

Florida's Last Frontier



Town of
LOXAHATCHEE GROVES

Monday, April 25, 2016,

TOWN OF LOXAHATCHEE GROVES

FINANCE ADVISORY & AUDIT COMMITTEE MEETING AGENDA

Chair Anita Kane

Committee Member Connie Bell

Committee Member Bruce Cuningham

Committee Member Ken Johnson

Town Council Liaison Ryan Liang



Finance Advisory & Audit Committee Meeting

Monday, April 25, 2016 at 7:00 p.m.

Town Hall, Conference Room, 155 F Road

Anita Kane, Chair
Committee Tina Bell
Committee Member Bruce Cuningham
Committee Member Ken Johnson

Town Council Liaison Ryan Liang
Town Manager Bill Underwood
Town Clerk Virginia Walton

PUBLIC NOTICE/AGENDA

1. OPENING

- a. Call to Order & Roll Call
- b. Approval of Agenda
- c. Appointment of Chair and Vice Chair

2. PUBLIC COMMENTS

3. CONSENT AGENDA –

- a. Minutes – *None*

4. PRESENTATION –

5. OLD BUSINESS –

- a. Discussion of Draft Purchasing Manual

- b. Discussion of Draft Procurement Ordinance

5. NEW BUSINESS

- a. Approval of FY 2016 March Financial Statements – *(Will be provided as an Addendum)*
- b. Bank Statements – March 2016 *(Not included as part of Agenda Packet)*
- c. Review of Reimbursements – *(Page 223)*

6. ADMINISTRATIVE UPDATE

- a. Fiscal Year 2015 Audit Report (*Presented at Meeting*)
- b. Resolution No. 2016-24 Amending the Duties of FAAC Members
- c. Rescheduling of May 23, 2016 Meeting

7. CLOSING REMARKS

- a. Public
- b. Committee Members

8. ADJOURNMENT

The next FAAC meeting is May 16, 2016

Comments Cards: Anyone from the public wishing to address the FAAC must complete a Comment Card before speaking. This must be filled out completely with your full name and address and given to the Town Coordinator. During the meeting, before public comments, you may only address the item on the agenda in which is being discussed at the time of your comment. During public comments, you may address any item you desire. Please remember that there is a three (3) minute time limit on all public comment. Any person who decides to appeal any decision of the FAAC with respect to any matter considered at this meeting will need a record of the proceedings and for such purpose, may need to ensure that a verbatim record of the proceedings is made which included testimony and evidence upon which the appeal is to be based. Persons with disabilities requiring accommodations in order to participate should contact the Town Clerk's Office (561-793-2418), at least 48 hours in advance to request such accommodation.



Purchasing Policy Manual

Prepared By: Town Management

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PART I

Section I

General Provisions

A. PURPOSE

The purpose of the Purchasing Policy & Procedure Manual is to provide guidance and support for the formal rules adopted by the Town Council governing the purchasing process contained in the Town's purchasing ordinance, Ordinance No. _____.

This manual is intended to guide the user through the purchasing process within the Town of Loxahatchee Groves. The Town maintains a unified purchasing system with decentralized responsibility. The Town's purchasing process provides for increased economy in purchasing activities, enabling the Town to maximize, to the fullest extent practical, the purchasing value of public funds by fostering effective broad-based competition, while ensuring fair and equitable treatment of all vendors who deal with Town purchasing. In addition, this manual provides safeguards for maintaining a purchasing system of quality and integrity and also is intended to provide for increased public confidence in the procedures followed by Town purchasing.

This policy shall apply to all purchasing activity, except real property, of the Town of Loxahatchee Groves, as well as the disposal of all Town property other than real property.

For purposes of this manual the purchasing process is defined in five phases as follows:

1. Vendor selection – Identification and subsequent selection of the vendor best meeting identified Town requirements for goods and services.
2. Town commitment to purchase goods or services – The process by which the Town commits to do business with a selected vendor.
3. Contract oversight – The process by which the Town ensures the vendor is in compliance with a contract for goods or services.
4. Payment – Procedures for payment for goods and services.
5. Disposition – The process by which the Town disposes of surplus, obsolete or damaged property.

Attachment 1 provides purchasing terms and definitions.

The remainder of this manual addresses these topics in this order.

B. LEGAL PROVISIONS

The principles of law and equity, including the Uniform Commercial Code of this State, the law relative to ethics, and the law relative to capacity of Town to contract, agency, fraud, misrepresentation, duress, coercion, and mistake of bankruptcy shall supplement the provisions of this policy.

In any situation where compliance with this policy will place the Town in conflict with State or Federal Law or terms of any grant, or cooperative agreement, the Town shall comply with such Federal or State law, grant requirements, or authorized regulations that are mandated and which are either not reflected in this policy or are contrary to provisions of this policy.

C. REQUIREMENT OF GOOD FAITH

This policy requires all parties involved in the negotiation, development, performance, or administration of Town contracts to act in good faith.

D. ETHICS

All applicable provisions of the Palm Beach County Code of Ethics, and Town Ethics Ordinance are incorporated herein by reference and made a specific part of this manual.

Section II

Vendor Selection Methods

A. GENERAL GUIDELINES

There are five vendor selection methods used by the Town: Quotes, Invitations to Bid (ITB), Requests for Proposals (RFP), Requests for Qualifications (RFQ), and Letters of Interest (LOI). Quotes, written and or verbal, are normally used when the expected cost of goods or services is under \$10,000 or less. This is the informal method of vendor selection. The remaining four methods, ITB, RFP, RFQ, and LOI, are formal competitive vendor selection methods. Formal competitive vendor selection methods must be used when costs are expected to be \$25,000 or more and may be used for smaller purchases when the Town will derive sufficient additional benefit to justify their use.

Exceptions to the required vendor selection methods are permitted in specific instances (See Part D. below in this section) or when pre-approved by Town Manager in other limited instances.

Under no circumstances may known or anticipated annual requirements for goods and services from a vendor be broken into smaller quantities to circumvent the requirement to use a formal vendor selection process. The Town's purchasing policies are based on the total dollar amount of purchases made with a vendor in a given fiscal year. An annual purchase order must reflect the anticipated total amount of business to be done with a vendor for the year.

B. INFORMAL VENDOR SELECTION METHODS

The informal vendor selection methods may be utilized where the cost of goods or services does not exceed \$25,000, with the exception of public improvement capital projects in excess of \$5,000 as discussed immediately below. The following procedure must be followed:

TABLE 1 – COST LEVELS / REQUIRED DOCUMENTATION

AMOUNT	REQUIRED DOCUMENTATION
Up to \$1,000.00	None
\$1,000.01 to \$5,000.00	Three verbal documented quotes
\$5,000.01 to \$10,000.00	Three written documented quotes
\$10,000 and over	Town Council approval required

Quotes must be consistent in content for comparison purposes. Quotes must include the vendor name, contact person, date, a clear description of the goods or services being offered by the vendor, a statement of price, and the terms of the sale. Written quotes may substitute for verbal quotes. Verbal quotes must be documented by the user department and retained on file. Written quotes must be signed and dated by the vendor.

Exception:

- Initial purchase of, or contract for, commodities or services in excess of \$10,000 shall require the approval of Town Council regardless of whether the competitive bidding or competitive proposal procedures were followed.
- All purchases of, or contract for, commodities or services of less than \$25,000 shall require the approval of the Town Manager.
- Public improvement capital projects in excess of \$10,000 require formal competitive bidding.
- Purchases exceeding \$30,000 in the aggregate shall not be purchased from the same person or entity during the course of any fiscal year

C. FORMAL COMPETITIVE VENDOR SELECTION METHODS

Formal competitive vendor selection methods utilize competitive bidding to allow a maximum degree of competition among a number of suppliers offering similar products or services. All purchases of goods and services, where the total annual cost of the purchases or contract will exceed \$25,000, must be approved by the Town Council. In addition, public improvement capital projects in excess of \$10,000 require formal competitive vendor selection.

A determination is made by the Town Manager, after consultation with the user department, as to which formal competitive vendor selection method will be used.

Invitation to Bid (ITB), Request for Proposals (RFP), Request for Qualifications (RFQ) and Letters of Interest (LOI) are effective formal procedures for soliciting competition from vendors in the purchasing sector. The ITB is awarded primarily on price alone. The RFP uses several

different evaluation criteria, including price, to determine award. The RFQ ranks respondents based on their qualifications and experience. The LOI, the least formal process, sends out letters to interested parties to see if they are interested in applying for the work being offered. Evaluation is based on the experience of the responders and follow-on discussions with them.

Attachment 2 provides vendor evaluation guidelines.

1. Invitation to Bid (ITB)

An ITB is used when specifications are well-defined, competition is prevalent, and substitutions are allowable. The ITB shall include instructions to bidders, plans, drawings and specifications if any, bid form, and other required forms and documents to be submitted with the bid. As a result, prices obtained are generally lower than “list” pricing. Under this type of solicitation, normally the recommendation of award must go to the lowest responsive and responsible bidder. There are generally no other evaluation criteria considered in this type of solicitation.

2. Request for Proposal (RFP)

An RFP is a formal request from the Town to vendors to submit proposals. The proposal is to provide a solution to a need the Town has specifically identified. The vendor’s experience and qualifications, together with the proposed solution, is evaluated and may take precedence over price. The evaluations of the proposals may be completed by an evaluation committee comprised of at least three (3) voting members, at least one of whom is Town staff. (In some instances a person outside of Town staff, who has experience with the need identified, may be a voting member also). If an evaluation committee is to be used the committee members are generally selected by the user department, and the Town Manager facilitates the evaluation process.

All RFPs shall state the relative importance of price and any other evaluation criteria. The Town may engage in negotiations with offerors for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

3. Request for Qualifications (RFQ)

An RFQ is a formal invitation from the Town to vendors to submit a statement of qualifications. This approach differs from the traditional request for proposals approach in that it places greater emphasis on the actual qualifications of the potential contractor, (his or her track record), rather than how well the potential contractor responds to detailed project specifications and requirements.

The RFQ identifies the desired minimum qualifications of the firm, a scope of work statement, any project requirements, and states the relative importance of selection criteria that will be used in compiling the short list of prospective firms for further consideration.

Responses are evaluated by an evaluation committee and facilitated by the Town Manager. Depending on the number of qualification responses received, a shortlist of three to five firms are identified for further consideration. These short listed firms are then interviewed by the

evaluation committee. Based on the interview, experience and qualifications, the short listed firms are ranked. This ranking is presented to the Council for approval along with a request for the proper Town officials to be authorized to negotiate and execute the contract.

