CENTRAL SERVICES
PROCEDURES AND GUIDELINES

Approved

Jim Landon, City Manager  8/28/17

Date
## Contents

INTRODUCTION .......................................................................................................................... 3

PURCHASING AND CONTRACTING ......................................................................................... 3

- Purpose and Authority ............................................................................................................. 3
- Central Services Purchasing Responsibilities ........................................................................ 4

PURCHASING PROCESS ............................................................................................................. 6

- Purchasing Process Outline .................................................................................................. 6
- Purchasing Requirements ....................................................................................................... 7
- Vendors .................................................................................................................................. 7
- Local Business Preference ...................................................................................................... 8
- Purchasing Card ..................................................................................................................... 9
- Requesting a Purchase ........................................................................................................... 9
- Obtaining Quotes .................................................................................................................. 10
- Formal Invitations-- $30,000.00 or More ............................................................................ 10
- Exemptions to Quotes and Formal Solicitations ................................................................. 18
- Work Orders related to a Master Services Agreement ......................................................... 20
- Requisition Approval ........................................................................................................... 20
- Periodic Reporting ................................................................................................................. 21
- Receiving, Inspection and Testing ....................................................................................... 21
- Adjusting a Purchase Order ................................................................................................ 23

CONTRACTING PROCESS .......................................................................................................... 24

- Contract Development and Execution ................................................................................. 24
- Development ......................................................................................................................... 24
- Execution ............................................................................................................................... 25

- Contract Administration ...................................................................................................... 25
- Resources ............................................................................................................................. 25
- Timeliness and Quality of Deliverables .............................................................................. 25
- Performance Monitoring ...................................................................................................... 25
- Progress Reports .................................................................................................................. 26
- Audits, Review Meetings, Site Visits ..................................................................................... 26
- Monitoring by Outside Vendors ............................................................................................. 26

- Contract Changes ............................................................................................................... 26
- Minor Changes ..................................................................................................................... 26
- Substantive Changes ............................................................................................................. 27
- Constructive Changes ......................................................................................................... 27

*Revised August 2017*
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Dispute Resolution Procedures (Non-Construction)</td>
<td>28</td>
</tr>
<tr>
<td>Purpose</td>
<td>28</td>
</tr>
<tr>
<td>Conflict with Contract</td>
<td>28</td>
</tr>
<tr>
<td>Payment Only Disputes</td>
<td>28</td>
</tr>
<tr>
<td>Notice of Claim</td>
<td>28</td>
</tr>
<tr>
<td>Dispute Process and Escalation</td>
<td>28</td>
</tr>
<tr>
<td>Mediation</td>
<td>29</td>
</tr>
<tr>
<td>DISPOSAL OF SURPLUS PROPERTY</td>
<td>30</td>
</tr>
<tr>
<td>GRANTS</td>
<td>31</td>
</tr>
<tr>
<td>Federal Community Development Block Grant (CDBG)</td>
<td>31</td>
</tr>
<tr>
<td>FDOT Local Agency Program</td>
<td>31</td>
</tr>
<tr>
<td>PUBLIC/PRIVATE PARTNERSHIPS</td>
<td>32</td>
</tr>
<tr>
<td>Introduction</td>
<td>32</td>
</tr>
<tr>
<td>General P3 Proposal Submission Process</td>
<td>32</td>
</tr>
<tr>
<td>City Solicited Proposals</td>
<td>33</td>
</tr>
<tr>
<td>Unsolicited Proposals</td>
<td>34</td>
</tr>
<tr>
<td>Detailed Proposal Format and Requirements</td>
<td>34</td>
</tr>
<tr>
<td>Proposal Evaluation and Selection Criteria</td>
<td>36</td>
</tr>
<tr>
<td>City Council Consideration and Approval</td>
<td>38</td>
</tr>
<tr>
<td>Governing Provisions</td>
<td>38</td>
</tr>
<tr>
<td>RISK MANAGEMENT</td>
<td>39</td>
</tr>
<tr>
<td>To be Added at Later Date</td>
<td>39</td>
</tr>
</tbody>
</table>
INTRODUCTION

The purpose of this guide is to establish guidelines and procedures for procurement, contract administration and management, and risk management. Types of procurements and agreements or contracts that are subject to this guide include, but are not limited to, contracts for services, products, and construction. Apart from the portion of the Purchasing Policy found in City Code, this guide is for internal use only, and establishes no rights in third parties to challenge or otherwise frustrate the City’s purchasing and contracting.

PURCHASING AND CONTRACTING

Purpose and Authority

The Central Services Division seeks to ensure that all City purchases of goods and services are conducted in accordance with City and State laws and policies; to aid departments/divisions in accomplishing their purchases; and, to ensure City departments/divisions secure quality equipment, goods and services in a fair, competitive, cost effective and responsive manner.

The purpose of this section is to provide a written explanation of the process by which City departments shall purchase goods and services and define responsibilities and functions of the Central Services Division to ensure compliance with the City’s purchasing policies and procedures and to maintain a system of good internal controls.

It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based and the meaning and intent of the procedures themselves.

The fundamental purpose of these procedures is not to restrict the effectiveness of the individuals involved in procurement, but to provide a foundation for effective, consistent and complete consideration of all aspects of the task with the expected result being a positive, professional relationship between the employees of the City of Palm Coast and the vendors who serve the City.

It also serves to establish uniform purchasing procedures for all departments in the City, to provide for centralized purchasing procedures and to place responsibility for the procurement process of all goods and services with the Purchasing Coordinator. The primary objectives of the City of Palm Coast purchasing program are as follows:

- Establish an ongoing centralized purchasing process capable of providing daily service and support on an organization wide basis.
- Realize increased cost savings through consolidated volume purchases and competitive bidding processes
- Introduce a greater measure of responsibility and accountability over implementation of the procurement of commodities, contractual services and capital outlay items.
- Expand utilization of web enabled purchasing and bidding processes.
• Assist management at all levels in reaching responsible, cost-effective decisions in the procurement of quality supplies and services for the City’s use.

• Formulate policies and procedures designed to enhance the efficiency of the City’s procurement process and assure procurement in a timely and proper manner.

• Promote good will and clear communication in City-vendor relations related to purchasing.

Departments should keep an updated copy of the City’s adopted Central Services Guidelines and Procedures readily accessible for all staff. Any person responsible for issuing a requisition should review the policies and procedures to determine whether the purchase may fall under one of the exceptions to general guidelines and to ensure that all specific requirements are met.

Central Services Purchasing Responsibilities

Purchasing Coordinator(s) shall be responsible for the continued implementation and control of these policies and procedures. All department directors and staff shall be responsible for compliance. These policies are internal guidelines for employees, do not establish any rights for third parties, and cannot serve as grounds for a challenge to a City contract.

Purchasing Coordinator(s) shall:

• Administer all purchasing objectives, policies, programs and procedures for the purchase and contracting for all materials, supplies, equipment and services for the City of Palm Coast.

• Act as representative on all matters pertaining to purchasing and contracts

• Assemble specifications in cooperation with using departments, which are subsequently included in Requests for Qualifications, Invitations to Bid, Requests for Proposals, and/or Requests for Quotations.

• Assist with obtaining the necessary quotes required by a particular purchase.

• Consolidate requisitions and purchases of like or common items to obtain the maximum economic benefits and cost savings, and explore the possibilities of buying “in bulk” to take full advantage of quantity discounts. Such consolidation may include requirements of a single department or multi-departments.

• Work with other departments/divisions to establish standardization of materials, supplies and equipment where feasible within a competitive environment.

• Promote good will and public relations between the City and its vendors. Encourage full and open competition wherever possible. Assure fair and equitable business dealings with all vendors.

• Keep informed of current developments in the field of purchasing, including but not limited to prices, market conditions and new products, and secure for the City the benefits of research conducted in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations, and private businesses and organizations.
• Prescribe and maintain a standard manual for use on a citywide basis.

• Have the responsibility to ascertain the identity of all vendors who default on their contracts with the City and to suspend or debar said vendors as appropriate unless the City Council expressly waives this prohibition. The decision of the Administrative Services and Economic Development Director to debar a vendor may be appealed to the City Manager by filing a written appeal with the City Manager within seven days of the decision. The decision of the City Manager may be appealed to the City Council by filing a written appeal with the City Clerk within seven days of the City Manager’s decision.

• When cost effective, promote the purchase of products that contain recycled content consistent with the City’s Green Team policy.

• Follow the National Institute of Governmental Purchasing Code of Ethics.

