



The City of Stuart
Procurement Manual

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Procurement & Contracting Services Manager’s Note: The Stuart City Commission took action on August 13, 2012 to revise the Procurement Section of the City Code of Ordinances. These revisions include increase of the City Manager’s award authority; revisions to the procurement thresholds; delegation of award authority to the Financial Services Director and the Procurement Manager; and other changes detailed below. These revisions have been included in this edition of the Procurement Manual.

Introduction to the Office of Procurement

The City of Stuart Procurement & Contracting Services Office is a service division dedicated to providing cost-effective procurement services to all City of Stuart departments and divisions. The division’s goals are to assist departments and divisions with their procurement activities to assure the timely provision of all products and services required to deliver services to the citizens of the City of Stuart.

The Stuart City Commission has delegated authority to the Procurement Manager to act as the Procurement official on behalf of the City of Stuart. The City Manager and the Financial Services Director may perform any responsibilities delegated to the Procurement Manager. The Procurement Manager is responsible for establishing procurement policy and procedure, and managing its day-to-day administration.

The city’s Code of Ordinances codifies procurement of services, supplies, equipment and construction in a manner that is cost-effective, fair and timely in delivery. The City of Stuart Procurement Office is dedicated to providing city government with products necessary to accomplish its operational missions in the most cost-effective and efficient manner, to provide fair and equitable treatment of all vendors who wish to sell supplies, services, equipment and construction services to the City of Stuart and to assure the city residents/taxpayers receive the best value for every tax dollar spent.

This manual includes, among other items, an overview of basic public procurement procedures, city procurement policy and the city ordinance that governs the Office of Procurement. The intent of the manual is to provide a single written reference for all city personnel and citizens who have questions concerning City of Stuart procurement policy and procedure. Although the intent of this manual is to provide a single point of reference for procurement focused questions, any citizen of Stuart or City of Stuart employee is encouraged to call the Procurement Office directly at (772) 288-5320 or internally at extension 5320 for answers to any procurement related question.

I. DEFINITIONS

Addendum: Official document issued by the city which changes the terms, conditions, specifications or scope of service of an Invitation to Bid package, Request for Proposal package, Request for Expressions of Interest package or contract. When an addendum is issued, it becomes an integral part of the document to which it is attached. All addenda issued must be acknowledged in writing by the bidder or proposer. If an addendum is determined to contain

information that is material to accurate bid pricing; or is material to the proper delivery of the scope of service and said addendum is not acknowledged, the bid or proposal shall be declared non-responsive, and no further evaluation of the solicitation will occur.

Annual Requirement Agreement: Annual Requirement Agreements are also known as Term Contracts. They are agreements solicited and awarded for a specific period of time, usually one year, with the possibility of renewal for two additional one year periods. Annual Requirement Agreements are useful for the procurement of supplies or services that are repetitively purchased over the course of the year. By consolidating the departmental/city-wide needs into one solicitation, economies of scale may be achieved. Once these contracts have been awarded by the city, departments and/or divisions may encumber their budgeted funds against these agreements by means of Blanket Purchase Orders (see page 15).

Award: This is the term used to denote when a Bid, Request for Proposals, Contract or Purchase Order has been granted to the vendor who has submitted the most cost effective, responsive and responsible bid, proposal or quote for a project. All awards are made by either city staff or the city commission. The award may also include a formal contract which must be executed prior to initiation of a project.

Award Protest: A protest with respect to an award of a contract shall be submitted to the City Manager in writing within ten days of contract award.

Bid Bond: A cash or surety bond guarantee that assures an apparent low bidder will enter into a contract with the City of Stuart upon award by the appropriate city official(s). Should an apparent low bidder refuse or be unable to enter into a contract with the city, the city has access to the cash or bid bond to defray additional cost to the city required to contract with the second low bidder or to re-bid the project.

Bidder: An individual, company, corporation or firm that has submitted a bid or quote in response to the City's request for offers.

Bid/Proposal Opening: The formal event during which responses to the city's solicitation are opened, names of respondents and amounts offered (where applicable) are publicly sounded. Bid/Proposal openings are publicly advertised and are used when Invitations to Bid, Requests for Proposals and Requests for Expressions of Interest are opened. Bid openings are subject to the requirements of Florida State Statute 119, the Open Records statute.

Bid Schedule: The section of a quote or bid in which the bidder offers their certified prices to the city to provide the supplies, services, equipment or construction services described in the solicitation. The bid schedule may be in a format where unit prices and extended prices are requested. The unit prices are multiplied by the estimated quantities to yield the extended prices. Should there be a mathematical error in the extension, unit prices will always prevail. In the case of construction solicitations, the estimated quantities may be increased or decreased by the City to reflect actual quantities used. Construction work not specifically itemized in the bid schedule but necessary for the completion of the scope of work must be included in the most appropriate bid item(s).

Bid Protest: Any actual or prospective vendor or contractor who questions the reasonableness, necessity or competitiveness of the terms and/or conditions of an Invitation to Bid, Request for Proposals or Request for Quotations may file such protest in writing to the City Manager. The protest shall be submitted to the City Manager, in writing, prior to the opening date and time of the bid, quote or proposal.

Bonding Requirements: Bid Bonds must be submitted with a bid whenever the Procurement Manager determines a bid bond is required to best serve the interests of the city or the bid price is estimated to exceed \$50,000.00. Payment and Performance Bonds are required for all construction contracts and from other service contractors whenever the value of the contract is valued at \$50,000.00 or more, or if the interests of the City may be threatened should a contractor fail to pay its materialmen or subcontractors (payment bond); default or non performance to the standards of the specifications and/or scope of work described in the contract documents (performance bond).

Competition: The foundation upon which the public procurement process is based. Competition is the principle stating that the effort of two or more parties acting independently to secure the city's business will deliver the required goods, services or equipment in the most cost-effective and expeditious manner.

Contract: The formal document between two (or more) competent parties, which includes an offer, acceptance, term (time the contract is in effect), consideration (payment or other item of value) and scope of work. A contract is a legally binding document that requires one party to deliver that which is described in the scope and requires the other party to pay for that which is delivered.

Contractor: The successful respondent to a solicitation for quotes, bids or proposals. A contractor is the individual, company or firm to whom a purchase order or contract has been awarded.

Cooperative Procurement: The act of cooperatively soliciting competitive responses from responsible vendors to supply goods, services or equipment by more than one governmental entity in order to take advantage of economies of scale. Cooperative Procurement may also be defined as one governmental entity using the competitive solicitation process put into place by a different governmental entity (*piggy-backing*). The aforementioned competitive process must follow generally accepted public procurement principles and be substantially in accordance with the City of Stuart procurement ordinance.

It is the express intent of the Stuart City Commission that any award for construction, including paving construction, and underground construction, shall only be procured in accordance with the requirements of Florida State Statute 255.20. It is further the intent of the Stuart City Commission to solicit bids/proposals for construction projects including building construction, paving construction and underground construction, the estimated value of which exceeds \$50,000.00. The Stuart Procurement Office shall avoid "piggy-backing" another governmental entity's procurement process to procure these construction services.

Instructions to Bidders: Guidelines included in Invitations to Bid and some Requests for Proposals that give respondents essential information regarding the requirements of the solicitation.

Insurance requirements: Insurance requirements for construction contractors were established by the City Commission effective August 11, 2003. See Insurance Requirements for Contractors, Exhibit B, page 69, below. In general, the city has set levels of insurance coverage high enough to assure that the city's interests are protected. The city's liability exposure must be protected should there be negligence or malfeasance in the provision of service by the contractor. The character of the services provided dictates the liability exposure of the city, and from that the coverages and levels of coverage required for service providers (contractors) will be derived.

Professional service providers, i.e. Architects, Engineers, Landscape Architects and Surveyors/Mappers are generally required to carry Professional Liability (Errors and Omissions) coverage.

Invitation to Bid: A formal solicitation for which public notice of the Invitation to Bid is given not less than ten days prior to the date scheduled for opening bids. Public notice may be in the form of a legal advertisement in a publication of general circulation within the community, or posting the notice on a bulletin board on City property with public access or posting the notice on the city's web site. Invitations to Bid are most commonly used when the City has a good understanding and comprehensive specifications for the item(s) the City is going to procure. The City will award Invitations to Bid to the lowest, most responsible and responsive bidder without further negotiation.

Payment Bond: A surety bond guarantee from a successful contractor awarded a contract by the City which assures the contractor will promptly pay all persons, companies or firms supplying labor, materials or supplies to the contractor used directly or indirectly in the performance of the contract. If the contractor defaults on payment to the subcontractors or suppliers the subcontractors have access to the bond for payment.

Performance Bond: A surety bond guarantee from a successful contractor awarded a contract by the City which assures the contractor will perform the contract in the time and manner prescribed in the contract. Should the contractor default on the contract, the City has access to the bond to finish the project.

Pre-Bid/Proposal Conference: A formal meeting, held before a bid/proposal opening, in which City staff has the opportunity to explain the terms, conditions, specifications or scope of work included in an Invitation to Bid, Request for Proposal or Request for Expressions of Interest. A pre-bid conference may be "mandatory" which means that the City will accept offers only from those firms who are represented at the meeting; or optional in which the bidding or proposing firm need not be present or represented to submit an offer.

Professional service: A service provided by a person, firm or partnership in a recognized professional field including services that are artistic, advertising, planning, engineering, architectural, surveying, landscape architectural, legal, medical, health, auditing, appraisal,

insurance, financial, banking, scientific, information technology and educational service, and any service provided by a governmental agency or a not-for-profit entity, and any other service commonly provided by lawyers, physicians, medical professionals, engineers, architects, surveyors, landscape architects, financial advisors, investment advisors, information technology professionals, accountants, planners, scientists and environmental experts.

Purchase Order: A contract between the city and the successful respondent to a City solicitation. The City has made an offer to buy particular supplies, services or equipment, and the contractor has accepted the City's offer. The purchase order formalizes the City's offer and the vendor's acceptance and describes the product, the payment amount and the budget account line from which an invoice shall be paid. If the purchase order is based on a solicitation, the terms and conditions of the solicitation are referenced in the body of the purchase order. The purchase order encumbers budgeted funds for the product until final payment is made.

Request for Proposals (RFP): An RFP is a formal solicitation for which public notice of the Request for Proposals is given not less than ten days prior to the date scheduled for opening the proposals. Usually an RFP will be advertised a minimum of 28 days prior to the opening date. Public notice may be in the form of a legal advertisement in a publication of general circulation within the community, or posting the notice on a bulletin board on City property with public access or posting the notice on the city's web site. Requests for Proposals are most commonly used when the City is not as certain of the specifications for the goods and/or services described in the RFP. With a Request for Proposal, the City requests vendors to review the City's need as described in the RFP and "propose" a solution. Recommendation for award of an RFP is determined by using weighted "selection criteria" of which one may be price. Therefore, price may be a factor in the award of an RFP, but not necessarily the determining factor. The terms, conditions and pricing may be negotiated with the proposer(s) after the proposals are opened and before a contract is awarded and executed.

Request for Expressions of Interest (also known as a Request for Qualifications): A formal solicitation for professional services as defined in Florida State Statute (engineering, architecture, survey/mapping, landscape architecture) accomplished in accordance with Florida State Statute 287.055, the Consultant's Competitive Negotiation Act (CCNA).

Requisition: The City document in which a Department or Division defines its need for particular services, supplies or equipment. A requisition, upon completion of normal procurement procedure, will be converted into a purchase order. Requisitions must clearly describe exactly that which is being requested in a manner that is understandable by vendors and staff alike. A requisition must include the account line from which funds will be paid and the signature (or electronic approval) of a departmental official authorized to approve expenditure of budgeted funds.

Responsive Bidder/Proposer: A respondent to a city solicitation who meets all of the material requirements of the solicitation (i.e. the products offered meet or exceed the minimum requirements as described in the specifications, respondent signs the bid form, respondent submits a bid bond if necessary, etc.)

Responsible Bidder/Proposer: A respondent to a city solicitation who demonstrates the ability, reputation, prior experience and financial resources to provide the product or service offered in the response on time and within the bid/proposed price.

Scope of Work (also known as Scope of Service): Section of a contract or solicitation that precisely defines the service, product or equipment solicited or purchased.

Single Source Procurement: Single source procurements are authorized without use of the competitive process by city ordinance when there may be more than one source for the required goods but due to the exclusive distribution rights of the vendor; or the vendor is the single provider of goods or services which have unique characteristics essential to the operational needs of the using city department and no other product or service will be suitable for use by the city; the vendor has special ability to provide unique spare parts or unique emergency repair service; or the vendor has unique historical, institutional knowledge and experience which will provide a continuity of service not available from any other vendor. The vendor and using department shall document the facts of single source procurements substantially in the same manner as documenting sole source procurements.

Single source and sole procurements are rare. Uses of single source and sole source procurements are discouraged and must be documented. By definition, single source and sole source procurements negate competition and leave the city exposed to proprietary pricing.

Sole Source Procurement: Sole source procurements are authorized without use of the competitive process by city ordinance when there is only one supplier for a particular product, service or piece of equipment. Documentation of sole source procurement consists of a letter from the supplier on company letterhead stating they are the only vendor capable of supplying the product or service and a memorandum from the using department stating why this product or service is the only one that will meet the operational needs of the department. See sections XII and XIII for details.

Specifications: Written description of supplies, equipment, services or construction sufficiently detailed and described to give all prospective bidders adequate information to submit an informed bid.

Terms & Conditions: Clauses in a solicitation or contract that accurately define the rights and obligations of both the bidder/contractor and the city.

Vendor: An individual, company, corporation or firm who has the desire, resources, products and/or services to do business with the City of Stuart.

II. THE PROCUREMENT CYCLE

The Procurement Cycle is the sequence of events that defines procurement procedure from recognition of a need through final payment for services, supplies or equipment. The Public Procurement Cycle has the same characteristics in every public procurement office. The Public Procurement Cycle is that which we are demonstrating within this manual and the one regulated by the City of Stuart Code of Ordinances.

The cycle begins during the budget process. When a need or requirement is recognized at the field level, the product, with its estimated cost, is proposed in the annual budget for the coming year. With adoption of the budget by the City Commission, funds become available for purchase of the required product. Whether the need is supplies, a service or a particular piece of equipment, fulfilling the need will expedite, improve or make more cost effective the delivery of services by the city to its citizens. When the need is recognized, internal departmental procedures will result in either a requisition which describes the product in detail or procurement of the required goods by means of the Purchasing Card. The requisition will be entered into the City's computerized Finance/Procurement system. The requisition must have the correct account line and carry the electronic signature of the department head (or the department head's designee) who can authorize the expenditure of funds. Purchasing Cards are utilized for the procurement of goods if the estimated cost of the product is less than \$1000.00. See section VIII for details.

The City has migrated to a paperless requisitioning system. The receiving function will come on-line in the near future. Currently, signed approval on the original invoice denotes receipt of the goods or services in good order and authorizes payment by Accounts Payable.

The requisition and its attendant estimated costs determine how vendors are solicited for quotes or bids for the product. Experience or current research will give the department an estimated cost for the product in the required quantity. If the estimated cost is less than \$5,000.00, the department has the authority to recommend a particular vendor be awarded a Purchase Order. The responsibility to remain current on the market conditions of the product to be purchased is with the departmental personnel who recommend award of Purchase Orders. If departmental personnel do not have the resources to carry out the necessary research to discern the character of the market, the Procurement Office will assume that responsibility.

If the estimated cost is between \$5,000.00 and \$10,000.00 City Ordinance requires a minimum of three verbal quotes from vendors qualified to supply the product. The quotes must be documented in the "Notes" field of the on-line requisition with the name of the vendors quoting and the dollar amount quoted.

