

Requested by: Purchasing  
Prepared by: City Clerk

## **ORDINANCE NO. 2020-12**

**AN ORDINANCE OF THE CITY OF VENICE, FLORIDA AMENDING THE CODE OF ORDINANCES CHAPTER 2, ADMINISTRATION, ARTICLE IV, FINANCE, DIVISION 2, PURCHASES, TO ALLOW FOR MORE EFFECTIVE AND EFFICIENT PROCUREMENT PROCEDURES; PROVIDING FOR REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City desires to remove obstacles to provide the delivery of goods and services for the city; and

WHEREAS, the City desires to adopt language which facilitates more effective and efficient procurement procedures; and

WHEREAS, to assure compliance with the requirements for federal grant funding, the City desires to amend the current purchasing thresholds to match the requirements of Title 2, Subtitle A, Chapter II, Part 200 of the code of federal regulations.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA:**

**SECTION 1.** The above whereas clauses are ratified and confirmed as true and correct.

**SECTION 2.** Chapter 2, Administration, Article IV, Finance, Division 2, Purchases, is hereby amended to read as follows:

### **DIVISION 2. PURCHASES**

#### **Sec. 2-211. Definitions.**

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

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*Commodity* means any of the various supplies, materials, goods, merchandise, equipment and other property purchased, leased, or otherwise contracted for by the city or its ~~agencies~~ departments.

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*Department and agency* means any of the various city departments or divisions including, but not limited to, airport, building, city clerk, city manager, engineering, finance, fire, historical resources, human resources, information technology, planning and zoning, police, public works,

utilities, and all city officers, boards, commissions and councils, and any other unit of organization, however designated.

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*Purchase request* means the form used by ~~an agency~~ a department to request a commodity or service from the finance department.

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**Sec. 2-212. Purpose of division.**

No change.

**Sec. 2-213. Violations by city employees.**

No change.

**Sec. 2-214. Dividing purchases to avoid requirements.**

No change.

**Sec. 2-215. Powers and duties of finance department and finance director.**

- (a) Subject to the provisions of this division, the finance director, or designee, shall be responsible for the purchase of and the contracting for all commodities and services as requested by city departments ~~or agencies~~. The finance director shall be the head and have general supervision of the department of finance.
- (b) Except as may be otherwise provided by this division, the finance director, or designee, shall have authority to negotiate all purchases for using ~~agencies~~ departments and shall maintain a listing of qualified bidders for all commodities or services.
- (c) Except as provided in this division, it shall be unlawful for any city employee or city ~~agency~~ department to order or purchase any commodity or service, or make any contract within the purview of this division, other than through the finance department.
- (d) In addition to the purchasing authority conferred in subsections (a) through (c) of this section, and in addition to any other powers and duties conferred by this division, the finance department, under the direction of the finance director, shall have the following duties and powers:
  - (1) Canvas all sources of supply and contract for the purchase, lease or acquisition in any manner of all commodities required by the city or any of its ~~agencies~~ departments under competitive bidding or by contractual negotiation.
  - (2) No change.
  - (3) Develop purchasing regulations and furnish copies to all ~~agencies~~ departments affected thereby, thereafter, no department shall purchase any commodity covered by purchasing regulations without prior approval of the finance department. The finance department shall not approve any account for the purchase of any commodity covered by a purchasing regulation except as authorized therein.
  - (4) through (8) No change.

