



# AGENDA ITEM REQUEST FORM

**Town Manager**

**Connie Hoffmann**

Department Submitting Request

Dept Head's Signature

**REGULAR**  
**COMMISSION MTG**  
**Meeting Dates - 7:00 PM**

**DEADLINE TO**  
**Town Clerk**

**ROUNDTABLE**  
**MEETING**  
**Meeting Dates - 7:00 PM**

**DEADLINE TO**  
**Town Clerk**

- April 27, 2011
- May 24, 2011
- June 28, 2011
- July 26, 2011

- April 15 (5:00 pm)
- May 13 (5:00 pm)
- June 10 (5:00 pm)
- July 15 (5:00 pm)

- April 12, 2011
- May 10, 2011
- June 14, 2011
- July 12, 2011

- April 1 (5:00 pm)
- April 29 (5:00 pm)
- June 3 (5:00 pm)
- July 1 (5:00 pm)

- Presentation
- Resolution

- Reports
- Quasi Judicial

- Consent
- Old Business

- Ordinance
- New Business

**FY2011 DESIGNATED HIGH PRIORITY ITEM**

**SUBJECT TITLE: PROPOSED REVISIONS TO THE PURCHASING MANUAL**

**EXPLANATION:** Revision of the Town's Purchasing Manual was determined by the Commission to be a high priority assignment for the Town Manager in FY 2011. The Town Manager suggested a substantial rewrite of the Purchasing Manual to make it more comprehensive and reflect modern purchasing practices. The Commission referred the Manager's recommendations to the Audit Committee who suggested several clarifications in the text. At the June Roundtable, the Commission indicated that they did not wish to increase in the Town Manager's purchasing authority from \$15,000 to \$20,000.

The Manual that will be adopted by resolution no longer reflects an increase in the Manager's purchasing authority and reflects the recommendations of the Audit Committee.

The significant changes in the Manual are:

1. Increase purchasing thresholds as follows:
  - a) Department Director authorization increases from \$1,000 to \$4,000;
  - b) Purchasing Administrator's authority to ok purchases up to \$5,000 is eliminated and replaced by giving the Assistant Town Manager and the Finance Director authority to approve purchases up to \$7,500;
2. Modify the procedures for requiring quote and bids as follows:
  - a) Raise the threshold for purchases that require informal quotes from \$500 to \$2,000; (The survey of Broward cities shows that most do not bother with quotes until the procurement reaches the \$2,500 level.)
  - b) Require 2 documented verbal quotes for purchases between \$2,000.01 - \$4,999.99 (LBTS currently requires 3 written quotes for this level of procurement );
  - c) Require 3 documented verbal quotes for purchases between \$5,000 - \$9,999.99



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(LBTS currently requires 3 written quotes for such purchases; the great majority of cities in the survey do not require written quotes until higher levels. );

- d) Require 3 written quotes for purchases between \$10,000 - \$20,000 (current LBTS manual requires an RFP or ITB at the \$15,000 level and above; most cities surveyed go up to \$25,000 with quotes)
  - e) Allow quotes obtained on the internet to be used and items to be purchased from the internet.
3. Clarify that shipping costs are part of the bid or quote.
  4. Differentiate between an Invitation to Bid (ITB) and a Request for Proposals (RFP). The current Manual oddly treats ITBs as a subset of RFPs when they are, in reality, completely different procurement processes intended for very different types of situations.
  5. Add the requirement that RFPS for projects or goods that are expected to be in excess of \$20,000 will be distributed to the Town Commission no less than one week in advance of publication of the RFP to allow the Commission time to review and comment.
  6. Clarify the role of the evaluation committee and that the committee's deliberations are to take place under the sunshine act guidelines.
  7. Strengthen the section on specifications.
  8. Allow for publicizing bid invitations, RFPs, RFQs etc on the Town's website and other electronic posting sites instead of being required to advertise them in a newspaper.
  9. Add provisions that allow life cycle cost, durability of products in our ocean-side environment, safety and security issues, length and quality of the warranty, and environmental factors to come into play in making the procurement decision. These are real issues we grapple with every day, e.g. products that don't last a year in our salt-air environment and have to be replaced or have heavy maintenance requirements. This will give us more flexibility in buying equipment that is durable.
  10. Cite statutory requirements that restrict our procurement decision so that it is clear to the user of the Purchasing Manual that they must be aware of these laws and limitations. Updates the different dollar thresholds contained in the manual to reflect current statutory thresholds (they were outdated). We also wrote the language so that, as state laws change, the Manual is automatically amended to reflect statutory changes.
  11. Expand the description of change orders and how they work and can be approved.
  12. Limit the Town Manager's authority to extend contracts beyond their specified expiration period pending renegotiation or award of a new bid to ninety days. The current wording is open-ended.



Item No. \_\_\_\_\_

## AGENDA ITEM REQUEST FORM

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Dept Head's Signature

13. Move the sections on sole source procurement and emergency procurement to Section IV of the manual as that section deals with exceptions to the policies and they make more sense being there.
14. Clarify that we can negotiate for a lesser price on piggy-backed contracts than the vendor provided to the original jurisdiction since we are a smaller community, with lesser demands. Also confirm that we can join cooperative bidding consortiums, as that type of arrangement is not contemplated in the current manual.
15. Eliminate the \$250 single and the \$500 limit in a 30 day period on purchases made with a credit card. The reason to have the credit cards is to facilitate purchasing and to buy things on the internet. The current restrictions are prohibitive and defeat the reason for a credit card.
16. Expand the list of procurements that are exempt from the policies to reflect what is actual practice and has been for some time. The items added are not really suited to competitive purchasing.
17. Raise the threshold for requiring two appraisals for purchase of property as the existing threshold is not realistic in today's real estate market.
18. Allow for on-line sale of confiscated, unclaimed, abandoned or obsolete property.

### RECOMMENDATION: Adopt the Revised Purchasing Manual

EXHIBITS:      **Resolution 2011-18**  
Revised Purchasing Manual  
Minutes of May 2 Audit Committee meetings

Reviewed by Town Attorney  
 Yes     No

Town Manager Initials CH

**RESOLUTION 2011-18**

1           **A RESOLUTION OF THE TOWN COMMISSION OF THE**  
2           **TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA,**  
3           **ADOPTING A REVISED PURCHASING MANUAL;**  
4           **PROVIDING FOR SEVERABILITY; PROVIDING FOR**  
5           **CONFLICTS; PROVIDING AN EFFECTIVE DATE.**

6  
7           **WHEREAS,** the Town Manager is responsible for the proper administration of the  
8           affairs of the Town, including the administration of purchasing goods, commodities and services,  
9           subject to the appropriation powers reserved to the Town Commission; and

10           **WHEREAS,** the Town Commission adopted Resolution No. 2005-19, authorizing the  
11           adopting and implementation of uniform purchasing policies and procedures; and

12           **WHEREAS,** the Town Commission adopted Resolution No. 2011-10 updating the  
13           Purchasing Manual; and

14           **WHEREAS,** the Town Commission desires to adopt an updated and amended  
15           Purchasing Manual to reflect City policies and current purchasing techniques.

16           **NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF**  
17           **THE TOWN OF LAUDERDALE BY THE SEA, FLORIDA, THAT:**

18           **Section 1. Recitals.** The foregoing “Whereas” clauses are hereby ratified and  
19           confirmed by the Town Commission, and incorporated herein.

20           **Section 2. Adoption of Manual.** The Town Commission of the Town of  
21           Lauderdale-By-The-Sea, Florida, hereby adopts the policies, guidelines and procedures as revised  
22           and set forth in the Purchasing Manual attached hereto as Exhibit “A”.<sup>1</sup>

23           **Section 3. Implementation.** The Town Manager or his or her designee and the  
24           Town Attorney are authorized to take all actions necessary to implement the new provisions of

**RESOLUTION 2011-**

25 the Purchasing Manual.

26           **Section 4.**   **Severability.** If any clause, section, or other part of this Resolution shall  
27 be held by any Court of competent jurisdiction to be unconstitutional or invalid, such  
28 unconstitutional or invalid part shall be considered as eliminated and in no way affecting the  
29 validity of the other provisions of this Resolution.

30           **Section 5.**   **Conflict.** All Resolutions or parts of Resolutions in conflict herewith are  
31 hereby repealed to the extent of such conflict.

32           **Section 6.**   **Effective Date.** This Resolution shall become effective immediately upon  
33 its passage and adoption.

34 **PASSED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2011.

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\_\_\_\_\_  
MAYOR ROSEANN MINNET

ATTEST

\_\_\_\_\_  
June White, Town Clerk, CMC

APPROVED AS TO FORM:

\_\_\_\_\_  
Susan L. Trevarthen, Town Attorney

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<sup>1</sup> Deleted text is indicated by a ~~striketrough~~ and added text is indicated by an underline.

**RESOLUTION 2011-18 – EXHIBIT A**  
**PURCHASING MANUAL**

**RESOLUTION 2011-18 – EXHIBIT B**

**MINUTES OF MAY 2, 2011**

**AUDIT COMMITTEE MINUTES**

# **TOWN OF LAUDERDALE-BY-THE-SEA**

## **AUDIT COMMITTEE MEETING MINUTES**

Jarvis Hall  
*4505 Ocean Drive*  
*Monday, May 2, 2011*  
*3:00 P.M.*

### **1. CALL TO ORDER**

Chairman Ben Freeny called the meeting to order at 3:10 p.m. Present were John Oughton, Town Manager Connie Hoffmann, Interim Finance Director Doug Haag, and Deputy Clerk Nekisha Smith.

### **2. APPROVE THE MINUTES FOR JUNE 15, 2010 AND MARCH 2, 2011**

John Oughton made a motion to approve the minutes. Ben Freeny seconded the motion. All voted in favor.

### **3. REVIEW DRAFT OF PROPOSED PROCUREMENT MANUAL**

Town Manager Hoffmann advised the committee that the Town's purchasing manual was in need of updating. She requested feedback in regards to the recommended changes made by staff. Town Manager Hoffmann stated that the majority of the changes allowed the Town to implement various procurement procedures which the current purchasing manual lacked. She said that recommendations were also made in regards to the dollar amount thresholds for purchases which had not been revised for approximately fifteen years. Town Manager Hoffmann stated that a survey was conducted by the Broward County Purchasing Association to indicate the purchasing thresholds of various municipalities. She added that the recommended changes also gave department heads more purchasing authority. Town Manager Hoffmann explained that there were extensive changes to the section regarding credit cards to allow the Town to take advantage of better pricing for smaller purchases and online purchases.

Mr. Oughton questioned whether the Town paid sales tax on purchases. Town Manager Hoffmann stated the Town did not.

