

# CITY OF PENSACOLA

## PURCHASING POLICIES & PROCEDURES





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**SECTION 1 - INTRODUCTION****1.01 PURPOSE**

The purpose of this manual is to provide all departments with the procedures and policies to be used in the procurement of goods and services and further to provide for the fair and equitable treatment of all persons involved in public purchasing by the City of Pensacola; to maximize the purchasing value of public funds; and to provide safeguards for maintaining a procurement system of quality and integrity.

Each department should maintain this manual in a loose-leaf binder so that procedural modifications may be inserted as required. These modifications will be provided in writing from the Purchasing.

**1.02 GENERAL STATEMENT**

It is the goal of the City of Pensacola to develop a comprehensive purchasing system. This system provides greater cost-effectiveness and public accountability in the procurement process.

**1.03 SCOPE**

The policies and procedures outlined in this manual shall apply to all departments involved with any procurement of goods and services for the City of Pensacola.

**1.04 GENERAL POLICIES**

1. All elected and appointed officials of the City, who participate in the negotiation and approval of purchases and contracts, are personally responsible for becoming familiar with and abiding by all applicable Florida State statutes and City policies and procedures governing such activities.
2. The City's goal is to receive maximum value for the public dollar and to purchase in the best interest of the City.
3. The Mayor is designated the Chief Contracting Officer for the City; it is his responsibility to give leadership in all purchasing and contracting activities to the City, sign contracts, issue regulations and procedures and delegate purchasing responsibilities.
4. Bids shall be awarded to the lowest responsible bidder, taking into consideration his skill, business judgment, experience, facilities to carry out the contract and previous conduct under other contracts, the quality of previous work and his pecuniary ability. The City reserves the right to accept or reject, in whole or in part, any or all bids.
5. In determining which vendor to use for a particular good or service, price should be an important, but not necessarily the only or deciding factor. In the case of goods, there are instances where a particular product may have advantages or address particular needs of the City (or Department), that make price not the sole determining factor. In the case of services, some vendors/contractors may have particular expertise or experience that proves beneficial or decisive. For some goods and services, having a local or nearby location can provide an advantage to the City that can be a deciding factor in their selection, such as, but not limited to, the repair of equipment and vehicles. In all cases where a department does not choose the lowest quote or bid, written justification should

be provided so that the Purchasing Office can make a determination as to the validity of the reason.

6. Acceptance of gifts, other than items of nominal value such as advertising novelties, is prohibited. Officials and employees shall not become obligated to any vendor and must not conclude any City transaction from which they may personally benefit. Nor shall any official or employee seek to influence the purchase of a product or service from any offeree; except this restriction shall not be construed to restrict persons from evaluating and appraising the quality and value of the product to be purchased or service to be rendered where the person's scope of employment contemplates advice and council with respect to the purchase.
7. All qualified bidders shall be afforded equal opportunities to quote and will compete on equal terms.
8. The City shall strive to maintain strong and enduring relationships with vendors of proven ability and with those who have a desire to meet the needs of the City. To accomplish this, purchasing activities shall be conducted so that vendors will value the City's business and will make every effort to furnish its requirements on the basis of quality, service and price.
9. Individuals engaged in purchasing shall foster constructive competition by constantly seeking new bidders, obtaining several bids on almost everything purchased and developing more than one active source of supply for various products and services.
10. It is City policy to effect maximum feasible standardization of products used within and among departments in order to minimize stock levels and obtain better prices through larger quantity purchases.
11. The City will buy only from suppliers who have adequate financial strength, high ethical standards and a record of adhering to specifications, maintaining shipping promises and giving a full measure of service. New sources of supply will be given due consideration as multiple sources of supply are necessary to ensure availability of materials.

## 1.05 DEFINITIONS

**Acceptable Quality Level** - The allowable deviation from a defined standard of performance that can occur before the City will reject the specific service.

**Acknowledgment** - A form used to inform the buyer that the seller has accepted the order. Copies of all acknowledgments should be sent to Purchasing Activity immediately upon receipt.

**Advertising** - A form of public notice of an intended purchase.

**Alternate Bid** - A bid submitted in knowing variance from the specifications, terms, condition, or provisions of the solicitation. The City reserves the right to determine acceptance of proposed equivalent or equal items.

**As is** - Term indicating that goods offered for sale are without warranty or guarantee; and that the purchaser takes the goods at his own risk without recourse against the seller for the condition or performance of the goods.

**Award** - The acceptance of a bid or proposal.

**Best Interest of the City** - A judgmental assessment of what will result in a maximum benefit or best offering based on specific criteria being conferred upon the City.

**Bid** - A competitive price offer made by an intended Seller, normally by written notice, offered as a result of a formal invitation to prospective vendors.

**Bid Acceptance** - The unconditional receipt of the Bid at the designated Bid location within the time frame and conditions set in the Bid document. Any alterations to the Bidder's offer after the close of the Bid, or any deviations from the conditions set in the bid Document may result in the rejection and removal of the Bid.

**Bid Bond** - An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event that a specific bidder, if his bid is accepted, fails to accept the contract as bid.

**Bid Deposit** - A sum of money or check deposited with and as instructed by the prospective purchaser to guarantee the bidder will, if selected, accept the contract in accordance with the bid. If the bidder does not accept the contract, he forfeits the amount of deposit.

**Bid Evaluation** - The approach for selection of the Bid Award, which shall be based on the requirements set forth in the Bid Document. The evaluation may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose and to existing systems or equipment, and may also be based on total and life cycle cost as well as freight, setup, or installation charges.

**Bid Opening** - The process through which the contents of bids are revealed for the first time to the government, to other bidders and usually to the public.

**Bid Sample** - A sample required of a bidder for examination, comparison, testing and evaluation by the prospective purchaser.

**Bidder** - Any person submitting a competitive bid in response to a solicitation.

**Bidder (Responsible)** - A bidder who satisfies all the following requirements:

- (1) Is a manufacturer of, regular dealer in, or an agent of a manufacturer of supplies of the general character to be furnished.
- (2) Is financially and otherwise able to perform the Contract/Purchase Order indicated by their offer.
- (3) Is otherwise qualified and eligible by law and regulation.

**Bidder (Responsive)** - A bidder who has submitted a bid which conforms in all material respects to the (formal or informal) Invitation to Bid or Quote.

**Bidders' List** - A vendors' list maintained by the purchasing office setting out the names and addresses of suppliers from who bids, proposals and quotations could be solicited.

**Blanket Purchase Order** - A type of Purchase Order that authorizes the purchase of specific materials, supplies, and/or services made on a regular basis for a stated period of time from a particular vendor.

**Boilerplate** - Colloquial designation for standard terms and conditions, usually preprinted, incorporated in an Invitation for Bids, Request for Proposals or a contract or purchase order.

**Bond** - See Bid Bond, Performance Bond and Contract Bond.

**Brand Name** - A product name, which serves to identify a product of a particular manufacturer, a trade name.

**Brand Name Only Specification** - A specification that cites the brand name, model number or some other designation that identifies a specific product to be offered exclusive of others.

**Brand Name or Equal Specification** - A specification that cites brand names, model numbers, or other identifications as representing quality and performance called for, and inviting bids on comparable items or products of any manufacturer.

**Bulk Purchasing** - Purchasing in large quantities to seek a lower price per unit; volume purchasing.

**Cash Discount** - Discount from the purchase price allowed by the seller to the buyer when payment is made within a designated period.

**Centralization of Purchasing** - The concentration of purchasing under one control.

**Certificate of Non-Collusion** - A statement signed by a bidder and submitted with his bid affirming that his bid is made freely, independently and without consultation with any other bidder.

**Change Order** - A written order, which effects a change of any kind to the original Contract or Purchase Order.

**Code of Ethics** - A written set of guidelines within which judgments and considerations of professional ethics and behavior should be made.

**Collusion** - A secret agreement or cooperation between two or more persons to accomplish a fraudulent, deceitful or unlawful purpose.

**Collusive Bidding** - The response to bid invitations by two or more vendors who have secretly agreed to circumvent laws and rules regarding independent and competitive bidding.

**Commercial Law** - Jurisprudence relating to the rights of property and relations of those engaged in commerce.

**Committee Memorandum** - Formal request for approval from the City Council for a public work or improvement or for purchases not previously appropriated by Council.

**Commodity** - An article of trade, a movable article of value, something that is bought or sold; any movable or tangible thing that is produced or used as the subject of barter or sale.

**Commodity List** - This catalog shall contain detailed listing of commodities purchased by the Purchasing Activity.

**Competition** - The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, delivery and/or service.

**Competitive Bidding** - (a) The submission of prices by individuals or firms competing for a contract, privilege or right to supply merchandise or services. (b) More than one valid response to a bid invitation.

**Competitive Negotiation** - A method for contracting for goods and services, whereby proposals are solicited from qualified suppliers, following submission of which changes in proposals and prices are allowed, and the offer deemed by the awarding authority to be most advantageous in terms of criteria as designated in the Request for Proposals is accepted.

**Competitive Quotations** - (See Informal Bid)

**Competitive Quotation Summary** - Documentation of informal (i.e. phone solicitation) to be attached to the Requisition.

**Competitive Sealed Proposals** - (See Competitive Negotiations)

**Confirming Purchase Order** - A Purchase Order restating the same terms originally placed orally. Confirming Purchase Order Number(s) are issued only by the Finance Department after receiving an approved requisition.

**Conflict of Interest** - A situation wherein an individual as part of his duties must make a decision to take action that will affect his personal interests.

**Consultants Competitive Negotiation Act** - A procedure established by Florida Statutes establishing the requirements for acquisition of professional architectural, engineering, landscaping architectural, mapping or land-surveying services.

**Contract** - Includes contractual instruments, including, but not limited to contracts, leases, interlocal agreements, grants, sales agreements, service agreements, joint participation agreements, maintenance agreements, attachments, change orders, addendum, bonds, fee schedules, and any other related documents for incorporation into the contractual agreement.

**Contract Administration** - The act of overseeing/administering a contract to ensure the duties set forth in the contract document are performed to the satisfaction of the City and the contractor.

**Contract Bond** - A bond executed in connection with a contract and which secures the performance and fulfillment of all the undertakings, covenants, terms, conditions, and agreements contained in the contract. See Performance Bond.

**Contract Execution** - The act of overseeing the signing of a legally binding document which shall include signatures of the Contractor, Mayor, City Attorney and City Clerk with appropriate notaries and seals. The City Clerk's office shall be responsible for the proper execution of formal contracts to include distribution of signed contracts and maintenance of the Official Record.

**Contractor** - Any one of the parties to a contract.

**Contractual Services** - Basic services provided to the City under contract or Purchase Order in which charges, effective periods, and extent of work are defined. Examples of contractual services are janitorial services, maintenance services, mechanical services and construction services.

**Definite Quantity Contract** - A contract to furnish a specific quantity of an item or items at a specified price and time. The contract is fulfilled by delivery and acceptance of the specific quantity at the City, at such place designated in the contract.

**Delivery Schedule** - Required or agreed time, or rate, of delivery of goods or services.

**Disadvantaged Business Enterprise (DBE)** - A term used by the City of Pensacola for federally funded projects whose definition is that of a small business concern as follows:

1. A firm which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and
2. Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own the enterprise.

**Discount** - Vendor's deduction from the selling price, usually upon some cost reducing condition such as prompt payment.

**Disposal** - The act of getting rid of scrap, excess or surplus property.

**Dispute** - A difference between a contractor and a jurisdiction over performance or other elements of a contract calling for appropriate administrative action with the intent of achieving a remedial result. (See Protest)

**Emergency Purchase** - A purchase made without following the normal purchasing procedures in order to obtain goods or services quickly to meet an urgent and unexpected requirement. The Mayor shall have the authority to make Emergency Purchases without competitive bids. Any emergency purchases that require appropriation, must be reported to Council.

**Equal, Or Equal To** - A phrase used to indicate the acceptability of product of similar or superior function, purpose, design, and/or performance. (See Brand Name)

**Escalation Clause** - (See Price Adjustment Clause)

**Established Catalogue Price** - The price included in a catalogue, price schedule or other form that: (1) is regularly maintained by a manufacturer or contractor; (2) is either published or otherwise available for inspection by customers; and (3) states prices at which sales are currently or were last made to a significant number of any category of buyers, or to the general buying public, for the supplies or services involved.

**Ethics** - (See Ethical Standards, Section 2.03)

**Evaluation Criteria** - Factors, usually weighted, relating to management capability, technical capability, manner of meeting performance requirements, price and other important considerations used to evaluate which proposer in a competitive negotiation has made the most advantageous offer.

**Evaluation of Bid** - The process of examining a bid after opening to determine the bidder's responsibility, responsiveness to requirements and to ascertain other characteristics of the bid that relate to determination of the successful bidder.

**Expedite** - Effort to assure delivery of goods purchased in accordance with a time schedule, or to accelerate delivery.

**Extension** - A provision, or exercise of a provision, of a contract that allows a continuance of the contract (at the option of the jurisdiction) for an additional time according to contract conditions. Not to be confused with "Renewals".

**Fiscal Year** - A period of twelve consecutive months selected as a basis for annual financial reporting, planning or budgeting. City of Pensacola fiscal year, October 1, thru September 30.

**Fixed Asset** - An asset (tangible personal property) of a long-term character having a useful life of more than one year and a value of at least \$5,000. Approved by Council 9/27/01. Florida Statute 274.02(01) remains \$750.

**Fixed Price Contract** - A contract that provides for a firm price, subject to any contractual conditions allowing price adjustment, under which the contractor bears the full responsibility for profit or loss.

**Forfeiture of Deposit or Bond** - A loss by omission, negligence, or misconduct for the performing of or the failure to perform a particular act, (e.g., not accepting a contract when an award is made); breach of contract. (See Bid Bond, Bid Deposit, Performance Bond)

**Formal Advertising** - The placement of a notice in a newspaper or other publication according to legal requirements to inform the public that the government is requesting bids on a specific purchase it intends to make.

**Formal Bid or Offer** - A bid, which must be submitted in a sealed envelope and in conformance with a prescribed format, to be opened at a specified time.

**Formal Request for Bids** - A formal Request for Bids is defined as a solicitation for sealed bids with the title, date and hour of the public bid opening designated and specifically defining the commodity or service included. It should include printed instructions prescribing all conditions for bidding and provide for a manual signature of an authorized representative, and be distributed to all prospective offerors at the same time.

**Forward Purchasing** - Purchasing of quantities exceeding immediate needs in anticipation of a price increase or a future shortage.

**Forward Supply Contract** - A contract for future supply of definite quantities of materials or services over a fixed period. Quantity specified may be obtained by "draw-off order," or be delivered at a fixed and predetermined rate set out in the contract.

**Free on Board (F.O.B.)** - Indicates a type of business transaction in which the vendor of goods is responsible for all expenses incidental to delivery of goods to the buyer at a particular place designated. (All price quotations should be taken to include all shipping and associated delivery charges.)

**Functional Specifications** - A type or manner of writing a purchase description characterized by what results are required rather than a generic description of the product or service.

**General Conditions** - Governing clauses for all contracts by type of purchase or contract. Clauses devised especially for a given purchase are called special provisions.

**Guarantee** - An assurance for the fulfillment of a condition, quality of or the length of use to be expected from a product offered for sale.

**Hold Harmless Clause** - Contractual clause requiring the contractor to assume sole liability in any actions brought against the contract and absolving the jurisdiction from any responsibility.

**Indefinite Quantity Contract** - Contract covering specified period of time, usually one year, with orders to be placed on an "as needed" basis.

**Informal Bid** - An unsealed competitive offer conveyed by letter, telephone, telegram or other means and under conditions different from those required for formal bidding.

**Inventory** - A stock of goods or an itemized list of a stock of goods on hand at a particular time indicating volume and values.

**Invitation for Bids (IFB)** - All documents, whether attached or incorporated by reference, utilized in soliciting a bid.

**Invoice** - Seller's itemized bill stating prices and quantities of goods and/or services delivered, and sent to Accounts Payable for payment.

**Late Bid or Offer** - A bid or offer received at the place specified in the solicitation after the time designated for all bids or proposals to be received.

**Lease (Lease Contracts or Lease/Purchase Agreements)** - A contract conveying from one person to another real estate or property for a term in return for a specified rent or other compensation.

**Lease-Purchase Agreement** - A lease contract containing a purchase option in which the lessee's periodic payments or parts thereof may be applied to serve both as the rental obligation and as installments for acquiring ownership of the property upon lessee exercising the purchase option; a conditional sales contract.

**Legal Notice** - Notice of a proposed purchase as required by law (Pensacola Code Chapter 2-4, Sec. 2-4-66).

**Letter of Interest** - A preliminary notice by letter from a prospective officer indicating his interest in responding to an Invitation to Bid or Request for Proposal.

**Life Cycle Costing** - A procurement technique which takes into account operating, maintenance, money costs, other costs of ownership and usage and resale or residual value in addition to acquisition price in determining the award of contracts on the basis of lowest total cost over the period the item will be used.

**Line Item** - A procurement item specified in an Invitation for Bids, for which the bidder is asked to tender an individual price and which, under the terms of the invitation, is usually susceptible to a separate contract award.

**Liquidated Damages** - An amount of money, designated in the solicitation and as part of a contract, to be calculated on a per diem or other basis and paid upon default of a contract.

**Local Vendor** - A vendor located in the 325 Zip code area.

**Lowest (Responsive and) Responsible Bidder** - Originally, the bidder submitting the lowest initial price and capable of performing the proposed contract. Under modern purchasing concepts, often construed as generally the same as the "lowest responsive and responsible bidder," or the bidder who submits the "lowest and best bid" or the "most advantageous bid, price, and other factors considered." For clarity and accuracy, the recommended provision for determining award is the "responsive and responsible bidder whose bid is most economical for the purpose intended, according to criteria set forth in the solicitation." (See also Responsive Bidder and Responsible Bidder)

**Mayor** - The current individual elected to the Mayor position and taking office at noon, January 10, 2011 and all his successors. When the Mayor is used in the policies in this manual, it shall also mean designees as defined in Section 1- 1-1(C) of the Code of the City of Pensacola.

**Mayor Memo-** A formal departmental request for approval from the Mayor for the purchase of goods, commodities, services, or any purchase other than that of a public work or improvement that are appropriated.

**No Bid** - A response to an Invitation for Bids stating that the respondent does not wish to submit a bid. In addition to serving as the courtesy of a reply, it can operate to prevent removal from the bidders list for failure to show active interest.

**Non-responsive Bid** - A bid that does not conform to the essential requirements of the Invitation for Bids.

**Open-End Contract** - A contract in which quantity, duration, or both are not specified. (See Price Agreements) Blanket Orders, Requirements contracts, and Term Contracts should specify either quantity or duration.

**Open-Market Purchase** - A purchase made other than under a schedule or term contract, or made by negotiation following rejection of all bids when satisfactory bids cannot be obtained.

**Option to Renew** - A contract clause that allows a party to elect to reinstate the contract for an additional term; in public contracting, where competitive bidding is a required exercise of the option must rest solely with the purchaser.

**Order** - A request or command issued to a supplier for goods or services at a specified price or agreed basis for payment. (See Uniform Commercial Code)

**Partial Payment** - The payment authorized in a contract or Purchase Order upon delivery of one or more complete units called for under the contract, or upon completion of one or more distinct items of service called for hereunder.

**Performance Bond** - A contract of guaranty executed subsequent to award by a successful bidder to protect the government from loss due to contractor's inability to complete the contract as agreed.

**Performance Purchasing** - A results-directed approach characterized by writing purchase descriptions or specifications with emphasis on what an item is to do rather than how it is to be made, and by evaluating bids in terms of how well an item serves the intended purpose and the costs involved; developing bid evaluation criteria which result in greater economy and value.

**Performance Record** - Record to indicate a supplier's ability to keep delivery promises and reliability, together with consistency of quality of the products.

**Performance Specification** - A specification describing the performance characteristics sought in a product or service; a purchase description accenting performance over design; a functional rather than a generic or physical specification.

**Pre-Bid Conference** - A meeting scheduled in a solicitation for the purpose of providing clarification as needed. Substantive questions raised at a pre-bid conference are answered in writing and may modify the solicitation.

**Pre-Solicitation Conference** - An informal meeting inviting comments and suggestions from selected vendors on the draft of a proposed solicitation. Used for technical and complex service transactions.

**Preference** - An advantage in consideration for award of a contract granted to a bidder by reason of the bidder's residence, business location, origin of product offered, business classification or other reason.