• Follow the provisions of State law relating to the Code of Ethics for Public Officers and Employees, any applicable Federal law, and the personnel policies of the City with regard to the activities of City employees in the purchasing process.
PURCHASING PROCESS

The purchasing function begins with a "need" by a using department. For everyone, the user, the vendors and the Purchasing Coordinator(s), to function efficiently and effectively, the user must plan his/her needs as far in advance as possible. Each need must be thoroughly reviewed as to the type of purchasing process that will best facilitate the delivery of the commodity or service required. It is recommended that users review the adopted budget at the beginning of each fiscal year to plan purchasing strategy and timetables. Planning should include coordination with other departments as necessary and with the Purchasing Coordinator(s). Purchasing should be prioritized by time of need. Purchasing Coordinator(s) will work closely with each department, providing whatever level of service is required to ensure the purchase is made in a timely manner, including obtaining quotes, writing the specifications, and developing the formal solicitations.

Purchasing Process Outline

- Identify a departmental need,
- Research solutions available in the marketplace,
- Draft a solicitation, public advertisement and notice,
- Conduct a pre-bid meeting, as needed, followed by receipt of responses,
- Evaluate responses,
- Review evaluation results,
- Provide recommendation to Council, if applicable
- Award contract(s),
- Post approved contract documents,
- Review and maintain the City’s contract throughout its term (Risk Management & Contract Coordinator)

(Space Left Intentionally Blank)
Purchasing Requirements
The following procedures should be used depending on the amount of the purchase. The estimated value of the purchase determines what steps must be completed before a purchase order can be issued for the request.

<table>
<thead>
<tr>
<th>VALUE</th>
<th>MINIMUM REQUIREMENTS</th>
<th>AWARD APPROVAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $999.99</td>
<td>Purchasing Card or Direct Payment Request</td>
<td>Department Director</td>
</tr>
<tr>
<td>$1,000 - $2,999.99</td>
<td>Single Written Quote</td>
<td>Department Director</td>
</tr>
<tr>
<td></td>
<td>Purchase Order</td>
<td></td>
</tr>
<tr>
<td>$3,000 - $14,999.99</td>
<td>Multiple Written Quotes</td>
<td>Department Director</td>
</tr>
<tr>
<td></td>
<td>Purchase Order</td>
<td></td>
</tr>
<tr>
<td>$15,000 - $29,999.99</td>
<td>Multiple Written Quotes</td>
<td>City Manager</td>
</tr>
<tr>
<td></td>
<td>Purchase Order</td>
<td></td>
</tr>
<tr>
<td>$30,000 - $49,999.99</td>
<td>Formal Request for Quotes</td>
<td>City Council</td>
</tr>
<tr>
<td></td>
<td>Standard Contract or Purchase Order</td>
<td></td>
</tr>
<tr>
<td>$50,000 or Greater</td>
<td>Formal Sealed Competitive Solicitation</td>
<td>City Council</td>
</tr>
<tr>
<td></td>
<td>Standard Contract</td>
<td></td>
</tr>
</tbody>
</table>

Please note that the following purchases are also coordinated through the appropriate department/division:

- Construction: Community Development / Construction Management & Engineering
- Real Estate: Administrative Services & Economic Development Department / City Clerk’s Office
- Technology: Information Technology Department
- Fleet: Public Works Department / Fleet

Vendors

Any firm wishing to register to do business with the City can submit a "Vendors Registration Form," online via the City’s Purchasing Department website. Once approved, the firm will then be assigned a vendor number.
User Departments may suggest to the Purchasing Coordinator(s) any potential bidders they would like to receive an invitation, request for quote or bid and should encourage the vendor to register on the City’s Procurement Portal.

**Vendor Relations**

One of the functions of the Purchasing Coordinator(s) is establishing and maintaining relations with firms who request to do business with the City and with firms who regularly do business with the City. Any user that develops a problem with a vendor and cannot satisfactorily resolve that problem should contact the Purchasing Coordinator(s). It is City policy to be fair with all bidders and vendors while still protecting the interests of the City.

Any problem should be documented immediately in writing giving all details such as date, nature of problem, person contacted, conversations between the City and the vendor, etc. This can be done using a "vendor complaint" form that can be obtained from the Purchasing Coordinator(s) or can be done simply by keeping a written log of the issue and passing it along to the Purchasing Coordinator(s). The Purchasing Coordinator(s) has the authority to take action against any vendor including possible banning from doing business with the City for a specified length of time or forever. This is a very drastic action and will not be done without proper documentation and due process. Documentation must be very detailed and immediately recorded. A simple complaint such as "last week my uniform delivery was late" is not acceptable.

**Surveys / Testimonials / References**

City employees shall refrain from completing surveys or providing testimonials or any other type of reference for any contractor without prior approval from the Administrative Services and Economic Development Director who will consult with the City Attorney or the City Manager as needed. There may be legal and contractual consequences when these things are completed without approval.

**Local Business Preference**

Except as provided for in the Purchasing Policy, a local business preference shall apply to all purchases. City staff is encouraged to purchase products or services from local businesses where possible.

**Qualifying Businesses**

A local business preference shall be given to businesses that have its headquarters, manufacturing facility, or locally-owned franchise located in, or having a street address within, the legal boundaries of the City of Palm Coast for at least one (1) year immediately prior to the request for a quote or formal bid solicitation (Post office boxes do not qualify as a verifiable business address). If the local business preference does not result in the Palm Coast business being awarded the quote/bid/contract, then the local business preference shall be given to businesses have its headquarters, manufacturing facility, or locally-owned franchise located in, or having a street address within, the legal boundaries of Flagler County for at least one (1) year immediately prior to the request for a quote or formal bid solicitation (Post office boxes do not qualify as a verifiable business address).
Preference Amount

- Five percent (5%) of the net quote or bid price up to $200,000.00 as referenced on the quote tabulation or bid price schedule.
- Three percent (3%) of the net bid price above $200,000.00 as referenced on the bid price schedule.
- Total local business preference shall be limited to $20,000.00 for each quote or project.
- Example: Local Business Bid of $250,000 would be provided a local business preference of $11,500. ((5% x $200,000) + (3% x $50,000))

Exempt Purchases

- Purchases that are funded in whole or part by assistance from any federal, state, or local agency that disallows local preference;
- Purchases exempt from obtaining quotes or soliciting formal proposals or bids as described in Sec. 2-28. – Exemptions to Quotes and Formal Solicitations.

Purchasing Card

The purchasing card is a tool for small purchases under $1,000.00. Purchasing cards are issued in an employee’s name with preset spending controls and limits. Purchasing cards are only issued upon written request from the department director. The purchasing card is intended only for small value, non-recurring needs, usually from local sources. Purchases using a purchasing card must meet the procedures and guidelines contained herein along with the City’s Purchasing Card Policies and Procedures.

Requesting a Purchase

The Department shall input a Requisition in Munis and attach a completed Request for Approval to Purchase form (RAP) with the required backup (quotes or if applicable, existing contract, Resolution and Agenda Item) for all purchases over $999.99. The following purchases are exempt from obtaining a requisition:

- Water, Sewer, Gas, Electrical and Other Utility Services
- Postage
- Membership Fees
- Subscriptions
- Any items covered under the City’s travel policy
- Debt Service/Lease Payments
- Land Transactions
- Payments under Interlocal Agreements
- Payroll and related Vendor Payments
- Tax Filings
Obtaining Quotes

Department staff is responsible for obtaining written quotes for purchases up to $29,999.99 (unless piggyback, emergency, exempt, or sole source). Central Services will assist when requested by Department staff. All quotes must be for identically the same quantity and quality and under the same terms and conditions. Even if the user provides quotes with the requisition, a complete description of the item or service needed, including required delivery time, and all special conditions must be clearly written on the requisition or attached as a memo. Regardless, the Purchasing Coordinator(s) always reserves the right to obtain additional quotes.

**Estimated Value $1,000.00 - $3,000.00—Single WRITTEN Quote:** This only requires a single quote, but a general check of the marketplace should be made to ensure the best value. If there is a preferred vendor, provide complete name and address, description of the commodity or service, and how much it will cost including freight and/or shipping on the requisition form. Central Services will review the requisition. If Central Services agrees with the recommendation for purchase, the requisition will be processed. If Central Services questions whether the commodity can be purchased from another vendor, for a better price, or is available from another source or contract, the department will be contacted to discuss the change.

**Estimated Value $3,000 - $29,999.99 — Multiple WRITTEN Quotes:** Requisition forms for purchases for this dollar value are completed in the same manner as above. However, multiple written quotes are required. Typically, three (3) written quotes are required, unless the Department can justify why only two (2) written quotes can be provided. The User Department may obtain the necessary quotes and furnish them with the requisition form, or, provide sufficient specifications so that Central Services can obtain the quotes.

