



# **City of Stuart Procurement Policies and Procedures**

---

# Table of Contents

Section 1 - Overview .....	1
Mission .....	1
Purpose.....	1
General Statement .....	1
Scope .....	1
General Policies.....	1
Section 2 - Procurement Cycle.....	3
Section 3 - Duties & Responsibilities.....	3
Purchasing Division Responsibilities .....	3
Requesting Department's Responsibilities .....	4
Section 4 - Solicitation Thresholds.....	4
Section 5 - Award Authority .....	5
Section 5 - Payment Methods.....	5
Petty Cash .....	5
Purchasing Card.....	5
Purchase Order .....	6
Direct Purchase .....	6
Check Request .....	6
Section 6 - Cooperative Purchasing .....	6
Section 7 - Methods of Solicitation .....	7
Invitation to Bid.....	7
Request for Proposals.....	7
Requests for Quotations (RFQ) .....	8
Requests for Expressions of Interest .....	9
Section 8 - Professional Services.....	10
Section 9 - Purchasing Cards.....	11
Section 10 - Requisition Procedure .....	11
Section 11 - Receiving.....	12
Section 12 - Term Agreements.....	13
Section 13 - Blanket Purchase Orders .....	13
Section 14 - Emergency Purchases.....	14
Section 15 - Sole Source Procurements.....	15
Section 16 - Single Source Procurement .....	16
Section 17 - Change Orders.....	16
Section 18 - Construction.....	17
Section 19 - Design/Build Contracts .....	19
Section 20 - Bid Protests.....	19
Section 21 - Contract award protests .....	20

Section 22 - Contract claims.....	20
Section 23 - Authority to debar; cause.....	20
Causes for debarment .....	21
Debarment procedure .....	21
Section 24 - Fixed Asset Management.....	22
Annual Inventory .....	22
Obsolete/Surplus Equipment Disposition .....	22
Appendix A - Insurance Requirements .....	23
Appendix B - Definitions.....	25

## Section 1 - Overview

### **Mission**

The mission of the Procurement Division is to provide for fair and equitable treatment of all persons involved in public purchasing by the City; to maximize the purchasing value of public funds in procurement; and to provide safeguards for maintaining a procurement system of quality and integrity.

### **Purpose**

The purpose of this manual is to set forth and establish the City's policies and procedures to be used in the procurement of goods and services required for the operation of all departments.

This manual is not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of City resources.

### **General Statement**

It is a goal of the City of Stuart to develop a comprehensive purchasing system. This system should provide greater cost effectiveness and public accountability in the procurement process.

### **Scope**

The policies and procedures outlined in this manual shall apply to all departments involved with any procurement of goods and services for the City of Stuart. Throughout this manual, the word "City" may also be used to represent the City of Stuart. The word "department(s)" or "City department(s)" may, in many instances, also apply to City division(s).

### **General Policies**

The Stuart City Commission has delegated authority to the City Manager to act as the Procurement official on behalf of the City of Stuart. The City Manager may delegate Procurement duties and responsibilities as needed.

All elected and appointed officials of the City who participate in the solicitation and approval of purchases and contracts are personally responsible for becoming familiar with and abiding by all applicable State of Florida Statutes, City of Stuart Code, and Procurement policies and procedures in this manual, governing such activities.

City officials should endeavor to receive maximum value for the public dollar and to purchase in the best interest of the City. The procurement manual shall provide for rules, regulations, and procedures for the internal management and operation of the Purchasing Division.

It is the Financial Services Director's responsibility to monitor and ensure compliance with the procurement policy.

The Financial Services Director's shall supervise the procurement of all supplies, services, or other items as needed by the City; exercise supervision over inventories of supply belonging to the City; and sell, trade, donate, destroy, transfer, or otherwise dispose of surplus property.

All qualified bidders shall be afforded equal opportunities to quote and will compete on equal terms.

Awards shall be made for bids and quotes that provide the best value to the City, taking into consideration the vendor's skill, business judgment, experience, facilities to carry out the contract and previous work ability. The City reserves the right to waive minor irregularities, reject and/or accept any and all bids, in whole or in part, or take such other action as serves the best interests of the City.

It is the intent of the City to buy only from suppliers who have adequate financial strength, high ethical standards and a record of adhering to specifications, maintaining shipping promises and giving maximum service. New sources of supply shall be given due consideration, as multiple sources of supply are necessary to ensure availability of materials.

The City shall strive to maintain strong and enduring relationships with vendors of proven ability and with those who have a desire to meet the needs of the City. To accomplish this, purchasing activities shall be conducted so the vendors will value the City's business and will make every effort to furnish its requirements on the basis of quality, service and price.