4. Letter of Interest (LOI)

An LOI is a formal invitation from the Town to vendors to submit an offer. It identifies, in general terms, the work required and directs the respondents to provide a letter regarding the respondent's interest in working with the Town on the particular project(s). Respondents provide a statement of experience and qualifications of key personnel. Costs or fees are not part of the response.

Responses may be evaluated by an evaluation committee and facilitated by the Town Manager as described in the RFP section. Based on the experience and qualifications, the responses are ranked. This ranking is presented to the Council requesting authorization to enter into contract negotiations with the top ranked vendor. The resulting contract is then brought back to Council for final approval. Architectural, legal and management services are examples of when this type of solicitation would be used.

The Town may engage in negotiations with responders for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Responders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

D. Exceptions

The following are exceptions from the requirements of the competitive vendor selection process. Please refer to the Town Purchasing Ordinance _____, Section II, (F) Exempt purchases to competitive procurement requirement, for further details. Exceptions must be pre-approved by the Town Manager. Purchases not subject to the competitive procurement requirement must still have the same levels of approval as purchases subject to the regular competitive vendor selection process.

1. Sole source – only one vendor's goods or services will meet Town requirements. Approval requires written justification by purchasing department.
2. Emergency purchases – requires written justification.
3. Purchase of goods or services under contracts of the federal government, the State of Florida, or its political subdivisions (also referred to as "piggybacking").
4. Certain contractual services.
5. Cooperative Purchasing - Contracts available through the City's participation in governmental purchasing cooperative groups.

Section III

Formal Selection Solicitation Process

Once the appropriate vendor selection method has been determined, the solicitation process will be overseen by the Town Manager or designee, as shown below.

A. SPECIFICATIONS

The Town Manager or designee will ensure the solicitation documents include specifications that are as well-defined as possible. The user department is responsible for developing specifications, such as bid specifications, scope of service and evaluation criteria. As the prime user, the department is best aware of any special characteristics, any new developments in the field, as well as the technical specifications of the product or service. The Town Manager or designee may review specifications and make suggestions, such as alternate products, when appropriate.

The Town Manager or designee shall strive to assure that all specifications issued by the Town provide for free and open competition among all vendors and preclude lock-in of any vendor or brand, unless items are purchased under approved sole source or sole brand provisions. Any specification may eliminate some vendors or brands if the vendor or brand does not meet the legitimate needs of the City.

There are many different types of specifications; however, all specifications regardless of the type must be clear and complete. A specification is an essential communication link between the Town and the vendor. The specification must clearly and completely express the needs of the Town in such a manner that the vendor will have the same understanding as that of the Town in what is required. The following are some of the more common type of specifications:

1. Brand Name Specification

A specification using one or more manufacturers' brand names, with identifying model numbers, to describe the acceptable items; all other items will be excluded. Since use of a brand name specification is restrictive of product competition, it may be used only when pre-approved by the Town Manager or designee.

2. Brand Name "or Equal" Specification

These specifications describe the characteristics of the item required by reference to a particular manufacturer's product, referring to that product by its brand name and model number. These specifications describe the standards of quality, performance, and other characteristics needed to meet the requirements of the solicitation, and invites bids for equivalent products from any manufacturer. These are often used to obtain low-value, commercially available products, such as janitorial supplies, office supplies and chemicals.

3. Design Specification

A design specification is also known as a material and method of manufacture specification. This type of specification spells out in great detail the physical characteristics including size and shape, the materials to be used and the manner in which they are to be assembled or processed. Design specifications may also reference engineering drawings or plans. A design specification is generally not appropriate for standard commercial items; its use being reserved for "made-to-order" products.

4. Performance Specifications

Performance specifications describe the functions which must be performed without or with only a limited reference to materials to be used or construction details. Performance specifications are non- restrictive, they spell out standards of performance, define operating limits, describe a specific task, emphasize dependability and reliability and look at the end result. Performance specifications are non-restrictive and encourage vendors to be innovative and propose a variety of means to accomplish a stated performance measure and to determine whether or not a performance specification has been satisfied.

B. SOLICITATION DOCUMENTS

The Town Manager will ensure all solicitation documents are properly prepared, with particular emphasis on effective specifications as discussed in the prior section, and distributed as appropriate. In conjunction with the preparation of the solicitation documents, the Town Manager or designee will make himself / herself available to provide information to all potential responders.

C. PUBLIC NOTICE

Public notice of the ITB, RFP, RFQ or LOI shall be given not less than ten (10) calendar days prior to the date set forth in the notice for the opening of the responses. Such notice shall be given by publication in a newspaper of general circulation within Palm Beach County, at a minimum, and may be posted on the Town's website and/or Town bulletin board. The notice shall state the place, date, and time of the opening of the responses.

D. RESPONSE SUBMISSIONS

All responses shall be submitted in sealed envelopes which shall be clearly identified with the name and number of the response on the exterior of the envelope and delivered to the Town Clerk office.

E. BID / PROPOSAL BOND

Bid bonds (also known as proposal bonds) may be required in conjunction with responses. They guarantee the responders will not withdraw their bids for a specified time period and will accept a contract, if offered, or will forfeit the bond amount.

Bid bonds shall be required for all construction projects when the total contract price is estimated to exceed two hundred thousand dollars (\$200,000). In all other cases the Town reserves the right to require a bid or proposal bond when deemed necessary by the Town Manager. The Town Council in its sole discretion may require public construction payment and performance bonds, other bonds and/or other security on any Town project estimated to cost less than two hundred thousand dollars (\$200,000).

Bid bonds shall be by cash, a certified or cashier's check, a surety bond or an irrevocable standby letter of credit, or other acceptable form of security in an amount not less than five percent (5%) of the amount of response. If a surety bond is provided, the surety company must be authorized to do business as a surety in Florida.

F. CANCELLATION OR POSTPONEMENT OF RESPONSE OPENING

Any time prior to the response opening date and time, the Town Manager may postpone the opening, or cancel the solicitation in its entirety.

G. FORMAL OPENING OF RESPONSES

Responses shall be opened by the Town Clerk or designee at the time and place designated in the public notice. The opening shall be witnessed by staff. No late responses shall be accepted or opened if received after the date and time specified in the public notice. All late responses shall be returned unopened to the bidder.

For ITB responses, names and amounts of each bid shall be read aloud by the Town Clerk or designee, and a list of all responses shall be made available for public inspection after the opening.

For RFP, RFQ and LOI responses, a list of the names of all responders shall be prepared by the Town Clerk or designee and made available for public inspection after the opening of the responses.

All response documents shall become the property of the Town and will not be returned to the responders. When the contract is awarded, all documentation produced as part of the contract shall become the exclusive property of the City.

For an RFP, RFQ or LOI response, the Town Manager or designee, or if an evaluation committee's if used and within a reasonable time period after the response opening, request additional or corrective information of the responder concerning his/her responsibility to perform, and the bidder may voluntarily, after bid opening, provide additional or corrective information concerning his/her responsibility as a vendor.

H. MODIFICATION OR WITHDRAWAL OF RESPONSES

Responses may be modified or withdrawn by an appropriate document duly executed and delivered to the office of the Town Manager at any time prior to the submission deadline. A request for withdrawal or modification must be in writing and signed by a person duly authorized to do so. Any modifications made by the Town to the solicitation documents prior to the opening of the responses shall be by addenda provided in writing to the same potential responders to whom the original solicitation documents were presented.

After expiration of the period for receipt of responses, no withdrawal or modification is permitted, except in extenuating circumstances. If within twenty four (24) hours after responses are opened, any responder files a duly signed written notice with the Town, through the office of the Town Manager and within five (5) calendar days, thereafter demonstrates to the satisfaction of the Town, by clear and convincing evidence, that there was a material mistake in the preparation of the response, or that the mistake is clearly evident on the face of the response document but the intended correct response is not similarly evident, then the responder may withdraw its response document. Thereafter, the responder will be disqualified from further bidding on the contract for which the response was withdrawn.

Section IV

Formal Solicitation Evaluation Process and Award of Contract

Once the solicitation has been completed and all responses have been received and opened, the responses will be evaluated and a contract awarded as follows:

A. REJECTION OF RESPONSES

After an initial review of responses, responses may be rejected for any of the following reasons:

- If the evidence submitted by a responder or if investigation of a responder fails to satisfy the Town that the responder is properly qualified to carry out the obligations and to complete the requested work.

- If there is reason to believe collusion exists among responders.

- If the response is not responsive, not delivered by the due date and time or not delivered to the Town Clerk's office, not properly signed or is unsigned, shows serious omissions, alterations in form, additions not called for, conditions or unauthorized alterations, or irregularities of any other kind. The Town reserves the right to waive such technical errors as may be deemed in the best interest of the City.

B. EVALUATION AND AWARD OF CONTRACT - INVITATION TO BID

The contract shall be awarded to the most responsive and responsible responder whose response meets the requirements and criteria set forth in the solicitation documents except as otherwise provided below.

If two or more qualified responders are tied, as reflected by cost, the tie may be broken by the following criteria, presented in order of importance and consideration, as reflected in the solicitation document:

1. Quality of the items or services bid if such quality is ascertainable
2. Delivery time if provided in the response

If the above criteria do not resolve the issue, the award will be given to the response received earliest by the Town as indicated by the Town time clock stamp on the response. This criterion will also be indicated in the solicitation document.

Multiple award contracts may be used only when it is determined by the Town Manager that the use of more than one vendor is in the best interest of the Town.

A recommendation for vendor selection, together with the criteria used for selection, will be presented to Town Council by the Town Manager or designee for approval, along with a request to approve authorization to sign a contract with the recommended vendor.

C. EVALUATION AND AWARD OF CONTRACT - REQUESTS FOR PROPOSALS, REQUESTS FOR QUALIFICATIONS, AND LETTERS OF INTEREST

The award shall be made to the responder whose proposal is the most advantageous to the Town, taking into consideration evaluation criteria set forth in the solicitation document. The vendor selection process may be done through an evaluation committee, (Committee), appointed by the Town Manager and comprised of a member of the user department, together with at least two other members familiar with the goods or services being evaluated. Each committee member shall complete a "Conflict of Interest Statement" upon appointment to the committee and prior to review of submittals (See Attachment 6).

The Committee shall review all qualifications and submittals of those firms responding based on predetermined criteria contained in the solicitation document. The Committee will then score each qualified response using the predetermined criteria.