**Prepaid** - A term denoting that transportation charges have been or are to be paid at the point of shipment.

**Pre-Qualification of Bidders** - The screening of potential suppliers in which a purchaser considers such factors as financial capability, reputation, management, etc., in order to develop a list of prospective bidders qualified to be sent Invitation for Bids.

**Price Adjustment Clause** - A condition in a solicitation and resultant contract that allows the price under the contract to decrease or increase under defined condition; the condition should provide for the purchaser to cancel any individual item affected, or the contract, if a request for increase is not acceptable. (See Fixed Price Contract with Economic Price Adjustment)

**Price Agreement** - A formal agreement between the City and a particular vendor establishing a fixed-term price for goods or services commonly used by one or more departments of the City.

**Price at Time of Delivery** - A term used in sales contracts when a seller will not give a firm price or agree to an escalator clause, but will only agree to invoice at the price charged to like customers on the day the goods in question are shipped or delivered.

**Price Collusion** - A practice among bidders or offerors which reduces or eliminates competition.

**Procurement** - The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. The acts of preparing specifications, evaluating bids or proposals, making awards and administering contracts are involved; in some contexts, property management is implied.

**Professional Service** - Services the value of which is substantially measured by the professional competence of the person

performing them and which are not susceptible to realistic competition by cost of services alone. Professional services shall include, but not be limited to, services customarily rendered by architects, engineers, surveyors, certified public accountants and financial personnel, systems, planning management consultants, advertising professionals, and appraisers.

**Professional Services Committee** – Sometimes referred to as a “selection committee” or “evaluation committee,” means the team or an ad hoc committee appointed by the mayor which shall evaluate and recommend professional service firms to be employed by the City.

**Progress Payments** - Payments arranged in connection with purchase transactions requiring periodic payments for certain stated amounts or for certain percentages of the purchase price. The final payment, including all retainage fees, will be due upon total completion and acceptance of project or delivery of materials as set forth in the bid/contract documents. Progress payments are generally required in contracts for construction and often for specially designed machinery and equipment.

**Proposal** - An offer made by one party to another as a basis for negotiations for entering into a contract.

**Proprietary Article** - An item made and marketed by a person or persons having the exclusive right to manufacture and sell it.

**Protest** - A complaint about a City action or decision brought by a prospective bidder, a bidder, a contractor or other interested party to the appropriate administrative section with the intention of achieving a remedial result.

**Public Bid Opening** - The process of opening and reading bids, conducted at the time and place specified in the Invitation for Bids and/or the advertisement, and in the presence of anyone who wishes to attend.

**Purchase** - To acquire property or services for a price.

**Purchase Description** - The words used in a solicitation to describe the supplies, services or construction to be purchased, including any performance, physical or technical requirements. Unless the context requires otherwise, the terms "purchase description," "purchase specification," and "specification" may be used interchangeably.

**Purchase Order** - A purchaser's written document to a supplier formally stating all terms and conditions of a proposed transaction.

**Purchasing** - Buying materials and services of the right quality, in the right quantity, at the right price, from the right source, and for delivery at the right time.

**Purchasing Cycle** - The full cycle of activities carried out by a purchasing department in the acquisition of goods and services. (See Procurement)

**Purchasing Ethics** - Moral principles or code to be respected by the Purchasing Activity, or any division or department having responsibility in the procurement process. The Purchasing Activity has adopted the Code of Ethics promulgated by the National Purchasing Institute and the Florida Association of Governmental Purchasing Officers.

**Purchasing Manual** - Manual which outlines rules for Purchasing's relations with suppliers and with other departments and prescribed in the procedures to follow.

**Purchasing Policy** - Course of action adopted in purchasing affairs.

**Purchasing Procedure** - Mode of conducting purchasing activities.

**Qualified Bidder** - A bidder determined by the government to meet standards of business competence, reputation, financial ability and product quality for placement on a list of prospective bidders.

**Quantity Discount** - An allowance determined by the quantity or value of a purchase. (See Discount)

**Quotation** - A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective purchaser, usually for purchases below the amount requiring formal bidding; the stating of the current price of a commodity, or the price so stated.

**Receiving Report/Partial Receiving Ticket** - A receiving department document used to inform others in the organization of the receipt of purchased goods. Copies are distributed to the Purchasing and Accounting Activity.

**Request for Information (RFI)** - The document used in informal, uncompetitive solicitation of information, data, comments, or reactions from possible suppliers preceding the issuance of a Request for Proposals or a multi-step bidding procedure.

**Request for Payment (RP)** - A purchaser's written document to a supplier used by departments to purchase materials directly without going through the normal purchase order requirements.

**Request for Proposal (RFP)** - (1) All documents, whether attached or incorporated by reference, utilized for soliciting (competitive) proposals. The RFP procedure permits negotiation of proposals and prices as distinguished from competitive bidding and an Invitation for Bids. (2) The solicitation document used in the competitive negotiation process. The procedure allows changes to be made after proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

**Request for Qualifications (RFQ)** - Sometimes referred to as a "Statement of Interest and Qualifications". A solicitation



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document used to evaluate qualifications and performance data of professional firms regarding a proposed project.

**Request for Quotation (RFQ)** - The document generally used for seeking competition on small purchases or on any purchase lower than the amount that requires competitive sealed bidding. Can be used for obtaining price and delivery information for sole-source and emergencies.

**Requirements Contract** - An indefinite quantity contract in which a purchaser is obligated to order and a contractor is obligated to supply all of the purchaser's normal requirements that arise for an item or items within the specified period of the contract. (See Blanket Order, Term Contracting)

**Requisition** - Request for Purchase Order (Requisition) is the form developed for conveying the needs of departments to the Purchasing Activity.

**Responsible Bidder** - A person who has the capability in all respects to perform in full the contract requirements, and the integrity and reliability which will assure good faith performance.

**Responsive Bidder** - (1) A person who has submitted a bid which conforms in all material respects to the Invitation for Bids. (2) One whose bid conforms in all material respects to the terms and conditions, the specifications and other requirements of the IFB.

**Restrictive Specification** - A specification or purchase description that unnecessarily limits competition by precluding items that would be capable of satisfying the intended need.

**Salvage** - (1) Property that has some value in addition to its value as scrap, but which is no longer useful as a unit in its present condition and whose restoration to usefulness as a unit is economically not feasible. (2) To save material still usable or having scrap value from condemned, abandoned, or discarded property.

**Schedule Purchase** - A purchase for which a bid opening date is prescheduled such as quarterly, so that using agencies' requirements for the period covered by the ensuing contract can be consolidated for volume purchasing under one Invitation for Bids.

**Sealed Bid** - A bid which has been submitted in a sealed envelope to prevent its contents being revealed or known before the deadline for the submission of all bids.

**Service Contract** - A contract that calls for a contractor's time and effort rather than for a concrete end product.

**Site-Inspection** - The requirement in a solicitation that the potential bidders or offerors visit the physical location where the contract is to be performed to become familiar with site conditions. Where this is a critical element, site inspection should be mandatory.

**Small Business Enterprise (SBE)** - An independently owned and operated business concern which employees fifty (50) or fewer permanent full-time employees, and which has a net worth of not more than one million dollars (\$1,000,000.00). As applicable to sole-proprietorships, the one million dollars (\$1,000,000.00) net worth shall include both personal and business investments (Pensacola Code, Chapter 3-3, Section 3-3-4).

**Sole-Source Procurement** - An award for a commodity or service to the only known capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.

**Solicitation** - The process of notifying prospective bidders or offerors that the government wishes to receive bids for furnishing goods or services.

**Specification** - A description of what the purchaser seeks to buy and, subsequently, what a bidder must be responsive to in order to be considered for award of a contract. A specification may be a description of the physical or functional characteristics, or the nature of a supply or service. It may include a description of any requirements for inspecting, testing or preparing a supply or service item for delivery. (See Purchase Description)

**Specifications Committee** - A committee which advises and assists the central purchasing authority in establishing specifications. Often such a committee includes representatives with expertise from using agencies and specializes in a particular product area. A committee may also contribute advice and assistance in the development of standards.

**Standard** - A characteristic or set of characteristics for an item that, for reasons of performance level, compatibility or interchangeability with other products, etc., is generally accepted by producers and by users of the item as a required characteristic of all items for the designed purpose.

**Standard Specification** - A specification established through a prescribed process and used for all or most purchases of the item involved.

**Stock** - The supply of goods maintained in a stores system to satisfy anticipated demand.

**Stores** - The supply of goods maintained in a stores system to satisfy anticipated demand.

**Subcontractor** - A party contracting with a prime contractor to perform all or any part of the latter's Contract.

**Surplus Property** - Inventory not needed by the owning agency or by other agencies at the present time or in the foreseeable future.

**Tabulation of Bids** - Summary of bids/quotations received and opened to include price and all pertinent information.

**Term Contracting** - A technique by which a source of supply is established for a specific period of time for an indefinite quantity.

**Terms and Conditions** - A general reference applied to the provisions under which bids must be submitted and which are applicable to most purchase contracts.

**Terms of Payment** - Purchase transactions require payment for the goods or services received, and with exception of an unusual exchange or barter agreement there are three basic payment terms: cash, open account, and secured account.

**Tie Bids (Identical Tie Bids)** - Two or more bids that are equal with respect to price, quality and service.

**Tier One SBE** - A City certified small business enterprise that employs no more than 15 permanent full-time employees.

**Tier Two SBE** - A City certified small business enterprise that employs greater than 15 permanent full-time employees.

**Uniform Commercial Code (UCC)** - Uniform statute law adopted by all states, except Louisiana, for consistency in law governing commercial transactions.

**Value Analysis** - Organized effort to analyze the function(s) of products, systems, specifications, standards, practices and procedures for purpose of satisfying the required function(s) in the most economical manner.

**Vendor** - Any individual, firm, corporation, etc., offering for sale, trade, exchange or otherwise supply items, goods, or services to the City in exchange for compensation.

**Vendors' List** - (See Bidders' List)

**Waiver of Bid(s)** - A process authorized by law or rule whereby a government purchasing office may procure items without competitive bidding procedures because of unique circumstances related to a particular need or procurement; also "Waiver of Competition".

**Waiver of Mistake or Informality** - The act of disregarding errors or technical nonconformities in bids which do not go to the substance of the bid and will not adversely affect the competition between bidders.

**Warranty** - The written guarantee of the integrity of a product and of the makers responsible for the repair or replacement of defective goods.

**SECTION 2 - RESPONSIBILITIES, FUNCTIONS AND OBJECTIVES****2.01 REQUESTING DEPARTMENT'S RESPONSIBILITIES**

- Prepare Requisitions as outlined in this manual allowing sufficient lead time for the Financial Services Department to complete the Purchase Order and the vendor to deliver.
- Record required information on Competitive Quotation Summary form if competitive pricing is initiated by the Requesting Department.
- Prepare specifications that require a technical or engineering background.
- Prepare Committee or Mayor Memorandum recommending purchase, award of bid, or award of contract and explanation if "low bid" is not recommended for award (See Section 1.04 (5) ).
- Notify Purchasing of any item that the Requesting Department identifies as Sole Source and provide written justification.
- List anticipated requirements in advance when requested.

**2.02 PURCHASING ACTIVITY****A. RESPONSIBILITIES**

The Purchasing Activity is responsible for establishing purchasing policies, initiating reports necessary to permit analysis of purchasing performance, consolidating purchase of like or common items, analyzing prices paid for materials, equipment and services and generally defining how to obtain savings and to coordinate purchasing procedures for the City.

**B. FUNCTION**

- Develop purchasing objectives, policies, programs and procedures for the acquisition of materials, equipment, supplies and services.
- Coordinate purchasing procedures with other departments.
- Initiate reports necessary for analysis of purchasing performance.
- Review and approve specifications for formal bids.
- Consolidate purchases of like or common items to obtain maximum benefits.
- Work with other departments to establish standardization of materials, supplies and equipment, whenever possible.
- Work with other departments to promote goodwill between the City and its suppliers.
- Maintain a file of prospective vendors or bidders.
- Review Committee or Mayor Memorandums relating to purchases, award of bids or award of contracts.

**C. OBJECTIVES**

- To know and become acquainted with the needs of all departments.
- To procure a product that will meet the department's requirement at the least cost to the City.
- To know the source and availability of needed products.
- To aid and cooperate with all departments in meeting their needs for operating supplies and equipment.
- To maintain good vendor relations
- To inform department heads of market changes, new products and other such factors.
- To provide an understanding of sound purchasing policy and procedures throughout all the departments of the City.
- To exchange ideas and information with other public purchasing agencies in an effort to solve common problems.
- To assist in developing standardized specifications for use by all departments.
- To improve purchasing practices and apply them when feasible.

**D. RELATIONS WITH CITY DEPARTMENTS**

- Cooperation and understanding between City departments are essential in the effective operation of the Purchasing Activity.
- The Purchasing Activity should establish and maintain close liaison with City departments in order to meet their purchasing requirements.
- In cases where technical equipment, specifications and supplies are involved, the department concerned will indicate their requirements; all purchasing actions will be coordinated with them prior to consummation of an order.
- The purchasing function is a cooperative effort and the mutual benefits derived for the good of the City depend upon this cooperation between departments. This manual is to be used as a guide in helping departments to do their part and to point out their responsibilities in purchasing.

**2.03 Ethical Standards**

Pursuant to Section 112.313 of the Florida Statutes, all City employees who participate in the purchasing program shall adhere to the following ethical standards:

1. A City official or City employee may not directly or indirectly procure contractual services for the City from a business entity of which a relative is an officer, partner, director, or proprietor, or in which he, his spouse, or child has a material interest.
2. No employee acting as a purchasing official, purchasing manager, or buyer may, directly or indirectly, purchase, rent, or lease any supply or service from a business entity in

which he, his spouse, or child (or any combination of them) owns a material interest. Nor may a public officer or employee, acting in a private capacity, rent, lease, or sell any supply or service to the City.

### 3. Ethics in Government

#### CONSTITUTION OF THE STATE OF FLORIDA

#### AS REVISED IN 1968 AND SUBSEQUENTLY AMENDED

#### ARTICLE II

#### GENERAL PROVISIONS

SECTION 8. Ethics in government.--A public office is a public trust. The people shall have the right to secure and sustain that trust against abuse. To assure this right:

- (a) All elected constitutional officers and candidates for such offices and, as may be determined by law, other public officers, candidates, and employees shall file full and public disclosure of their financial interests.
- (b) All elected public officers and candidates for such offices shall file full and public disclosure of their campaign finances.
- (c) Any public officer or employee who breaches the public trust for private gain and any person or entity inducing such breach shall be liable to the state for all financial benefits obtained by such actions. The manner of recovery and additional damages may be provided by law.
- (d) Any public officer or employee who is convicted of a felony involving a breach of public trust shall be subject to forfeiture of rights and privileges under a public retirement system or pension plan in such manner as may be provided by law.
- (e) No member of the legislature or statewide elected officer shall personally represent another person or entity for compensation before the government body or agency of which the individual was an officer or member for a period of two years following vacation of office. No member of the legislature shall personally represent another person or entity for compensation during term of office before any state agency other than judicial tribunals. Similar restrictions on other public officers and employees may be established by law.
- (f) There shall be an independent commission to conduct investigations and make public reports on all complaints concerning breach of public trust by public officers or employees not within the jurisdiction of the judicial qualifications commission.
- (g) This section shall not be construed to limit disclosures and prohibitions which may be established by law to preserve the public trust and avoid conflicts between public duties and private interests.
- (h) Schedule--On the effective date of this amendment and until changed by law:
  - (1) Full and public disclosure of financial interests shall mean filing with the secretary of state by July 1 of each year a sworn statement showing net worth and identifying each asset and liability in excess of \$1,000 and its value together with one of the following:
    - a. A copy of the person's most recent federal income tax return; or
    - b. A sworn statement which identifies each separate source and amount of income which exceeds \$1,000. The forms for such source disclosure and the rules under which they are to be filed shall be prescribed by the independent commission established in subsection (f), and such rules shall include disclosure of secondary sources of income.
  - (2) Persons holding statewide elective offices shall also file disclosure of their financial interests pursuant to subsection (h)(1).
  - (3) The independent commission provided for in subsection (f) shall mean the Florida Commission on Ethics.

History.--Proposed by Initiative Petition filed with the Secretary of State July 29, 1976; adopted 1976.

#### FLORIDA STATUTES CHAPTER 112.3144

#### FULL AND PUBLIC DISCLOSURE OF FINANCIAL INFORMATION

- (1) No person who is required, pursuant to s. 8, Art. II of the State Constitution, to file a full and public disclosure of financial interests and who has filed a full and public disclosure of financial interests for any calendar or fiscal year shall be required to file a statement of financial interests pursuant to s. 112.3145(2) and (3) for the same year or for any part thereof notwithstanding any requirement of this part, except that a candidate for office shall file a copy of his or her disclosure with the officer before whom he or she qualifies.

(2) For purposes of full and public disclosure under s. 8(a), Art. II of the State Constitution, the following items, if not held for investment purposes and if valued at over \$1,000 in the aggregate, may be reported in a lump sum and identified as "household goods and personal effects":

- (a) Jewelry;
- (b) Collections of stamps, guns, and numismatic properties;
- (c) Art objects;
- (d) Household equipment and furnishings;
- (e) Clothing;
- (f) Other household items; and
- (g) Vehicles for personal use.

(3) Forms for compliance with the full and public disclosure requirements of s. 8, Art. II of the State Constitution, and a current list of persons required to file full and public disclosure by s. 8, Art. II of the State Constitution, or other state law, shall be provided by the Commission on Ethics to the Secretary of State, who shall give notice of disclosure deadlines and delinquencies and distribute forms in the following manner:

(a) Not later than May 1 of each year, the Commission on Ethics shall prepare a current list of the names and addresses of and the offices held by every person required to file full and public disclosure annually by s. 8, Art. II of the State Constitution, or other state law, and shall provide the Secretary of State with the mailing list. In compiling the list, the commission shall be assisted by each unit of government in providing at the request of the commission the name, address, and name of the office held by each public official within the respective unit of government.

(b) Not later than 30 days before July 1 of each year, the Secretary of State shall mail a copy of the form prescribed for compliance with full and public disclosure and a notice of the filing deadline to each person on the mailing list.

(c) Not later than 30 days after July 1 of each year, the Secretary of State shall determine which persons on the mailing list have failed to file full and public disclosure and shall send delinquency notices by certified mail to such persons. Each notice shall state that a grace period is in effect until September 1 of the current year and that, if the statement is not filed by September 1 of the current year, the Secretary of State is required by law to notify the Commission on Ethics of the delinquency.

(d) Not later than 30 days following September 1 of each year, the Secretary of State shall certify to the Commission on Ethics a list of the names and addresses of and the offices held by all persons on the mailing list who have failed to timely file full and public disclosure. The certification shall be on a form prescribed by the commission and shall indicate whether the Secretary of State has provided the disclosure forms and notice as required by this section to all persons named on the delinquency list.

(e) Any person subject to the annual filing of full and public disclosure under s. 8, Art. II of the State Constitution, or other state law, whose name is not on the mailing list provided to the Secretary of State shall not be deemed delinquent for failure to file full and public disclosure in any year in which the omission occurred.

(f) The notification requirements of this subsection do not apply to candidates or to the first filing required of any person appointed to elective constitutional office. The appointing official shall notify such newly appointed person of the obligation to file full and public disclosure by July 1.

History.--s. 1, ch. 82-98; s. 3, ch. 88-358; s. 19, ch. 91-45; s. 4, ch. 94-277; s. 1409, ch. 95-147.



## Code of Ethics

1. Members regard public service as a trust and support the professional principles of public purchasing.
2. Members believe in the dignity of their office, the importance of the purchasing profession to their public agencies, and give first consideration and loyalty to their respective agencies.
3. Members are always guided in their actions by integrity and honor to merit the respect and inspire the confidence of the agency and the public which they serve.
4. Members accept full responsibility and accountability for their actions related to the purchase and supply functions.
5. Members believe that character is the greatest asset in their profession and therefore will not accept gifts or other things of value from vendors, where the intent is to influence the purchaser. Members shall comply with all current laws and statutes pertaining to acceptance of gifts and gratuities.
6. Members keep their agency fully informed of purchasing issues and progress toward resolving such issues through appropriate channels by emphasizing the facts without personal aggrandizement.
7. Members do not allow political considerations or other conflicting outside influences to enter their relationships with vendors or with employees. Personnel administration is based upon a merit basis without regard to political, religious, gender, or racial considerations.
8. Members shall not engage in unscrupulous practices and misrepresentations; recognizing that mutually profitable business relations are based upon honesty and fair dealings.
9. Members will be courteous, considerate, prompt and businesslike with those whom they deal, including their employers, employees, vendors, the media and the public.
10. Members subscribe to and support the Mission, Vision, Core Values, and Strategic Priorities of the Association.
11. Members shall endeavor to increase their knowledge of the profession through education, organizational memberships, and participation with professional associations where possible.
12. Members shall strive to continually increase competition in vendor selection and shall endeavor to prevent any collusive activities among vendors.