Town Manager Hoffmann advised that the issue of purchasing real estate also need to be addressed as the current policy was very restrictive and did not define any procedure for purchasing real estate through an auction.

Mr. Oughton requested that the verbage in item 2a be clarified. He explained that he was more comfortable with staff retrieving quotes from vendors that could be attached to the purchase orders. Mr. Oughton recommended reducing the number of verbal written quotes from 3 to 2 for purchases of \$5,000-\$9,999 as long as written documentation from the vendor was attached to the purchase order. He added that shipping costs should be included in any verbal quotes

received. Town Manager Hoffmann confirmed that language would be added requiring that the lowest bidder provide written confirmation of the quote. Mr. Oughton questioned whether evaluation committee members were the same for every RFP (Request for Proposal). Town Manager Hoffmann clarified that the committee was chosen by the Town Manager for each RFP. Mr. Oughton questioned whether the Town was still required to advertise bids in the newspaper. Town Manager Hoffmann explained that state statute required that certain bids be published in the newspaper.

There was discussion regarding change orders. Town Manager Hoffmann clarified that language would be added that would specify that change orders over a certain dollar amount, and of a specific nature must be approved by the Town Commission.

Mr. Oughton questioned which employees were currently authorized to use Town credit cards. Interim Finance Director Haag stated that the Town Manager, Assistant Town Manager, and Public Works Director had authority to make purchases on the Town's credit card. Town Manager Hoffmann added that the purchasing manual allowed the Town Manager to give that authority to employees. Mr. Oughton requested that language be added that the Town Commission be informed of any further authority for the use of a credit card. Town Manager Hoffmann requested whether that provision could not include department heads and recommended that language be added that the Finance Director would review all monthly charges to ensure they adhere to the procurement policy.

Chairman Freeny questioned whether life cycle costs were requested in the bid forms provided by the Town. Town Manager Hoffmann explained that for some bids, Town staff was able to retrieve maintenance records from other municipalities to determine the life cycle costs. Chairman Freeny requested an explanation of cooperative bidding. Town Manager Hoffmann explained that several municipalities came together to bid one project. She said that one agency took the lead to put the bid together and the objective was to get a lower price compared to each municipality bidding individually.

Mr. Oughton asked how the Town purchased fuel for Town owned vehicles. Town Manager Hoffmann explained that the Town participated in a fuel consortium; however, she did not know the specifics of the program at that time. Mr. Freeny questioned whether the VFD (Volunteer Fire Department) participated in the program and if not, could that be something the Town considered including in future contracts. Town Manager Hoffmann stated that staff would look into the idea.

Town Manager Hoffmann reviewed the changes recommended by the Audit Committee: 1) In regards to documented verbal quotes in excess of \$2,000, the lowest/selected vendor must provide written confirmation of their quote prior to the issuance of a purchase order; 2) Town must advertise all bids in accordance to state law; 3) The Town Commission must approve the issuance of credit cards

to anyone other than department heads/members of the executive team; and 4) The finance director will review the monthly charges against the credit card to verify the appropriateness of the charges, designation of the accounts to be charged, and ensure that budget control is in place.

Mr. Oughton recommended that staff make an assessment of the value of any abandoned or confiscated property.

Chairman Freeny was not in favor of the provision to allow the Town Commission to issue credit card authorization to Town employees. Town Manager Hoffmann explained that she did not see the provision becoming problematic because of the small size of Town staff. The provision was changed to limit credit card usage to only department heads and above.

Town Manager Hoffmann left the meeting at 4:00 p.m. due another scheduled meeting.

Discussion continued regarding Town policy to purchase real property. Chairman Freeny questioned whether any research was done to see how other municipalities handled the purchase of property through auction. Interim Finance Director Haag said that could be done. He asked the committee members to consider how they felt as residents should the Commission ever choose to purchase property from an auction by holding shade session meetings. Mr. Oughton believed that the policy should be considered. Mr. Oughton requested that staff also find out what time frame the Commission would have in regards to foreclosed and auctioned property.

Chairman Freeny wished to see the complete purchase order approval process included in the purchasing manual. He questioned whether staff could provide an outline of the current procedure so that the committee could determine any additional provision that were needed. Interim Finance Director Haag pointed out that the current purchasing manual did document an approval procedure for purchase orders that the audit committee could reference and make recommendations towards. Chairman Freeny questioned whether the current purchasing manual included a process for contracts which required multiple payments. Interim Finance Director Haag explained that information was normally found in the bid document or the executed contract. Mr. Oughton recommended that in the event that a pay down schedule was not received in a bid, that one be created by the Town Manager and Finance Director. Mr. Freeny agreed.

There was committee consensus to schedule a meeting on June 2, 2011 to further discuss provisions for the purchase of real property.

**4. RECOMMENDATION(S) TO TOWN COMMISSION**

**5. ADJOURNMENT**

Audit Committee Meeting Minutes  
May 2, 2011

Mr. Oughton made a motion to adjourn. With no further business before the committee, Chairman Freeny adjourned the meeting at 4:30 p.m.

  
\_\_\_\_\_  
Ben Freeny  
Audit Committee Chairman

6-9-11  
Date

**I**

# Authority and Purpose of Purchasing Manual

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## Purchasing Manual

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### I. AUTHORITY AND PURPOSE OF PURCHASING MANUAL

This Purchasing Manual sets forth the policies and procedures to be followed by Town employees whenever goods and/or services are being acquired or disposed of by the Town of Lauderdale-By-The-Sea, Florida (hereinafter "Town" or "Lauderdale-By-The-Sea"). The requirements contained in this Purchasing Manual must be strictly adhered to. Non-compliance with the provisions of this Purchasing Manual may lead to disciplinary action.

The purpose of this Purchasing Manual is to set forth the procedures the Town employees or agents must follow to obtain the goods and services needed by Lauderdale-By-The-Sea while:

- complying with the legal requirements of public procurement,
- assuring vendors impartial equitable treatment,
- receiving maximum value for each public dollar expended,
- providing the proper quantity and quality of goods and/or services at the time and place required, and
- purchasing only properly authorized goods and/or services for which funds have been appropriated and not previously encumbered.

In any situation where compliance with this Purchasing Manual will place Lauderdale-By-The-Sea in conflict with state or federal law, the Town shall comply with applicable federal or state law or authorized regulations which are mandatorily applicable and which are either not reflected in this Purchasing Manual or are contrary to provisions of this Purchasing Manual.



# Definitions

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# Purchasing Manual

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## II. DEFINITIONS

For the purpose of these procedures the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural numbers include the singular number, words in the masculine gender included the feminine, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

### A. APPLICABILITY

As used throughout this Purchasing Manual the words and terms defined in this Section shall have the meanings set forth below unless the context in which they are used clearly requires a different meaning or a different definition as prescribed for a particular Section or portion thereof.

### B. DEFINED TERMS

1. **Addendum** means a written or graphic instrument issued prior to the opening of bids or proposals which clarifies, corrects or changes the bidding documents or contracts.
2. **Award** means the acceptance of a bid, offer, or proposal by the proper Lauderdale-By-The-Sea authority per Section III. below.
3. **Best Interest of Lauderdale-By-The-Sea** means a professional assessment of what will result in maximum benefit being conferred upon Lauderdale-By-The-Sea.
4. **Bid Bond** means a form of bid security executed by the bidder as principal and by a surety to guarantee that the bidder will enter into a contract within a specified time and furnish any required performance bond.
5. **Blanket Purchase Order** is a purchase order that covers the purchase of supplies of a like nature for a stipulated period of time (i.e. 12 months).



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## Purchasing Manual

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6. **Brand Name or Equal Specification** means a specification limited to one or more items by manufacturers' name or catalog number to describe the standard of quality, performance or other prominent characteristic needed to meet Lauderdale-By-The-Sea requirements.
7. **Capital Purchases** means all tangible personal property having an original acquisition cost of two thousand dollars (\$2,000.00) or more per unit and a life expectancy of more than one year, including, but not limited to, the purchase of software.
8. **Change Order** is a written order amending a purchase order to correct errors, omissions, discrepancies, acceptable overruns, 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.
9. **Commodities** include but are not limited to goods, equipment, materials and printing which is purchased, leased or otherwise contracted for by Lauderdale-By-The-Sea.
10. **Competitive Bids or Competitive Offers** means bids or offers submitted by responsive qualified bidders or respondents.
11. **Construction** means the process of building, altering, repairing, improving or demolishing any structures, buildings or improvements to real property. It does not include the routine operation, repair or maintenance on existing structures, buildings or real property.
12. **Consultant's Competitive Negotiations Act (CCNA)** is the common name for *Section 287.055 of the Florida Statutes* concerning the procurement of Architectural, Engineering (including testing), Landscape Architecture and Registered Surveying and Mapping Services.



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## Purchasing Manual

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13. **Contractor** means any person or business having a contract with Lauderdale-By-The-Sea to perform a service or sell a product aka vendor.
14. **Contractual Services** means the rendering of a contractor of their time and effort rather than the furnishing of specific commodities, materials, goods, equipment and other personal property. The term applies only to those services rendered by individuals and/or firms who are independent contractors, other governmental agencies or non-profit organizations who provide services on a contractual basis such as the Florida League of Cities, counties or municipalities.
15. **Cooperative Purchasing** means procurement activities and contracts conducted by or on behalf of more than one governmental entity.
16. **Debarment or Suspension** means a disqualification of a business or person from receiving invitations for bids, requests for proposals or the award of contracts by Lauderdale-By-The-Sea because of previous illegal or irresponsible action or the failure or the inadequacy of performance.
17. **Designee** means a duly authorized representative of a person holding a management position.
18. **Emergency Purchase** means a purchase made to alleviate a situation in which there is a threat to health, welfare, or safety , that does not allow for the normal, competitive purchasing procedures under certain conditions defined as an emergency by the jurisdiction.
19. **Environmentally Preferable Purchasing** means considering factors of sustainability and environmental impact, i.e. the use of natural products, energy savings potential, the durability of the product in the Town's coastal environmental conmditions in making procurement decisions and awards.



