



## City Manager's Administrative Memo

**Subject: Procurement Procedures  
(To be read in conjunction with City Code 2-661 to 2-669)**

<b>Index Number</b>	<b>Date of Issue</b>	<b>Revised Date</b>
<b>AM- 24</b>	<b>October 1, 2014</b>	

Section 2-661 of Division 3, Procurement Procedures, of Article VI, Finance, of Chapter 2, Administration, of the Code of Ordinances of the City of Naples was amended by City Council through Ordinance 14-13483 on June 11, 2014 and amended by City Council through Ordinance 18-14176 on June 13, 2018.

The following procedures supersede any procurement policies or procedures prior to June 11, 2014.

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# **City of Naples Procurement Procedures**

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# Purchasing Procedures

## Chapter 1: General Information

### 1-1 Purchasing Approval Levels

1. Purchases of the City of Naples are to follow City Code of Ordinances Chapter 2-661 through 2-669. The procedures that follow establish the process for all levels of procurements as required by code and will establish the process for procurements which are, by their nature, exempt from the code.
2. Orders for goods or services that require a purchase order shall not be placed prior to receipt of a purchase order number except when a delay in obtaining a purchase order number will affect normal ongoing operations of the requesting department/division, as determined by the City Manager or his/her designee. Requesting Department/Division shall notify the Purchasing Division of said emergency.
3. The following table provides levels of required approval based on the dollar amount of the order. Employees are required to obtain appropriate approval prior to the establishment of an order or contract. Dollar levels of required approvals will be utilized in the City's current enterprise software, Tyler Munis to set Workflow parameters.

PURCHASE	REQUIRED APPROVALS – Workflow Levels of Approval
\$5,000 or less Single written quote with preferred additional quote(s)	Department Director or Designee – Level 10 & 20 Finance – Level 40 and/or 50 Purchasing & Contracts Manager or Designee – Level 55 or the Utilization of City Issued P Card
\$5,000.01 to \$20,000 Two or more written quotes	Department Director or Designee – Level 10 & 20 Finance – Level 40: Finance Director - Level 50 Purchasing & Contracts Manager or Designee – Level 55
\$20,000.01 to \$34,999.99 FWQ-Formal Written Quotes	Department Director or Designee – Level 10 & 20 Finance – Level 40 Finance Director - Level 50 Purchasing & Contracts Manager or Designee – Level 55
\$35,000.00 and over Formal Bids – RFP, RFQ, ITB	Department Director or Designee – Level 10 & 20 Finance – Level 40 Finance Director - Level 50 Purchasing & Contracts Manager or Designee – Level 55 City Council (over \$50,000 per annum and/or over 5-year contract)

4. For all purchases, involved employees, from the employee requesting the item through the highest level of approval, are responsible for ensuring that:
  - a. All purchases are proper expenditures of public funds.
  - b. Sufficient funds are budgeted for the purchase.
  - c. Purchases are not split among several transactions to avoid the above dollar threshold requirements.
  - d. For items over \$5,000, that a purchase order number is obtained prior to any order being placed with a vendor unless an emergency has been declared to the Purchasing Division during normal working hours or by the next business morning or the purchase is made by a P-Card.
  - e. Ensuring that taxes are not invoiced to the City. **[Some exceptions]**

## 1-2 Definitions (NIGP Website Hyperlink)

Right Click below underlined verbiage > Click on > Open Hyperlink

[http://www.nigp.org/eweb/StartPage.aspx?Site=NIGP&webcode=pd-ep\\_online\\_dict](http://www.nigp.org/eweb/StartPage.aspx?Site=NIGP&webcode=pd-ep_online_dict)

## 1-3 Interchangeable Verbiage

1. Agreement / Contract
2. BID / IFB-Invitation For Bids / ITB-Invitation To Bid
3. City Code of Ordinances / Ordinance / **Code**
4. Finance / Finance Accounting Division / Accounting
5. Fiscal Year / FY
6. FWQ – Formal Written Quote – RFWQ – Request For Written Quote
7. Proposal / RFP-Request For Proposals / RFQ-Request For Qualifications
8. Purchasing / Purchasing Division
9. Purchase Order / PO
10. Purchasing Card / P-Card
11. Requisition / Req
12. Requisitioner – Requisition Entry person
13. Tyler TCM / TCM
14. Tyler Munis / Tyler / Munis

## Chapter 2: Purchasing Rules and Thresholds

### 2-1 Purchases - \$5,000 or less

1. Purchases of \$5,000 or less shall be made with the best competitive processes available, such as internet searches or comparison shopping. Like other control procedures, the value of the savings should not exceed the cost of researching best pricing.
2. All Purchase order numbers shall be obtained after entering requisitions into the Tyler Munis automated purchasing system. General Notes must be added to discern the purchase at any dollar amount.
3. Purchases of \$5,000 or less may be acquired with the Purchasing Card, and employees may be encouraged to do so, depending on their authorized level of authority. See Chapter 4 of this manual for proper use of this City issued credit card. **[P-Card purchases receive a Fifth Third rebate as of 08/01/2014]**
4. Aside from the Purchasing Card use policy, purchases \$5,000 or less are not discussed any further in this manual.

### 2-2 Purchase Orders - \$5,000.01 to \$20,000 Not to Exceed Written Quotations Required (two or more) **[Delivered or max freight]**

1. All purchase orders issued between \$5,000.01 and \$20,000 shall be on the basis of two (2) or more written quotations on vendor company letterhead or other acceptable formats such as by email.
2. There are two ways to obtain written quotes.
  - a. Written quotes may be acquired by the requesting Department/Division and shall clearly state the item(s) being quoted, and demonstrating that the items are the same or of an equivalent comparable nature. All required quotes and any related information, must be scanned and attached into the Tyler Munis TCM system and its associated requisition prior to Purchasing's conversion to a purchase order. **[Scan each quote as individual PDF documents]**
  - b. The Purchasing Division may be requested by a department to obtain the required written quotes. Purchasing has the flexibility to both notify vendors and accept quotes via email that may not be specifically on company letterhead.
3. Purchase orders are obtained after the conversion by Purchasing of a requisition entered and approved at all required levels into the Tyler Munis enterprise operating system.

4. **Catalog or internet quotes** may be used as a separate quote in lieu of a company letterhead quote. Said quotes **must have a current valid date indicated on the quote**. The Purchasing Manager or designee may request additional quotes after review of these types of quotes.  
**[As stated in Procurement Code Sec.2-661.(1)]**
5. **Emergencies** as determined by the City Manager and/or by Ordinance may warrant the use of the best competitive method available for the circumstances.

### **2-3 Purchases \$20,000.01 to \$34,999.99 (FWQ) Formal Written Quote Procedure [Use fillable PDF form from Purchasing P-Drive Docs]**

1. The **preferred method** for acquiring goods and services from \$20,000.01 to \$34,999.99 is the **(FWQ) Formal Written Quote process**. This process may be used for products or services, including Engineering (CCNA-type) Services, if there is not already a continuing services contract in place.
2. However, the Department may use any of the following **four options** for purchases more than \$20,000, and up to \$34,999.99.
  - a. (FWQ) Formal Written Quote process.
  - b. Formal competitive bid.
  - c. Utilization of valid state contract(s), other public entities and/or cooperative contracts as allowed by Ordinance.
  - d. City of Naples Awarded contracts.
3. **Emergencies as determined by** the City Manager and/or by Ordinance may warrant the use of the best competitive method available for the circumstances.
4. The **FWQ process is an abbreviated version of the competitive bid process** which enables open competition. **The following process shall be followed:**
  - a. The **Department shall coordinate the creation of a FWQ with the Purchasing Division** including a detailed specification of what is required. The Purchasing Division will assign **an** FWQ number and assist the Department as necessary to create the final version of the FWQ that will be sent by the Department to all known Vendors and posted by Purchasing to the City's website. A notification may also be sent to all registered Vendors through the City's Bid Management program. **All FWQ's shall allow a minimum of three full business days for a response. [Give deadline on receiving quote]**
  - b. Quotes may be rejected if not submitted in the designated format of the FWQ.
  - c. The Department and Purchasing Division shall keep the quotes confidential until the specified time and then announce each quote.



- d. If two or fewer responses are received, the Purchasing Manager or designee may contact one or more non-responding vendors to obtain a back-up quote.
- e. Engineering services (CCNA) may be selected based on price and/or qualifications.

## **2-4 Purchases of \$35,000.00 and over - Formal Competitive Bid Process**

1. There are **three (3) types** of Formal Competitive Bid Processes that can be used for items \$35,000.00 and over.
  - a. Formal Competitive Bids
  - b. Formal Proposals
  - c. Consultants Competitive Negotiation Act Proposals - CCNA (see Chapter 5)
2. Purchases of \$35,000 and over require the use of one of the above formal bid procedures, unless otherwise provided in Chapter 2, Division 3 of the City of Naples Code of Ordinances.
3. **Formal Competitive Bids** are used when **the item or service is distinct and definable**, and price, total cost and specifications may be a part of the evaluation factors. A Request for Formal Competitive Bids is commonly called an Invitation for Bids or **(IFB)** and an Invitation to Bid or **(ITB)**. **[Same objectives for all Bids]**
  - a. The **objective** of the IFB or ITB is to **obtain the best value** by establishing specifications that strive to ensure that the City obtain the quality of supplies or services it needs from a contractor who will perform, as the City requires.
  - b. An IFB or ITB consists mainly of the following major components:
    1. Cover page: Bid Title, dates, required signature, etc.
    2. General Conditions
    3. General Insurance Requirements
    4. Statement of No Bid
    5. References
    6. Special Conditions
    7. Submission Checklist
    8. Scope of Services
    9. Specifications

#### 10. Price or Bid Schedule

- c. Formal IFB or ITB Bids can be used for ongoing contracts (annual contracts) and one time purchases.
4. **Formal Proposal Process** is used when **something other than price will weigh into the decision of the purchase.** Requests for Proposals are commonly called RFPs.
- a. The RFP process permits the City to weigh the relative merits of proposals submitted by competing offers. The City may award the contract to the proposer submitting the most advantageous proposal, taking into consideration the relative merits and prices of the proposal.
  - b. Unlike the bidding process, the RFP process utilizes a set of **ranking criteria to determine the** most qualified, responsive and responsible proposers in lieu of only price.
  - c. The RFP should contain all of the information proposers need to prepare a responsive proposal. An RFP consists of the following major components:
    - 1. Cover page: Proposal title, dates, required signature, etc.
    - 2. General Conditions
    - 3. General Insurance Requirements
    - 4. Statement of No Proposal
    - 5. References
    - 6. Special Conditions
    - 7. Submission Checklist
    - 8. Scope of Services
    - 9. Evaluation and Selection Criteria
    - 10. Proposal / Response Format
5. The Purchasing Division will be responsible for conducting all formal competitive processes.
- a. The Department shall provide to the Purchasing Division a detailed specification of what is required.
  - b. The Purchasing Division shall **post the [Bid] specifications, at a minimum, on the City's website.**
  - c. The Purchasing Division shall open the proposals at a specified time and announce the name and if appropriate the price of each proposer.

6. In lieu of the formal competitive bid process, the Department may use these options.
  - a. The department may utilize valid competitive awarded state contract(s), other public entities and/or cooperative contracts as allowed by Ordinance to enter their requisition's pricing into the Tyler Munis system. The Vendor being utilized must provide a written quote and specify the contract number on their quote. The department must attach copies of the bid and award documents into the requisition TCM folder or provide Purchasing enough information so that Purchasing may obtain these documents.
  - b. The City Manager's utilization and Award of an outside contract are allowed by Ordinance Sec.2-667.(4) **[\$50,000 or less]**. The City Manager will determine if the utilization of an outside contract will be placed on a City Council Agenda and/or City Council being appraised of such utilization.
7. Award of Contracts greater than **\$50,000** require City Council approval. Contracts less than **\$50,000** annually may be processed with City Manager approval. Contracts greater than five years must have City Council approval. Legal contracts over \$35,000 require Council approval. Contracts with an annual value of \$35,000 or less and with duration not exceeding five years may be approved by the Purchasing Manager through a **CbPO** - Contract by Purchase Order.

## **2-5 Sole and Limited Source Purchasing Requirements**

1. The following are the criteria used for determining an item is declared sole source: **[Any one or more of these criteria qualify under 2-5]**
  - a. The vendor is the original equipment manufacturer or is a regional distributor with a protected territory.
  - b. The parts requested are not interchangeable with similar parts and equipment available from another manufacturer.
  - c. No other equipment is available that will meet the specified needs or the intended function.
  - d. The acquisition of an alternate source would require considerable time and expense to evaluate.
  - e. Written justification is available which establishes beyond a doubt that the vendor is the only source practicably available to provide the item or service required.
2. The following are the criteria used for determining an item is declared limited source:

- a. **Two or more vendors** who typically provide the goods or services have been **contacted** via phone or email. **[Add required documentation to Gen. Notes & TCM]**
  - b. Vendors have either not responded in a timely fashion or have responded that they are not willing or able to quote the item. **[Give deadline to respond]**
  - c. **Specifications** for quotes have been reviewed to confirm that they are not **overly restrictive** to prevent vendors from bidding.
3. Sole or limited source purchases between \$5,000.01 and \$20,000:
- a. Enter a purchase requisition into Tyler Munis.
  - b. Include a sole or limited source justification in the "General Notes" section of the requisition.
  - c. Attach documentation to support the determination of sole or limited source to the requisition TCM folder for approval by the Purchasing Manager or designee. Documentation to include a Sole Source letter dated within a 12-month period from the manufacturer or its authorized distributor/dealer or the effort of a Department to seek two or more quotes for a limited source requisition.
4. Sole or limited source purchases **above \$20,000: [Not to exceed \$50,000]**
- a. Attach sole or limited source documentation to the requisition TCM folder for the Purchasing Division's review.
  - b. The Purchasing Division may recommend a formal bid or formal written quote before acceptance of a sole or limited source request.
  - c. **For items from \$20,000.01 - \$50,000, a memo or email (preferred) to the Purchasing Manager requesting sole source approval. Purchasing Manager will review documentation and make a recommendation to the City Manager. The City Manager may authorize issuance of a Purchase Order.**
  - d. For sole or limited source purchases in excess of \$50,000, City Council approval is required. Once Council has deemed a vendor to be a sole source for a specific purchase, the City Manager may approve future purchases for a period of up to five years after Council's approval of the sole source.