Depending on the number of qualified responses received, the Committee may reduce the number of responders to be evaluated further to a minimum of three (called a "short list"), based on the ranking (highest points). If less than three qualified responses have been received, all qualified responses must be considered. The Committee may choose to hold discussions with all responders on the "short list". Such discussions may encompass formal presentations by each responder. The format of the discussion must be the same for each responder.

If the Committee requires clarification of the original response, they may request revised proposals.

For an RFP, once the Committee has ranked the qualified responses, the ranking information will be presented to Town Council by the Town Manager or designee with a request for approval along with a request for the proper Town officials to be authorized to negotiate and execute the contract.

For an RFQ or LOI, a recommendation for vendor selection, together with the ranking information, will be presented to Town Council by the Town Manager or designee. Additionally, it will be requested that staff be given direction to negotiate a contract, subject to final Counsel approval.

Following vendor approval by the Council, the next step in the RFQ or LOI process is for the Town Manager and Town Attorney to negotiate a contract with the highest ranked vendor at a compensation determined to be fair and reasonable. If this proves unsuccessful, negotiations will be formally terminated and negotiations will begin with the next highest ranked vendor. This will continue until an acceptable contract is agreed to or until negotiations with all vendors on the short list have been unsuccessful. If no contract can be negotiated with any vendor on the short list, a new solicitation must be initiated. If a successful contract is negotiated with a vendor, a recommendation will be presented to the Council by the Town Manager or designee to approve the contract with the indicated vendor.

D. NOTICE OF AWARD

Upon approval by the Council, the successful vendor will receive a Notice of Award indicating the vendor's selection. The Notice of Award is contingent on a contract being executed and the required certificates of insurance and applicable bond coverage have been received and approved.

If the selected vendor fails to provide the required coverage documents or fails to deliver the signed contract within the specified time, the Town may annul the Notice of Award.

E. BOND RELEASE

All responders' bid bonds, if required for a solicitation, will be retained until the selected vendor has met all requirements for the final contract award. At that time, the bid bonds of the unsuccessful responders will be returned. If the successful vendor fails to meet these requirements and the Town annuls the Notice of Award, the successful vendor's bid bond shall be forfeited.

F. NOTIFICATION TO RESPONDENTS

After the contract award has been finalized, Town Manager or designee will notify the remaining respondents of the selection.

PART II

Section I

Conducting Business With A Vendor

The purchase order will be the Town's commitment to conduct business with a vendor and will be subject to the approval authority limits delineated later in this section. Vendors may submit quotes or contracts, depending on the process, whether informal or formal, and the dollar amount of the purchase.

For the informal vendor selection process, normally for purchases under \$25,000, the selection will be accomplished through quotes. For purposes of this manual, the term "quote" will include proposed scope of service statements when submitted as a quote. Quotes must be signed by authorized representatives of the responders when submitted in writing; however the Town will not normally sign these documents. When a quote requires a signature by a representative of the Town, it will be processed together with the related purchase order and will be subject to the same approval authority limits as a purchase order. In no instance shall the quote be signed by a person not authorized to be the final approving authority on the accompanying purchase order.

Quotes normally relate to goods and identify the type and quantity of the goods to be provided and possibly the associated payment terms. When the proposed goods or services are more complicated, there will normally be more comprehensive terms involved which would necessitate a formal contract requiring the signature of both the vendor and the Town. Formal contracts will always be required for formal competitive vendor selection situations. This will normally be for purchases greater than \$25,000, which require Commission approval.

Once approved by Council, the contract will be processed with the related Purchase Approval Request (PAR). The Town Council or Town Manager if so authorized will sign the contract at the same time as he/she approves the PAR. As discussed previously, the formal competitive vendor selection process can be utilized for purchases under \$25,000 when the additional effort is justified. The resulting contract will be processed at the same time as the related purchase approval request in accordance with the approval authority limits discussed in "D" below. Even

when a contract has been signed, the vendor is not authorized to begin work until a fully approved purchase order has been issued.

The following sections will discuss contracts and purchase orders used to commit the Town to do business with a vendor.

A. CONTRACTS

1. Contract Period

Unless otherwise provided by law, a contract for supplies or services may be entered into for any time period deemed to be in the best interests of the Town provided the extension beyond the current fiscal year, if any, is included in the solicitation and funds are available for the current fiscal year at the time of contracting. Payment and performance obligations for future fiscal years shall be subject to the availability of funds.

2. Price Adjustment

Contracts may be awarded with the provisions for upward or downward price adjustments provided this allowance is part of the original bid solicitation and the adjustments are based on a nationally recognized or published index or other criteria acceptable to the City.

3. Advance Payments

The Town may make advance payments not to exceed one (1) year to vendors for maintenance service contracts and lease agreements when it would be economically efficient to do so, or when the vendor offers a discount for advance payments.

4. Amendments

Any changes to a contract that materially alter the terms and conditions of a contract, or provide for a change in the scope of the contract, must be contained in a formal amendment to the contract executed by the same authority as the original contract.

5. Insurance Requirements

All contracts shall contain requirements for the protection of the Town through sufficient insurance as specified in the bid documents. The selected vendor shall be required to obtain, at the vendor's expense, all required insurance coverage and shall submit evidence of insurance to the Town for approval before the contract award will be finalized. The Town Manager will review insurance certifications, approving those which comply with the requirements of the solicitation. Non-approved certifications will be returned to the user department with the reasons for non-approval and instructions as to how the certification may be corrected by the vendor. The user department shall not allow a contract to be finalized, nor work commence, until the Town Manager has approved the sufficiency of insurance coverage.

6. Payment and Performance Bonds

When a contract is estimated to exceed two hundred thousand dollars (\$200,000) for the construction of a public building, for the completion of a public work or for repairs upon a public building, or other public work as provided in Florida Statute Section 255.05, as amended, or when the Town Manager or designee deems it to be reasonably necessary to protect the best interests of the Town, the following bonds shall be executed and delivered to the Town Manager or designee before the contract award will be finalized and shall become binding on the parties upon the execution of the contract:

- A. A performance bond guarantees the selected vendor will perform all requirements of the contract. It protects the Town from loss due to the selected vendor's inability to complete the work. A performance bond satisfactory to the Town in an amount equal to one hundred percent (100%) of the price specified in the contract **must be provided** to the Town and is conditioned on the selected vendor performing the contract in the time and manner prescribed in the contract.
- B. A payment bond guarantees the selected vendor will make all required payments to the subcontractors and suppliers providing goods and services to the selected vendor. A payment bond satisfactory to the Town in an amount equal to one hundred percent (100%) of the price specified in the contract **must be provided** to the Town and is conditioned on the selected vendor promptly making payments to all persons and entities supplying labor, materials or commodities used directly or indirectly in the performance of the work provided for in the contract.

7. Indemnification

All vendors shall indemnify and hold harmless the Town, its officers, agents and employees from any injuries or damages received by any person during any operations connected with the construction project, by use of any improper materials, or by any act or omission of the contractor, or subcontractor, agents or employees.

B. CONSTRUCTION CONTRACT REQUIREMENTS

In addition to the requirements under Section A, the following shall apply to construction contracts:

1. Construction Contract Change Orders

The Town shall have the right, based on a clause contained in each construction contract, to require changes in quantities, additions or deletions of work or other changes within the original intent of the contract. All change orders, where the amount of the entire contract, including the change order, **is over \$25,000** shall be approved, in advance, by the Town Council. The approval of change orders equal to or under this amount for both construction contracts and professional design services shall be approved, in advance, by the Town Manager or his/her designee.

2. Amendments To Construction Contracts

All changes to construction contracts that materially alter the terms and conditions of the contract or provide for a change in scope of the project beyond the original intent, must be contained in a formal amendment to the contract. Such an amendment must be approved with equal dignity and formality as the original contract and signed by the individuals holding the positions of the original signatories. If the amendment causes the total dollar amount of the contract to move to the next dollar threshold (see "approval authority limits), approval is required, approval must be given as named for that threshold.

C. ONGOING CONTRACT ADMINISTRATION

After the award of any contract, the user department will ensure that both the Town and the vendor are in compliance with all terms and conditions of the contract, including, but not limited to, maintaining current insurance certificates.

In cases where the vendor does not adhere to delivery and specifications or is in technical breach of a contract, the user department must attempt to rectify the situation with the vendor and maintain written record of these attempts. This written record should contain specific instances of non-compliance with the contract requirements and a timeframe for resolution of the issues involved.

In cases where the user department is unable to rectify a breach of contract with the vendor, the user department may recommend to the Town Manager or Town Council (depending on the amount of the contract) that the contract be cancelled, the vendor be suspended or debarred (the Town will no longer conduct business with the vendor), or to begin appropriate legal action through the Town Attorney.

The Town may suspend a contract for a period not to exceed thirty (30) days following a determination by the Town Manager that there has been a material deviation by the vendor from the requirements of the contract. Any suspension of contract shall be provided in writing to the affected vendor within three (3) working days of such determination. The Town reserves the right to obtain goods or services, which are the subject of the contract, from alternate sources during the suspension period.

Contracts originally approved by the Town Council shall be canceled or revoked only after specific Town Council action.

D. PURCHASE ORDER

A fully executed purchase order (PO) is the user department's authority to purchase goods or services. As discussed elsewhere, a purchase order must reflect the anticipated total amount of business to be done with a vendor for the year. The total shall not be broken into smaller amounts to keep from crossing a dollar threshold with additional approval requirements, including the requirement for formal competitive vendor selection. Without exception, all PO's must be fully approved before the issuing department may place the order. This is true even when a contract with the vendor has been fully executed. Supporting documentation must be maintained within the department for purchases of less than \$10,000, and forwarded, as discussed below, for greater amounts.

A purchase order is the vendor's authorization to ship goods or perform services as specified. The purchase order constitutes a contract (in some instances a second contract if a more formal contract is also being utilized) between the Town and the vendor, and as such, is a legal document. The purchase order also reserves (encumbers) the funds within the financial system so the funds cannot be allocated for other purposes before the transaction has been completed and the purchase order fully closed out.

A purchase order will normally be for a specified dollar amount for specified goods or services. Additionally, an open end purchase order can be issued for a specific not-to-exceed dollar amount and may also be for a specific length of time, not to exceed one fiscal year. The open purchase order is utilized to facilitate multiple purchases from a single vendor over a given term. Purchase orders are not required for certain vendors; see Attachment 5.