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## Purchasing Manual

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20. **Governmental Agency** means any agency of the Federal, State, or any local government or local governmental entity.
21. **Invitation to Bid** means a written solicitation for competitive sealed bids with the title, date, and hour of the public bid opening designated and specifically defining the commodities or contractual services for which bids are sought. The invitation for bid will be used when Lauderdale-By-The-Sea is capable of specifically defining the scope of work for which a contractual service is required or is capable of establishing precise specifications defining the actual commodities required. The invitation to bid will include instructions to bidders, plans, drawings and specifications, if any, a bid form and other required forms and documents to be submitted with the bid.
22. **Lauderdale-By-The-Sea** means the Florida Municipal Corporation known as the Town of Lauderdale-By-The-Sea.
23. **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.
24. **Mandatory Bid Amount** means the dollar threshold at which the formal bid process is required. The acquisition of any commodity or service may not be divided to circumvent the requirement of the Mandatory Bid Amount.
25. **Negotiations for Professional Service** means the act of determining terms, conditions and prices for the performance of professional services.
26. **Notice of Award** means the written notice by Lauderdale-By-The-Sea to the apparent, successful bidder or offeror.
27. **Open-End Contract** means a funded contract whereby an indefinite quantity of supplies, services, or constructions are to be procured over an identified time span when needed.



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## Purchasing Manual

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28. **Open-End Purchase Orders** means a purchase order whereby a vendor provider supplies, services, or construction on demand or on a prescribed schedule. An Open-End Purchase Order may be used as a release and encumbrance document to authorize procurement of any predetermined amount from an open-end contract on an as-needed basis.
29. **Performance/Construction Bond** means a bond of a contractor/vendor in which a surety guarantees to Lauderdale-By-The-Sea that the work/services of that contractor or vendor will be performed in accordance with the contract documents. At the discretion of Lauderdale-By-The-Sea, where not prohibited by other law, an irrevocable letter of credit issued by a financial institution may substitute for a performance/construction bond.
30. **Procurement** is the buying, purchasing, renting, leasing or otherwise obtaining any commodities, services, construction or any other item(s) including description of requirements, selection and solicitation of sources, preparation and award of contracts and all phases of contract administration.
31. **Professional Services** means any services where Lauderdale-By-The-Sea is obtaining advice, instruction or specialized work from a person or firm. Professional services may include an oral report or written advice. Because the main thrust of the service is not considered labor, but the exercise of intellectual ability, the procurement of professional services does not lend itself to normal competitive bidding and price competition alone. These services may be procured by Requests For Proposals, Letters of Interest, Requests for Qualifications and selected through Competitive Selection and Negotiation or at the Town Manager's discretion on an as needed basis.
32. **Purchase Order** means a Lauderdale-By-The-Sea document to formalize a purchase transaction with a vendor conveying acceptance of a vendor's proposal. The purchase order should contain statements as to quantity, description and price of the supplies,



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## Purchasing Manual

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services or construction ordered and applicable terms as to payment, discounts, date of performance, transportation, insurance and other factors.

33. **Purchasing Administrator** means the principal Lauderdale-By-The-Sea purchasing official designated by the Town Manager as responsible for the procurement, management, and disposal of commodities in accordance with the policies contained in this Purchasing Manual.
34. **Quotation** means an informal (verbal) or formal (written) notice by a vendor to Lauderdale-By-The-Sea stating the prices, terms and conditions under which they will furnish certain goods or services.
35. **Request for Proposals (RFP)** means all documents whether attached or incorporated by reference for soliciting sealed proposals, including any addenda. A RFP is characterized by a description of the desired product or service and a description of the process for evaluating vendor responses.
36. **Request for Qualifications (RFQ)** – Formal invitation from Lauderdale-By-The-Sea to vendors to submit a statement of qualifications. The RFQ identifies the desired minimum qualifications of the individual(s) or firm(s), 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.
37. **Responsible Bidder or Responsible Offeror** means an individual or firm who has submitted a bid that conforms in all material respects to the invitation to bid or request for proposals and who has the capability in all respects to perform fully the contractual requirements and the tenacity, perseverance, integrity, experience, ability, reliability, capacity, facilities, equipment, financial resources and credit which will give reasonable expectation of good faith performance.



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## Purchasing Manual

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38. **Selection and Negotiation Committee** is a group of persons appointed by the Town Manager to rank in preferential order those professional firm(s) or individual(s) interested in providing services on a particular project and/or to negotiate a final contract with the highest ranked firm.
39. **Services** means 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.
40. **Short listing** is a process by which the number of responsive candidates or firms is reduced to a manageable number for more detailed evaluation by a ranking of the candidates or firms by an evaluation committee. **Short List** means the names of candidates or firms that have been selected for further consideration for award of the contract from a considerably longer list of responsive offerers.
41. **Specification** means any description of the physical or functional characteristics or of the nature of a supply, service or construction item. It may include a description of any requirement for inspecting, testing or preparing a supply, service or construction time for delivery. Specifications may also contain provisions for inclusion of factors which will lead to the ultimate calculation of the lowest total cost. All specifications shall seek to promote overall economy for the purpose intended and encourage competition in satisfying Lauderdale-By-The-Sea's needs and shall not be unduly restrictive.
42. **Sole Brand** means the only known brand or only reasonable brand capable of fulfilling Lauderdale-By-The-Sea's needs.
43. **Sole Source** means only one vendor possesses the unique and singularly available capability to meet the requirement of the solicitation, such as technical qualifications, ability to deliver at a particular time, services from a public utility or a situation where a



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## Purchasing Manual

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- particular supplier or person is identified as the only qualified source available to the requisitioning authority.
44. **State Contracts** are term contracts released by the State of Florida Department of Management Purchasing Division or any other State of Florida Agency (such as Department of Highway Safety or a states university) that may be utilized at the option of local government agencies.
  45. **Supplies** mean all property, including but not limited to, equipment, material, printing and equipment leases but specifically excluding the acquisition of interests in real property by Lauderdale-By-The-Sea.
  46. **Surety** means an organization which, for consideration, promises in writing to make good the debt or default of another. The surety must hold a certificate of authority as an acceptable surety on federal bonds published in the current Circular 570, United States Department for the Treasury and the Federal Register effective July 1 annually, as amended.
  47. **Surplus Property** means any property belonging to Lauderdale-By-The-Sea, which is capable of being used, but is in excess of the normal operating requirements of Lauderdale-By-The-Sea. This property may be disposed of by auction or other means which proves to be the most beneficial to Lauderdale-By-The-Sea as determined by Section V. below.
  48. **Town** means the Lauderdale-By-The-Sea municipal government.
  49. **Town Manager** means the individual appointed by the Town Commission as the administrative head of the Lauderdale-By-The-Sea municipal government.
  50. **Town Commission** means the elected legislative body of the Lauderdale-By-The-Sea municipal government.



# General Purchasing Policies

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# Purchasing Manual

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## III. GENERAL POLICIES

### A. OVERALL PURCHASING REQUIREMENTS

1. General Purchasing Policies apply to all procurement of goods, construction, and/or services by Lauderdale-By-The-Sea unless specifically excluded as described under exceptions Section IV of this manual.
2. The acquisition/disposal of goods, property, and/or services shall not be subdivided in order to circumvent any provision of this Purchasing Manual.
3. Vendors may not attempt to secure favoritism in the expenditure of public funds by offering bribes, gifts or providing entertainment to Lauderdale-By-The-Sea employees/officials having the ability to influence vendor selection decisions.

Lauderdale-By-The-Sea employees/officials or spouse, dependent, partner, subordinate of any Lauderdale-By-The-Sea employee/official shall not, at any time, accept any compensation, payment, or thing of value when such officer or employee knows, or, with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the Lauderdale-By-The-Sea officer/employee was expected to participate in his official capacity.

There shall be inserted in all contracts, and contractor shall be required to insert in all subcontracts, the following provision: "No officer or employee of the Town of Lauderdale-By-The-Sea, Florida, during his or her term of employment or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof."

4. Lauderdale-By-The-Sea shall not knowingly acquire goods, property, and/or services from vendors who have been found guilty of a "public entity crime" as defined in *Section 287.133 of Florida Statutes*. Accordingly, vendors covered by *Section 287.133 of Florida Statutes*



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will provide to the Town a sworn statement as required by that statute.

Lauderdale-By-The-Sea will not knowingly contract with vendors on the State of Florida discriminatory vendor list prescribed in *Section 287.134 of Florida Statutes*.

5. Procurements for the personal use or benefit of Lauderdale-By-The-Sea officials/employee are prohibited. Town officials/employees are also prohibited from using the Lauderdale-By-The-Sea name or the officials/employee's position to obtain special consideration in personal purchases, however this prohibition shall not apply to discounts or offers extended to government employees and officers in general (e.g. discounts offered at amusements parks or hotels).
6. Lauderdale-By-The-Sea is exempt from paying all local and state sales taxes, as well as Federal Excise taxes. The Town's Finance Director will provide the necessary exemption documents to any vendor upon request. Thus, Lauderdale-By-The-Sea officials/employees should make every effort to ensure that sales/excise taxes are not charged by the vendor.
7. If an item covered by a properly -authorized Purchase Order cannot be supplied by the selected vendor in the required timeframe, the substitution of a suitable equivalent item may be approved using the Change Order procedures described in Section III.
8. Should the selected vendor fail to meet any specified requirement of a procurement, the vendor can be cited for non-performance. The seriousness of non-performance must be evaluated, in coordination with the Town Attorney, based on the circumstances surrounding each violation. However, there should always be some recourse for Lauderdale-By-The-Sea when a vendor fails to perform in accordance with the terms and conditions.

These recourses include, but are not limited to:



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- a. Lauderdale-By-The-Sea may exercise its rights under a liquidated damage clause or under the terms of a performance bond.
  - b. Lauderdale-By-The-Sea may obtain the needed items from another source and charge the delinquent vendor the excess difference in cost.
  - c. The Town Manager or designee may terminate the contract for default if it is in the best interest of Lauderdale-By-The-Sea.
9. Whenever two or more bids, proposals, or replies that are equal with respect to price, quality, and service are received by Lauderdale-By-The-Sea for the procurement of commodities or contractual services, a bid, proposal, or reply received from a business that certifies in accordance with Florida Statutes Section 287.087 that it has implemented a drug-free workplace program shall be given preference in the award process.

Additionally, if two (2) or more vendors are tied as to quality, delivery times, and price, the tie may be broken and the vendor selected based on the location of the vendor's actual operations. The local preference shall favor first vendors conducting actual business operations from a facility/office physically located within the municipal boundaries of Lauderdale-By-The-Sea.

If none of the vendors so qualify, then favor shall be shown to vendors conducting actual business operations from a facility/office physically located within Broward County.

If none of the vendors so qualify, then favor shall be shown to vendors conducting actual business operations from a facility office physically located within the State of Florida. Preference for Florida-based vendors is required by Florida Statutes Section 255.04 when erecting or constructing any public or institutional building. Preference for Florida-based vendors of commodities is provided for



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in Florida Statute Sections 287.082, 287.084, and 287.092. However, Lauderdale-By-The-Sea shall not show preference to vendors solely on the basis of being minority business enterprises under Florida Statutes Sections 287.093 and 287.0931.