## 2-6 Waiver of Bids

1. **City Manager may waive the Competitive Bid Requirements with an anticipated value of \$50,000 or less.** There are times when the bid requirement does not apply. In general, the requirement for formal bids is not required when: "an emergency situation develops that threatens termination of essential services or that threatens the public safety, health or welfare of the community." This may

occur during an official City Council Declaration of Emergency or other Acts of God.

2. If an emergency exists as described in Sec.2-666(1), the City Manager may approve immediate action to make an emergency purchase and follow the procedures outlined in Sec.2-666(2).
3. The existence of an emergency does not preclude the requirement to seek and document competitive pricing whenever practicable.
4. In all cases of emergency purchases, a requisition containing justification for the emergency must be prepared and submitted prior to the close of the next business day.

## 2-7 Blanket Purchase Orders [BPO – Such as Home Depot, Costco]

1. A FWQ, City of Naples Agreement for Purchase and Sale of Goods or a Vendor offering a unit price contract such as an automotive parts dealer being one that declares specific cost, discount or a rate for a commodity or service are types of quotes or agreements that can be used in conjunction with a requisition being designated as a blanket purchase order. Examples include, purchasing fuel at a fixed markup price per gallon, labor at a per hour rate, or concrete at a per cubic foot cost rate.
2. After the City of Naples enters into any of the described contracts, blanket purchase orders shall be used to place orders against contracts and/or unit price agreements, in those instances where the ordering department is able to identify an estimated annual dollar amount for the goods or services in question. P-Card may also be used to buy off of said contracts without additional quotes.
3. The using Department is responsible for assuring that the contractual relationship is completed successfully from the time of an order placed to its payment and in accordance with the City's terms and conditions.
4. There are a variety of Blanket Purchase Orders such as:
  - a. Per-unit basis. For goods or services such as monthly plant maintenance that have an exact contractual cost, users shall create blanket purchase orders that exactly match the contract, such as 12 months at \$X per month.
  - b. True Blankets. For goods or services that are not easily identifiable, such as small blanket purchase orders at local retail shops from hardware and home building supplies to office supplies, etc. The user may enter the requisition as an overall not-to-exceed dollar amount. True Blankets should be the exception to the purchase order process or the utilization of a P-Card for small individual purchases.

- c. Sole Source blanket purchase orders that meet a key requirement of the City's operations such as the City Dock for retail items like bait or ice.

## 2-8 Items Exempt from Competitive Bidding/Selection

1. Some recurring obligations are exempt from the competitive bidding process and/or set quote thresholds. Some acquisitions are not processed directly through the City's Purchasing Division, i.e. a P-Card purchase or direct pay.
2. The following items are exempt from the competitive bid process and/or set quote thresholds and are to be acquired in a reasonable manner or as directed by other policies or directives. **[Some of the below items are obvious]**
  - a. Purchases \$5,000 or less
  - b. Postage
  - c. Dues and memberships
  - d. Transportation, travel and hotel reservations
  - e. Books and magazine subscriptions
  - f. Education and training seminar registrations
  - g. Monopoly Utility bills (electric, cable and water/sewer)
  - h. Advertising
  - i. Public Art
  - j. Direct Instructional Services
  - k. Telecommunications & Technology, Software Maintenance
  - l. Real Property
  - m. Standardization of Equipment Sec.2-666(9)
3. Departments shall enter a requisition to enable the Purchasing Division to review the requisition entry and confirm that the item(s) and/or services are exempt. A written quote is required for any requisition that is being considered under an exemption.
4. The following items have specialized procurement processes due to state law or other regulations and must follow those specific requirements
  - a. Employee benefits
  - b. Auditing Services must follow F.S. 218.391

- c. Professional (i.e. engineering or related) Services greater than \$35,000 that are covered by CCNA, F.S. 287.055

## 2-9 Change Orders

1. For those instances when the final invoice is less than the original purchase order amount, a change order will not be required.
2. For those instances when the final invoice total is more than the original purchase order, but not more than \$100 over and the overage is approved by the Department, a change order will not be required. However, when an invoice is more than \$100 over the original purchase order amount, a change order will be required. In accordance with Section 2-667 of the City Code, there are different approval levels for change orders within Tyler's Workflow. Section 2-667 shall be followed for an awarded contract. Administratively, the process is as follows.
3. **CITY REPRESENTATIVE / CITY PROJECT MANAGER / PURCHASING MANAGER**

The City representative, project manager, and/or Purchasing Manager have the authority to approve cumulative change order requests in an amount up to One-thousand Dollars (\$1,000.00) and may approve requests for contract time extensions not to exceed ten (10) days. Minor non-monetary changes, which do not result in a change in the contract amount or that reduce the contract amount, may also be approved by the City representative or project manager. Such change orders that affect the dollar amount of an Agreement and its associated PO shall be processed by entering a change order in Tyler Munis to the affected PO within five business days of field approval. A formal Amendment to the Agreement may be required and approved by the Vendor, City Attorney, and City Manager and signed off by the City Clerk.

4. **CITY MANAGER** (Sec.2-667 Award of contract and change orders.)

**Change Orders and Contract amendments are subject to the following:**

- a. For contracts authorized by City Council, the City Manager may approve change orders or contract modifications provided that the cumulative contract does not exceed 25% of the original contract.
- b. The City Manager may approve change orders or contract modifications for contracts of less than \$50,000 provided that the cumulative contract and change orders do not exceed \$75,000.
- c. The 25% threshold shall apply to both individual change orders or contract modifications and the net total of change orders and contract modifications issued on a particular contract.

- d. Prior to the issuance of a change order or contract modification, the City Manager and/or Purchasing Manager shall determine:
  1. The circumstances said to necessitate the change in performance were not reasonably foreseeable at the time the contract was signed;
  2. The change is germane to the original contract as signed; and,
  3. The change order or contract modification is in the best interest of the City and authorized by law.
- e. If the City has awarded a contract and an option exists or is offered to the City to extend the period of the contract, the City Manager shall determine if such extension is in the best interests of the City and may exercise this option on behalf of the City for periods not exceeding 2 years.

## 5. CITY COUNCIL

The City Council shall be asked to approve change orders that cannot be approved by the City Representative or City Manager.

## 2-10 Direct Material Purchase Orders (DMPO)

1. The City of Naples is exempt from the payment of sales and use tax on purchases of tangible property, materials and supplies necessary for the performance of its duties. However, Bidders contracting with the City cannot use the city's tax exempt status to purchase supplies or materials related to the contract. Only the City may use its tax exempt status.
2. If purchased by the City, tangible property, materials and supplies for projects and construction is exempt from sales and use tax. For subcontracted construction projects, the City may consider directly acquiring materials and supplies, when the overall savings from the tax exemption is beneficial.
3. **The consideration of the direct purchase of properties, materials and supplies must be included in the request for bids.** If the City exercises the option to directly purchase construction materials, supplies and equipment that may be a part of a contract, then the Contractor will coordinate with the Department's designee and the City's Purchasing Division regarding all Direct Material Purchases. The City will purchase the materials based on the Awarded Contractor's quotes less sales tax. A deductive Contract change order may be a part of the process after issuance of a City PO for DMPO's.
4. In general, City Department Directors assigned Project Managers and the Purchasing Division must weigh the benefits of DMPO's before using this procedure, due to the complications and increased cost of tracking. **[A Project Coordinator may be hired by the City to work with the Project Manager.]**



5. To invoke this procedure, the purchase of such properties, materials, etc., are handled in the manner hereinafter described.
  - a. Prior to issuance of a Bid or RFP, the Purchasing Manager and Project Manager shall mutually determine that it is in the best interest of the City to purchase all or a portion of materials, equipment and directly, rather than having the primary Contractor purchase these items. This would result in a current six (6) percent cost savings from sales tax exemption, and may also result in further cost savings of the Contractor's markup. Language relating to the City's options in this regard shall be included in the Bid or RFP document. After bid opening, if the City decides to pursue this option, the Contract shall be prepared indicating what equipment or materials the City will purchase directly. The bid award will indicate the price of these direct materials to be purchased. A separate purchase order will be issued to the appropriate provider of materials or equipment after coordination with the Awarded Contractor.
  - b. In the event that a decision is made by the City to directly purchase some or all of the items, materials and/or services after a Contract has been executed, the following process shall apply. Note that these may only occur when the item is exactly delineated in the contract.
    1. A memorandum requesting a Change Order to the Contract will be prepared by the Project Manager and sent to the Purchasing Manager with a copy to the City Manager. The memo shall identify the items for removal from the Contract and the corresponding price adjustments.
    2. The using department will create purchase requisition(s) made out to the appropriate supplier(s), subcontractor(s) or other party with whom the City is contracting with directly for the purpose of lawful tax avoidance. Since the contractor has usually sourced and confirmed pricing for the materials, it will not be necessary for the using department to obtain quotes. Refer to Bid Agreement number and Clerk Tracking number, if applicable, in the requisition.
    3. Upon approval of the Purchasing Manager, the Awarded Contractor's Purchase Order will be reduced by the amount of the relevant direct purchase item or items. The Purchasing Manager shall send a copy of the amended purchase order to the Project Manager and Awarded Contractor.
6. Eligibility Requirements - **The following requirements must be met in order for a Direct Materials Purchase Order (DMPO) to be issued.**
  - a. Payment must be made directly from City to vendor on a purchase order;
  - b. Purchase should generally be resultant of competitive process, typically a bid, proposal or negotiation;

- c. City must acquire title to and assume liability for the goods and/or materials at the point in time at which it is delivered to the job site up until the time it is incorporated as real property;
  - d. DMP vendors must invoice City directly;
  - e. City must assume all risk of loss or damage for the goods and/or materials involved in the DMPO. The City should acquire or be the insured party under liability insurance on the goods and/or materials
7. Non-Exempt Transactions – Due to taxation laws, there are several transactions which cannot use the DMP process.
- a. “Cost plus” and “Fixed-fee” contracts will generally not qualify for exemption. (Contractor has assumed the obligation to purchase goods and/or materials as part of the contract). Contracts utilizing “Guaranteed Maximum Price” such as the Construction Manager at Risk contract are subject to the provisions of the contract related to direct purchase of equipment and material.
  - b. Purchase of raw materials or components which are subsequently sent to another entity for finishing, assembly and/or processing are not exempt since the initial purchase was not intended for delivery to City.
  - c. Purchases of supplies or materials that are installed by the vendor are taxable to the vendor if the contractor is the ultimate consumer of such supplies or materials.

## **2-11 Approval of Invoices [Go over this procedure with your Department]**

It is the responsibility of the requesting department to:

- a. Review invoices submitted for payment for supplies purchased or services rendered. The vendor's invoice must include, at a minimum, the following:
  - 1. Vendor's invoice number
  - 2. City's purchase order number
  - 3. A description of supplies or services furnished, including quantities, unit prices and extensions
  - 4. Discount terms
  - 5. Name of the requesting department
  - 6. If in the contract, the cost of material as described in the contract documents (ex: contractor's cost + 10%).

- b. Match purchase orders, vendor invoices, receiving reports or partial receiving reports and other documents.
- c. Resolve discrepancies between purchase orders and invoices.
- d. Enter the information into Tyler Munis and have the Receiving Report signed/approved by the Department Director or Designee.
- e. Expedite invoice processing to ensure timely payment so that the City can take advantage of early payment cash discounts offered by some vendors, and to ensure compliance with the State of Florida's prompt payment act.

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# Chapter 3: Competitive Sealed Bids, Quotes, Proposals

## 3-1 Competitive Sealed Bid Procedures

The City of Naples Code of Ordinances requires that purchases of goods and services expected to cost \$35,000 or more be procured by the use of competitive sealed bids or proposals, unless it meets one of the other exception requirements. Any award of a competitive sealed bid or proposal may be made to the lowest, most responsive and most responsible bidder whose bid complies with the specifications contained in the Invitation to Bid. Bids and Proposals shall be publicly announced in a uniform and consistent manner.

Procedure:

1. User Department Procedures:
  - a. Submit a Request for Bid with an attached set of specifications to Purchasing
  - b. Review and approve final bid document prior to vendor notification
  - c. Review bid proposals submitted by vendors
  - d. Document the reasons, based on the specifications, (i.e. determined to be non-responsive or not responsive) why a vendor should not be considered for an award, if necessary
  - e. Recommend an award to the lowest, most responsive and most responsible bidder that meets specifications. **[Other Award Considerations such as performance and cost.]**
  - f. Review and respond to final Bid Analysis documentation prepared by Purchasing.
2. Purchasing Division Procedures:
  - a. Prepare bid documents, based on specifications submitted by the user department, so that the process is open, equitable and fair to all potential bidders
  - b. Issue and advertise the bid invitation
  - c. Receive and secure bid responses prior to the bid opening
  - d. Open the bid at the date and time specified in the ITB or RFP
  - e. Provide copies of the bid proposals to the user department for their review and recommendation
  - f. Review bids and department recommendation for the bid award

- g. Prepare contract and transmit to the user department for review and acceptance before sending to Vendor
    - h. If the recommending department and the purchasing division disagree about the award recommendation, the department director or designee and the purchasing manager may meet to review the reasons for the disagreement. Their mutual goal is to award the bid to the lowest, most responsive and most responsible bidder for the goods or services specified
3. Estimate a time frame for an item requiring Council approval. Departments shall consider that it takes an average of 45-90 days from project initiation to final approval by Council.