If the estimated cost is between \$10,000.00 and \$25,000.00 City Ordinance requires three written quotes on the vendor's company letterhead, signed by an officer of the quoting firm who is authorized to contractually bind the company. Copies of the written quotes (facsimile or email transmissions are acceptable) must be forwarded to the Procurement Office or attached to the requisition electronically. The written quotes will be attached to the purchase order as

documentation and attached to the vendor's original purchase order to assure delivery of the ordered items at the quoted price. This will also give any auditor proof of proper procurement procedure. The Procurement Office will assume the responsibility of RFQ solicitation if the subject of the RFQ is complex, if special terms & conditions are required to protect the interests of the City or if the department/division requests assistance.

If the estimated cost is \$25,000.00 or more city ordinance requires a formal Invitation to Bid or Request for Proposals be used to make this procurement. Both of these solicitations require legal advertisement for a period of a minimum of ten calendar days prior to the bid/proposal opening date. If the lowest responsible and responsive bid price is less than \$50,000.00 the City Manager has the authority to award the contract. If the lowest responsible and responsive bidder offers a price over \$50,000.00 and the funds have been appropriated and approved in the regular annual budgetary process, and the contract requires nothing more than payment for product delivered or for services rendered, and the vendor has been selected in accordance with the City Procurement Code, then the City Manager has the authority to award the contract.

If the price is \$50,000.00 or more and either not a budgeted item or requires a contract which will obligate the City to more than the expenditure of appropriated funds, the award of the bid must be approved by the City Commission. Any construction contract (building construction, road construction/re-paving or underground construction) value of which is in excess of \$50,000.00 will require approval and award by the city commission. See "AWARD AUTHORITY" below.

After the vendor has been selected and the price of the procurement has been legally determined, a formal contract may be executed by the contractor and the city and/or a purchase order (which is also a legally binding contract) will be issued. The purchase order or contract will state that the parties to the agreement are the successful bidder and the City of Stuart. It will give a comprehensive description of the items or services to be provided, will indicate the cost and quantity of the product and will formalize the estimated delivery time. Additionally, the purchase order encumbers, or sets aside, the funds for the procurement to assure the money is available and to assure the money will be accessible when it is time to pay for the product.

When the product arrives the department will acknowledge receipt, however, the department will not accept the product until it is unpacked and full inspection has taken place. Upon acceptance, the department will sign the receiving ticket (or receive the product on-line) and approve the invoice for payment. The receiving ticket and invoice are then sent to Accounts Payable. As soon as the check is cut the procurement cycle is complete. A flow chart of the procurement cycle is attached as Exhibit A.

III. SOLICITATION THRESHOLDS

\$0.01 - \$4,999.99

Single quote based upon knowledge of the market and with the understanding that the successful vendor is competitive in regard to the purchased product. Procurements valued at \$1,000.00 or less may be made by means of the Purchasing Card.

\$5,000.00 - \$9,999.99	Minimum of three verbal quotes
\$9,999.99 - \$24,999.99	Minimum of three written quotes signed by a person authorized to contractually bind the vendor.
\$25,000.00 and over	Formal sealed bids or proposals publicly advertised at least ten days prior to bid/proposal opening date.

IV. AWARD AUTHORITY

Award authority and the authority to execute two party or multi-party contracts rests solely with the Stuart City Commission. The City Commission has delegated award authority to the City Manager, Financial Services Director and the Procurement & Contracting Services Manager to execute purchase orders, provided the funds have been appropriated by the City Commission in the annual budget process. Commission approval of the City of Stuart Purchasing Card has also effectively delegated procurement authority for those purchases valued at less than \$1000.00 to those employees who have been issued a Purchasing Card.

The Commission has delegated the authority to execute two party or multi-party procurement contracts that are binding on the City to the City Manager as long as: a) the contracts are valued at less than \$50,000.00; b) funds for the project have been appropriated by the City Commission through the annual budgeting process; c) the contract commits the City to no other obligation than the expenditure of appropriated funds; and d) the vendor was selected in accordance with the City Procurement Ordinance.

After funds have been appropriated by the city commission in the annual budget process for a particular purchase and the vendor has been selected in accordance with the provisions of the City Procurement Ordinance, and the purchase order/contract does not obligate the city to anything other than payment of the contract price, a purchase order or contract can be issued to the vendor by the appropriate City Staff member or the City Manager without need of further city commission action regardless of dollar amount.

The Commission has authorized the City Manager to delegate the authority to execute two party or multi-party procurement contracts that are binding on the City to the Financial Services Director and the Procurement Manager as long as: a) the contracts are valued at less than \$25,000.00; b) funds for the project have been appropriated by the City Commission through the annual budgeting process; c) the contract commits the City to no other obligation than the expenditure of appropriated funds; and d) the vendor was selected in accordance with the City Procurement Ordinance.

The Policies and Procedures that govern use of the Purchasing Card are included within this manual (Appendix III). In the simplest terms, the City Purchasing Card may only be used for City business to purchase non-professional, operating account items which have been approved in the budget process.

Procurement Authority:

\$0.01 - \$999.99	Departments have authority to purchase via Purchasing Cards
\$1000.00 and over	City Manager has authority to sign purchase orders for items which have been budgeted and the funds appropriated by the City Commission in the annual budget process; to award/purchase goods and services; and to execute agreements in accordance with City Ordinance
\$1000.01 - \$24,999.99	Financial Services Director and the Procurement Manager each have authority to sign purchase orders for items which have been budgeted and the funds appropriated by the City Commission in the annual budget process; to award/purchase goods and services; and to execute agreements in accordance with City Ordinance
\$50,000.01 and over	Stuart City Commission has sole authority to award and execute agreements which obligate the City to more than payment of appropriated funds; or if funds for the item or service were not budgeted; or the vendor was selected in a manner not compliant with the City Procurement Ordinance.

V. COOPERATIVE PROCUREMENT

The City of Stuart is authorized to participate with other governmental entities to solicit and procure goods, services and/or equipment required to deliver services to the constituents of each entity. It is a standard public procurement principle that larger quantities included in procurement contracts will render lower unit prices. This principle is commonly known as “economy of scale”. Economy of scale is the most apparent benefit derived from cooperative procurement; however, other not so visible benefits are inherent in a cooperative purchase. Procurement resources are conserved by advertising, opening, evaluating and awarding one agreement instead of several. The political benefit of different governmental entities cooperating for the benefit of the taxpayers is a tangible asset for the participating entities.

The City, within this part of the City Code of Ordinances, is further authorized to use other governmental contracts which have been competitively solicited and awarded to the lowest, responsive and responsible bidder or proposer, to procure City of Stuart requirements. If another governmental entity has procured goods through an open, public solicitation substantially in accordance with the provisions of the Stuart Code of Ordinances and the successful vendor agrees to extend the same terms, conditions and prices to the City of Stuart, the City may use those processes as a basis of award. The City Commission shall be notified at the next regularly scheduled Commission meeting whenever a cooperative procurement in excess of \$50,000.00 is made.

It is the express intent of the Stuart City Commission that any award for construction, including building construction, road/paving construction, and underground construction shall only be

procured in accordance with the requirements of Florida State Statute 255.20. It is further the intent of the Stuart City Commission to solicit bids/proposals for construction projects including building construction, paving construction and underground construction, the estimated value of which exceeds \$50,000.00.

VI. METHODS OF SOLICITATION

Invitation to Bid

The Invitation to Bid (ITB) is the most common formal, publicly advertised solicitation and the preferred method of soliciting vendors for prices and availability of product whose estimated value exceeds \$25,000.

An ITB is used when the City has a good understanding of that which it is going to buy and comprehensive, written specifications for the item(s) or services. The department/division knows exactly what it wants in terms of functionality, quality and quantity and is able to reduce the requirement to writing in a manner that is understandable to the prospective bidders.

The City will award Invitations to Bid to the lowest, most responsive and responsible bidder without further negotiation. This statement is included in the terms and conditions of the bid package to assure the City receives the best and lowest price with the first response from the bidder. This statement does not mean the City is buying a “low bid” product. It does mean the successful bidder is the one who conforms to all the material requirements, criteria and specifications set forth in the Invitation to Bid and have the capability, both operationally and financially, to fully perform the contract requirements at the least cost to the City.

Request for Proposals

The Request for Proposals (RFP) is another type of solicitation. The RFP is used in those situations when the department/division recognizes its requirement but does not necessarily have the expertise or desire to describe the solution. It may be an area which is in the process of accelerated change or an area where the appropriate technical terminology is obscure to the typical end-user but not to the manufacturer or vendor. It may also be a situation where the final operational result is more important than the cost of the goods or services.

An RFP is awarded using weighted “selection criteria” of which one may be price. Therefore, price may be a factor in the award of an RFP, but not necessarily the determining factor. The terms, conditions and pricing may be negotiated with the proposer(s) after proposals are opened and before a contract is awarded.

Criteria, in addition to price, for example, could be but not necessarily limited to: prior experience, operational plan, qualifications of proposer and team members, etc. Any criterion that the City end user determines has an effect on the final delivered product can be used to select the proposer most beneficial to the City.

Use of the RFP is becoming more common by public agencies because the public agency has the need for more latitude in selection and award of resulting contracts. As the City's requirements become more complex use of the RFP will increase.

Requests for Quotations (RFQ)

Requests for verbal quotations: Procurements estimated to be valued at between \$5,000 and \$10,000 require three verbal quotations for the product or service. Usually the vendor can quote the price and delivery at the time the telephonic or face-to-face request is made. Documentation should be noted on the requisition sent to procurement and include the name of the vendor, phone number, contact person, price quoted and delivery time.

Requests for informal written quotations: The City Procurement Code requires written quotations from vendors when the estimated purchase amount is between \$10,000 and \$25,000. The informal written request for quotations will meet this requirement. The informal request for quotation is used to meet the dollar threshold required or when the specifications or scope of service is more complicated than can be understandably communicated in a telephone conversation. The Procurement Office will assume the responsibility of RFQ solicitation if the subject of the RFQ is complex, if special terms & conditions are required to protect the interests of the City or if the department/division requests assistance. The request will define the terms and conditions under which the quote should be submitted. For example:

- a) A definite date and time by which the quote must be in the possession of the department requesting the quotation with the notation that quotes received after that date and time will not be considered. A short period of time (one or two days) is acceptable for a request for written quotations. The RFQ may be sent to vendors by facsimile transmission or by email. The RFQ should state that facsimile or email responses are acceptable as long as the offer is signed by an employee authorized to obligate the vendor.
- b) Specifications should be written in a manner that is easily understood by a vendor who sells the product or service described. A clause should be included stating that the specifications are not meant to restrict competition and that equivalent products will be considered when evaluating responses.
- c) Delivery information should be specifically requested. If the delivery is critical to the department's mission, the RFQ should state that delivery time is an evaluative criterion, and the quoting firm with the delivery time that best meets the City's needs may be given consideration in award of the quote. Consequently, if the quoted delivery time is not met, the City reserves the right to unilaterally declare the vendor in default and will re-award the quote to the next lowest, most responsive and responsible bidder.
- d) Request the signature of an officer or employee authorized to commit the company to price and delivery terms. State that unsigned quotes will not be considered.

Requests for Expressions of Interest

The Request for Expressions of Interest (also known as a Request for Qualifications) is used exclusively to select the professionals included in Florida State Statute 287.055, commonly known as the Consultant's Competitive Negotiation Act (CCNA). CCNA is mandated when certain dollar thresholds are reached. When estimated construction costs exceed \$325,000.00 or when estimated costs for a planning or study activity exceed \$35,000.00, CCNA must be used to select qualified professionals. Those professionals whose selections are regulated by this statute are Architects, Engineers, Landscape Architects and Surveyors/Mappers. The Florida State Legislature has determined that the services offered by these professions are so important that consideration of cost is not applicable to their procurement. As mandated by State Statute, selection of these professions is based primarily on qualifications. Criteria that may be used to select a qualified firm are as follows:

Professional capabilities of the proposing firm

Adequacy and abilities of the personnel within the firm

Past record of performance

Prior experience of proposing firm

Willingness and ability to meet City's time constraints

Recent, current and projected workloads

The volume of work previously awarded, with the intent of effecting equitable distribution of work among qualified firms

Location of firm. This criterion is specifically excluded when using Federal money, i.e. Community Development Block Grant (CDBG) funds, American Recovery & Reinvestment Act (ARRA) funds, etc.

The above listing contains examples of recommended criteria to be used when selecting Architects, Engineers, Landscape Architects and Surveyors/Mappers. It is not intended to be a comprehensive list and is not limited to those noted above. Consideration (payment) is the one criterion specifically excluded from evaluative criteria used to select these professionals. In other words, cost of the service may not be considered when selecting a professional for one of these contracts.

Voting members of the selection committee for these projects are usually comprised of City management personnel, department heads, division heads and other City employees with specialized knowledge of the project. For specialized projects, members of the community may be invited to serve on selection committees. The procurement manager or other member of the procurement office staff will serve on selection committees as a non-voting member, in order to

administer the selection process. The above listing of selection committee members is not comprehensive. Selection committee membership may be made up of any combination of the above or none of the above. The character of the selection committee is totally in the discretion of the City Manager and the Stuart City Commission.

After the solicitation responses are opened, copies of the responses will be given to each selection committee member for review, rating and ranking. The three highest ranked firms will be presented to the City Commission as the most qualified firms who submitted on the project. Simultaneously, staff will request the commission authorize staff to enter scope and cost negotiation with the highest ranked firm.

Should staff not be able to negotiate an agreement with the highest ranked firm, staff will return to the commission with notification of the unsuccessful negotiation and request authorization to negotiate with the second highest ranked firm. Should staff be unable to negotiate an acceptable agreement with none of the three top ranked firms, the City may reject all submittals and re-solicit with a revised scope of work.

When the selection committee has successfully negotiated a contract with the professional, staff will present the agreement to the City Commission and request the Commission to approve the contract and authorize the Mayor and City Clerk to execute the agreement.

VII. PROFESSIONAL SERVICES

Professional service is defined as a service provided by a person working in a recognized professional field including but not necessarily limited to the following: artistic, advertising, real estate appraising, planning, engineering, architectural, surveying, landscape architectural, legal, medical, health, auditing, appraisal, insurance, financial, banking, scientific, information technology and educational service, and any service provided by a governmental agency or a not-for-profit entity, and any other service commonly provided by lawyers, physicians, medical professionals, engineers, architects, surveyors, landscape architects, financial advisors, investment advisors, accountants, planners, information technology professionals, scientists and environmental experts.

The professional services listed above that are governed by Florida State Statute 287.055, the Consultants Competitive Negotiating Act (Architects, Engineers, Landscape Architects and Surveyors/Mappers) are selected as directed by Florida State Statute 287.055.

The remaining professional services shall be selected by means of competitive sealed proposals (RFPs) when the estimated cost for the service exceeds \$50,000.00. This constraint notwithstanding, City code still allows the City Commission to authorize the City Manager to procure these professional services by negotiating with individuals, firms or organizations recommended by the City Manager or City Attorney on the basis of experience and skill. If a Department Head decides that they want or need to procure any of these professional services by negotiation without using formal competitive sealed proposals and the estimated value of the

professional service exceeds \$50,000.00, enough time must be allowed to present this action to the City Commission in order to obtain authorization to negotiate.

VIII. PURCHASING CARDS

The use of Purchasing Cards has provided an expeditious and useful means of procuring repetitively purchased operating supplies and services valued at less than \$1000.00 per transaction. The intent of the Purchasing Card program is to improve efficiency in processing low dollar value purchases from any vendor that accepts the Visa credit card. A majority of our suppliers accept the Visa Purchasing Card.