Individuals engaged in purchasing shall promote constructive competition by constantly seeking new bidders, obtaining several bids on almost everything purchased and developing more than one active source of supply for various products and services.

Acceptance of gifts, other than items of nominal value such as advertising novelties, is prohibited. Officials and employees shall not become obligated to any vendor and must not conclude any City transaction from which they may personally benefit.

## **Section 2 – 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 Procurement Policy.

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.

The City has migrated to a paperless requisitioning system. Currently, signed approval on the original invoice denotes receipt of the goods or services in good order and authorizes payment by Accounts Payable. The estimated cost determines how vendors are solicited for quotes or bids for a product or service. Experience or current research will give the department an estimated cost for the product in the required quantity.

## **Section 3 - Duties & Responsibilities**

### **Purchasing Division Responsibilities**

The Purchasing Division staff of the Financial Services Department is responsible for coordinating the procurement procedures for the City. The Purchasing staff also provides training to using departments.

The Purchasing Division shall:

- a) Develop purchasing objectives, programs and procedures for the acquisition of materials, equipment, supplies, and services.
- b) Coordinate and provide assistance for procurement procedures of user departments.
- c) Consolidate the purchase of like or common items or services.
- d) Review drafted specifications for formal bids.
- e) Provide contract administration.
- f) Ensure all purchases are made as per State laws and City policy.
- g) Resolve, monitor and negotiate contract disputes regarding contract compliance.

## Requesting Department's Responsibilities

The requesting Department shall:

- a) Initiate purchases, as outlined in this procurement manual, allowing sufficient lead time for the Purchasing Division to process the order and the vendor to deliver goods or services.
- b) Follow the City's procurement policies outlined in the Procurement and P-Card manuals.
- c) Prepare clear and unrestrictive technical specifications when needed for products or services.
- d) Review bid tabulation sheets and submitted proposals to inform the Purchasing Division of their department's recommendations for award.
- e) Send complete and proper specifications for bid solicitation, or proper documentation to waive competitive bidding when exercising an option to "piggyback" or declaring sole/single source procurement.
- f) Promptly inform the Purchasing Division of any contract compliance issues.

## Section 4 – Solicitation Thresholds

The following procedures should be used depending on the amount of the purchase. The estimated value of the purchase determines what steps must be completed before a purchase authorization can be issued for the request.

### Vendor Selection

VALUE	MINIMUM REQUIREMENTS	AWARD APPROVAL
Up to \$5,000	Single quote	Department Director
\$5,000 up to \$10,000	Three quotes	Department Director
\$10,000 up to \$25,000	Three written quotes	City Manager or delegate
\$25,000 up to \$50,000	Formal solicitation process	City Manager or delegate
\$50,000 or above	Formal solicitation process	City Commission

## **Section 5 – 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 to execute purchase orders, provided the funds have been appropriated by the City Commission in the annual budget process.

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 Policy.

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 Policy, 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 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 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 Policy.

## **Section 5 – Payment Methods**

### **Petty Cash**

Petty cash is to be used for purchases of \$50 or less. The City Purchasing Card should be used whenever possible for purchases under \$50 as well.

### **Purchasing Card**

A purchasing card (P-card) is intended for use by an employee that has a frequent and recurring need to purchase small dollar supplies and services. The P-card program is designed to improve efficiency in processing purchases from any supplier that accepts the Visa credit card. Purchases can be completed with suppliers over the phone, fax, Internet, mail, or in person. All P-card purchases must follow the rules and procedures prescribed in the Procurement Policy and Purchasing Card Program Policy and Procedure.

### **Purchase Order**

A Standard or Blanket Purchase Order (PO) is computer generated numbered document authorizing a supplier to provide goods or services to the City. A PO is the result of an authorized and approved requisition.

### **Direct Purchase**

Items under \$5,000 may be paid with approval of the Department Director.

### **Check Request**

The Check Request is a standard form used to authorize Accounts Payable staff to make payment for purchases of goods and/or services that is excluded from general purchasing requirements. These exclusions include certain payments to vendors or reimbursements as listed below:

- Travel and conferences
- Membership dues, subscriptions, licenses, or permits
- Educational and seminar fees
- Periodicals and publications
- Legal costs
- Refunds
- Other items as approved by the Financial Services Department

Before processing a Check Request, be sure to review other purchasing methods to ensure Procurement policies and procedures are followed. A Check Request may not be used to circumvent established Procurement policies and procedures. Such a request is an unauthorized purchase.

Use of a Check Request form is not designed to take the place of a Purchase Order or to circumvent the normal bidding procedure. The Financial Services Department shall inform the City Manager of any Check Request that is in violation of Procurement policy.