## 3-2 Bid Specifications

The purpose of Bid specifications is to assist the Purchasing Division in obtaining the best value and not to limit or prevent competition. It is primarily the responsibility of the requesting department to furnish proper specifications. However, Purchasing is required to review all specifications for clarity. In the event the Purchasing Division believes it is necessary to alter the specifications, they shall communicate their intent to the requestor prior to issuing the Bid or RFP.

### 1. Type of Specifications

There are six basic types of specifications or methods used to describe what is to be purchased. In order of preferred usage, they are:

- a. Performance - where function and use of the product needed are the basic definitions.
- b. Design - where particular characteristics of the product are the basic definitions.
- c. Approved Product List - where actual products have been tested or examined and approved prior to seeking prices.
- d. Questionnaire - Where the purchaser prepares a product information sheet which accompanies the request for prices and which each bidder must complete and return as a part of the bid.
- e. Sample - Where the purchaser requires suppliers to furnish representative samples of products offered for comparison and evaluation in determining the successful bidders.
- f. "Or Equal" - Where the exact product of one or more suppliers or typical workmanship is designated as the level of quality desired and the purchaser reserves the right to approve any other as equal or acceptable.

## 2. Level of Quality:

Goods specifically for government employee use, including but not limited to vehicles or office furnishings are not expected to be of deluxe or luxury grade. Specifications shall represent an acceptable balance between quality and price, consistent with providing a satisfactory level of service.

## 3. Rights Reserved:

The City reserves the right to reject any or all quotes, bids or proposals, to waive irregularities in the bids or to accept the bid which best serves the interest of the City of Naples.

## 4. Changes in Specifications After Issuance of Invitation to Bid:

If changes in the specifications are required after a bid has been officially issued, all prospective bidders must be notified by means of an Addendum, clearly pointing out such changes and their submission must acknowledge receipt of the addendum.

### 3-3 Evaluation of Bids – Automatic Rejections

Bids will be rejected if they are determined to be non-responsive, or if the bidder is determined to be non-responsible.

#### 1. Determination of Non-Responsiveness:

- a. A bid may be declared non-responsive for the following reasons:
  1. The bidder failed to sign the bid, did not provide an original signature on the bid form; or the bidder failed to complete the required forms and certification.
  2. The bidder changed delivery terms, i.e. the bidder changed "FOB Destination" to "FOB Shipping Point"
  3. The bidder did not comply with specifications
  4. The bidder did not offer firm prices for the time period specified
  5. Any other violation of the terms of the bid.
- b. At the discretion of the Purchasing Manager, bids or proposals with minor irregularities, such as a single missing form or missing signature, may be accepted and allowed to be corrected when in the best interest of the City.

#### 2. Determination of Non-Responsibility:

- a. A bidder may be declared non-responsible for the following reasons:

1. The bidder is not a regular dealer or supplier of the goods or services offered
  2. The bidder does not have the ability to comply with the required delivery or performance schedule
  3. The bidder does not have a satisfactory record of performance
  4. The bidder does not have a satisfactory record of integrity; or the bidder is currently debarred or suspended by another Florida entity
  5. The bidder does not have the necessary facilities, organization, experience, technical skills or financial resources to fulfill the terms of the contract
  6. Bidder does not have the proper licensing or certifications
  7. Bidder is under disbarment from the City
  8. Any other record which may impair the bidder's ability to perform
- b. When a bidder is declared non-responsive, the bidder will be notified in writing and given an opportunity to appeal the determination. Non-responsive bidders may be subject to future debarment proceedings.

### **3-4 ~~Verbal and~~ Written Quotations [Online, Email, Shopping Cart, etc.]**

1. ~~Verbal and~~ Written price quotes will be administered by the requesting department or the Purchasing Division based on information submitted by the requisitioner.
2. Competitive written or verbal quotes are employed to ensure responsive, reasonable and firm proposals. **Generally, two (2) or more qualified suppliers will be solicited.** Exceptions are made only in unique situations where such a bidding process would result in no apparent benefit to the City.
3. This procedure outlines the process of securing ~~verbal or~~ written quotations prior to the selection of a source.
  - a. Requests for quotations should not be solicited from prospective suppliers unless it is intended that an order shall be placed with the vendor if that vendor is responsive and responsible.
  - b. The solicitation of **quotations in connection with budget preparation** or in any other circumstance where a budget or an authorization does not exist, **the employee shall make clear to prospective suppliers the intent of the request.**
  - c. Supplier quotations must be in response to a request from an authorized City source; unsolicited bids will not be considered unless approved by the Purchasing Manager.



- d. Where a supplier is given the opportunity to re-bid/re-quote, all competing suppliers must also be given an equitable opportunity to re-bid.
- e. It is imperative that the supplier knows that:
  1. Pre-contract discussions and agreements are preliminary.
  2. Any agreements reached are tentative.
4. The City assumes no contract obligation to procure the items for which the quotations were received, and any cost incurred by the supplier prior to the placing of the order is at the supplier's expense.
5. Written quotations received by the requisitioner shall be entered into the requisition's TCM folder. **[Enter as single quote PDF document to TCM]**

### 3-5 Identical Low Bids

#### Guidelines for award of identical low bids:

1. A bidder with an overall satisfactory performance record shall be given preference over a bidder known to have an unsatisfactory performance record. Note: documentation of performance is crucial to addressing a Vendor issue.
2. A bidder in a position to provide adequate after-sales service, with a good record in this regard, shall be given preference over a bidder who is not able to provide adequate service or who has a poor record.
3. When delivery is an important factor, the bidder offering the best delivery date should be given preference.
4. When there are several items included in the bid and the prices on only some of the items are identical in unit price or some items are not bid, the offer from the firm bidding on the overall lowest shopping cart dollar value shall be given preference for the entire bid.
5. If none of the above applies, the Purchasing Manager will notify the tie bidders no less than 48 hours prior to a coin toss of the time and date of the toss.

### 3-6 Requests for Proposals

A Request for Proposal is a formal invitation to a supplier to submit an offer. The offer is to provide a solution to a problem, or a need, that the organization has identified. It is used when competitive sealed bidding is not practical and when the judgment of the supplier's experience, qualifications and solution may take precedence over price. All Proposals shall be publicly announced in a uniform and consistent manner.

1. Requests for Proposals shall contain, at a minimum, the following:
  - a. A work statement or performance specification
  - b. A time frame in which the work is to be completed
  - c. Specific criteria to be used in evaluating the proposal
2. Requests for Proposals shall be evaluated using, at a minimum, the following criteria:
  - a. Understanding of the problem or the work to be done
  - b. Approach to be taken
  - c. Related experience and résumés of key personnel
  - d. Pricing, including breakdown of various costs
3. Selection/Contract Formation
  - a. A pre-proposal conference is recommended for all Requests for Proposals.
  - b. A selection committee is not required for a non CCNA RFP. However, it is generally desired.
  - c. If a committee is used, the process shall follow all Public Meetings and Sunshine law requirements. The Selection Committee meetings shall be accessible to the public and properly recorded in accordance with the Sunshine Laws of the State of Florida.
  - d. If a selection committee is used, it is not required that they meet. The selection committee will individually evaluate the proposals and submit their written recommendations to the Project Manager and Purchasing for a final recommendation.
  - e. An RFP will result in a contract, and the normal contract thresholds shall apply.

# Chapter: 4 Purchasing Cards (P-Card)

## 4-1 Purchasing Card Overview

The City of Naples uses Purchasing Credit Cards (P-Card) to improve efficiency in processing low-dollar purchases from any vendor that accepts the credit card. It is intended to reduce the number of small-dollar purchase orders and use of petty cash, in addition to reducing the amount of time spent by the using department, Purchasing and Accounting Divisions in processing these low-dollar transactions. Employees using a P-Card are responsible for the proper use of the P-Card in accordance with these procedures. P-Cards may only be used for official City business. Employees improperly using a P-Card are subject to disciplinary action, up to and including termination and criminal prosecution. **These procedures include any type of credit card issued on behalf of the City of Naples and held by its cardholder, i.e. Costco, Home Depot, Lowes, Publix, etc.**

### 1. How It Works:

- a. Procurement responsibility **is delegated** to the ordering department enabling the **Authorized Cardholder (Cardholder)** to place an order directly with the vendor.
- b. The Purchasing Card system validates the transaction at the point-of-sale against preset limits established by the City.
- c. All transactions are approved, or declined electronically based on the purchasing card authorization criteria established.
- d. The authorization criteria may be adjusted periodically as needed and may include, but is not limited to, the following:
  1. Single purchase limit **[Standard limit \$1,000.00]**
  2. Monthly / credit spending limit **[Standard monthly \$5,000.00]**
  3. Approved merchant category codes **[MCC]**

### 2. Who Does What:

#### a. Cardholder

1. Holds and secures the purchasing card
2. Orders materials and services in accordance to guidelines
3. Collects and saves sales receipts
4. Matches receipts with monthly card statement within Tyler Munis
5. Reviews monthly statements for validity of all transactions

6. Reviews monthly charges with supervisor
  7. Identifies disputed charges
- b. **Department Purchasing Card Representative (designated by Department Director)**
1. Reviews monthly statement authorizing charges.
  2. Approves the monthly statement authorizing charges in Tyler Munis Workflow.
  3. Verifies the appropriateness of account numbers assigned to charges.
  4. Handles disputed items.
  5. Forwards statement with completed record of procurement to Accounting.
  6. Import or scans all supporting receipts into Tyler Munis TCM.
- c. **Department Director [Building Official – Fire & Police Chief]**
1. Requests Purchasing Cards for designated employees.
  2. Requests individual spending limits within established guidelines.
  3. Designates Representative(s) responsible for authorizing charges.
  4. Collects Cards from Cardholders terminating employment.
  5. Evaluates the need to cancel or reissue Card when employees transfer.
  6. Notifies the Card Administrator to terminate Card(s).
  7. Approves monthly Cardholders transactions in Munis P-Card monthly statement approval process.
- d. **P-Card Administrator (Purchasing Manager and/or Designee)**
1. Coordinates issuance and cancellation of Cards.
  2. Coordinates program policy issues.
  3. Participates in ongoing program reviews.
  4. Notifies appropriate director in unauthorized card use is suspected.
  5. Participates in resolving billing disputes and interfaces with provider.
  6. Makes recommendations for disciplinary action in the event of misuse in accordance with policy.

e. Finance

1. Receives monthly statement electronically from issuing bank and notifies all Cardholders of statement upload into Tyler Munis P-Card system and their approval timeframe deadline(s).
2. Receives approval at all required level transactions from Cardholders.
3. Confirms that Department Representatives authorized all charges
4. Notifies departments when approved transactions in Tyler Munis from the issuing Bank's electronic file statement are not approved in Tyler Munis.
5. Pays all monthly transactions from issuing bank.
6. Confirms all electronic files, statements, receipts, etc., are within the Tyler Munis P-Card system, TCM and within the Tyler Munis Finance System.
7. Administers 1099 reporting.

f. Purchasing (P-Card Administrator)

1. Maintains Policy and Cardholder Guides and Manuals.
2. Pursues supplier discount opportunities and rebates.
3. Evaluates Purchasing Card feedback from suppliers.
4. Targets expanded use of Card.
5. Coordinates internal controls.
6. Performs an annual P-Card Inventory.

3. Expenditure Review **[Get with your Department to go over their process.]**

- a. Because of their knowledge of the job responsibilities and requirements, Department Representatives are required to review each purchasing card expenditure to ensure the goods or services are necessary and for official use.
- b. When purchases are questioned, the Department Director shall be responsible for resolving the issue with the cardholder.
- c. If the Department Director is not satisfied that the purchase was necessary and for official use, the cardholder must provide either a credit voucher proving the items were returned or a personal check for the full amount of the purchase plus any required tax.
- d. Checks must be sent to Finance with an explanation and account number to credit. This must be done within five business days from the date the

Department Director notified the cardholder of an unofficial purchase or purchases.

- e. Misuse of the purchasing card may result in the revocation of the Card. Employees incorrectly using their purchasing card are subject to disciplinary action, up to and including termination and criminal prosecution.

## 4-2 Card Assignment and Control

1. The City of Naples P-Card Administrator will act as the key contact between the City and the Company issuing the card. **Danielle Gilbert x7100 or Jed Secory x7102**
  - a. Purchasing cards will only be issued to individuals who have completed probation, unless approved by the City Manager, who frequently purchase goods and services or who otherwise should receive a card. All cardholders are required to have official P-Card training that includes review of said policies and enterprise software, Tyler Munis.
  - b. The purchasing card will have the employee's legal name, the City's name, City's Tax ID Number, and the expiration date printed on the face of the card. Purchasing cards shall state "See Photo ID" on the signature line. **[Carry a copy of the City "Consumer's Certificate of Exemption" DR-14]**
  - c. **Requests for** new purchasing cards or changes to a purchasing card's spending limits **must be made by the Department Director** and approved by the P-Card Administrator or City Manager's Office.
  - d. The P-Card Administrator will notify the requesting department, Finance and City Manager's Office upon the issuance of a purchasing card and shall follow up with the employee to ensure he or she receives initial P-Card training on the policies and use of the card and the enterprise software used by the City, currently Tyler Munis.
  - e. **If a purchasing card is lost, stolen or misplaced, the cardholder must immediately notify** the Card Administrator (Purchasing Manager - Department) at 239-213-7100 and **Bank at** 866-475-0729 of the loss. The cardholder is responsible for reporting all information necessary to reduce the liability to the City for the lost, stolen, or misplaced card.
2. Termination or Transfer of Cardholder
  - a. When an individual's employment ends, the Director shall collect the purchasing card and destroy it, and submit the destroyed card to the P-Card Administrator.
  - b. When an individual is transferred to another department, the Director shall collect the purchasing card and contact the P-Card Administrator to determine if the card should **is to** be re-issued.