The City of Stuart has joined the Hillsborough County Purchasing Card Consortium. This consortium gives the City access to enhanced rebates based on our total annual purchasing card usage. In order to encourage vendors to accept the purchasing card as the means of payment by the City, the City of Stuart will begin offering vendors who, during the bid/proposal process, commit to accepting the P-card a one percent (1%) reduction in their bid price for evaluation purposes only. When evaluating prices submitted by bidders or proposers in response to our solicitations, the total offered price of an offeror committed to accepting the P-card will be reduced by one percent, the resulting number will then be compared to the other bidders' offered price. If the committed bidder/proposer is awarded the contract, the award will be at the originally bid price.

The Purchasing Card Policies and Procedures manual is attached to this document as Appendix III and begins on page 38.

IX. ANNUAL REQUIREMENT AGREEMENTS

Annual Requirement Agreements (A/Rs) are also known as Term Contracts. They are agreements solicited and awarded for a specific amount of time, usually one year, with the possibility of renewal for two additional one year periods. Annual Requirement Agreements are useful for the procurement of supplies or services that are repetitively purchased over the course of the year. By consolidating the departmental/City-wide needs into one solicitation, economies of scale will be achieved.

The method of solicitation (ITB, RFP or REI) will be determined by the character of the specifications for the goods or services. An estimate of annual departmental or City-wide usage is required. The specifications and estimated usage are incorporated into a formal sealed bid/proposal package to be formally advertised and sent to those vendors who have expressed an interest in selling the specified product or service to the City of Stuart. The solicitation issued for these goods will state that the quantity estimates noted are estimates only and the City will not be held to any minimum or maximum order quantities.

The bids received will be officially opened on the advertised opening date and evaluated for responsiveness to the solicitation, responsibility of the bidder and cost of the bid items. Upon determination of the lowest, most responsive and responsible bidder a recommendation for award will be made to the appropriate city authority.

Once the appropriate City authority has awarded the contracts all departments and divisions within the City government have the capability to purchase from this agreements. Not only will City departments and divisions use this agreement but it will be available for any other governmental entity located within the territorial boundaries of the State of Florida to use as well.

Conversely, the City of Stuart has access to and may use the Term Contracts or Annual Requirement Agreements put into place by other Governmental entities. The contractor for the other entity must agree, in writing, to extend the same terms, conditions and pricing of the contract to the City of Stuart. The contract must be reviewed by the using department or division in order to assure the product or service meets their needs. After this documentation is in place, the procurement goes through the normal award procedure. The award procedure will follow the award authority as codified in City Ordinance.

X. BLANKET PURCHASE ORDERS

Blanket Purchase Orders (BPOs) are purchase orders put in place for a specific period of time for a specific amount of money for a specific class of product or service. The purpose of the BPO is to allow a department to encumber budgeted funds with a vendor that will let the department make repetitive purchases of supplies or services throughout the period in which the BPO is effective. The BPO may be available for any departmental employee to use or may be restricted to only certain authorized departmental employees. BPOs encumber budgeted funds, which gives the department the ability to track its budget in better detail.

BPOs are constrained by the same procurement levels as any other procurement. The monetary value of any B.P.O. is calculated by annual dollar value per department/division (i.e. if estimated annual purchases total less than \$5,000 it falls into the less than \$5,000 category and no quotes are required, if estimated annual purchases total \$5,000 to \$10,000 three oral quotes are required, etc.)

Blanket Purchase Orders whose annual value is estimated to be more than \$5,000 are typically written in accordance with the terms, conditions and prices of Annual Requirement Agreements (A/R) or Term Contracts solicited and awarded by the City of Stuart or another governmental entity (see Cooperative Procurement, above). The City reserves the right to increase or decrease quantities on the BPOs as necessary to meet actual quantities used.

Procurement understands that A/Rs or Term Contracts may not be in place to address the specific departmental needs. Departments may put BPOs in place with three vendors selling the same product or class of product and competition among the three generated by the department to assure that the most cost effective purchase is made.

Blanket Purchase Orders may not be used to buy capital assets (either equipment or services) consequently BPOs are usually limited to \$999.99 per transaction. Capital procurements must be made as single purchase transactions. This allows the City to track, list and annually inventory capital procurements, as City Ordinance requires.

In addition to the typical information required on a requisition (i.e. vendor, account line, authorizing signature, product description) the dollar amount to be encumbered and period for use is also required. If the BPO is written in accordance with an Annual Requirement Agreement or Term Contract, the contract (or Bid) number as well as the governmental entity that generated the contract must be also noted. The body of a typical Blanket Purchase Order to Home Depot may read as follows:

Misc. Hardware and Small tools, Blanket Purchase Order for the period 10/1/12 through 9/30/13, in accordance with U.S. Communities Contract #05091-R, \$999.99 limit per item, No Capital Equipment.

XI. EMERGENCY PROCUREMENTS

The City of Stuart Procurement Ordinance makes allowance for emergency procurements. If there exists an immediate threat to the health, safety or welfare of City of Stuart citizens or employees the City Manager may authorize an emergency procurement. A significant interruption or delay in the provision of municipal services to the public shall be deemed an immediate threat to the public welfare. All formal bidding requirements shall be suspended. However; this type of procurement will be made with as much competition as is practicable under the circumstances.

Funds for emergency purchases shall have been appropriated by the city commission in the annual budgets of the city, or must otherwise be readily available in a reserve account, or in the un-appropriated fund balance.

Upon declaration of a state of local emergency, as defined and provided in Chapter 26 of the Stuart Code of Ordinances, without prior or further approval of the City Commission, the City Manager shall have authority to contract up to a total of \$350,000.00 for emergency goods and services. If it is not possible to obtain a quorum for a meeting of the City Commission during a declared emergency, the City Manager shall have authority to expend an additional \$700,000.00 for emergency goods and services. Thereafter, if a quorum of the City Commission is unattainable, the City Manager may expend public funds with the concurrence of any two of the following:

City Commissioners
City Attorney
Financial Services Director
Chief of Police
Public Works Director

Upon a determination by the City Manager that an emergency exists which has not otherwise been "declared", the City Manager shall have authority to contract up to a total of \$350,000.00 for emergency goods and services, without prior city commission approval.

As soon as feasible (within fifteen days of the emergency purchase) a written report of the emergency shall be generated to include the name of the vendor, the type of contract used, the value of the contract and a list of items procured under the contract. The City Manager shall publicly report the facts giving rise to any emergency valued in excess of \$50,000.00 and the necessity for the emergency purchase at the next regular City Commission meeting following the date of the purchase (within fifteen days of the emergency purchase).

XII. SOLE SOURCE PROCUREMENTS

Sole source procurements are authorized by City ordinance when there is only one supplier for a particular product, service or piece of equipment. After a good faith review of available sources shows that there is only one individual or company that may sell the item to the City, documentation is put in place for the sole source procurement. This documentation consists of a letter from the vendor, on company letterhead, stating the firm is the only supplier of the item. Then the using Department writes a memorandum to the Procurement Manager stating why this item and only this item will work for the department's need. The Procurement Manager is tasked with the job of negotiating the best price, delivery and payment terms. A public record must be maintained recording all sole source procurements made by the City. The City Manager will also publicly report the facts giving rise to the sole source procurement at the next regularly scheduled Commission meeting following the date of the purchase when the value of that purchase exceeds \$50,000.00.

XIII. SINGLE SOURCE PROCUREMENT

A contract may be awarded without competitive selection when the procurement manager determines, after conducting a good faith review of available sources, that there may be more than one source for the required goods but due to the exclusive distribution rights of the vendor; or the vendor is the single provider of goods or services which have unique characteristics essential to the operational needs of the using city department and no other product or service will be suitable for use by the using department; or the vendor has special ability to provide unique spare parts or unique emergency repair service; or the vendor has unique historical, institutional knowledge and experience which will provide a continuity of service not available from any other vendor. A public record must be maintained recording all sole source procurements made by the City. The City Manager will also publicly report the facts giving rise to the sole source procurement at the next regularly scheduled Commission meeting following the date of the purchase when the value of that purchase exceeds \$50,000.00.

Sole source and single source procurements are extremely rare. Uses of single source and sole source procurements are discouraged and must be documented. By definition, single source and sole source procurements negate competition and leave the city exposed to proprietary, even

predatory pricing. In order to assist departments and divisions with documentation of sole and single source procurements, a standardized sole/single source form must be used to document these procurements. The Procurement Office will provide these forms whenever sole/single source procurements are contemplated.

XIV. CHANGE ORDERS

Change Orders are those official modifications to contracts and/or purchase orders that involve additional quantities, decreased quantities, additional time to deliver or cancellation of the order. Change Orders are most common under the following circumstances:

- a) The City of Stuart through its using department increases the scope of service for a particular project by including additional work similar in nature but not contained in the original scope of service
- b) Modify the time contractually allotted for completion of contracted work
- c) Make final adjustments to construction contracts to reflect actual quantities provided by the contractor
- d) Additional merchandise is required by the using department
- e) Over shipment of merchandise that is acceptable to the using department
- f) Under shipment of merchandise that is acceptable to the using department
- g) Reduction in order by using department
- h) Cancellation of order
- i) Change in account line (this is usually for internal distribution only and not sent to the vendor)

Change Orders to construction contracts that are valued at less than ten percent (10%) of the original contract or less than \$50,000.00 may be authorized by the City Manager. Lesser contract modifications, change orders or contract price adjustments may be approved by the City Manager without prior approval of the City Commission provided budgeted funds are available. Those Change Orders that are valued at more than the greater of ten percent (10%) of the original contract value or \$50,000.00 must be approved by the City Commission. In those instances when the scope of service is increased or overages are accepted by the City, the contractor may invoice for equitable pay in accordance with contract terms and conditions or will have negotiated cost with the City prior to delivery of the service or product. City manager has delegated change order authority to the procurement manager and/or the financial services director up to an amount not to exceed \$25,000.00.

XV. PURCHASE OF FOOD

Purchases of food are not authorized with the following exceptions:

1. Food provided for elected officials and city staff at official meetings scheduled during generally accepted meal times. All food purchases for official meetings must be pre-approved by the City Manager.
2. Food for the regularly scheduled Safety Committee meetings
3. Meals that are part of employee recognition awards
4. Food for volunteers working on behalf of the City of Stuart
5. Food for VIPs visiting the City of Stuart government on official business. (These are to be considered official meetings and food purchases must be pre-approved by the City Manager)
6. Food purchased during a declared emergency
7. Food that has been approved in the annual budget process
8. Food purchased while attending conferences and/or approved out-of-city training sessions

Any monies expended for the approved food purchases noted above must be budgeted and approved by the City Commission during the regular budget process.

XVI. RECEIVING

Goods, equipment and supplies are received by each ordering department. Departments are tasked with the responsibility of assuring all items received conform to the specifications of the Purchase Order or contract.

Goods, equipment, services and supplies shall be inspected by the using department upon delivery to determine conformance with the specifications set forth in the purchase order or contract. Inspection shall occur, if possible, in the presence of the vendor or shipper and shall include the following receipt criteria:

- a) Verify that quantity of the delivery matches the quantity ordered
- b) Inspect the delivered items or service for damage or defects
- c) Verify that the items or service delivered comply with the descriptions and specifications of the items or service ordered

d) Compare packages delivered with the Bill of Lading and note any damage or discrepancies on the Bill of Lading as well as the final invoice

e) Sign the Bill of Lading and when appropriate, the final invoice. Signature must be that of the person actually inspecting the delivery

Should the delivery person be unable to be present or refuses to be present during inspection of the delivery, note on the carrier's paperwork that the delivery is acknowledged but acceptance is reserved until the items can be inspected. The receiving person may acknowledge delivery without accepting the items.

When goods, materials, or supplies fail the receipt criteria or are damaged upon receipt, the receiving department shall immediately refuse the delivery. If the vendor or shipper is not on site, the receiving department shall contact the vendor to arrange return and replacement of the items.

No payment will be made for materials ordered without proper purchase order authorization. Payment cannot be made until materials, goods or services have been received and accepted by the City in the quality and quantity ordered. No prepayments shall be made.

XVII. FIXED ASSET MANAGEMENT

Annual Inventory

Fixed assets are defined as real property, structures, infrastructure and equipment with a value in excess of \$1000.00 and a life expectancy of more than one year. A product must reach both of these thresholds in order to be classified a fixed asset. Fixed assets are purchased from the capital account lines in each department's budget as opposed to the operational account lines. All fixed assets are assigned fixed asset numbers, tracked and inventoried annually. The objectives of inventory management include waste prevention, full utilization of supplies and maximum return of value upon disposal.

There are items included in the annual inventory that are not fixed assets. These items are carried in the fixed asset system and inventoried annually but are not computed as fixed assets purchased with capital funds and subject to depreciation.

Obsolete/Surplus Equipment Disposition

Stuart City Ordinance confers the responsibility of disposing of obsolete and surplus equipment and supplies to the City Manager. The City Manager determines what method of disposal is most beneficial to the City of Stuart whether it be by public auction, employee auction, on-line auction, formal sealed bid, posted prices or trade-in.

Department heads will determine when a specific piece of equipment or stock of supplies has become obsolete or is surplus to the operational needs of the City. The department head will

notify the City Manager that the items are surplus or obsolete and request the City Manager declare them as such. Once they have been declared surplus, the method of disposal will be determined.

XVIII. CONSTRUCTION

Construction solicitations and resulting contracts are designed to protect the interests of the City when infrastructure and vertical structures are built on behalf of the City. Concurrently, the Bidding Documents are intended to assure Bidders fair and equitable treatment. These documents are intended to give direction to construction contractors to assure that the construction projects produced will be built as designed by the architect or engineer who designed them. The City dictates the terms, conditions, specifications and scope of work under which construction contractors may submit acceptable bids to the City.

The intent of the Procurement Office is to create a bid document that accurately describes the construction project in a manner that is understandable to the bidding community. To accomplish this end, Procurement depends on the requesting department to supply a comprehensive scope of work which includes technical specifications, drawings, construction schedule, site conditions and any other conditions that may have a material effect on the bid. Most of these documents and requirements are generated by the professional (Architect or Engineer) selected for the project. Procurement must depend on the end using department to assure the information, as it is passed on to Procurement, is comprehensive, understandable to the bidding community and describes the final product as the City expects it to be delivered.

Upon notification that a construction project will be put out to bid, Procurement will request preliminary solicitation information from the requesting department which asks for all of the above information as well as funding, grant and permitting information.

Any grant information is particularly important because certain grants require special procurement language to meet the grant requirements. The grant may also require compliance to Federal or state mandates by the successful contractor. This compliance, in some instances, will have a material impact on the final bid price from the contractor to the City. A copy of the grant document should be part of the project initiating information sent to the Procurement Office. This will give the Procurement Office a chance to research any special procurement mandates required and include them in the final solicitation package.

Grants also require periodic reporting which maintains the city's qualification status with the granting agency. If the Procurement Office is aware of these conditions at the beginning of the project, grant documentation is easier to compile, track and complete.

Bonding and Insurance requirements are intended to protect the interests of the City without driving the project cost up to an unacceptable total cost. In general, construction projects will exceed the threshold requirements triggering the need for bid guarantees, a payment guarantee and a performance guarantee. Insurance requirements must be evaluated and modified if necessary to assure the City's exposure to liability is limited as much as is fiscally feasible.

