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Reply to: *Venice*

January 6, 2014

The Honorable John W. Holic, Mayor
and Members of the City Council
401 West Venice Avenue
Venice, Florida 34285

RE: Contract Amounts

Dear Mayor Holic and Council Members:

This letter is to request your direction and interpretation of the process by which Council reviews contracts in the limited situations described below.

As you may recall, a few years ago the City negotiated what I describe as master agreements with various vendors (engineering companies and specialty suppliers). These master agreements establish how products and services will be provided to the City when the products or services are needed by the City. The process envisioned future work orders from the City when it came time to purchase these goods or services. These goods or services would be provided under the terms of the master agreement.

Your code provides that all contracts over \$100,000 require Council approval. These master agreements were previously approved by Council. All work orders over \$100,000 are approved by Council. Section 2-214 states that "No contract or purchase shall be subdivided to avoid the requirements of this division."

Lakewood Ranch
6853 Energy Court
Lakewood Ranch, Florida 34240

Venice
217 Nassau Street S.
Venice, Florida 34285

The question is: should these work orders be viewed individually or cumulatively? For example, if the first work order is \$75,000 for the design of a water main on Border Road and a second work order is \$35,000 for the design of a new clarifier at the Eastside Water Reclamation Facility, should the second work order (and all subsequent work orders) be brought to Council for formal approval since the cumulative total exceeds \$100,000?

The City's practice has been to treat each work order as a separate transaction and not cumulatively since the master agreements were approved by Council but, in view of section 2-214, we wish to have your direction and interpretation of your existing code to prevent any possible misunderstanding.

I will be pleased to answer any questions that you might have.

Respectfully,

A handwritten signature in black ink, appearing to read 'DPP', with a stylized, flowing script.

David P. Persson

DPP/dgb