- c. If the Department Director is unable to collect the purchasing card when an employee terminates employment, the director shall immediately notify the P-Card Administrator, who will ensure that the card is cancelled.
- d. The Department is responsible for all costs, if any are associated with the replacement of a lost or stolen card.
- e. Disciplinary action will be taken in the event that both the P-Card Administrator and the issuing bank (currently Fifth Third), are not immediately notified of a lost, stolen, or misplaced Card.

### 4-3 Purchasing Card Limitations

1. The P-Card is for cardholder use only. Only the employee whose name is embossed on the card may use the purchasing card. No other person is authorized to use the P-Card. The Card holder is responsible and accountable for all transactions that occur on his/her City issued Credit Card.
2. The card is for city purchases only [This is an obvious statement]
  - a. The purchasing card is to be used for City authorized purchases only.
  - b. The purchasing card may not be used for any personal use and any such use will require immediate reimbursement and may result in disciplinary action up to and including termination of employment with the City, and criminal prosecution.
3. Each card will have dollar limitations
  - a. The P-Card Administrator shall set and approve the assignment of a Purchasing Card issued and its two limits for each cardholder after receipt of a signed Department Director's Limits Request. These are: (1) a single/transaction purchase limit; and (2) a 30-day limit monthly/credit limit. Requests for spending limit changes must be initiated by the employee to the employee's Department Director. Exceptions to these limits may only be authorized by the Purchasing Manager or Designee and/or the City Manager's Office.
  - b. A purchase may consist of multiple items, however, the invoice cannot exceed the cardholder's limit. Charges for purchases shall not be split to stay within the single purchase limit. This will be considered abuse of the card program and may result in disciplinary action and card cancellation.
  - c. Cards will have other limitations based on use type (merchant category codes), to reduce the risk of error or misuse.
4. Other Conditions

- a. All items purchased over-the-counter must be immediately available and delivered in a single delivery. No backordering is allowed. [Unless invoiced when shipped]
- b. All items purchased by telephone must be delivered by the vendor within the quoted timeframe. The order should not be placed without this assurance.
- c. Any use of the purchasing card for travel related expenses must be pre-approved using the proper City Travel Form.

#### 5. Prohibited Use of Purchasing Cards

- a. Purchasing Cards may not be used for the following items:
  1. Vehicle repairs unless approved by the Department Director and must follow the requirements of the City's quote thresholds or exemptions.
  2. Cash advances. [Exception to repairs if out of town.]
  3. Telephone charges.
  4. Items available thru Purchasing Central Stores.
  5. Any additional goods or services specifically restricted by City Policies, Procedures, and City Ordinances.
  6. Capital purchases unless approved by the Department Director and must follow the requirements of the City's quote thresholds or exemptions.
  7. Maintenance or service agreements unless approved by the Department Director and must follow the requirements of the City's quote thresholds or exemptions.
- b. Emergency exceptions to the above rule must be approved in writing (including email) by the Department Director and Purchasing Manager or City Manager's Office by the next business day.

#### 4-4 Purchasing Cards - Making Purchases and Paying Invoices

[Get with your Department on following these procedures]

The following procedure provides instructions on how to make purchases and pay invoices related to the Purchasing Card.

1. Documentation of over-the-counter purchases
  - a. When an over-the-counter purchase is made, the Cardholder must obtain the Customer's Copy of the charge slip plus the invoice or receipt.
  - b. The invoice and charge slip will be retained by the Cardholder or by the Department Purchasing Card Representative and scanned into the Tyler P-Card statement transaction TCM folder.



## 2. Telephone Orders

When placing a telephone order, the Cardholder must confirm that vendor will not charge the Purchasing Card until shipment is made so that receipt of the supplies may be certified on the monthly P-Card transaction entry of related items on the Banks Statement of Account. This is also a requirement of the vendor's contract with the issuer.

## 3. Missing Documentation

If for some reason the Cardholder does not have documentation of the transaction to enter into Tyler Munis the P-Card transaction, the Cardholder must contact the vendor to get a duplicate of missing document. Missing documentation may result in the cancellation of the employee's Purchasing Card.

## 4. Payments, Transactions and Invoice Processing **[Current bank Fifth Third. Paper statement may be eliminated in the future.]**

- a. If a purchasing card has transactions during the billing period, the Purchasing Card issuing company will mail an individual billing statement to the Cardholder at their office. One master statement and/or electronic master statement for all cardholders is sent to the Finance Accounting Division. Statements will list all transactions processed during the previous 30 days. Hard copies may be eliminated by use of electronic statements.
- b. The Cardholder must review the transactions in Tyler Munis for any errors or disputes that need to be settled by the Cardholder or the Department Representative, as determined by the Department Director, using the process described in the next section, and results (or status) must be noted on the transaction in Tyler Munis P-Card system.
- c. The Cardholder shall scan and attach to Tyler Munis P-Card TCM folder all charge slips and receipts for all items listed within the monthly upload from the issuing bank in Tyler Munis P-Card system. Account numbers for each item (or account numbers and total dollar amounts for groups of items) are entered in each P-Card transaction within Tyler Munis. The P-Card transaction entries will then be reviewed and approved by the Department Representative and Department Director in Tyler Munis Workflow. By approving the transaction in Workflow, the designated Department Representative and Department Director are certifying that all charges are appropriate and authorized and that all charges proved by attached receipts.
- d. Department Representative shall notify the Finance Accounts Payable Division that all P-Cards for their Department have been approved at all levels in Workflow.
- e. Accounting will review and reconcile each P-Card transaction for an (APC) Accounts Payable Card invoice that will be processed through Tyler's P-Card system. Department Representatives and Directors will be notified when

individual Cardholder transactions have not been entered in the allotted time or when there are differences. Continued failure to meet the notified deadline within the email sent to all Cardholders, Representatives and Department Directors may result in the revocation of a Cardholders' Purchasing Card at the discretion of the Purchasing Manager or the City Manager.

## 4-5 Purchasing Card Disputes

### 1. The Cardholder is responsible for any disputes on his/her card.

- a. If items purchased with the Purchasing Card are defective, the Cardholder must return the item(s) to the vendor for replacement or credit. If the service paid for with a Purchasing Card is faulty, the vendor must be notified and asked to correct the situation or provide a credit. If the vendor refuses to replace or correct the faulty item or service, the purchase will be considered in dispute. If the quantity of items received is less than the invoice and charge billing, the transaction must be disputed.
- b. A disputed item must be explained with a note on the Cardholder's P-Card transaction entry into Tyler Munis and notification to Accounting by copying Accounting of the P-Card transaction email dispute with the Vendor.
- c. It is essential that the time frames and documentation requirements established by the Purchasing Card Issuer (currently Fifth Third Bank) be followed to protect the Cardholder's rights in a dispute. The requirement of the current issuer is upon a belief that a transaction was unauthorized, the **cardholder must notify the issuing bank immediately** but not more than sixty (60) days after the transaction in question appears on a cardholder's account statement.

### 2. A dispute occurs when a Cardholder questions a transaction that has been charged to his/her account. The following steps must be taken to ensure prompt settlement.

- a. The Cardholder contacts the vendor about the transaction and supplies the necessary information.
- b. **The Cardholder completes the Purchasing Card Dispute Form, Exhibit-A, and faxes it to the Purchasing Card Issuer** at fax number (513) 358-7327, explaining the reason(s) for the dispute, with a copy of the statement. The Purchasing Card Issuer then places the transaction into a disputed status. (An example of Exhibit-A can be found at the end of this chapter and is also available from Purchasing or on the P-Drive/Purchasing Documents folder.)
- c. **If the problem is resolved** between the vendor and the Cardholder, the Cardholder will write the agreed upon solution on the bottom of the dispute Form and re-fax it to the Purchasing Card Issuer immediately.

- d. After the item has been entered as a dispute, the Purchasing Card Issuer will determine who is responsible by researching the transaction including requesting a copy of the sales draft, when necessary.
- e. When an account is in a dispute status, the disputed amount is still included in calculating the available money for authorizations (monthly/credit limit). At the time the item is placed in dispute, it is removed from all finance charge, late charge, over limit fee, past due amount and calculations. Any cardholder statements generated while the account is in dispute will display a message indicating the dollar amount in dispute.
- f. If the Cardholder is actually responsible for the transaction, the dispute is settled in favor of the Purchasing Card Issuer and no further actions are required. If the Cardholder is not responsible for the transaction, the dispute is settled for the Cardholder and the charge-back process will be initiated against the vendor.
- g. If there continues to be problems with a particular vendor, the Cardholder shall notify the Purchasing Manager of the problems.



**Commercial Card Cardholder Dispute Form**

Print Form  
Reset Form

Thank you for contacting us regarding a dispute on your Visa or MasterCard. Please use this form to explain the details of your dispute. You may place additional details and multiple dispute items on the second page.

**This form is not valid for reporting fraudulent transactions. Please call 1-800-375-1747, option 3 to report fraud.**

**This form needs to be signed by the Cardholder only. Please mail or fax this form to:**

**Mail: Fifth Third Bank, Madisonville Operations Center, Mail Drop 1MOC2G, Cincinnati, OH 45263 Fax: (513) 358-7327**

<b>Cardholder Name: *</b> <input type="text"/>	<b>Last 8 Digits of Card Number: *</b> <input type="text"/>	<b>Company Name: *</b> <input type="text"/>
<b>Merchant Name: *</b> <small>(required unless entering transaction on page 2)</small> <input type="text"/>	<b>Amount of Transaction: *</b> <small>(required unless entering transaction on page 2)</small> <input type="text"/>	<b>Transaction Date: *</b> <small>(required unless entering transaction on page 2)</small> <input type="text"/>
<b>Cardholder Email Address: *</b> <input type="text"/>	<b>Customer Phone Number: *</b> <input type="text"/>	<b>Fifth Third Service Request Number:</b> <input type="text"/>

\*Disclaimer: A dispute form may be rejected if the noted required fields are not filled in completely.

**Please choose the ONE category that best describes your dispute:**

- 1.- I paid for this purchase another way, but it still posted to my statement. I have provided:
  - A cash receipt
  - Copies of both sides of a canceled check
  - The credit/debit card statement where the valid charge appears
 (Please note one of the above is **required** before Fifth Third can assist with your dispute.)
- 2.- This charge posted to my account twice, but I only authorized one purchase.  
The valid charge posted on .
- 3.- The charge posted to my account for an amount different from the amount on my receipt.  
 I have provided a copy of my receipt showing the difference.
- 4.- I have not received expected goods or services. The expected date of delivery was   
I have contacted the merchant and the response was   
(Please specify the expected goods or services on the second page.)
- 5.- The merchandise received was not as described, poor quality, damaged, or unsuitable for the purpose intended.  
I returned (or attempted to return) the merchandise on . I have contacted the merchant and their response to the return was   
(Please provide details of what was wrong with the merchandise on the second page of the form, and include proof that the goods were returned to the merchant, such as a tracking number.)
- 6.- I have returned merchandise to the merchant. A copy of my credit slip is enclosed.
- 7.- I have returned (or attempted to return) merchandise to the merchant. I did not receive a credit slip because .  I was informed of the merchant's return policy, and their response to the return was .
- 8.- I cancelled the transaction with the merchant on .  I was informed of the merchant's cancellation policy, I have contacted the merchant and the response to the cancellation was   
(Please include any contracts or correspondence to and from the merchant.)
- 9.- I cancelled the hotel reservation on . My cancellation number is   
(If no cancellation number was provided, please provide a telephone statement showing the cancellation call to the merchant.)

**Cardholder Signature**  **Date**

Please provide a detailed explanation of the above dispute.

For multiple transactions, please fill out the following items.

Transaction Date	Merchant Name	Amount of Transaction	Dispute Reason (category number from page 1)
<input type="text"/>	<input type="text"/>	<input type="text"/>	Please choose a dispute category <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	Please choose a dispute category <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	Please choose a dispute category <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	Please choose a dispute category <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	Please choose a dispute category <input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>	Please choose a dispute category <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	Please choose a dispute category <input type="text"/>

**\*\*\*\*\*COMMERCIAL CARD DISCLAIMER\*\*\*\*\***

**Fifth Third Use Liability Policy:** If you believe that a transaction on your Account was unauthorized, you must notify us as soon as possible **but not more than sixty (60) days after the transaction in question appears on your Account Statement.** You will be required to provide us with reasonable information about the transaction to enable us to investigate the matter, and to reasonably cooperate with us in any investigation. If you do that, and the following conditions are met, you will not be responsible for the unauthorized transaction: (a) the transaction was not effected by a current or former employee or other Cardholder designated by you; (b) there are no past due obligations on the Account; and, (c) you have exercised reasonable care in safeguarding your Cards and Account from unauthorized use including that you did not provide, directly, by implication or otherwise, the right to use a Card or the Account to the person effecting the transaction, or receive any tangible benefit from the transaction. If the conditions in this paragraph are satisfied, we will credit your Account for the amount of the transaction in question and any fees and interest that may have been applied or accrued as a result of that transaction. In addition, the Card Association may offer a liability protection program for small business (as defined by them), to which unauthorized use of the Card may be subject; contact the Card Association for additional information. We will provide a copy of the Card Association's program literature upon request. If we have issued fewer than ten Cards in connection with the Account, your liability for transactions by a person who does not have actual, implied or apparent authority to use the Card or Account and whose use does not result in a direct or indirect benefit to you will not exceed \$50 (or lesser amount of the transaction) on each Card.