**Sec. 2-216. Approval of purchases; purchasing threshold.**

- (a) The city has a mixture of centralized and decentralized purchasing practices designed to provide maximum efficiency, while maintaining security and control. Purchasing cards may be utilized throughout the city by all departments to procure products and services that cost less than ~~\$2,500.00~~ 5,000.00 per transaction. Purchase requests are entered into the city's electronic requisitioning system for transactions in excess of ~~\$2,500.00~~ 5,000.00, and a purchase order number will be assigned to each request accordingly.
- (b) A purchase order can be issued for under ~~\$2,500.00~~ 5,000.00 for the following reasons:
  - (1) A vendor may require a purchase order number for reference and invoicing.
  - (2) A department head may request a purchase order number for "tracking" purposes of a specific account.
  - (3) A purchase order number may be used, but not limited to service contracts, that are under ~~\$2,500.00~~ 5,000.00.
- (c) All procurements for the city will be conducted in a manner that promotes competition and secures the best value in accordance with subsection 2-216(d), unless otherwise exempted.
- (d) Purchasing thresholds:
  - (1) Less than ~~\$3,000.00~~ 5,000.00: One verbal quote, with written record of;
  - (2) ~~\$3,000.00~~ 5,000.00 to \$9,999.99: Documentation of three verbal or written quotes on VQF;
  - (3) \$10,000.00 to \$74,999.99: Documentation of three written quotes on VQF with the finance director's approval;
  - (4) \$75,000.00 to ~~\$150,000.00~~ 250,000.00: Documentation of three written quotes on VQF with the city manager's approval; and
  - (5) Over ~~\$150,000.00~~ 250,000.00: Formal ITB or RFP with the city council's manager's approval. In addition, the city manager, or designee, shall notify city council of any procurement conducted under this subsection.
- (e) Any and all verbal quotes (with written record) and the three written quotations are to be sent to the finance department for record keeping with the purchase's paperwork.
- (f) For the purchasing thresholds referenced in subsection 2-216(d) above, if the city department is unable to obtain a minimum of three written or verbal quotations, documentation of a no-bid or no-quote response, as defined in section 2-211, may be considered, provided reasonable and documented attempts to obtain quotations have been made.
- (g) The city has the right to ask or require a bid at any of the different levels of threshold, as it sees fit to do.

**Sec. 2-217. Local preference.**

- (a) No change.
- (b) No change.
- (c) When applying local preference to competitive sealed bids, the finance department will notify the responsive and responsible lowest local business bidder that they have five days

to resubmit a bid that matches or beats the lowest bid submitted by the nonlocal business, provided the local business' original bid was within ten percent of the lowest bid submitted by the nonlocal business. If the lowest local business bidder submits a revised bid that matches, or beats, the bid submitted by the lowest nonlocal business bidder, the bid will be awarded to the local business. If the lowest local business bidder fails to submit a bid that matches or beats the bid submitted by the lowest nonlocal business bidder, the bid will be awarded to the nonlocal business.

- (d) No change.
- (e) No change.

**Sec. 2-218. Bidding procedure; award of contracts.**

- (a) No change.
- (b) No change.
- (c) If the low bid received is for the identical amount or unit price offered by two or more suppliers, the finance director, or designee, may consider other factors to break the tie and make the award. These factors may include but are not limited to, location of the supplier, delivery schedules, ease of service, past performance, and warranties. The finance director, or designee, will state in writing the factors used for breaking the tie bid on the notice of recommendation to award the contract, submitted to the city manager for ~~subsequent council~~ approval.
- (d) No change.
- (e) No change.

**Sec. 2-219. Bidding procedure; award of contracts.**

No change.

**Sec. 2-220. Exemptions from bidding requirements.**

- (a) Exceptions from the bidding requirements of this division may be approved ~~by city council~~ or when commodities or services are available through the state division of purchasing under F.S. § 287.042(2).
- (b) Other purchases or contracts, which ~~by their nature may be impossible to award by competitive bidding~~, are exempt from the bidding procedures of this division and are as follows:
  - (1) Services of architects, landscape architects, registered surveyors and mappers and professional engineers. This provision is subject to Procurement of any such services shall be conducted in accordance with F.S. § 287.055, as amended.
  - (2) through (5) No change.
  - (6) Insurance. When in the best interest of the city, ~~city council may authorize~~ the city manager may authorize to the purchase of insurance by negotiation, but this may be done only under conditions most favorable to the city's interest and upon a showing that the purchase shall result in the lowest ultimate cost for coverage obtained.
  - (7) through (9) No change.

**Sec. 2-221. Capital improvements.**

- (a) City council shall approve ~~plans, specifications and cost estimates for~~ all budgeted capital improvements.
- (b) Contracts for capital improvements costing ~~\$150,000.00~~ \$250,000.00 or more will be awarded after receipt and opening of sealed bids originating from specifications and drawings prepared or approved by the city engineer and/or approved by the building department as having met all applicable building codes. Sealed bids shall be advertised, received, opened and tabulated by the finance department. The finance director and/or designee, as well as a representative of the department requesting the bid, shall be present at the bid opening. After analysis, details of the selection and justification for selection will be prepared ~~for approval by city council~~ for approval to award. Surety in the form of a cashier's or certified check or performance bond in an amount deemed appropriate by the finance director may be requested. Payment and performance bonds shall be required for all capital improvement projects, except that the finance director may waive the bond requirement for contracts of ~~\$150,000.00~~ \$250,000.00 or less.
- (c) All contracts of \$50,000.00 or more shall be approved as to form by the city attorney prior to award.