A construction project will, in general, be scheduled as follows:

- a) The operating department will review the scope of work, technical specifications and construction drawings submitted by the design professional for completeness and accuracy. When the department is satisfied that the documents describe the proposed project, they notify the Procurement Office that a construction project has been budgeted and the department is prepared to begin the solicitation process;
- b) The Procurement Office will request preliminary solicitation information from the requesting department. The requesting department will provide the Preliminary Solicitation form and return it to the Procurement Office with the scope of work, technical specifications and construction drawings.
- c) Using this information, Procurement Office will create the first draft of the solicitation documents and forward them to the department and design professional for review, revision and final approval;
- d) Upon final approval of the bid documents, Procurement Office will request legal advertisement of the solicitation in, at a minimum, the Stuart News. The Procurement Office will mail notification of the solicitation to vendors on the City's vendor list and concurrently post the solicitation on DemandStar for on-line distribution of the solicitation package;
- e) Procurement Office will accept questions, both technical and procedural, concerning the solicitation. Procurement Office will issue addenda after conferring with the operating department and design professional answering the questions when necessary;
- f) The Procurement Office will administer a Pre-bid conference held to allow prospective bidders to ask questions directly of the engineer/architect and City department personnel in order to clarify specifications, requirements, terms and conditions. All addenda must be acknowledged in writing by all bidders. If bids are submitted without acknowledgement of addenda, the submitted bids will be declared non-responsive and no further evaluation of the non-responsive bids will occur;
- g) An Addendum will be issued resulting from questions asked at the pre-bid conference and/or to clarify ambiguities in the bid package.
- h) Procurement Office will conduct the formal bid opening, tabulating the bids and performing an initial evaluation of bids submitted;
- i) Procurement Office will compile the bids; perform a detailed evaluation of the bidder's responsiveness to the bid requirements; create a bid tabulation sheet and forward this package to the operating department for detailed technical evaluation of the bidders responsiveness to the specifications;

- j) The operating department will review and evaluate the bids received and respond in writing to the Procurement Office with a recommendation to award the bid to the lowest, most responsive and responsible bidder or to reject all bids.
- k) The Procurement Office will compose an agenda item to present the City Commission for approval and authorization to execute the resulting construction contract.
- l) Upon award of the bid and execution of the contract the Procurement Office will send a Notice of Award to the successful contractor with instruction to send required documentation of Insurance and Bonding to the Procurement Office within ten calendar days.
- m) When the required Insurance, Bonds and executed Contract are in place, the Procurement Office will schedule a pre-construction conference to be attended by the operating department, design professional and successful contractor. This meeting establishes lines of communication; reviews the project and addresses any special conditions of construction. The Notice to Proceed, executed contract and Purchase Order are given to the contractor. Administration of the project is then transferred to the operating department. When the project is grant funded, the operating department will maintain communication with the Procurement Office regarding the status of the project and invoicing.

XIX. DESIGN/BUILD CONTRACTS

A design/build contract is defined as a single legal instrument with a design/build firm which will encompass both the design and construction segments of a construction project. Usually design/build is used to decrease the time between a construction project initiation and delivery of the finished product.

The solicitation process and selection of the design/build professional is outlined in detail in the *City of Stuart Code of Ordinances: Chapter 2- Administration, Division 5. Design-Build Contracts*, attached to this document as Appendix II.

Appendix I

City of Stuart Code of Ordinances: Chapter 2- Administration, Division 4. Procurement.

DIVISION 4. PROCUREMENT & CONTRACTING

Sec. 2-271. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Bid specifications means the description of contracting terms prepared by the City and set forth in an invitation for bids from prospective vendors.

City manager means the city manager of the city and includes any designee of the city manager.

Financial services director means the financial services director of the city who works under the direct supervision of the city manager and includes any designee of the financial services director.

Goods means supplies, services and construction to be acquired by the city.

Invitation for bids means a solicitation by the city for the submission of bids to provide goods to the City.

Procurement and contracting manager means the manager of procurement and contracting services for the city.

Professional service means a service provided by a person, firm or partnership in a recognized professional field including services that are artistic, advertising, planning, engineering, architectural, surveying/mapping, landscape architectural, legal, medical, health, auditing, appraisal, insurance, financial, banking, scientific, information technology, educational service, and any service provided by a governmental agency or a not-for-profit entity; any other service commonly provided by lawyers, physicians, medical professionals, engineers, architects, surveyors/mappers, landscape architects, financial advisors, investment advisors, information technology professionals, accountants, planners, scientists and environmental experts.

Purchase order means a written directive issued by the city manager, financial services director or procurement & contracting manager to a vendor for the acquisition of goods. A purchase order is a formal agreement between a vendor and the city for supply of and payment for goods.

Request for proposals, or RFP, means the description of contract terms, conditions, specifications and evaluation criteria prepared by the city and set forth in a solicitation for proposals from prospective vendors.

Solicitation for proposals means a solicitation by the City for the submission of proposals to provide goods to the City.

Request for Expressions of Interest (REI) or Request for Qualifications (RFQ) means a solicitation for professional services as defined in FSS 287.055, et seq. Consultants' Competitive Negotiation Act, (CCNA).

Vendor means a person or business entity which supplies goods to the City.

(Code 1981, § 2-140)

Cross reference(s)--Definitions generally, § 1-2.

Sec. 2-272. Procurement and contracting services manager; authority and duties

(a) The procurement and contracting services manager shall be responsible for the procurement of goods by the city in accordance with this division. Any responsibility of the procurement and contracting services manager described in this division may be performed by the city manager or the financial services director.

(b) The procurement and contracting services manager shall provide for the:

- (1) Acquisition or supervision of the acquisition of all goods acquired by the city;
- (2) Direct supervision of all city inventories of supplies;
- (3) Establishment of programs for specifications development, for contract administration, and for inspection and acceptance of the goods.
- (4) The procurement and contracting services manager may establish regulations governing procurement which administer the provisions of this division with the prior review and approval of the city manager.

(c) The city manager shall provide for the:

- (1) Sale, trade, or other disposition of surplus City supplies and equipment; and
- (2) The City Manager may establish operational procedures relating to the performance of the duties of the procurement and contracting services manager and the financial services director described in this division.

(Code 1981, § 2-141)

Sec. 2-273. Cooperative procurement; authorized

The processes used by other governmental entities to procure goods through open, public solicitations substantially in accordance with the provisions of this division and the successful vendor agrees to extend the same terms, conditions and prices to the City of Stuart; the City of Stuart may use these solicitation processes as a basis for award, This action is known as “cooperative purchasing” or “piggy-back” use of a valid contract..

Cooperative purchasing includes multiparty contracts between and among agencies and open-ended State of Florida procurement contracts made available to the City by law; and contracts competitively solicited and awarded by other governmental entities; and contracts put into place by the Federal General Services Administration (GSA), access to which has been granted to local governmental entities.

(Code 1981, § 2-142)

Sec. 2-274. Procurement of construction, including paving and underground construction

It is the express intent of the city commission that any award for construction, including building construction, paving construction, and underground construction, shall only be procured in accordance with the requirements of Florida State Statute 255.20 et seq. This intention shall not include the extension of any existing or future contract or procurement lawfully entered into by the city, prior to June 30, 2012, and services or construction which is at or below the threshold for procurement by the city manager.

Sec. 2-275. Authority to execute written contracts

(a) The city manager, the financial services director, and the city procurement & contracting services manager are authorized to execute purchase orders provided funds have been appropriated therefore by the city commission in the annual budget of the city. After funds have been appropriated by the city commission in the annual budget process for a particular purchase and the vendor has been selected in accordance with the provisions of this division, and the purchase order/contract does not obligate the city to anything other than payment of the contract price a purchase order or contract can be issued to the vendor by the city manager without need of further city commission action regardless of dollar amount.

Construction contracts including building construction, road construction/re-paving and underground construction valued in excess of \$50,000.00 will be presented to the city commission for approval and award of the contract.

(b) The city manager is authorized to execute a written two-party or multiparty procurement contract binding upon the city which has not been specifically approved by the City commission if:

- (1) The amount of the contract does not exceed \$50,000.00;
- (2) Funds for the procurement of the goods have been appropriated by the city commission in the city budget;
- (3) No contractual obligation is incurred by the city other than the expenditure of appropriated funds; and
- (4) The selection of the vendor has been made in accordance with the provisions of this division.

(c) The procurement and contracting services manager and the financial services director are each authorized to execute a written two-party or multiparty procurement contract binding upon the city which has not been specifically approved by the city commission if:

- (1) The amount of the contract does not exceed \$25,000.00;
- (2) Funds for the procurement of the goods have been appropriated by the city commission in the city budget;
- (3) No contractual obligation is incurred by the city other than the expenditure of appropriated funds; and
- (4) The selection of the vendor has been made in accordance with the provisions of this division.

(d) Except as provided in subsections (a), (b) and (c) of this section, no written contract shall be executed by any city officer or employee that has not been specifically approved by the city commission. A written contract executed in violation of this provision shall not be binding upon the city and no party to such contract shall obtain any rights thereby.

(e) The provisions of this section shall not apply to contracts for professional services selected in accordance with Florida State Statute 287.055, et seq. (CCNA).

(Code 1981, § 2-143)

Sec. 2-276. Contract provisions

All written contracts for procurement shall include provisions necessary to define the responsibilities and rights of the parties to the contract and may include:

- (a) The unilateral right of the City to order changes in the work within the scope of the contract;
- (b) The unilateral right of the City to order temporary stoppage of work or supervision of performance that does not alter the scope of the contract;
- (c) Variations occurring between estimated quantities of work stated in the contract and actual quantities to be utilized;
- (d) Pricing;
- (e) Time of performance and liquidated damages, when applicable;
- (f) Specified acceptable reasons for delay or nonperformance (Force Majure);
- (g) Contract termination;
- (h) Suspension of work on a construction project ordered by the City;

- (i) Site conditions differing from those indicated in the contract, or ordinarily encountered; and;
- (j) Antidiscrimination assurances from the vendor.

(Code 1981, § 2-144)

Sec. 2-277. Contract administration by procurement and contracting services manager

Contract administration by the city is intended to ensure that a vendor perform in accordance with the bid specifications or request for proposals under which the contract was awarded, and with the terms and conditions of the contract itself. The procurement and contracting services manager shall be the city contract administrator unless the contract indicates otherwise.

(Code 1981, § 2-145)

Sec. 2-278. Small purchases.

(a) Any procurement of goods for less than \$25,000.00 shall be deemed to be a small purchase. Contracts shall not be apportioned for the sole purpose of avoiding the application of more restrictive purchasing requirements.

(b) The procurement and contracting services manager and the financial services director are authorized to execute purchase orders for small purchases as follows:

- (1) Small purchases of less than \$5,000.00 may be made by using a single telephoned or facsimiled quotation from a vendor known to be competitive with respect to the subject matter of the purchase order;
- (2) Small purchases of between \$5,000.00 and \$10,000.00 may be made using not less than three verbal or facsimiled quotations from different vendors;
- (3) Small purchases of between \$10,000.00 and \$25,000.00 may be made using not less than three written quotations on vendor letterhead, signed by vendor representative authorized to obligate vendor, from a minimum of three different vendors.

(Code 1981, § 2-146; Ord. No. 1367, § 1(2-146), 11-14-94)

Sec. 2-279. Sole source procurement.

A contract may be awarded without competitive selection when the procurement and contracting services manager determines, after conducting a good faith review of available sources, that there is only one source for the required goods. The procurement and contracting services manager shall conduct negotiations, as appropriate, as to price, delivery and terms. A record of sole source procurement shall be maintained as a public record and shall list the name of each vendor, the amount and type of each contract and a list of the items procured under each contract. The city manager shall publicly report the facts giving rise to any such purchase

exceeding \$50,000.00 at the next regular city commission meeting following the date of purchase.

(Code 1981, § 2-147; Ord. No. 1367, § 1(2-147), 11-14-94)

Sec. 2-280 Single source procurement

A contract may be awarded without competitive selection when the procurement and contracting services manager determines, after conducting a good faith review of available sources, that there may be more than one source for the required goods but due to the exclusive distribution rights of the vendor; or the vendor is the single provider of goods or services which have unique characteristics essential to the operational needs of the using city department and no other product or service will be suitable for use by the using department; or the vendor has special ability to provide unique spare parts or unique emergency repair service; or the vendor has unique historical, institutional knowledge and experience which will provide a continuity of service not available from any other vendor. The city manager shall publicly report the facts giving rise to any such purchase exceeding \$50,000.00 at the next regular city commission meeting following the date of purchase.

Sec. 2-281. Emergency procurement

(a) *Intent.* It is the intent of the city commission to grant the city manager the authority to act during an emergency to protect the public health, safety and welfare, in certain circumstances, without the prior approval of the city commission.

(b) *Definitions. Emergency* shall mean an adverse condition or circumstance in which the public health, safety or welfare is immediately and significantly threatened. A significant interruption or delay in the provision of municipal services shall be deemed an immediate threat to the public welfare.

(c) *General authority and requirements.*

(1) The city manager may designate one or more city employees, in writing, to issue contracts and purchase orders for the emergency procurement of goods and services.

(2) The city manager shall make a written report of emergency purchases of goods and services that individually or cumulatively (for each event) exceed \$50,000.00. Such report shall be made to the city commission within 15 days of such purchase, and shall detail a record of each emergency purchase or contract made, and shall set forth the name of the vendor, the material terms of the purchase order or contract, and the amount and type of the goods or services furnished.

(3) Funds for emergency purchases shall have been appropriated by the city commission in the annual budgets of the city, or must otherwise be readily available in a reserve account, or in the un-appropriated fund balance. Such funds shall be later transferred into an applicable

appropriated fund. No expenditure provided for herein shall be made unless current funds are available, and unencumbered, and as otherwise provided by law.

(4) All formal bidding requirements shall be suspended, and the procurement and contracting services manager shall employ sound purchasing practices including requests for quotations and proposals, either orally or in writing, or comparative pricing, whenever prudent and practicable to do so.

(d) *Declared emergencies.* Upon declaration of a state of local emergency as provided in chapter 26 of this Code, and without further approval of the city commission, the city manager shall have authority to contract up to a total of \$350,000.00 for emergency goods and services, without prior city commission approval. Notwithstanding this provision, the city manager shall have the authority to expend up to an additional \$700,000.00 for emergency goods and services, if it is not possible to obtain a quorum for a meeting of the city commission during a declared emergency, which is convened to consider such expenditure. Thereafter, if a quorum of the city commission is unattainable, the city manager may expend public funds with the concurrence of any two of the following: city commissioners, the city attorney, the financial services director, the chief of police, or the public works director.

(e) *Other emergencies.* Upon a determination by the city manager that an emergency exists which has not otherwise been "declared" as stated above, the city manager shall have authority to contract up to a total of \$350,000.00 for emergency goods and services, without prior city commission approval.

(Code 1981, § 2-148; Ord. No. 1367, § 1(2-148), 11-14-94)

Sec. 2-282. Contracting for professional services

(a) The procurement of architectural, engineering, landscape architectural or land surveying/mapping services shall be made in accordance with the provisions of state law, F.S. Chapter 287.055, et seq. (CCNA).

(b) Procurement of professional services not subject to state law shall be by the use of competitive sealed proposals, except when the anticipated fee for the professional service is less than \$50,000.00. Notwithstanding the foregoing, the city commission may authorize the procurement of other professional services by negotiating with individuals or organizations recommended by the city manager or by the city attorney on the basis of experience and skill.

(c) Professional services may be procured by purchase order issued by the city manager provided the cost of the service is less than \$50,000.00; funds to pay the cost of the service have been budgeted by the city commission; and no obligation is incurred by the city other than the payment of budgeted funds. In such cases the service provider shall provide such insurance to the city as may be required by the procurement and contracting services manager.