TABLE 2 – APPROVAL AUTHORITY LIMITS

APPROVAL	DOLLAR THRESHOLD
User Department	Up to \$1,000.00
Town Manager designee	\$1,000.01 to \$3000.00
Town Manager	Up to \$10,000
Town Council	\$10,000.01 and above

The PO preparer will use the financial system to prepare a PO, including requesting authorization to purchase goods or services. The preparer will enter sufficient information to convey the need for the purchase. For purchase orders over \$5,000, a Purchase Approval Request (PAR) form must also be completed. The PAR must include supporting documentation, which varies, depending on the basis of the purchase order.

TABLE 3 – REQUIRED DOCUMENTATION FOR PAR

BASIS OF PURCHASE ORDER	REQUIRED DOCUMENTATION
Three written quotes	Copies of each quote, signed by vendor
Sole Source - Purchase Admin Approval	Written justification
Exempt Contractual Service*	Note exempt category
Emergency procurement	Written justification
Professional services procedures**	Note service category
Cooperative purchasing	Note entity, attach other entity contract
Existing contract – other government entity	Note entity, attach other entity contract
Renewal contract	Copy of contract, executed by both parties
Competitive sealed bidding	Copy of contract, executed by both parties

* Town Purchasing Ordinance No. _____

**Consultants Competitive Negotiations Act, Florida Statutes 287.055 (1991)

In addition to the required documentation noted in the table above, all PAR's for purchases which have been submitted to the Town Council for approval must be accompanied by a fully executed Resolution or other approval documentation. When an exception to the formal vendor competitive selection process has been used, the justification must be clearly identified and documented. Refer to Attachment 3, Sample PAR form.

PAR's and supporting documentation are routed for approvals as follows:

1. Requesting department, signature of department user
2. Management Department, signature of Town Manger designee
3. Town Manager

E. EMERGENCY PURCHASES

Emergency purchases may be made by the requesting department user on approval of the Town Manager Designee when the cost does not exceed three thousand dollars (\$3,000.00) and on approval by the Town Manager when the cost does exceed seven thousand five hundred dollars (\$10,000.00) without receiving written quotes.

The Town Manager may authorize emergency purchases where the cost exceeds ten thousand dollars (\$10,000) or more with authorization by Town Council, and at next scheduled council meeting certification shall be submitted to the Town Council for approval or ratification.

Section II

Payment For Goods And Services

A. INVOICES

Invoices are itemized statements of goods or services provided and are a means of settlement of financial obligations. The timeliness of processing invoices may affect the relationship between the Town and its vendors and must be processed within 30 days of receipt (20 days in the case of construction services), per State Statute 218.70, Local Government Prompt Payment Act. Invoices should contain the following basic information:

- Purchase order number (if applicable)
- Itemized listing of materials or services rendered
- Quantity of each item
- Unit price with extensions
- Discount terms if applicable
- Services provided, including hours and billing rates where applicable

B. PAYMENT – PURCHASE ORDER

The PO instructs vendors to send invoices directly to the user department. The user department should hold the PO while waiting for an invoice. The Town will pay only from an original invoice and not a fax copy or photocopy. The user department will follow the PO “receiving” procedures [as required by the financial system upon completion of implementation] and will then forward the original invoice, with the required approval signatures, and a copy of the PO for payment.

Only individuals authorized to normally receive goods or services may do so. The receiving individual must certify that the quantity, brand name, or model ordered is received or that the required services have been provided.

C. PAYMENT – CHECK REQUEST

Check requests should be used only in exceptional situations. Refer to Attachment 4a-d, Sample Check Request forms.

D. PAYMENT – PETTY CASH

In some instances it may be necessary for a staff member to go to a local store to purchase small items, in total under \$200, without a purchase order. The staff member will be reimbursed through a Check Request form signed by Town Manager or designee, and submitted for payment.

E. CHANGING OR LIQUIDATING PURCHASE ORDERS

Purchase Order Changes:

Changes on purchase orders may be made at the department user when the change does not exceed 5% or \$50.00 (whichever is greater) of the total amount of the purchase order.

When a change exceeding 5% or \$50.00 of the total on the Purchase Order is required, the initiating department requests the change by forwarding a written request and brief explanation to the Town Manager or designee for approval. Freight, shipping & handling charges & back-order related changes do not require an explanation.

If the original PO total was under \$7500.00 and the change will make the total over \$7500.00 then a PO Approval form must be filled out and routed for proper approval signatures.

If the original PO was awarded by Council action, and a change order is being made, sufficient documentation (copy of the resolution, change order, written authorization from the Town Manager etc.) authorizing the change must be submitted before further processing.

If the original PO total was for less than \$10,000.00 and the change will make the total over \$10,000.00 then the change order must be approved by Council before further processing.

Changes may also be done to correct errors, omissions, or discrepancies; cover acceptable overruns and freight costs; and incorporate requirements to expand or reduce the scope of goods or services order.

Purchase Order Liquidations:

A purchase order is liquidated when a partial receipt has been done on a purchase order and the remainder of the total will not be received. When a liquidation is done, the purchase order is closed and no other transactions can take place against that particular purchase order. Any remaining funds that had been encumbered on that purchase order are released back into the account that had been encumbered.

Accounts Payable is notified by the using department when a purchase order is to be liquidated. The using department documents on the purchase order to liquidate the balance after the invoice has been processed. Accounts Payable then notifies the Town Manager or designee of any purchase orders to be liquidated.

Section III

Transfer or Disposal of Surplus and Obsolete Equipment

In order to dispose of an item that has become surplus or obsolete to the user department, the department user must send a memorandum to the Town Manager listing the description, condition, serial number and asset tag number of the item being disposed of. The Town Manager or designee will attempt to relocate the item directly to another department in need of such equipment. If no need exists, it may be traded in on new purchase of similar equipment whenever feasible to do so.

Items will be kept at the user department until they can be transferred or disposed of. If the items are damaged or worn beyond repair, after inspection by the Town Manager designee, the items will be declared to have no further value to the Town and Town Clerk will ensure all necessary documents are completed to dispose of the items.

When equipment is still usable but it has been determined over a period of time that no need exists within the Town Departments and further storage is impractical, surplus equipment may be offered for sale or auction. This will be coordinated by the City Clerk in conformance with competitive conditions, including when necessary, advertising and sealed bids. Permission to sell or auction the item must be obtained from the Town Council if the estimated value of an item is twenty thousand dollars (\$20,000) or greater.

ATTACHMENT 1

Purchasing Terms and Definitions

The purchasing profession is characterized by various terms and definitions that may not be commonly used by other disciplines. As a reference, the National Institute of Government Purchasers (NIGP) "Dictionary of Purchasing Terms" is the standard being used by the Town of Loxahatchee Groves. As used in this manual, the following terms shall mean:

Addenda: written or graphic instruments issued prior to the opening of formal solicitations which clarify, correct, or change the response documents or contract documents.

Advertising: giving notice in the official local newspaper that sealed responses will be received at a set time and place.

Alternates: substitutes offered by vendors that differ materially from the specifications as set forth in the purchasing solicitation.

Amendment: a method of substantially changing the terms and conditions of a response or contract beyond what is specifically required by the contract.

Award: the acceptance of a bid, offer, or proposal by the proper authority.

Bidders' List: is a current file of vendors who have indicated a desire to supply goods and or services for Townuse.

Bid Closing: the time and date set for termination of accepting bids.

Bid Bonds (also known as proposal bonds): guarantee the responders will not withdraw their bids for a specified time period and will accept a contract, if offered, or will forfeit the bond amount. They may be by cash, a certified or cashier's check, a surety bond or an irrevocable standby letter of credit

Brand Name or Equal Specifications: a specification limited to one or more items by manufacturers' names or catalog numbers to describe the standard of quality, performance or other salient characteristics needed to meet the City's requirements and which provides for the submission of equivalent products.

Brand Name Specification: a specification limited to one or more items by manufacturers' names or catalogs

Change Order: a written order amending a purchase order to correct errors, omissions, or discrepancies in purchase orders to cover acceptable overruns and freight costs; incorporate requirements to expand or reduce the scope of goods or services ordered; or to direct other changes in contract execution to meet unforeseen field, regulatory or market conditions.

Competitive Bids or Offers: the solicitation of two or more bids or offers submitted by responsive and qualified bidders or offerors.

Construction: the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property.

Construction Change Order: is a written order authorized by the proper authority, directing the contractor to make changes, which the changes clause of the construction contract authorizes.

Consultants Competitive Negotiation Act (CCNA): is the common name for Section 287.055 of the Florida Statutes concerning the purchasing of Architectural, Engineering (including testing), Landscape Architecture, and Registered Land Surveying and Mapping Services.

Contract: all types of binding agreements, including purchase orders, of the Town of Loxahatchee Groves, regardless of what they may be called, for the purchasing of supplies and contractual services.

Contractor: any person or business entity having a contract with the Town of Loxahatchee Groves to perform a service or sell a product (same as vendor).

Contractual Services: the rendering of time and effort by a contractor rather than furnishing specific supplies. Contractual services shall not include exempt contractual services as more specifically identified in the Purchasing Ordinance.

Cooperative Purchasing: the purchasing conducted by or on behalf of more than one governmental entity.

Emergency Purchase: A purchase made to alleviate a situation in which there is a threat to health, welfare, or safety under certain conditions defined as an emergency by the jurisdiction, that does not allow for the normal, competitive purchasing procedures.

Evaluation Committee: is a group of persons appointed to rank in preferential order those professional firms or individuals interested in providing services on a particular project.

Goods: Supplies or anything purchased or available for purchase, other than real property or services.

Governmental Agency: any agency of the Federal, State, or any Local Government.

Invitation to Bid (ITB): a written solicitation for competitive, sealed bids with the title, date, and time of the public bid opening designated therein and specifically defining the supplies or contractual services for which bids are sought. The Invitation to Bid shall be used when the Town can establish precise specifications that define the scope of work for which a contractual service is required or that define the actual supplies required.

Letter of Interest (Request for Letter of Interest - LOI): a method of selecting a vendor whereby all vendors are invited to submit a summary of their qualifications and state their interest in performing a specific job or service.

Mandatory Bid Amount: the dollar amount at which the formal bid process is required, unless an exemption is provided in the Ordinance.

Multiple Award Contracts: contracts which provide awards to more than one vendor for the same item.

Notice of Award: the written notice by the Town to the apparent successful bidder or offeror stating that upon compliance by the apparent successful bidder or offeror with the conditions precedent to the contract within the time specified, the Town will sign and deliver the contract.