**Blanket Purchases with Estimated Value $3,000 - $29,999 – Multiple WRITTEN Quotes:** A blanket purchase is a nonexclusive, indefinite quantity agreement. It is a tool to facilitate purchases when the exact quantity of a required commodity or service is unknown or may vary depending upon the using department’s requirements. A Price Agreement is used to obtain commodities or services needed frequently for operations and maintenance.

If usage is anticipated to be greater than or equal to $3,000 - $29,999.99 in a single year, written quotes must be obtained and documented. If usage is anticipated to be $30,000 and greater in a single year, formal solicitation must be used to select the vendor, unless the award is made from another governmental entity’s contract.

Commodities or services available for purchase from current Price Agreements may be obtained from the Purchasing Coordinator(s).

**Formal Invitations— $30,000.00 or More**

If the estimated value is $30,000.00 or more (unless piggyback, emergency, exempt, or sole source), the Purchasing Coordinator(s) must prepare and solicit formal, sealed, advertised invitations (Request for Quotes, Invitation to Bid, Request for Proposals, Request for Statements of Qualifications, or Request for Information).

If available, specifications shall be sent to Central Services for review. The Purchasing Coordinator(s) will work with the requesting department to write specifications, terms and conditions for the invitation.
Purchasing Coordinator(s) will coordinate all of the details of the invitation such as a pre-proposal conference, if applicable, and the suggested opening, evaluation and award dates, etc. After the formal opening, the Purchasing Coordinator(s) and the using department will evaluate the bids or proposals based upon predetermined criteria for award.

The solicitation of competitive bids or proposals for professional services covered by the Consultants Competitive Negotiation Act (CCNA) shall be accomplished in accordance with the provisions of Section 287.055, Florida Statutes.

The solicitation of competitive bids or proposals for any City construction project that is projected to cost more than $200,000 shall be accomplished in accordance with the provisions of Section 255.0525, Florida Statutes.

The solicitation of competitive bids or proposals for City utility projects shall be accomplished in accordance with the provisions of Chapter 180, Florida Statutes.

Public Advertisements

Formal invitations $50,000 and above must be advertised as outlined below in advance of the specified opening date in one major newspaper that covers the area (i.e. the Daytona News Journal). In addition, all formal invitations must be published on the City’s website and the City’s Procurement Portal.

<table>
<thead>
<tr>
<th>Public Advertising Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
</tr>
<tr>
<td>Request for Quotes (website only) &lt;$50,000</td>
</tr>
<tr>
<td>Invitation to Bid (Non-Construction)</td>
</tr>
<tr>
<td>Invitation to Bid (Construction)</td>
</tr>
<tr>
<td>Request for Statement of Qualifications</td>
</tr>
<tr>
<td>Request for Proposal</td>
</tr>
<tr>
<td>Additional Requirements</td>
</tr>
<tr>
<td>Construction &gt; $200,000 and &lt;= $500,000</td>
</tr>
<tr>
<td>Construction &gt; $500,000</td>
</tr>
<tr>
<td>Grants</td>
</tr>
</tbody>
</table>

*Minimum Bid Period - number of days from date Public advertisement appears in the newspaper until closing date.

** Public advertisement must also be at least 5 days before any pre-bid meeting.

\(^1\) Florida Statute 255.0525 (2)
Pre-Solicitation, Pre-Bid, Pre-Proposal Conferences
Pre-Bid Meeting may be scheduled and conducted by the Purchasing Coordinator(s) before the official time and date set for the formal opening to explain the procurement requirements and to solicit information from potential bidders/vendors.

A mandatory Pre-Bid Meeting may be scheduled and conducted if the technical or physical requirements of the invitation require the physical presence of potential vendors. Proposals from anyone not attending the mandatory meeting will not be considered.

For construction projects in excess of $200,000, the legal advertisement must be published at least 5 days prior to the pre-bid conference. (Section 255.0525 (1), Florida Statutes)

Formal Opening
The name of each bidder or proposer shall be read aloud and tabulated along with the pertinent information as described in the formal invitation. Note: Applicable Florida Statutes Section 119.071, 180.24, 218.80, 286.011, 286.0113, and 255.0525.

Specifications or Scope of Work
The term "specification" means any description of the physical or functional characteristics, or of the nature of the supply or service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

The specification is the basis for obtaining a commodity or service suitable for the City's needs considering the total costs of ownership and operation as well as the initial purchase costs. It is the policy of the City that specifications permit maximum practical competition consistent with this purpose. Specifications shall be drafted with the objective of clearly describing the user's functional and performance requirements.

Any purchase made without knowing the exact requirements of the requesting department is usually an exercise in frustration. It is solely the responsibility of the using department to clearly understand their needs and requirements and then clearly communicate those needs to the Purchasing Coordinator(s). The Purchasing Coordinator(s) will assist in writing specifications for any product or service required. Certain technological or standardized purchases may require participation from other City departments in drafting the specifications.

It is the general policy of the City to purchase standard commercial products whenever practical. When developing specifications, accepted commercial standards shall be used and unique requirements shall be avoided, to the extent practical. Specifications that list a Brand Name "Or Equal" description are intended to be descriptive and not restrictive, and to indicate the minimum quality and characteristics of the products that will be accepted. Proposals offering "equal" products will be considered for award if such products are clearly identified in the proposal and are determined by the user and the Purchasing Coordinator(s) to fully meet or exceed the salient characteristics listed in the specifications.

The quality of responses received from the Request for Proposal is directly related to the quality and completeness of the Request for Proposal (RFP) document especially the Scope of Work (SOW). The Request for Proposal must provide potential vendors a clear understanding of the organization's needs; it also must
provide instructions on how to submit the proposal. Potential vendors are more likely to respond to a Request for Proposal, which is well written and openly competitive.

Effective and thorough solicitation and acquisition phases of a project will reduce or eliminate post award contract administration problems. The following are some considerations for inclusion in the solicitation and contract documents:

- Complete and clearly written scope of work. It is not prudent to rely upon the contractor to draft the scope of services.
- Express warranties/guarantees.
- Preservation of rights under an implied warranty.
- Prerequisites for acceptance of services/deliverables.
- Liquidated damages.
- Performance bond and maintenance bond, as appropriate.
- Periodic reports.
- Progressive payment schedule.
- Periodic meetings and process reviews.
- Audit rights.
- Escalation provisions in the event of dispute.
- Preservation of right to dispute and withhold payment.
- Termination rights for failure to deliver and other defaults.
- Indemnification and insurance provisions.

**Evaluation and Award Process**

Central Services must structure the evaluation and award of proposals to eliminate as much subjectivity as possible. The perception of subjectivity in evaluating proposals generates a greater likelihood of a challenge or protest by unsuccessful vendors.

Key issues for consideration in the Evaluation Process is establishment of the procurement committee, clear evaluation criteria including scoring of proposals, discussions with vendors, notification of award, public notices, and meeting minutes.

**Procurement Committees**

A **“selection committee”** is defined as any committee that has been delegated decision-making functions, directly or indirectly. A selection committee ranks and/or short-lists respondents to an Invitation to Bid or Request for Statements of Qualifications (RSQ) based upon the information submitted in response to the RSQ. This definition includes all selections under Chapter 287.055 Florida Statutes, and the Consultants Competitive Negotiation Act (CCNA), as amended. All selection committee meetings are public meetings as defined in Chapter 286 FS or must be recorded under Fla. Stat. 286.0113. No off the record meetings are permitted.

An **“evaluation committee”** is defined as a committee that is responsible for advising and informing the final decision maker, the City Manager or City Council, through fact-finding consultations. The evaluation committee meets to evaluate proposals or offers submitted with defined evaluation criteria. The outcome of an evaluation committee is based on whether responses meet the evaluation criteria and which response
(offer) is best for the City. An evaluation committee meeting sometimes falls within the requirements of an open public meeting and is sometimes subject to Florida’s Government in the Sunshine Law.

A “technical review committee” is defined as any committee appointed by the Purchasing Coordinator(s) to establish and/or review specifications or scope of work for any procurement project. A technical review committee does not generally fall within the requirements of an open public meeting. However, to the extent that it makes recommendations that would be part of the decision making process, it too would be subject to Florida’s Government in the Sunshine Law.

Membership
The Purchasing Coordinator(s) shall chair all selection and evaluation committees and is a voting member only to break a tie. The Purchasing Coordinator(s) shall appoint a qualified committee and give due consideration to suggestions from the affected user department.

When selecting the committee, the organization must appoint members who possess two traits. First, they must have the skills and ability to carry out their tasks in a professional manner. Second, they must be free from bias or conflict of interest and be persons of high integrity.

Committee members must ensure that they disclose any conflict of interests and abstain from voting when a conflict exists in accordance with State Law. If, at any time during the procurement process, the Chair has reason to believe a person on the evaluation committee has an unreasonable bias or conflict of interest, the Chair should immediately request this person to remove themselves from the committee.