**SECTION 3 – PURCHASES UP TO \$25,000**

This section is an introduction to the general guidelines and/or rules for the Purchasing process, which establishes Policy. Subsequent sections provide those Procedures and the methods to be utilized to carry out this Policy.

**NOTE: No item or service is to be ordered, received, or paid without a Request for Payment (RP), Purchase Order, Blanket Purchase Order or Emergency Purchase Order number as authorization. (See Exhibit 2 for Spending Levels By Object Code guidelines.)**

Should an emergency situation exist, an Emergency Purchase Order (EPO) should be used to effect a purchase. EPO's are not authorized for purchases of routine items that have been exhausted due to oversight in ordering. See Section 7 for more information concerning Emergency Purchase Orders.

**3.01 PURCHASES \$0 TO \$500**

Purchases in this category are made on a Request for Payment (RP) form and are normally limited to those items purchased on a recurring basis. Purchases of \$25.00 or less may be done by "petty cash," in accordance with petty cash policy.

The purpose of the RP is to allow departments to purchase materials directly without going through the normal purchase order requirements. The intent is to reduce time, effort and paper work. Multiple quotes are not required for these purchases; however, price competition is encouraged to ensure that the best practical value is obtained for the public's dollar. Prices should be obtained via telephone, internet or FAX and are to include delivery or shipping charges.

The Department Director must approve all RP's.

**An RP may be used for purchases in this category (\$0-\$500) that are charged to the following object codes.**

Object Code	Title	Object Code	Title
9125	Extra Personal Service	9346	Liability Insurance
9330	Recreation Supplies (Leisure Services only)	9347	Utilities
9331	Office Supplies	9348	Fuels & Lubricants (if not inventory item)
9331	Office Supplies (Library Only)	9349	Clothing Supplies
9332	Operating Supplies	9350	Inventories of Stores for Resale
9333	Repairs and Maintenance	9351	Medical and First Aid Supplies
9334	Small Tools & Minor Equipment	9352	Meter Parts & Supplies
9335	Professional Services	9353	Pipe Fittings
9336	Communications	9354	Chemical Supplies
9337	Transportation	9355	Agricultural Supplies
9338	Advertising	9357	Other Contractual Services
9339	Postage	9358	Rebates
9340	Printing & Binding	9360	Miscellaneous
9341	Rentals	9361	Unclassified
9342	Training	9364	Service Awards
9343	Dues, Subscriptions & Memberships	9365	Land Fill Fees
9345	Maintenance & Repair of Vehicles	9668	Books (Library Only)

**3.02 PURCHASES \$501 TO \$1,500**

Purchases in this category are made on a Request for Payment (RP) or Purchase Order (PO) depending upon the object code of the item. RP's may be used for purchases up to \$1,500 with prior approval of the Director of Finance. Refer to table below to determine correct paying document to use.



A Requisition is used to initiate a PO for all items not processed on an RP or EPO.

For purchases in this range, a minimum of three quotes should be obtained if practical. Should an item have detailed specifications which cannot be adequately described on the phone, it is recommended that written Requests for Quotation (Exhibit 3) be mailed, emailed or Faxed to vendors and have them respond in kind by written quotation by a date and time certain. Quotations are to include delivery/shipping charges.

Complete the Competitive Quotation Summary form (Exhibit 4) and attach to RP or Requisition along with any written quotes received. If award is recommended to be made to other than the low bidder, provide a detailed explanation as to the reason.

### **PURCHASE USING AN RP**

<b>An RP may be used for purchases in this category (\$501-\$1,500) that are charged to the following object codes.</b>			
<b>Object Code</b>	<b>Title</b>	<b>Object Code</b>	<b>Title</b>
9125	Extra Personal Service	9349	Clothing Supplies
9330	Recreation Supplies (Leisure Services only)	9350	Inventories of Stores for Resale
9331	Office Supplies (Library Only)	9351	Medical and First Aid Supplies
9333	Repairs and Maintenance	9352	Meter Parts & Supplies
9335	Professional Services	9353	Pipe Fittings
9336	Communications	9354	Chemical Supplies
9337	Transportation	9355	Agricultural Supplies
9338	Advertising	9357	Other Contractual Services
9339	Postage	9358	Rebates
9341	Rentals	9360	Miscellaneous
9342	Training	9361	Unclassified
9343	Dues, Subscriptions & Memberships	9364	Service Awards
9345	Maintenance & Repair of Vehicles	9365	Land Fill Fees
9346	Liability Insurance	9370**	Non-Capitalized Assets
9347	Utilities	9668	Books (Library Only)
9348	Fuels & Lubricants (if not inventory item)		
** PO must be used if item over \$1,000.			

### **PURCHASE USING A PO**

<b>A PO must be used for purchases in this category (\$501-\$1,500) that are charged to the following object codes. An RP may be used for purchases of non-inventory items up to \$1,500 with prior approval of the Director of Finance.</b>			
<b>Object Code</b>	<b>Title</b>	<b>Object Code</b>	<b>Title</b>
9331	Office Supplies	9340	Printing & Binding
9332	Operating Supplies	9370**	Non-Capitalized Assets
9334	Small Tools & Minor Equipment		
** RP may be used if item \$1,000 or less.			

## **3.03 PURCHASES \$1,501 TO \$2,500**

Purchases in this category are made on a Request for Payment (RP) or Purchase Order (PO) depending upon the object code of the item. RP's may be used for purchases up to \$2,500 with prior approval of the Director of Finance. Refer to table below to determine correct paying document to use.

A Requisition is used to initiate a PO for all items not processed on an RP or EPO.

For purchases in this range, a minimum of three quotes should be obtained if practical. Should an item have detailed specifications which cannot be adequately described on the phone, it is

recommended that written Requests for Quotation (Exhibit 3) be mailed, emailed or faxed to vendors and have them respond in kind by written quotation by a date and time certain. Quotations are to include delivery/shipping charges.

Complete the Competitive Quotation Summary form (Exhibit 4) and attach to RP or Requisition along with any written quotes received. If award is recommended to be made to other than low bidder, provide a detailed explanation as to the reason.

#### **PURCHASE USING AN RP**

**An RP may be used for purchases in this category (\$1,501-\$2,500) that are charged to the following object codes.**

Object Code	Title	Object Code	Title
9125	Extra Personal Service	9346	Liability Insurance
9333	Repairs and Maintenance	9347	Utilities
9335	Professional Services	9349	Clothing Supplies
9336	Communications	9350	Inventories of Stores for Resale
9337	Transportation	9351	Medical and First Aid Supplies
9338	Advertising	9357	Other Contractual Services
9339	Postage	9358	Rebates
9341	Rentals	9364	Service Awards
9342	Training	9365	Land Fill Fees
9343	Dues, Subscriptions & Memberships	9668	Books (Library Only)
9345	Maintenance & Repair of Vehicles		

#### **PURCHASE USING A PO**

**A PO must be used for purchases in this category (\$1,501-\$2,500) that are charged to the following object codes. An RP may be used for purchases of non-inventory items up to \$2,500 with prior approval of the Director of Finance.**

Object Code	Title	Object Code	Title
9330	Recreation Supplies (Leisure Services only)	9352	Meter Parts & Supplies
9331	Office Supplies	9353	Pipe Fittings
9331	Office Supplies (Library Only)	9354	Chemical Supplies
9332	Operating Supplies	9355	Agricultural Supplies
9334	Small Tools & Minor Equipment	9360	Miscellaneous
9340	Printing & Binding	9361	Unclassified
9348	Fuels & Lubricants (if not inventory item)	9370	Non-Capitalized Assets

### **3.04 PURCHASES \$2,501 TO \$10,000**

Purchases in this category are made on a Purchase Order (PO).

Request for Payments (RP) may be used for purchases up to \$10,000 for certain object codes with prior approval of the Director of Finance. Refer to table below to determine which object code are available for RP purchases with approval of Director of Finance.

A Requisition is used to initiate a PO for all items not processed on an RP or EPO.

For purchases in this range, a minimum of three quotes should be obtained if practical.

Should an item have detailed specifications which cannot be adequately described on the phone, it is recommended that written Requests for Quotation (Exhibit 3) be mailed, emailed or faxed to vendors and have them respond in kind by written quotation by a date and time certain. Quotations are to include delivery/shipping charges.

Complete the Competitive Quotation Summary form (Exhibit 4) and attach to RP or Requisition along with any written quotes received. If award is recommended to be made to other than low bidder, provide a detailed explanation as to the reason.

If a PO is used to make a purchase, the requesting department should initiate a Requisition and submit it to the Purchasing Activity through the EDEN requisition module, along with detailed specifications and a suggested vendor list if available. Or, departments may obtain their own price quotes, particularly if the item is highly specialized or on-site examination is required.

A PO will be issued by the Financial Services Department to the apparent low bidder meeting specifications after review of the price quotes and any recommendations by the requesting department.

The Purchasing Activity will review all Requisitions. The Purchasing Activity reserves the right to verify quotations and pricing information, check to determine whether delivery and shipping have been included and to seek further competition.

Capital outlay items are to be processed using a PO. Requisitions for items approved by City Council in the current fiscal year must be submitted to the Purchasing Activity by September 30 of the same fiscal year, or earlier as directed by the Director of Finance.

Should an emergency situation exist, an Emergency Purchase Order (EPO) should be used to effect a purchase. Emergency purchase orders are not authorized for purchases of routine items which have been exhausted due to oversight in ordering. See Section 7 for more information concerning Emergency Purchase Orders.

**A PO must be used for purchases in this category (\$2,501-\$10,000) that are charged to the following object codes. An RP may be used for purchases of non-inventory items up to \$10,000 with prior approval of the Director of Finance.**

Object Code	Title	Object Code	Title
9125*	Extra Personal Service	9351*	Medical and First Aid Supplies
9330*	Recreation Supplies (Parks & Recreation only)	9352*	Meter Parts & Supplies
9331*	Office Supplies	9353*	Pipe Fittings
9332*	Operating Supplies	9354*	Chemical Supplies
9333*	Repairs and Maintenance	9355*	Agricultural Supplies
9334*	Small Tools & Minor Equipment	9357*	Other Contractual Services
9335*	Professional Services	9360*	Miscellaneous
9336*	Communications	9361*	Unclassified
9337*	Transportation	9364*	Service Awards
9338*	Advertising	9365*	Land Fill Fees
9339*	Postage	9370**	Non-Capitalized Assets
9340*	Printing & Binding	9661***	Land
9341*	Rentals	9662***	Buildings
9342*	Training	9663***	Improvements Other Than Buildings
9343*	Dues, Subscriptions & Memberships	9664***	Infrastructure
9345*	Maintenance & Repair of Vehicles	9665***	Machinery & Equipment
9346*	Liability Insurance	9666***	Office Equipment
9347*	Utilities	9667***	Road Equipment
9348*	Fuels & Lubricants (if not inventory item)	9668♦	Books (Library Only)
9349*	Clothing Supplies	9669***	Construction-in-Progress
9350*	Inventories of Stores for Resale		
* RP may be used with prior approval of Director of Finance, if not an inventory item.			
** PO must be used if item over \$1,000.			
*** This is a Fixed Asset and must be over \$5,000.			
♦ RP may be used if items are less than \$5,000.			

**3.05 PURCHASES \$10,001 TO \$25,000**

Purchases of Goods and Services in this price category are typically to be made on a Purchase Order (PO) and require prior approval of the Director of Finance by the requisition process utilized in the EDEN Requisition Module. Purchases of items in this category may also be purchased with an RP, with prior approval of the Director of Finance.

**3.06 PURCHASES OVER \$25,000**

[ See Section 6.01 ]

**3.07 INVOICE PAYMENT POLICY (PROMPT PAYMENT ACT)****A. PURPOSE**

The purpose of the following invoice payment procedures is to ensure that vendors who provide goods/services to departments of the City of Pensacola receive payment for said goods/services on a timely basis. Florida Statute 218.70, "Florida Prompt Payment Act", and as it may in the future be amended, is incorporated into this policy.

***The vendor must comply with the "Florida Prompt Payment Act" to enable approval and payment of invoices. Any exceptions must be specifically approved by the Director of Finance.***

**B. PROPER INVOICE REQUIREMENTS**

In order for the City of Pensacola Financial Services Department to process a payment, the vendor must provide the City with a proper invoice for all goods purchased and/or services rendered. In the case of Request for Payment (RP) and Emergency Purchase Order (EPO) items, acceptability of an invoice is at the sole reasonable discretion of the department purchasing goods/services. Acceptability of invoices for items purchased by Purchase Order (PO) will be at the discretion of the Financial Services Department. The following items are required on an invoice in order for it to be considered a proper invoice for payment:

1. The invoice shall contain the following minimum information:
  - a. Name of vendor.
  - b. Mailing address of vendor.
  - c. Vendor's invoice number.
  - d. Date invoice issued.
  - e. City of Pensacola PO, RP or EPO number.
  - f. Taxes, delivery charges, or cartage listed separately from materials or services. The City is exempt from paying state sales taxes; our tax exempt number appears on City document authorizing purchase (PO, RP, EPO).
  - g. Discount terms.
  - h. For invoices involving the purchase of goods:
    - Item description.
    - Quantity purchased.
    - Unit price
    - Total price (by item).
    - Total amount of invoice (for all items).
  - i. For invoices involving the purchase of services:
    - Itemized description of services performed.
    - Date services were performed.

- Billing method for services performed (approved hourly rates, percentage of completion, cost plus fixed fee, direct (actual) costs, etc.).

j. Any other information required by written agreement or contract with the City of Pensacola.

2. Submission of invoices to the City of Pensacola shall be as follows:

- a. The ordered goods shall have been received in good condition and/or services performed in accordance with contractual specifications to the sole reasonable satisfaction of the requesting Department Director.
- b. An original invoice is required.
- c. Invoices submitted in connection with the issuance of a PO shall be sent directly to the City Financial Services Department.
- d. Invoices submitted in connection with the issuance of RP's and EPO's shall be sent to the City Department requesting the goods/services.
- e. Accrued interest must be invoiced separately.

C. CALCULATING PAYMENT DUE DATE

1. All invoices submitted in connection with the issuance of RPs should be date stamped with the date it is first received in the City Department (see B (2) c and d above). The date so marked shall be the current date.
2. The time at which payment for a purchase is due shall be 45 days from:
  - a. The date on which a proper invoice is received in the appropriate City Department; or
  - b. In those instances where a proper invoice is not required for payment, the date:
    - On which the rental period begins, or
    - On which the City and the vendor agree in a written contract providing dates relative to payment periods.

D. NOTIFICATION OF IMPROPER INVOICE

Within ten (10) days after the receipt of an improper invoice, the City of Pensacola shall notify the vendor that the invoice is improper, specify the reasons therefore, indicate what corrective action on the part of the vendor is needed to make the invoice proper.

E. DISPUTE RESOLUTION PROCEDURES

In the event a dispute occurs between a vendor and a department of the City of Pensacola, the following procedures apply:

1. Disputes initiated by vendors:
  - a. The vendor shall, not later than 45 days from when a proper invoice is received by the City of Pensacola, submit a written statement via certified mail to the department for which the purchase was made, specifying the nature of any dispute they may have regarding payment of an invoice.
  - b. Within five (5) days of receipt of the written statement, the appropriate Department Director shall investigate the dispute and render a decision in writing to the Director of Finance.

- c. Within five (5) days of receipt of the written decision from the Department Director, the Director of Finance shall review the dispute and the Department Director's recommendation and shall make a final decision on the matter. A written explanation of the final decision made shall be sent to the vendor via certified mail within five (5) days from the date the final decision is made.
- 2. Disputes initiated by the City of Pensacola:
  - a. The appropriate Department Director shall, not later than 30 days from when a proper invoice is received, submit a written statement via certified mail to the vendor from which the purchase was made, specifying the nature of any dispute regarding payment of an invoice.
  - b. The vendor shall, within 15 days of receipt of the written statement, submit a written response to such indicating their agreement or disagreement therewith as well as the reasons therefore.
  - c. Within ten (10) days of receipt the written response from the vendor, the Director of Finance shall review the dispute and shall make a final decision on the matter. A written explanation of the final decision made shall be sent to the vendor via certified mail within five (5) days from the date of final decision is made.

**SECTION 4 – HOW TO USE A REQUEST FOR PAYMENT (RP)****4.01 PURPOSE**

The purpose of the Request for Payment (RP) is to allow departments to purchase materials directly without going through the normal requisition/purchase order requirements. The intent is to reduce time, effort and paper work.

**4.02 PROCEDURE**

When a department has a requirement for an item or service and the cost and object code category are within the RP limitations, the department contacts the vendor and orders the item using the RP number as an identity for the transaction.

Prior to contacting any supplier, departments are required to contact their appropriate stores warehouse to determine if the item needed is available from warehouse stock.

The department head is required to submit a list to the Director of Finance of individuals authorized to approve RP's. No RP will be processed under any other signature unless such written authorization has been received. The department head is also responsible for insuring the items required:

- Are not available from another vendor currently holding a bid award.
- Are proper purchases for public funds.
- Are covered in the department's budget.
- Are directly related to the mission of the department.
- Are not split between several RP's to avoid normal requisitioning procedures.

If the order is phoned in, faxed or emailed to the vendor, the RP must be clearly marked "Confirming Order - Do Not Duplicate", before it is mailed.

Requests for Payments must include the following information:

- Complete vendor name, address and number. If vendor exist on vendor file, include vendor number. If a new vendor, type "new vendor" for vendor number. New vendor numbers will be assigned by the Financial Services Department. It is the responsibility of each department to obtain the Internal Revenue Service, W-9 from a "new vendor".
- Date of RP
- Department/Activity
- Complete expense code
- Itemized description of purchase
- Quantity
- Unit price
- Total line item
- Total RP
- Authorized signature
- Invoice numbers

**4.03 ROUTING**

- White Copy - Vendor's copy - RP number must be provided to the vendor when the order is placed or picked up. This copy will usually be mailed to the vendor along with the check for payment.

- Blue Copy - Paying copy - To be forwarded to Finance for payment after item has been received.
- Green Copy - Departmental copy - To be retained by the issuing department.

Request for Payment forms may be obtained by departments from the Financial Services Department in the same manner as used to obtain other supplies.

#### **4.04 PROCESSING FOR PAYMENT**

Payment of RPs is made by submitting to the Financial Services Department the paying copy (blue) with original invoice attached. Invoice must agree with RP. Enclosures to accompany checks must be attached to vendor's copy (white) of RP. Payment requests with all necessary documentation attached must be in the Accounting Office prior to the 4th of the month to be paid on the 10th of the month. All RP's should be processed on a daily basis. Checks will be processed and mailed to the vendors according to the above schedule. (See Section 3.07)



**SECTION 5 – HOW TO USE A PURCHASE ORDER (PO)****5.01 PURCHASE REQUISITION****A. PURPOSE**

The primary role of the City's Purchasing Activity is to meet valid needs for materials, goods, services, construction and equipment by providing the right products or services in the right quantity, at the right price, at the right time, and at the right place. To accomplish this, it is necessary for the various departments to inform Purchasing of their requirements by the preparation of a Requisition submitted through the proper channels.

The purchase requisition serves to inform the Purchasing Activity of the needs of a specific user department and to correctly define the material or service requested. The requisition is not an order, merely the authorization for Purchasing to procure the item(s) or service(s) in accordance with established City policies and procedures.

The procedures that are set forth in this manual have been established as a tool used by Purchasing for the processing of all requisitions. The requisition will begin with the requesting department.

**B. WHEN PREPARED:**

A review of the departmental work load will assist in the planning of work schedules to permit the orderly procurement and receipt of any materials required to complete the job.

Requisitions shall be prepared far enough in advance to permit the Purchasing Activity to obtain competitive prices, when necessary, and to allow sufficient time for deliveries to be made. Rush or emergency orders are costly. The departments should anticipate requirements and submit requisitions allowing ample time for Purchasing to complete action to secure the items needed at the time required.