(Code 1981, § 2-149)

Sec. 2-283. Invitation to bid procedure

- (a) Except as otherwise provided in this division, all contracts of the city exceeding \$25,000.00 shall be awarded by competitive sealed bidding.
- (b) An invitation to bid shall be issued which shall include specifications and all contractual terms and conditions applicable to the procurement.
- (c) Public notice of the invitation to bid shall be given not less than ten calendar days prior to the date set forth in the notice for the opening of bids. Such notice may be given by publication in a newspaper of general circulation in the city, or posting the notice on a bulletin board on city property with public access or posting the notice on the city's web site. The notice shall state the place, date, and time of bid opening.
- (d) Bids shall be opened publicly at the time and place designated in the public notice. The amount of each bid and such other relevant information as the procurement and contracting services manager deems appropriate, together with the name of each bidder, shall be maintained as a public record of the city in accordance with Florida State Statute Chapter 119, et seq. Public Records.
- (e) Bids shall be evaluated considering the requirements set forth in the invitation to bid which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Criteria that will affect the bid price shall be considered in the evaluation including discounts, transportation costs, and total or life cycle costs.
- (f) A contract will be awarded to the lowest bidder who meets the specifications of the solicitation and has the financial resources and ability to complete the contract within the timetables and specifications required (lowest responsive and responsible bidder).
- (g) Withdrawal of bids after bid opening shall be permitted if the bidder shows by convincing evidence that a mistake was made, the nature of the mistake, and the bid price actually intended. All decisions to permit the withdrawal of bids shall be supported by a written determination made by the procurement and contracting services manager.
- (h) The contract shall be awarded by the city with reasonable promptness by appropriate written notice to the lowest responsible bidder whose bid meets the specifications, requirements and criteria set forth in the invitation to bid.
- (i) The city may reject all bids in its sole discretion for any reason; waive technicalities and informalities within the bid or the solicitation; and the invitation to bid shall so state.

(Code 1981, § 2-150; Ord. No. 1367, § 1(2-150), 11-14-94)

Sec. 2-284. Request for proposals

- (a) When the procurement and contracting services manager determines that the use of competitive sealed bidding is either not practicable or not advantageous to the city, a contract may be made by use of a request for proposals (RFP).
- (b) Sealed proposals shall be solicited through an RFP. Public notice of the RFP shall be given in the same manner as provided in section 2-283 relating to an invitation to bid.
- (c) Sealed proposals shall be opened at the time designated in the public notice of the RFP. A list of proposals shall be prepared containing the name of each vendor, the number of modifications received, if any, and a description sufficient to identify the proposal offered.
- (d) The RFP shall state the relative importance of price and other evaluation factors.
- (e) As provided in the RFP, discussions may be conducted with responsible vendors who submitted proposals for the purpose of clarification to assure full understanding of and conformance to the RFP. Vendors shall be accorded fair and equal treatment with respect to opportunities for discussion and revision of proposals. Revisions may be permitted after submission and prior to award in the discretion of the city.
- (f) Award shall be made to the responsible vendor whose proposal is determined to be the most advantageous to the city taking into consideration price and the evaluation factors set forth in the RFP.
- (g) The city may reject all proposals in its sole discretion for any reason and waive technicalities and informalities; and the RFP shall so state.

(Code 1981, § 2-151)

Sec. 2-285. Cancellation of invitations for bids or requests for proposals

An invitation to bid or an RFP may be canceled in whole or in part as may be specified in the invitation or solicitation when it is in the best interest of the City to do so. Notice of cancellation shall be sent to all vendors who responded. The notice shall explain the reason for cancellation and that an opportunity will be given to compete on future procurement of similar items.

(Code 1981, § 2-152)

Sec. 2-286. Bid bonds and payment and performance bonds.

Except as provided in section 2-287, bid bonds and payment and performance bonds may be required for procurement contracts as the procurement and contracting manager deems advisable in the best interest of the city. Any bonding requirements shall be set forth in the bid specifications or in the request for proposals. Bid bonds and payment and performance bonds

shall not be used solely as a substitute for a determination by the city of the financial responsibility of a provider.

(Code 1981, § 2-153)

Sec. 2-287. Bid bonds, payment and performance bonds.

(a) A bid bond provided by a surety company authorized to do business in this state or the equivalent in cash shall be required for all competitive sealed bids for construction, specially built equipment and service contracts when the price is estimated by the city to exceed \$50,000.00. For smaller contracts, a bid bond may be required at the discretion of the procurement and contracting manager.

(b) A bid bond shall be in an amount equal to ten percent of the amount of the bid. A bid shall be rejected in the event of substantial noncompliance. If a bidder is permitted to withdraw its bid before award, no action shall be taken against the bid security.

(c) When a construction contract is awarded in excess of \$50,000.00, a performance bond satisfactory to the city executed by a surety insurer authorized to do business in the state as a surety in an amount equal to 100 percent of the price specified in the contract conditioned that the vendor contractor perform the contract in the time and manner prescribed in the contract shall be delivered to the city and shall become binding on the parties upon the execution of the contract.

(d) When a construction contract is awarded in excess of \$50,000.00, a payment bond satisfactory to the city executed by a surety insurer authorized to do business in the state as a surety may be required in an amount equal to 100 percent of the price specified in the contract conditioned that the vendor contractor promptly make payments to all persons supplying labor, materials or supplies used directly or indirectly in the performance of the work provided for in the contract and who are claimants as defined in F.S. § 255.05, et seq.

(e) The provisions of F.S. § 287.0935, et seq. shall apply to bonds relating to City contracts.

(Code 1981, § 2-154; Ord. No. 1367, § 1(2-154), 11-14-94)

Sec. 2-288. Maximum practicable competition

An invitation to bid, an RFP and all specifications shall be drafted so as to promote overall economy for the purposes intended and to encourage competition in satisfying the needs of the City. Invitations and solicitations shall not be unduly restrictive.

(Code 1981, § 2-155)

Sec. 2-289. Brand name specification

(a) Specifications stating "brand name or equal" may be used only when the procurement and contracting manager determines that:

- (1) No other design or performance specification or qualified products list is available;
- (2) Time does not permit the preparation of another form of purchase description;
- (3) The nature of the product or the needs of the city makes use of a brand name or equal specification suitable for the procurement; or
- (4) Use of a brand name or equal specification is in the best interest of the city.

(b) Brand name or equal specifications shall designate as many different brands as are practicable as equal and shall state that substantially equivalent products in the sole discretion of the City will be considered for award. Brand name or equal specifications shall include a description of the particular design, functional, or performance characteristics which are required. The specifications shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance and characteristics desired, and are not intended to limit or restrict competition.

(Code 1981, § 2-156; Ord. No. 1367, § 1(2-156), 11-14-94)

Sec. 2-290. Responsibility of vendors

If a vendor who otherwise would have been awarded a contract is found not responsible, a written determination thereof setting forth the basis of the finding shall be prepared by the procurement and contracting services manager. Grounds for a determination may include but are not limited to the unreasonable failure of the vendor to promptly supply information in connection with an inquiry with respect to responsibility. A copy of the determination shall be sent promptly to the vendor. The final determination shall be a public record. Any such determination may be appealed to the City commission.

(Code 1981, § 2-157)

Sec. 2-291. Change Orders

Every construction contract modification, change order or contract price adjustment, individually or cumulatively in excess of the greater of ten percent of the contract price or \$50,000.00, shall be subject to prior approval by the city commission. Lesser contract modifications, change orders or contract price adjustments may be approved by the city manager without prior approval of city commission provided budgeted funds are available.

City manager may delegate change order authority to the procurement and contracting services manager or the financial services director, or both, up to an amount not to exceed \$25,000.00.

(Code 1981, § 2-158)

Sec. 2-292. Bid protests.

(a) Any actual or prospective vendor or contractor who is aggrieved in connection with a solicitation or award of contract may protest in writing to the city manager. A protest with respect to an invitation for bids or RFP shall be submitted to the city manager in writing prior to the opening of bids or the closing date of proposals. The city manager is authorized to settle any such protest, provided however; settlement for consideration exceeding \$5,000.00 in value shall be approved by the city commission.

(b) The city shall not proceed further with a protested solicitation unless the city manager has made a written determination that an award of a contract without delay is necessary to protect the interests of the city. The decision of the city manager regarding the protest may be appealed by an aggrieved party to the city commission.

(Code 1981, § 2-159)

Sec. 2-293. Contract award protests.

A protest with respect to an award of contract shall be submitted to the city manager in writing within ten days of award. If, after an award of contract, the city manager determines that the invitation or solicitation or the award of a contract was in violation of the invitation to bid, the bid specifications, the RFP, or other applicable law, then the contract shall be ratified by the city commission provided it is determined by the city commission that doing so is in the best interest of the city and the vendor awarded the contract has not acted fraudulently or in bad faith. Alternatively, such contract may be terminated and the vendor awarded the contract compensated for the actual costs reasonably incurred under the contract prior to the termination. If the vendor or entity awarded the contract is determined by the city manager to have acted fraudulently or in bad faith, the contract shall be declared null and void.

(Code 1981, § 2-160)

Sec. 2-294. Contract claims.

Unless modified by contract, the following rules shall apply to contract claims.

(a) All claims of a vendor against the city relating to a contract shall be submitted in writing to the procurement and contracting services manager for a decision. The claimant may request a conference on the claim. Claims include, without limitation, disputes arising under a contract based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or revision.

(b) The decision of the procurement and contracting services manager shall be promptly issued in writing and furnished to the claimant. The decision shall state the reasons for the decision reached and shall inform the claimant of its appeal rights. If the procurement and contracting services manager does not issue a written decision regarding any contract controversy within 14 days after receipt of a written request for a final decision, then the aggrieved party may proceed as if an adverse decision had been issued.

(c) The decision of the procurement and contracting services manager shall be final and conclusive unless within ten calendar days from the date of receipt of the decision the claimant files a written notice of appeal with the city manager. The decision of the city manager shall be deemed final and conclusive when rendered.

(Code 1981, § 2-161)

Sec. 2-295. Authority to debar; cause.

The city manager is authorized to debar for up to three years any vendor from consideration for award of city procurement contracts. Debarment shall be for cause.

(Code 1981, § 2-162)

Sec. 2-296. Causes for debarment.

The following action of a vendor or of a principal of a vendor shall constitute cause for debarment of the vendor:

(a) Conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

(b) Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a vendor;

(c) Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;

(d) Violation of any contract provision of a contract made by the vendor with the city or another agency including but not limited to:

(1) Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; and

(2) A record of failure to perform or of unsatisfactory performance in accordance with the terms of the contract provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the vendor shall not be considered to be a basis for debarment;

- (e) Violation of the ethical standards set forth in this article;
- (f) Failure without justification on one or more occasions to perform a contractual obligation in accordance with industry standards or contract provisions; and
- (g) Any other cause the city manager determines to be serious and compelling so as to affect responsibility of a vendor including debarment by another governmental entity for any cause listed in this article.

(Code 1981, § 2-163)

Sec. 2-297. Debarment procedure

(a) The city manager shall issue a written decision to debar. The decision shall state the reasons for the action taken and inform the debarred vendor of the right to appeal to the city commission. A copy of the decision of the city manager shall be mailed or otherwise furnished immediately to the debarred vendor and to the city commission.

(b) A decision to debar shall be final and conclusive unless within ten days after receipt of the decision the debarred vendor files a written notice of appeal to the city commission. The decision of the city manager shall be deemed final and conclusive if affirmed by the City commission.

(Code 1981, § 2-164)

Sec. 2-298. General inventory supervision

The objectives of supply management inventory include waste prevention, full utilization of supplies and maximum return of value upon disposal. The procurement and contracting services manager shall perform and have general supervision of the inventory of city supplies and equipment. All storage areas shall be periodically inventoried. The procurement and contracting services manager shall have general supervision of the determination of appropriate stock levels and shall economically order quantities for all city inventories.

(Code 1981, § 2-165; Ord. No. 1367, § 1(2-165), 11-14-94)

Sec. 2-299. Disposition of surplus supplies

At the discretion of the city manager, surplus inventories shall be offered through competitive sealed bids, public auction or posted prices. Because some supplies can be sold or disposed more readily and advantageously by other means including the use of brokers, the city manager may employ such other means as are most advantageous to the city.

(Code 1981, § 2-166)

Sec. 2-300. Trade-in

Surplus supplies may be traded in when the city manager determines that the trade-in value exceeds the value anticipated through the sale or other method of disposal.

(Code 1981, § 2-167)

Sec. 2-301. Conflict of interest

It shall be unlawful for any city officer or employee to participate directly or indirectly in a procurement contract when the city employee knows that he or any member of his immediate family will personally benefit there from in any manner.

(Code 1981, § 2-168)

State law reference(s)--Code of ethics, F.S. § 112.311 et seq.

Sec. 2-302. Gratuities and kickbacks.

(a) It shall be unlawful for any person to offer, give, or agree to give any city officer or employee or for any city officer or employee agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore.

(b) It shall be unlawful for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

(Code 1981, § 2-169)

Sec. 2-303. Use of confidential information

It shall be unlawful for any City officer or employee to use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person.

(Code 1981, § 2-170)

Sec. 2-304. Waiver of competitive selection by city commission

The city commission may, when deemed to be in the best interests of the city and to the extent not inconsistent with law, waive any or all requirements or provisions set forth in this division and may proceed thereafter to take whatever procurement action is deemed to be in the best interests of the city.

Sec. 2-305. Products and services exempt from the competitive process.

There are certain products and services that have no competitive arena within which price comparison will be likely to produce the most useful or beneficial product or service. Such products and services shall not require competitive solicitation. However, terms, conditions and prices will be negotiated to assure the city obtains fiscally responsible products and services. These products and services include, but may not be limited to the following:

- (1) Artistic
- (2) Medical
- (3) Veterinary
- (4) Educational
- (5) Managerial
- (6) Financial
- (7) Legal
- (8) Animal procurement
- (9) Products or services procured from other governmental agencies
- (10) Products procured for resale
- (11) Used Equipment
- (12) Advertising
- (13) Scientific

Secs. 2-306 – Sec. 2-310. Reserved

APPENDIX II

City of Stuart Code of Ordinances: Chapter 2- Administration, Division 5. Design-Build Contracts

DIVISION 5. DESIGN-BUILD CONTRACTS

Sec. 2-311. Definitions.

As used in this division, the following words shall have the following meanings unless the context clearly indicates otherwise:

Design-build contract means a single contract with a design-build firm encompassing the design and construction of a project.

Design-build firm means an individual, partnership, corporation, or other legal entity which is certified to engage in contracting as or through a certified or registered general or building contractor or which is certified to practice or to offer to practice engineering, architecture, or landscape architecture.

Design-build package means a concise performance-oriented set of drawings and specifications of the requirements of a project which define the design parameters and the time and budgetary constraints to be achieved.

Design criteria professional means an individual, partnership, corporation, or other legal entity which holds a current certificate of registration to practice engineering, architecture, or landscape architecture or which holds a current certificate as a registered engineer and which is employed by or under contract to the City for the provision of professional engineering, architectural, or landscape architectural services in connection with the preparation of a design criteria package.

(Ord. No. 1464, § 1, 1-13-97)

Sec. 2-312. Qualification procedures

(a) As deemed necessary by the City Manager, the City shall review the statement of qualifications and performance data submitted by interested design-build firms and shall review other pertinent information available to the City to determine if individual firms are certified to render services to the City. Among the factors to be considered in making a determination as to certification are the capability and adequacy of personnel, and the past performance record, experience, and financial standing of the firm.

(b) The City may request evaluation of the on-going performance of each design-build firm under contract to render professional services to the City and may make that evaluation part of the permanent record as information to be used when the firm again is under consideration for City work. In making an evaluation, consideration shall be given to performance in meeting

quality level of services required in the contract, performance in administration of the project, and the relationship with the City, construction contractor, and other persons concerned.

(c) The City shall cause to be maintained a current list of certified design-build firms, along with a designation for each firm indicating the categories of work for which each firm is certified.