10. No obligations for expenditures of Lauderdale-By-The-Sea funds may be incurred except pursuant to, and only to the extent of, a specific appropriation of funds in the Town Commission-Adopted Lauderdale-By-The-Sea budget. This provision shall apply, without being limited to, any formal or informal contractual obligation (e.g., Purchase Order) for the purchase or lease of supplies, services or equipment. No money may be drawn from the Lauderdale-By-The-Sea treasury, nor may the appropriate Lauderdale-By-The-Sea officials execute any check, draft, warrant, note, contract or other negotiable instrument, except pursuant to, and only to the extent of, a specific appropriation of funds in the budget to be used for such payment or procurement. Accordingly, the availability of funds must be approved by the Finance Director or designee before Lauderdale-By-The-Sea is contractually obligated to any procurement.

### **B. VENDOR SELECTION METHODS**

#### **1. General Guidelines**

There are five vendor selection methods used by Lauderdale-By-The-Sea: Quotes, Invitations to Bid (ITB), Requests for Proposals (RFP), Requests for Qualifications (RFQ), and Letters of Interest (LOI). Quotes, are normally used when the expected cost of goods or services is twenty thousand dollars (\$20,000) 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 and must be used when costs are expected to be above twenty thousand dollars (\$20,000). They may also be used for smaller purchases when it is anticipated that Lauderdale-By-The-Sea will derive sufficient additional benefit to justify their use.



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Exceptions to the required vendor selection methods are permitted in specific instances (See Section IV of this manual) or when pre-approved by the Town Manager in emergency situations.

Under no circumstances may known or anticipated annual requirements for commodities and services from a vendor be broken into smaller quantities to circumvent the requirement to use a formal vendor selection process.

### **2. Informal Vendor Selection Methods**

- a. All procurements of goods and/or services, as well as award of contracts and related change orders, in excess of fifteen thousand dollars (15,000) must be approved by the Town Commission before such purchase is made or a contract is awarded. Unless waived by the Town Commission, procurements above fifteen thousand dollars (\$15,000) shall be selected through a Formal Bidding Process.
- b. Once a contract has been approved by the Town Commission, the Town Manager may exercise any extension or renewal options included in that contract.
- c. All procurements of goods and/or services, as well as award of contracts and related change orders, that do not exceed fifteen-thousand dollars (\$15,000) must be approved and documented as follows:



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APPROVAL	DOLLAR THRESHOLD
Department Director	Up to \$ 4,000.00
Finance Director or Assistant Town Manager	Up to \$7,500.00
Town Manager	\$7,500.01 to \$15,000
Town Commission	\$15,,000.01 and above

  

AMOUNT	REQUIRED DOCUMENTATION
Up to \$2,00.00	Not subject to bids/quotes
\$2,000.01 to \$ 4,999.99	Two verbal documented quotes.*
\$5,000 to \$ 9,999.99	Three verbal documented quotes *
\$10,000 to \$20,000.00	Three written quotes
Above \$20,000.00	ITBs, RFPs, RFQs, LOIs

  

- The vendor selected must confirm their verbal quote in writing prior to the issuance of a purchase order.



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- d. Printed documentation from a website can be utilized as a written or verbal quotation of pricing for items that can be procured through the internet.
- e. Shipping costs should be included in the determination of the lowest bid.

For any procurement, the Town Manager has the discretion to impose additional purchasing requirements.

### **C. PURCHASING DOCUMENTATION**

#### **1. Documenting a Purchase Request**

After obtaining the required pricing information described above, the department director making the purchase shall provide to the Purchasing Administrator documentation of the quotes or bids received, a recommendation on which vendor is recommended and an explanation of any reasons why the lowest bid was not selected, and other information needed to complete the purchase such as the quantity, quality, price, delivery time/location, of goods, property, and/or services to be acquired and the budgeted account to be charged. The documentation should also detail other conditions of the procurement, such as service, warranty, and payment terms and indicate that all applicable procurement requirements have been followed. It is the responsibility of the Lauderdale-By-The-Sea department to submit the purchase request sufficiently in advance of the date of goods/services are needed to allow for its timely review, approval and processing.

#### **2. Purchase Orders**

After the Lauderdale-By-The-Sea Finance Director has verified the availability of budgeted funds for the procurement and has verified that the procurement is being made in accordance with the policies prescribed in this manual, the Purchasing Administrator will generate a numbered Purchase Order. The Purchase Order must be signed by the Purchasing



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Administrator and the management official who is authorized by Section B-2 to approve that level of expenditure.

The issuance of purchase orders by unauthorized individuals will not be recognized by Lauderdale-By-The-Sea and payment of these obligations will not be approved.

The Purchasing Administrator will keep a numerical log and copies of all issued Purchase Orders.

It is preferred that purchase orders establishes venue for enforcement in Broward County Florida.

### **D. FORMAL VENDOR SELECTION METHODS**

1. A determination will be made by the Purchasing Administrator, after consultation with the user department, as to which formal competitive vendor selection method will be used. Methods include:

- a. **Invitation to Bid (ITB)**

An ITB is used when specifications are well-defined. The ITB shall include instructions to bidders, plans, drawings and specifications if any, a bid form, and other required forms and documents to be submitted with the bid. Under this type of solicitation, the recommendation of award is normally to the lowest responsive and responsible bidder. Life cycle costs of the commodity or equipment to be purchased can be used in evaluating which vendor is lowest responsive and responsible bidder.

Prior to the release of any ITB that the Town staff anticipates will result in a purchase in excess of fifteen thousand dollars (\$15,000) a draft copy of the ITB shall be sent to the Town Clerk for distribution to the Town Commission no less than one week in advance of publication of the ITB.

- b. **Request for Proposals (RFP)**

An RFP is a written request to vendors to submit proposals that describe the methodology the respondent will utilize to provide analysis, design or



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other professional services, design/build services, or operational services on an issue or a need Lauderdale-By-The-Sea has specifically identified.

In most cases, and except when prohibited by State Statute, prices for the services will also be requested. The vendor's experience and qualifications, together with the proposed methodology, are evaluated and may take precedence over price in the procurement decision in this selection method. RFPs will generally, but not always, state the relative importance that price and any other evaluation criteria will be accorded in the vendor selection process.

Prior to the release of any RFP that the Town staff anticipates will result in a purchase in excess of fifteen thousand dollars (\$15,000) a draft copy of the RFP shall be sent to the Town Clerk for distribution to the Town Commission no less than one week in advance of publication of the RFP.

Lauderdale-By-The-Sea may engage in discussions with respondents for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Respondents shall be accorded fair and equal treatment with respect to any opportunity for discussion

The Purchasing Administrator will first review the proposals to determine if each proposal is responsive to the requirements of the RFP. The Purchasing Administrator has the authority to notify the responder of non-substantive omissions in their proposal and give them a short deadline to correct those omissions. The Purchasing Administrator will determine which proposals are deemed non-responsive to the RFP and those respondents will be notified in writing of the Purchasing Administrator's decision.

Evaluation of the responsive proposals will normally be completed by an evaluation committee that is composed of individuals who have knowledge of, or experience with the project, issue or profession that is the subject of the procurement. The evaluation committee members are appointed by either the Town Manager or Assistant Town Manager. The Purchasing Administrator normally facilitates the evaluation process, but is not a



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voting member of the evaluation committee. The Purchasing Administrator is also the only staff member who should be in contact with the responders between the times the evaluation committee is appointed and they complete their evaluation process and submit recommendations to the Town Manager or Town Commission.

Because the Town has a very small staff, there will be cases where it is appropriate for the Purchasing Administrator to be a member of the evaluation committee. In such cases, the Town Manager shall appoint another staff member to fulfill the facilitation and communication with respondents roles normally carried out by the Purchasing Administrator.

### c. Request for Qualifications (RFQ)

An RFQ is a formal invitation to vendors to submit a statement of their experience, education, certifications, etc. that qualify them to perform work for the Town. This approach differs from an RFP in that it places greater emphasis on the qualifications of the potential respondents, and their track record of quality performance, rather than a specific methodology they utilize. The RFQ identifies the desired minimum qualifications of the respondents, a scope of work statement, project requirements, and states the relative importance of selection criteria that will be used in compiling a short list of prospective respondents for further consideration.

Responses are evaluated by an evaluation committee and facilitated by the Purchasing Administrator. Depending on the number of responses received, a shortlist of three to five respondents are usually identified for further consideration. These short-listed respondents may or may not be interviewed by the evaluation committee. The short-listed firms may either be ranked in order of the committee's evaluation of the respondents' experience, qualifications and, in some cases the quality of their presentation to or discussions with the committee, or a number of respondents may be determined to be qualified to perform work for the Town.

When respondents are ranked in order, this ranking is presented to the Town Manager or the Town Commission for approval, depending on the



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size of the contract that is anticipated. Staff will then negotiate a contract for the services needed with the number one ranked respondent and bring the contract back to the Town Manager if it is within his or her approval authority or to the Town Commission for approval if the contract amount exceeds the Town Manager's authority.

In certain circumstances where continuing agreements are sought, multiple firms may be determined to be qualified and are placed on a qualified vendors list for the types of services identified in the RFQ. When a project or assignment is to be contracted to an outside vendor for such work, the Town may either rotate the work between qualified vendors or may ask the qualified vendors for sealed price quotes, if allowed by law, and/or schedules to do the work and make a selection based on price, if allowed by law, and/or schedule to complete the work. In such cases, staff will negotiate a contract with the selected vendor and bring it to the Town Manager for approval or to the Town Commission if the contract price exceeds the Town Manager's approval authority.

### **d. Letter of Interest (LOI)**

An LOI is a formal invitation to vendors to submit a proposal. 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 Lauderdale-By-The-Sea 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 are evaluated by an evaluation committee as described in the RFP section. Based on the experience and qualifications, the responses are ranked. This ranking is presented to the Town Manager or Town Commission, depending on the dollar amount of the contract, requesting authorization to enter into contract negotiations with the top ranked respondent. The resulting contract is then brought back to the Town Manager if within his or her authority for approval, or to the Town Commission for approval if the contract amount exceeds the Town Manager's authority. Architectural and engineering services are examples of services for which this type of solicitation is sometimes used.



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The Town may short-list the respondents to RFPs, RLI's or RFQs in order to facilitate more in-depth analysis of a more manageable number of responses. The Town may also seek clarification from proposers as long as such requests are made of, or discussions are held with, all proposers or all short-listed proposers. Individual members of the evaluation committee, however, may not conduct such discussions or communications; they must be done by the full committee or by the Purchasing Administrator. The opportunity for discussion and revision of proposals may also be limited to this group.