Any person with a conflict of interest shall not be appointed to any procurement evaluation or selection committee, or shall be removed from the committee if the conflict arises after appointment to the committee. A conflict of interest is defined as any circumstance in which the personal interest of a committee member in a matter before him or her in his or her official capacity may prevent or appear to prevent him or her from making an unbiased decision with respect to the matter. A conflict of interest is also any conflict defined in the City of Palm Coast Code or Policies, Florida Statutes, or Federal Statutes.

Committee Procedures
A typical Evaluation and Award Procedure, which has proven to be effective, follows:

1. The Committee members score the proposals through the City’s Procurement Portal. Committee members are prohibited from discussing the contents of proposals with persons not directly associated with the solicitation. The Chair of the Committee conducts all contacts or requests for additional information from vendors. Committee members will independently review and score the proposals.

2. The Committee, after independently scoring each proposal, meets to discuss the scores each of the members has assigned. No off the record meetings are permitted. During the discussions, members hear the rationale of other committee members for their scoring of each proposal. Based on what is presented during this phase, individual committee members may adjust the scores they gave each proposal during the independent review.
(3) The Committee ranks the proposals by their scores, and selects the ranked proposals (usually from three to five) for further evaluation. This is an accepted practice at the lower levels of public procurement. The Committee eliminates unacceptable proposals from further consideration. If no further evaluation is necessary, the Committee can finalize the ranking and negotiate with the top selected proposers. The portion of a Committee meeting during which a negotiation is conducted is exempt from the public meetings law, but the meeting must be recorded.

(4) If further evaluation is necessary, the committee invites each “finalist” to individually present its proposal, and the presentation is followed by a question and answer session with the committee. The committee members should have the opportunity to meet the project manager and other “team” members, and to examine and discuss the vendor’s technical proposal. The Chair or his designee shall, if needed, schedule site visits. Under Fla. Stat. 286.0113, the portion of the meeting during which vendors make oral presentations, or answer questions as part of a competitive solicitation, are exempt from the public meetings law, but the meeting must be recorded.

(5) Upon completion of the presentations by vendors (and site visits if necessary), the committee discusses the offers and conducts a “Consensus Scoring by Committee” of all finalists’ offers. This scoring determines the rank of each proposal. The committee may request the vendors to provide a complete demonstration of their proposed solution. Demonstrations are advisable when considering commodities such as “application software” solutions.

(6) The committee may require the finalists to provide one or more written submissions for clarification or revisions to the original proposal submittal. These should be provided to the committee by the deadline set by the committee Chair.

(7) A member of the committee (appointed by the Chair) conducts detailed reference checks of the finalists. These reference checks must be documented and discussed with all committee members. Questions arising out of the reference checks must be individually discussed with each of the vendors.

(8) A member of the committee (appointed by the Chair) reviews financial statements and other information related to the financial capability of the vendor to perform if awarded an Agreement.

(9) The Chair reviews the evaluation documentation and issues an intended Notice of Award to all unsuccessful vendors advising them of the award decision and thanking them for their participation. The bid opening for construction/repairs on a public building or work must be held at a public meeting conducted in accordance with Fla. Stat. 286.011. The name of each bidder and the price submitted in the bid must be announced.

Public Meeting Notice/Advertisements
Reasonable public notice shall be given before any selection committee meeting. Such notice shall include: (1) name and purpose of selection committee, (2) time and place of meeting, and (3) ADA requirements notification information. All Public Meeting notices shall be posted in City Hall.

The Purchasing Coordinator(s) must publish a meeting notice for any selection committee meeting at least 24 hours before the time of the meeting in a newspaper of general circulation in the City of Palm Coast, Florida. The public meeting notice(s) may be included in the Public advertisement announcing the procurement. Except as provided in Fla. Stat. 286.0113, the meetings must be conducted in accordance with Fla. Stat.
286.011. These committee meetings do not rise to the level of being matters of “critical public importance” but should be noticed appropriately.

Meeting Minutes and Recordings
The minutes of any open public meeting must be kept, and shall be available for public review. If an open public meeting is adjourned and reconvened at a later date to complete the business of the meeting, the second meeting shall also be noticed. This includes any meeting where a presentation is made to the selection committee. All meetings that are exempt from the public meetings law under Fla. Stat. 286.0113 must be recorded. No off the record meetings are permitted.

Evaluation Factors
The Request for Proposal must state the evaluation factors, including price, and their relative importance. Specific weights to be applied to the individual evaluation factors need not be listed in the Request for Proposal, but must be documented in the Evaluation Criteria file prior to receipt of proposals. The evaluation must be based on the evaluation factors set forth in the Request for Proposals. Criteria not listed in the RFP cannot be considered when evaluating proposals.

Voting
The vote of each member of the selection committee shall be recorded in the minutes. Committee members are required to vote either in person or via a telephonic appearance. A quorum (majority of the Committee) must be present at the site of the committee meeting and be able to hear the non-present member in order for the telephonic appearance to be authorized.

A selection committee member must be present, physically or electronically, for all of the presentations to vote.

Selection shall be made by consensus if possible. If the committee chair deems consensus impossible the selection shall then take place by totaling individual votes of committee members.

Discussion with Respondents
Any discussion before an award by City Council between any member of an evaluation or selection committee and any respondent regarding the procurement project is highly discouraged. Committee members shall disclose any attempts by respondents to influence his/her decision to the Purchasing Coordinator(s). All requests for information, clarification, or the status for any procurement project shall be directed to the Purchasing Coordinator(s).

Discussions with vendors are held to promote understanding of requirements and the vendors’ proposals, and to facilitate arriving at a contract that will be most advantageous to the organization. Vendors must be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals. If during discussions, there is a need for any substantial clarification of or change in the Request for Proposals, the Request must be amended to incorporate such clarification or change. Auction techniques (revealing one
vendor’s price to another proposer) and disclosure of any information derived from competing proposals is prohibited. Under Fla. Stat. 286.0113, any portion of a meeting during which negotiation with a vendor is conducted, or a vendor makes a presentation or answers questions is exempt and confidential until the City provides a notice of an intended decision or until 30 days after bid opening, whichever is earlier. Any substantial oral clarification of a proposal must be reduced to writing by the vendor.

Mistakes in Proposals Discovered Prior To Award
Once discussions are commenced with any vendor or after best and final offers are requested, any vendor may freely correct any mistake by modifying or withdrawing the proposal until the time set for receipt of best and final offers. Minor irregularities, unless otherwise corrected by a vendor, shall be treated as they are under competitive sealed bidding.

Mistakes may be corrected only if:

1. The mistake and the intended correct offer are clearly evident on the face of the proposal, in which event the proposal may not be withdrawn; or

2. The mistake is not clearly evident on the face of the proposal, but the vendor submits proof of evidentiary value which clearly and convincingly demonstrates both the existence of a mistake and the intended correct offer, and such correction would not be contrary to the fair and equal treatment of other vendors.

If discussions are not held, best and final offers are not solicited, or the best and final offers upon which an award will be made have been received, the vendor may be permitted to withdraw the proposal if:

1. The mistake is clearly evident on the face of the proposal and the intended correct offer is not; and
2. The vendor submits proof of evidentiary value which clearly and convincingly demonstrates that a mistake was made but does not demonstrate the intended correct offer; or the vendor submits proof of evidentiary value which clearly and convincingly demonstrates the intended correct offer, but to allow correction would be contrary to the fair and equal treatment of the other vendors.

Mistakes in Proposals Discovered after Award
Mistakes shall not be corrected after award of the Agreement except where the City determines it would be unconscionable not to allow the mistake to be corrected.

Notification of Award
At time of award, all vendors submitting a proposal shall be notified in writing of the vendor selected for award. Unsuccessful vendors shall be provided fair access to the complete procurement file, including proposal submittals and evaluation documentation, except where the City rejects all bids, in which case Fla. Stat. 119.071 applies.
Exemptions to Quotes and Formal Solicitations

**EMERGENCY PURCHASES**

Emergency purchases are ONLY for commodities or services necessary because of certain emergency conditions that may affect the health, safety, and welfare of the citizens of The City of Palm Coast. It may also be a condition that stops or seriously impairs the necessary function of City government.

In case of any emergency the City Manager or designee may authorize emergency purchases. It shall be the responsibility of all authorized personnel to ensure each emergency purchase is accomplished in accordance with City policy and that emergency purchase procedures shall not be used to abuse or otherwise purposely circumvent the regular established purchasing procedures. Those delegated the authority to implement emergency purchases are also authorized to waive the bid process within their authority level in the event of an emergency. The department may make the purchase and submit a completed requisition form along with an emergency purchase form to the Purchasing Coordinator(s) no later than the next business day after the emergency. The completed and signed requisition form must be accompanied by a written description and explanation of the emergency and circumstances. The emergency must be valid and not just a result of poor planning. A report listing all emergency purchases and the circumstances of the emergency shall be submitted to the City Council at the next Council meeting after the purchase and the termination of the emergency.