# Chapter 5: Consultant's Competitive Negotiations Act

## 5-1 Professional Services: Consultant's Competitive Negotiation Act (CCNA)

1. For the acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services with a basic construction cost of which is estimated to exceed the threshold amount provided in s. 287.017 for CATEGORY FIVE, currently \$325,000 and all planning or study activities when the fee for professional services exceeds the threshold amount provided in s. 287.017 for CATEGORY TWO, currently \$35,000, the City must follow F.S. 287.055 known as the "Consultants' Competitive Negotiation Act". Issuance of (CSC) Continuing Services Contracts will follow the CCNA established process.

This selection process may take the form of a Request for Proposals (RFP) or a Request for Qualifications (RFQ).

2. Exceptions. This process does not apply to professional services below \$35,000. Such procurements shall be accomplished by an informal selection of the best qualified firm. (See Section 5-3 for details.)
3. CCNA Request for Proposal or Request for Qualifications **Procedure:**
  - a. A Request for Proposal (RFP) or Request for Qualifications (RFQ) will be prepared and publicly announced in a uniform and consistent manner. The City Manager or Purchasing Manager will have the final determination of the proposals opening date. In addition, a notice shall be posted in a conspicuous location in City Hall and by formal notice to companies registered on the City's Vendor Self Services (VSS) registration. The public notice must include a general description of the project and must indicate how interested consultants may apply for consideration.
  - b. A Selection Committee, consisting of 3 or more employees, shall be approved by the City Manager or Purchasing Manager to evaluate the proposals.
  - c. The Selection Committee shall determine which of the proposers is qualified under competitive selection. Among the factors to be considered in making this finding at a minimum shall be those required by the Florida Consultant Competitive Negotiation Act 287.055(4)(b). The Selection Committee shall follow all Public Meetings and Sunshine law requirements. The Selection Committee meetings shall be accessible to the public and properly recorded in accordance with the Sunshine Laws of the State of Florida.
  - d. Public meeting dates and times shall be established by the Project Manager in cooperation with the Purchasing Division. The Project Manager shall prepare an agenda and present to the Purchasing Division to ensure proper

- posting. Current policy requires at least three (3) days public notice prior to a meeting.
- e. The Selection Committee shall evaluate statements of qualifications and performance data submitted regarding the proposed project. The Committee shall conduct discussions with, and may require public presentations by, no fewer than three firms regarding their qualifications, approach to the project, and ability to furnish the required services.
  - f. Based on this information, the Selection Committee shall rank three firms or more deemed to be the most highly qualified to perform the required services. Compensation cannot be a consideration in the ranking process in accordance with State Law.
  - g. The Department requesting the service and/or Purchasing Manager (negotiating team) shall negotiate a contract with the top ranked, (most qualified) firm for professional services at compensation which the City and its negotiating team determines is fair, competitive, and reasonable. At this point, cost is a consideration.
  - h. Should the negotiating team be unable to negotiate a satisfactory contract, negotiations with that firm must be formally terminated by sending a written notice on Purchasing's letterhead, with a copy to the department and City Manager's Office. The negotiating team shall then negotiate with the second most qualified firm. Failing to achieve a satisfactory contract with the second most qualified firm, the City must formally terminate negotiations and then undertake negotiations with the third most qualified firm.
  - i. Should the negotiating team be unable to negotiate a satisfactory contract with any of the selected firms, the negotiating team shall select additional firms in the order of the competence and qualification and continue negotiations in accordance with this procedure until an agreement is reached.

## **5-2 Professional Services Requests for Qualifications (RFQ)**

CCNA Requests for Qualifications (RFQ) are used when the City desires to have one or more qualified service providers committed to the City on an ongoing continuing services contract.

1. A Request for Qualifications shall be publicly announced in a uniform and consistent manner.
2. It shall be an invitation to respond with company identification and a firm's qualifications relating to a particular professional service or category of work or anticipated category of work, the purpose of which is to establish a specific list of qualified firms or bidders.
3. Evaluation (Determination of a Qualified Proposer):



- a. Must meet a minimum set of standards of business competence.
- b. Must meet a minimum set of standards of reputation.
- c. Must meet a minimum set of standards of financial capability.
- d. Must meet a minimum set of standards of product quality (if applicable).
- e. Location of the office that will be performing the work.
  - 1. Firms located inside Collier County will receive the max number of points.
  - 2. Firms outside Collier County will receive fewer points (should be equitable)
- 4. The result of an RFQ may be in one or more contracts.
- 5. The RFQ process may be used for non-CCNA services if approved by the Department Director and Purchasing Manager.
- 6. All applicable procedures stated in Chapter-5 will be utilized in the RFQ process.

### **5-3 Professional Services - Contracting Below CCNA Thresholds**

The following procedure is to be used for the acquisition of a professional architectural, engineering, landscape architectural or surveying and mapping services for any construction project with a basic construction cost estimated to be less than CATEGORY FIVE, currently \$325,000 or all planning or study activities when the fee for professional services is estimated to be less than the threshold amount provided in s. 287.017 for CATEGORY TWO, currently \$35,000. Projects shall not be divided into phases to meet this requirement.

- 1. If the professional fees are estimated to be less than \$5,000, the requesting department shall select a qualified firm and ask for a priced proposal. Based on the proposal, the department director or designee shall negotiate a tentative agreement. The final agreement, a contract by Purchase Order, can be approved by the City Manager or Purchasing Manager.
- 2. If the professional fees are estimated to be more than \$5,000, and \$20,000 or less, the requesting department shall select a qualified firm by either using an ongoing contract or obtaining two or more written proposals, which may or may not include pricing. Professional fees estimated to be greater than \$20,000 and less than \$35,000 will require three or more written proposals, which may or may not include pricing. Based on the proposals, the purchasing manager, department director, or a designee, shall negotiate a tentative agreement with the lowest and/or best qualified firm. The final contract can be approved by the City Manager or Purchasing Manager. A project shall not be tiered or separated to meet this threshold.

3. If, in steps 1 and 2 above, the proposal appears to be excessive, another firm shall be requested to submit a proposal. This procedure shall continue until a proposal is received that is acceptable or a competitive proposal is let out.
4. If, in using this process, the majority of the compensation proposed by firms is in excess of the appropriate threshold amount (i.e. \$35,000 which is the City's current Competitive Bid Threshold) the City shall reject all proposals and follow the CCNA procedures described above.

## Chapter 6: Construction Projects

### 6-1 Responsibilities of the Department and its Project Manager or Contracted Project Coordinator

1. It shall be the policy of the City of Naples to follow these established uniform procedures for managing City projects and defining the Department and its Project Manager responsibilities.
2. For each construction related project, a Project Manager shall be named. Through assigned duties, he or she will be responsible for providing protection for the City against defects and deficiencies in any contract work to be performed. These duties will include:
  - a. Periodic site visits to determine if the work is proceeding in accordance with contract documents.
  - b. Review shop drawings and descriptive data submitted by the contractor as to general conformity to the plans and specifications.
  - c. Representing the City in interpreting plans and specifications and making a final inspection of the project.
  - d. Notification to the contractor, in writing, when there appears to be actions taken that are not in compliance with the project plans. The Project Manager should require that a written explanation of the corrective action taken be provided within a reasonable period of time.
  - e. Approval of invoices for partial and final payment when provided for in the contract. No invoices should be approved for payment unless the Project Manager is satisfied that the work is progressing according to plans and specifications.
  - f. Notification to the contractor, in writing, when the City officially issues a (NTP) Notice to Proceed and considers the project to be complete.
  - g. Maintenance of a project file. This file should include copies of all purchase orders, change orders, and receiving reports; original plans and specs; and copies of all correspondence to and from the contractor. Upon official close-out of the project, the complete file should be maintained in the Project Manager's files for future reference.
  - h. Responsible for obtaining required Proof of Insurance from contractor, Performance and Payment Bonds if required before the project is started as indicated in the NTP.
  - i. Establishment of the above steps as a standard operating procedure for all projects should help avoid any misunderstandings that may arise between the City and any outside contractors.

- j. Copy the Purchasing Division on the NTP and any other relevant meetings between the awarded contractors.

## 6-2 Bid Security: Bid Bond, Payment and Performance Bonds

1. It is the policy of the City of Naples to require the following bonds for all construction related sealed bids estimated to be in excess of \$100,000.

- a. Bid Security – Bid Bond

1. A Bid Bond or equivalent financial security in the amount of five (5) percent of the bid price shall be required and must accompany all bids in each of the following cases:
  - a. For the making of any local improvement with an estimated cost over \$100,000
  - b. For the construction of any public building or structure whatsoever with an estimated cost over \$100,000.
  - c. In any other case where the Purchasing Manager deems it advisable that a Bid Bond be required and shall so state in the specifications. The requirement may be stated in the public announcement for bids.
2. If a Bid Bond is required, it will be so stated in the Bid Specifications. The security is to be a bond provided by a surety company authorized to do business in the State of Florida, or the equivalent in cash, cashier check, money order or otherwise supplied in a form satisfactory to the City. The Bid Bond must be submitted with the bid. When the Invitation for Bids requires a Bid Bond, noncompliance will result in rejection of the bid.
3. Bid bonds will be returned to all bidders after successful award of contract. Note that failure or refusal of the bidder to enter into the contract within twenty (20) calendar days after receipt of a contract that will result in damages to the City, Declared Bidder's bid bond will be forfeited to the City as liquidated damages.

- b. Performance and Payment Bonds **[Recorded by Contractor at CC-Clerk]**

1. When a construction contract is awarded in excess of \$100,000, a Performance Bond and a Payment Bond will be required, each in an amount equal to 100% of the price specified in the contract.
  - a. The Performance Bond assures satisfactory performance of the contract specified. This includes, but is not limited to the labor of awarded contractor and any sub-contractors, suppliers, and payment of materials.

- b. The Payment Bond is to assure satisfactory completion of the contractor's requirements. A payment bond guarantees all suppliers, laborers, and subcontractors will be paid if the contractor should default.
2. The required bonds shall be executed by a surety company authorized to do business in the State of Florida, or otherwise secured in a manner satisfactory to the City for the protection of all persons supplying labor and material to the contractor or its sub-contractors for the performance of the work provided for in the contract.
3. Nothing in this procedure shall be construed to limit the authority of the City to require a Performance Bond, Payment Bond or other security in addition to those bonds, or in circumstances other than specified in this procedure.

### **6-3 Proof of Insurance for Contractors**

**Contractors shall not commence work on any City Project until** all the insurance required herein and in the Agreement have been obtained and such insurance has been provided to and approved by the City's Risk Manager. Insurance Certificates shall be presented to the Purchasing Division and Project Manager clearly identifying the applicable contract by Bid No. and Bid Title. Purchasing will send a scanned copy of all Insurance Certificates to the City's Risk Manager.

1. Certificates of Insurance shall provide that thirty (30) days written notice will be provided to the City by the insurance company if the policy is canceled or materially changed by the awarded company during the term of the policy.
2. Certificates of Insurance must be issued by an authorized representative of the insurance company policyholder and must include sufficient information so as to identify the coverage(s) and the project or contract for which they are issued. Certificates of Insurance must be issued by a nationally recognized insurance company with a Best's rating of no less than B+VII, satisfactory to the City and duly licensed to do business in the State of Florida.
3. The contractor shall procure and maintain, during the life of the contract, Workers Compensation Insurance for all employees engaged in work under the contract, and shall require any subcontractor similarly to provide Workers Compensation Insurance for all employees to be engaged in such work.
4. The contractor shall procure, and maintain during the life of the contract, Commercial General Liability and Property Damage, including contractual liability; personal injury; libel; slander; false arrest; malicious prosecution; wrongful entry or eviction; broad form property damage; products; completed operations; and XCU coverage as defined in the bidding documents.
5. The amounts of such insurance shall be specified in the bidding documents. Further, the contractor shall agree to indemnify and hold harmless the City of

Naples for any claims arising out of the actions of the company, employees, agents and subcontractors, including any legal fees incurred.

# Chapter 7: Vendor Relations

## 7-1 Vendor Performance

1. City Departments, in a timely manner, will notify the Purchasing Division of any vendor performance that does not comply with the terms and conditions of a contract or City related procurement by PO, P-Card, etc. Such discrepancies must be handled in a prompt, uniform and fair manner. The Purchasing Division is considered the liaison between Vendors doing business with the City of Naples.
  - a. When a non-compliant situation becomes evident, the department must promptly contact the vendor to rectify the situation. A complete record is to be made of contacting the Vendor including the name, their title, date, time and telephone number of the person and a narrative of the discussion and remedy agreement.
  - b. If the vendor continues to be non-compliant after the initial contact, a written report must be forwarded to the Purchasing Division.
  - c. The Purchasing Division will provide the vendor with a written notice to "correct" the situation. The notice will be mailed Certified and a Return Receipt will be requested.
  - d. If the vendor fails to comply with the terms of the contract or any other method of procurement to order commodities or services after this notice, Purchasing will cancel the commodities or services within the procurement instrument, i.e. agreement, PO, etc., place the order with another source, and seek to recover any additional costs involved from the non-compliant vendor.
2. Some reasons for a properly documented file on Vendor Non-Performance are:
  - a. To use when considering debarment or suspension of vendors.
  - b. To use when making decisions of future tie bids.
  - c. To use as evidence in court cases.
  - d. To justify a claim for liquidated damages.
  - e. To justify a declaration of vendor default.
  - f. To use as justification for withholding payment.
  - g. To use in processing warranty claims.

