

Procurement Policy



City of Clermont, Florida

Table of Contents

A.	Purpose	4
B.	Scope.....	4
C.	Responsibilities	4
D.	Procurement Functions.....	4
E.	Ethics	5
F.	Procurement Methods.....	6
1.	Informal Purchases.....	6
2.	Quote Request	6
3.	Request for Bid.....	6
4.	Request for Proposal.....	7
5.	Request for Qualification	7
6.	Request for Information	7
7.	Cooperative Purchasing	7
8.	Single/Sole Source Purchases	8
9.	Government Agency Contracts (Piggyback).....	8
10.	Emergency Purchases	8
11.	Non-Competitive Purchases.....	8
G.	Advertisement Requirements.....	9
H.	Rejection of Solicitations.....	9
I.	Appeal Procedures	9
J.	Approval Thresholds	10
K.	Change Order Approval.....	11
L.	Contract Approval	12
M.	Contract Amendment.....	12

N.	Contract Renewal	12
O.	Contract Extension.....	12
P.	Contract Termination	13
Q.	Disposal of Surplus Property	13
R.	Operating Procedures.....	13
S.	Minority Businesses	13
T.	Environmental Purchasing	13
U.	Electronic Signature.....	13
V.	Authority.....	15

A. Purpose

The purpose of this Policy is to ensure the City of Clermont procures goods and services in the most efficient and economical manner possible. This Policy also serves to ensure consistency of all procurement activities that integrates with all of the City of Clermont operational areas.

B. Scope

This Policy applies to all purchases of goods and services acquired by the City.

C. Responsibilities

The Procurement Services Department will serve as the central procurement office of the City. The City's Procurement Services Director (Procurement Director) will act as the principal procurement officer of the City and is responsible to ensure the Procurement Policy and Procedures are followed by City departments. The Procurement Director has the right to determine which method of procurement provides the best value for the City, adopt operational procedures consistent with sound business practices and state law, governing the procurement and management of all goods, services, and construction to be procured by the City of Clermont as well as the disposal of tangible and intangible property no longer needed. The Procurement Director is the primary contact person for questions regarding the Procurement Policy and is responsible for the implementation of revisions on an as needed basis.

The Procurement Services Department issues purchase orders, develops term contracts, and acquires goods and services. The main objective is to ensure that goods and services are obtained expeditiously and economically, that operational requirements are satisfied, and that applicable local, state and federal procurement requirements are met.

D. Procurement Functions

- Provide professional, qualified procurement expertise, advice, and services.
- Develop, promote, and implement appropriate procurement strategies.
- To procure required services, materials, equipment, and construction while ensuring that quality, safety, and cost-effectiveness are achieved.
- To ensure that procurement transactions are conducted in a manner providing full open competition whenever practical.
- To comply with procurement rules and applicable local, federal, and state laws and regulation as required.
- To solicit the participation of qualified and responsible contractors and suppliers in the procurement process.

- To assure equity for all parties involved in the procurement process.
- To obtain the best value for the funding allocated.
- To eliminate the possibility of corruption or unethical practices in the procurement process.
- To ensure that procurement decisions take account of wider policy requirements.
- To ensure that procurement decisions are aligned with organizational objectives.

E. Ethics

The City is committed to a procurement process that fosters fair and open competition, is conducted under the highest ethical standards, and enjoys the complete confidence of the public. To achieve these purposes, the City subscribes to the following code of ethics:

- The City will avoid unfair practices by granting all competitive respondents equal consideration as required by State, Federal, and City regulations.
- The City will conduct business in good faith; demanding honesty and ethical practices from all participants in the purchasing process.
- The City will promote positive respondent and contractor relationships by affording respondent representatives courteous, fair, and ethical treatment.
- The City will make every reasonable effort to negotiate equitable and mutually agreeable settlements of controversies with a respondent.
- The City will avoid involvement in any transactions or activities that could be considered to be a conflict between personal interest and the interests of the City.