**PIGGYBACKING**

Piggybacking is a procedure of procuring goods or services without the formal solicitation process by means of utilizing another public entities’ award of an Invitation for bid or request for proposal. This procedure includes but is not limited to piggybacks of State Contracts with the State of Florida, Department of Management Services, and Division of Purchasing, SNAPS Contracts, and Federal GSA contracts.

1. The City may forego the formal solicitation process by Piggybacking. The award will be in accordance with all the terms and conditions, prices, time frames, and other criteria as included in the other public entities’ invitation for bid or request for proposal. Additional options may be included in a procurement unless the total dollar value of the options is in excess of the City's bid limit. Expired bids cannot be piggybacked.

2. The City Manager, Department Head, or designee may make purchases/awards, utilizing other public entity bids, provided the contract being piggybacked is approved by City Council, if applicable, the amounts are within the City Council approved budget and the purchase is made in the best interests of the City. For amounts within the City Manager approval authority, the City Manager must approve the piggyback or contract after review by Central Services Division Staff. For amounts within the Department Head’s approval authority, the Department Head must approve the piggyback or contract after review by Central Services Division Staff.

**SOLE SOURCE PURCHASES**

Sole source purchasing is when there is only one person or company that can provide the goods and/or services needed because of the specialized or unique characteristics of the goods and/or services.

1. The following criteria must be met in order to procure goods and services that are a sole source.
a. It is the only item that will produce the desired results (or fulfill the specific need), or

b. The item is available from only one source of supply, or

c. The item is available from more than one vendor, but due to other circumstances (such as exclusive sales territory by manufacturer, prohibitive delivery time and cost, compatibility with existing systems, etc.), only one vendor is suited to provide the goods or services.

(2) Any purchase of goods and/or services over $30,000 that is intended to be purchased from a sole source, must be electronically posted for seven (7) business days, in accordance with Florida Statute 287.057(3). The notice must include a request that potential vendors provide information regarding their ability to supply the goods and/or services described.

(3) Purchases of good and/or services from a sole source are exempt from competitive requirements upon written approval of the City Manager, or designee and other appropriate City personnel within their expenditure authority as set forth in this section.

(4) The request for sole source purchases shall set forth the purpose and need, an explanation why the item will exclusively produce the desired results (or fulfill the specific need), and the criteria. Compatibility with existing equipment shall be an acceptable justification for this exemption, provided the item is only available from a sole source of supply.

(5) The user department and/or the buyer shall attempt to locate competition (alternate sources of supply).

(6) Central Services Division shall keep a log of sole source purchases, which includes the vendor name, the amount, item description, justification, and the purchase order number, which shall be filed with the City Manager and reported quarterly to the City Council.

(7) Central Services Division shall conduct negotiations, as appropriate, as to price, delivery, and terms.

ADDITIONAL EXEMPTIONS
The purchase of the following goods and services is exempt from quotes and formal solicitations.

(1) Water, Sewer, Gas, Electrical and Other Utility Services; Telecommunication Services including, but not limited to, cable television, telephone lines, internet connectivity, data and voice circuits, voice over internet protocol ("VOIP"), cellular/wireless phones, wide area network ("WAN") connectivity, pagers, and wireless adapters for cellular data ("air cards").

(2) Postage

(3) Advertisements

(4) Membership Fees

(5) Subscriptions

(6) Any items covered under the City’s travel policy
(7) Software/Technology Maintenance and Support renewal fees for existing software or technology licenses

(8) Goods and/or services provided by governmental entities

Work Orders related to a Master Services Agreement

These policies are internal guidelines for employees, and do not establish any rights for third parties, and cannot serve as grounds for a challenge to a City contract or work order.

For purchases related to an existing Master Services Agreement, a work order outlining the specific scope of services and fee must be attached to the requisition. A work order is written authorization to the contractor to proceed with the performance of the contract. Central Services staff is available for technical assistance in drafting a scope of services and negotiating appropriate fees. The work order should be on the approved form and signed by the Vendor. Once the requisition is approved in the MUNIS System, the Administrative Services and Economic Development Director will sign the work order on behalf of the City.

Requisition Approval

In all cases, the requisition must be prepared and properly approved prior to authorizing any work or delivery by a vendor. Failure to follow this requirement could result in the inability of the City to accept the related goods or services or to process payments to the respective vendors.

Department directors may designate certain employees under their supervision to approve purchase requisitions (division heads, for example). Such designations must be communicated to the Purchasing Coordinator(s) in writing in order to avoid delays in processing the purchase orders.

Purchases shall be requested using the MUNIS Financial System Requisition Module. Departments are responsible for acquiring MUNIS training and remaining proficient in the use of the MUNIS system. Central Services will process these requests on a daily basis.

Central Services and Finance reviews the requisition for the following attributes:

- Completeness: All required information must be input in the MUNIS financial system to request a requisition.

- Account Code Distribution: The general ledger account code assigned must be reasonable and appropriate based on the nature of the item or service being purchased.

- Compliance with Purchasing Policies and Procedures: The requisition must include appropriate documentation that the City’s adopted Purchasing Policies and Procedures were followed. There must be documentation showing that quotes or bids were obtained, if appropriate.
• Designees Authorized: If a designee has signed for the department director, that person’s name must be on record with the Purchasing Coordinator(s) as having been authorized by the Department director.

• Budget Compliance: There must be adequate funds available in the budget for the account number charged.

Central Services and Finance approves the requisition for posting to the journal, and the Purchase Order is entered in the accounting system, thereby encumbering the available budget dollars. The Purchasing Coordinator(s) assigns a purchase order number, which is printed on the electronic Purchase Order.

The user department is responsible for monitoring the MUNIS System for Requisition approval and assignment of a purchase order number.

The official copy of the original signed purchase order will be kept on file in OnBASE. MUNIS will send an electronic copy of the purchase order to the vendor’s email address on file.

Periodic Reporting

Reports will be available through the City’s intranet. Some examples:

Budget Status Report - showing, by account line, the total approved budget, amount encumbered to date, and remaining funds available to be encumbered.

Open Purchase Order Report - listing all Purchase Orders that have been issued, but for which Accounts Payable has received no vendor invoice. Each department director should review Open Purchase Order Report, as to status of purchase orders, and update the Purchasing Coordinator(s).

Quarterly, Department Directors will review the budget status for the respective departments to determine whether any budget adjustments or transfers need to be made.

Receiving, Inspection and Testing

Receiving and Inspection
It shall be the responsibility of each department to have an individual, immediately upon receipt of a product or service, inspect that product or service to ensure that it meets the specifications as set forth in the purchase order. The person should inspect for proper quantities, proper quality, no damage and prompt delivery. The receiving person should have available a copy of the purchase order for verification purposes. Any deviations should be immediately documented and sent to the supplier and to the Purchasing Coordinator(s).

Signing a delivery slip does not necessarily constitute acceptance of an order. Any problems with an order should be documented and reported to the Purchasing Coordinator(s) as soon as possible. The Purchasing Coordinator(s) will contact the vendor to resolve any issues. Time is of the essence when dealing with problems on an order. Failure to timely advice the vendor and/or freight carrier may limit the remedies. In
addition, if an item is delivered damaged, the receiving department has the responsibility to protect it and all packing materials from any further damage, and to make it available to the vendor and/or carrier for inspection.

Testing
Any using department or the Purchasing Coordinator(s) may request any testing of necessary samples submitted with bids and/or samples of deliveries to determine their quality and conformance with specifications. This testing may be conducted by the laboratory facilities of any City department or of any outside laboratory. Sometimes where testing regularly is required (such as asphalt) the Purchasing Coordinator(s) or Department director may request the services of an outside testing firm be placed under contract to conduct the testing.

Freight/Shipping and Handling Issues
Transportation of a product to the required delivery site is an additional expense to be considered. When obtaining quotes, using departments should request the price be quoted including delivery, or delivery costs should be quoted as a separate line item. When the Purchasing Coordinator(s) requests bids, it always includes delivery in the bid price.

Transportation is usually described as "F.O.B.: Destination," or "F.O.B.: Shipping Point". These are legal definitions and define when title, or ownership, passes from the seller to the buyer, who is responsible for any loss, and who generally pays the freight and transportation costs.