## 7-2 Bid Protests

The following procedures establish the City of Naples Bid Protest procurement policy.

In any case where a bidder or interested bidder wishes to protest either the results of or intended disposition of any bid, the bidder or interested bidder must:

1. File a written notice to the Purchasing Manager, explaining in detail the nature of the protest and the grounds on which it is based. This notice must be received by the Purchasing Manager no later than 48 hours (two business days) after the City's Declaration of Intent to Award the Bid. At that time the bid process shall be suspended until the protest procedure, herein described, has been completed.
2. **Protest Bond.** Each written protest must be accompanied by a bid protest bond in the form of a certified check, cashier's check or money order made payable to the City of Naples, in the amount not less than five percent (5%) of the lowest responsible bid, but not to exceed \$7,500.
3. Upon timely receipt of the formal written protest, the City Purchasing Manager may take up to two (2) business days to attempt to resolve any protest. If mutually resolved at this level, the bid protest bond shall be returned in its entirety.
4. If there is no mutual solution, the Purchasing Manager shall forward the formal written protest with any action taken to the City Attorney who shall act as the bid Protest Officer. The City Manager will also be copied on any formal bid protest. The City Attorney shall hand down a formal finding of fact and a written decision with regard to the validity or non-validity of the protest within twelve (12) business days of the City's receipt of the formal written protest.
5. Within twenty-four (24) hours of the receipt of the formal findings of fact and written decision, the City shall notify the protesting bidder or protesting interested bidder of the decision of the bid protest officer. Such notification may be transmitted via facsimile machine with an acknowledged receipt by the bidder; by email with an email receipt required by the bidder or certified return receipt required mail.
6. **Forfeit of Bond.** Should the protest be determined by the Protest Officer to be without merit or non-valid, the bond shall be forfeited to the City.

### **7-3 Debarment or Suspension of Vendor**

**Section 2-668 (2) of the City Code** governs Bidder sanctions. In all cases, the City Code shall be followed.



## Chapter 8: Miscellaneous

### 8-1 Cooperative Purchasing [Outside Contracts]

#### 1. Procedure:

There are **three types of cooperative purchases that may be used by the City.**

- a. Two or more entities combine their requirements into a single request for bids. One entity acts as the lead agency and other participating entities commit to using the resulting contract for all of their requirements. The Purchasing Division, from time to time, may request estimated quantities of commodities or services to be used in a combined bid. It is important that Departments respond in a timely manner to assure a successful cooperative effort.
  - b. Piggy-backing or utilization of another entity's contract. The vendor agrees to offer the commodities or services to the requesting entity at the same terms and conditions that were offered to the original entity. If a Department becomes aware of a contract in another entity that may be of benefit to the City, the department should obtain a written quotation from the vendor citing the name of the entity holding the contract and the bid number. The vendor is to state on the quotation that the product or service in question is being offered to the City based on the terms and conditions of the contract referenced. Quote must include contract number.
  - c. Purchasing from a warehouse operated by another entity. An entity, usually much smaller in size, purchases goods from another entity that can purchase in greater volume, thereby receiving discount prices.
2. Reference Code **Sec. 2-663(1)(d) Competitive bidding requirements shall be met if goods and services are purchased pursuant to:**
- a. A valid executed interlocal agreement establishing cooperative purchasing with other Florida governmental entities; or
  - b. A contract awarded by the Federal Government or by the State of Florida or its governmental entities.
  - c. Other contracts or bids received by associations or entities regularly receiving bids for county, state or city official use.
3. Reference Code Sec.2-667 (4) Award of contract and change orders.

The city manager may approve contracts for goods and services that are purchased pursuant to:

- a. A valid and current interlocal agreement establishing cooperative purchasing with other Florida governmental entities; or

- b. A contract awarded by the Federal Government or by the State of Florida or its governmental entities; or
- c. Outside contracts received by entities regularly receiving bids and their award for county, school board, state or city official use.

## 8-2 Disposition of Surplus Property **[Currently Sold on GovDeals.com]**

**[Disposition form signed by Department Head and Department coordinating pick & delivery to the Warehouse]**

1. **Sec. 2-669 – Disposal of Surplus of the City Code** directs that the City Manager shall be responsible for the sale or disposition of surplus. However, according to Code, all surplus items with an **estimated fair market value of \$50,000 or more** must be declared surplus by a resolution of the City Council before the Purchasing Manager may dispose of said surplus.
2. The City should maximize returns on excess and surplus property by transferring or disposing of the property through public auction, sealed bids, posted prices, trade-in or donation. The Utilities Warehouse shall provide storage of surplus property pending disposition unless designated at another site.
3. **City employees shall only be permitted to purchase surplus property which was not formerly assigned to their Department or Division.** Employees are required to follow all surplus sales, bid or posted price procedures established for the public.
4. **Classifications of Surplus.** Items identified as surplus are classified as:
  - a. **Excess** – items without a useful purpose for a particular department, but which may be transferred to another department.
  - b. **Junk** – items for destruction or disposal that are unusable and have no commercial value.
  - c. **Obsolete** – material that has no use to the City.
  - d. **Scrap** – items which have sale value for material content only.
5. Procedure: There are several methods of disposing of surplus property.
  - a. Transfer – Transferring the item to another department is the best method.
  - b. Auction – The City contracts with a company to sell items to the highest bidder at advertised public auctions. The City may also auction items on the internet via sites that specialize in government sales.
  - c. Sealed Bids – Public notice of a sale is made, and solicitations are mailed to prospective bidders.
  - d. Trade-In – The Department and Purchasing Manager may determine that it is advantageous to allow the surplus item to be traded-in. Item(s) was designated as a trade-in during the adoption of the City (FY) Fiscal Year's Budget.

- e. Cannibalization – Disassembling an item to use its parts for repair or maintenance of a similar item is authorized only if this method has more potential value and benefit than other methods of disposal. Department utilizing this method must report the fixed asset affected by said cannibalization to Purchasing on a Surplus Form and/or Fixed Asset Form. Purchasing will send received form(s) to Finance for their records.
- f. Donation – The City Manager or Purchasing Manager must approve any item to be donated to a party outside the City government, except as noted in h, below. Purchasing Manager will update the City Manager on any approvals made at Purchasing's level.
- g. Posted Prices - property that cannot be disposed of by auction or bid may be disposed of by posting a price and advertising it to the public. If Surplus is not sold after this process than the Purchasing Manager may dispose of said Surplus as junk and update the City Manager of this action.
- h. Obsolete Computer Equipment – While deemed obsolete by the City's Tech Services Department in terms of the City's requirements, personal computers (PCs) replaced under the City's PC Replacement Program may have residual value and could effectively be put to limited use for training purposes (e.g., learning keyboarding skills, introducing computer technology, learning the fundamentals of various software tools, etc.) and other ancillary purposes by both individuals and organizations. Because of software licensing limitations, the City must remove software from these systems when replacing them with new, rendering them unusable without incurring additional licensing costs.
- i. The Purchasing Manager is authorized to dispose of the City's surplus personal computers (PCs) resulting from the City's PC Replacement Program, as well as other PCs and associated hardware, i.e. keyboards, monitors, etc., in the following manner:
  1. Surplus PCs will be identified on a Surplus form that will be sent to the Purchasing Division by the Technology Services Department, with a complete list of items and their condition, i.e. hard drive removed, monitor works, etc.
  2. Eligible agencies are invited to submit a request to Purchasing throughout the year, outlining their requirements for the surplus PCs and associated hardware. Requests will be filled as available.
  3. PCs and their related parts will first be offered as-is, where-is first to the City's not-for-profit community organizations, then to other non-profit organizations, schools, or governmental agencies.
  4. The remaining surplus PCs not taken up by any of the eligible agencies will be advertised and sold at auction and/or through the solicitation of offers in the normal manner.

5. If none of these procedures result in a disposition, the Purchasing Manager may, with the approval of the Technology Services Director, dispose of leftover PCs or parts in a fit manner.
  6. The Purchasing Manager will continue to monitor potential auction values of PCs and other surplus computer equipment.
- j. **Sale of Scrap** – Many items that are no longer useful may have a residual value. **[A different process than Surplus sold on GovDeals.com or White Goods, i.e., Refrigerators, Stoves, etc.]**
1. If a Department has scrap material that may be of value, contact the Purchasing Division by email with photos and descriptions of scrap who will examine the item(s) and determine the value (if any). Item(s) may also be delivered to the warehouse or other location after a plan is devised to dispose of scrap material.
  2. Requesting department will coordinate the disposition method of the scrap material and its delivery of material to scrap dealer themselves. Purchasing Division staff will accompany the Department to the scrap's destination.
  3. If the estimated value of the scrap exceeds \$1,000 (as determined by the Department and Purchasing), Purchasing or the Department will attempt to get 3 quotations.
  4. If the estimated value of the scrap exceeds the current bid threshold for competitive bids, Purchasing will issue formal requests for bids.

### **8-3 Public Meetings/Sunshine Law**

The City of Naples shall abide by Florida State Statute governing public meetings. Florida Statute 286.011 (Public Meetings and Records, Public Inspections) Meetings shall be accessible to the public and properly recorded in accordance with the Sunshine Laws of the State of Florida.

## **Chapter 9: Grant Related Procedures / Requirements**

### **9-1 Section-3 (HUD) Housing and Urban Development Act of 1968, as amended, 12 U.S.C.1701u**

1. The City of Naples' Bid process for Federal Grant related funding will comply to the greatest extent feasible with the requirements of Section-3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C.1701u (Section 3) and with MBE/WMBE regulations, when applicable, with regards to Federal Contracts.
2. A City Awarded Contract related to Chapter 9-1 shall be based on the lowest responsive and responsible bid offer with bid preference available and to be given to a bidder who is a qualified Section-3 Business Concern per the City's Division-3 Procurement Procedures, Section.2-661. Procurement Policy. (5) The city manager shall have the purchasing authority, including authority to establish procurement policies and procedures, specifications, award, administer, and terminate contracts necessary to procure goods or services for the city unless otherwise provided in this division. The city manager is provided the latitude to exercise sound business judgment and procurement principles while adhering to the requirements of this division.
3. It is the policy of the City to provide Equal Employment Opportunity to all employees and applicants for employment in accordance with all applicable Equal Employment Opportunity/Affirmative Action laws, directives and regulations of Federal and State agencies. The City does not discriminate against any employee or applicants for employment on the basis of race, color, sex, national origin, religion, age, disability, pregnancy, veteran status, marital status, or any other characteristic protected by applicable law.
4. The work to be performed under all contracts related to this Chapter 9-1 are subject to all of the Granting Agency's requirements, and the requirements of Section-3 of the Housing and Urban Development Act of 1968, as amended 12 U.S.C.1701u (Section 3) and the Davis Bacon Act. The purpose of Section-3 is to ensure employment and other economic opportunities generated by HUD – assisted projects covered by Section-3, shall to the greatest extent feasible, be directed to low – very low-income persons, particularly persons who are recipients of HUD assistance for housing.

# Checklist for Reviewing Procurements Under Grants by Non-Federal Entities (States, local and tribal governments, Institutions of Higher Education, Hospitals, and private non-profit organizations) – 2 CFR pt. 200

This checklist was created to assist FEMA recipients and subrecipients in complying with the federal requirements that procurements must meet in order for FEMA to reimburse eligible expenses. Importantly, this checklist is intended to provide general guidance only and does not provide a detailed explanation of the Federal procurement requirements – it is not intended to serve as legal advice and FEMA makes no guarantee that adherence to this checklist will result in full reimbursement of eligible expenses. To understand the requirements fully, the user should review the provisions of [2 C.F.R. § 200.317 – 326](#), which is the source of these requirements. FEMA’s in – depth guidance on these provisions can be found in its *Supplement to the Public Assistance Field Manual*. In addition, the user may review FEMA’s Field Manual, [Public Assistance Grantee and Subgrantee Procurement Requirements](#), which is available on the internet by searching for “FEMA Procurement Field Manual.” While the Field Manual was drafted to specifically address the Federal procurement standards that were in effect prior to 26 December 2014 ([44 C.F.R. § 13.36\(a\)-\(i\) – States, Local and Tribal Governments](#); and [2 C.F.R. § 215.40-48 – Institutions of Higher Education, Hospitals, and other Non-Profit Organizations](#)), many of the concepts are similar or identical in substance, and thus remains an excellent tool for navigating the current Federal procurement standards. If any questions arise, please contact your servicing attorney or legal counsel for assistance.

2 C.F.R. § 200.317 – 326 became effective on December 26, 2014. For disasters (and their associated projects) declared prior to that date, the relevant procurement standards can continue to be found in 44 C.F.R. § 13.36(a)-(i) (States, local and tribal governments) and 2 C.F.R. § 215.40-48 (Institutions of Higher Education, Hospitals, and Private Non-Profits).<sup>1</sup> As indicated above, while many of the concepts are similar or identical, there are some substantive differences between the old and the new standards. Accordingly, this checklist should not be used for procurements associated

<sup>1</sup> This includes projects associated with declarations issued prior to 26 December 2014, regardless of project start date. For example, if a disaster was declared on 1 November 2014, but contracting for a project under that declaration did not begin until 1 April 2015, then a State (or state agency/instrumentality) would still utilize the old procurement standards found at 44 C.F.R. § 13.36(a); local and tribal governments would follow § 13.36(b)-(i); and Institutions of Higher Education, Hospitals, and Private Non-Profits would use 2 C.F.R. §§ 215.40-48.

with declarations issued prior to 26 December 2014. Instead, see procurement standards Checklists 13.36 and 215.<sup>2</sup>

**Instructions:** Each standard below is followed by a block for “Yes”, “No”, or in some cases, “Not applicable”. **Red font** is used to indicate the response which, if checked, indicates that the contract does not comply with federal requirements.