Employees must not become obligated to any suppliers and must not participate in any City transaction from which they may personally benefit. Except as may be authorized by applicable State law, no Council Member or employee should accept gifts or benefits of any kind from prospective bidders, vendors, or suppliers.

Except as authorized by applicable State law, no Council Member or employee must bid for, enter into, or be in any manner interested in any contract for City purchase.

No Council Member or employee must seek to influence the purchase of a product or service from any supplier or vendor. This restriction will not be construed to restrict persons from evaluating and appraising the quality and value of the product to be purchased or service to be rendered where the person's scope of employment contemplates advice and counsel with respect to the purchase.

The avoidance of actual or perceived conflicts of interest is a prerequisite to the efficient and sound operation of the City and the maintenance of the public trust.

F. Procurement Methods

In regards to the dollar threshold amounts indicated in the Procurement Methods and Dollar Threshold Approval sections of this Policy, the total cost of the purchase must be considered, not the cost of the individual items. In addition, purchases must not be artificially or purposely divided to circumvent the dollar threshold approval limits. The following methods will be used in the purchasing of goods and services for the use of the City:

1. Informal Purchases

Informal purchases may be used to obtain goods and services costing less than \$5,000. While written quotes are not required for items or services costing less than \$5,000 or specifically excluded in applicable Florida State law, every effort must be made to ensure goods and services are being purchased in the most efficient and cost-effective manner possible.

2. Quote Request

At least three (3) written quotes must be obtained by the department for the purchases of goods and services costing between \$5,000 and \$14,999. If at least three (3) written quotes are not possible, a written explanation of such must be approved by the Department Director or Procurement Director based on the Dollar Threshold Approval (see Section H). The supporting documentation must be included in the automated purchase order system and accompany the invoice for payment.

Purchases for goods and services whose total expected cost is between \$15,000 and \$24,999 must be obtained by the Procurement Services Department. The quote results will be provided to the end user department for review.

The award of the quote will be based on the qualifications of the prospective vendor, acceptability of the product, delivery time, inventories, past performance, degree of compliance with requirements, price, and other circumstances that will encourage delivery of the best products and services.

3. Request for Bid

Except as otherwise provided herein, the Request for Bid (RFB) is a formal solicitation required for purchases of goods and services costing at least \$25,000 when the City is capable of specifically establishing precise specifications defining the actual commodity or contractual services. A competitive RFB process is a transparent method in which competing suppliers are invited by openly advertising the scope, terms and conditions, and evaluation criteria. The award is made to the lowest responsive and responsible bidder meeting the qualifications and specifications. The goal is to obtain goods and services at the lowest price by stimulating competition.

Responses to the RFB must be received in a sealed bid format, opened and read aloud at a specific date, time and location. All RFB's must be administered by the Procurement Services Department.

4. Request for Proposal

Except as otherwise provided herein, the Request for Proposal (RFP) is a formal solicitation required for the purchase of goods and services costing at least \$25,000 when the City cannot specifically define the scope of work or when it is not practical or advantageous to procure by competitive sealed bidding. The respondent provides detailed information in response to the RFP which may result in a contractual agreement. The RFP process allows for negotiation in the scope of services, terms and conditions, price, and delivery. All RFP's must be administered by the Procurement Services Department.

5. Request for Qualification

Except as otherwise provided herein, the Request for Qualification (RFQ) is a formal solicitation required in the acquisition of professional services costing at least \$25,000. RFQ proposals primarily indicate information regarding the education and experience background of the respondent. Price is not to be indicated in the initial RFQ but it is negotiated with the successful respondent. If the RFQ is for professional architectural, engineering, landscape architectural, surveying, and mapping services, then the rules of applicable Florida state law will apply. All RFQ's must be administered by the Procurement Services Department.

6. Request for Information

The Request for Information (RFI) method is used to help gather information about a product or service in order to make a decision. The RFI method may be used to collect detail information about potential suppliers and their capabilities; to advise potential suppliers of the City's intent to purchase certain products or services; and to show that the City is acting in a fair manner and including all potential participants. The RFI may be utilized for any dollar threshold amount. All RFI's must be administered by the Procurement Services Department.