**Sec. 2-222. Encumbrance accounting.**

The finance director, or designee, shall not issue a purchase order or contract for any commodity or service unless it is reflected in the budget for the current fiscal year and availability of funds has been certified by the finance department.

**Sec. 2-223. Conflicts of interest.**

No change.

**Sec. 2-224. Cooperative purchasing.**

No change.

**Sec. 2-225. Capital/fixed assets.**

A capital/fixed asset is real or personal property that has a cost equal to or greater than \$5,000.00, and has an estimated useful life extending beyond one year. All departments with fixed assets shall submit to the finance director reports showing items of tangible property which are no longer used or which have become obsolete, worn out or scrapped.

- (1) *Transfer*. The finance director shall have the authority to transfer surplus stock to other departments.
- (2) *Sale*. The finance director shall have authority to sell all supplies of a value less than the limits prescribed, which have become unsuitable for city use. Sales under this section shall be made to the highest bid. The finance director shall be authorized to approve all sales where the net revenue to the city does not exceed \$5,000.00. All

sales exceeding \$5,000.00 in net revenue to the city will be approved by the city council manager, prior to completing the sale or conducting the sales event.

(3) No change.

#### **Sec. 2-226. Surplus and scrap disposal.**

The finance director, or designee, shall have the authority to require reports from all city departments indicating all commodities or capital items which are no longer used or which have become obsolete or worn out. The finance director, or designee, shall have the authority to transfer these items from one department to another and to sell all items which have become unsuitable for public use or to exchange or trade for new supplies or capital items. A listing of all salable items, not including scrapped items, for either public auction or by sealed bid ~~will be approved by city council~~ shall be approved by the finance director, or designee, and such sales will be to the highest responsible bidder. ~~Items of an unusual nature which would not normally be sold at an auction of this type will be abstracted from the list and submitted to council with a recommended means of sale or disposal. In the interest of conserving space and eliminating storage problems and hazardous conditions, the finance director, shall have the authority to periodically sell city property on consignment through a public auction house, under the same terms and general conditions as detailed in the contract for the annual city auction.~~ In addition, material that is not on the asset register, with no resale value and/or a scrap value of less than \$500.00, may be scrapped as the need arises. A list of such items shall be provided to the finance director, or designee, for permanent record. ~~The director will make a complete and detailed report of all sales to the city manager within five days following the transaction.~~

**SECTION 3.** All ordinances or parts of ordinances in conflict herewith shall be and the same are hereby repealed.

**SECTION 4.** If any part, section, subsection or other portion of this ordinance or any application thereof to any person or circumstance is declared void, unconstitutional or invalid for any reason, such part, section, subsection or other portion, or the prescribed application thereof, shall be severable and the remaining provisions of this ordinance, and all applications thereof not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The city council specifically declares that no invalid or prescribed provision or application was an inducement to the enactment of this ordinance and that it would have enacted this ordinance regardless of the invalid or prescribed provision or application.

**SECTION 5.** This ordinance shall take effect immediately upon approval and adoption as provided by law.

**PASSED BY THE COUNCIL OF THE CITY OF VENICE, FLORIDA, THIS 28TH DAY OF APRIL, 2020.**

First Reading: March 31, 2020

Final Reading: April 28, 2020

ADOPTION: April 28, 2020

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Ron Feinsod, Mayor

ATTEST:

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Lori Stelzer, MMC, City Clerk

I, LORI STELZER, MMC, City Clerk of the City of Venice, Florida, a municipal corporation in Sarasota County, Florida, do hereby certify that the foregoing is a full and complete, true and correct copy of an Ordinance duly adopted by the Venice City Council, at a meeting thereof duly convened and held on the 28th day of April, 2020, a quorum being present.

WITNESS my hand and the official seal of said City this 28th day of April, 2020.

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Lori Stelzer, MMC, City Clerk

Approved as to form:

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City Attorney