \$50,000.01 and \$75,000.00 and the vendor offering the lowest bid price is not a local vendor, and a local vendor is within five percent (5%) of the lowest bid, the local vendor shall be given the opportunity to match the lowest bid price offered, and if agreed to, the local vendor will be awarded the bid as long as the local vendor is fully qualified and meets all bid requirements as determined by the City. In the case of more than one (1) local vendor, the local vendor closest to the lowest bid price, within the established percentage, shall have the first right of refusal and so on and so forth.
- c. When bids are received and the lowest bid price falls between \$75,000.01 and \$100,000.00 and the vendor offering the lowest bid price is not a local vendor, and a local vendor is within four percent (4%) of the lowest bid, the local vendor shall be given the opportunity to match the lowest bid price offered, and if agreed to, the local vendor will be awarded the bid as long as the local vendor is fully qualified and meets all bid requirements as determined by the City. In the case of more than one (1) local vendor, the local vendor closest to the lowest bid price, within the established percentage, shall have the first right of refusal and so on and so forth.
- d. When bids are received and the lowest bid price falls between \$100,000.01 and \$150,000.00 and the vendor offering the lowest bid price is not a local vendor, and a local vendor is

within three percent (3%) of the lowest bid, the local vendor shall be given the opportunity to match the lowest bid price offered, and if agreed to, the local vendor will be awarded the bid as long as the local vendor is fully qualified and meets all bid requirements as determined by the City. In the case of more than one (1) local vendor, the local vendor closest to the lowest bid price, within the established percentage, shall have the first right of refusal and so on and so forth.

- e. When bids are received and the lowest bid price falls between \$150,000.01 and \$250,000.00 and the vendor offering the lowest bid price is not a local vendor, and a local vendor is within two percent (2%) of the lowest bid, the local vendor shall be given the opportunity to match the lowest bid price offered, and if agreed to, the local vendor will be awarded the bid as long as the local vendor is fully qualified and meets all bid requirements as determined by the City. In the case of more than one (1) local vendor, the local vendor closest to the lowest bid price, within the established percentage, shall have the first right of refusal and so on and so forth.
- f. When bids are received and the lowest bid price exceeds \$250,000.00 and the vendor offering the lowest bid price is not a local vendor, and a local vendor is within one percent (1%) of the lowest bid, the local vendor shall be given the opportunity to match the lowest bid price offered, and if agreed to, the local vendor will be awarded the bid as long as the local vendor is fully qualified and meets all bid requirements as determined by the City. In the case of more than one (1) local vendor, the local vendor closest to the lowest bid price, within the established percentage, shall have the first right of refusal and so on and so forth.
- g. The City shall give the local vendor written notice with delivery confirmation of the opportunity to match the price of the low bid within five (5) business days of transmission. If a local vendor fails to file a response with the City's Finance Department within five (5) days of the transmission of the notification of the option to match the low bid, then the failure to respond shall be deemed to be a waiver of the opportunity to

match the low bid. Should the local vendor choose to meet the price of the low bid, then the City shall award the contract to the local vendor. If no local vendor accepts the option to match the low bid, then the contract shall be awarded to the original lowest responsive, responsible bidder.

2. Local Vendor Preference – Request for Proposal (RFP)

- a. In purchasing, or contracting for procurement of tangible personal property, materials, contractual services, and construction or improvements to real property or existing structures for which a request for proposal is developed with evaluation criteria, a preference not to exceed three (3) points shall be added to the total score for a local vendor.
- 3.** Unless the local vendor has been pre-determined by the City to meet the above-referenced criterion, the Local Vendor Affidavit of Eligibility, in a form approved by the City, shall accompany the proposal or bid submittal in order to be considered valid. The City at any time, for purposes of validating eligibility hereunder, may request the vendor provide the following current information:
- a. A copy of a current Polk County Local Business Tax Receipt to verify the business location;
 - b. Any additional information necessary to verify local status.
- 4.** This allowance for a local preference in no way prohibits the rights of the City Commission or City Manager to compare quality of materials proposed for purchase and compare qualifications, character, responsibility, and fitness of all persons, firms or corporations submitting bids. The application of the local preference policy to a particular purchase may be waived upon recommendation by the City Commission.
- 5.** The provisions of this policy shall not apply to the procurement of goods and services by the City of Haines City involving the following entities and/or situations as follows:

- a. Agreements between the City and non-profit organizations or governmental entities.
- b. Items that are for re-sale to the general public.
- c. Purchases made from another state, federal, or other governmental agency's agreements or contracts (i.e. piggybacking)
- d. Purchase and/or sale of real property.
- e. Bids for contracts that are being funded by an outside course or agency that does not allow for a local preference, or that stipulates the award criteria.
- f. Proposals related to Chapter 287.055 of the Florida Statutes, including, but not limited to Design Build Contracts and Continuing Contracts (Consultants Competitive Negotiation Act (CCNA)).
- g. Any other purchases that are determined by the City to be exempt from local preference policy established herein.

I. Purchasing Approval Limits

The approval limits for the purchase of goods and/or services is as follows:

Purchase Amount	Approval
Less than \$1,000	Supervisor
\$1,000 – \$ 4,999.99	Department Head
\$ 5,000 - \$ 24,999.99	<u>Finance Director</u> City Manager
<u>\$ 25,000 - \$ 49,999.99</u>	<u>City Manager</u>
\$ 25,000 <u>50,000</u> or more	City Commission

In the absence of the primary approver, the respective deputy or delegate will assume all corresponding purchasing authority and responsibility.