### **E. EXCEPTIONS**

Exceptions to these purchasing policies and goods and services that are exempt from the requirement for competitive vendor selection processes are detailed in Section IV of this Purchasing Manual.

### **F. FORMAL SOLICITATION PROCESS**

#### **1. Specifications**

In appropriate circumstances, the specification of goods/services/property to be procured by Lauderdale-By-The-Sea should be drafted to encourage vendors to propose reasonably comparable alternatives that ensure the Town obtains the best possible price while avoiding terms that are vague or subject to varying interpretations.

The Purchasing Administrator shall strive to assure that all specifications issued by Lauderdale-By-The-Sea 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 Town.

The Purchasing Administrator will ensure the solicitation documents include specifications that are well-defined. 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



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developments in the field, as well as the technical specifications of the product or service. The Purchasing Administrator may review specifications and make suggestions, such as alternate products, when appropriate.

There are many different types of specifications; however, all specifications regardless of the type must be clear and complete. The specification must clearly and completely express the needs of Lauderdale-By-The-Sea 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:

- a. *Qualified Products or Acceptable Brands List.* These lists are developed only where it is not possible to write specifications adequate to identify the quality and performance required of the goods or services to be purchased. Acceptable brand lists are also used when tests necessary to determine compliance with technical specifications are lengthy, costly or require complicated technical equipment.
- b. *Specification by Brand or Trade Names.* Brand or trade names may be used where brand name products have been found to be superior to others for the purpose intended, or when their composition is secret, unknown or patented. The use of brand names establishes a quality standard but is not intended to limit or eliminate competition. Whenever this method of establishing specifications is used, the specifications should explicitly provide for equivalents. It is incumbent on a vendor offering equivalent goods/services to those specified to document that the goods or services are, in fact, equivalent.
- c. *Specification by Blueprint or Dimension Sheet.* Specifications of construction projects (such as buildings, streets, custom-built cabinets, furniture, machines, or other equipment should be written to reference the blueprints or dimension sheets prepared by the project's engineer, architect, designer or equivalent. Such specifications shall provide an appropriate method of evaluating all



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bids, and later of verifying the quality of the construction work or the equipment or fixtures delivered.

- d. *Specifications by Performance, Purpose or Use.* Specifications, which include a set of performance criteria for the goods or services required, are appropriate as they will provide flexibility for vendors to design products or programs specifically aimed at meeting the purpose or performance standards Lauderdale-By-The-Sea has established.
- e. *Specification by Identification with Industry Standards.* Specifications will often refer to industry-wide standards or to standards set by other public jurisdictions. Some examples of these would be lumber grading, standards set by the asphalt or concrete industries, or by referencing standard specifications of the Florida Department of Transportation or other State or Federal agencies.

### 2. 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. The Town will publicly advertise the procurement in the manner best suited for the particular commodity or service being acquired and in accordance with State law. Being listed on the Town's website is considered public notice for these purposes. The notice shall state the place, date, and time of the opening of the responses.

When in the sole discretion of the Town Manager, the available RFP specifications do not promote/permit full and free competition among potential vendors without prior technical evaluation and discussion; a two-step process may be used. In the first step, the Town would issue an RFP to which interested potential vendors respond with necessary information and/or non-priced technical offers. Then, those potential vendors who are determined by the Town to have submitted technically acceptable offers are invited to submit sealed prices based on their technical offers.



### 3. Response Submissions

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

### 4. Bid/Proposal Bond, Performance Bond

Bid bonds (also known as proposal bonds) may be required in conjunction with responses to guarantee the responders will not withdraw their bids for a specified time period. Should the respondent withdraw their bid, they may be required to forfeit the bond amount.

Bid bonds shall be required for all construction projects when the total contract price is estimated to exceed seventy-five thousand dollars (\$75,000). In all other cases the Town reserves the right to require a bid or proposal bond when deemed necessary by the Purchasing Administrator. The successful bidder may be required to submit a performance bond in the amount of One Hundred Percent (100%) of the contract amount awarded within ten (10) days after being notified the contract has been awarded.

Bid bonds shall be by cash, a certified or cashier's check, a surety bond or an irrevocable standby letter of credit 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.

Per *Florida Statute Section 255.05*, a payment bond and a performance bond with any surety insurer authorized to do business in Florida or prescribed alternative collateral will be required by the Town whenever a contract for the construction of a public building exceeds two hundred thousand dollars (\$200,000).

Additional qualifications for surety bond insurers for certain construction-related consultants are set forth in *Florida Statutes Section 287.0935* and must be complied with if applicable.



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### 5. Cancellation or Postponement of Response Opening

Any time prior to the bid opening date and time, the Purchasing Administrator may cancel or postpone the bid opening or cancel the bid document in its entirety. In addition, the Town reserves the right to accept or reject any or all bids or parts of bids, to waive irregularities and technicalities, and to request rebids on required goods or services. Lauderdale-By-The-Sea also reserves the right to award the contract on such goods or services the Town deems will best serve its interests or to elect not to proceed with procuring the goods/services.

### 6. Formal Opening of Responses

Responses shall be opened by the Purchasing Administrator/designee at the time and place designated in the public notice. The opening shall be witnessed by the Town Clerk, or designee. 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 RFP, RFQ and LOI responses, a list of the names of all responders shall be read aloud by the Purchasing Administrator/designee or the Town Clerk.

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 Town.

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



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It shall be the practice of the Town that ITB submittals shall be publicly opened in the presence of witnesses and read aloud to include the name of the bidder, their city and state, the ITB number, and total price bid.

### **7. Formal Evaluation Process**

- a. Bids shall be unconditionally accepted without alteration or correction, except as described below. Bids shall be evaluated based on the requirements set forth in the bid document, which may include criteria to determine acceptability, such as inspection, testing, quality, workmanship, delivery, service, price, completion date, and/or suitability for a particular purpose.
- b. Corrections or withdrawal of inadvertently erroneous bids shall be permitted up to the time of bid opening. After bid opening, no changes in bid prices or other provisions shall be permitted; provided however, the Purchasing Administrator shall have the authority to waive minor irregularities as provided by law or correct obvious calculation errors.
- c. Those criteria that will affect the bid price and be considered in evaluation for award, excluding cash discounts, shall be objectively measurable, such as trade discounts, transportation costs, and total or life cycle costs. The bid document shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluations that are not set forth in the bid document.
- d. All quotations and proposals must be signed with the vendor name and by an officer or employee having the authority to bind the vendor with that signature. Bids having any erasures or corrections must be initialed by the bidder in ink. Bids shall be typewritten or written with pen and ink. Signatures must be original and in ink.
- e. This signed bid shall be considered an offer on the part of the bidder, which offer shall be deemed accepted upon authorized approval by the Town. In case of default on the part of the bidder after such acceptance, the Town may take such action as it deems



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appropriate including legal action for damages or specific performance.

- f. The successful bidder shall NOT assign, transfer, convey, sublet or otherwise dispose of said contract, or his right, title or interest in or to same, or any part thereof, without previous consent in writing from the Town.
- g. Bids on individual items must include unit prices as well as total prices. Where a variance exists on the bid form between the unit price and the extension or whenever other discrepancies are noted between prices on the bid form and prices quoted elsewhere in the bid package, the unit price quoted on the bid form shall prevail. Numbers that are spelled out shall have precedence over numerals.
- h. Unless otherwise stated, the quantities or usage shown in the bid document are estimated only. No guarantee or warranty is given or implied by the Town to the total amount that may be or may not be purchased from any resulting contracts. These quantities are for bidder information only and will be used for tabulation and presentation of bid and the Town reserves the right to increase or decrease quantities as required.
- i. Bidder warrants by virtue of bidding that prices and terms and conditions in the bid will be firm for acceptance and will not be withdrawn for a period of ninety days (90) from the date of the bid opening. Prices shall be firm with no escalator clauses.
- j. The Town is exempt from any taxes imposed by the State or Federal Government. Exemption certificates will be supplied upon request.
- k. Whenever materials or equipment are specified or described in the bid document by using the name of a proprietary item or the name of a particular supplier, the naming of the item is intended to establish the type, function and quality required. The bidder will be



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required to submit sufficient information to allow the Town to determine that the material or equipment proposed is equivalent to that name. The Town will be the sole judge concerning the merits of proposed material or equipment.

- l. All goods or equipment bids shall comply with all applicable Federal, State and local laws relative thereto including all safety-related items as required by the Federal Occupational Safety and Health Act (OSHA).
- m. Generally, all contracts awarded by the Town shall include the requirement that the successful bidder shall defend actions or claims brought and hold the Town harmless from loss, cost or damage by reason of actual or alleged violations of Federal, State or local law in the design or manufacturing of equipment and/or materials.

### 8. Award of Contract

Contracts shall be awarded to the lowest, responsive, responsible bidder. (Bidder refers to firms who provide quotes or responses, in addition to formal bids.) In determining "lowest responsive, responsible bidder," in addition to price, the Town may consider:

- a. The ability, capability and skill of the bidder to perform the contract or provide the service required. Providing the required service includes, but is not limited to, an adequate amount of insurance coverage as set by the Purchasing Administrator. Documentation of coverage is through the Purchasing Administrator's acceptance of the Certificate of Insurance.
- b. Whether the bidder can perform the contract or provide the service promptly or within the time specified, without delay.
- c. The character, integrity, reputation, judgment, experience and efficiency of the bidder.



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- d. The quality of performance of previous contracts or services with Lauderdale-By-The-Sea and with other entities.
- e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.
- f. The sufficiency of the financial resources and ability of the bidder to perform the contract to provide the service.
- g. The quality, availability and adaptability of the supplier, or proposed contractual services to the particular use required.
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract and the associated maintenance cost.
- i. The number and scope of conditions attached to the bid or quote.
- j. Bidder's history of default on prior public contracts.
- k. Bidder's history of litigation or arbitration.
- l. Life cycle costs of the equipment or product bid compared to the life cycle cost of equipment or products bid by other bidders.
- m. Durability of, safety or security of, and warranties for of the equipment or product bid or quote compared to those same traits of equipment or products of other bidders.

A record should be maintained by the Purchasing Administrator of bidding information on materials in regular use. Such records shall include a bidder's list, specifications, previous quotations and bids received.

Vendors who believe they have been unfairly treated during the formal bidding process may file a complaint with the Town Manager. Complaints shall be submitted in writing within ten (10) days after the aggrieved vendor knows or should have known the facts giving rise thereto. The written protest must be accompanied by a filing fee in the form of a money order or cashier's check payable to Lauderdale-By-The-Sea in an amount



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## Purchasing Manual

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equal to ten percent of the contract value, which resulted from an RFP, ITB, LOI or RFQ, but no greater than five thousand dollars ( \$5,000). The filing fee shall guarantee the payment of all costs which may be adjudged against the protester in any administrative or court proceeding or in investigating the protest.