Obsolete Property: any personal property belonging to the Town which can no longer be used for its intended purpose, which has completed its useful life cycle, or whose use has become economically impracticable as determined by the Town Manager or designee.

Personal Property: all Town owned property other than real estate.

Professional Services: any services where the Town is obtaining advice, instruction, or specialized work from an individual specifically qualified in a particular area. Professional service may include a report, or written advice which may be lengthy; however, the main thrust of the service is not considered labor, but the exercise of intellectual ability. The purchasing of professional services does not lend itself to normal competitive bidding and price competition alone. These services may be procured by Letter of Interest or Requests for Proposals and selected through competitive selection and negotiation.

Proposals (Request For Proposals - RFP): a written solicitation for sealed proposals with the title, date and hour of public opening designated. A Request for Proposals shall include, but is not limited to, general information, functional or general specifications, statement of work, proposal instructions and evaluation criteria.

Public Improvements: Municipal and other public buildings, bridges, tunnels, streets, trails, and sidewalks.

Town Manager: the principal purchasing official for the Town who is responsible for purchasing of commodities and contractual services, as well as the management and disposal of commodities. Where Town Manger is used in this document, it may be a designee when assigned.

Purchase Order: a purchaser's document to formalize a purchase transaction with the vendor, conveying acceptance of a vendor's proposal. The purchase order should contain statements as to quantity, description, and price of the supplies, services, or construction ordered and applicable terms as to payment, discounts, date of performance, transportation, insurance and other factors or suitable references, pertinent to the purchase and performance by the vendor. The purchase order constitutes a contract between the Town and the vendor and, as such, is a legal document.

Purchase Order, Open-end: a purchase order whereby a vendor provides supplies, services, or construction on demand or on a prescribed schedule not to exceed the amount of the purchase order. An open-end purchase order may be used as a release and encumbrance document to authorize the Using Agency to order any predetermined amount from an open-end contract on an as-needed basis.

Qualifications (Request For Qualifications – RFQ): An RFQ is a formal invitation from the Town to vendors to submit a statement of qualifications. The RFQ identifies the desired minimum qualifications of the firm, a scope of work statement, any project requirements, and states the relative importance of selection criteria that will be used in compiling the short list of prospective firms for further consideration.

Quote: notice by a vendor to the buyer stating the prices, terms, and conditions under which he/she will furnish certain goods or services.

Responsible Bidder or Responsible Offeror: a person or business entity having the capability in all respects to fully perform the contract requirements and the experience, ability, reliability, capacity, facilities, equipment, financial resources and credit which will give a reasonable expectation of good faith performance.

Responsive Bidder or Responsive Offeror: a person who has submitted a bid, which conforms in all material respects to the Invitation to Bid or Request for Proposals.

Services: the furnishing of labor, time, and effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements but shall include both professional and general services.

Specifications: any description of the physical or functional characteristics or of the nature of a supply, service or construction item that is prepared by the requesting department. It may include a description of any requirement for inspecting, testing, or preparing a supply, service or construction item for delivery. Specifications may also contain provisions for inclusion of factors that will lead to the ultimate calculation of lowest total cost. All specifications shall seek to promote overall economy for the purposes intended, and encourage competition in satisfying the Town's needs and shall not be unduly restrictive.

Sole Brand: the only known reasonable brand capable of fulfilling the needs of the City.

Sole Source: the only known responsible vendor capable of providing supplies or contractual services to the City.

State Contracts: are annual term contracts released by the State of Florida Department of Management Services Purchasing Division or any other State of Florida Agency (University, College etc.) that may be utilized at the option of local government using agencies.

Surplus Property: any personal property belonging to the Town, which is capable of being used but is in excess of the normal operating requirements of the Town.

User Department: any department or division of the Town which utilizes any goods, services, or construction procured.

Vendor: any person or business entity having a contract with the Town of Loxahatchee Groves to perform a service or sell a product (same as contractor).

ATTACHMENT 2

Vendor Evaluation Guidelines

Responsiveness

Vendors can be determined to be responsive or non-responsive to the solicitation. Vendors are basically responsive to the solicitation if they have provided all the information required as mandatory and have signed the solicitation making the response a bona fide offer. Vendors are basically non-responsive if they have not provided all the required information or have not signed the solicitation.

Depending on the specifications, vendors who meet or exceed the minimum specifications are considered responsive while those that do not meet the required minimum specifications are considered non-responsive.

Responsible

A vendor can also be evaluated to determine if they are “responsible” or “not responsible.” A vendor shall be found to be “not responsible” for reasons including, but not limited to the following;

- The vendor has failed to perform in a satisfactory manner under a prior contract with the Town of Loxahatchee Groves.
- The vendor has shown poor performance based upon comments from previous and current clients, especially those in the governmental sector. The Town reserves the right in all solicitations issued to contact previous vendor clients to determine the satisfaction or dissatisfaction with the work performed.
- A vendor shows a lack of financial resources to assure contract completion on a timely basis.
- A vendor lacks the necessary training and or experience to fulfill the contract requirements with the proper skill level.
- The vendor has inadequate equipment and/or personnel to properly complete all contract requirements in a timely manner.
- The vendor is unable to secure necessary insurance and bonding (if required by the Town).
- The vendor fails to comply with any other factors relating to completion of the contract on a timely basis and in a proper manner as determined by the Town.

ATTACHMENT 6

CONFLICT OF INTEREST STATEMENT

For the purposes of determining any possible conflict of interest, all voting members of the Selection/Evaluation Committee for Solicitation # and Name must disclose if they have an interest in any of the firms responding to the above solicitation as an owner, Corporate Officer, employee of the business or consultant of the firm. Indicate either "yes" (this Townemployee is associated with the firm(s) indicated and in what capacity) or "no". If yes, give firm(s) name(s) and position(s) held with the firm(s).

YES _____

NO _____

Firm name(s) and position(s) held: _____

Signature of Committee Member

Date

(Note: if answer is "yes", you must file a statement with the Supervisor of Elections, pursuant to Florida State Statutes 112.313)

DRAFT

Purchasing Ordinance

- (a) Intent: All public purchases shall be made in such a manner as to invite and foster fair competition, to ensure procurement integrity and maximize the acquisition value of public funds while allowing for an efficient purchasing operation.
- (b) Definitions: As used in this Section, the following words, terms or phrases shall be defined as follows:
 - (1) *Addenda* means any written or demonstrative information issued prior to the opening of bids or proposals which clarify correct or change the bid or proposal documents.
 - (2) *Amendment* is a method of changing the terms and conditions or requirements of a contract beyond what is specifically allowed by contract. All amendments must be approved in the same manner as the original contract unless the amendment changes the price to an amount requiring a higher level of approval authority.
 - (3) *Award* means the acceptance of a quote, bid or proposal by the proper approval authority. The Town Council must award all contracts of FIFTEEN THOUSAND DOLLARS (\$15,000) and over. (4) *Approval authority* is the designated authority under this Purchasing Code to approve Town purchases.
 - (5) *Bidder* is any person or entity who submits a bid in response to an Invitation to Bid.
 - (6) *Blanket purchase order* is a purchase order issued to a vendor against which multiple purchases may be made for a specified period of time. Blanket Purchase Orders are usually used for acquisition of small dollar value goods and/or services purchased on a repetitive basis.
 - (7) *Capital assets* include all tangible and intangible assets acquired for use in operations that will benefit more than one fiscal period (e.g., land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure and various intangible assets).
 - (8) *Competitive sealed bids* mean the response by bidders to an Invitation to Bid issued by the Town.

- (9) *Contract* means a binding agreement, enforceable by law, between two (2) or more parties for the purchase or sale of goods and/or services. A purchase order is a contract. Town contracts and or purchase orders shall be utilized for all purchases unless the purchase is under \$1,000.
- (10) *Contractor* means any person or entity having a contract with the Town of Loxahatchee Groves.
- (11) *Emergency purchase* means a procurement made in response to a need when the delay incident to complying with all governing rules, regulations, or procedures would be detrimental to the interests, health, safety, or welfare of the Town .
- (12) *Goods* include but are not limited to commodities, equipment, machinery, furniture, computers, vehicles, tools, material and other tangible property, which may be purchased, leased or otherwise contracted for by the Town .
- (13) *Invitation to bid* means a solicitation used in the formal competitive bid process to solicit sealed bids for the purchase of specified goods and/or services as required by this Ordinance or determined to be in the best interest of the Town.
- (14) *Local bidder* means a person or entity authorized to transact business in this state and having a place of business located within the Loxahatchee Groves service area at which it was actually transacting business for a minimum of one (1) year prior to the date when any competitive solicitation for a public contract is first advertised or announced.
- (15) *Local bidder preference* means the preference as more fully described herein given by the Town Council to bidders which have their place of business located within the Loxahatchee Groves service area.
- (16) *Minor irregularity* means a variation from the bid invitation terms and conditions which do not affect the price of the bid, give the bidder an unfair advantage over other bidders, or adversely impact the interests of the Town. A bidder may not modify its bid after opening; however, calculation or typographical errors may be corrected by the Town.
- (17) *Purchase order* is the primary means of purchasing goods and/or services for the Town. A purchase order is intended to provide some assurance that proper procedures are followed and all approvals have been obtained **prior** to placing the order for the goods and/or services. All Purchases Orders must be approved by Town Manager or his designee. Certain items do not require a purchase order and are listed under “Exceptions to the use of Purchase Orders” Section (d)(5)(e).

- (18) *Request for proposal* means a written solicitation for sealed proposals when the Town has not specifically defined the statement of work for which goods and/or services are required or when the Town has not established precise specifications defining the actual goods and/or services required. A request for proposal shall include, but is not limited to, the information required in an invitation to bid except that the identification and definition of the goods and/or services sought will be in more general terms.
- (19) *Request for qualifications* means a written solicitation for sealed proposals when the Town desires to purchase services based on the qualifications of the respondents but has not specifically defined the statement of work for which a service is required, but has specified the overall type of service required. For example, engineering services, legal services, and auditing services are all types of services that may be solicited for with a request for qualifications.
- (20) *Respondent* is a person or entity who submits a bid, quote, proposal or qualification in response to a Town request.
- (21) *Responsible bidder, quoter, proposer or respondent* means a person or entity who has submitted a bid, proposal, quotation, or response demonstrating the capability in all respects to fully perform the contract requirements and who has the integrity and reliability to provide reasonable assurance of good faith and performance. Such determination shall be in the sole discretion of the approval authority subject to the requirements of the solicitation.
- (22) *Responsive bidder, quoter, proposer, or respondent* means the person or entity who has submitted a bid, proposal, quotation, or response that conforms in all material respects to the solicitation. Such determination shall be in the sole discretion of the approval authority subject to the requirements of the solicitation.
- (23) *Rotating contractor list* means a list established by Purchasing every two (2) years consisting of at least three (3) **qualified** contractors that may be utilized by a Town on a rotating basis to make purchases of goods and/or services estimated to be \$2500 or less.
- (24) *Services* mean the rendering by a contractor of its time, labor, effort, professional expertise, consulting, insurance, maintenance, cleaning and other assistance used by the Town.
- (25) *Sole source purchase* is a purchase where there is **only** one (1) good and/or service that meets an essential requirement of the Town, as determined by a reasonable and thorough analysis of the marketplace, and that it is determined to be available from **only** one (1) source.