**C. WHO PREPARES**

Requisitions shall originate in the requesting department at the level where the purchase is to be used and proceed to Purchasing after receiving authorization and approval of the Department Director or his designee by using the EDEN (Financial Software) Requisition Module.

Department Directors may, at their discretion, designate certain activity directors or other employees to approve purchase requisitions. Names of persons so authorized should be sent to the Financial Services Department and updated whenever personnel changes occur.

**D. HOW PREPARED**

A properly entered requisition into the EDEN Requisition Module must contain the following information:

1. *Requisition Numbers* - The EDEN Requisition Module will assign a requisition number after the requisition has been entered into the system by the department.
2. *Date* - Fill in the date the requisition is prepared.
3. *Department* - Fill in the complete name of the requesting department and activity.
4. *Deliver To* - Indicate where the item is to be shipped; give complete street address.

5. *Suggested Vendor* - Leave blank unless department has identified a vendor. For the guidance of the Purchasing Activity, it is requested that reference be made to vendors whose products have been satisfactory in the past. Also, since departments have knowledge of sources of supply, please indicate these items on the requisitions: vendor name, vendor number, address, telephone number, etc.
6. *Quantity and Unit* - Indicate each item and the quantity desired by unit of measure such as: each, dozen, gross, carton, case, gallon, pound, etc. If you are ordering by carton or case, please indicate the carton or case count on the requisition. In some cases, each manufacturer has a different case count for their goods.
7. *Description* - Give a careful and precise description of the specifications of the item or service desired (i.e. size, dimensions, type, weight, construction of item and/or equipment, and other pertinent information.) If applicable, please provide a manufacturer's brand name and model for the purpose of establishing a standard of quality.

If the purchase is of a technical nature, specifications should accompany the requisition. If the item cannot be described, except with a great amount of detail, a brief description should be given, followed by the trade name or model number of an acceptable item or "equal."

For printing requests, please attach samples of the finished form to the requisition. What is described is what will be ordered. Requisitions with insufficient information and specifications will be returned to the department.

Avoid including dissimilar items on a single requisition. If all items listed on a requisition cannot be purchased from a single vendor, the items should be divided among multiple requisitions. Some examples of combining dissimilar items are:

- Computer hardware with computer software.
- Janitorial supplies with paper products.
- Ordinary hand tools with special purpose tools.

By avoiding this situation, the purchasing cycle can be shortened. Otherwise the requisition may be returned resulting in delays.

Indicate if the item is known to be on GSA, State or other contracts and note contract number if available. Purchasing will review all items to determine availability under contract.

All item descriptions will be considered to include "equal" or substitute items at the discretion of the Purchasing Activity. If the department requires "no substitute," it must state so on the requisition and be accompanied by a memorandum of justification. (See Section 9)

8. *Unit Price/Extended Price* - Indicate unit price or extended price if known. This can be a "quote" received or an estimate. The Purchasing Activity will use this information in obtaining quotations from other possible suppliers.
9. *Account Number* - Indicate the expenditure code of your department. Particular attention should be given to coding expenditures to the appropriate account. Where multiple account numbers are utilized, please provide Purchasing with a dollar allocation in lieu of percentage allocation. If the item requested is funded by a Capital Improvement Program and the account number is not known, indicate the funding source and item or project name.

10. *Approval* - Have Department Director or his designee approve requisition.
11. *Delivery Date* - It is not mandatory to indicate a delivery date on each requisition. Dates, however, may be shown at the discretion of the requisitioning department; or to indicate the need or desire for delivery within a specified period of time. Any dates noted are purely for the assistance and guidance of the Purchasing Activity to meet the City's schedule of needs. Requisitions shall be prepared far enough in advance of deliveries so as not to create emergencies.

E. ROUTING

A standard requisition consisting of an original with one copy is to be used to make requests for all purchases in this category.

1. The requisitioning department will enter the requisition into the EDEN System.
2. Purchasing will review the requisition to determine if it is properly prepared, has the required approvals and adequate description. If not complete, the requisition will be returned to the originating department.
3. Purchasing will utilize the information provided on the requisition as a basis for comparison of prices, quality, etc. offered by suppliers. Price quotations may be solicited by telephone, Request for Quotation, or advertising for formal bids if not in excess of \$25,000.
4. Budgeting will verify account code, availability of funds and secure authorization from the Director of Finance. The approved requisition is then forwarded to Accounts Payable.
5. Accounts Payable will prepare the purchase order and distribute the copies.

**5.02 ACQUISITION PROCESS**

A. SECURING COMPETITIVE PRICE QUOTES

A requisition is completed and used to prepare a purchase order only after competitive price quotes have been obtained. All purchases made on a purchase order require that opportunity for competition be given except in the case where multiple quotes are not required or practical.

Upon receipt of a requisition, the Purchasing Activity will verify proper quotes were obtained or will seek a source of supply and obtain price quotes. Competitive quotations may either be obtained in the form of telephone quotations or written quotations. Quotations should be recorded on the Quotation Summary sheet and attached to the requisition along with any written quotes received.

A minimum of three (3) quotations should be obtained if practical. Written quotations shall be required for those purchases with specifications too detailed to adequately describe by telephone contact. A written Request for Quotation must be furnished to all selected vendors with written responses received at a date and time certain.

B. COMPETITIVE PRICE QUOTES NOT REQUIRED

Types of purchases and contracts exempt from competitive quotes are:

1. *Professional Services* - Securing the professional services of auditors, attorneys, physicians, and consultants that are not governed by the Consultants= Competitive Negotiations Act (CCNA), Section 287.055, Florida Statutes, or other individuals possessing a high degree of professional skill.
2. *Emergency Purchases* - Emergency purchases, when certified by a Department Director to the Mayor, that the delay incidental to competitive bidding would be detrimental to the interest of the City. (See Section 7)
3. *Sole Source* - Any item which is a propriety item, or available from only a single source, and for which there are no competitive alternate sources. Also included are specialized services that by their very nature are available from only a single source.

The requesting department shall be charged with providing documentation necessary to support the sole sourcing of goods and/or services. (See Section 9)

4. *Purchase Contracts* - Purchases of supplies, materials and equipment from the State of Florida contracts, Federal Government (GSA) contracts and contracts of other municipal governments or other governmental agencies or political subdivisions providing the vendor extends the same terms and conditions of the contract to the City. (See Section 8.04)
5. *Negotiated Purchases* - The Mayor shall reserve the option to negotiate for the purchase of commodities or services when deemed to be in the best interest of the City.

C. AWARD OF BID

It shall be the responsibility of the Purchasing Activity, in conjunction with the requesting department, to determine the lowest and best responsible bidder meeting specifications. In any purchase in which a determination is made to accept a bid other than the apparent low bid meeting specifications, the requisition must be accompanied by proper/adequate documentation to justify the rejection of the low bid.

**5.03 PURCHASE ORDER**

A. PURPOSE

The purchase order is the legal document authorizing the purchase of and subsequent payment for materials, supplies, equipment, construction, repairs and services. The purchase order number is the control and reference number for all purchases and it is to be entered on all receiving documents, invoices, and inquiries pertaining to items on order.

B. TYPES OF PURCHASE ORDERS

- Purchase Order - Used for most purchases.
- Blanket Purchase Order (See Section 8)
- Emergency Purchase Order (See Section 7)

C. WHEN ISSUED

Purchase Orders shall be issued only against Purchase Requisitions approved in EDEN by a Department Director or designee.

D. WHO ISSUES

Only Accounts Payable may issue Purchase Orders except in the case of Emergency Purchase Orders. (See Purchasing Policy and Procedures Manual

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E. HOW TO PREPARE

The purchase order is generated from the purchase requisition and it shall be written so that it is concise and clear. This will prevent unnecessary misunderstandings and correspondence with vendors. Necessary Information can include:

1. Purchase Order Number	12. Quantity
2. Vendor Name and Address	13. Description
3. Ship to Address	14. Stores Stock Number (When Applicable)
4. Date of Purchase Order	15. Unit of Measure (Ea., Gal., C., Etc.)
5. Vendor Number	16. Unit Price
6. Requisition Number	17. Extended Price
7. Terms	18. Total
8. Ship Via	19. Purchasing Agent's Signature
9. Delivery Required	20. Quantity Received (Receiving Copy Only)
10. Freight Conditions	21. Receiving Clerk (Receiving Copy Only)
11. Item Number	

F. ROUTING PURCHASE ORDER

- Copy 1 - is mailed directly to the vendor.
- Copy 2 - is sent to the requesting department/activity for comparison with material actually delivered by the vendor. Upon receipt of goods, the copy is signed and dated by the receiver and returned to Accounts Payable.
- Copy 3 - is sent to the requesting department and retained for their files.
- Copy 4 - is retained by Accounts Payable and filed by department.

G. CANCELLATION

If the requisitioning department wishes to cancel an order, the receiving copy of the Purchase Order is to be returned to the Purchasing Activity marked "Canceled", with a written statement giving the reason for the cancellation. Purchasing will then notify the vendor, in writing, of the cancellation. Cancellations should be processed as quickly as possible. Any charges resulting from such cancellation shall be charged to the originating department.

**5.04 CHANGE ORDERS**

A. PURPOSE

Whenever a change of any kind to the original purchase order is authorized, a change order is required. A change order may be as simple as a written request to change a purchase order or require City Council or Mayor approval and an amendment to the contract.

Subject headings of Committee or Mayor Memorandum for Change Orders requesting increases in the original award of contract amount are to be identified as "Request for Additional Funding".

Background material should include current financial status of project and reasons for requesting additional funding.

It is the policy of the City of Pensacola that all changes that affect the original contract or purchase order be submitted in writing in the form of a Change Order.

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B. WHEN PREPARED

Change orders are required under the following circumstances:

- Changes that affect the original purchase order/contract amount by an increase or decrease.
- Changes to contracts awarded by Mayor or City Council regardless of monetary value.
- Changes, which alter, adjust, revise, terminate or cancel a purchase order.

## C. WHO APPROVES

- Change Orders will require the same approvals as were required for the original purchase order in accordance with Section 3-3-2 of the Code of the City of Pensacola.
- Change Order increases in excess of the original purchase order amount will require the signature of the appropriate level of authorization as defined by Section 3-3-2 of the Code of the City of Pensacola. City Council amended City Council policy to give the Mayor authority to approve Change Orders on construction projects. The total amounts of Change Orders are not to exceed 5% of the original award of bid. All change orders for public works projects and improvements with a dollar value greater than the approved project contingency set by Council, must be submitted for Council approval. All change orders not for public works or improvement projects, or change orders for public works projects and improvements that do not exceed the Council set contingency, require the approval of the Mayor.

## D. PROCESSING CHANGE ORDERS

How change orders are processed depends upon the original amount of the purchase order.

## 1. Original Purchase Order Amount Equal to or Less Than \$10,000

- Submit to the Financial Services department changes requested to the original purchase order using the appropriate form prior to executing the change.

- The initiating department is to provide supporting documents and the Department Director shall authorize approval.
- The Financial Services department will review for completeness and accuracy, authorize approval and generate a Change Order. Change orders will be sequentially numbered; Change Order #1, 2, 3, etc.

2. Original Purchase Order In Excess Of \$10,000

The Mayor must sign all Change Orders if the original purchase order is in excess of \$10,000.

a. Change Orders for Commodities or Services

- Change Orders for commodities or services require Mayor approval. To avoid Change Orders in this category, contract amounts recommended to the Mayor for award are to include costs of commodity or service and all reimbursable or miscellaneous expenses.

b. Change Orders for Public Work projects

- The Mayor has the authority to approve all Change Order increases up to 5% of the original award of contract.
- The Mayor has the authority to approve Change Order increases not to exceed the amounts identified as contingency as specified in the original award of contract.

## 5.05 RECEIVING, INSPECTING, TESTING

### A. RECEIVING AND INSPECTING

The Purchase Order indicates to which location or department materials and supplies are to be delivered. It is the responsibility of the requesting department to:

1. Check incoming shipment immediately on receipt for possible shipping damage and to verify that the weight, count, size, color, etc. agree with the Receiving Copy (Green) of the Purchase Order.
2. On determining that the quantities and quality of a shipment conform to those specified by the Purchase Order, the receiver will sign vendor's delivery tickets. Any variance in quantity will be noted on the delivery ticket. If the quantity received does not agree with the suppliers' delivery ticket, the Purchasing Activity should be notified of the discrepancy. If the materials delivered do not conform to the specifications and are not acceptable, the Purchasing Activity should be notified immediately.
3. Receiving copy of the Purchase Order, together with the vendor's delivery ticket, when available, should be attached and forwarded to Accounts Payable for matching with invoice.

Do not hold receiving reports awaiting invoices. All vendors are instructed to send all invoices directly to Accounts Payable.

4. When partial deliveries are made at the convenience of the vendor, payment will not be made until complete delivery is made, unless partial shipment has been billed and a discount is available.
5. The City discounts all invoices when discounts are indicated; therefore, it is very important that all receipts be processed without delay. Receiving reports should be sent to Accounts Payable as quickly as possible to facilitate processing.

The following are steps to take in receiving material:

- Verify the count. If there is a discrepancy, note shortage on both shipper's and deliverer's copies of the receipt.
- Check for visible damage. Note on all receipts.
- Check for concealed damage -- make note of broken or crushed containers.
- In signing a delivery receipt add "except for concealed damage, if any."
- Open all packages and inspect for concealed damage promptly. Damage must be reported to carrier within fifteen (15) days.
- Notify carrier in writing of any damage found and request an inspection and the carrier's inspection forms.
- Retain damaged merchandise until the claim has been processed.
- File claims immediately after a claim has been identified.

**B. TESTING**

Testing of certain materials and supplies is occasionally required. The requesting department is responsible for all details in connection with any necessary testing. Testing requirements should be included in the specifications accompanying the Purchase Requisition.

**5.06 INVOICES**

**A. DEFINITION**

An invoice is the vendor's statement of his charges against the City for materials or services rendered. These invoices are based upon the Purchase Order and should contain the same basic information. The processing of invoices may favorably or unfavorably affect the relationship between the City and its suppliers.

**B. WHAT INVOICES SHOULD CONTAIN**

- Name of Vendor.
- Mailing address of vendor.
- Vendor's invoice number.
- Date invoice issued.
- City of Pensacola PO number.
- Taxes, delivery charges, or cartage listed separately from materials or services. The City is exempt from paying state sales taxes; our tax-exempt number appears on City document authorizing purchase.



- Discount terms.
- For invoices involving the *purchase of goods*:
  - Item description.
  - Quantity purchased.
  - Unit price
  - Total price (by item).
  - Total amount of invoice (for all items).
- For invoices involving the *purchase of services*:
  - Itemized description of services performed.
  - Date services were performed.
  - Billing method for services performed (approved hourly rates, percentage of completion, cost plus fixed fee, direct (actual) costs, etc.).
- Any other information required by written agreement or contract with the City of Pensacola.

C. PROCESSING PAYMENT

Upon completion of delivery and acceptance of material or service, the department will immediately attach shipping documents or invoice, if received, to the receiving copy of the purchase order and forward to Accounts Payable. Vendors are directed to mail invoices directly to Accounts Payable. Should an invoice be received by the originating department, it must be forwarded to Accounts Payable without delay. (See Section 3.07)

D. PARTIAL PAYMENTS

Partial payments will not be made except when partial deliveries are made for the convenience of the City or when a discount is available.

**5.07 PARTIAL RECEIVING REPORTS AND PARTIAL INVOICES**

A. PARTIAL RECEIVING REPORT

A partial receiving report serves the same purpose as the receiving report (See Section 5.03, F, Copy 2) except it applies only to the portion of the order, which is received at a time different than the remainder of the shipment.

A properly prepared partial receiving report must contain the following information:

- Receiving Department - the name of the department receiving the partial shipment.
- Vendor - name of the vendor.
- Purchase Order No. - number assigned on receiving copy of purchase order.
- Item No. - item number of goods received according to receiving copy of purchase order.
- Quantity - The number of units received on the partial shipment.
- Description - describe each item so that it may be identified.
- Date - assigned by receiving clerk.
- Receiving Clerk - signature of authorized receiving clerk.
- Approved - signature of Department Director or his designee.

B. PROCESSING PARTIAL RECEIVING REPORTS

Completed Partial Receiving Reports are forwarded to Accounts Payable where they are filed along with the pending Purchase Order.

When an order is completed, all Partial Receiving Reports, the receiving copy of the Purchase Order, and invoices are attached and processed for payment.

Partial payments will not be made except when partial deliveries are made for the convenience of the City or when a discount is available.

C. PARTIAL INVOICE

A partial invoice will contain the same basic information as an invoice except that it applies to only a portion of the whole order, which was received at a different time than the rest of the shipment.

D. PROCESSING PARTIAL INVOICES

When partial shipment is received and an invoice covering the partial shipment and a discount for payment is allowed, the receiving department will immediately upon accepting the materials or services prepare the partial receiving report and partial invoice, if received, and forward to Accounts Payable. However, if the payment terms are net, and if the balance of the materials or services is expected to be received within a reasonable period of time, the receiving report can be delayed until all materials or services have been received. If the balance of the materials or services is not expected within a reasonable period of time, a partial receiving report should be processed.

**SECTION 6 - PURCHASES OVER \$25,000****6.01 PURCHASING ORDINANCE**

The purchase of commodities and services that have been specifically adopted in the annual budget or appropriated by council may be contracted for or purchased by the Mayor without further action by Council. The purchase or award of contracts for public works and improvements greater than \$25,000 require the approval of City Council, as well as any purchases not previously appropriated.

**6.02 PROCUREMENT METHODS**

1. Formal Invitations to Bid & Request for Proposals (See Section 11)
2. Purchase Agreements (See Section 8)
3. Professional Services (See Section 10)
4. Sole Source Purchases (See Section 9)
5. Emergency Purchases (See Section 7)
6. Purchases from Law Enforcement Contraband Forfeiture Trust Fund

Florida Statute 932.704, *Forfeiture proceedings*, identifies the acceptable uses of funds and equipment confiscated by law enforcement agencies. Finance Committee memorandum dated October 8, 1993 sets forth the procedure whereby the Chief of Police request City Council to approve purchases from the Law Enforcement Trust Fund.

7. Informal Quotes and Negotiated Purchases

For the purchase of commodities or services, the Mayor shall reserve the option to utilize the invitation to bid procedure, request for proposals, informal quotes or to negotiate, depending upon which alternative is deemed by the Mayor to be in the best interest of the City.

8. Computer Hardware and Software Maintenance Services

The costs of maintenance contracts for computer hardware and software are included in annual departmental budgets which are submitted to and approved by City Council. No further Council action is necessary during the fiscal year. However, all invoices form maintenance of computer hardware and software are reviewed and approved by the City Management Information Services department before they are paid. (Information Only, Finance Committee Memorandum, 12/11/92)

**SECTION 7 - EMERGENCY PURCHASE ORDERS****7.01 DEFINITION**

Emergency purchases of supplies or services are those supplies or services necessary because of certain emergency conditions occurring that might affect the health, safety and welfare of the City.

Section 3-3-2 (d) of the Code of the City of Pensacola Florida reads as follows:

“The Mayor shall have the authority to make emergency purchases for commodities and/or services without competitive bids under circumstances where the delay incident to giving opportunity for competitive bidding would be detrimental to the interest of the City.

While the need for an occasional emergency purchase is recognized, the practice shall be curtailed as much as possible by anticipating needs in time for the use of regular purchasing procedure as outlined in See Sections 4, 5 and 6. Any emergency purchases that need to be appropriated must be reported to Council.

**7.02 PURPOSE**

Emergency purchases are to be made by departments only when property, equipment or life is endangered through unexpected circumstances or where a delay would greatly increase costs.

**7.03 WHO MAKES PURCHASE**

Emergency purchases will be made directly by the requesting department when approved by the department head.

**7.04 HOW PURCHASE IS MADE**

To initiate an emergency purchase, the requesting department will secure from the vendor a sales ticket or an invoice for the material. An Emergency Purchase Order (EPO) form will then be completed and forwarded to the Director of Finance. The EPO must be accompanied by the sales ticket and a statement from the department director describing the cause and nature of the emergency.

Upon approval by the appropriate authority, the Emergency Purchase Order will be paid in the usual manner. (See Section 3.07)

**7.05 GENERAL INFORMATION**

When Emergency Purchase Orders are necessary, the department will make the purchase at the best possible price; in most cases the order probably should be issued to the vendor from whom the materials were previously purchased.