The Town Manager or designee shall investigate as far as resources allow and determine the validity of the complaint. If the complaint is not resolved by mutual agreement of the Town and the vendor, the Town Manager or designee shall promptly issue a decision in writing after consulting with the Town Attorney. The decision shall state the reasons for the action taken. A copy of this decision shall be mailed or otherwise furnished immediately to the complainant, and any other party involved.

If a protest is upheld by the Town, the filing fee shall be refunded to the protester.

Following the identification of the lowest responsive, responsible bidder and the resolution of any written vendor protest, the Town Manager shall recommend to the Town Commission that a contract be awarded to the selected vendor.

### **G. COMPETITIVE CONSULTANT'S NEGOTIATION ACT & SELECTION OF AUDITORS**

Florida Statutes Section 287.017, known as the Competitive Consultant's Negotiation Act, require that acquisition of professional architectural, engineering, landscape architectural, design criteria, surveying or mapping services must be made in compliance with the Consultant's Competitive Negotiation Act if they are for either a construction project costing at least three hundred twenty-five thousand dollars(\$325,000) or a design/planning/study activity where the fee is at least thirty-five thousand dollars (\$35,000). The Town's purchasing policy shall automatically be modified to reflect any amendments made to Florida Statutes Section 287.017.

Purchases of professional services covered by the Consultant's Competitive Negotiation Act must be made from vendors approved by the Town Commission after:

1. Issuing an RFP, RFQ, or LOI
2. The solicitation is advertised in the manner best suited for the particular commodity or service being required.



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3. Selection, in ranked order, of at least three vendors (provided Lauderdale-By-The-Sea has received responses from three vendors) using current qualifications and performance data (other than price) obtained from each vendor in response to the bid document, subsequent discussions and/or formal presentations if required.
4. Fee negotiations or bid openings, in ranked order, with the vendors selected. Alternatively, at the discretion of the Town Manager, Lauderdale-By-The-Sea may obtain on a cost reimbursement basis, the assistance of the Florida Department of Transportation or the Florida Department of Management Services in selecting and/or negotiating contracts with consultants covered by the Consultant's Competitive Negotiation Act.

Similarly, acquisition of financial auditing services in satisfaction of *Florida Statutes Section 218.39* must be made in compliance with the provisions of *Florida Statutes Section 218.391* which requires that RFPs for such audit services be evaluated and ranked by an audit committee prior to Town Commission selection of an auditor and approval of a contract.

### **H. PROCUREMENTS UNDER THE LAW ENFORCEMENT TRUST FUNDS (LETF)**

All purchases to be paid for by the LETF must comply with *Florida Statutes Section 932.7055* and must be approved in advance by the Police Chief and the Town Commission.

A copy of the Town Commission approval must be maintained by the Purchasing Administrator. LETF expenditures are restricted by *Florida Statutes Section 932.7055*, to school resource officer, crime prevention, safe neighborhood, drug abuse education, drug prevention, drug treatment, complex/protracted investigation cost, additional police equipment/expertise, or federal grant matching purposes.

### **I. CONTRACT ADMINISTRATION**

#### **1. Contract Compliance**



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## **Purchasing Manual**

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After the award of any contract, the Town department using the property/goods/services, or in some cases the construction Project Manager, will insure that both the Town and the vendor are in compliance with all terms and conditions of the contract including maintaining current insurance certificates. The procuring department will maintain a written record of the vendor's performance relating to contract requirements.

In cases where the vendor does not adhere to delivery and specifications or is in technical breach of a contract, the procuring 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 contract requirements and a time frame for resolution of the issues involved as well as any change orders. The department shall provide copies of all non-compliance correspondence and records to the Purchasing Administrator.

In cases where the procuring department is unable to rectify a breach of contract with the vendor, the matter shall be turned over to the Purchasing Administrator along with all documents for resolution which may include, but not be limited to recommending to the Town Manager that the contract be canceled; suspension or debarment of the vendor; or institution, of appropriate legal action through the Town Attorney.

### **2. Change Orders**

When circumstances arise that necessitate modifying a vendor's existing contract, a contractual change order may be used provided:

- a. The changes do not substantially alter the character of the work contracted for and do not vary so substantially from the original specifications as to constitute a new undertaking. Such changes must be reasonable and conscientiously be viewed as being in fulfillment of the original scope of the contract.
- b. Further, such changes when viewed against the background of the work described in the contract and the language used in the specifications, must clearly be directed either to the achievement of



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## Purchasing Manual

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a more satisfactory result or the elimination of work not necessary to the satisfactory completion of the contract.

The Town Manager or designee is hereby authorized to approve and initiate work on the following types of change orders determined in his/her judgment to be in the best interest of the Town, as follows:

- a. A change order decreasing the cost of the contract to the Town. Should the decreased cost materially alter the character of the work contemplated by the contract the nature and impact of the revision on the original character of the work contemplated shall be documented in writing and signed by the vendor and the Town Manager.
- b. A change order increasing the cost of the contract by a cumulative amount not to exceed fifteen thousand dollars (\$15,000) ; providing however, that an appropriation exists within the account, or year-end encumbrance sufficient to pay the amount of the change order.
- c. Change orders that do not affect the price of the contract.
- d. Change orders that do not exceed the cumulative percentage of the contract amount or a dollar amount of change orders specifically referenced in the original contract approval by the Town Commission. In case of large construction contracts the Commission may authorize the Town Manager to execute change orders within defined limits.

Change orders should not artificially be distributed or divided so as to bring the amount within the approval level of the Town Manager and any such proposed change order shall include within it all logically connected work required to be done at the time of proposal.

All other change orders must be formally approved by the Town Commission before work may be authorized to begin, and no claim against Lauderdale-By-The-Sea for extra work in furtherance of such change order shall be allowed



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unless said prior approval has been obtained or the original contract with the vendor provides otherwise.

### 3. Receipt of Goods and Invoice Payment

When a Town department receives a shipment of goods that have been ordered, an inspection of the contents should be conducted to insure that the item(s) received match what was ordered, and that it is in satisfactory condition.

An invoice, bill of lading, or packing slip should be included with the shipment and, after inspection, the department opening the shipment should mark the document "received" with the date and signature of the person inspecting the shipment. If any damage to the shipment is detected, this should be noted on the receiving slip. Damaged merchandise should generally not be accepted and it is the responsibility of the procuring department to resolve damage claims.

All invoices from vendors should be sent directly to the Town's Finance Department by the vendor. If a procuring department receives an invoice and that invoice identically matches the amount of a purchase order, that department should note whether the goods have been received, and whether payment can be made against the specified purchase order number. Then the invoice should be sent directly to the Town's Finance Department with the signature of the Department Head indicating the invoice is authorized for payment by that department Head.

When partial shipment is made on an order, any item appearing on the vendor's packing slip and/or invoice that was not received, should be struck out or marked back order (B/O) before signing as the receiver of the goods so listed. In short, signature should be given to the vendor only for goods actually received.

### 4. Temporary Extension of Contracts

At the discretion of the Town Manager, existing contracts may be extended beyond their specified expiration date for a period of up to ninety days pending renegotiation or award of a new bid if such extension is deemed to be in the best interest of the Town. Extensions beyond ninety days must be approved by the Town Commission.



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### J. INVENTORY/WAREHOUSE

At the discretion of the Town Manager, the Town may procure and maintain an inventory of items used on a repeat or continuing basis by one or more departments. Any such items inventoried by the Town will be purchased, warehoused, and distributed in accordance with procedures established by the Finance Director. Perpetual inventory records shall be maintained by an inventory custodian designated by the Finance Director.

### K. CONSTRUCTION PROJECTS

1. If the cost of a purchase related to the construction, demolition, renovation, modification, repair or grounds of any public facility, utility, building, or land exceeds twenty thousand dollars (\$20,000) then the requirements for the formal bidding process apply unless waived by the Town Commission or superseded by the following special requirements.
2. In accordance with Florida Statutes Section 255.04, Lauderdale-By-The-Sea shall give preference to material men, contractors, builders, architects, and laborers residing in Florida when constructing any public administrative or institutional building provided:
  - a. there is no increase in cost resulting from the preference, and
  - b. the quality of materials proposed for purchase as well as the qualifications, character, responsibility, and fitness of resident vendors is comparable to non-resident materials and/or vendors.
3. Under *Florida Statutes Section 255.0525*, anytime a non-emergency construction project is estimated to cost more than hundred thousand dollars (\$200,000), the solicitation of bids/proposals must be publicly advertised at least once in a newspaper of general circulation in Broward County at least 21 days prior to the established bid opening and at least 5 days prior



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to any scheduled pre-bid conference. However, for all non-emergency construction projects estimated to cost more than five hundred thousand dollars (\$500,000), the public advertisement must appear at least 30 days before the established bid opening.

For purposes of Section 255.0525 only, emergency is defined as an unexpected event resulting in an interruption in delivery of an essential government service or an immediate danger to either public health/safety or loss of public/private property.

If Florida Statutes Section 255.0525 is amended to modify the dollar thresholds for advertising, to allow for other forms of advertising, or eliminates or otherwise modifies this requirement, the Town's purchasing policy shall automatically be modified to track the statutory provisions.

4. Unless specifically exempted below, *Florida Statutes Section 255.20* requires the use of the formal bidding process as previously described whenever the estimated cost of a non-emergency Lauderdale-By-The-Sea project to construct/improve a public building, structure, or other public work exceeds three hundred thousand dollars (\$300,000) in total, or exceeds seventy-five thousand dollars (\$75,000) in electrical work specifically.
  - a. All contractors selected for such projects must be appropriately licensed.
  - b. The estimated cost of the project includes all non-inmate labor as well as the cost of all equipment and materials to be used in the project.
  - c. If the construction/improvement project relates to a road, bridge, street, highway, or railroad, and is estimated to cost more than two hundred fifty thousand dollars (\$250,000), Lauderdale-By-The-Sea may:



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- i. Require that interested vendors be certified or qualified to perform such work if the qualification criteria are published with a public hearing notice prior to the RFP/bid advertisement.
  - ii. Disqualify the bid/proposal of any contractor that is ten percent (10%) or more behind on completing an approved progress schedule for Lauderdale-By-The-Sea at the time of the RFP/bid advertisement unless FDOT considers the contractor pre-qualified and eligible.
- d. The requirements of *Florida Statutes Section 255.20* do NOT apply to:
- i. Projects that have been through the formal bidding process without receiving any responsive bids or proposals.
  - ii. Projects involving repair or maintenance of an existing public facility.
  - iii. Projects using appropriately -licensed Lauderdale-By-The-Sea employees to perform the work (after holding any required public hearing).
  - iv. Projects undertaken exclusively as part of a public educational program.
  - v. Projects whose funding source will be disqualified or lost because the formal bidding process will take longer than the time within which the funding source must be spent.
  - vi. Projects where the successful bidder has either abandoned the job before completion or been terminated by the Town.