- (26) *Single source purchase* is a purchase from one selected supplier that for strategic and possibly cost reasons the Town decides to use only a specific supplier, even though there are other supplies that provide similar products.
- (27) *Vendor* means an actual or potential supplier of a good or service. A vendor can be a quoter, bidder, respondent, or proposer; however, upon execution of a contract with the Town, the vendor is referenced herein as a “contractor”.
- (c) *Capital Asset Purchases:* Capital Asset purchases shall comply with all purchasing requirements stated in this Purchasing Code and as may be required by Resolution setting forth other policies and procedures for purchasing Capital Assets.
- (1) All Capital Asset purchases with an original cost of FIVE THOUSAND DOLLARS (\$5,000) or more, including ancillary costs and with a useful life of one year or more will be capitalized for financial accounting purposes.
 - (2) *Monitored Expensed Assets Purchases:* Asset purchases with an original cost of ONE THOUSAND DOLLARS (\$1000) or more and less than FIVE THOUSAND DOLLARS (\$5,000), including ancillary costs and with a useful life of one year or more will be identified, and accounted for over the asset’s life.
 - (3) *Unmonitored Expensed Asset Purchases:* Asset purchases with an original cost of less than ONE THOUSAND DOLLARS (\$1000), including ancillary costs and with a useful life of one year or more that will not be monitored (e.g., chairs, cabinets, and bookcases), but will be included for insurance purposes.
- (d) *Authority to Purchase or Contract:* Unless specifically delegated within this Section, the authority to enter a contract and amend a contract, which includes extensions, modifications of material terms and terminations, on behalf of the Town of Loxahatchee Groves rests solely with the Town Council as the approval authority. Without Town Council approval to enter or amend a contract, the contract or amendment is void and unenforceable.
- (1) The Town Council shall approve in advance any purchase or contract having a value of **FIFTEEN THOUSAND DOLLARS (\$15,000) or more** and any amendment to such contract or any amendment that causes the amended purchase and/or contract to exceed a total of **FIFTEEN THOUSAND DOLLARS (\$15,000)** regardless of whether the original purchase or contract required Town Council approval. Such purchase or contract shall be awarded in accordance with Section (d) (6). Purchase and/or contract shall be reviewed, evaluated and approved by the Town Manager. This section shall not be applicable if the purchase qualifies as an emergency purchase, as described in Section (d) (5) (C).
 - (2) Delegation of approval authority: the Town Council delegates its approval authority to enter into contracts and/or purchases to the following staff as long as

sufficient budget appropriations are currently available for such contracts and or purchases:

- (A) Town Manager or his designee may make purchases **not to exceed TWO THOUSAND FIVE DOLLARS (\$2,500)** without obtaining verbal or written proposals. However, in making this level of purchase Town Manager or designee should always make a conscientious effort to acquire goods and/or services at the lowest total cost to the Town.
 - (B) Purchases of greater than an estimated cost **of TWO THOUSAND FIVE DOLLARS (\$2500) but less than SEVEN THOUSAND FIVE DOLLARS (\$7500)** shall require obtaining and documenting at least three (3) quotations by telephone. All such purchases shall be approved in advance by the Town Manager or his designee.
 - (C) Purchases of greater than an estimated cost **over SEVEN THOUSAND FIVE DOLLARS (\$75000) but less than FIFTEEN THOUSAND DOLLARS (\$15,000)** shall require at least three (3) written quotes. All such purchases shall be approved in advance by the Town Manager.
- (3) Purchase amounts shall not be divided or split to circumvent the approval authority.
 - (4) All contracts for real property (regardless of price), contracts involving exclusive rights or any other non-standard contracts shall require Town Council approval.
 - (5) Exceptions: variances from the standard purchasing procedures shall be handled as follows:
 - (A) Less than three (3) written quotes: when the Town Manager or his designee can only obtain two (2) written quotes or less for a purchase over FIVE THOUSAND DOLLARS (\$5000), but not exceeding TEN THOUSAND DOLLARS (\$10,000), written documentation must be submitted as to all of the steps taken to try to obtain three (3) written quotes, such documentation must include:
 - all persons or entities contacted
 - when contact was made with each
 - who made contact with each
 - each person's or entity's response

After it is determined that all requirements have been met then the documentation is submitted to Town Manager for approval

- (B) Blanket Purchase Order: the approval authority for a Blanket Purchase Order is the same as the approval authority for a purchase order or

contract depending on the anticipated annual total dollar amount of the Blanket Purchase Order. The use of a Blanket Purchase Order to circumvent the competitive pricing or bid procedure is prohibited. Blanket Purchase Orders may also be used for the purchase of goods and services for contracts that have been competitively bid and awarded by either the Town Manager or Town Council.

(C) Emergency purchases: in extreme emergencies, the Town Manager may bypass normal purchasing procedures and approve the purchase of those goods and/ or services necessary to remove or correct the emergency condition. Emergency purchases may be made when one or more of the following criteria apply:

- critical Town operations may be severely affected in an adverse manner
- creates a threat to public health, welfare or safety
- a delay in the procurement of goods and/or services is not in the public interest

Emergency purchases may not be used in place of a routine or recurring purchasing requirement, because of a lack of advance planning or to avoid seeking competitive quotes, bids, proposals or qualifications.

(1) If an emergency purchase is made for FIVE THOUSAND DOLLARS (\$5000) or more, the Town Manager or his designee may make such purchase without obtaining the required written quotes. Town Manager shall certify in writing within forty-eight (48) hours of the purchase all of the circumstances that justify the emergency purchase by completing an Emergency Purchase Form which shall include the reason for the emergency purchase, a description of the good and/or service being purchased, total cost of the purchase and if quotes were obtained, the vendors names and amounts of each quote, and shall also certify on the Emergency Purchase Form the purchase was a bona fide emergency purchase.

(2) If an emergency purchase is required that exceeds FIVE THOUSAND DOLLARS (\$5,000) but less than TEN THOUSAND DOLLARS (\$10,000), the user Department Director with prior written authorization from the Director of Finance and Town Manager, may make such purchase without obtaining the required written quotes. The user Department Director shall certify in writing the circumstances that justify the emergency purchase before the purchase is authorized by completing an Emergency Purchase Form which shall include the reason for the emergency purchase, a description of the good and/or service being

purchased, total cost of the purchase and if quotes were obtained, the vendors names and amounts of each quote. Both the Director of Finance and Town Manager shall also certify on the Emergency Purchase Form the purchase was a bona fide emergency purchase.

- (3) If an emergency purchase is required that has a value of TEN THOUSAND DOLLARS (\$10,000) or more, the Town Manager or his designee with the prior written authorization Town Council, may make such purchase without formal publication and issuance of an invitation to bid, request for proposal or request for qualifications. The Town Manager or designee shall obtain as many competitive verbal or written quotes from potential contractors as time permits. The Emergency Purchase Form shall include the reason for the emergency purchase, a description of the good and/or service being purchased, total cost of the purchase and listing all verbal or written quotes by vendor name and amount of each quote. The Emergency Purchase Form shall be submitted prior to the purchase and shall require additional certification of the Town Manager. Such emergency purchase and written certification shall be submitted to the Town Council for approval or ratification on a timely basis.

Note: If an executive order is issued by the Governor of the State of Florida for an incident relating to the Town of Loxahatchee Groves, all emergency purchase documentation regardless of the amount of the purchase shall document that the purchase is related to an executive order that has been issued by the Governor of the State of Florida. The Town Manager shall declare when and if the Departments shall begin tracking emergency purchases as “incident related purchases”.

Note: If the Federal Emergency Management Agency (FEMA) declares an incident period affecting the Town of Loxahatchee Groves, all emergency purchase documentation regardless of the amount of the purchase shall document that the purchase is related to an incident as declared by FEMA. If the incident is named the documentation shall specify the named incident the purchase is related to. The Town Manager shall declare when and if the Departments shall begin tracking emergency purchases as “incident related purchases”.

(D) Sole source purchase requires:

- (1) Written documentation, the Town Manager or his designee justifying why the requested good and/or service is the **only** one

- (1) that will meet the Town’s specific need or that the good and/or service is required in order to prevent voiding the warranty.
- (2) Written documentation from the potential vendor/supplier stating that they are the **only** source of supply for the requested good and/or service. If the potential vendor/supplier is not the manufacturer, additional written documentation must be provided in which the manufacturer attests that the potential vendor/supplier is their sole supplier for the requested good and/or service.

A sole source purchase cannot be justified on the basis of quality or price, as quality can be a subjective evaluation based on individual opinion, and price considerations must be evaluated by competitive bidding or competitive quotes. If there is more than one (1) good and/or service that will perform essentially the same function under essentially the same conditions as the requested good and/or service, a sole source is deemed not to exist.

- (E) Piggyback purchases occur when the Town desires to utilize an existing contract between a person or entity and another governmental agency or a recognized governmental-related association without the necessity of obtaining written quotes or publishing an invitation to bid, request for proposal or request for qualifications. The Town may “Piggyback” a contract with substantially the same terms and conditions as the existing contract. This may be done providing that the originating governmental agency or governmental-related association utilized a competitive process similar to the Town ’s; that substantially the same terms and conditions are extended to the Town ; the “Piggyback” contract must be received by the Town and reviewed by the Town Manager and Town Attorney; and the contract terms and conditions are accepted by the Town . Some terms and conditions of the existing contract may be modified by the Town so long as they do not substantially change the purchase. The purchase order or contract must include the originating entity, the contract number, expiration date of the contract, and the name and phone number of the contract’s administrator.