A true emergency will almost always occur as a result of parts and labor needed for repairs to equipment, which must be kept in operating order. Emergencies are also created through negligence and are to be avoided. The use of an Emergency Purchase Order for failure to anticipate normal needs is to be avoided. Emergency Purchase Orders are not authorized for purchases of routine items, which have been exhausted due to oversight in ordering.

Emergency Purchase Orders are costly. They are made hurriedly, usually on a non competitive basis, and usually at top prices. Most vendors will charge a premium if supplies must be obtained immediately. By avoiding emergency orders, money will be saved.

**SECTION 8 - PRICE AGREEMENTS****8.01 GENERAL**

A price agreement provides the City with a source of supply for certain specified materials or services, usually at fixed prices, over a predetermined period of time. Except in special cases, one-year purchase agreements are the most desirable. This policy gives the Purchasing Activity an opportunity to thoroughly review the situation at each new contract period. Price agreements are accomplished by taking formal competitive bids or Request for Quotations stipulating specifications and conditions as required.

A price agreement establishes a competitive source of supply for materials, supplies or services used on a repetitive basis. It enables the requesting department to requisition for periodic deliveries "as-needed" and thereby reduces inventory investment. A price advantage is usually gained, since the seller, by being a partner to the contract, reduces sales expense and is assured that his production will be in continuous operation. The contract also eliminates the necessity of going out for numerous time-consuming individual bids and quotations resulting in faster delivery to the requesting department.

It is the responsibility of the Purchasing Activity to establish such price agreements as will ensure the most effective use of a centralized purchasing function. The Purchasing Activity will work with the appropriate departments in developing standard commodities used by City Departments, and price agreements will be developed to cover the purchase of such commodities.

**8.02 NEED FOR PRICE AGREEMENTS**

The need for a price agreement shall be based on the amount of repetitive purchases made of the same commodity over a period of time. Examples of commodities or services justifying a price agreement are uniform supply, asphalt paving supplies and concrete supplies, PVC pipe, fuel, etc. Because these commodities or services are purchased on a regular basis and in large quantities, price agreements are justified.

The duration of the price agreement shall be based on the commodity and its fluctuation in price and availability during a year. Should a commodity be seasonable and, therefore vary in price during the year, a six (6) month agreement may be necessary. If a commodity or service is more stable and does not fluctuate drastically through a year's time, an annual price agreement may be more appropriate.

Price agreements which extend for longer than one (1) year may include escalator clauses. Escalators must be provided for at the outset of the agreement. They will not be considered if added after the award of the contract. Extension of any price agreement beyond a fiscal year will be contingent upon appropriation of funds by the City Council. Extensions may be granted upon satisfactory execution of the initial contract period if provided for in the initial agreement.

**8.03 TYPES OF PRICE AGREEMENTS****A. INDEFINITE QUANTITY CONTRACTS****1. Definition:**

A contract covering specific items for a specified period of time, usually one year, with orders to be placed on an "as needed" basis.

**2. Primary Use:**

Requirements for supplies which are requisitioned on a continuing basis, used in sufficient quantity and lend themselves to formal contract procedures, may be fulfilled with the use of an indefinite quantity price agreement. This type of agreement offers the advantage of simplifying purchases, but it should only be used when all of the following conditions are present:

- Required items can be grouped properly into a single Invitation to Bid or Request for Quotation.
- Estimates of requirements are reasonable and available.
- Commodities are subject to fixed prices.
- A stable market is anticipated.
- Anticipated quantities of individual orders are not sufficient to obtain favorable prices by individual orders.

3. Limitations:

Indefinite quantity contracts having items or groups of similar or identical items with an aggregate cost in excess of \$25,000 must be approved by the Mayor only after public advertisement and competition. [See Section 3.06]

For price agreements up to \$25,000, a minimum of three written quotations should be obtained if practical. [See Section 3.05]

4. Procedure:

The competitive bid process is utilized in the acquisition of commodities via indefinite quantity contracts and shall follow the same procedures outlined in Sections 5 or 6 of this manual.

B. SERVICE AGREEMENTS

1. Definition:

A service agreement is a contract for required services performed for the period of time and amount of charges agreed upon and made subject to the terms and conditions of the agreement.

2. Primary Use:

Service Agreements may be used for a variety of services, such as:

- Maintenance of office equipment, copy machines
- Data processing equipment
- Janitorial, security, landscaping maintenance

3. Limitations:

Contracts for services of any nature are not required to go through the bidding process at the discretion of the Mayor. The Mayor is authorized to enter into any contract for services that have been appropriated by Council.

4. Procedures:

Once the need for a service agreement has been determined, as well as the duration of the agreement, the requesting departments shall work with Purchasing

in preparing specifications. Generally, the bid procedures outlined in Section 5 or 6 of this manual are followed; however, as noted above in paragraph 3, "Limitations", competitive bidding may not be required.

### C. BLANKET PURCHASE ORDERS

#### 1. Definition:

A blanket purchase order is a term contract or basic agreement between the purchaser and the supplier for a stated period of time. The order covers specific items with stated prices, or it can include items of a general category that are covered by a published price list. It establishes certain terms and conditions under which goods and/or services are delivered upon issuance of orders in the form of releases. These releases can be either verbal or written.

A blanket purchase order differs from an indefinite quantity contract and service agreement in that the full amount of the blanket purchase order is encumbered initially rather than as items are placed on order.

#### 2. Primary Use:

The blanket purchase order is used for multiple purchases of certain commodities from a single vendor over a period of time. These blanket purchase orders are issued by the Purchasing Activity for purchases, such as:

- Miscellaneous items of materials, supplies or parts ordered on a day to day basis.
- Purchases under a price agreement covering fixed unit prices when total quantities needed and/or estimated usage can only be estimated at the time the blanket order is established.
- Contractual services such as maintenance contracts on equipment, office machines, data processing devices and other services procured independently by contractor agreement.

#### 3. Limitations:

Blanket purchase orders shall be restricted to \$25,000. The duration of a blanket purchase order shall not exceed any fiscal year, i.e., September 30th.

Each blanket purchase order must state the dollar limitation, the termination date of the order and the names of the persons who are authorized to make releases against the order.

#### 4. Procedures:

- a. Requests for blanket purchase orders shall be submitted via requisition as described in Section 5.01 of this manual. In addition to the requirements outlined in the applicable sections, the purchase requisition shall specify estimated quantities required, maximum dollar limitation and period of time required. A list of names with signatures of those individuals who may be designated as having authority to make purchases from the applicable vendor shall also be provided. The list of authorized personnel will be placed on the face of the blanket with instructions to the vendor that goods may be sold to only those individuals, without exception.

- b. Once the blanket purchase order is established and the full estimated amount is encumbered, the following steps are followed to effect a purchase and/or release materials:
  - Contact vendor referencing the blanket purchase order number.
  - After goods and/or services are received, complete the blanket purchase order receiving report and attach corresponding invoices. These documents are then forwarded to Accounts Payable for payment.

#### **8.04 GSA/STATE/OTHER GOVERNMENT CONTRACT PRICE AGREEMENTS**

Departments may take advantage of GSA/State Contracts and contracts of other municipal governments or other governmental agencies or political subdivisions. This acquisition process shall follow requisitioning procedures outlined in this manual with the exception of the quotation/bid process. (See Section 5.02 and 10.03)

When GSA/State Contracts or contracts of other governmental agencies are used for purchases, the GSA/ State Contract number or a reference to another government agency should appear on the Requisition and Purchase Order.

Such purchases shall be approved by the appropriate authority based on price, i.e., Department Director, Director of Finance or Mayor.



**SECTION 9 - SOLE SOURCE ACQUISITIONS****9.01 GENERAL**

A single source commodity, one that is noncompetitive in price and/or specifications and can only be purchased from one supplier.

The Purchasing Ordinance allows for purchasing specialized items from sole source vendors without competitive bids. Sole source acquisitions up to \$25,000 must be approved by the Director of Finance or his designee. Sole source purchases in excess of \$25,000 must have approval of the Mayor.

**9.02 SUBMITTING SOLE SOURCE REQUISITIONS**

All requisitions for sole source purchases up to \$25,000 must be supported by the Sole Source Certification form (Exhibit 5). Forms are available from Purchasing or copies may be made as needed.

Submission of the form is mandatory on the first request for purchase of sole source material or services. Repeat orders of the same material or service will reference the approval number.

The Purchasing Activity shall maintain a list of all known sole source commodities and supplies utilized by the City. Periodically, Purchasing will require renewed and updated certifications to keep the master approval files current.

Departments may request sole source classifications prior to actual order by processing the form with supporting documentation. Advance authorizations can save considerable time and should be used wherever possible.

**9.03 SOLE SOURCE GUIDELINES**

Some examples of generally accepted Sole Source guidelines are as follows:

1. Proprietary Item/Service - An item/service developed and marketed by a person or persons having an exclusive right to produce and sell it.
2. Item is available only through the original manufacturer or provider; not available through a distributor.
3. Only area distributor of the original manufacturer.
4. Parts/Equipment not interchangeable with similar parts from another manufacturer (compatibility).
5. Only known item that will meet the specialized needs of this department or perform the intended functions.
6. Parts/Equipment that are required as part of an ongoing standardization process.
7. When failure to receive the material or service by the required date will prolong an unsafe condition, adversely affect operation, or cause a work stoppage.
8. A competitive procurement (within the last three (3) months) for similar items establishes that the supplier selected offers the best available price with reasonable delivery and service.

**SECTION 10 - PROFESSIONAL SERVICES****10.01 DEFINITION**

Professional Services shall mean those services the value of which is substantially measured by the professional competence of the person performing them and which are not susceptible to realistic competition by cost of services alone. Professional Services shall include, but not be limited to, services customarily rendered by architects, engineers, surveyors, certified public accountants and financial personnel, systems planning, management consultants, advertising professionals, and appraisers. Professional Services may be acquired through the Request for Proposals process as dictated by the thresholds established for sealed bids or by other procedures as outlined in this section. Awards will be made by the appropriate authority as established in the procedural outline.

**10.02 SERVICES \$0 TO \$10,000**

Professional Services acquired within these limits may be processed by using a Request for Payment (RP) or a Purchase Order (PO) if the amount is over \$2,500.

**A. PROCEDURES:**

The procedures for securing services are as follows:

1. The requesting department will coordinate with Purchasing to determine availability of firms and method of solicitation.
2. The selection of the firm may be made on the basis of interviews and written proposals from a minimum of two firms.
3. A completed RP or requisition indicating the firm selected along with all proposals shall be submitted to Accounts Payable or to Purchasing for processing.

**10.03 SERVICES \$10,001 TO \$25,000**

Professional Services acquired within these limits are typically to be processed on a Purchase Order (PO), but may be purchased on an RP with prior approval of the Director of Finance. Professional Services within these limits may be acquired by solicited quotes, Request for Proposals (See Section 10.05) or State of Florida Consultants Competitive Negotiation Act (CCNA) (See Section 10.06). A contract detailing the fee for services and the scope of work should be executed between the City and the vendor.

**10.04 SERVICES OVER \$25,000**

Professional Services in excess of \$25,000 are generally acquired by using one of two methods: Request for Proposals (See Section 10.05) or State of Florida Consultants Competitive Negotiation Act (CCNA) (See Section 10.06).

However, contracts for services of any nature may be obtained through formal solicitation, informal quotation, negotiation, use of state, federal or other governmental contract if determined by the Mayor to be in the best interest of the City (See Section 6.02). A contract detailing the fee for services and the scope of work should be executed between the City and the vendor.

**10.05 REQUEST FOR PROPOSALS**

This method allows for negotiation in the scope of services, price and delivery, whereas the sealed bid method allows no substantive changes. The Request for Proposal shall state the relative importance of price, and other evaluation criteria, such as: administrative capability, technical ability and approach to meeting performance requirements.

Any material submitted in response to a Request for Proposal will become a public document pursuant to Section 119.07, F.S. This includes material which the responding proposer might consider to be confidential or a trade secret. Any claim of confidentiality is waived upon submission, effective after opening pursuant to Section 119.07, F.S.

Request for Proposals are processed in a manner similar to that of other formal bids. (See Section 11)

Evaluations of proposals are based upon the criteria set forth in the RFP. The selection process may consist of interviews, presentations and review of materials submitted.

In accordance with state law, the presentations or committee meetings are exempt from public meeting requirements and shall not be open to the public, but must be recorded. The recording of the presentations or meetings are exempt from public records requests until the City provides notice of its intended decision or 30 days after the opening of the bids or proposals, whichever is earliest.

#### **10.06 CONSULTANTS COMPETITIVE NEGOTIATION ACT (CCNA)**

Florida Statutes Section 287.055 establishes the requirements for acquisition of professional architectural, engineering, landscaping architectural services, or registered land surveying or mapping services. If the basic construction cost of a project is estimated to exceed the threshold amount for Category V of Section 287.017, Florida Statutes, or fee for professional services in planning, study, advisory or consulting activity exceeds the threshold amount for Category II of Section 287.017, Florida Statutes, a competitive selection process is required. As of January 2011, Category II and Category V are \$35,000 and \$325,000 respectively. The only exception shall be in cases of valid public emergencies as may be determined by the Mayor.

*Firm* means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice architecture, engineering, or surveying and mapping in this state.

*Professional services* means those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.

*Professional services committee* means the team or ad hoc committee appointed by the Mayor which shall evaluate and recommend professional services firms to be employed by the city.

In summary, this Act requires that all engineers, registered land surveyors, mappers, landscape architects and architects responding to public advertisements for professional services or requesting that they be listed with the City as able to provide professional services shall be required to submit a statement of their qualifications.

(a) Public announcement and qualification procedures.

(1) Public announcement. The city shall publicly solicit proposals as provided in Section 287.055(3), Florida Statutes, from firms in a uniform manner on each occasion when professional services are to be purchased for a project that the basic construction cost

of which is estimated to exceed the threshold amount provided in Section 287.017, Florida Statutes, for category five, or for a planning or study activity when the fee for professional services exceeds the threshold amount provided in Section 287.017, Florida Statutes, for category two, except in cases of valid public emergencies so certified by the Mayor. This public notice shall include a general description of the project and shall indicate how, and the time within which, interested firms may apply for consideration by the city.

- (2) Certification. Any such firm desiring to perform such professional services for the city shall be certified by it as provided in Section 287.055(3), Florida Statutes.

(b) Professional services committee.

- (1) After the public announcement of a project, a professional services committee shall be created, which will be ad hoc for each project, comprised of members appointed by the Mayor.
- (2) The purchasing manager or his or her designee shall serve as staff advisor to the professional services committee without any voting powers.

(c) Competitive selection.

- (1) Recommendation for selection. The competitive selection of the most highly qualified firm shall be governed by Section 287.055(4), Florida Statutes. For each proposed project, the professional services committee shall conduct discussions with and may require public presentations by no less than three (3) firms, regarding their qualifications, approaches to the project, and ability to furnish the needed services. Any such discussions and presentations shall be conducted as public meetings in accordance with Section 286.011, Florida Statutes.

The professional services committee shall (on a project-by-project basis) determine the allotted time for the presentations, the mode and manner of presentations, and any other matter relating to such presentations.

- (2) Presentations. It shall be within the discretion of the professional services committee to determine whether to require presentations from the proposers or merely to review the proposals without presentations. Regardless of the method chosen, the professional services committee shall select no fewer than three (3) firms, in ranked order, deemed to be the most highly qualified to perform the services. Recommendation for selection of the firms shall be based on, but not limited to, the criteria set out in Section 287.055(4), Florida Statutes, and additional criteria may be added by the Mayor or designee as warranted for each project.
- (3) Committee recommendation to the Mayor. The professional services committee shall forward to the Mayor for approval its recommendation of the firms in ranked order. If the Mayor rejects the recommendation, he or she may return it back to the committee for reevaluation and preparation of a new ranking recommendation.
- (4) Consideration of costs or compensation. Costs or compensation to a firm may be considered only during competitive negotiations. Such negotiations shall not occur until after the most qualified firms have been selected by the professional services committee and the ranking confirmed by the Mayor.
- (5) Continuing contracts permitted. Nothing in these policies and procedures shall be construed to prohibit a continuing contract between a firm and the city.

- (6) In accordance with state law, the presentations or committee meetings are exempt from public meeting requirements and shall not be open to the public, but must be recorded. The recording of the presentations or meetings are exempt from public records requests until the City provides notice of its intended decision or 30 days after the opening of the bids or proposals, whichever is earliest.

(d) Competitive negotiations.

- (1) Contract negotiations. Once the Mayor approves the ranking of the firms, he or she shall attempt to negotiate a contract with the most qualified firm. Should the Mayor be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price the city determines to be fair, competitive, and reasonable, negotiations with that firm shall be formally terminated. The Mayor thereafter shall undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, he or she shall terminate negotiations. The Mayor shall then undertake negotiations with the third most qualified firm.

Should the Mayor be unable to negotiate a satisfactory contract with any of the selected firms, he or she shall select and advertise for additional firms and negotiations will continue after their ranking in order of competence and qualifications in accordance with these policies and procedures until a proposed contract is concluded.

- (2) City council approval. The Mayor then shall recommend to the city council the approval of the proposed contract. If the city council approves the contract, it will be executed by all parties. If the contract is rejected by the city council, the city council may then order the Mayor to re-negotiate it with the firm or to re-solicit the project.
- (3) Contract negotiations in cases of emergencies. For projects certified as valid public emergencies by the Mayor, the Mayor shall use his or her best efforts and judgment to select the three (3) most qualified firms unless the exigencies of the situation require that only one (1) firm be engaged immediately, from the list maintained by the city or obtained by other reasonable means. The Mayor shall select and negotiate with the most qualified firm considering the nature and extent of the emergency.

At the earliest, practical time the Mayor shall present the contract to the city council for approval. The Mayor shall sufficiently apprise the city council of the nature of the emergency and the reason why the normal selection procedure could not be followed.

- (e) Design-build contracts. The procurement of design-build contracts shall be awarded by the city in accordance with Section 287.055(9), Florida Statutes. Subject to its oversight and approval, the city council hereby delegates to the Mayor those duties set out in Section 287.055(9), Florida Statutes, which it deems necessary and proper to accomplish the purposes of this subsection.

- (1) Design criteria package. If the Mayor determines that a design-build contract is the appropriate method of procurement for any construction project, a design criteria package for the design and construction of the project shall be prepared and sealed by a design criteria professional either employed or retained by the city.
- (2) Design criteria professional. If the city elects to enter into a professional contract for the preparation of the design criteria package, then the design criteria professional shall be selected and contracted with in accordance with the requirements of this article. A design criteria professional who has been selected to prepare the design criteria package shall not be eligible to render services under a design-build contract executed pursuant to the design criteria package.

- (3) Procedures. The Mayor shall establish criteria, procedures, and standards as provided for in Section 287.055(9), Florida Statutes, for the evaluation of design-build contract proposals or bids, based on price, and technical and design aspects of the project.
- (4) Mayor's recommendation. For each public construction project involving the award of a design-build contract, the professional services committee shall recommend to the Mayor no fewer than three (3) design-build firms as the most qualified.

The Mayor shall evaluate the proposals or bids in consultation with the staff or retained design criteria professional for that project. The Mayor shall recommend that the city council award a contract to the firm deemed most qualified.

- (5) Public emergency. In the case of valid public emergency, the Mayor may declare such an emergency, suspend the procedures specified herein, and authorize negotiations of a design-build contract with the best qualified design-build firm available at that time. At the earliest, practical time the Mayor shall present the contract to the city council for approval. The Mayor shall sufficiently apprise the city council of the nature of the emergency and the reason why the normal selection procedure could not be followed.

#### **10.07 COMMERCIAL REAL ESTATE SERVICES**

The Purchasing Office shall maintain an approved real estate professionals list certified by either the Society of Industrial and Office Realtors (SIOR) or the Commercial Investment Real Estate Institute (CCIM). This list may be used by the City to obtain assistance with property management, property acquisition, or the sale and marketing of commercial properties. Selection of the firm or individual to use from the list shall be based on the qualifications and experience, as well as the potential fee for the particular real estate transaction.

**SECTION 11 - FORMAL BID PROCEDURES****11.01 GENERAL INFORMATION**

All contracts for the purchase of equipment, materials, supplies, facilities, etc., in excess of twenty-five thousand dollars (\$25,000), shall be awarded only after public advertisement and competition as may be prescribed by ordinance. Though some exceptions may apply, the preferred method of procurement shall be competitive sealed bidding.