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- e. The Town's purchasing policy shall automatically be adjusted to reflect Consumer Price Index adjustments to the three-hundred thousand dollars (\$300,000) total cost and seventy-five thousand dollars (\$75,000) electrical cost thresholds provided for in *Florida Statute Section 255.20*.
- f. Projects covered by Florida Statutes Section 255.20 must specify lumber, timber, and other forest products produced and manufactured in Florida whenever available provided:
  - i. Their make, fitness, and quality are equal, and
  - ii. The requirement does not violate the terms of any project funding source.
- 5. Under *Florida Statutes Section 255.21*, any building or facility intended for use by the general public which is contracted, altered, or operated as a lessee by the Town shall provide the special facilities for physically disabled access specified in Part V of Chapter 553.
- 6. The use of asbestos or asbestos-based fiber materials is prohibited in any public building constructed after September 30, 1983, per *Florida Statutes Section 255.40* and the Town shall conduct an asbestos survey before demolishing any building constructed prior to that date.



IV

# Exceptions to General Purchasing Policies

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### IV. EXCEPTIONS TO GENERAL PURCHASING POLICIES

To the extent described below, the following types of purchases are not required to comply with the General Purchasing Policies set forth in Section III of the Purchasing Manual. These purchases, while not subject to the competitive procurement requirements, are still subject to approval by the individuals authorized to approve purchases at various dollar thresholds as outlined in Section III.

#### A. Sole Source Procurement

Subject to written justification by the ordering department, the concurrence of the Purchasing Administrator, and the advanced approval of the Town Manager or his or her designee, non-emergency Sole Source Procurement may be awarded for a supply, service or construction item costing up to fifteen thousand dollars (\$15,000) without competition when it is determined that there is only one source available (e.g. repairs or additions from the original equipment manufacturer, only supplier in the area, franchised or licensed distributor or service, patented or proprietary item), or by negotiation where the procurement by competitive procedures is not feasible (e.g. specifications cannot be clearly drawn) nor practical (e.g. bids were solicited but no responsive bid was received from a responsible bidder). Personal preference, convenience or "to standardize" in the absence of identifiable offsetting cost savings are not sufficient reasons for spending public funds under non-competitive conditions. Each sole source procurement must be justified in writing by the Town official/employee seeking to make a sole source procurement, and, in the case of construction/modification/alteration/repair of any publicly owned facility, recommended in writing by the project architect/engineer (per *Florida Statutes Section 255.04*).

Non-emergency sole source procurements costing more than fifteen thousand dollars \$15,000 must be approved in advance by the Town Commission. Purchases may not be artificially divided for the purpose of avoiding Town Commission approval.



### **B. Emergency Procurements**

The Town Manager may make emergency procurements of budgeted commodities or contractual services where the cost exceeds fifteen thousand dollars (\$15,000) and when there exists any level of emergency under the Town's current Comprehensive Emergency Operations Plan or a clear and present threat to public health, property, welfare, safety or other substantial loss to the Town, provided, however that such emergency procurements shall be made with such competition as is practicable under the circumstances.

A written determination of the basis for the emergency and for the selection of the particular contactor shall be included in the contract file. As soon as practicable, a record of the emergency procurement shall be made and shall set forth the contractor's name, the amount and type of the contract, a listing of the commodity or contractual service procured under this contract, contractor invoices/receipts and the number of the purchase order, if any.

In order to maximize the recovery of town funds, emergency procurements for which insurance, federal and/or state (e.g. FEMA) reimbursement is anticipated should comply with the current insurance policy or federal/state program procurement requirements (e.g. 44 CFR Parts 13 and 206). Unless otherwise directed by the Town Manager, all emergency procurements shall be reviewed for reimbursement eligibility sufficiency by the Purchasing Administrator prior to the execution of an emergency procurement.

The Town Commission must be notified, after the fact, of such procurements in excess of fifteen thousand dollars (\$15,000) at the next scheduled Town Commission meeting. In any event, any increase over the original amount of an emergency procurement reported to the Town Commission exceeding ten percent (10%) must be reported to the Town Commission to be noted for the record.



### C. Grants

In any situation where compliance with Lauderdale-By-The-Sea's General Purchasing Policy will place Lauderdale-By-The-Sea in conflict with the terms of any grant, Lauderdale-By-The-Sea shall comply with such grant requirements which are mandatorily applicable and which are either not reflected in the General Purchasing Policies or are contrary to provisions of the General Purchasing Policies. This includes, but is not limited to, federal emergency management agency (FEMA) disaster recovery assistance per 44 CFR Parts 13 and 206.

### D. Professional Consultants

At the discretion of the Town Manager, non-emergency contracts for professional services are exempt from the competitive procurement requirements in amounts up to fifteen thousand dollars (\$15,000); and any applicable state law, such as the auditor selection procedures (*Florida Statute Section 218.391*) and *Florida Statute Section. 287.055*

(The Consultant's Competitive Negotiation Act) shall be followed if the services being acquired are of a nature and amount that would cause them to be subject to those statutory provisions.

The Town Manager is authorized to enter into multiple awards, open-end, fixed, or any other legal contracts for professional services not covered by *Florida Statute Section 218.391*, *Florida Statutes Section 287.017* (Consultant's Competitive Negotiation Act) *Florida Statute Section 287.055* or for services that fall below the mandatory *Florida Statute Section 287.055* by issuing purchase orders to vendors with continuing budgeted contracts approved by the Town Commission.

### E. Cooperative Purchasing (Piggy Backing)

1. All purchases of commodities or contractual services under the provisions of, federal, state of Florida, or the State's political subdivisions' purchasing contracts shall be exempt from the



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requirements of Section III. provided that the following criteria are all satisfied:

- a. The terms and conditions of the original contract by the federal, state (including any user surcharge pursuant to *Florida Statutes Sections 287.056 and 287.1345*) or local government are satisfactory to the Town.
- b. The original contract by the federal, state or local government is current and resulted from a vendor selection process similar to the one Lauderdale-By-The-Sea would use for that purchase.
- c. The Department Director or Purchasing Administrator has performed a market survey to determine if the prices of the original contract are fair and reasonable.
- d. The Town Commission authorizes such procurement when the cost of the commodities or contractual services exceeds fifteen thousand dollars (\$15,000) ).
- e. In utilizing other agencies' contracts, the Town may order lesser quantities than provided in the contract on which the Town is piggy-backing as long as the unit cost is the same or less than it was in the original contract. Likewise the Town can negotiate with the vendor a cost lower than that in the contract being piggy-backed in the event that the amount of work that would need to be done in a smaller municipality such as Lauderdale-By-The-Sea is reasonably assumed to be less than required for a larger city or organization.

Cooperative Purchasing – The Town may procure goods and services via contracts that result from the Town's participation in cooperative purchasing groups with other governmental agencies.



### F. Travel, Meals and Entertainment

At the discretion of the Town Manager or designee, the Town will pay for the following reasonable and necessary expenses associated with travel and transportation resulting from an employee's or other authorized person's, attendance at any meeting, seminar, conference or convention which has been properly approved as having a demonstrated benefit to the Town.

Payments made under this policy are subject to the following limitations and restrictions:

1. **Airfare** is restricted to exclude the cost of first class fare. Reservations should be made as far in advance as possible to allow for the lowest possible fare. Quotes for fares shall be obtained from at least three airlines. The lowest fare with a reasonable travel time should be selected. It is not permissible to select a higher fare ticket because the traveler has a loyalty affiliation with a particular carrier. If the traveler wishes to utilize an airline with which they have a loyalty affiliation, they must reimburse the Town the difference between that fare and the lowest fare available on other airlines with a reasonable travel schedule.

The fare search results from an on-line travel website that displays multiple airlines fares should be printed and submitted with the request for travel expense reimbursement. If the traveler booked an airfare that was higher than was reasonable given the alternatives, they shall only be reimbursed for the lowest fare that was available with a reasonable travel time. The Town Manager or Assistant Town Manager shall make the determination on what is a "reasonable travel time" in such cases.

2. **Automobiles** may be rented for remote, extended or emergency travel, subject to the following:
  - a. The location of the meeting, seminar, conference, or convention is different than that of the lodging accommodations, or



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- b. The rental of the automobile is less expensive than other forms of transportation between the lodging and meeting place plus the cost of transport to and from the airport, or
  - c. Rental car tariffs under the state contract must be consulted and used if they are lower than rates that can be attained through other sources.
- 3. **Insurance** will not be allowed as a reimbursable travel or transportation expense unless approved in advance of the trip by the Purchasing Administrator.
  - 4. **Parking and toll** reimbursement will be allowed provided that the costs are documented and reasonable. Parking at airport or near-airport parking lots will be reimbursed only if the total cost is less than the cost of taxi fare to and from the traveler's home. Transfers from airport to hotel will be reimbursed if submitted upon return from the trip with a verified receipt.
  - 5. **Registration** payments will be made directly by the Town or reimbursed to the employee. Registration fees that exceed the advanced registration fees must be approved by the Town Manager.
  - 6. **Meals and tips** for other than local travel (Dade, Broward and Palm Beach counties) are limited to a per diem payment equivalent to the prevailing per diem established by the Internal Revenue Code Continental U.S. rate for meals and incidental expenses reduced proportionately for partial days or meals provided through registration of airfare. Such payment is inclusive of all meals, drinks, and tips, tips to hotel staff and any other miscellaneous daily expenses.

Per Diem will be reduced by one-third each if the employee begins travel after 9:00 a.m. and/or ends travel before 6:00 p.m. Additionally, all meals otherwise provided in the room rate or in the



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conference registration fees or prepaid by the Town, exclusive of continental breakfasts, will reduce per diem payments.

Employees will not be entitled to any meal reimbursement for local travel except for meals at professional association meetings (Dade, Broward and Palm Beach counties) or at the Town Manager's discretion.