- (1) For piggyback contracts less than TEN THOUSAND DOLLARS (\$10,000), the Town Manager or his designee certifies in writing that the governmental agency or governmental-related association’s contract substantially meets the requirements of the Town, offers a competitive price and was awarded through the governmental agency or governmental-related association’s own competitive purchasing procedures; and,
- (2) For piggyback contracts having a value of TEN THOUSAND DOLLARS (\$10,000) or more, in addition to the requirements in

Section (d)(5)(E)(1), the Town Manager certifies in writing to the best of his or her knowledge that:

- utilizing the other governmental agency or governmental-related association's contract is in the best interest of the Town ; and
- all other requirements of this Purchasing Ordinance have been adhered to.

Piggyback contracts estimated to have an annual value of TEN THOUSAND DOLLARS (\$10,000) or more shall be subject to Town Council approval.

(F) Exempt purchases: certain recurring or one time purchases or expenditures may be exempt from the competitive bidding process and normal purchase procedures because of unique circumstances. These purchases or expenditures include:

- water, sewer, electrical, telephone, and other utility services where competition is not available
- dues and memberships in professional organizations, seminars, registrations, and fees associated with such activities
- subscriptions to periodicals
- advertisements for legal, promotional or informative matters
- postage
- insurance premiums
- food service and retail leases and concessions
- vending machines
- goods purchased with petty cash in accordance with established Town procedures
- legal services, expert witnesses, court reporter services, and other expenses pertaining to claims or litigation
- lobbyist and any other unique or specialized professional consulting services except those subject to the Consultants Competitive Negotiations Act
- abstracts of titles or appraisals for real property
- artists, artistic services, music ensembles and related services for entertainment
- licensed computer software where competition is not reasonably available
- licensed computer software maintenance renewals
- services or commodities provided by governmental agencies or governmental-related associations
- full or part-time contractual services
- temporary personnel

- debt service costs and agent fees
- emergency drug screens and physicals
- payroll generated payments (e.g. child support, etc.)
- certain refunds and reimbursements (e.g. deposits, etc.)
- repairs and services on proprietary equipment or warranty services on such equipment
- other similar payments as approved by Town Manager

The foregoing purchase or expenditures shall, where possible, be competitively procured by the Town.

The foregoing purchases or expenditures require the approval of the Town Manager or his designee. Funds must be budgeted and available before the purchase or expenditure can be made.

- (G) Local Bidder Preference: In any award of Bid, the Town Council may give preference to a local bidder's bid, if and only if, the local bidder is determined to be a responsive and responsible bidder and the local bidder's bid is determined to be within ten (10) percent or TEN THOUSAND DOLLARS (\$10,000), whichever is less, of the lowest, responsive and responsible bid.
 - (H) Rotating Contractor List may be established in order to satisfy certain recurring goods and/or services. All rotating contractor lists shall be established by the Town Manager or his designee. Town Manager or his designee shall choose at least three (3) of the responsible bidders or respondents, if available, who provided the lowest and most responsive quote, bid, proposal or qualifications. The term of any rotating contractor list shall not exceed two (2) years. The Town Manger or his designee shall ensure that the contractors on the list receive equal opportunity to provide the required goods and/or services to the Town. Routine failure of any of the contractors to provide the required goods and/or services will be documented and cause that contractor to be removed from the rotating contractor list by the Town Manager.
- (6) Invitation to Bid, Request for Proposals or Request for Qualifications: Purchases having a value of TWENTY FIVE THOUSAND DOLLARS (\$25,000) or more shall be made by Invitation to Bid, Request for Proposals or Request for Qualifications.
- (1) Invitations to Bid require all of the following:
 - (A) Specifications shall be prepared by the Town Manager or his designee. Specifications shall be written in a manner to ensure for an open and competitive bid process.

- (B) Invitation to Bid is coordinated by the Town Manager or his designee which shall include instructions to bidders, identification and definition of the goods and/or services sought; applicable plans, drawings, specifications, or statement of work; identification of the location, date and hour of the due date for the bids; identifying the location, date and hour of the public bid opening, and identification of the evaluation criteria for determining the successful bidder. Terms and conditions may include, but not be limited to, the requirement of insurance or surety.
- (C) Public notice of the Invitation to Bid shall be published as required by Florida Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town 's website and/or Town bulletin board.
- (D) Bid Submission. Bids should state the name and address of the bidder on the outside of the envelope, package or container, and must be received no later than the time and date and at the location specified for bid opening in the Invitation to Bid. No bids shall be accepted after such time and date or at any location other than specified, and any bids received later or at any location other than specified shall be returned unopened to the bidder.
- (E) Bid opening. Bids shall be opened publicly at the date, time and location specified in the Invitation to Bid. The name of each bidder and bid amount shall be stated and such other relevant information shall be recorded.
- (F) Bid cancellation. The Town reserves the right to cancel any bid.
- (G) Corrections, additions to and withdrawal of bids.
 - (1) The following shall govern the correction of information submitted in a bid when that information is a determinant of the responsiveness of the bid:
 - (a) Errors in the extension, addition or multiplication of unit prices stated in bid or in multiplication, division, addition, or subtraction in a bid shall be corrected by the Town Manager or his designee prior to award recommendation. However, actual unit prices included in the bid shall not be changed under this or any other circumstance.
 - (b) No bidder shall be permitted to correct a bid mistake after bid opening.

(c) Nothing herein is intended to prohibit the acceptance of a voluntary reduction in price from the lowest responsive, responsible bidder after bid opening, provided such reduction is not conditioned on, or does not result in, the modification or deletion of any specification or conditions contained in the Invitation to Bid or after the determination of which bidder is to be awarded the bid or portion thereof.

(2) A bidder who has made a clearly evident mistake of fact may be permitted to withdraw his/her bid only when it is determined by the Town Manager that there is reasonable proof that such a mistake was made. However, if a bidder unilaterally withdraws his/her bid without permission after bid opening, the Town Manager may suspend the bidder for up to two (2) years from the date of the unilateral withdrawal. Further, if the apparent lowest responsive, responsible bidder has made a mistake of any kind in a lump sum construction-related bid, the bid bond shall not be returned.

(H) Bid evaluation.

(1) The Town reserves the right to accept or reject any and all bids and to make award to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the Invitation to Bid and whose award will, in the opinion of the Town be in the best interest of and most advantageous to the Town.

(2) A bid shall be considered responsive only if it conforms to the requirements of the Invitation to Bid.

(3) Information in a bid that concerns the responsibility of the bidder shall not necessarily be considered conclusive at the time of bid opening.

(a) Factors to be considered in determining whether the standard of responsibility has been met may include, but not be limited to, whether a bidder has:

- the appropriate financial, material, equipment, facility, and personnel resources and expertise, or the ability to obtain them,

necessary to indicate its capability to meet all contractual requirements;

- a satisfactory record of performance and experience;
- a satisfactory record of integrity;
- the capacity to legally contract with the Town ; and
- supplied all necessary information in connection with the inquiry concerning responsibility, including but not limited to any licenses, permits, or organization papers required.

(b) The bidder shall supply information requested by the Town concerning the responsibility of such bidder. If such bidder fails to supply the requested information, the Town shall base the determination of responsibility upon available information and may find the bidder non-responsible.

(c) The Town Manager may determine the information submitted concerning the responsibility of the bidder is so inadequate as to warrant a recommendation of rejection of the bid based upon a lack of demonstrated responsibility on the part of the bidder.

(d) Pursuant to the particular solicitation, the Town Manager, after bid opening, may request additional information of the bidder concerning his responsibility to perform. The Town Manager shall consider this and all other information gained prior to award recommendation to the Town Council.

(I) The Town Manager shall recommend to the Town Council which bidder or bidders in his or her opinion is the lowest, most responsive and responsible bidder or bidders, or may recommend that the Town Council reject all bids, cancel the Invitation to Bid and/or re-issue the Invitation to Bid.

(J) The Town Council has the ultimate authority to make an award to the bidder or bidders whom the Town Council determines in its sole discretion is the lowest, most responsive and responsible bidder or bidders, or it may reject all bids, cancel the Invitation to Bid and/or re-issue the Invitation to Bid or take such further action as is deemed appropriate in the sole discretion of the Town

Council. The reasons for rejecting bids and cancelling solicitations shall be stated by the Town Council.

(K) The Town Council has the authority to waive all minor irregularities on any and all bids except timeliness and other matters that would provide an unfair competitive advantage.

(2) Requests for Proposals require all of the following:

(A) A general statement of work shall be prepared by the Town. A general statement shall be written in a manner to ensure for an open and competitive bid process.

(B) Request for Proposal is coordinated by the Town Manager or his designee identifying the date, time and place that the sealed proposals must be received by the Town; the date and time of opening the sealed proposals; and setting forth the general statement of work or disclose where the general statement of work may be obtained or examined. The Request for Proposal should also contain a list of selection factors to be used by the Town in determining the successful proposer.

(C) Public notice of the Request for Proposal shall be published as required by Florida Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town's website and/or Town bulletin.

(D) The Town Manager or selection committee, if established, shall recommend to the Town Council which proposal or proposals offer the most advantageous opportunity to the Town or whether the Town Council should reject all proposals, cancel the Request for Proposal and/or re-issue the Request for Proposal.

(E) The Town Council has the ultimate authority to make an award to the respondent whom the Town Council determines in its sole discretion offers the most advantageous opportunity to the Town, or to reject all proposals, cancel the Request for Proposals and/or re-issue the Request for Proposal, and take such further action as is deemed appropriate in the sole discretion of the Town Council. The reasons for rejecting bids and cancelling solicitations shall be stated by the Town Council.

(F) The Town Council has the authority to waive all minor irregularities on any and all proposals except timeliness and other matters that would provide an unfair competitive advantage.

- (3) Requests for Qualifications require all of the following:
- (A) A general statement of work and required qualifications shall be prepared by the Town. The general statement shall be written in a manner to ensure an open and competitive bid process.
 - (B) Request for Qualifications is coordinated by the Town Manager or his designee identifying the date, time and place that the sealed qualifications must be received by the Town; the date and time of opening the sealed qualifications; and setting forth the general statement of work or disclose where the general statement of work may be obtained or examined. The Request for Qualifications should also contain a list of selection factors to be used by the Town in determining the successful proposer.
 - (C) If the Request for Qualifications is for services identified in Florida's Consultant's Competitive Negotiation Act ("CCNA" hereafter), §287.055, Florida Statutes, the Request for Qualifications shall refer to the CCNA and shall utilize the procedures established in the CCNA.
 - (D) Public notice of the Request for Qualifications shall be published as required by Florida State Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town's website and/or Town bulletin.
 - (E) The Town Manager or selection committee, if established, shall recommend to the Town Council which qualified respondent or respondents present the most advantageous opportunity to the Town, or shall recommend to the Town Council that it reject all respondents, cancel the Request for Qualifications and/or re-issue the Request for Qualifications.
 - (F) The Town Council has the ultimate authority to make an award to the most qualified respondent or respondents whom the Town Council determines in its sole discretion offer the most advantageous opportunity to the Town or to reject all respondents, cancel the Request for Qualifications and/or re-issue the Request for Qualifications, and take such further action as is deemed appropriate in the sole discretion of the Town Council.
 - (G) The Town Council has the authority to waive all minor irregularities on any and all responses except timeliness and other matters which would provide an unfair competitive advantage.