The term “non-Federal entity” (NFE) below refers to the entity that is conducting the procurement action (i.e., the state, local, or tribal government or private-non-profit entity).

1. Does the procurement comply with the State’s own procurement laws, rules, and procedures? §200.317  **Yes**  **No**
2. Does the procurement comply with the requirement to make maximum use of recovered/recycled materials? § 200.317, § 200.322.  **Yes**  **No**  **N/A – work does not involve the use of materials (e.g., debris removal or other services)**
3. **Does the contract include the following clauses?**<sup>3</sup>
  - a. *If the contract amount exceeds \$150,000<sup>4</sup>*, does it address **administrative, contractual, or legal remedies** in instances where contractors violate or breach contract terms, and provide for sanctions and penalties?  **Yes**  **No**  
 **N/A**
  - b. *If the contract amount exceeds \$10,000*, does it address **termination for cause and for convenience, including the manner by which it will be effected and the basis for settlement?**  **Yes**  **No**  **N/A**
  - c. *If the contract is for construction*, does it include the required **Equal Employment Opportunity clause?**<sup>5</sup>  **Yes**  **No**  **N/A**
  - d. *For construction contracts exceeding \$2,000 awarded under a Federal grant*, does the contract include a **Davis-Bacon Act clause** and **Copeland “Anti-Kickback” Act clause**<sup>6</sup> addressing prevailing wage rates? [Note that Public

<sup>2</sup> 2 C.F.R. §200.110 provides prospective applicants with the option of exercising a “grace period,” which allows the prospective applicant to continue to use the old procurement standards at 13.36 or 215 for an additional two (2) fiscal years beginning on the first fiscal year after 26 December 2014. The fiscal year is based upon the prospective applicant’s own fiscal year. In order to utilize this exception, the prospective applicant is required to affirmatively elect its use through the documentation of this decision in its contract records.

<sup>3</sup> See [Appendix II of 2 CFR part 200](#). See also, PDAT Field Manual, section IV.H for a detailed discussion of these clauses. Sample clauses and templates can be found in the [Required Contract Clauses 2 CFR 200.326 and 2 CFR Part 200 Appendix II](#).

<sup>4</sup> \$150,000 is the current dollar threshold for the simplified acquisition threshold, as authorized by 41 U.S.C. § 1908.

<sup>5</sup> The EEO clause can be found at [41 C.F.R. § 60-1.4\(b\)](#).

<sup>6</sup> The clause may read as follows:

Compliance with the Copeland “Anti-Kickback” Act

Assistance and Hazard Mitigation Grant Program contracts do NOT require these clauses.]  Yes  No  N/A

- e. *If the contract amount exceeds \$100,000 and involves the employment of mechanics or laborers, does the contract include a **Contract Work Hours and Safety Standards clause**?<sup>7</sup>*  Yes  No  N/A
- f. Rights to Inventions Made Under a Contract or Agreement.<sup>8</sup>  N/A
- g. *If the contract or subgrant amount exceeds \$150,000, does the contract include clauses addressing the **Clean Air Act and the Federal Water Pollution Control Act**?<sup>9</sup>*  Yes  No  N/A
- h. *Does the contract include mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. § 6201)?*  Yes  No

(1) Contractor. The contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.

(2) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as the FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

(3) Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

<sup>7</sup> Must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation.

<sup>8</sup> As FEMA does not award grants or subgrants associated with research and development projects, this contract clause is inapplicable.

<sup>9</sup> The clause may read as follows:

Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387), and will report violations to FEMA and the Regional Office of the Environmental Protection Agency (EPA).



- i. Does the contract include a **Suspension and Debarment clause**?<sup>10</sup>  Yes  No<sup>11</sup>
- j. Does the contract include an **Anti-Lobbying clause**?<sup>12</sup>  Yes  No
  - i. For contracts exceeding \$100,000, have bidders submitted an Anti-Lobbying Certification?  Yes  No  N/A
- k. Does the contract include a clause requiring the contractor to maximize use of **recovered/recycled materials**?  Yes  No  N/A – work does not involve the use of materials (e.g., debris removal or other services)

If a State agency is awarding the contract, stop here. If the contract is being awarded by a local or tribal government or private nonprofit entity, continue with the checklist.



#### 4. **General requirements**<sup>13</sup>

- a. Does the procurement comply with the NFE's<sup>14</sup> own procurement laws, rules, and procedures? §200.318(a)  Yes  No
- b. Does the NFE maintain contract oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders? §200.318(b)  Yes  No
- c. Does the NFE have - §200.318(c)(1):
  - i. Written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts?  Yes  No

<sup>10</sup> See, PDAT Manual, pps. 99-100 for sample text.

<sup>11</sup> A prospective contractor that is listed on the government-wide Excluded Parties List System in the System for Award Management ([www.SAM.gov](http://www.SAM.gov)) as suspended or debarred, **CANNOT** be awarded a contract funded with Federal assistance.

<sup>12</sup> See PDAT Manual, pgs. 127-129. The clause may read substantially as follows:

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

<sup>13</sup> See, 2 C.F.R. § 200.318

<sup>14</sup> Non-Federal Entity (NFE)

- ii. Any employee, officer, or agent participating in the selection, award, or administration of a contract supported by a Federal award that has an actual or apparent conflict of interest?<sup>15</sup>  Yes  No
  - iii. Any employee, officer, or agent that has solicited and/or accepted gratuities, favors, or anything of monetary value from contractors or parties to subcontracts?<sup>16</sup>  Yes  No
  - iv. Written standards of conduct that provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.  Yes  No
- d. *If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, does the non-Federal entity have written standards of conduct covering organizational conflicts of interest? § 200.318(c)(2)<sup>17</sup>*  Yes  No  N/A
- e. The NFE must avoid acquisition of unnecessary or duplicative items. Has the NFE *considered* consolidating or breaking out procurements to obtain a more economical purchase? Where appropriate, has the NFE considered lease versus purchase alternatives? § 200.318(d)  Yes  No
- f. *Is the contract being awarded to a responsible contractor possessing the ability to perform successfully under the terms and conditions of the proposed procurement, giving consideration to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources? § 200.318(h)*  Yes  No
- g. *Is the NFE keeping records sufficient to detail the history of the procurement, including, but not limited to, records documenting the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price? § 200.318(i)*  Yes  No
- h. *Is the contract a time-and-materials contract?<sup>18</sup> § 200.318(j)*  Yes  No

<sup>15</sup> Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

<sup>16</sup> However, NFEs may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.

<sup>17</sup> Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the NFE is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

<sup>18</sup> Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of: (i) The actual cost of materials; and (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. Because this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency.

- i. If so, has the NFE documented why no other contract is suitable?  
 Yes     No
- ii. Does the contract include a ceiling price that the contractor exceeds at its own risk?  Yes  No
- i. *Is the NFE alone* responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements? §200.318(k)  Yes  No
- j. *Encouraged*, but not required standards at § 200.318(e), (f), and (g).<sup>19</sup>

5. **Competition:**

- a. All procurement transactions must be conducted in a manner providing **full and open competition** consistent with the standards of this section. *Does the procurement involve any of the following*<sup>20</sup> § 200.319(a):
  - i. Placing unreasonable requirements on firms in order for them to qualify to do business?  Yes  No
  - ii. Requiring unnecessary experience and excessive bonding?  Yes  No
  - iii. Noncompetitive pricing practices between firms or between affiliated companies?<sup>21</sup>  Yes  No
  - iv. Noncompetitive contracts to consultants that are on retainer contracts?<sup>22</sup>  Yes  No

Therefore, a time-and-materials contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls. **[Note that FEMA previously reimbursed costs under a time-and-materials contract for only the first 70 hours of work performed. See, FEMA PA Guide (2007 ed.), pg. 53. However, FEMA’s new Public Assistance Guide, published on 1 January 2016, has eliminated this requirement and replaced it with a reasonable period of time standard. Please engage your FEMA Public Assistance POC for additional information]**

<sup>19</sup> §200.318(e) – to foster greater economy and efficiency, the NFE is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services (this section provides the authority for state schedule and mutual aid agreements, for example); §200.318(f) – NFEs are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs; and §200.318(g) – NFEs are encouraged to use value engineering clauses in contracts for construction projects (value engineering is a systematic and creative analysis of each contract item or task to encourage the contractor to develop more cost effective means to produce or procure requirements.).

<sup>20</sup> This list is non-exclusive and only serves as an example of some of the types of situations that are considered to be restrictive of competition.

<sup>21</sup> For example, bid suppression or bid rigging.

<sup>22</sup> For example, out-of-scope disaster work added to the consultant’s work on retainer.

- v. Organizational conflicts of interest?<sup>23</sup>  **Yes**  **No**
  - vi. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement?  **Yes**  **No**
  - vii. Any arbitrary action in the procurement process?  **Yes**  **No**
- b. Was the contractor that is bidding on the contract also involved with developing or drafting the specifications, requirements, statement of work, invitation for bids or request for proposals? (If so, that contractor must be excluded from competing for such procurements) § 200.319(a)  **Yes**  **No**  
 N/A
- c. *Does the contract include* a state or local geographic preference for local contractors?<sup>24</sup> § 200.319(b)  **Yes**  **No**
- d. Do the NFE’s written procurement procedures ensure that all solicitations comply with the following: § 200.319(c)
- i. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured? § 200.319(c)(1)  **Yes**  **No**
  - ii. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals? § 200.319(c)(2)  **Yes**  **No**
- e. If the NFE is using a prequalified list of persons, firms, or products which are used in acquiring goods and services: § 200.319(d)  N/A
- i. Is the list current?  **Yes**  **No**
  - ii. Does the list include enough qualified sources to ensure maximum open and free competition?  **Yes**  **No**
  - iii. Were any potential bidders precluded from qualifying during the solicitation period?<sup>25</sup>  **Yes**  **No**

<sup>23</sup> See, fn 18.

<sup>24</sup> Geographic preferences are generally not allowed under FEMA grants. The only exception is that when contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

<sup>25</sup> Pre-qualified lists are **NOT** contracts. Accordingly, once the decision to solicit and award a contract is made, the NFE may issue the solicitation directly to the contractors on the pre-qualified list, but must also allow any interested contractor (not on the pre-qualified list) to submit its qualifications, and if deemed qualified, allow that contractor to submit a bid or proposal in response to the solicitation. Contract award will then be made to one of the contractors submitting a bid or proposal, IAW the evaluation/award criteria identified in the solicitation.

## 6. Method of Procurement

a. Is the NFE using one of the following acceptable methods of procurement?  
§ 200.320

i. **Micro-purchase** (i.e., purchases below \$3,500, see, §200.67 Micro-purchases). § 200.320(a)  **Yes**  **No**

1. [Note: Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.]

2. To the extent practicable, is the NFE distributing micro-purchases equitably among qualified suppliers?  **Yes**  **No**  
 **N/A – not practicable**

ii. **Small purchase procedures** § 200.320(b)  **Yes**  **No**

1. [Note: Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the **lesser** of either (1) the federal small purchase threshold (i.e., \$150,000), or (2) whatever amount State or local procurement rules set as the small purchase threshold – *if more restrictive than the federal threshold.*]

2. Did the NFE obtain price or rate quotations from an adequate number of qualified sources?<sup>26</sup>  **Yes**  **No**

iii. **Sealed bids** § 200.320(c)<sup>27</sup>  **Yes**  **No**

1. [Note: Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. Sealed bidding is the preferred method for procuring construction]

2. Are *all* of the following conditions to use sealed bidding present?  
§ 200.320(c)(1)  **Yes**  **No**

<sup>26</sup> FEMA has determined that for simplified purchase procedures, an adequate number of qualified sources is considered to be three (3). See, [FEMA Recovery Fact Sheet 9580.212 – Public Assistance Grant Contracting Frequently Asked Questions \(FAQ\)](#), FAC No. 3 and the PDAT Field Manual.

<sup>27</sup> Sealed bidding is generally used where price is the most important evaluation factor for the NFE. Accordingly, contract award under the sealed bidding method of procurement is made to the bidder submitting *the lowest priced, responsive and responsible bid*. “Responsive” refers to whether the bidder meets all the material requirements of the Invitation for Bid (IFB), while “Responsibility” is described at § 200.318(h).

- a. A complete, adequate, and realistic specification or purchase description is available  **Yes**  **No**
  - b. Two or more responsible bidders are willing and able to compete effectively for the business  **Yes**  **No**
  - c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price  **Yes**  **No**
3. *If sealed bids are used, the following requirements apply: § 200.320(c)(2)*
- a. Did the NFE solicit bids from an adequate number<sup>28</sup> of known suppliers, providing them sufficient response time prior to the date set for opening the bids?  **Yes**  **No**
  - b. If the NFE is a local or tribal government, was the invitation for bids publically advertised?  **Yes**  **No**  **N/A**
  - c. Did the invitation for bids include any specifications and pertinent attachments, and define the items or services in order for the bidder to properly respond?  **Yes**  **No**
  - d. Did the NFE open all bids at the time and place prescribed in the invitation for bids?  **Yes**  **No**
  - e. For local and tribal governments, were the bids opened publicly?  **Yes**  **No**  **N/A**
  - f. Did the NFE award a firm fixed price contract award in writing to the lowest responsive and responsible bidder?  **Yes**  **No**
  - g. If any bids were rejected, was there a sound documented reason supporting the rejection?  **Yes**  **No**  **N/A**
- iv. **Procurement by competitive proposals<sup>29</sup> § 200.320(d)**  **Yes**  **No**

<sup>28</sup> Unlike, for simplified purchase procedures, FEMA has not defined an “adequate number” of known sources under the sealed bidding method. While left undefined, a NFE is likely to meet this requirement through the application of “full and open competition.” (See fn. 27)

<sup>29</sup> Whereas contract awards under sealed bidding are focused on selecting the lowest responsive responsible bid, NFEs under the competitive procurement method may prioritize non-price factors, such as technical capability or past performance, over price and therefore award a contract to a contractor whose proposal is more expensive but reflects a better overall value to the NFE (e.g. “best value” contracting).