7. Cooperative Purchasing

The Procurement Director has the authority to join with other units of government agencies in cooperative purchasing ventures when the best interest of the City would be served and the purchase is in accordance with the City's Purchasing Policy.

8. Single/Sole Source Purchases

The competitive bid process is waived when it is determined and substantiated in writing, after conducting a good faith review of available sources, that there is only one source for the goods and services. Price, scope, terms, and conditions may be negotiated whenever possible and a record of the single/sole source purchase must be maintained by the Procurement Services Department. A written justification of the single/sole source purchase must be approved by the Procurement Director prior to the purchase and accompany the invoice for payment.

9. Government Agency Contracts (Piggyback)

The competitive bid process is waived in the event that the desired goods and services may be purchased from other governmental agencies when such contracts are the result of a competitive public procurement process. The criteria to piggyback a government agency contract includes having an active contract with a specific scope of services and a competitive bid tabulation or scoring matrix of the solicitation. All purchases pursuant to other government agency contracts must be administered by the Procurement Services Department.

10. Emergency Purchases

The competitive bid process is waived when the normal functioning and operation of the City would be hampered or where property, equipment, public health, or life could be endangered through unexpected circumstances by adhering to the usual purchasing procedures. Emergency conditions include hurricane or other severe storm conditions, similar catastrophes or disorders, equipment failures, public employee strikes, civil disorder, or any other condition that may be declared an emergency by the City Council.

A written justification detailing the complete circumstances of the emergency and probable consequences along with supporting documentation of the emergency purchase must be approved by the City Manager prior to the purchase. The approval must accompany the invoice for payment. The City Manager will notify the City Council detailing the emergency and place an agenda item when the purchase exceeds \$50,000 and the purchase requires a budget amendment. A lack of planning does not constitute an emergency.

11. Non-Competitive Purchases

The competitive bid process is waived when it is determined that it is neither practical, feasible nor advantageous to the City in securing goods and services. A bid waiver detailing the circumstances, uniqueness, timeliness of purchase, and why it is in the City's best interest must be approved by the Procurement Director, City Manager or designee, in accordance with the Dollar Threshold Approval (see Section H), and

accompany the invoice for payment. Price, scope, terms, and conditions may be negotiated whenever possible. Non-competitive purchases exceeding \$50,000 or expenditures requiring a budget amendment will require City Council approval.

G. Advertisement Requirements

Formal solicitations such as Request for Bids, Request for Proposals, and Request for Qualifications must be advertised at least once in a newspaper of general paid circulation which is published at least five (5) days a week in Lake County. Other publications may be used in addition to this requirement to reach selected markets.

Adequate public notice of formal solicitations with an estimated value of less than \$200,000 must be given a minimum of seven (7) days from the solicitation due date. Formal solicitations with a projected cost greater than \$200,000 must appear at least twenty-one (21) days prior to the solicitation due date and at least five (5) days prior to any scheduled pre-submission meeting. Formal solicitations for construction projects which are projected to cost more than \$500,000 must be advertised at least thirty (30) days prior to the solicitation due date and at least five (5) days prior to any scheduled pre-submission meeting.

Quote Requests and Requests for Information are not required to be advertised in the newspaper.

H. Rejection of Solicitations

In all of the above-stated procurement methods, the Procurement Director has the authority to reject any or all responses after the solicitation due date when it has been determined that the respondent(s) is non-responsive or the award recommendation is not in the best interest of the City. In the event of a Request for Proposal or Qualification, where there is an Evaluation Committee established to review the responses, the Evaluation Committee must authorize the Procurement Director to reject any or all responses.

I. Appeal Procedures

A respondent to a City solicitation may only appeal any determination, decision, or recommendation of the Procurement Director, in accordance herewith. All appeals must be in writing and sent via certified mail or delivered in person to the City Manager within three (3) business days of issuance of such determination, decision, or recommendation. The City Manager will administer the appeal and will render a decision within seven (7) business days of receiving the appeal. The decision by the City Manager will be final and will represent the position of the City.