F.O.B.:  Shipping Point (Origin):  Title/ownership, passes to the buyer (the City) when the goods leave the seller's dock and the City pays all transportation costs. If anything happens to the goods in transit, the City must still pay the seller and must file claims and settle with the transportation company for damages. If this method is chosen, then the Purchasing Coordinator(s) must specify the transportation carrier and the terms and conditions. **This method should be avoided if possible since it is very disadvantageous to the City and can be very expensive to administer.**

F.O.B.:  Destination:  Title/ownership passes to the buyer (the City) when the goods are accepted by the City and the seller normally pays all transportation costs. If anything happens to the goods in transit, the City does not have to pay the seller and the seller must file any claims and settle with the transportation company for damages. This is the best method for the City.

F.O.B.:  Destination, Prepaid and Add:  Under this arrangement, the seller will pay all delivery charges but will pass along those costs to the buyer (the City), but title will not pass to the City until it has accepted the goods.

F.O.B.:  Destination, Estimated, Prepaid and Add:  This arrangement is that the seller will quote only an estimated cost of delivery and will pass along the actual cost to the City upon invoicing.

When the City chooses to pay freight charges, the appropriate terminology will be printed on the purchase order document with an additional request that the actual shipping document with pricing be included with the invoicing document. Staff responsible for processing invoices should be aware of these arrangements and carefully check delivery charges before authorizing their payment.
Adjusting a Purchase Order

In the course of business, it may be necessary to adjust a purchase order. Purchase order adjustments are appropriate for administrative adjustments (vendor, quantity changes, and final invoice reconciliation). Purchase order adjustments are NOT appropriate to avoid the purchasing process or to use a vendor for a different project, phase, or cost center. In order to initiate a purchase order adjustment, City staff should complete the purchase order adjustment form with explanation and email to Central Services for input and processing in the MUNIS System. Supporting documentation should be attached to justify the purchase order adjustment.

For construction projects, a purchase order may need to be adjusted due to a contract change order. In addition to the process outlined above, the contract change order signed by the contractor and engineer (if applicable) should be attached to the purchase order adjustment request.

The purchase order adjustment will be processed and approved in the MUNIS System. Depending upon the total value of the original purchase order and any adjustment requested, a purchase order adjustment and/or change order may require City Council approval. Once the purchase order adjustment is approved in the MUNIS System, any related contract change orders will be signed by the Administrative Services and Economic Development Director and sent to the vendor and project manager. In addition, the revised purchase order will be send to the vendor.
CONTRACTING PROCESS
These guidelines have been established to guide the City’s efforts regarding contracting. Failure to comply with the procedures established will not affect the legitimacy of any contract made on behalf of the City, except to the extent the contract is entered in violation of city code or statute. This policy is for internal use only, and may not form a basis for a challenge by a third party.

A contract is an agreement between two parties which creates legal rights and obligations as to the parties to the contract. Although a contract can be enforceable even if verbal, the City requires all contractual rights and obligations to be in writing and signed by an authorized representative of the City. This procedure document specifically covers contracts involving the City’s purchase of goods and services, including construction services.

Not every City purchase requires a fully executed contract (signed by both parties). In some cases the City’s standard Purchase Order is the contract, such as for a one-time purchase of goods or equipment. The City’s standard Purchase Order contains terms and conditions which become the rights and obligations of the purchase. When, either by City policy and/or by the Supplier’s policies and procedures, a Purchase Order is not sufficient, then a fully executed contract will be required. The need for a fully executed contract can present itself in different ways. For example, formal solicitations for competitive bids may include or reference the City’s standard contract as part of the bid package. In these cases, the City will use the City’s standard contract. Sometimes however, when the City program or project manager asks for quotes, the supplier may provide its own form of contract. In these cases, a determination must be made as to whether to use the supplier’s form of contract or the City’s standard contract. In any case, when the need for a fully executed contract arises, please engage Central Services. The City’s Contract Coordinator will facilitate development and execution of the contract.

Contract Development and Execution

Development
Contract Coordinator selects the appropriate contract template.

- Confers with ASED Director and City Attorney as needed.
- When using a Supplier’s form of contract, Contract Coordinator reviews and edits as necessary, then sends to City Attorney for review and approval. This step may also involve some back and forth negotiations with the supplier and the City Attorney to obtain mutual approval of modifications.
- When the City’s standard contract is used, City Attorney review is not needed as the standard templates have already been reviewed and approved by the City Attorney, although the Contract Coordinator should ask for periodic review by the City Attorney to ensure the template is up to date.
- Contract Coordinator prepares the contract and executive overview document for submission in the automated contract approval/signature tool.
Execution

- Contract Coordinator releases the contract to begin the signature approval process.
  - Submission Timing - If the value of the purchase is over $30K or otherwise requires City Council approval, the Contract Coordinator will not release the contract for signature until City Council approval has been received.

- Signature/Approval Flow begins:
  - Supplier signs contract first;
  - Next, approvals signatures from Department Head, City Finance, City Attorney and ASED Director follow;
  - City Manager signs last.

- Upon completion of the signature/approval flow, the fully executed contract is automatically forwarded to the Supplier, the Project Manager and back to Central Services for uploading to the City’s City Records document retention tool.

Contract Administration

The goal of contract administration is to ensure that each contract is performed and the responsibilities of both parties are properly discharged, including but not limited to, timely delivery, acceptance, and payment. Contract administration includes all dealings between parties to a contract from the time a contract is awarded until the work has been completed and accepted or the contract terminated, payment has been made, and disputes have been resolved. To achieve this goal, City’s program or project managers together with the Contract Coordinator monitor and provide guidance to the contractors. Effective contract administration will minimize or eliminate potential claims and disputes. Contract Administration may include any of the following:

Resources

City program or project managers should be cognizant of the resources the contractor has devoted to the work required. Contractor resources should be used in accordance with the proposed levels in the contract.

Timeliness and Quality of Deliverables

Any delay in delivery or poor quality of products or services is an indication that the contractor may be experiencing problems. Prompt inquiry may avoid further delays or quality problems. Additionally, any delay or poor quality is an indication that stricter monitoring of the contract is warranted, e.g., once a delay has occurred, the program or project manager may wish to contact the contractor prior to future scheduled deliveries to ensure there is no further slippage. Deliverables must be inspected as soon as they are received to assure that quality deficiencies are not present.

Performance Monitoring

Understanding the Scope/Statement of Work is critical to performance monitoring. Monitoring the performance of a contractor allows the City to:

- Ensure that the contractor is performing its duties in accordance with the contract;
• Identify problems which may be developing; and

• Exclude unsatisfactory contractors from seeking award of subsequent City procurements.

The level of monitoring necessary for a particular contract is determined by factors such as the nature and complexity of the work, the dollar value of the contract, the experience of the contractor and contractor’s personnel and the risks involved in performance.

Progress Reports
Some contracts require the contractor to submit periodic progress reports. Comparing these reports with the contract schedule shows whether or not the contractor is making progress in accordance with the terms of the contract. If the contract does not provide for periodic progress reports, the program or project managers will monitor the contract to ensure that sufficient progress is being made by the contractor. This may be accomplished by requesting a status from the contractor, a site visit to view the progress, discussions with City staff and other means.

Audits, Review Meetings, Site Visits
More complex contracts may require audits or periodic review meetings and/or site visits to ensure progress in accordance with the contract schedule. Review meetings can be used to review any reports provided and hold discussions with the contractor regarding the progress of the work. Site visits by the project or program manager or construction inspectors are useful to verify actual performance against scheduled or reported performance and ensure that the contractor is dedicating sufficient resources and appropriate personnel to the contract.

Monitoring by Outside Vendors
In some instances the obligation of monitoring a contractor’s progress is assigned to another contractor (e.g., on a construction contract, the task of ensuring progress in accordance with the contract may be handled by the architectural firm that provided the plans for construction). For highly technical work, consultant subject matter experts (SMEs) may be employed to perform monitoring services independently or by program manager staff augmentation. It is important to ensure that the contractor performing inspection does not have the opportunity to cover up their own design errors.

Contract Changes
During the term of the contract it may be necessary to make changes to the contract. Some changes are minor, such as a change of address, and some changes are substantive changes that affect terms such as price or delivery.

Minor Changes
Minor changes do not affect or alter the rights of the parties. These changes are executed by written notice (if allowed by the contract) or an amendment. Central Services will provide copies of the notice or amendment to all affected departments. Examples of minor administrative changes include:

• Changes in billing instructions or address.

• Corrections of typographical errors not affecting the substance of the contract.
• Changes as permitted by specific contract clauses.
• Changes in City personnel assigned to the contract.

Substantive Changes
These are changes that affect the rights of the parties. Such changes require a fully executed amendment, change order (if the change affects a Work Order under a contract), or renewal (when opting to renew contract). Examples of substantive changes include:

• Change in the price of the contract.
• Change in delivery schedule.
• Change in the quantity.
• Change or nature of deliverables or specifications.
• Change of key personnel.
• Change of any material term and condition.
• An extension of the contract not previously contemplated by the contract.