1. [Note: The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.]
2. Did the NFE publicize the Requests For Proposals (RFPs) and identify all evaluation factors and their relative importance?  Yes  No
3. Did the NFE solicit proposals from an adequate number of qualified sources?<sup>30</sup>  Yes  No
4. Did the NFE have a written method for conducting technical evaluations of the proposals received and for selecting recipients?  Yes  No
5. Did the NFE award the contract to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered?  Yes  No
6. [Note regarding architectural/engineering (A/E) professional services: The NFE may use competitive proposal procedures for qualifications-based procurement of A/E professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. **The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms that are a potential source to perform the proposed effort.**]

v. **Noncompetitive proposals** § 200.320(f)<sup>31</sup>  Yes  No

1. [Note: Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one (or an improperly limited number of) source(s)]
2. Do one or more of the following circumstances apply?  Yes  No

<sup>30</sup> Unlike, for simplified purchase procedures, FEMA has not defined an “adequate number” of qualified sources under the competitive procurement method. While left undefined, a NFE is likely to meet this requirement through the application of “full and open competition.”

<sup>31</sup> § 200.320(e) is reserved.

- a. The item is available only from a single source  **Yes**  **No**
- b. The public exigency or emergency<sup>32</sup> for the requirement will not permit a delay resulting from competitive solicitation  **Yes**  **No**
- c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity  **Yes**  **No**
- d. After solicitation of a number of sources, competition is determined inadequate.<sup>33</sup>  **Yes**  **No**

**7. Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms**

- a. Has the NFE taken the following affirmative steps<sup>34</sup> to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible?<sup>35</sup> § 200.321  **Yes**  **No**  **N/A (document)**
  - i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists?  **Yes**  **No**  **N/A (document)**
  - ii. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources?  **Yes**  **No**  **N/A – no potential sources (document)**
  - iii. Dividing total requirements, *when economically feasible*, into smaller tasks or quantities to permit maximum participation by small and

<sup>32</sup> For an explanation of what “emergency” and exigency” mean, see PDAT Field Manual, pg. 68.

<sup>33</sup> Before utilizing this exception, Applicants should review their solicitation and the publicizing of their solicitation to ensure that it was not inadvertently drafted in a manner to reduce or eliminate competition, which resulted in the receipt of one or no proposals. If this is found to be the case, the Applicant should revise the solicitation and re-publicize the solicitation in order to resolve the competitive concerns.

<sup>34</sup> The following affirmative steps are non-exclusive; while these steps must be taken, additional steps, as determined by the NFE, local, state, or tribal government regulations or procedures, may also be taken.

<sup>35</sup> Collectively referred to as “socioeconomic contractors” or “socioeconomic contracting,” this requirement does not impose an obligation to set aside either the solicitation or award of a contract to these types of firms; this requirement only imposes an obligation to carry out and document the six identified affirmative steps. Failure to do so has been frequently identified as a justification to de-obligate funding by the Department of Homeland Security (DHS), Office of Inspector General (OIG).



minority businesses, and women's business enterprises?<sup>36</sup>  **Yes**  
 **No**  **N/A – not economically feasible (document)**

- iv. Establishing delivery schedules, *where the requirement permits*, which encourage participation by small and minority businesses, and women's business enterprises?  **Yes**  **No**  **N/A – the requirement does not permit (document)**
- v. Using the services and assistance, *as appropriate*, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce  **Yes**  **No**  **N/A – not appropriate (document)**
- vi. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above?  **Yes**  **No**  **N/A – no subcontracts will be let (document)**

8. **Contract cost and price**<sup>37</sup>

- a. *If the contract amount (including contract modifications) exceeds \$150,000*, did the NFE perform a cost or price analysis? § 200.323(a)  **Yes**  **No**  **N/A**
- b. Did the NFE negotiate profit as a separate element of the price for each contract in *which there is no price competition and in all cases where cost analysis is performed*? § 200.323(b)  **Yes**  **No**  **N/A**
- c. Is the contract a “cost plus a percentage of cost” or “percentage of construction cost” contract?<sup>38</sup> [**Note: This form of contract is prohibited under the Federal procurement standards and is ineligible for FEMA reimbursement**]  
 **Yes**  **No**

<sup>36</sup> This is not the same as breaking a single project down into smaller components in order to circumvent the micro-purchase or small purchase thresholds to utilize their streamlined acquisition procedures (e.g. “project splitting.”)

<sup>37</sup> See, [Pricing Guide for Recipients and Subrecipients Under the Uniform Rules](#) for guidance on cost or price analysis.

<sup>38</sup> This type of contract is separate and distinct from cost plus fixed fee, cost plus incentive fee, and cost plus award fee type contracts, which are permissible and used to incentivize contractors to perform to a higher standard of quality, lower cost, or faster performance. Cost plus percentage of cost contracts on the other hand provide none of these incentives; instead, there is a reverse incentive for the contractor to increase its costs as the higher its costs go, the more profit it earns, as its potential earnings are uncapped. The following characteristics are suggestive of a prohibited cost plus percentage of cost contract: (1) payment is on a predetermined percentage rate; (2) the predetermined percentage rate is applied to actual performance costs; (3) the contractor’s entitlement is uncertain at the time of contracting; and (4) the contractor’s entitlement increases commensurately with increased performance costs.

9. **Bonding requirements for construction or facility improvement contracts exceeding \$150,000**

- a. [Note: For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold (i.e., \$150,000), the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected.]
- b. If such a determination (see above) has not been made, does the procurement include the following?  **Yes**  **No**  **N/A**
- i. A bid guarantee from each bidder equivalent to five percent of the bid price?  **Yes**  **No**  **N/A**
1. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- ii. A performance bond on the part of the contractor for 100 percent of the contract price?  **Yes**  **No**  **N/A**
1. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- iii. A payment bond on the part of the contractor for 100 percent of the contract price.  **Yes**  **No**  **N/A**
1. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

**END OF CHECKLIST**



TO: A. William Moss, City Manager

FROM: Gerald "Jed" Secory, Purchasing & Contracts Manager

DATE: March 24, 2016

SUBJECT: Adoption of Procurement Ethics Policy in the form of NIGP Code of Ethics within AM-24 Procurement Procedures Manual that went in effect on October 1, 2014 as Appendix-1, Item-A.

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I recommend incorporating the (NIGP) National Institute of Governmental Purchasing Code of Ethics into the City Procurement Manual allowing the City to qualify for additional points toward the (AEP) Achievement of Excellence status. Below is the verbiage from (AEP) Achievement of Excellence 2016 application Item-1 titled Establishment of a "Procurement Ethics" policy statement.

#### 1. Establishment of a "Procurement Ethics" policy statement (5 pts)

Procurement Ethics policy must be issued by the chief procurement official at a minimum, and specifically address **procurement ethics**.

A procurement ethics statement embedded in a procurement manual is acceptable.

An ethics policy posted on the website is acceptable; however there must be evidence that this policy was adopted by the Chief Procurement Official of the agency at a minimum, not just posted, to receive points for this criterion.

Membership in a procurement association, which has an ethics policy, **is not** in and of itself an acceptable documentation of an ethics policy, unless the agency adopts said policy as its own.

- **Submit:** Narrative statement explaining when and by whom the procurement ethics policy was adopted and where it is published or can be found.
- **Submit:** A copy of the procurement ethics policy and evidence of its establishment as official procurement policy by your agency.

Please review for your approval consideration my recommendation as the City of Naples' chief procurement official with a title of Purchasing & Contracts Manager to adopt the attached NIGP Code of Ethics document as Appendix-1, Item-A of the City Manager's Procurement Procedures Manual issued on October 1, 2014 under Administrative Memo Index Number AM-24.

Adopting and including this document as a policy statement should qualify the City's Item-1 of the AEP 2016 application. Please note that all of the City's procurement professionals have agreed to NIGP's Code of Ethics when applying for and becoming a member of the National Institute of Governmental Purchasing.

Existing City Code, Human Resources Policy & Procedures, etc., would prevail over the stated and attached NIGP Code of Ethics that is being considered for adoption and inclusion in the City Manager's Procurement Procedures Manual issued on October 1, 2014 under Administrative Memo Index Number AM-24.

Attachments: 1

Approved by:



3/24/16

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A. William Moss, City Manager

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Date

# NIGP CODE OF ETHICS



The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by a public sector procurement or materials management organization:

- Seeks or accepts a position as head (or employee) only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.
- Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant.
- Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- Believes that members of the Institute and its staff should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.
- Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
- Resists encroachment on control of personnel in order to preserve integrity as a professional manager.
- Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.
- Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.
- Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

# GUIDELINES TO THE NIGP CODE OF ETHICS



## RESPONSIBILITY TO YOUR EMPLOYER

- Follow the lawful instructions or laws of the employer
- Understand the authority granted by the employer
- Avoid activities which would compromise or give the perception of compromising the best interest of the employer
- Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition
- Obtain the maximum benefit for funds spent as agents for the employer

## CONFLICT OF INTEREST

- Avoid any private or professional activity that would create a conflict between your personal interest and the interests of your employer
- Avoid engaging in personal business with any company that is a supplier to your employer
- Avoid lending money to or borrowing money from any supplier

## PERCEPTION

- Avoid the appearance of unethical or compromising practices in relationships, actions and communications
- Avoid business relationships with personal friends. Request a reassignment if the situation arises
- Avoid noticeable displays of affection, which may give an impression of impropriety
- Avoid holding business meetings with suppliers outside the office. When such meetings do occur, the meeting location should be carefully chosen so as not to be perceived as inappropriate by other persons in the business community or your peers.

## GRATUITIES

- Never solicit or accept money, loans, credits or prejudicial discounts, gifts, entertainment, favors or services from your present or potential suppliers which might influence or appear to influence purchasing decisions
- Never solicit gratuities in any form for yourself or your employer. Items of nominal value offered by suppliers for public relations purposes are acceptable when the value of such items has been established by your employer and would not be perceived by the offeror, receiver or others as posing an ethical breach.
- Gifts offered exceeding nominal value should be returned with an explanation or if perishable either returned or donated to a charity in the name of the supplier. In the case of any gift, care should be taken to evaluate the intent and perception of acceptance to ensure that it is legal, that it will not influence your buying decisions, and that it will not be perceived by your peers and others as unethical.

## BUSINESS MEALS

- There are times when during the course of business it may be appropriate to conduct business during meals. In such instances, the meal should be for a specific business purpose
- Avoid frequent meals with the same supplier. The purchasing professional should be able to pay for meals as frequently as the supplier
- Budgeted funds should be available for such purposes.

## CONFIDENTIAL INFORMATION

- Keep bidders proprietary information confidential
- Develop a formal policy on the handling of confidential information.

## RELATIONSHIP WITH THE SUPPLIER

- Maintain and practice, to the highest degree possible, business ethics, professional courtesy and competence in all transactions
- Association with suppliers at lunches, dinners or business organization meetings is an acceptable professional practice enabling the buyer to establish better business relations provided that the buyer keeps free of obligation. Accordingly, it is strongly recommended that if a seller pays for an activity that the buyer reciprocate.
- Purchase without prejudice, striving to obtain the maximum value for each dollar of expenditure
- Preclude from showing favoritism or be influenced by suppliers through the acceptance of gifts, gratuities, loans or favors. Gifts of a nominal value that display the name of a firm which is intended for advertisement may or may not be accepted in accordance with the recipients own conscience or jurisdictional rules
- Adhere to and protect the suppliers business and legal rights to confidentiality for trade secrets, and other proprietary information
- Refrain from publicly endorsing products

## RELATIONSHIP WITH THE EMPLOYER

- Remain free of any and all interests and activities, which are or could be detrimental or in conflict with the best interests of the employer. Refrain from engaging in activities where the buyer has a significant personal or indirect financial interest
- Exercise discretionary authority on behalf of the employer. Avoid acquiring interest or incurring obligations that could conflict with the interests of the employer

## RELATIONSHIPS WITH OTHER AGENCIES AND ORGANIZATIONS

- A buyer shall not use his position to exert leverage on individuals or firms for the purpose of creating a benefit for agencies or organizations that he may represent
- All involvement and transactions shall be handled in a professional manner with the interest of the buyers employer taking precedent

## RELATIONSHIP WITH PROFESSIONAL PURCHASING ORGANIZATIONS AND ASSOCIATIONS

- It is the obligation and the responsibility of the buyer, through affiliation with professional organization, to represent that organization in a professional and ethical manner
- A buyer shall not use his position to persuade an individual or firm to provide a benefit to an organization

## POLICY

- It is the policy of NIGP that any member of the Institute who personally, or on behalf of his local chapter, is involved in the process of acquiring advertisers and/or exhibitors on behalf of the Institute, shall act only in the capacity of providing referrals of potential or interested parties to the Institute. As a result of such referral, should the Institute form a contractual obligation, appropriate credit shall be given to the individual or chapter