All appeals must set forth the specific reason and facts concerning the dispute. Any appeal based exclusively on disagreement with the technical judgment of evaluators is subject to summary rejection unless there is clear and convincing evidence of arbitrary or capricious action in that regard. In the event of a timely appeal, the City will not proceed further with the solicitation or with the award of the solicitation/contract unless the City Manager, after consultation with the Department Director(s) and City Attorney, forwards to the City Council a written request to award the solicitation/contract without delay in order to protect the public health, safety or general welfare and the City Council approves the said request.

J. Approval Thresholds

The following approvals apply to all City employees who are authorized to purchase goods and services where the value of the full purchase is or is expected to be, the following amounts.

<u>Purchase Amount</u>	<u>Approver</u>
Less Than \$1,000	Department Supervisor or Manager.
From \$1,000 to \$14,999	<p>Department Director or designee, if the cost of goods and services to be purchased is included in the approved budget for the department.</p> <p>City Manager or designee, if the item or service is not included in the approved budget for the department and a budget amendment is not necessary.</p> <p>City Council, if the item or service to be purchased is not included in the approved budget for the department and a budget amendment is necessary.</p>
From \$15,000 to \$24,999	Procurement Director or designee, if the item or service to be purchased is included in the approved budget for the department.

	<p>City Manager or designee, if the item or service is not included in the approved budget for the department and a budget amendment is not necessary.</p> <p>City Council, if the item or service to be purchased is not included in the approved budget for the department and a budget amendment is necessary.</p>
From \$25,000 to \$49,999	<p>City Manager or designee, if the item or service to be purchased does not require a budget amendment.</p> <p>City Council, if the item or service to be purchased requires a budget amendment.</p>
\$50,000 or greater	City Council.

K. Change Order Approval

To avoid a delay in the progress of any project, the Procurement Director, City Manager, or designee may approve, without further Council action, a change order to an existing contract provided the change order is within the overall scope of the project, does not exceed ten percent (10%) of the original contract amount and the funds are available in the approved budget for the Department. If the change order is in excess of the above threshold or if the increase in cost requires a budget amendment, the change order must be approved by the City Council. The Procurement Director will ensure the scope of services is in accordance with the contract specifications.

No oral statement of any person shall modify or otherwise change, or affect the terms, conditions, or specifications stated in the resulting contract. All change orders must be approved in writing by the City prior to the work commencing unless the delay in receiving City approval causes a serious threat to the public health, safety, and welfare, or will result in a significant additional cost to the City due to delay. Under any circumstance, work to be performed under the change order must not begin until all written approvals have been received. Any work completed by the contractor without required written approvals will be the sole responsibility of the contractor, not the City.

L. Contract Approval

The Procurement Director, City Manager, or designee is authorized to approve and execute contracts if the total contract value does not exceed the Dollar Threshold Approval limit (see Section H) and funds are available in the approved budget for the Department. If Department funds are not budgeted, the contract will require a budget amendment and approval by the City Council. This includes, but is not limited to, service or maintenance agreements, award on proposals, competitively negotiated agreements, and consultant services agreements. Contracts with a total value exceeding \$50,000 or needing a budget amendment will require City Council approval.

M. Contract Amendment

The Procurement Director, City Manager, or designee is authorized to approve a change to a contract in which the scope of work or terms and conditions differentiates from the original, as long as the change in the scope does not exceed \$50,000 and does not require a budget amendment. If the change in the scope exceeds \$50,000 or expenditures require a budget amendment, such change must be approved by the City Council.

N. Contract Renewal

The Procurement Director is authorized to renew approved contracts as long as such action is in accordance with the terms, conditions, and renewal period specified in the original contract and the total contract value is within the City's approved budget. Contract renewals beyond six (6) years from the date of the original contract will require City Council approval. A contract renewal price increase may be justified by means of the Consumer Price Index, Producer Price Index, or other means approved by the Procurement Director and conducted in the best interest of the City. If the new total contract value, as a result of the renewal price increase, exceeds \$50,000 or the increase requires a budget amendment, the contract renewal must be approved by the City Council.