Constructive Changes
A contractor may claim the right to additional time and/or money based on the allegation that the contract was “constructively” changed. The following City actions can lead to a claim of constructive change:

• Providing suggestions to a contractor.
• Providing definitions to general contract terms without an amendment.
• Accelerating the delivery schedule.
• Directing work to be performed differently.
• Changing sequencing of the work.
• Delaying acceptance or rejection of deliverables without cause.
• Delaying review of invoices and approval of payments without cause.
• Interfering with or hindering performance.

Therefore, City personnel should be vigilant in avoiding such claims. To prevent claims of constructive change by the contractor, personnel interacting with the Contractor should remind the Contractor from time to time during the period of performance that Contractor is NOT allowed to initiate or accept any change to the contract unless the change has been processed through the proper written change order procedure in accordance with the contract. Contact the Contract Coordinator and City Attorney immediately if a contractor makes such claims.
Contract Dispute Resolution Procedures (Non-Construction)

Purpose
The purpose of this section is to provide a cooperative dispute resolution process for contract related disputes with vendors. This procedure is intended to complement other requirements imposed by the contract which is the subject of the dispute (“Contract”) and is not intended to create duties or obligations not otherwise imposed by law or the Contract. The parties remain responsible for performance of all obligations imposed under the Contract. At all times during the time that any dispute is pending and in the process of being resolved or decided, the vendor shall proceed diligently with performance so as to achieve completion of the work.

Conflict with Contract
If the Contract provides for a dispute resolution procedure, or if any terms of this dispute resolution procedure are inconsistent with or conflict with terms of the Contract, then the Contract shall be given effect and shall take precedence.

Payment Only Disputes
Pursuant to Fla Stat. 218.76 (2)(a), if a dispute arises between a vendor and the City concerning payment of a payment request or invoice, the dispute shall be finally determined by the City pursuant to this procedure, except that the dispute resolution process must be commenced within 45 days after the date the payment request or proper invoice was received by the City, and concluded by final decision of the City within 60 days after the date the payment request or proper invoice was received by the City.

Notice of Claim
In the event of a claim or dispute involving a vendor contract (“Contract Claim”), that party bringing the Contract Claim (“Invoking Party”) shall provide written notice of the dispute in accordance with the Notice provision of the Contract (“Dispute Notice”) to the attention of the non-Invoking Party. Dispute Notices shall be given as early as reasonably possible but in no event later than the time allowed in the Contract.

Dispute Process and Escalation

Upon issuance of a Dispute Notice, the Vendor’s Project Manager and the City’s Project Manager, or their designated representatives, shall furnish to each other all information and documentation requested by the other party and shall also furnish all information and documentation with respect to the Contract Claim believed by them to be appropriate and germane. The Project Managers shall exercise their best efforts to negotiate and promptly settle the Contract Claim. The Project Managers shall use reasonable efforts to arrange personal meetings and telephone conferences as needed, at mutually convenient times and places, to address and work toward resolution. If such dispute is not resolved by the Project Managers or their designated representatives within ten (10) business days of issuance of the Dispute Notice, or such other time as may be mutually agreed upon by the Project Managers as being necessary given the scope and complexity of the dispute, the Project Managers may, depending upon the nature, scope, and severity of the dispute, escalate the Contract Claim to successive management levels.
**Mediation**

At any point after the issuance of a Dispute Notice coupled with a good faith attempt by the Invoking Party to resolve the dispute in accordance with this cooperative dispute resolution process, the Invoking Party may request and initiate formal non-binding mediation before a single mediator, which mediation shall be completed within thirty (30) days of initiation or such longer time as may be agreed upon by both parties as being necessary for the mutual selection of a mediator and scheduling of such mediation. Any such mediation shall be convened and conducted in accordance with the rules of practice and procedure adopted by the Supreme Court of Florida for court-ordered mediation, Rule 1.700 et seq. of the Florida Rules of Civil Procedure, and Chapter 44, Florida Statutes. If the dispute remains unresolved after conducting such mediation, then either party may proceed to finalize any pending termination remedies and commence litigation in a court of competent jurisdiction. Each party shall bear its own costs and attorney’s fees for mediation of an issue arising under this Agreement. The mediator’s fee will be split between the parties.

<table>
<thead>
<tr>
<th>Escalation within # of Business days</th>
<th>Vendor’s Management Representative</th>
<th>City Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Vendor’s Director of Operations</td>
<td>City’s Department Head</td>
</tr>
<tr>
<td>10</td>
<td>Vendor’s Sr. VP of Sales</td>
<td>Director of Administrative Services and Economic Development</td>
</tr>
<tr>
<td>10</td>
<td>Contractor’s President/Chief Executive Officer</td>
<td>City Manager</td>
</tr>
</tbody>
</table>
DISPOSAL OF SURPLUS PROPERTY

Surplus property may be disposed of by trade, sealed bid, donated, or sold at public auction depending on the item, its value, or other factors all as may be in accordance with law and City policy. If the surplus property is determined to be only of scrap value or have no commercial value, City staff is authorized sell the surplus property as scrap if possible, or dispose in any other appropriate manner. City Council approval must be sought for disposal of surplus property that has commercial value, unless the property is disposed by public auction or redistributed to another City department.

The Purchasing Coordinator(s) is responsible for disposing of any supplies or equipment deemed to be surplus.
GRANTS

These policies are internal guidelines for employees, and do not establish any rights for third parties, and cannot serve as grounds for a challenge to a City contract.

Expenditures from funds other than general fund tax dollars may require special processing because of specific legal terms and conditions placed by the funding agency. If supplies, equipment, materials, construction or services are to be purchased with grant funds, the Purchasing Coordinator(s) shall be included during the initial preparation of the grant application and during the term of the grant. Grants often have certain purchasing requirements that are different from the City’s requirements. Purchases made with Federal funds such as Community Development Block Grants (CDBG) require special purchasing procedures. Purchases made from confiscated funds require certain prior approvals before purchases can be made. It is the responsibility of the requesting department to identify and to transmit to the Purchasing Coordinator(s) any special purchasing requirements or provisions, and it is the responsibility of the Purchasing Coordinator(s) to ensure that those special purchasing requirements are followed.

City employees should consider that grant programs are often subjected to rigorous audit processes, which can reflect favorably or negatively upon the City and the City’s employees, depending upon the results of the audit.

If the grant does not specify any special purchasing procedures or if the grant requirements are less stringent than the City’s procedures, then the grant purchases shall follow the City’s Purchasing Policies and Procedures.

Federal Community Development Block Grant (CDBG)
In addition the requirements herein, please see requirements in Resolution 2011-49.

FDOT Local Agency Program
The City will comply with the Florida Department of Transportation (FDOT) Local Agency Program (LAP) Critical Requirements Checklist for Professional Services Certification (525-010-048) and any changes therein for the procurement of professional services under the Consultant Competitive Negotiations Act (Section 287-055, Florida Statutes) for all FDOT-funded construction projects. The City further resolves to comply with all other FDOT guidelines and requirements for the procurement of FDOT-funded construction projects.
PUBLIC/PRIVATE PARTNERSHIPS

Introduction
A Public-Private Partnership (or P3) is a contractual arrangement between a public agency and a private sector entity that allows for greater private sector participation in the delivery and financing of public building and infrastructure projects. Through these arrangements, the skills and assets of each sector, public and private, are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards in the delivery of the service or facility.

This document is used to govern how the City receives, processes, and evaluates P3 proposals. In addition, this document provides the private sector with a fair and uniform format for P3 proposals:

1. To respond to solicited proposals;
2. To submit unsolicited proposals; and
3. To provide a fair and transparent evaluation and selection process for both solicited and unsolicited proposals.

General P3 Proposal Submission Process
A person submitting either a solicited or unsolicited proposal shall specifically identify any facility, building, infrastructure or improvement included in the proposal. Although the City may identify development opportunities, they are not exclusive, and private entities are encouraged to submit proposals consistent with the goals of a P3.

The process for receipt and review of a proposal is initiated by either: 1) a solicitation by the City; or 2) the receipt of an unsolicited proposal by a private entity requesting review, consideration and approval. In both cases, the proposal should provide general information on the private entity’s qualifications and experience, the project characteristics, project financing, anticipated public support or opposition, project benefit, value, and compatibility.

P3’s are intended to be a flexible development tool that allows the use of innovative financing techniques. Private entities are encouraged to include innovative financing methods, including the imposition of user fees or other forms of service payments as provided in the Act, in their proposal. The contracting person can be involved in a variety of ways, from designing the facility to undertaking its financing, construction, operation, maintenance, and management.