J. Change Order Approval

To avoid a delay in the progress of any project, the City Manager can approve, without further Commission action, change orders to an existing contract provided the change orders do not increase the original contract price by more than ten (10) percent ~~not to exceed \$25,000~~.

K. Appeal Procedures

Any actual bidder or proposer may only appeal any determination, decision or recommendation of the City's authorized purchaser, in accordance herewith.

All appeals must be in writing and sent via certified mail or delivered in person to the City Manager within three (3) business days of issuance of such determination, decision or recommendation. The City Manager shall administer the appeal and shall render a decision within seven (7) business days of receiving the appeal. All appeals must set forth the specific reason and facts concerning the dispute. Any appeal based exclusively on disagreement with the technical judgment of evaluators is subject to summary rejection unless there is clear and convincing evidence of arbitrary or capricious action in that regard. In the event of a timely appeal, the City shall not proceed further with the solicitation or with the award of the bid/contract unless the City Manager, after consultation with the director of the using department(s) or division(s), forwards to the City Commission a written request to award the bid/contract without delay in order to protect the public health, safety or general welfare and the City Commission approves said request.

L. Disposal of Surplus

The Department Director may request items to be declared surplus by the City Commission. Items that have been declared surplus by the City Commission may be disposed of in accordance with Florida Statutes.

M. Operating Procedures

The City Manager is authorized to approve specific operating procedures for the purchasing function of the City to implement this Policy. The City Manager may delegate their purchasing authority and responsibility by written directive to the Deputy City Manager.

N. Federal, State and Local Grant Funding

Haines City will adhere to all Federal, State and local guidelines pertaining to approved grants and contracts.

N.O. Exemptions

1. The following commodities and contractual services shall not be procured subject to this Policy:

- A. Appraisal Services
- B. Catering/Food
- C. Collective Bargaining Agreements
- D. Dues

- E. Employee Screening Services including Medical
- F. Entertainment
- G. Financial Services
- H. Freelance Services
- I. Land Purchases
- J. Legal Advertising
- K. Legal Services including but not limited to, attorney, paralegal, expert witness, court reporter, mediator services and legal advertisements
- K.L. Lobbying
- M. Postage/Shipping
- L.N. Taxes
- M.O. Temporary Employment Contracts
- N.P. Travel/Training
- O.Q. Utilities
- P.R. Veterinarian Services

2. Professional Auditing Services shall be procured in accordance with the requirements of Chapter 218.391 of the Florida Statutes. Chapter 218.391 is short-titled “Auditor Selection Procedures”.
3. Group Insurance for Employees and Public Officers shall be procured in accordance with the requirements of Chapter 112.08 of the Florida Statutes. Chapter 112.08 is short-titled “Group Insurance for Public Officers, Employees, and Certain Volunteers”;

SUPPLEMENTAL INFORMATION

PURCHASING PROCEDURES:

Multipurpose Payment Form and Submittal Process

1. Multipurpose Payment Form

A Multipurpose Payment Form is required to be completed and submitted to the Finance Department for processing for all purchases. Attached to the form should be an invoice, receipt of goods (if applicable) and any other documentation required by this policy. The payment form must be signed by the appropriate authorized departmental staff. No invoice will be processed for payment unless all requirements of this policy are adhered to.

Multiple invoices ~~of less than \$1,000~~ can be attached to one payment form. All invoices ~~of \$1,000 or more~~ pertaining to approved Purchase Orders must be submitted using its own payment form.

2. Receipt of Goods

A receipt of goods (packing slip or invoice) should be attached to the multipurpose payment form when submitted to the Finance Department for payment. Once the contents of a delivery are verified or contractual service has been performed, the receiver signs and dates acceptance. The receipt of goods is then forwarded to Department Director or designee for approval and attachment to the payment form.

Upon inspection, if visible damage is present, do not open the package and do not accept delivery. If already accepted for delivery, notify your department director so that arrangements can be made to return to the vendor.

For contractual services, a review of the agreement should be completed before services are rendered. Prior to acceptance of contractual services, be satisfied that they have successfully completed the task.

3. Purchase Orders Required

The Purchase Order, a legal binding contract, is prepared by the Finance Department to place orders with Vendors based on the procurement process. This document will serve as an order, receiving report and payment voucher.

A purchase order request is required for all goods and services exceeding the \$5,000 threshold. Upon approval, formal purchase orders will be issued for all requests exceeding \$25,000 or specifically requested by vendors. If a vendor requires a purchase order, the Finance Department will provide a form that can be completed by the purchasing department to satisfy this request.

Blanket Purchase Orders are used to permit a requesting department to secure materials and services from the vendor without initiating a purchase order to each transaction. They are generally established with a fixed limit on price and for a given time period.

4. Authorized Purchasers

Each department will prepare and submit a list of employees authorized to purchase to the Finance Department. Any updates to this listing should be forwarded to the Finance Department in a timely manner.

5. New Vendor Information

It is the responsibility of each department to make sure any new vendor has completed the appropriate documentation before any purchase can be placed with the vendor. –This documentation can be attached to a Multipurpose Payment Form. –If the necessary documentation has not been completed, payment will be withheld.