O. Contract Extension

The Procurement Director is authorized to extend approved contracts for a period of no more than one-hundred eighty (180) calendar days when the extension serves the best interest of the City. Contract extensions exceeding one hundred eighty (180) calendar days will require City Council approval.

P. Contract Termination

The Procurement Director, City Manager or designee is authorized to terminate for convenience or default all contracts entered into on behalf of the City Council.

Q. Disposal of Surplus Property

All tangible and intangible City property must be declared surplus by City Council prior to being disposed of. The Procurement Director is responsible for the disposition of equipment that has been declared surplus by the City Council. The Procurement Director has the authority to sell by auction or advertised bid, trade, donate or sell to another government entity, destroy, scrap, classify as waste, or dispose of excess surplus and obsolete supplies or personal property, regardless of the dollar amount. Records of such disposition must be maintained by the Procurement Services Department.

R. Operating Procedures

The City Manager is authorized to approve specific operating procedures to implement this Policy.

S. Minority Businesses

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

T. Environmental Purchasing

Environmental purchasing is defined as the procurement of goods and services that have fewer environmental and social impacts than competing products and services. The Procurement Director will encourage wherever possible, specifications that provide for expanded use of durable goods and reusable goods containing the maximum post-consumer waste and recyclable content without affecting the intended use. Environmental factors to be considered may include recycled content, pollutant releases, waste generation, energy consumption, depletion of natural resources, and potential impact on human health and the environment.

U. Electronic Signature

In accordance with sections 668.001 through 668.06, Florida Statutes, the City will accept electronically filed and signed documents in regard to procurement solicitations and responses thereto as well as execution of contracts meeting the requirements of this policy.

The following terms, when utilized in this policy, will have the meanings shown below:

- (a). Public Key Infrastructure: A set of hardware, software, people, policies, and procedures needed to create, manage, store, distribute, and revoke digital certificates.
- (b). Certificate of Authority (CA): A third party who issues electronic credentials to engage in transactions utilizing an Electronic Digital Signature through the use of a Certificate.
- (c). Certificate: An electronic document, using the Public Key Infrastructure, that uses a digital signature to bind together a public key with an identity that identifies the CA, identifies the subscriber, contains the subscriber's public key, and is digitally signed by the CA.
- (d). Digital Signature: A type of Electronic Signature that transforms a message using an asymmetric cryptosystem such that a recipient of the initial message and the signer's public key can determine accurately whether the initial message or the document has been altered since their creation, and whether they were created using the private key which corresponds to the signer's public key.
- (e). Electronic Signature: Any letters, characters, or symbols, manifested by electronic or similar means, executed or adopted by a party, with intent to authenticate a writing. A writing is electronically signed if an electronic signature is logically associated with such writing.
- (f) Electronic Notarization: A unique digital signature used in conjunction with the requirements of section 117.021, Florida Statutes and rules promulgated under the authority of the statute, used by a Notary Public to authenticate an electronic notarial act.

Any person or entity submitting electronic documents to the City which include a Digital Signature must apply for and receive electronic credentials from a Certificate Authority. Such persons must also comply with any requirements of their respective professional governing boards pertaining to electronic signatures.

Anyone affixing a Digital Signature to a document submitted to the City must affix his or her Digital Signature so that it is visible on the document itself. When the document is submitted to the City the submitter must provide contemporaneously his or her Certificate so that the City may verify that the document was signed and submitted by the person purporting to do so.

The Procurement Director will have the authority to specify those Certificate Authorities that are acceptable to the City for the purpose of using Certificates for persons submitting Digital Signatures to the City.

Except to the extent provided by law, and when submitted in compliance with applicable law and this policy, any Digital Signature will have the same force and effect as a manual signature.

V. Authority

Approved and adopted by the Clermont City Council by Resolution Number 2023-009R on March 14, 2023.