Proposals should be prepared simply and economically, but should include a concise description of the private entity’s capabilities to complete the project. Proposals must include a scope of work and a financial plan for the project, containing enough detail to allow, at a minimum, a cursory cost-benefit
analysis by the City of the proposals financial feasibility. The City reserves the right, on a case-by-case basis, to conduct the analysis of the proposal with internal resources or to contract with outside advisors or consultants to provide this service. In either case, the City may request follow-up financial and/or other relevant information in order to complete the cost/benefit analysis required of every proposal to develop a project. For solicited or unsolicited proposals, the City may, at any time, request in writing for the respondent or proposer to clarify its submission.

The City shall continue to exercise full and proper due diligence in the evaluation and selection of P3’s. In this regard, the qualifications, capabilities, resources and other attributes of a private entity and its whole team shall be carefully examined for every P3. In addition, private entities shall be held strictly accountable for representations and information provided regarding their qualifications, experience or other contents of their proposals, including all specific aspects of proposed plans to be performed by the private entity.

City Solicited Proposals

All RFP’s or RFQ’s issued by the City shall be by issuance of a written solicitation. Any submissions that are not received in response to a solicitation shall be deemed an unsolicited proposal. The procedures and requirements applicable to any particular solicited proposal shall be definitively specified in the written solicitation, which may or may not contain all of the provisions provided in these Guidelines. It is the City’s duty to clearly state the requirements of a response to a written solicitation.

Generally, proposals solicited by the City in either an RFP or RFQ format will follow City procurement policy and procedures. These solicitations, in addition to RFP or RFQ requirements, may request some or all of the following:

1. Identification of the Private Entity and/or Team
   a. Identify the Private Entity or Team
      i. Identify the legal structure of the private entity or consortium of private entities and its members or principals making the proposal; and
      ii. Identify the firms that will provide design, construction and completion guarantees and warranties;

2. Qualification and Financial Capacity
   a. The private entity must be able to provide demonstrable experience in the development and operation of projects of similar complexity, scope and scale to the proposed project. The submission must describe relevant experience with respect to the development and operation of other commercial or public-private partnership projects, clearly distinguishing the experience of the private entity
(including joint venture partners) from that of consultants and other team members.

3. Project Overview

   a. The solicitation may require an overview of the project, including the conceptual design of any facility or a conceptual plan for the provision of services. The conceptual design for facilities, at a minimum, shall include concept renderings, a concept site plan, and elevations that collectively illustrate the location, size, and context of the project.

4. Project Analyses

   a. The solicitation may require, but not be limited to, a Project Analysis to include the following: (1) location and site analysis, (2) marketing and competitive analysis, (3) community impact, and (4) construction schedule.

5. Project Financing

   a. Project financing is an integral part of any solicitation. The City may require, but not be limited to, any or all of the following in a solicited proposal: financial analysis, project budget, pro-forma financial statements and bond requirements.

Unsolicited Proposals

A person or entity wishing to submit an unsolicited proposal must first submit a Pre-Proposal Letter not longer than ten (10) pages to the City Manager’s Office. The Pre-Proposal Letter should identify the P3 project and summarize the concept of the proposal. Within thirty (30) days of receiving the Pre-Proposal Letter, the City shall perform a cursory review of the proposed project and shall notify the proposer in writing whether the City will entertain a detailed proposal of the P3 project. Should the City indicate that it will evaluate such a proposal, the proposer will then be instructed to submit a more detailed proposal. The detailed proposal could be solicited through a formal solicitation process by the City.

Detailed Proposal Format and Requirements

To the greatest extent possible, the conceptual stage submittal shall be sufficient to convey the experience and capacity of the development team, the overall quality and character of the project, as well as the financial and implementation strategies to ensure successful completion of the project. The submittal should be organized in the following order and tabbed in accordance with this Section. All submittals, at a minimum shall provide the following, unless the Proposer receives a written waiver of the requirement or requirements by the City in advance of submitting the proposal.
1. Cover Letter and Executive Summary
   a. Identify the Private Entity and Principal Contact Information
   b. Identify the P3 Project and a summary of the proposal

2. Private Entity and Team
   a. Identify the Private Entity and Legal Structure
   b. Identify the Team

3. Qualifications and Financial Capacity
   a. Describe the Private Entity’s business experience with similar projects
   b. Describe the team member’s qualifications and experience
   c. Establish and demonstrate the Private Entity’s financial resources to carry out the P3 proposal.

4. Proposal
   a. If P3 involves property or development, provide conceptually drawings
   b. Describe the project and proposed business arrangements
   c. Describe the plan for development, financing, and operation of P3 project.
   d. Provide a project schedule
   e. Provide any special terms, special conditions, or contingencies

5. Project Analyses
   a. Location and Site Analysis
   b. Market and Competitive Analysis
   c. Construction Schedule
   d. Political and Legal Analysis

6. Project Financing
   a. Explain the financial plan
   b. Provide any loan commitment letters or documentation for other financial resources
   c. Provide project budget
   d. Provide pro-forma financial statements
7. Community Impact
   
a. Provide information on community benefits, jobs, and value of investment in community

Proposal Evaluation and Selection Criteria
The evaluation and selection criteria for City solicited P3 projects shall be particularly described within the RFP or RFQ written solicitation. All solicited RFP’s and RFQ’s shall be analyzed by qualified professionals of the City or by qualified professionals retained by the City to provide an independent cost/benefit analysis.

If the proposal was unsolicited, following submission of a detailed proposal and a cursory review, the City Manager’s Office shall notify the proposer if any additional information is needed to evaluate the proposal, or if the City will solicit other proposals.

Factors to be considered in evaluating a detailed proposal shall include, but not be limited to following:

QUALIFICATIONS AND EXPERIENCE, such as the following:

1. Experience working with the public sector on public-private real estate development projects;
2. Experience, training and preparation with projects of similar size, scope and complexity;
3. The extent of personnel, logistical resources, bonding capacity, and the ability to complete the project in a timely and professional manner;
4. Demonstrated record of successful past performance, including timeliness of project delivery, compliance with plans and specifications, quality of workmanship, cost-control and project safety;
5. Demonstrated compliance with applicable laws, codes, standards, regulations, and agreements on past projects;
6. Leadership structure;
7. Project manager's experience;
8. Management and operational plans;
9. Financial condition and capacity; and
10. Project ownership.

PROJECT CHARACTERISTICS
Factors to be considered in evaluating the project characteristics may include, but are not limited to:

1. Project scope and scale, land use and product mix;
2. The extent that the timing of the project is consistent with the City’s Strategic Action Plan;
3. Operation of the project;
4. Technology; technical feasibility;
5. Environmental impacts;
6. Federal, state and local permits; and
7. Maintenance of the project.

PROJECT COST AND FINANCING

Factors to be considered in evaluating whether the proposed financing allows adequate access to the necessary capital to finance the project may include, but are not limited to:

1. Cost and cost benefit to the City;
2. Financing and the impact on the debt or debt burden of the City;
3. Financial plan, including overall feasibility and reliability of plan; operator's past performance with similar plans and similar projects; the degree to which the private entity has conducted due diligence investigation and analysis of proposed financial plan and the results of any such inquiries or studies;
4. Estimated project cost and life-cycle cost analysis; and
5. The identity, credit history, past performance of any third party that will provide financing for the project and the nature, amount, and timing of their commitment, as applicable.

COMMUNITY IMPACT

Factors to be considered in evaluating the project’s community impact may include, but are not limited to:

1. Community benefits, including the economic impact the project will have on the City and affected jurisdictions in terms of tax revenue, the number of jobs generated and level of pay and fringe benefits of such jobs;
2. Community support or opposition, or both;
3. Compatibility with existing and planned facilities; and
4. Compatibility with local, regional, and state economic development efforts.
OTHER FACTORS

Other factors that may be considered by the City in the evaluation and selection of proposals may include, but are not limited to:

1. The extent the offered consideration generates value and returns to the City and benefits to the public;
2. The proposed cost of the project;
3. The general reputation, industry experience, and financial capacity of the private entity;
4. The proposed design of the project;
5. Opportunity cost of taking an alternative action;
6. The private entity's plans to employ local contractors and residents; and
7. Other criteria that the City deems appropriate.

City Council Consideration and Approval

Upon completion of the requirements of these guidelines and any required notice and/or hearings, the City may present a P3 project to City Council for consideration. No P3 agreements shall be valid prior to the approval of the City Council.

Governing Provisions

In the event of any conflict between these guidelines and any federal or state statutory or administrative authority, the terms of the respective statutory or administrative authority shall control.
RISK MANAGEMENT

To be Added at Later Date
This section is being developed and will be added at a later date.