The requesting department initiates a bid request by compiling the specifications and submitting them for review by using the Preliminary Document Review Form.

Bid documents may include advertisement, general conditions, insurance, bond requirements, specifications, plans, special conditions, suggested vendors, and proposal page.

Prior to initiating a bid request, the requesting department shall contact the Purchasing Activity for assignment of a Invitation to Bid or Request for Proposals number which shall be reflected on all subsequent correspondence. Requesting Department shall coordinate Bid Opening date and time with the Purchasing Activity.

Upon receipt of the Preliminary Document Review Form, the Purchasing Activity will compile the bid documents for advertising and distribution.

This section documents the complete formal bid process.

**11.02 VENDOR SELECTION**

A vendor list sufficient to generate at least three responses is required for all purchases over twenty-five thousand dollars (\$25,000).

Potential suppliers may be located by contacting Purchasing and using the following resources:

Vendor List (See Section 12)	State Purchasing Contracts
Product Catalogs	Telephone Directories
Purchasing Records	Thomas Register
McRaes Blue Book	BIDNET
Department Recommendation	Trade Journals
Salespersons	

**11.03 ACQUISITION METHOD**

Formal bid procedures are utilized for purchases over \$25,000. Specific types of written bids are defined below. The type used is determined for each requisition.

**A. INVITATION TO BID**

This is generally done via the sealed bid, and is the standard method used. The Invitation to Bid is accompanied by detailed specifications, bid forms, and all contractual terms and conditions applicable to procurement. Once bid, no changes in scope or price are allowed.

**B. REQUEST FOR PROPOSAL**

This is similar to Invitation to Bid, but is more complex and is generally used for services. This method requires the vendor to provide a detailed proposal in response to the Request for Proposal, which is more general in nature, and usually results in a contractual agreement.

This method allows for negotiation in the scope of services, price and delivery, whereas the sealed bid method allows no substantive changes. The Request for Proposal shall state the relative importance of price and other evaluation criteria.

Revisions to proposals are permitted after submission prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors, except as may be required by Florida Public Records Law, Chapter 119, Florida Statutes.

**C. REQUEST FOR STATEMENT OF QUALIFICATIONS (RFQ)**

This is utilized primarily for acquisition of Professional Services. This method requires potential vendors to submit written Statements of Qualifications for the proposed project which usually includes: capabilities, adequacy of personnel, past record, experience, or other factors required by the City. This method allows for negotiation on scope, price, delivery and terms, and usually results in a contractual agreement.

Under Florida Statutes, Section 287.055, an RFQ is required for architectural, engineering, landscape architecture, registered land-surveying or mapping services, if the expected cost of the services exceeds the threshold amount provided in s. 287.017 for Category II, or the total project cost exceeds the threshold amount provided in s. 287.017 for Category V. At this time, January 2011, Category II and Category V are \$35,000 and \$325,000 respectively. (See Section 10)

**11.04 CONTENTS OF SOLICITATION**

The Invitation to Bid or Request for Proposal sent to or placed in the hands of prospective bidders should contain the following instructions and information:

1. Bids must be sealed.
2. The latest time, date, and place of receiving and/or opening bids.
3. The quantity desired.
4. A full description of the material and specifications.
5. Bidder must state manufacturer, manufacturer's brand or trade name and catalogue number.
6. Variance to requested specifications should be specifically stated by the bidders.
7. No changes of any kind will be allowed unless specifically stated in the bid.
8. Bids must specify any and all warranties and include pertinent literature when available.
9. Bids must indicate delivery date or time.
10. Bids are to be quoted F.O.B. Pensacola.
11. Bids must be plainly marked on outside of envelope, the material bid and the time and date of opening.
12. Special conditions such as insurance and bonding.
13. Evaluation criteria.
14. Special price information, such as quantity ranges and dates to which prices are firm.
15. The City of Pensacola reserves the right to accept or reject any or all bids or parts thereof and to waive informalities.

**11.05 BID SECURITY AND BONDS**

**A. BID DEPOSITS**

When deemed necessary to ensure successful performance, a good faith deposit shall be prescribed in the bid solicitations.



Whenever any form of bid of the City of Pensacola shall specify that a good faith deposit be made by way of a certified check accompanying such bid, such requirement shall be satisfied by the bidder depositing in lieu of such check, a cashier's check or bid bond made payable to the City of Pensacola.

Bid security shall be in the amount of 5% of the base bid unless alternative amounts are deemed appropriate. Some bid solicitations, price agreements for example, may require a fixed dollar amount for the bond as the exact dollar amount of contract award is unknown.

Within thirty (30) days after the formal opening of bids, deposits shall be returned, except for the deposits of the three (3) lowest bidders, except as otherwise specified in the bid document. The bid deposits of the (3) lowest bidders will be retained within the City's Purchasing Activity until award and execution of contract is complete, or until a purchase order is issued to the successful bidder.

Any bidder withdrawing his bid after the bid opening forfeits the right of return of his good faith deposit.

**B. BONDS**

Requiring bonds until completion of a contract provides protection against bad faith or failure on the part of contractors. Generally bonds are required for construction projects and not mandatory for contracts for equipment, supplies and services.

Types of bonds are:

1. Combination Payment and Performance Bond - This type of bond is required in connection with contracts for repairs, renovations, new construction, and other public works in accordance with Section 255.05 and 713.23, Florida Statutes. When a payment and performance bond is required, forms for the bond will be included with the specifications. Normally no work in connection with the fulfillment of a contract shall commence until the payment and performance bond is accepted by the City.
2. Performance Bond - This bond will be required when it is deemed to be in the best interest of the City to ensure that a contract is carried out in accordance with the applicable specifications and at the agreed contract price.
3. Payment Bond - A contractor may be required to furnish a payment bond on contracts for purchase of materials or services in accordance with Section 713.23, Florida Statutes. Such a bond is used to protect the City from suits for non-payment of debts which might be incurred by a contractor's performance for the City.
4. Warranty Bond - At the discretion of the Purchasing Activity and coordination with requesting departments, a warranty bond may be required from a successful bidder to ensure warranty provisions are fulfilled.

Amount of bonds shall normally be at 100% of contract price. The contractor shall be responsible for securing bonds.

A company acting as surety for any bond issued shall be licensed to do business in the State of Florida.

**11.06 PROCESSING BIDS****A. REQUEST FOR BIDS AND PROPOSALS**

Request for bids and proposals are prepared by the requesting department. The department shall submit for review complete specifications, plans, special conditions, terms or provisions, proposal page and suggested vendor list along with the Preliminary Document Review Form signed by the Department Director.

The Preliminary Document Review Form and related documents are forwarded to Purchasing who will review and forward to Risk Management for inclusion of insurance requirements, if any.

Upon completion of the bid request review, the bid package is assigned a bid identification number, bid opening date and time, and prepared for advertising and distribution.

**B. ADVERTISING BIDS**

Adequate public notice of the Invitation for Bids shall be given a minimum of ten (10) calendar days preceding the last day set for the receipt of proposals or bids. The City will advertise once a week for two (2) weeks in newspapers of general circulation and also in minority oriented newspapers. Florida Statutes, Section 255.0525(2) provides the solicitation of competitive bids or proposals for any county, municipal or other political subdivision construction project that is projected to cost more than \$200,000 must be publicly advertised at least once in a newspaper of general circulation in the county where the project is located at least 21 days prior to the established bid opening and at least 5 days prior to any scheduled pre-bid conference. Projects estimated to cost more than \$500,000 must be publicly advertised at least once in a newspaper of general circulation in the county where the project is located at least 30 days prior to the established bid opening and at least 5 days prior to any scheduled pre-bid conference. In cases of emergency, the notice procedures may be altered.

The newspaper advertisement shall include a general description of the equipment, supplies or services to be procured, where bid packages and specifications may be secured, closing date for acceptance of bids or proposals and the time and place for opening bids.

Authority: Pensacola Code, Sec. 3-3-5, Advertisements.

**C. DISTRIBUTING BIDS**

The steps followed to distribute the solicitation are:

1. Mail or email Invitation to Bid notices to prospective vendors and post to City internet site.
2. Maintain an accurate list of each vendor to whom the request was sent.
3. Add names and addresses of recipients to initial list whenever additional invitations to bid are distributed. This ensures completeness of the vendor list.
4. Distribute copies of solicitation documents to ordering department.
5. Send any addenda out after the initial solicitation to each name on vendor list, and the ordering department as well.

#### D. PRE-BID CONFERENCE

A pre-bid conference may be held with all bidders and concerned project personnel on complex procurements.

The prime objective of such a conference is to provide a clear understanding of instructions to bidders relative to drawings, specifications, local conditions, location of the work, and basic construction methods or work requirements.

In addition to avoiding quality assurance problems and contingency items in quotations, other benefits that may be derived from conferences are:

1. The number of changes in specifications may be reduced.
2. Competition may be stimulated by interesting more prospective suppliers.
3. Conferences tend to ensure that qualified suppliers will submit quotations and tend to discourage submissions by suppliers who are not qualified to perform the work or supply the goods.
4. An opportunity is afforded to discuss schedules. This is particularly valuable when hard-to-get or special materials and equipment are involved.
5. An opportunity is afforded to explain, to the extent considered necessary, policies and requirements with respect to procurement methods, competitive bidding and negotiation, quotation qualifications and conditions, price provisions in solicitations and any resulting contractual agreements, and the determining factors in making awards.

The conference should be a formally announced meeting in general session with bidders. An announcement of the intent to hold a conference shall be included with the Invitation to Bid. The announcement should state when and where the conference will be held. In order to derive the greatest benefit from a conference, adequate time should be provided for the prospective suppliers to review the plans and specifications prior to the conference. The conference should be attended by personnel qualified to answer completely and accurately all questions relating to matters such as contract provisions, design and specifications, and production techniques that are expected to be discussed. A formal record shall be made of persons attending and the organizations they represent.

During the pre-bid conference, the specifications are thoroughly reviewed and discussed with all vendor representatives in attendance. Care is exercised to clarify the specifications as requested so as to ensure that a vendor is not written out, thereby, eliminating him from the bidding without due cause. Only in those instances where a vendor requests a change in the specifications that would result in compromising the intended use and quality of the equipment are such requests denied.

It is important that the persons attending be clearly informed that no oral statement from any person which modifies plans and specifications will in any manner or degree, be considered official until covered in an addendum to the Invitation to Bid or Request for Proposal.

#### E. ISSUING ADDENDA

Once an invitation to bid has been mailed, no changes in the specifications can be made unless all prospective bidders are so notified by means of an addendum, clearly pointing out such changes.

Addenda shall be distributed at least seven (7) calendar days prior to bid opening date, if not the bid date will be changed. Addenda for projects that have a mandatory pre-bid may be issued up to 24 hours prior to bid opening.

#### **11.07 RECEIVING BIDS**

##### **A. CONTROL OF BIDS**

Control of the sealed bid is essential.

1. Instruct all bidders to submit all bids in sealed envelopes, with the following clearly identified on the outside of the envelope:
  - a. Vendor name
  - b. Name of item or service for which bid is submitted
  - c. Due date (month, day, year)
  - d. Time due (hour/a.m. or p.m.)
  - e. Bid number
2. Time stamp and date each bid as it is received in Purchasing.
3. If, as occasionally happens, the outside envelope is not properly identified with required information, the envelope may be opened for identification purposes only.
  - a. Write information on outside of envelope, and reason it was opened, and then sign on outside.
  - b. Reseal the envelope.

All sealed bids shall be received at the Purchasing Office, 6th Floor, 222 West Main Street, Pensacola, Florida 32502-0062.

##### **B. MODIFICATIONS TO BIDS PRIOR TO BID CALL**

Modification of bids prior to bid call is prohibited. Withdrawal before bid opening will be permitted if not specifically prohibited in the invitation. The person requesting withdrawal must be authorized to make the request and comply with provisions relative to return of specifications should this be a requirement of the bid.

##### **C. TELEPHONE/TELECOPY RESPONSES**

Telephone/Telecopy or email responses are expressly prohibited and are to be rejected if received.

#### **11.08 BID OPENING**

##### **A. PROCEDURE**

The Purchasing Activity conducts the bid opening. The procedure is as follows:

1. Determine that the time fixed for the opening has arrived.
2. Read prices aloud as bids are opened so that any vendors in attendance may record pertinent data. As bids are read aloud, record each bid as it is read, or as soon as possible thereafter. Quantity sheet information and pricing will not be read aloud nor may this information be shared at the bid opening. Quantity sheet information and pricing may only be distributed after the notice of decision or the intent to award or until 30 days after the bid opening, whichever is earlier.
3. Check for other pertinent bid documents such as bid bonds.

4. Answer, with utmost candor, any questions that bidders may have regarding the bid but do not indicate to whom the award may be made.
5. No vendor shall be allowed to submit changes or modifications to their bid after the bid opening.
7. Inform bidders that vendor selection and award is only after all bids are evaluated and approved by City Council or Mayor.
8. Generally, bidders should be permitted to examine the bids which are recorded. There is an exception to this rule discussed in Section 11.08B.
9. Express City's gratitude for vendors' participation and conclude the meeting.

**B. PUBLIC DISCLOSURE**

Generally, under Florida's Public Records Act, any person has the right to review any document which is kept by the City in the course of regular business. However, Section 119.07, (3)(m) of this act exempts the City from allowing interested parties to examine sealed bids or proposals until such time the City provides notice of a decision or intended decision or within thirty (30) days after bid or proposal opening, whichever is earlier.

Accommodate vendor telephone requests for bid results to maximum extent feasible:

1. Suggest they come in and review documents.
2. Offer to send copy of bid tabulation.
3. As last resort, offer to read information over the phone.

**C. LATE BIDS**

Any bid received at the place designated for submission after the time set for opening of bids is a late bid. The City will reject any bid if received after the designated time of bid opening except in those rare cases where a bid has been misplaced or mishandled by the City after receipt. The rejected bid shall be stamped with the date and time received and placed in an envelope and returned unopened to the bidder. There will be no exceptions to this policy.

**11.09 PRELIMINARY SCREENING OF BIDS**

The Purchasing Activity will ensure bids have been properly signed. Unsigned bids will not be considered.

**A. MODIFICATION OR WITHDRAWAL OF BIDS AFTER BID OPENING**

After a bid has been opened, no changes in bid prices or other provisions shall be permitted. (See Section 11.09F for waiver of informalities.)

No bid may be withdrawn after closing time for receipt of bids for a period as stated in the bid documents.

**B. MISTAKES IN BIDS**

Prior to opening of bids a vendor may correct or withdraw his bid (See Section 11.07B).

When a mistake is either detected by the Purchasing Activity or alleged by the bidder after opening, the bidder should be asked to verify his bid and produce supporting evidence of the mistake. If the bidder responds supporting the mistake, the Purchasing Activity may correct the bid if the mistake was an obvious or apparent clerical error. Examples are:

1. Obvious errors in placing decimal points.
2. Obvious discount errors.
3. Error in extension of unit prices.

If the mistake is not an obvious or apparent mistake of a clerical nature, it must be referred to the Legal Department for action.

C. ALTERNATE BIDS, APPROVED EQUIVALENTS OR EQUALS

The bidder may offer any brand for which he is an authorized representative which meets or exceeds the specifications as written. If the bid is based on an "approved equivalent or equal" item, supportive information in the form of the manufacturer's printed literature or brochures, sketches, diagrams, and/or complete specifications must accompany the bid. The bidder must explain in detail the reasons why the proposed equivalent or equal will meet specifications and not be considered an exception thereto. The City of Pensacola reserves the right to determine acceptance of proposed equivalent or equal items.

If an Invitation to Bid does not expressly permit the submission of alternate bids, a bid which qualifies the specifications should be rejected as unresponsive. However, if a bidder submits a bid conforming to the specification and also offers an alternate, the alternate may be accepted if the bidder is lowest on both bids. Therefore, no prejudice results to the other bidders.

D. ONLY ONE BID RECEIVED

When only one bid is received, the following steps are necessary:

1. Inquire of those who did not bid to determine the reason for lack of response.
2. Accept or reject the bid based on information received and taking into consideration the City's position favoring competition.
3. Accept the bid if time is crucial and cost is reasonable, as the opportunity for competition was afforded by initial solicitation.
4. Reject the bid if time permits for re-solicitation.
5. Review specifications and bid list, revise if necessary, and re-bid per procedures in this Section.

E. NO BIDS

On occasion, the Invitation to Bid will receive no responses. In those cases, these steps will follow:

1. Contact all those vendors on bid list to determine reason for lack of response.
2. Contact the user department to determine if re-bid is desired, using information obtained from vendor survey.
3. File the closed bid file in Purchasing if determination is made not to re-bid at present time.
4. Review specifications and bid list if decision is made to re-bid.
5. Revise bid documents where appropriate.
6. Initiate the bidding process per procedures in this Section.

F. WAIVER OF INFORMALITIES

Bids may be defective in that they fail to give certain information requested by the invitation. For example, a bid may fail to furnish required catalogs or descriptive data. These "minor" informalities may be corrected by allowing the bidder to furnish the information prior to award, or by waiving them if time does not permit their correction.

The difference between a minor informality on the one hand, and a failure to conform to the essential requirements of the invitation on the other, may be difficult to determine without legal advice. Nevertheless, the decision to allow the defect to be corrected will be judged according to the fundamental principle - is it in the interest of the City to do so and will it be prejudicial to the interests of the other bidders.

The City of Pensacola reserves the right to waive any bid informalities when deemed in the best interest of the City of Pensacola.

G. TABULATING BIDS

The requirement for recording bids involves the preparation of a Bid Tabulation Form. The information which normally is transcribed on the Bid Tabulation includes the invitation number, opening time and date, item number, description of articles and services, quantity, unit, unit price, bidder's name and location, deliveries, remarks or any other information which will be helpful in making the evaluation.

A copy of the bid tabulation will be provided to bidders when requested in writing and providing a return envelope, and in accordance with state law.

H. PROCESSING BIDS AFTER OPENING

Upon completion of bid tabulation and review by the Purchasing Activity, a copy of the bid tabulation along with copies of the bids received shall be transmitted to the user department and Contract Administration.

**11.10 BID EVALUATION AND AWARD**

A. EVALUATION

Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability, such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, and total or life cycle costs, etc. The Invitation for Bids shall set forth the evaluation criteria to be used.

B. GENERAL CRITERIA FOR AWARD

Recommendations for award of bids are made to the City Council or Mayor based on the lowest quotation by a responsible bidder meeting all conditions and requirements of the specifications.

1. Responsible Bidder

The following criteria are considered when evaluating the bidder's capability to perform:

- a. Has sufficient financial resources to complete the order.
- b. Can meet quoted delivery considering all other business commitments.

- c. Has a satisfactory record of performance.
- d. Has the necessary production, technical equipment and facilities (or ability to readily obtain them).
- e. Has necessary organization experience, operational controls, and technical skills (or ability to readily obtain them).
- f. Is a manufacturer, supplier, authorized distributor or vendor for the requirement.
- g. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.
- h. Has bid within a competitive price range.

2. Responsive Bidder

The following criteria address the scope of the bidder's response:

- a. Has met all requirements of the solicitation (delivery, quality and price).
- b. Has met bounds of commonality. Absolute conformity is not required, just substantial or material compliance.
- c. Has met bid security requirements. Lack of security, where required, is a material nonconformity.

3. Price

The element of price is but one of the criteria elements. When considering a proposal:

- a. Evaluate the pricing offered by the bidder; low bid pricing is a factor, but not the final determinant.
- b. Determine the weight that price will have upon the overall decision.

C. LOW BID MEETING SPECIFICATION

Contracts for all such works or improvements in excess of twenty-five thousand dollars (\$25,000) or more shall be awarded to the lowest and best responsible bidder.

D. AWARD TO OTHER THAN LOW BIDDER

When the recommendation is not given to the lowest bidder, a statement of the specific reasons must be included in the committee memorandum or mayor memo.