(d) A request may be sent by the City to each design-build firm on the certified list for updated information regarding the professional qualifications of the firm.

(Ord. No. 1464, § 1, 1-13-97)

Sec. 2-313. Selection of firm

(a) A design criteria professional selected by the City in accordance with the provisions of F.S. § 287.055 shall prepare a design criteria package for each project for which a design-build contract will be solicited. Alternatively, the design criteria package may be prepared by an employee of the City. A design criteria professional, if used, shall not be eligible to render services as a design builder for the project. The design criteria package shall be approved by the City commission.

(b) The design criteria package shall consist of performance-oriented drawings and specifications of the requirements of the project which define the design parameters and the time and budgetary constraints to be achieved. Performance-based criteria may include the legal description of the project site, survey information, interior space requirements, material quality standards, schematic layouts and conceptual design criteria, cost or budget estimates, design and construction schedules, site development requirements, utilities requirements, storm water retention and disposal, on-site parking, and land acquisition. The selected design-build firm shall be responsible to design the project to meet the design criteria.

(c) The design criteria professional shall assist the City in the review of the design documents prepared by the design builder and submitted to the City. During construction, the design criteria professional shall also report to the City regarding the compliance of the construction with the design criteria package.

(d) The City shall cause to be published in a newspaper of general circulation within the City a legal notice generally describing the project and indicating how interested firms can apply for consideration. Publication shall not be required in the case of a valid public emergency so determined by the City Manager.

(e) The City shall designate a City employee, who is identified in the published legal notice, who may conduct discussions with interested firms to clarify the nature and scope of the project. Such discussions shall be undertaken so as not to give any firm an unfair advantage over other firms in preparing and submitting a design-build proposal.

(f) The City shall evaluate all design-build proposals submitted by the interested design-build firms. The City Manager shall conduct discussions with, and, unless fewer proposals are

received, may require presentations by no fewer than, three design-build firms to determine an order of preference of the most qualified firms to provide the services. In making such determination, the factors to be considered shall include past performance of the firm; ability of personnel to perform the work; ability to meet time and budget constraints; location of the firm; financial capability; recent, current, and projected work loads of the firm; and any other factors that may be established prior to the solicitation of proposals. The City Manager shall consult with the design criteria professional during the evaluation of the proposals prior to making a final determination. The City may utilize a design competition as part of the selection process. The City commission shall confirm the order of preference determined by the City Manager.

(g) After the order of preference has been approved by the City commission, the City Manager shall attempt to negotiate a contract for design-build services with the firm first in the order of preference. The City Manager shall conduct a detailed analysis of the cost of the design-build services required, giving consideration to the scope and complexity of such services. Should discussions with the firm of first preference fail to produce a contract which is believed to be fair, competitive and reasonable, discussions shall be terminated with such firm and discussions shall commence with the firm of second preference. Failing an accord with this firm, discussions shall commence with the firm of third preference. If the City Manager is unable to negotiate a satisfactory contract with any of the preferred firms, notice thereof shall be given to the City commission. The City commission may direct that discussions be recommenced with any of the preferred firms or may direct that discussions be commenced with another firm. The City commission may also decide to terminate the process.

(h) Any contract reached with a design-build firm according to the process described above shall be reviewed and approved by the City attorney prior to execution by the City commission.

(Ord. No. 1464, § 1, 1-13-97)

Appendix III Purchasing Card Policies and Procedures

SECTION 1 – INTRODUCTION

The City of Stuart Purchasing Card Program is designed to improve efficiency in processing low dollar purchases from any vendor that accepts the Visa credit card. A majority of our suppliers accept the Visa Purchasing Card.

This program allows the cardholder to purchase approved commodities and services directly from our vendors in accordance with generally accepted public purchasing practice and the City of Stuart Procurement Ordinance. Each Purchasing Card is issued to a named individual and the City of Stuart is clearly shown on the card as the Governmental buyer of goods and services.

Purchasing and Accounting will monitor the performance of the program. All questions or concerns should be directed to:

Procurement Policy/Operations related:	Terry Iverson	288-5320
Payment related:	Marianne Cleighton	288-5314

A. PURPOSE - POLICIES AND PROCEDURES:

1. Provide an efficient method of purchasing and paying for goods and services not exceeding \$999.99 per purchase.
2. Reduce the use of recurring small purchase orders.
3. Ensure that Purchasing Card purchases are in accordance with the City's ordinances, policies and procedures.
4. Reduce the time spent processing low dollar transactions.
5. Ensure that the City bears no legal liability from inappropriate use of Purchasing Cards.
6. Provide for disciplinary action if the Purchasing Cards are misused.

Herein are the minimum standards for City Departments. Every effort has been made to provide guidelines to cover most common circumstances. All City Purchasing Card users are reminded to consider Federal, State and Local regulations when using the publicly funded and mandated City Purchasing Card. City Departments may establish additional controls with the approval of the Purchasing Manager.

B. HOW IT WORKS

The Purchasing Card system simplifies the procurement/disbursement process. Procurement responsibility is delegated to the ordering department enabling an authorized cardholder to place an order directly with the vendor.

When the supplier at the point-of-sale requests a purchase authorization, the Visa Purchasing Card system checks the transaction against preset limits established by the employee's department. Transactions are approved or declined electronically based on the Purchasing Card authorization criteria established. The authorization criteria may be adjusted periodically as needed and may include, but is not limited to, the following:

- * Single item purchase limit as set by department Director (not to exceed \$999.99)
- * Monthly spending limit
- * Approved Merchant Category Codes

The authorization process occurs through the electronic system that supports the Purchasing Card processing services under City of Stuart's agreement with Bank of America.

C. WHO DOES WHAT?

The following are the responsibilities of the individuals and organizations involved in the Purchasing Card system.

Cardholder

- * Hold and keep secure the Purchasing Card and card number.
- * Order materials.
- * Receive and inspect all ordered materials, report discrepancies to merchant and to Purchasing.
- * Collect, sign and transmit sales receipts to the Finance Department, Accounts Payable, monthly with proper account line(s) noted on each receipt. If purchases are made via telephone, internet or other method, cardholder must document the purchase by signature on vendor acknowledgement or by memorandum/email to Accounts Payable noting items purchased, vendor, date of purchase and amount. Please note that the term "transaction" denotes not only purchases made with the Purchasing Card, but also any credits granted to the account. Both purchases and credits must be documented.
- * Match receipts with monthly card statement; encode proper account line and forward to Accounts Payable. If the receipt does not include a description of the product purchased, the cardholder must write a description on the receipt. Retain copies of all receipts to allow for reconciliation with A/P.
- * Review monthly statements for validity of all transactions. Assure that all purchases and credits are itemized and identified.

- * Identify and handle disputed charges.
- * Review monthly charges with Purchasing Card Representative.
- * Sign monthly statements certifying transactions (both purchases and credits) prior to submission to Finance. Signature certifies that purchases are authorized and for official use.
- * Verify that funds are available in the proper account to pay for the purchase.

Department Purchasing Card Representative

[Individual(s) designated by department Director]

- * Review monthly statement with cardholder. Sign the monthly statement authorizing transactions. (Clerical staff may prepare documentation, however, ultimate responsibility for review and certification of purchasing card use remains with the Purchasing Card Representative).
- * Verify the appropriateness of cost center codes (i.e. fund / agency / org. assigned)
- * Handle disputed items not resolved by cardholder.
- * Forward statement(s) with coded original receipts to Accounts Payable.
- * Perform regular inspection of card possession by cardholders.

Department Director

- * Request Purchasing Cards for designated employee(s).
- * Set Purchasing Card spending limits within established guidelines.
- * Collect cards from cardholders who end employment.
- * Evaluate the need to cancel or reissue cards when employees transfer.
- * Notify the Purchasing Manager of terminated cards.
- * Appoint a Department Purchasing Card Representative. Purchasing Card Representatives may not serve as their own Purchasing Card Representative, nor may any Purchasing Card Representative serve as the Purchasing Card Representative for their supervisors.
- * The department director must approve all charges made by the department's designated Purchasing Card Representative and the Purchasing Card Representative's supervisors.

Purchasing Manager

- * Coordinate issuance and cancellations of cards.
- * Coordinate program policy issues.
- * Participate in ongoing program reviews.
- * Participate in resolving billing disputes.
- * Maintain Policy and Cardholder guides/manuals.

Finance Department, Accounts Payable

- * Receive approved monthly statements from cardholders.
- * Receive consolidated statement from Purchasing Card issuer.
- * Confirm that all transactions are authorized by department representatives.
- * Notify department when approved monthly statements are not received.
- * Process accounting data into our financial software.
- * Pay monthly charges from consolidated statement.
- * File and store statements.
- * Administer 1099 reporting.
- * Conduct periodic operational and compliance audits.

Finance Department, Purchasing Division

- * Approve/disapprove requests for Purchasing Card
- * Final resolution of supplier disputes
- * Pursue supplier discount opportunities
- * Evaluate Purchasing Card feedback from suppliers
- * Establish and monitor benchmarking objectives
- * Coordinate and maintains internal controls
- * Target new cardholders and expand use of Purchasing Card
- * Perform physical audits of card possession by cardholders

SECTION II - POLICIES AND PROCEDURES

A. ASSIGNMENT AND CONTROL OF THE PURCHASING CARD

1. REQUESTS FOR AND ISSUANCE OF PURCHASING CARDS

- a. Requests for new Cardholders or for changes to current Cardholders shall be made by submitting a completed Request/Certification/Receipt form to the Purchasing Manager. (Copy attached)
- b. All requests for Purchasing Cards must be signed by the Department Director.
- c. Purchasing Cards may be issued to individual employees who frequently purchase goods and services.
- d. The Purchasing Card has the employee's name, the City name, and the expiration date embossed on the face of the card. The City's Florida sales tax exemption number is preprinted on the Purchasing Card. The Purchasing Card issuing company will not have individual Cardholder information other than the Cardholder's work address. No credit records, social security numbers, etc., of the Cardholder are maintained by the issuing company.

- e. When the Purchasing Manager receives a Purchasing Card from the issuing card company, the Cardholder will be required to personally attend and complete Purchasing Card training, take receipt of the card and sign a certification/receipt form. The Cardholder will be given a copy of the Purchasing Card Policies and Procedures guide and an oral review of the program. The Purchasing Manager will activate each Card after the Cardholder has attended the training and received his/her Card.

2. LOST OR STOLEN PURCHASING CARDS OR CARD NUMBERS

- a. **If a Purchasing Card is lost, stolen, or misplaced, or if the Cardholder thinks that the number has been used without his or her authorization, the Cardholder must immediately notify the Purchasing Card Company and the Purchasing Manager (Purchasing Manager) of the loss.**

Company's - 24-hour Lost Card Hotline: 1-877-399-1685.

- b. The Cardholder shall report all information necessary and complete all forms required to reduce the liability to the City for a lost or stolen card or card number, and shall work with any law enforcement agency in prosecuting theft.

3. TERMINATION OR TRANSFER OF CARDHOLDER

- a. When an employee ends his/her employment or is transferred to another department, the department Director shall collect the Purchasing Card, destroy it (cut it in half), and submit the pieces of the card to the Purchasing Manager.
- b. If the department Director is unable to collect the Purchasing Card when an employee leaves, he/she shall immediately notify the Purchasing Manager by telephone followed by a memo. The Purchasing Manager will ensure that the card is canceled.

B. CARDHOLDER USE OF PURCHASING CARD

1. CARDHOLDER USE ONLY

The Purchasing Card shall **only** be used by the employee whose name is embossed on the card. No other person is authorized to use the card. The cardholder is responsible and accountable for all transactions that occur on his/her card.

Upon receipt of the Purchasing Card, the cardholder should **NOT** sign the back of the card, but, should write in indelible ink one of the following:

SEE PHOTO ID, or SEE CITY ID, or SEE DRIVERS LICENSE

2. CITY PURCHASES ONLY

The Purchasing Card is to be used for City authorized purchases only. **The Purchasing Card shall not be used for any personal use and any such use will require immediate reimbursement and will result in disciplinary action, which may include dismissal.**

3. SPENDING LIMITS

- a. The department Director approving the assignment of a Purchasing Card will set two limits for each cardholder: single item purchase limit and 30-day limit. The maximum limit shall be \$999.99 for a single item purchase. The requesting Director may impose additional limitations.
- b. Requests for spending limit changes shall be initiated by a memo or email to the Purchasing Agent by the Department Director.
- c. A purchase may be made of multiple items, but any single item cannot exceed \$999.99 or the Cardholder's limit if less than \$999.99. Purchases over \$999.99 must be made by Purchase Order under the City Purchasing Policies and Procedures. **Charges for purchases shall not be split to stay within the single purchase limit.** Splitting charges will be considered abuse of the Purchasing Card program and subject cardholder to disciplinary action.

4. OTHER CONDITIONS

- a. All items purchased over-the-counter must be immediately available. No back ordering is allowed.
- b. All items purchased during one telephone transaction must be delivered in a single delivery. If an item is not immediately available, no back ordering is allowed.
- c. The billing cycle for the Purchasing Card is from the 25th day of the month to the 25th day of the following month. All items purchased by telephone must be delivered by the vendor within the billing cycle. The order should not be placed without this assurance.

5. PROHIBITED USES OF PURCHASING CARDS

The following types of items shall not be purchased with a Purchasing Card without the prior approval of the Department Director and the Purchasing Manager, regardless of the dollar amount.

- a. Cash advances;
- b. Alcohol or drugs;

- c. Food; See *5c. Below*
- d. Professional or Contracted Services;
- e. Uniform rental, Recreation or Entertainment;
- f. Any additional goods or services specifically restricted by the department;
- g. Travel expenses such as hotels, automobile rental, and airline tickets [unless cardholder has a card specifically authorized for travel expenses.]

5c. FOOD

Purchases of food are not authorized using the Purchasing Card with the following exceptions:

1. Food provided for elected officials and city staff at official meetings scheduled during generally accepted meal times. All food purchases for official meetings must be pre-approved by the City Manager.
2. Food for the regularly scheduled Safety Committee meetings
3. Meals that are part of employee recognition awards
4. Food for volunteers working on behalf of the City of Stuart
5. Food for VIPs visiting the City of Stuart government on official business (These are to be considered official meetings and food purchases must be pre-approved by the City Manager)
6. Food purchased during a declared emergency
7. Food that has been approved in the annual budget process
8. Food purchased while attending conferences and/or approved out-of-city training sessions. It is highly recommended that “per diem” (allowance for food while away) be applied for and received prior to the initiation of the trip; and these funds be used for food purchases. The recommendation is that the Purchasing Card **not** be used for food while on approved out-of-city conferences or training sessions. Should the Purchasing Card be used for these purposes, the amount charged to the card is restricted to per diem limits as mandated in the City of Stuart Employee Manual and Stuart City Code of Ordinances. All alcohol purchases must be reimbursed and documented separately.

Any monies expended for the approved food purchases noted above must be budgeted and approved by the City Commission in the regular budget process.

C. PROCEDURES FOR MAKING AND PAYING FOR PURCHASES

1. DOCUMENTATION OF OVER-THE-COUNTER PURCHASES

- a. When an over-the-counter purchase is made, the Cardholder must obtain and sign the customer's copy of the charge slip.
- b. The original charge slip and, if applicable, the sales receipt showing the description of items purchased, vendor, date and amount of purchase will be submitted with the Monthly Statement to Financial Services, Accounts Payable, at the end of the transaction period either by the Cardholder or by the Department Purchasing Card Representative. The Department should retain copies of the charge slips for end of month reconciliation.

2. TELEPHONE ORDERS

When placing a telephone order, the Cardholder must confirm that the vendor will charge the Purchasing Card when shipment is made so that receipt of the supplies may be certified on the monthly Statement of Account. This is also a requirement of the vendor's contract with VISA.

