

# MEMORANDUM FINANCE DEPARTMENT

**TO:** Ed Lavallee, City Manager

**THRU:** Linda Senne, Finance Director

**FROM:** Peter Boers, Procurement Manager

**DATE:** August 11, 2017

**MEETING DATE:** August 22, 2017

**SUBJECT:** Ordinance 2017-26 -Procurement Code Revision

## **Background:**

From the Finance Module discussion at our annual staff retreat, Procurement was tasked with drafting a revision to the **CODE OF ORDINANCES**, CHAPTER 2, A DMINISTRATION, ARTICLE IV, FINANCE, DIVISION 2, PURCHASES (Procurement Code).

Based on that discussion, it was my understanding that our goals were:

- 1) To remove obstacles to providing the delivery of goods and services for the city.
- 2) Adopt language, which facilitates more effective and efficient procurement procedures.
- 3) Assure compliance with the requirements for federal grant funding.

In conjunction with the Office of the City Attorney these revisions are contained in the attached Ordinance. The most notable revisions to the Procurement Code are:

#### 1. Section 2-211. - Definitions

- a. Added definition for "cooperative purchase" to further define procurements by "piggyback contract" from other entities, from Cooperative Group Purchasing Organizations (e.g. US Communities, NJPA), State of Florida Contract, and GSA schedule contracts.
- b. Added definition for "No-bid or no quote" as it is referenced again in Section 2-216.
- c. Added definition for "Purchasing card (P-card)" as it is referenced in the section of code, but not defined.
- d. Added definition for Vendor quote form (VQF) as it is referenced again in section 2-216.

## 2. Section 2-216. – Approval of Purchases

- a. Increased the Purchasing thresholds in this section to match the requirements of Title 2, Subtitle A, Chapter II, Part 200 Code of Federal Regulations (also known as the Uniform Guidance or Super Circular).
  - i. Raised the Quote Limit from \$2,500 to \$3,000 congruent with the Federal Micro Purchase limit.
  - ii. Raised the requirement for written quotations from \$5,000 to \$10,000. For purchases from \$3,000 to \$5,000 will only require documentation of three written quotations. In addition, the Procurement Manager authority to approve purchases is increased from \$5,000 to \$10,000.
  - iii. Administratively raised the authority for the Finance Director to approve purchases from \$50,000 to \$75,000.
  - iv. Raised the threshold for a formal Bid or Request for Proposal from \$100,000 to \$150,000 congruent with the Federal Small Purchase limit.
  - v. Added language to accommodate "no-bid or no-quote" in the event that obtaining three (3) responsive quotations is problematic, provided "good faith" efforts have been made and documented.

Attachment A, Procurement Claw (Section 200.320) identifies the Purchasing Thresholds and Procurement Processes used to comply with Title 2, Subtitle A, Chapter II, Part 200 Code of Federal Regulations

## 3. Section 2-219 – Bid protests

a. Increased the time for a bidder to file notice of its intention to file a bid protest from one (1) business day to three (3) business days. Also, clarified that a protest can only be filed after the City issues a Notice of Intent to Award.

## 4. Section 2-220 –Exemptions

- a. Added an exemption for services and commodities listed in FS 287.057(3)(e), which includes Artistic Services, Legal Services, and Health Services.
- b. Added an exemption for continuing education events or programs that are offered to the general public and for which fees have been collected which pay all expenses associated with the event or program as provided for under F.S. 287.057(3)(f).

#### **Requested Action:**

Motion to approve and adopt Ordinance 2017-26.

## **City Attorney Review:**

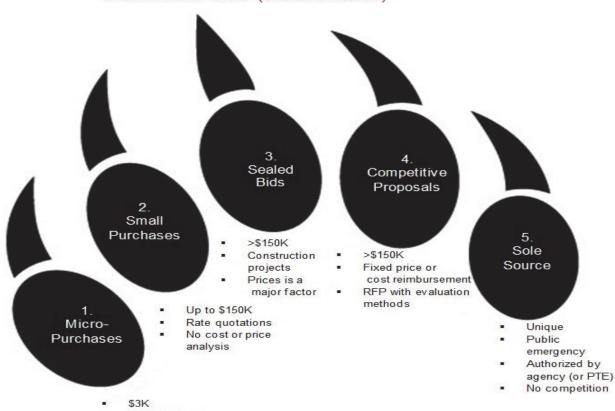
This Ordinance has been reviewed and approved by the City Attorney.

## **Risk Management Review:**

Not Applicable at this time.

# ATTACHMENT A

# Procurement "Claw" (Section 200.320)



- No quotations Equitable distributions