## **Section 6 – Cooperative Purchasing**

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 is further authorized to use other governmental contracts which have been competitively solicited and awarded to the lowest, responsive and responsible bidder or proposer. Therefore, the need to bid is satisfied for purchases of this nature. This method of purchase is commonly known as piggybacking, and is particularly desirable if time is a constraint or if the chances for obtaining better prices from other sources is poor. Utilization of these sources waives the requirement for a formal competitive bid.

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.

## **Section 7 – 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:

- a) Professional capabilities of the proposing firm
- b) Adequacy and abilities of the personnel within the firm
- c) Past record of performance
- d) Prior experience of proposing firm
- e) Willingness and ability to meet City's time constraints
- f) Recent, current and projected workloads
- g) The volume of work previously awarded, with the intent of effecting equitable distribution of work among qualified firms
- h) 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 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 top 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, 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.

## **Section 8 – 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 not specifically excluded from Competitive Selection shall be selected by means of competitive solicitation.

## **Section 9 – Purchasing Cards**

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. The Purchasing Card Policy details the policies and procedures related to the purchasing card program.

## **Section 10 - Requisition Procedure**

If the estimated cost is less than \$5,000.00, the department has the authority to purchase using the requisition process or a Purchasing Card. The responsibility to remain current on the market conditions of the product to be purchased is with the departmental personnel who recommend purchases. 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, the three verbal quotes required must be documented in the online requisition form. The name of the vendor and quoted amount must be indicated.

If the estimated cost is between \$10,000.00 and \$25,000.00, three quotes should be attached to the requisition form. The Purchasing Division will assume the responsibility for obtaining quotes if the product or service subject is complex, if special terms and 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 formal solicitation process is used. If the cost is less than \$50,000.00 the City Manager has the authority to award the contract. If the cost is 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 Policy, 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 must be approved by the City Commission.

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.

## **Section 11 – 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 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.

## **Section 12 – Term Agreements**

Annual Requirement Agreements 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.

## **Section 13 – 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 or Term Contracts solicited and awarded by the City of Stuart or another governmental entity. The City reserves the right to increase or decrease quantities on the BPOs as necessary to meet actual quantities used.

Procurement understands that 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.

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 a Term Contract, the contract (or Bid) number as well as the governmental entity that generated the contract must be also noted. The Description in a typical Blanket Purchase Order may read as follows:

*Blanket Purchase Order for the period 10/1/18 through 9/30/19, in accordance with U.S. Communities Contract #05091-R, \$999.99 limit per item, No Capital Equipment.*

## **Section 14 – Emergency Purchases**

The City of Stuart Policy 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).

## **Section 15 – Sole Source Procurements**

Sole source procurements are authorized by City policy 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. The Department completes the Sole Source form stating why an item should be considered for Sole Source Procurement. The City Manager will approve all Sole Source Procurements over \$25,000.

## **Section 16 – Single Source Procurement**

A contract may be awarded without competitive selection when the Financial Services Director 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 Department completes the Single Source form stating why an item should be considered for Single Source procurement. The City Manager will approve all Single Source Procurements over \$25,000.

## **Section 17 – 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) Increases to 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 less than \$50,000.00 may be authorized by the City Manager. Change Orders to construction contracts greater than \$50,000.00 must be approved by the City Commission. Other change orders may be approved based on the Award Authority.

## Section 18 – 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.

## **Section 19 – 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.*

## **Section 20 – Bid Protests**

1. 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 \$10,000.00 in value shall be approved by the city commission.
2. 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.

## **Section 21 – 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.

## **Section 22 - 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 Financial Services Director or delegate 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 Financial Services Director or delegate 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 a written decision is not issued 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 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.

## **Section 23 - 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.

## **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.

## **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.

## **Section 24 – Fixed Asset Management**

### **Annual Inventory**

Fixed assets are defined as real property, structures, infrastructure and equipment with a value in excess of \$1,000.00 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**

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 Finance Services Department 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.

## Appendix A – 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 \$3,000,000.00\*\* 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: The 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.

## Appendix B – 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.

**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.

**Bid Specifications:** The description of contracting terms prepared by the city and set forth in an invitation for bids from prospective vendors.

**Bonding Requirements:** Bid Bonds must be submitted when required in the solicitation documents 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 policies.

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.

**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.

**Goods:** Supplies, services and construction to be acquired by the city.

**Insurance requirements:** Insurance requirements for construction contractors were established by the City Commission effective August 11, 2003. See Insurance Requirements for Contractors, Exhibit B. 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 policy 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 policy 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.

***Solicitation for proposals:*** A solicitation by the city for the submission of proposals to provide goods to the city.

***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.