3. SALES AND USE TAXES

The City is exempt from paying any State of Florida (and generally all other States) sales and/or use tax, even if the purchase is made with the Purchasing Card. The City of Stuart's tax exemption number is printed on the face of the Purchasing Card. Many times this process is made easier if the cardholder has a copy of the City's tax exempt certificate. If any cardholder wants a copy of the certificate, the Purchasing Office will give one to the requesting person. The Cardholder should make the vendor aware of the City's tax-exempt status prior to processing the sale. If the vendor charges sales tax, the Cardholder must contact the vendor and obtain a credit equal to the amount of the sales tax. This applies to out of state purchases also. If any cardholder has a problem with any merchant about sales or any other tax, please contact the Purchasing Manager.

4. MISSING DOCUMENTATION

If for some reason the Cardholder does not have documentation of the transaction to send with the statement to his/her Purchasing Card Representative, he/she must attach a description of the purchase along with a signed certification that the purchase was made in accordance with the City's Policies and Procedures and that the purchase was required for City operations. Failure to promptly provide such certification may result in disciplinary actions and the employee may be required to pay the City for the

undocumented expense. **Continued incidents of missing documentation will result in the cancellation of the employee's Purchasing Card.**

5. PAYMENT AND INVOICE PROCEDURES

- a. Accounts Payable will send account statements to all cardholders as quickly as practicable. Immediate statement reconciliation is required in order to meet the terms and conditions of the City's contractual obligations to the Purchasing Card Company. **All reconciled statements shall be forwarded to the Accounts Payable Section of Financial Services within five working days after receipt.**

The Purchasing Card Company will mail one consolidated statement for all Cardholders to the Finance Department. This Statement of Account will list all transactions processed during the previous billing cycle (usually 30 days.) If no purchases were made on the Purchasing Card during the billing cycle, no Statement of Account will be generated unless adjustments for previously billed transactions have been processed during that cycle.

- b. The Cardholder must review the statement and note any errors or disputes. Account numbers for each item (or account numbers and total dollar amounts for groups of items) should be written on the original receipts to be attached to the statement. The statement will then be reviewed and signed by the cardholder. By signing the statement, the cardholder is certifying that all charges are appropriate and authorized and that all charges are confirmed by attached receipts. The statement will then be reviewed and signed by the Department Purchasing Card Representative. Once the department representative has reviewed and signed all statements for which they are responsible, the statements are forwarded to the Accounts Payable Section of Finance. Card charge slips/receipts for all items listed on the statement should be attached to the transmittal form.

NOTE: The statement may say that no balance is due. This means that the Cardholder does not submit a payment, the payment is due from the Finance Department. Always submit the Cardholder statement following the procedures above.

- c. The Finance Department will ensure that the Purchasing Card charges are paid on time and that the consolidated statement received is reconciled against the individual cardholder statements forwarded from the department. Department Directors and the Purchasing Manager will be notified when individual statements are not received in the allotted time. Continued failure to meet the five workday deadlines may result in the revocation of Purchasing Cards at the discretion of the Director of Finance or the City Manager.

- d. If the statement is not received in the Finance Department within the five days, then Finance will pay the statement and charge any transactions to the card's default account number. A late transaction processing charge may be added to late submittals.

D. DISPUTES

1. If items purchased with the Purchasing Card are defective, the Cardholder must return the item(s) to the vendor for replacement or credit. If the service paid for with a Purchasing Card is faulty, the vendor must be notified and asked to correct the situation or provide a credit. If the vendor refuses to replace or correct the faulty item or service, the purchase will be considered in dispute. If the quantity of items received is less than the invoice and charge billing, then the transaction must be disputed.
2. If a vendor charges the Cardholder Sales Tax on the purchase, and the Cardholder is unable to get a credit for the amount of the tax, then this purchase must be pursued through the dispute process.
3. A disputed item must be explained with a note on the Cardholder's Statement of Account before the statement is forwarded to the Accounts Payable section for payment.
4. It is essential that the time frames and documentation requirements established by the Purchasing Card issuer be followed to protect the cardholder's rights in dispute.

DISPUTE PROCEDURES

A **dispute** occurs when a Cardholder questions a transaction that has been charged to his/her account *and the cardholder is unable to resolve the discrepancy with the vendor*. Only after this positive action by the cardholder does a transaction become a dispute. The following steps must be taken to ensure prompt settlement:

1. The Cardholder contacts Bank of America by telephone at **1-800-399-1685** concerning the transaction and supplies the necessary information to begin the resolution process. Bank of America will send a Dispute Form to the cardholder either by facsimile transmission or by U.S. Mail.
2. The Cardholder completes the *Bank of America, Dispute Form* and faxes it to Bank of America, Commercial Claims, Business Card Services, (fax 1-888-678-6046) and the Purchasing Manager explaining the reason(s) for the dispute as well as a copy of the statement if the item has posted. Bank of America will then place the transaction into a disputed status.
3. If the problem is resolved between the merchant and the Cardholder, the Cardholder should write the solution agreed upon on the bottom of the *Dispute Form* that was

previously faxed to Bank of America, and fax it to Bank of America, Commercial Claims, Business Card Services, as soon as possible. If an agreement cannot be reached the following steps will be completed:

4. After the item has been entered as a dispute, Bank of America must determine who is responsible by researching the transaction including requesting a copy of the sales draft when necessary. When responsibility for the transaction is determined, the dispute will be settled on-line.
5. When an account is in a dispute status, the disputed amount is still included in calculating the available money for authorizations (monthly limit). At the time the item is placed in dispute, it is removed from all finance charge, late charge, over limit fee, past due amount and calculations. Finance charges, which accrue from posting until the item is placed in dispute, must be handled according to City policy. Any Cardholder statements generated while the account is in dispute will display the following message:

YOUR ACCOUNT IS IN DISPUTE FOR \$XXX.XX. THIS AMOUNT HAS NOT BEEN INCLUDED IN THE FINANCE CHARGE OR PAYMENT CALCULATIONS.

6. If the Cardholder is actually responsible for the transaction, the dispute is settled in favor of Bank of America and no further actions are required. If the Cardholder is not responsible for the transaction, the dispute is settled for the Cardholder and the Charge back process may be initiated against the vendor.
7. If there continues to be problems with a particular vendor, the Cardholder shall notify the Purchasing Manager of the problems.

E. REVIEW OF PURCHASES BY DEPARTMENT

1. Because of their knowledge of the job responsibilities and requirements, Department Purchasing Card Representatives are required to review each Purchasing Card expenditure (item purchased, amount, and vendor) to ensure the goods or services were necessary, and for official use. The Department's Purchasing Card Representative must certify in writing all of the purchases on statements submitted to the Finance Department by the card representative.
2. When purchases are questioned, the Department Director or the designated Department Purchasing Card Representative will be responsible for resolving the issue with the Cardholder. If the Department Director is not satisfied that the purchase was necessary and for official use, the Cardholder must provide either a credit voucher proving the item(s) were returned for credit; or a personal check [or cash] made payable to City of Stuart for the full amount of the purchase plus applicable sales tax. Checks must be sent to the Purchasing Manager within one

week with a written explanation of why the violation occurred and the action taken to prevent reoccurrence. The Purchasing Manager will forward the personal check along with a copy of the invoice being reimbursed to the Finance Department.

3. The designated Department Purchasing Card Representative **shall not** review or approve charges to his/her own Purchasing Card nor those of the Purchasing Card Representative's supervisor. The department director must approve all charges made by a designated Purchasing Card Representative and his/her supervisor.
4. To help the department in their reviews, management reports will be available from Purchasing/Finance Department.

SECTION III - TRAVEL CARDS

1. Travel using the Purchasing Card still requires adherence to the City of Stuart Code of Ordinances, Chapter 2, Article IV, Division 2, which outlines City procedures for travel. Pre-travel authorization must be requested and given by each Department Head and the City Manager for any travel out of the City by any City employee. The City of Stuart "Estimated Travel Expense Advance" form must be submitted through normal channels to obtain the Department head's signature then the City Manager's signature **prior** to any official City travel. After the trip is finished, the "City of Stuart Actual Travel Reimbursement" form must be executed and submitted again through normal channels. Samples of both of these forms are on the City Intranet for your review. The City of Stuart Travel Regulations applies to all travel related transactions. The Travel Regulations reporting requirements are in addition to the Purchasing Card requirements. The Estimated Travel Expense Advance shall be submitted and approved prior to travel.
2. The copies of the original charge receipt(s) shall be turned in with the completed Actual Travel Reimbursement form. All originals of the travel charge receipt(s) shall be maintained in the Cardholder or Card Representative's office for verification against the monthly statement, and for archive purposes. The original Purchasing Card receipts shall be reconciled with the monthly statement and forwarded to Finance, Accounts Payable, in the standard method noted above. The completed Actual Travel Reimbursement form shall be turned into the Finance Department within five (5) days after completing the trip.
3. The Travel transaction limits may be higher than the Purchasing Card limits. There is only one monthly limit. If required, these limits may be temporarily increased by the Purchasing Manager.
4. The Finance Department will make Payments to the Purchasing Card vendor on the regular monthly cycle for all Purchasing Card transactions regardless of when the Travel Expense Request form is received in the Finance Department. [i.e.: know your monthly limit and how much is charged against it.]

5. If two or more employees' travel charges (hotel, airline, rental car. etc.) are charged to a single Purchasing Card, each person must sign either the original receipt (charge receipt or invoice) or the individual's monthly charge statement where the charge was made.

End of Purchasing Card Policies & Procedures Manual

Forms required to manage the Purchasing Cards are attached to the manual issued to Purchasing Card holders at their initial training session. Additional copies of these forms may be obtained from the Purchasing Office.

1. Purchasing Card Request/Certification/Receipt
2. City of Stuart Purchasing/Travel Card Agreement

APPENDIX IV

Code of Ethics

PUBLIC PURCHASING CODE OF ETHICS

All public purchasing professionals who are employed by the City of Stuart must subscribe to the following ethical principles:

All public purchasing professionals will seek or accept a position of employment only when fully in accord with the professional principles applicable thereto, and when confident of possessing the qualifications to serve under those principles to the advantage of their employer.

All public purchasing professionals believe in the dignity and worth of the services rendered by their employment and the societal responsibilities assumed as trusted public servants.

All public purchasing professionals shall be governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of their employer and the public served.

All public purchasing professionals believe that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and intolerable.

All public purchasing professionals will identify and recommend recusal of any individual in operational situations where a conflict of interest may be involved.

All public purchasing professionals believe that individuals who are employed in the public purchasing arena should at no time or under any circumstances accept, directly or indirectly, gifts, gratuities or other things of value from suppliers which might influence or appear to influence purchasing decisions.

All public purchasing professionals will keep their governmental organization informed, through appropriate channels, on the progress of applicable operations by relaying only the facts of the operation without innuendo or exaggeration.

All public purchasing professionals will handle all personnel matters on a merit basis. Politics, religion, ethnicity, gender and age carry no weight in personnel administration in the agency being directed or served.

All public purchasing professionals shall not seek or dispense personal favors that are in conflict with their profession. They will handle each administrative problem objectively and empathetically without discrimination.

APPENDIX V

Florida State Statute 287.055, Consultants' Competitive Negotiation Act

287.055 Acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services; definitions; procedures; contingent fees prohibited; penalties.--

(1) SHORT TITLE.--This section shall be known as the "Consultants' Competitive Negotiation Act."

(2) DEFINITIONS.--For purposes of this section:

(a) "Professional services" means those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.

(b) "Agency" means the state, a state agency, a municipality, a political subdivision, a school district, or a school board. The term "agency" does not extend to a nongovernmental developer that contributes public facilities to a political subdivision under s. 380.06 or ss. 163.3220-163.3243.

(c) "Firm" means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice architecture, engineering, or surveying and mapping in the state.

(d) "Compensation" means the total amount paid by the agency for professional services.

(e) "Agency official" means any elected or appointed officeholder, employee, consultant, person in the category of other personal service or any other person receiving compensation from the state, a state agency, municipality, or political subdivision, a school district or a school board.

(f) "Project" means that fixed capital outlay study or planning activity described in the public notice of the state or a state agency under paragraph (3)(a). A project may include:

1. A grouping of minor construction, rehabilitation, or renovation activities.
2. A grouping of substantially similar construction, rehabilitation, or renovation activities.

(g) A "continuing contract" is a contract for professional services entered into in accordance with all the procedures of this act between an agency and a firm whereby the firm provides professional services to the agency for projects in which construction costs do not exceed \$1 million, for study activity when the fee for such professional service does not exceed \$50,000, or for work of a specified nature as outlined in the contract required by the agency, with no time limitation except that the contract must provide a termination clause.

- (h) A "design-build firm" means a partnership, corporation, or other legal entity that:
1. Is certified under s. 489.119 to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent; or
 2. Is certified under s. 471.023 to practice or to offer to practice engineering; certified under s. 481.219 to practice or to offer to practice architecture; or certified under s. 481.319 to practice or to offer to practice landscape architecture.

(i) A "design-build contract" means a single contract with a design-build firm for the design and construction of a public construction project.

(j) A "design criteria package" means concise, performance-oriented drawings or specifications of the public construction project. The purpose of the design criteria package is to furnish sufficient information to permit design-build firms to prepare a bid or a response to an agency's request for proposal, or to permit an agency to enter into a negotiated design-build contract. The design criteria package must specify performance-based criteria for the public construction project, including the legal description of the site, survey information concerning the site, interior space requirements, material quality standards, schematic layouts and conceptual design criteria of the project, cost or budget estimates, design and construction schedules, site development requirements, provisions for utilities, stormwater retention and disposal, and parking requirements applicable to the project.

(k) A "design criteria professional" means a firm who holds a current certificate of registration under chapter 481 to practice architecture or landscape architecture or a firm who holds a current certificate as a registered engineer under chapter 471 to practice engineering and who is employed by or under contract to the agency for the providing of professional architect services, landscape architect services, or engineering services in connection with the preparation of the design criteria package.

(3) PUBLIC ANNOUNCEMENT AND QUALIFICATION PROCEDURES.—

(a) Each agency shall publicly announce, in a uniform and consistent manner, each occasion when professional services must be purchased for a project the basic construction cost of which is estimated by the agency to exceed the threshold amount provided in s. 287.017 for CATEGORY FIVE or for a planning or study activity when the fee for professional services exceeds the threshold amount provided in s. 287.017 for CATEGORY TWO, except in cases of valid public emergencies certified by the agency head. The public notice must include a general description of the project and must indicate how interested consultants may apply for consideration.

(b) Each agency shall encourage firms engaged in the lawful practice of their professions that desire to provide professional services to the agency to submit annually statements of qualifications and performance data.

(c) Any firm or individual desiring to provide professional services to the agency must first be certified by the agency as qualified pursuant to law and the regulations of the agency. The

agency must find that the firm or individual to be employed is fully qualified to render the required service. Among the factors to be considered in making this finding are the capabilities, adequacy of personnel, past record, and experience of the firm or individual.

(d) Each agency shall evaluate professional services, including capabilities, adequacy of personnel, past record, experience, whether the firm is a certified minority business enterprise as defined by the Florida Small and Minority Business Assistance Act of 1985, and other factors determined by the agency to be applicable to its particular requirements. When securing professional services, an agency must endeavor to meet the minority business enterprise procurement goals under s. 287.09451.

(e) The public must not be excluded from the proceedings under this section.

(4) COMPETITIVE SELECTION.—

(a) For each proposed project, the agency shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with, and may require public presentations by, no fewer than three firms regarding their qualifications, approach to the project, and ability to furnish the required services.