E. TIE BIDS

In the event two or more bids are received which are equal with respect to price with no evidence of collusive bidding, preference may be given in the award in the following order:

- 1. Pursuant to Section 287.087, Florida Statutes, preference shall be given to business with Drug-Free Work Place Programs. Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a Drug-Free Work Place Program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a Drug-Free Work Place Program.
- 2. Quality
- 3. Delivery



4. Bidder within City of Pensacola
5. Bidder within Escambia County
6. Bidder within Florida
7. Split order between those tying, provided both vendors agree
8. Coin toss when vendors will not accept split orders

F. REJECTION OF BIDS

The Mayor shall have the power to reject all bids. The following reasons may be considered causes for rejection:

- All prices too high or unbalanced.
- Sufficient funds not budgeted or available.
- An error in the specification sufficient to have caused confusion and misunderstanding among bidders.
- The item on which bids were requested is not needed.
- Lack of adequate competition.
- Noncompliance of specifications.
- Submission of more than one bid in response to a single invitation.
- Lack of adequate work history and/or work experience.

Bids that have been rejected shall not be eligible for public disclosure until the City issues a notice of award or a notice of intent to award for the reissued solicitation or the solicitation is withdrawn. Bid responses shall not be exempt from public records requests any longer than 12 months from the original notice of intent to reject all bids.

G. RECOMMENDATION OF AWARDS

Once a bid has been publicly opened, read and tabulated, copies of the tabulation sheet and all bids received are forwarded to the requisitioning department for review. The requisitioning department and Purchasing must then evaluate all bids and prepare a recommendation of award or rejection for action by the City Council or Mayor.

1. Responsibility for Committee or Mayor Memorandum - The Requisitioning Department will prepare a Committee or Mayor Memorandum. The Purchasing Activity will review the City Council or Mayor Memorandum.
2. Contents of Memorandum – The Memorandum shall be prepared using the following format:
  - a. Recommendation - State in clear and concise terms your recommendation. If the purchase is a sole source, state contract, GSA contract or other governmental entity contract, it should be explained and contract numbers provided.

- b. Background - A brief summary stating the need for the item or service, the time and date of the bid opening and a schedule listing the bids received.
- c. Financial Impact – Indicate if the item or project is budgeted and state where funds for the purchase are available.
- d. Staff Contact - List individuals responsible for the recommendation.

### 3. BID DISPUTES

If a bid is being rejected because of discrepancies, Purchasing will contact the vendor and advise them of the situation. Each vendor that cannot be satisfied should then be scheduled for a meeting with City staff to further discuss the issues involved. There may also be incidents where a bidder other than the apparent low bidder will want to discuss their dissatisfaction with the proposed recommendation. If Purchasing is unable to satisfy the vendors concern, a meeting should be scheduled to further discuss the issues with City staff.

In the scenarios discussed above, all vendors are otherwise responsible and have responded correctly to the bid, i.e. signed proposals, submitted proper bonding.

This portion of the bid analysis must be completed before the item is presented for recommendation of award. Also vendors who take exception to the recommendation must participate in this bid dispute process prior to protesting before the City Council or Mayor.

### H. BID AWARD

Upon review of the Committee or Mayor Memorandum by the Director of Finance, a recommendation will be presented to the City Council or Mayor, depending upon proper purchasing procedure.

Formal bid awards are made by the City Council or the Mayor, depending upon proper purchasing procedure.

The requesting department will prepare a requisition in EDEN with Council action or Mayor Approval and Memorandum attached.

### I. BID FILES

After the responsible department has made their recommendation and has no further use of the bid documents, they shall be returned to the Purchasing Activity. Purchasing will maintain a complete control file on all formal bids for the City. This file will be maintained by bid opening date with the file divided by fiscal years.

The folder for each bid will contain a copy of the following:

Vendors List	Special Conditions	Bid Tabulation
Bid Invitation	Specifications	Committee or Mayor Memorandum
General Conditions	Bids Received	Council Action or Council Follow-Up or Mayor Approval

**SECTION 12 - VENDOR RELATIONS****12.01 VENDOR APPLICATION AND QUALIFICATION****A. APPLICATION**

All vendors desiring to sell goods and services to the City shall first make application with the Purchasing Activity.

Vendors may make application by:

1. Completing the Vendor Application form and Department of Treasury form W-9, Request for Taxpayer Identification and Certification, and returning them directly to the Purchasing Activity.
2. Submitting a request in writing on the firm's letterhead to the Purchasing Activity requesting to be placed on the vendor list.

**B. QUALIFICATIONS**

Qualifications for vendors will be established and recorded by the Purchasing Activity. Vendor qualifications will be based on the following:

1. Vendor reputation and/or performance.
2. Type of commodity sold and/or services provided.
3. Experience.
4. Other factors related to vendor's ability to perform.

**C. VENDORS LIST**

1. The Vendor List is compiled from all approved applications and contains the following information:
  - a. Name and address of vendor.
  - b. Name and telephone number of contact person.
  - c. Class/Item number of commodities sold and/or services provided.
  - d. Taxpayer Identification Number
2. The Vendor list maintained by the Purchasing Activity shall be reviewed periodically.
3. The Vendor list is cross-referenced to the Commodity List for easy reference in the bidding process. (See Section 13.02)

**D. COMPLAINTS AGAINST VENDORS**

All complaints concerning vendor performance shall be directed to the Purchasing Manager. The Purchasing Manager will investigate any charges against a vendor and shall take whatever action is warranted to correct the problem. An example of a performance complaint is failure to deliver goods and/or services as outlined in a Request for Bids. Appropriate action might be cancellation of bid award, liquidated damages, or some other punitive damages.

Should a vendor continuously fail to perform as specified in Request for Bids, or shall a vendor fail to correct any noted deficiencies, the vendor is subject to removal from the City's Vendor List either on a temporary basis or on a permanent basis.

**12.02 VENDOR RELATIONS****A. INTRODUCTION**

The City of Pensacola strives to maintain strong enduring relationships with vendors of proven ability and desire to meet our needs. To accomplish this, our purchasing activities will be conducted so that vendors will value our business and make every effort to furnish our requirements on the basis of quality, service and price. The relationship between the purchaser and seller is one of mutuality. No contract that proves unsatisfactory to the vendor can be regarded as satisfactory to the buyer.

The City will buy only from suppliers who have adequate financial strength, high ethical standards, and a record of adhering to specifications, maintaining shipping promises and giving a full measure of service. New sources of supply will be given due consideration as multiple sources of supply are necessary to ensure availability to materials and promote competition.

It is essential to develop and maintain goodwill between the City of Pensacola and its suppliers. The reputation of the City can be promoted by:

1. Giving all salespersons a full, fair, prompt and courteous hearing.
2. Keeping competition open and fair.
3. Keeping specifications fair and clear.
4. Cooperating with the seller and considering their difficulties in providing the service or product.
5. Having consistent buying policies and principles.
6. Observing strict truthfulness in all transactions and in correspondence.
7. Respecting the confidence of the salespersons or their company as to confidential information.
8. Keeping free from obligation to any vendor.

**B. ETHICAL CONSIDERATIONS**

In any consideration of public responsibilities, there must be understanding and agreement with reference to the ethics of public purchasing. These concepts are well expressed by the Florida Association of Governmental Purchasing Officers, Inc., Code of Ethics, which obligates every procurement official to an unquestionable standard of ethics and conduct. (See Section 2.03)

Pursuant to Section 112.313 of the Florida Statutes, all City employees who participate in the purchasing program shall adhere to the following ethical standards:

A City official or City employee may not directly or indirectly procure contractual services for the City from a business entity of which a relative is an officer, partner, director, or proprietor, or in which he, his spouse, or child has a material interest.

No employee acting as a purchasing official, purchasing manager, or buyer may, directly or indirectly, purchase, rent, or lease any realty, goods or service from a business entity in which he, his spouse, or child (or any combination of them) owns a material interest.

Nor may a public officer or employee, acting in a private capacity, rent, lease, or sell any supply or service to the City.

C. INITIAL VENDOR CONTACT

New salespeople are to be directed to the Purchasing Activity upon their first visit to the City. The Purchasing Activity staff shall explain the purchasing procedures to each salesperson and include the name of his or her firm on the vendor list provided the firm meets the established vendor requirements.

D. DEPARTMENT CONTACT WITH VENDORS

In the day-to-day conduct of their duties, Departmental employees are often in contact with potential vendors and suppliers. While it is sometimes desirable for employees to be in a position to recommend certain products, no Department shall attempt to place orders with vendors except as described in this manual.

**SECTION 13 - SPECIFICATIONS AND COMMODITY LIST****13.01 SPECIFICATIONS**

A good specification describes the commodity or service required in terms clearly understandable to both the seller and the buyer.

**A. SPECIFICATION DEVELOPMENT**

In considering and developing specifications, it must always be remembered that expenditures of the City of Pensacola are derived from public sources and cannot be expected to provide for unwarranted levels of quality. Therefore, the general policy of purchasing good, standard grades of merchandise, which represent an optimum of quality and price and provide a satisfactory level of service, will be followed.

**B. PURPOSE OF SPECIFICATIONS**

Bids and quotations should be based on concise but adequate specifications. A lengthy specification composed or designed solely for the purpose of eliminating competition other than those able to supply a particular brand name should not be used. Specifications should be detailed only to the extent that they assist the purchaser in obtaining the best value, provide a basis for full and fair competitive bidding upon a common standard, and should be free from any restrictions which would have the effect of restricting competition.

**C. TYPES OF SPECIFICATIONS**

There are six basic types of specifications or methods used to describe what is to be purchased.

1. Performance - Specifications which describe the characteristics and capabilities that are pertinent to the intended use of the article. This type specification is less concerned as to how a product is made, and more concerned as to how well it performs, and at what cost.
2. Design - Specifications which employ dimensional and other physical requirements of the item being purchased. This type specification concentrates on how a product is to be fabricated or constructed and is used when a structure or product has to be specially made to meet the purchaser's unique need.
3. Approved Products List - Specifications based on manufacturers' names, brand names, and model or catalog numbers which have been tested or examined and approved, prior to seeking prices.
4. Questionnaire - Specifications wherein 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 his bid.
5. Sample - Specifications requiring the suppliers to furnish representative samples of products offered for the purchaser's comparison and evaluation in determining the successful bidder.
6. "Or Equal" - Specification wherein 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.

**D. RECOMMENDED PRACTICES**

The following guidance is provided for the preparation of a specification:

- State exactly what is wanted clearly, definitely and completely.
- Provide the means or basis for testing deliveries for conformance with the specifications. Without this check, the specification loses much of its force as a purchasing tool.
- Avoid non-essential quality restrictions that add to cost and difficulty in procurement without adding to utility and value.
- Avoid definitions that unnecessarily restrict competition.
- Conform, so far as possible, to established commercial and industrial standards.

**13.02 COMMODITY LIST**

The Purchasing Activity shall establish and maintain a Commodity List. This list shall list all commodities purchased by the Purchasing Activity and will be updated on a continual basis.

The Commodity List provides a simplified means of coding items of goods and services and is used to list vendors under the commodities they wish to supply. The coding system consists of a 3-digit class and 2-digit item code.

The automated bidder selection system also utilizes the Commodity List to prepare a vendor source list for bid solicitations.

**SECTION 14 - GARAGE****14.01 CENTRAL GARAGE****A. REPAIR AND MAINTENANCE**

All road equipment and powered machinery and equipment should be assigned a garage unit number with final authority for assigning a unit number resting with the Transportation Supervisor. Road equipment and powered machinery and equipment includes, but is not exclusive of cars, trucks, dump trucks, sweepers, heavy machinery and equipment, lawn mowers and trailers.

All requests for repair and maintenance of City-owned vehicles and construction equipment (including painting and body repair work) must be processed through the City's Central Garage.

1. Vehicle - All requests for purchase of materials and repairs and maintenance of City-owned vehicles must be processed through the City's Central Garage in accordance with the Vehicle Policy adopted by City Council in September, 1979.
2. Construction Equipment - Includes all City-owned equipment such as bulldozers, tractors, forklift trucks, etc. Specialized repairs and service work (except on specialized fire apparatus) performed by outside vendors may be arranged through the department after notification to the City Garage. The City Garage will assign an outside repair order number to all such repairs. Copies of invoices must be submitted to the Garage upon completion of work. After clearing through the City Garage, all purchases for repair and maintenance should follow the procedures set forth in the purchasing policy.

**B. AUTOMOTIVE PARTS**

Due to the unique nature of their procurement, a Purchasing Policy Sanitation Services and Fleet Management (Central Garage) is hereby established. The intent of this policy is to enhance the efficient purchase of automotive parts. It is not to be considered as an exception to the City of Pensacola's Purchasing Policy. In accordance with Purchasing Policy, the purchase of automotive parts will be made with a purchase order number obtained from Purchasing.

**C. VENDOR SELECTION**

It shall be the responsibility of the person in charge of the Automotive Parts Room to assure that any vendor desiring to do business with the City of Pensacola has sufficient opportunity to fully demonstrate his ability to adequately meet the City's standards. In order to accomplish this, the Parts Room Supervisor shall make a special effort to solicit price quotations from any vendor requesting consideration for comparison to other vendors' quotations. All quotations shall be formally documented and filed systematically for future reference. After a purchase has been made, the results of the comparative quotations may be made available to any vendor for review. No vendor shall be excluded from routine price quotations until it is well documented that his product and/or service, based on price, deliverability, or quality is not acceptable. This practice assures that the City receives the lowest price available and it fosters competition between vendors.

**D. QUOTATION SYSTEM**

The Parts Room Supervisor must constantly be alert to the possibility that any vendor, once established, may gradually raise prices. Therefore, periodic price comparisons will



be conducted to assure that the lowest price is obtained for all purchases. Such periodic price quotations shall be conducted at least every six (6) months and shall be documented and filed for review. In addition to periodic price quotations by the Parts Room Supervisor, the Transportation Supervisor shall routinely select parts (other than those routinely selected by the Parts Room Supervisor) for price comparisons and monitor the results. It is the goal of this practice to assure that vendors give price quotes which recognize the existence of competition.

Unless a contract for purchase exists, no part is to be ordered without first knowing the confirmed price including delivery charges.

E. CONSIDERATION OF DELIVERABILITY

Preference should be given to obtaining the lowest price whenever the operational situation allows. It would be ideal to always have immediate delivery at the lowest quoted price on all parts purchased. However, it is recognized that for deliverability reasons an operational situation may dictate that a higher price for a part is warranted. (Simple inconveniences should never be construed as justification.) In cases of this nature, it is particularly important to document for future reference the reasons surrounding a decision to purchase at a higher price. It is the Transportation Supervisor's responsibility to make certain that proper documentation and procedures are being followed.

All purchases at other than lowest price must have the Transportation Supervisor's approval in a memo justifying the higher purchase price (consequences of delay, availability of equipment and dollar amount involved) which is attached to a signed permanent file copy of the requisition. Priority should be given to contracting for items on which sealed bids can be received as is the procedure for certain utility and fuel stores items. It shall be the policy to implement such contracts where practical. If carefully adhered to, this should significantly limit the time spent soliciting quotations.

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## **SECTION 15 - SURPLUS/OBSOLETE PROPERTY**

### **15.01 RESPONSIBILITY**

Surplus or obsolete property shall be all tangible or personal property regardless of purchase price declared by various City departments as excess property no longer feasible or necessary for the City to maintain. All property disposals shall be approved by the Director of Finance.

### **15.02 DISPOSAL OF SURPLUS LAND AND BUILDINGS**

The City has ample home rule authority to dispose of City property in whatever manner the Council deems in the best interest of the City (Council action dated 1/23/03 repealing Ordinance Sec. 2-3-1, Disposal of Surplus Lands and Buildings authorized).

The Mayor shall identify with confirmation of the City Council any surplus City owned real property for sale or lease in accordance with Council's "Policy for Disposition of City Owned Real Property".

The department organizing the disposal is responsible for communicating with the Financial Services Department and providing all documentation requested.

### **15.03 SURPLUS PROPERTY STORAGE FACILITIES**

#### **A. ON-SITE STORAGE**

The Director of Finance has the discretion to have surplus or scrap materials maintained in the departmental location until sale or disposal.

#### **B. CENTRAL GARAGE**

Vehicles and powered equipment assigned a Garage unit number are to be stored at the Garage upon determination of non-serviceability. The determination of the non-serviceability of these units is the responsibility of the Transportation Supervisor.

Serviceability of all other tangible personal property is made by the requesting department.

#### **C. CONFISCATED PROPERTY**

Confiscated property reported to the Financial Services Department by the Police Department as surplus to their requirements will be disposed of by public auction in accordance with State Statute (F.S. 705.105). Proceeds from public auctions will be deposited into The Law Enforcement Trust Fund and be used for special law enforcement purposes (F.S. 705.103 and F.S. 932).

### **15.04 PROCEDURE FOR TRANSFER, DISPOSAL OR TRADE-IN OF SURPLUS TANGIBLE PERSONAL PROPERTY**

A. Upon determination by any department or office of the City that any tangible personal property is surplus, obsolete, unrepairable, unnecessary, unsuitable, or otherwise no longer useful to such department or office:

1. Inquire of all other City departments to determine if such property can be of use to their operations.
  - a. If of use to another department, transfer the item to the department and
  - b. Upon transfer, complete a fixed asset or continuing property transfer form (see 15.03G).

- 
2. If no such use can be found, notify the Director of Finance in writing of the desired method of disposition (i.e. trade-in, auction, trash, etc.). Include the item description, asset number, acquire date, original purchase price, and reason for request.
  3. The Director of Finance will either provide approval to continue with disposal/trade-in or will advise as to subsequent steps to follow prior to disposal/trade-in. Once approval is granted, disposition of such property may occur by approved means.
  4. Upon disposition/trade-in of such property, complete a fixed asset or continuing property disposal form (see 15.05D).
- B. Any property determined to be hazardous to public health or safety is to be destroyed.
- C. Tangible personal property may be exchanged or traded-in for new or used equipment with approval of the Chief Financial Officer. Consideration should be given to the vendor with the best available net price (Net price is equal to purchase price of the new property less trade in allowance). A Fixed Asset/Continuing Property Disposal Form should be completed upon exchange or trade-in. \*When a copier is replaced, it is preferred as City policy that the copier be traded in.
- D. Disposal of assets with a Garage assigned unit number must be authorized by the Transportation Supervisor. Refer to Section 14 for types of units with a Garage assigned unit number.

#### **15.05 OTHER INFORMATION REGARDING DISPOSAL OF SURPLUS TANGIBLE PERSONAL PROPERTY**

- A. AUTHORITY: Pensacola Code, Chapter 2-3, City Property
- B. COMPETITIVE PUBLIC SALE

The Director of Finance may sell tangible personal property by sealed bid or public auction. If the item had an original purchase price of \$10,000 or a lesser amount, the Director of Finance may dispose of such property by appropriate methods other than by auction.

1. Sealed Bid - Property shall be sold by receipt of sealed competitive bids, after advertisement and acceptance of highest bidder. A Fixed Asset/Continuing Property Disposal Form should be completed upon disposal.
  2. Public Auction - Property may be sold to the highest bidder by a public auction. Property shall be awarded to the highest bidder by the City's auctioneer. The Financial Services Department may negotiate for and obtain the services of a professional auctioneer. All auctions are to be held only after proper legal notice.
- C. CANNIBALIZATION OF PROPERTY

The Director of Finance will be responsible for making the determination on whether the City would benefit by keeping property for parts. After this determination is made, the property will be declared as surplus and returned to the department for its use. The department will then be responsible for the control and proper use of this

property. The Fixed Asset/Continuing Property Disposal Form should be completed upon cannibalization of property.

Cannibalization of property occurring at the Garage is at the discretion of the Transportation Supervisor. Units cannibalized by the Garage must be auctioned within a reasonable timeframe or reported to the Financial Services Department.

**D. REQUIRED FORMS**

The Fixed Asset Transfer or Disposal Form (Exhibit 6) should be completed upon transfer or disposal of property with an original purchase price of \$5,000 or greater. The form should be completed by the department transferring or disposing of the property and forwarded to the Financial Services Department for removal from the City's ledger and inventory records.

The Continuing Property Transfer or Disposal Form (Exhibit 7) should be completed upon transfer or disposal of property with an original purchase price of \$1,000 - \$4,999.99. The form should be completed by the department transferring or disposing of the property and forwarded to the Financial Services Department for removal from the inventory records.

No form is required to be turned in to the Financial Services Department upon transfer or disposal of property with an original purchase price of less than \$1,000.

No form is required for public auctions organized by City Fleet Management.

**SECTION 16 - PURCHASING TECHNIQUES****16.01 DEFINITION OF QUALITY**

Quality means suitability. It doesn't necessarily have to be the best or highest quality, but the right quality for the purpose intended.