7. **Lodging** for traveling employees will be reimbursed for the conference or seminar hotel or, in the case of travel not associated with a seminar or conference, at a mid-range priced hotel near the site where the Town's business is being conducted. All reasonable efforts shall be made to have the hotel honor the Town's tax exempt status.
8. **Mileage reimbursement** payments to employees who use their personal vehicle for local travel (Dade, Broward and Palm Beach) will be made at the amounts and limits set by the Internal Revenue Code of the United States of America unless the employee is assigned a Town vehicle or is paid an automobile allowance. The cost of gasoline for a Town vehicle will be reimbursed upon presentation of receipts. Employees who are provided an automobile allowance may not also use a Town vehicle for travel or transportation purposes except in under circumstances approved by the Town Manager. Employees seeking payment for use of their personal vehicle must submit a properly completed Claim for Mileage Reimbursement form to the Purchasing Administrator.
9. **A Travel Expense Statement** must be completed before and/or after attending meetings, seminars, conferences, and conventions, as documentation for all related travel and transportation costs as well as the costs of registration. The Travel Expense Statement must be submitted for approval to the Purchasing Administrator within two (2) weeks of return for all types of travel.

Travelers who fail to submit the Travel Expense Statement will be responsible for all costs advanced for the travel. Receipts for all expenses for which the employee is seeking reimbursement, or



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was advanced funds for travel, must be attached to the Travel Expense Statement. Small amounts for tips may be submitted for reimbursement without receipts. Any incomplete form will be returned by the Purchasing Administrator to the originating department for correction.

It is the responsibility of the originating department to make sure all paperwork is properly submitted in sufficient time to allow for all approvals and to allow the Finance Department adequate time to prepare advance checks for the traveler.

If an employee who was advanced funds for travel does not submit receipts documenting the expenditure of those funds in compliance with these policies, the employee will be required to reimburse the Town for funds not covered by a legitimate travel expense report.

### **G. Purchasing Card (P Card)**

Upon approval of the Town Manager and after execution of a Purchasing Card Program Employee Agreement, the Finance Director will issue a Lauderdale-By-The-Sea credit card for use by the named employee in making purchases on behalf of the Town. The use of the Lauderdale-By-The-Sea credit card may only be issued to Department Directors and employees of higher rank than Department Directors and is subject to the following additional restrictions.

1. The Purchasing credit card may be used only by the employee whose name is embossed on the card. The cardholder is responsible and accountable for all transactions that occur on his/her card.
2. The purchasing credit card is to be used for Town-authorized purchases only. The purchasing credit card cannot be used for any personal use and any such use will require immediate reimbursement and will result in disciplinary action that may include dismissal and/or criminal charges.
3. A purchasing credit card (p card) will have a single purchase limit and 30-day purchase limits for each cardholder established by the



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Town Manager, Charges to the p card must follow purchasing rules with required documentation. Exceeding these limits will be considered abuse of the Purchasing Credit Card Program and can result in cancellation of card, disciplinary action, or both.

4. The purchasing credit card must be kept in an accessible but secure location. The purchasing credit card account number must be kept confidential. Only the person named on the purchasing credit card is entitled to use it.
5. All purchasing credit card transaction documentation must be submitted to the Finance Director for matching to the monthly credit card statement, to review the compliance of the charge with purchasing policies, the designation of the Town line item account to be charged, and to determine if adequate funds are available to cover the expense. Failure to submit such documentation may result in the cancellation of purchasing credit card privileges at the discretion of the Town Manager or designee.

Lauderdale-By-The-Sea may participate in a municipal consortium which would entitle it to a rebate on purchases charged to Town credit cards

### H. Exempt Items

The following types of expenditures are not subject to the provisions of Section III of this Purchasing Manual and do not require the use of a Purchase Requisition or Purchase Order.

1. Budgeted utility bills for electricity, natural gas, telephone, water, sewer, or garbage/trash collection.
2. Health-related, property, liability, automobile, or worker's compensation insurance premiums can be extended with increases of no more than 5% per year without being rebid, but competitive quotes for these insurance policies should be obtained at a minimum of every three years.



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3. Budgeted payments of principal and interest or lease obligations originally approved by the Town Commission. Budgeted pension contributions and deferred compensation contributions. Unemployment compensation billings from the State of Florida.
4. Remittance of taxes or fees collected on behalf of other governmental entities. Purchase of investment instruments that are made in accord with the Town's investment policy).
5. Budgeted services provided that involve special skill, ability, training, or expertise of a unique, original or creative nature. (such as musicians, performers, speakers)
6. Legal fees services.
7. Payments made under order of a court determined by the Town Attorney to have competent jurisdiction. or settlements of legal claims where the cost of continuing to defend against the claim exceeds the settlement amount. However, such settlements are subject to the approval thresholds set out in Section III by dollar amounts.
8. Advertising for procurements, legal notices, recruitment of staff, and advertisements related to special events.
9. Contracts for grants, services, goods or shared services with other governmental entities or not-for-profit organizations provided that the prices being paid for such goods or services are reasonable and competitive with the marketplace, or that such contracts assure security or continuity of service that is deemed essential, or when services are needed on a temporary basis and does not warrant the cost to go through a formal procurement effort.
10. Use of temporary service providers or independent contractors to fill vacant, budgeted staff positions provided that funds are budgeted to cover these expenses.



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11. Payments made to non-profit organizations authorized by the Town Commission.

- I. **Open/Blanket Purchase Orders**

Open/blanket purchase orders may be issued by the Purchasing Administrator only for recurring budgeted procurement of indefinite unspecified types, quantities, and/or unit costs of goods or services from a specified vendor within the current fiscal year on an "as needed" basis. However, individual open/blanket purchase orders for more than one thousand dollars (\$1,000) are subject to the required documentation and thresholds. Also, recurring budgeted procurements of similar goods or services during each fiscal year shall be aggregated for the purpose of applying the purchase approval requirements.

- J. **Real Estate Acquisition**

The following land acquisition procedures shall be employed whenever the Town seeks to acquire, by purchase, any real property.

1. Prior to initiating any negotiations for the acquisition of any real property with the property owner, the Town shall obtain a written appraisal performed by a state certified real estate appraisers with an MAI designation. Two (2) appraisals are required when the value of the first appraisal exceeds two hundred fifty thousand dollars (\$250,000) when the Town seeks exemption from *Florida Statute 119.07(1)*. Appraisers selected to appraise real property pursuant to this Section shall, prior to contracting with the Town for appraisal services, submit an affidavit substantiating that the appraiser has no vested or fiduciary interest in the property which is the subject of the appraisal.
2. Appraisal reports, offers and counter-offers are confidential and exempt from the provisions of Florida Statute 119.07(1) (Public Records Law) as provided in Section 166.045, Florida Statutes (1991) as amended from time to time.



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3. No negotiations may be commenced or offer or counteroffer made by Lauderdale-By-The-Sea for the acquisition by purchase of real property without prior authorization of the Town Commission.
4. Upon commencement of negotiations, Lauderdale-By-The-Sea shall inform the property owner, in writing, that all agreements for the purchase of real property are subject to approval by the Town Commission.
5. Any agreement by the Town to purchase real property shall be submitted to the Town Commission for approval at a public meeting after thirty (30) days public notice. Notice of the proposed purchase of real property shall be published once a week for at least two (2) weeks in a newspaper of general circulation in Lauderdale-By-The-Sea.
6. Evidence of marketable title in the form of title insurance or an abstract of title with title opinion shall be provided to the Town, by the property owner at the property owner's expense, not later than ten (10) calendar days prior to the public hearing.
7. In order to prevent the premature disclosure of Lauderdale-By-The-Sea's interest in acquiring a specific parcel of real estate, the Town Manager may expend up to thirty thousand dollars (\$30,000) on related appraisals, and environmental studies without Town Commission approval.



V

Asset Disposal & Real  
Property Acquisition &  
Disposal



### V. ASSET DISPOSAL

#### A. Confiscated, Unclaimed or Abandoned Property.

Unless Florida Statutes or grant agreements provide otherwise (e.g. property subject to *Florida Statute 717*), all confiscated, unclaimed, or abandoned property coming into the possession of the Town, or any property other than real property (improved or unimproved) owned by the Town which has become obsolete or which has become inadequate for the public purposes for which it was intended, shall be disposed of in whichever of the following ways is determined by the Town Manager or designee to be in the best interest of the Town.

1. Transfer to another governmental or non-profit entity with the approval of the Town Commission.
2. Trade-in on new property.
3. Sale at a public auction conducted by a qualified auctioneer.
  - a. In the event of a physical, public auction, the Purchasing Administrator shall establish procedures to assure control of the property to be auctioned and provide an accounting of the auction results.
  - b. The Town Clerk advertise the date, time, and location of the physical, public auction at least ten (10) days in advance of the auction date. The advertisement may be made on the Lauderdale-By-The-Sea Town website, through flyers or mailings, or through a newspaper advertisement or a combination of those methods. The value of the equipment and property to auction shall be considered in determining the extent and methods of advertising to be employed.
  - c. The Purchasing Administrator or designee must be present at the auction during the sale of Lauderdale-By-The-Sea property.



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- d. The contract with the auctioneer shall require that the auctioneer shall make payment to Lauderdale-By-The-Sea within fifteen (15) days from the date the auction is held. In addition to the payment, the auctioneer shall provide the Town with sales receipts showing tag number, sale price and to whom each item was sold.
4. The Purchasing Administrator shall research and utilize online auctions as an option for disposal of Town property excluding real property, where appropriate. Town staff shall make some assessment of the value of the property to be auctioned prior to the online auction and set a minimum bid price.
5. Abandonment-, following procedures referenced in Florida Statute 05.103.

### **B. Real Property**

The following bidding procedures shall be employed whenever Lauderdale-By-The-Sea seeks to sell and convey any real property belonging to the Town.

1. Prior to advertising for bids on Lauderdale-By-The-Sea -owned real property, the Town shall obtain a written appraisal performed by a state certified real estate appraiser with an MAI designation. Appraisers selected to appraise real property pursuant to this Section shall, prior to contracting with Lauderdale-By-The-Sea for appraisal services, submit an affidavit substantiating that the appraiser has no vested or fiduciary interest in the property which is the subject of the appraisal.
2. Public notice of the invitation to bid calling for bids for the purchase of the subject real property shall be published once a week for at least two (2) weeks in a newspaper of general Broward County circulation.



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3. The contract for purchase shall be awarded to the highest bidder whose bid meets the requirements and criteria set forth in the invitation to bid and instructions to bidders unless the Town Commission rejects all bids because they are too low.
4. Bid security shall be required for all bids for the purchase of Lauderdale-By-The-Sea -owned real property in an amount equal to ten percent (10%) of the highest appraisal value of the property.
5. Disposal of the Town-owned El Prado property is subject to the restrictions contained in Section 7.2 of the Town Charter.