(b) The agency shall select in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services. In determining whether a firm is qualified, the agency shall consider such factors as the ability of professional personnel; whether a firm is a certified minority business enterprise; past performance; willingness to meet time and budget requirements; location; recent, current, and projected workloads of the firms; and the volume of work previously awarded to each firm by the agency, with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firms. The agency may request, accept, and consider proposals for the compensation to be paid under the contract only during competitive negotiations under subsection (5).

(c) This subsection does not apply to a professional service contract for a project the basic construction cost of which is estimated by the agency to be not in excess of the threshold amount provided in s. 287.017 for CATEGORY FIVE or for a planning or study activity when the fee for professional services is not in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO.

(d) Nothing in this act shall be construed to prohibit a continuing contract between a firm and an agency.

(5) COMPETITIVE NEGOTIATION.—

(a) The agency shall negotiate a contract with the most qualified firm for professional services at compensation which the agency determines is fair, competitive, and reasonable. In making such determination, the agency shall conduct a detailed analysis of the cost of the

professional services required in addition to considering their scope and complexity. For any lump-sum or cost-plus-a-fixed-fee professional service contract over the threshold amount provided in s. 287.017 for CATEGORY FOUR, the agency shall require the firm receiving the award to execute a truth-in-negotiation certificate stating that wage rates and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contracting. Any professional service contract under which such a certificate is required must contain a provision that the original contract price and any additions thereto will be adjusted to exclude any significant sums by which the agency determines the contract price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs. All such contract adjustments must be made within 1 year following the end of the contract.

(b) Should the agency be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price the agency determines to be fair, competitive, and reasonable, negotiations with that firm must be formally terminated. The agency shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the agency must terminate negotiations. The agency shall then undertake negotiations with the third most qualified firm.

(c) Should the agency be unable to negotiate a satisfactory contract with any of the selected firms, the agency shall select additional firms in the order of their competence and qualification and continue negotiations in accordance with this subsection until an agreement is reached.

(6) PROHIBITION AGAINST CONTINGENT FEES.—

(a) Each contract entered into by the agency for professional services must contain a prohibition against contingent fees as follows: "The architect (or registered surveyor and mapper or professional engineer, as applicable) warrants that he or she has not employed or retained any company or person, other than a bona fide employee working solely for the architect (or registered surveyor and mapper, or professional engineer, as applicable) to solicit or secure this agreement and that he or she has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the architect (or registered surveyor and mapper or professional engineer, as applicable) any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this agreement." For the breach or violation of this provision, the agency shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift, or consideration.

(b) Any individual, corporation, partnership, firm, or company, other than a bona fide employee working solely for an architect, professional engineer, or registered land surveyor and mapper, who offers, agrees, or contracts to solicit or secure agency contracts for professional services for any other individual, company, corporation, partnership, or firm and to be paid, or is paid, any fee, commission, percentage, gift, or other consideration contingent upon, or resulting from, the award or the making of a contract for professional services shall, upon conviction in a competent court of this state, be found guilty of a first degree

misdemeanor, punishable as provided in s. 775.082 or s. 775.083.

(c) Any architect, professional engineer, or registered surveyor and mapper, or any group, association, company, corporation, firm, or partnership thereof, who offers to pay, or pays, any fee, commission, percentage, gift, or other consideration contingent upon, or resulting from, the award or making of any agency contract for professional services shall, upon conviction in a state court of competent authority, be found guilty of a first degree misdemeanor, punishable as provided in s. 775.082 or s. 775.083.

(d) Any agency official who offers to solicit or secure, or solicits or secures, a contract for professional services and to be paid, or is paid, any fee, commission, percentage, gift, or other consideration contingent upon the award or making of such a contract for professional services between the agency and any individual person, company, firm, partnership, or corporation shall, upon conviction by a court of competent authority, be found guilty of a first degree misdemeanor, punishable as provided in s. 775.082 or s. 775.083.

(7) AUTHORITY OF DEPARTMENT OF MANAGEMENT SERVICES.—

Notwithstanding any other provision of this section, the Department of Management Services shall be the agency of state government which is solely and exclusively authorized and empowered to administer and perform the functions described in subsections (3), (4), and (5) respecting all projects for which the funds necessary to complete same are appropriated to the Department of Management Services, irrespective of whether such projects are intended for the use and benefit of the Department of Management Services or any other agency of government. However, nothing herein shall be construed to be in derogation of any authority conferred on the Department of Management Services by other express provisions of law. Additionally, any agency of government may, with the approval of the Department of Management Services, delegate to the Department of Management Services authority to administer and perform the functions described in subsections (3), (4), and (5). Under the terms of the delegation, the agency may reserve its right to accept or reject a proposed contract.

(8) STATE ASSISTANCE TO LOCAL AGENCIES.--On any professional service contract for which the fee is over \$25,000, the Department of Transportation or the Department of Management Services shall provide, upon request by a municipality, political subdivision, school board, or school district, and upon reimbursement of the costs involved, assistance in selecting consultants and in negotiating consultant contracts.

(9) APPLICABILITY TO DESIGN-BUILD CONTRACTS.—

(a) Except as provided in this subsection, this section is not applicable to the procurement of design-build contracts by any agency, and the agency must award design-build contracts in accordance with the procurement laws, rules, and ordinances applicable to the agency.

(b) The design criteria package must be prepared and sealed by a design criteria professional employed by or retained by the agency. If the agency elects to enter into a professional

services contract for the preparation of the design criteria package, then the design criteria professional must be selected and contracted with under the requirements of subsections (4) and (5). A design criteria professional who has been selected to prepare the design criteria package is not eligible to render services under a design-build contract executed pursuant to the design criteria package.

(c) Except as otherwise provided in s. 337.11(7), the Department of Management Services shall adopt rules for the award of design-build contracts to be followed by state agencies. Each other agency must adopt rules or ordinances for the award of design-build contracts. Municipalities, political subdivisions, school districts, and school boards shall award design-build contracts by the use of a competitive proposal selection process as described in this subsection, or by the use of a qualifications-based selection process pursuant to subsections (3), (4), and (5) for entering into a contract whereby the selected firm will subsequently establish a guaranteed maximum price and guaranteed completion date. If the procuring agency elects the option of qualifications-based selection, during the selection of the design-build firm the procuring agency shall employ or retain a licensed design professional appropriate to the project to serve as the agency's representative. Procedures for the use of a competitive proposal selection process must include as a minimum the following:

1. The preparation of a design criteria package for the design and construction of the public construction project.
 2. The qualification and selection of no fewer than three design-build firms as the most qualified based on the qualifications, availability, and past work of the firms, including the partners or members thereof.
 3. The criteria, procedures, and standards for the evaluation of design-build contract proposals or bids, based on price, technical, and design aspects of the public construction project, weighted for the project.
 4. The solicitation of competitive proposals, pursuant to a design criteria package, from those qualified design-build firms and the evaluation of the responses or bids submitted by those firms based on the evaluation criteria and procedures established prior to the solicitation of competitive proposals.
 5. For consultation with the employed or retained design criteria professional concerning the evaluation of the responses or bids submitted by the design-build firms, the supervision or approval by the agency of the detailed working drawings of the project; and for evaluation of the compliance of the project construction with the design criteria package by the design criteria professional.
 6. In the case of public emergencies, for the agency head to declare an emergency and authorize negotiations with the best qualified design-build firm available at that time.
- (10) REUSE OF EXISTING PLANS.--Notwithstanding any other provision of this section, there shall be no public notice requirement or utilization of the selection process as provided in this section for projects in which the agency is able to reuse existing plans from a prior

project of the agency, or, in the case of a board as defined in s. 1013.01, a prior project of that or any other board. Except for plans of a board as defined in s. 1013.01, public notice for any plans that are intended to be reused at some future time must contain a statement that provides that the plans are subject to reuse in accordance with the provisions of this subsection.

(11) CONSTRUCTION OF LAW.--Nothing in the amendment of this section by chapter 75-281, Laws of Florida, is intended to supersede the provisions of ss. 1013.45 and 1013.46.

History.--ss. 1, 2, 3, 4, 5, 6, 7, 8, ch. 73-19; ss. 1, 2, 3, ch. 75-281; s. 1, ch. 77-174; s. 1, ch. 77-199; s. 10, ch. 84-321; ss. 23, 32, ch. 85-104; s. 57, ch. 85-349; s. 6, ch. 86-204; s. 1, ch. 88-108; s. 1, ch. 89-158; s. 16, ch. 90-268; s. 15, ch. 91-137; s. 7, ch. 91-162; s. 250, ch. 92-279; s. 55, ch. 92-326; s. 1, ch. 93-95; s. 114, ch. 94-119; s. 10, ch. 94-322; s. 868, ch. 95-148; s. 2, ch. 95-410; s. 45, ch. 96-399; s. 38, ch. 97-100; s. 1, ch. 97-296; s. 80, ch. 98-279; s. 55, ch. 2001-61; s. 63, ch. 2002-20; s. 944, ch. 2002-387.

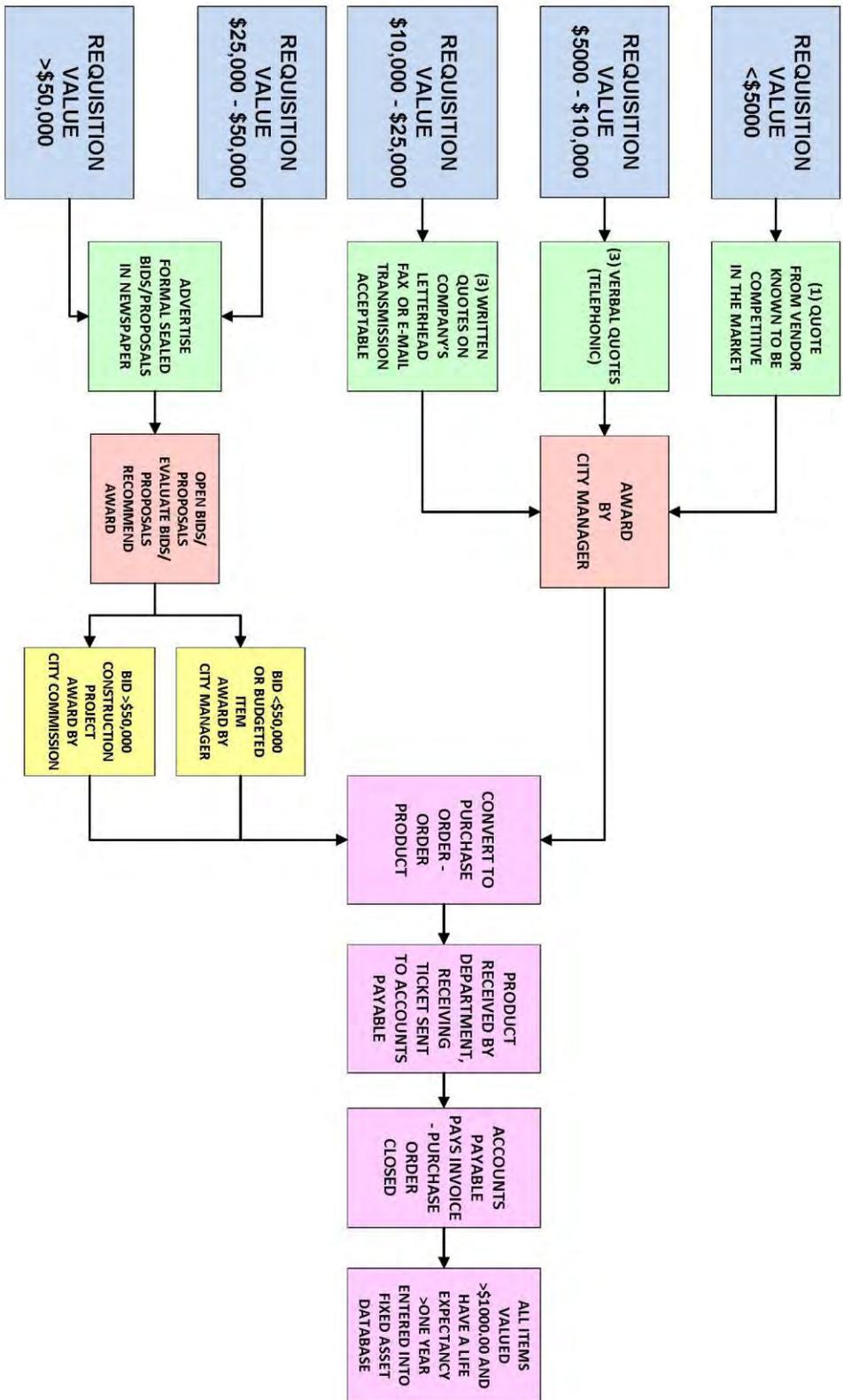


EXHIBIT B
INSURANCE REQUIREMENTS

1. The successful bidder shall not commence any work in connection with this agreement until it has obtained all of the following types of insurance and the City has approved such insurance. Nor shall the successful bidder allow any subcontractor to commence work on its subcontract until all similar insurance required of the subcontractor has been so obtained and approved. All insurance policies shall be with insurers licensed and authorized to do business in the State of Florida.
2. Loss Deductible Clause: The City shall be exempt from, and in no way liable for, any sums of money which may represent a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of the Contractor and/or subcontractor providing such insurance.
3. Worker's Compensation Insurance: The Contractor/Lessee/Service Provider shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all of its employees connected with the work of this project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. Such insurance shall comply fully with the Florida Worker's Compensation Law. This coverage shall include Employer's Liability for limits of not less than \$1,000,000.
4. Commercial General Liability: The Contractor/Lessee/Service Provider shall, during the life of this agreement take out and maintain broad form Commercial General Liability [including premises/operations; products/completed operations with the XCU hazards; personal /advertising injury; and fire damage (minimum \$100,000)]* for limits of not less than \$1,000,000.00 per occurrence and \$2,000,000.00** aggregate relative to any agreement resulting from this solicitation with the City of Stuart. ***
5. Business Automobile: The Contractor/Lessee/Service Provider shall during the life of this agreement take out and maintain Business Automobile Liability form with coverage for symbol I (any auto) with limits of not less than \$1,000,000.00 combined single limit or \$500,000.00 per person/ \$1,000,000.00 per accident bodily injury and \$250,000.00 per accident property damage.
6. Professional Liability: Any professional shall during the life of this agreement take out and maintain Professional Liability coverage with limits of not less than \$1,000,000.00 per claim /\$2,000,000.00 per job, per year aggregate relative to any agreement resulting from this solicitation for the City of Stuart. The professional further agrees to maintain like coverage for a minimum of five (5) years following the completion of the agreement.
7. Owner's Protective Liability Insurance: The Owner shall be responsible for purchasing and maintaining his own liability insurance and, at his option, may purchase and maintain such insurance as will protect him against claims which may arise from his operations under the Contract.

8. Certificates of Insurance: the Contractor upon notice of award will furnish Certificate of Insurance Form. These shall be completed by the authorized Resident Agent and returned to the Purchasing Office. This certificate shall be dated and show:

(1) The name of the insured contractor, the specified job by name and job number, the name of insurer, the number of the policy, its effective date, its termination date.

(2) Statement that the Insurer will furnish to the CITY Certificates of Insurance specifically endorsed to grant the City the same notification rights that it provides to the first named insured as respects cancellation and nonrenewal.

(3) City shall be named or additional named insured on Public Liability Insurance and Automobile Liability Insurance.

*For construction projects include ...owners & contractors protective for construction projects

** For construction projects include ...per job, per policy year

*** For construction projects include ... Further, contractor agrees to maintain like coverage for a minimum of five (5) years following completion of the project

NOTE: The City can decrease or increase these limits, depending on the project, at its sole discretion.