(4) Bidder Protests.

- (A) Right to protest: Any actual respondent who has a grievance in connection with an Invitation to Bid, request for proposals, request for qualifications or other purchasing solicitation may protest such purchase. Recommended awards less than TEN THOUSAND DOLLARS (\$10,000) cannot be protested.
 - (B) Procedure: A protest must be in writing and shall state the reason for the protest. The written protest shall be submitted to the Town Manager within seven (7) calendar days of the first date that the aggrieved party knew or should have known of the facts giving rise to the protest. The Town Manager after consultation with the Town Attorney shall review such protest and shall issue a written decision as soon as practicable after such review is completed. The decision of the Town Manger may be appealed in writing to the Town Council within seven (7) calendar days after the date of the Town Manager's written decision. The decision of the Town Council shall be final. An appeal of the decision of the Town Council shall be to the appropriate court in the Fifteenth Judicial Circuit, Palm Beach County, Florida.
 - (C) Stay of procurement during protest: A purchase which is the subject of a timely protest shall be stayed until a written decision by the Town Manager is made and the time for appeal to the Town Council has expired. If an appeal is made to the Town Council, the purchase shall be stayed until a final decision by the Town Council has been made. This provision shall not apply if the Town Council makes a determination that the execution of a contract without delay is necessary to protect substantial interests of the Town. Scheduled respondent presentations or conferences shall not be stayed by such protest.
 - (D) Remedies for purchases in violation of law: If the Town Manager, after consultation with the Town attorney, determines that a purchase whether protested or not is in violation of federal, state, or local law, then the purchase shall be canceled or revised to comply with applicable law.
- (e) *Procedural requirements:* Other specific procedural requirements necessary for accomplishing purchases in accordance with this Purchasing Ordinance shall be developed by the Town Manager or his designee.

- (f) *Public construction bond:* All Town public construction projects that are estimated to exceed two hundred thousand dollars (\$200,000), shall require that the contractor obtain a public construction payment and performance bond or other acceptable alternate form of security in accordance with § 255.05, Florida Statutes, as amended from time to time. The bond must be obtained, recorded in official records of Palm Beach County and copy provided to the Town prior to the contractor commencing any work for the Town. The Town Council in its sole discretion may require public construction payment and performance bonds, other bonds and/or other security on any Town project estimated to cost less than two hundred thousand dollars (\$200,000).
- (g) *Authorized purchases:* Any person authorized to make purchases under this Purchasing Ordinance shall make such purchases in accordance with the rules and regulations established in the Florida Code of Ethics for Public Officers and Employees, Ch. 112, Florida Statutes and the Palm Beach County Code of Ethics.
- (h) *Violations:* Violation of any provision of this Purchasing Ordinance may result in termination of purchasing authority and/or disciplinary action taken in accordance with the Town policies. Any violation of this Purchasing Ordinance may also result in the Town Council refusing to ratify a purchase or in the Town Council rescinding its approval of a purchase. Any person who knew or should have known that a purchase was made in violation of this Purchasing Ordinance may be held personally liable for that purchase.

TOWN OF LOXAHATCHEE GROVES

RESOLUTION NO. 2016-24

A RESOLUTION OF THE TOWN OF LOXAHATCHEE GROVES, FLORIDA, PROVIDING FOR AMENDING THE DUTIES, TERM OF MEMBERS, MEETINGS AND TOWN STAFF SUPPORT FOR THE FINANCE ADVISORY AND AUDIT COMMITTEE CONSISTENT WITH SECTION 218.319, FLORIDA STATUTES; PROVIDING FOR THE METHOD OF APPOINTMENT OF THE FINANCE ADVISORY AND AUDIT COMMITTEE MEMBERS; PROVIDING FOR COMPLIANCE WITH FLORIDA’S SUNSHINE LAW AND PUBLIC RECORDS LAW; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on May 19, 2009, the Town Council of the Town of Loxahatchee Groves adopted Town Resolution No. 2009-008, and established the Town of Loxahatchee Groves Finance Advisory Committee; and

WHEREAS, on July 21, 2009, the Town Council adopted Resolution No. 2009-014, amending the functions of the Finance Advisory Committee to include the functions of an Audit Committee as provided in Section 218.391, Florida Statutes; and

WHEREAS, it is the desire of the Town Council of the Town of Loxahatchee Groves, Florida to further clarify the scope of functions of the Finance Advisory and Audit Committee as to issues requested by the Town Council or Town Manager;

WHEREAS, the Town Council determines that the clarified function of the Finance Advisory and Audit Committee is in the best interests of the residents of the Town.

NOW, THEREFORE, be it resolved by the Town Council of the Town of Loxahatchee Groves, Florida, as follows:

Section 1. That the foregoing “WHEREAS” clauses are confirmed and ratified as being true and correct and are hereby made a specific part of this Resolution.

Section 2. The Town Council hereby establishes the Town’s Finance Advisory and Audit Committee as follows:

I. Creation of Finance Advisory and Audit Committee. There is created a Finance Advisory and Audit Committee to act as an advisory board to the Town Council, as follows:

(A) **Qualifications.** Each member of the Finance Advisory and Audit Committee shall be a resident of the Town. Whenever possible, emphasis should be upon persons who have experience in the financial services industry.

(B) Duties. The duties of the Finance Advisory and Audit Committee are as follows:

(1) To conduct review and analyses of projects assigned by the Town Council, or Town Manager, and make recommendations to the Town Council;

(2) To act as the Audit Committee in order to provide for auditor selection functions consistent with Section 218.391, Florida Statutes, upon motion of the Town Council.

(C) The Committee shall be comprised of five (5) voting members, to be appointed by individual Town Council Members.

(D) The Town Council may appoint one member of the Town Council to serve as a non-voting liaison to the Finance Advisory and Audit Committee.

(E) The voting members shall serve a term on one (1) year; and upon adoption of this resolution, the terms of the current members shall cease and the Town Council shall appoint new members for the one (1) year terms.

(F) An attendance requirement shall be imposed on all members of the Finance Advisory and Audit Committee. A member of the Finance Advisory and Audit Committee shall be removed by the Town Council if he/she has missed three (3) meetings of the Committee.

(G) Committee members, and/or companies or employers, in which the members have a direct financial interest, shall not do business with the Town, in accordance with Florida Statutes 112.313, and pertinent opinions of the Florida Commission on Ethics. If any member of the Committee finds that his/her personal interests are involved in any matter coming before the Town Council, he/she shall disqualify himself/herself from all participation in the matter.

(H) If a regular member of the Finance Advisory and Audit Committee resigns or is removed from his or her position, the appointing Council Member shall appoint the replacement.

II. Advisory Only.

The actions, decisions, and recommendations of the Finance Advisory and Audit Committee shall be advisory only.

III. Meetings, Dates, Procedures, Records, Quorum, and Compensation.

(A) The Finance Advisory and Audit Committee may hold an organizational meeting at the first scheduled meeting following the appointment of the members

of the Finance Advisory and Audit Committee. The purpose of the Finance Advisory and Audit Committee organizational meeting is for the members to elect a Chair and Vice Chair from its voting membership for terms of one (1) year; provided that the Chair and Vice Chair of the previously named Finance Committee may continue to serve in those capacities.

(B) The Finance Advisory and Audit Committee shall meet on a quarterly or as-needed basis, as determined by the Town Council or Town Manager.

(C) All meetings, records and files of the Finance Advisory and Audit Committee shall be open and available to the public, consistent with Chapter 119, Florida Statutes (the Public Records Law) and Chapter 286, Florida Statutes (the “Sunshine Law”). In addition, members of the Finance Advisory and Audit Committee shall ensure that their actions are in compliance with Chapter 119, Florida Statutes (the “Public Records Law”) and Chapter 286, Florida Statutes (the “Sunshine Law”).

(D) Notice for any meeting of the Finance Advisory and Audit Committee shall be posted in accordance with Chapter 286, Florida Statutes (the “Sunshine Law”) and on the Town’s website and at the Town Office no later than 24 hours prior to the scheduled meeting.

(E) Three (3) voting members in attendance shall constitute a quorum of the Finance Advisory and Audit Committee.

(F) The Town Manager or his/her designee shall act as secretary to the Finance Advisory and Audit Committee, and be responsible for attending all meetings, on an as-needed basis, and providing the items necessary for conducting meetings and for recording and preparation of meeting minutes. The Town Attorney or his/her designee shall act as attorney for the Finance Advisory and Audit Committee, on an as-needed basis.

(H) Members of the Finance Advisory and Audit Committee shall serve without compensation for the performance of their duties.

Section 3. Severability. If any clause, section, or other part or application of this Resolution shall be held by any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated, and so not affecting the validity of the remaining portions or applications remaining in full force and effect.

Section 4. Conflicts. All resolutions or parts of resolutions in conflict herewith are to the extent of such conflicts hereby repealed.

Section 5. Effective Date. This resolution shall take effect immediately upon its adoption.

Council Member _____ offered the foregoing resolution. Council Member seconded the motion, and upon being put to a vote, the vote was as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Absent</u>
DAVIS BROWNING, MAYOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOM GOLTZENÉ, VICE MAYOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RON JARRIEL, COUNCIL MEMBER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RYAN LIANG, COUNCIL MEMBER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TODD MCLENDEN, COUNCIL MEMBER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF LOXAHATCHEE GROVES, FLORIDA, THIS ___ DAY OF APRIL, 2015.

TOWN OF LOXAHATCHEE GROVES, FLORIDA

ATTEST:

Mayor David Browning

Virginia Walton, Town Clerk

Vice-Mayor Tom Goltzené

APPROVED AS TO LEGAL FORM:

Council Member Ron Jarriel

Council Member Ryan Liang

Office of the Town Attorney

Council Member Todd McLendon