**16.02 STEPS TO PRODUCE THE RIGHT QUALITY**

1. Determine the exact quality needed by analysis, physical tests, measurements, and performance when necessary.
2. Remember that quality is not measured by price.
3. Remember that anything below the "right quality" is not good enough; and that anything above the "right quality" is too good, and additional costs outweigh value for the purpose intended.
4. To ensure proper quality, specifications must be written so that supplier understands exactly what is wanted and that proper means of inspection, measurement, or tests are applied.
5. Under certain conditions, the desired quality may be secured by brand name.
6. Proper quality may be secured, under certain conditions, by matching samples.
7. Purchasing proper quality may be accomplished by use of market grades and commercial standards.

It is the responsibility of the Requesting department in cooperation with the Purchasing Activity to develop specifications that will procure the right quality material.

**16.03 BUYING THE RIGHT QUANTITY**

The quantity of material purchased is determined by scheduled requirements or a continuing operation. It is also affected by a change in requirements, change in markets, storage facilities available, cost of storage, handling, loss and depreciation.

**16.04 FACTORS IN DETERMINING QUANTITY**

1. The time required for delivery from the time the order is issued until the goods are received.
2. Minimum economical manufacturing quantity. This will vary with different products. Transportation charges must be taken into account when considering quantity.
3. The storage facilities available and the cost of carrying the inventory will tend to set a maximum of quantity purchased.
4. Condition and trend of the market. During a market rise, the buying of larger quantities is indicated. During a falling market, smaller unit purchases are indicated.

**16.05 METHODS OF QUANTITY BUYING**

1. Definite quantity contracts with predetermined deliveries scheduled.

2. Requirements contracts, in which the quantity is not definitely fixed, but estimated within stated maximum and minimum limits, with deliveries to be ordered as required.
3. Open market purchases of stock items. This is a repetitive procedure and is applied to purchases in which there is no particular advantage to be gained through contract procedure.

#### **16.06 DEPARTMENT'S ROLE IN QUANTITY BUYING**

1. The requesting department shall supply the Purchasing Activity with an estimate of the quantity for the specific job or period.
2. The requesting department shall inform the Central Garage of any anticipated abnormal withdrawal and any changes which are likely to render a store item obsolete.

#### **16.07 BUYING AT THE RIGHT PRICE**

Low ultimate cost is the objective and responsibility of the Purchasing Activity.

#### **16.08 FACTORS AFFECTING THE ULTIMATE COST**

1. A low price paid to a distant supplier might be outweighed by transportation and packing charges.
2. A low price paid for a large quantity may be outweighed by storage and handling costs.
3. A low invoice price by reason of securing inferior materials may result in higher ultimate cost due to inferior workability or difficulties in application.
4. Attention to price comes after quality has been fully considered and decided upon.

In determining price, it is the responsibility of the Purchasing Activity to analyze the following factors:

1. Price should bear a reasonable relation to cost.
2. Should keep abreast of market conditions created by supply and demand.
3. In competitive bidding other factors as well as price must be taken into consideration.

#### **16.09 FACTORS AFFECTING NET COST**

In determining the net delivered cost, consideration must be given to the following:

• Price quoted	• Service offered by supplier
• F.O.B. Point	• Delivery Date
• Discounts	

The Purchasing Activity which buys on price alone is not performing the services required for an over-all economical purchasing program.

**SECTION 17 – SMALL BUSINESS ENTERPRISE PROGRAM****17.01 AUTHORITY****Sec. 3-3-4. Small Business Enterprise program**

(1) *Small Business Enterprise (SBE) policy.* The policy of the City of Pensacola, Florida, is to create economic opportunities for certified local area small business enterprises (hereinafter referred to as "SBE") by establishing a program providing for the encouragement of such enterprises to compete for contracts and subcontracts for goods, services, and construction purchased by and for the City of Pensacola, Florida. This policy is to be implemented in conjunction with section 3-3-1 of the Code of the City of Pensacola, Florida, and with the purchasing policy and procedures manual, without sacrificing cost-effectiveness based on the lowest and best responsible bidder criteria. It is further the policy of the City of Pensacola, Florida, to ensure that all segments of the community, including minority-owned and women-owned business establishments, have an effective opportunity to participate in the city's purchasing program. In furtherance of this goal, the city's policy is to require necessary information from prospective contractors and suppliers of goods and services regarding their minority-owned or women-owned status and that of any subcontractors involved in bids on city business.

(2) *Mayor authority.* The Mayor of the City of Pensacola, Florida, is hereby authorized to establish a program for the purchasing and contracting activities of the City of Pensacola, Florida, directed toward providing economic opportunities to local area certified small business enterprises where practical and feasible. The program which is authorized by this section shall include the following elements:

*(a) Definitions:*

1. *Tier One Small Business* means an independently owned and operated business concern which employs fifteen (15) or fewer permanent full-time employees, and which has a net worth of not more than one million dollars (\$1,000,000.00). As applicable to sole-proprietorships, the one million dollars (\$1,000,000.00) net worth shall include both personal and business investments. Goods and services provided by Tier One Small Businesses may be purchased under the Mayor's spending authority up to \$100,000.
2. *Tier Two Small Business* means an independently owned and operated business concern which employs fifty (50) or fewer permanent full-time employees, and which has a net worth of not more than one million dollars (\$1,000,000.00). As applicable to sole-proprietorships, the one million dollars (\$1,000,000.00) net worth shall include both personal and business investments.
3. *Certified small business enterprise* means a business that has been certified by the City of Pensacola, the Florida Department of General Services, or another governmental agency to be a certified small business enterprise.
4. *Small business joint venture* is a joint business association of small businesses and non-small business firms. The small business firms shall receive a share of contract dollars proportionate to the percentage participation it represents in the joint venture.

5. *Purchasing policy* are those rules and procedures adopted by the city which govern, without exception, all purchases made by and for the City of Pensacola.
6. *Local area* means that geographic area included within Escambia and Santa Rosa counties.
7. *Participation goal* is the percentage goal as determined by the contract coordinator for a specific project based on review of specifications and available certified SBE firms.

(b) Reserved.

(c) The program to be developed and implemented by the Mayor shall have applicability to all purchasing and contracting, including, but not limited to, formal bidding, competitive bidding, and direct purchases by the city.

(d) In the development and implementation of this program, the City manager shall direct the contract coordinator to review all feasible sources of small business enterprise participation in city contracting and purchasing programs and to develop a pool of available concerns to be utilized. The contract coordinator shall also be authorized to evaluate each contracting and purchasing opportunity and to establish a participation goal utilizing available small business enterprises to be required of all potential bidders, contractors, or suppliers. In evaluating competitive bids, the contract coordinator shall make a determination and so recommend to council regarding whether or not a bidder has either met the established participation goal or has demonstrated good faith efforts towards meeting such goal. In the event that a bidder is determined by City Council, upon the recommendation of the contract coordinator and Mayor to not have met an established participation goal and not have evidenced sufficient good faith efforts towards meeting such goal, the Mayor of the City of Pensacola, Florida, may determine that such bid was non-responsive.

(e) The Mayor or his designee shall require prospective bidders or contractors to supply such information as the Mayor may require pertaining to the minority-owned or women-owned status of the bidder or contractor, or of any subcontractor involved in the project. This information will be collected and monitored by the Mayor for purposes of determining the extent of participation by such firms in the city's contracting program.

(3) Quarterly reports. The Mayor shall provide the City Council with quarterly reports describing the operation and effectiveness of the small business enterprise program. The reports submitted by the Mayor shall include information regarding the rates of participation by minority-owned and women-owned enterprises in the city's contracting program.

(Ord. No. 14-88, § 1, 4-28-88; Ord. No. 4-89, §§ 1, 2, 1-26-89; Ord. No. 61-89, §§ 1, 2, 12-7-89; Ord. No. 28-99, § 1, 7-22-99; Ord. No. 29-02, § 1, 9-26-02; Ord. No. 13-09, § 1, 04-23-09; Ord. No. 09-10)



**Sec. 3-3-5. Advertisements.**

All advertisements for bids relative to contracts for public work or improvement, prescribed in section 3-3-2, and all other advertisements for bids relative to contracts for the purchase of materials and supplies, which are required by law to be published, shall be published once a week for two (2) weeks in a newspaper published in the city which meets the requirements of F.S. § 50.031.

(Ord. No. 17-98, § 5, 5-28-98)

**SECTION 18 – FEDERAL PROCUREMENT REGULATIONS**

When federal funds are used for any project, the City will abide by all relevant federal, state and local procurement laws and regulations. City of Pensacola certifies that any and all procurements utilizing federal dollars will. abide by all federal statutes, regulations, and executive orders regarding procurement and contracting policies; including those of 2 CFR 200 .317-326

PROPOSED  
ORDINANCE NO. 07-10

ORDINANCE NO. 12-10

AN ORDINANCE  
TO BE ENTITLED:

AN ORDINANCE CREATING SECTION 3-3-6 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; PROVIDING A PERIOD OF TIME PROHIBITING CONTACT WITH COUNCIL MEMBERS BY BIDDERS; PROVIDING PENALTIES; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 3-3-6 of the Code of the City of Pensacola, Florida, is hereby created to read:

**Sec. 3-3-6. Prohibited conduct by bidders.**

(a) Prohibited conduct.

Upon the publication of any solicitation for sealed bids, requests for proposals, requests for qualifications, or other solicitation of interest or invitation to negotiate by any authorized representative of the City of Pensacola, any party interested in submitting a bid, proposal, or other response reflecting an interest in participating in the purchasing or contracting process shall be prohibited from engaging in any communication pertaining to formal solicitations with a member of the Pensacola City Council or any member of a selection/evaluation committee for RFQs, whether directly or indirectly or through any representative or agent, whether in person, by mail, by facsimile, by telephone, by electronic communications device, or by any other means of communication, until such time as the city council or member of a selection/evaluation committee has completed all action with respect to the solicitation. Any member of council or committee receiving a communication prohibited by this section shall be obligated to disclose such communication to the entire city council prior to council taking any action with respect to the solicitation.

(b) Sanctions.

The city council may impose any one or more of the following sanctions upon a bidder or proposer for a violation of the policy set forth in this section:

- (i) Rejection or disqualification of the submittal;
- (ii) Termination of any contract with the City of Pensacola; or
- (iii) Suspension or debarment from future participation in contracting opportunities with the City of Pensacola for a period of time to be determined by council, not to exceed five (5) years in length.

With respect to the sanctions of termination of contracts, or suspension or debarment, council shall provide an opportunity for a hearing before council prior to the imposition of such sanction, and the decision of council following such hearing shall be final subject only to judicial review within thirty (30) days by petition for writ of certiorari.

(c) The city manager shall designate the appropriate contracting official who shall be charged with the responsibility of including information pertaining to this policy to all prospective bidders or proposers.

SECTION 2. If any word, phrase, clause, paragraph, section or provision of this ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provision or applications of the ordinance which can be given effect without the invalid or unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. This ordinance shall take effect immediately upon its passage by the City Council.

Passed: May 13, 2010

Approved: s/Michael C. Wiggins  
Mayor

Attest:

s/Ericka L. Burnett  
City Clerk

Legal in form and valid if  
enacted:

s/William D. Wells  
City Attorney

## SPENDING LEVELS BY OBJECT CODE

Object Code	Title	\$0 to \$500	\$501 to \$1,500	\$1,501 to \$2,500	\$2,501 to \$10,000	\$10,001-\$25,000
9125	Extra Personnel Service	RP	RP	RP	RP*	RP*
9330	Recreation Supplies (Parks & Recreation only)	RP	RP	PO*	PO*	PO*
9331	Office Supplies	RP	PO*	PO*	PO*	PO*
9331	Office Supplies (Library Only)	RP	RP	PO*	PO*	PO*
9332	Operating Supplies	RP	PO*	PO*	PO*	PO*
9333	Repairs and Maintenance	RP	RP	RP	PO*	PO*
9334	Small Tools & Minor Equipment	RP	PO*	PO*	PO*	PO*
9335	Professional Services	RP	RP	RP	PO*	PO*
9336	Communications	RP	RP	RP	PO*	PO*
9337	Transportation	RP	RP	RP	PO*	PO*
9338	Advertising	RP	RP	RP	PO*	PO*
9339	Postage	RP	RP	RP	PO*	PO*
9340	Printing & Binding	RP	PO*	PO*	PO*	PO*
9341	Rentals	RP	RP	RP	PO*	PO*
9342	Training	RP	RP	RP	PO*	PO*
9343	Dues, Subscriptions & Memberships	RP	RP	RP	PO*	PO*
9344	Auto Allowance	N/A	N/A	N/A	N/A	N/A
9345	Maintenance & Repair of Vehicles	RP	RP	RP	PO*	PO*
9346	Liability Insurance	RP	RP	RP	PO*	PO*
9347	Utilities	RP	RP	RP	PO*	PO*
9348	Fuels & Lubricants (if not inventory item)	RP	RP	PO*	PO*	PO*
9349	Clothing Supplies	RP	RP	RP	PO*	PO*
9350	Inventories of Stores for Resale	RP	RP	RP	PO*	PO*
9351	Medical and First Aid Supplies	RP	RP	RP	PO*	PO*
9352	Meter Parts & Supplies	RP	RP	PO*	PO*	PO*
9353	Pipe Fittings	RP	RP	PO*	PO*	PO*
9354	Chemical Supplies	RP	RP	PO*	PO*	PO*
9355	Agricultural Supplies	RP	RP	PO*	PO*	PO*
9357	Other Contractual Services	RP	RP	RP	PO*	PO*
9358	Rebates	RP	RP	RP	N/A	N/A
9360	Miscellaneous	RP	RP	PO*	PO*	PO*
9361	Unclassified	RP	RP	PO*	PO*	PO*
9364	Service Awards	RP	RP	RP	PO*	PO*
9365	Land Fill Fees	RP	RP	RP	PO*	PO*
9370	Non-Capitalized Assets	N/A	RP**	PO**	PO**	PO**
9661	Land	N/A	N/A	N/A	PO***	PO
9662	Buildings	N/A	N/A	N/A	PO***	PO
9663	Improvements Other Than Buildings	N/A	N/A	N/A	PO***	PO
9664	Infrastructure	N/A	N/A	N/A	PO***	PO
9665	Machinery & Equipment	N/A	N/A	N/A	PO***	PO
9666	Office Equipment	N/A	N/A	N/A	PO***	PO
9667	Road Equipment	N/A	N/A	N/A	PO***	PO
9668	Books (Library & City Attorney Only)	RP	RP	RP	PO♦	PO
9669	Construction-in-Progress	N/A	N/A	N/A	PO***	PO
* RP may be used with prior approval of Director of Finance.						
** PO must be used if item over \$1,000.						
*** Must be over \$5,000.						
♦ RP may be used if items are less than \$5,000.						

**CITY OF PENSACOLA PURCHASING DEPARTMENT  
REQUEST FOR QUOTATION  
REPLY PROMPTLY VIA FAX: (850) 435-1700**

**INSTRUCTIONS** - List your best selling price in the unit price column for the item(s) you are quoting on. Indicate below if item(s) quoted is on a State of Florida contract, Florida SNAPs agreement, GSA contract, or other government contract. Please read the terms and conditions listed. Complete and sign the lower portion of this form. **Quotations shall include all freight costs to Pensacola, Florida to a point(s) specified herein or specified at the time the purchase order is placed.**

SHIP TO:

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The City of Pensacola Purchasing 222 West Main Street Pensacola, FL 32502 (850) 435-1835		<b>THIS IS NOT AN ORDER</b>		
		Reply By:		
		Date of Request:		
SECTION BELOW MUST BE FILLED IN COMPLETELY				
Vendor Name:		Area Code/Phone #:		
Vendor Mailing Address:		Toll Free #:	Fax #:	
City, State, ZIP		FEI # (Federal Employer ID)		
Email:				
Qty	Unit	Item Description	Unit \$	Total \$
Terms:		Net 30 – unless otherwise indicated	Grand Total:	
Name of Buyer:		Signature:		

We agree to furnish the above according to your plans, specifications, and standard conditions for bids as indicated at prices specified hereon.

SUBMITTED BY: \_\_\_\_\_  
Print Name

SIGNATURE \_\_\_\_\_

DISCOUNT: \_\_\_\_\_%      DELIVERY SCHEDULE: \_\_\_\_\_      DATE \_\_\_\_\_

## INFORMATION, INSTRUCTIONS AND CONDITIONS

1. Bid prices shall be stated in units requested. Prices shall remain firm for a period of 30 days.
2. Quotations shall include all freight costs to Pensacola, Florida to a point(s) specified herein or specified at the time the purchase order is placed. No title to the item(s) ordered nor any risk of loss shall be passed to the City of Pensacola until after receipt of delivery has been acknowledged by an authorized representative of the City of Pensacola.
3. Any manufacturer's names, trade names, brand names, model numbers, etc., listed in this quotation are for information only and not intended to limit competition. The bidder may offer any brand for which he is an authorized representative, which meets or exceeds the specifications as written. If the bid is based on an "approved equivalent or equal" item, supportive information in the form of the manufacturer's printed literature or brochures, sketches, diagrams and/or complete specifications must accompany the bid with vendor's name listed on each separate sheet. The City of Pensacola reserves the right to determine acceptance of proposed equivalent or equal items.
4. Unit price, extension and gross total must be shown.
5. The City of Pensacola is exempt from State Sales Tax and Federal Excise Tax, including transportation and sales and use taxes. Do not include these in your quotation, unless otherwise noted on face of the form.
6. Request For Quotation must be signed and returned by the time and date shown on the face.
7. The City of Pensacola reserves the right to reject any and all quotes, to waive any informalities and unless otherwise specified by the vendor, to accept any items quoted. In case of error in the extension of prices, the unit price will govern.
8. In the case of default of the contractor, the City of Pensacola may procure the articles or services from other sources.

<b>QUOTATION SUMMARY</b> _____ Telephone    _____ Written		Vendor		Vendor		Vendor	
		Delivery Date		Delivery Date		Delivery Date	
Opening Date:		Quoted By		Quoted By		Quoted By	
Closing Date:							
Department:		FOB		FOB		FOB	
Buyer:		Phone		Phone		Phone	
Qty	Description	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
TOTAL							
SMALL BUSINESS ENTERPRISE (Yes/No)							
Comments:  							

## SOLE SOURCE CERTIFICATION

VENDOR NAME: \_\_\_\_\_

COMMODITY: \_\_\_\_\_

Initial all entries below that apply to the proposed purchase. Attach additional data or support documentation if necessary. (More than one entry will apply to most sole source products or services).

### **SOLE SOURCE CERTIFICATION:**

1. \_\_\_\_\_ Parts/Equipment can only be obtained from original manufacturer - not available through distributors. (Items 3, 4, 5 or 6 must also be completed)
2. \_\_\_\_\_ Only authorized area distributor of the original manufacturer. (Items 3, 4, 5 or 6 must also be completed)
3. \_\_\_\_\_ Proprietary item/service. (Explain Below)
4. \_\_\_\_\_ Parts/Equipment not interchangeable with similar parts of another manufacturer. (Explain Below)
5. \_\_\_\_\_ This is the only known item/source that will meet the specialized needs of this department or perform the intended function. (Explain Below)
6. \_\_\_\_\_ Parts/Equipment are required from this vendor to provide standardization. (Explain Below)
7. \_\_\_\_\_ None of the above apply. Explanation for sole source request is detailed below.

### **COMMENTS/EXPLANATION: (USE REVERSE SIDE IF NECESSARY)**

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~~On the basis of the foregoing, I recommend that competitive procurement be waived and that the service or material on the attached requisition be purchased as a sole source commodity.~~

SIGNED: \_\_\_\_\_ DEPARTMENT  
DIVISION: \_\_\_\_\_  
Department Director

APPROVED: \_\_\_\_\_ DATE: \_\_\_\_\_  
Purchasing Manager



**FIXED ASSET  
TRANSFER OR DISPOSAL FORM**

*For assets with an original cost of \$5,000 or greater*

(To Be Completed By Accountable Officer and Department Director  
AFTER Transfer/Disposal has occurred)

**I hereby request relief from accountability for fixed asset described below:**

Asset No. \_\_\_\_\_ Description \_\_\_\_\_

Acquire Date \_\_\_\_\_ VIN # /Serial # (if avail.) \_

Original Cost \_\_\_\_\_ Book Value \_\_\_\_\_ Department \_\_\_\_\_

The Asset was **TRANSFERRED**:

Date of Transfer: \_\_\_\_\_ Department transferred to: \_\_\_\_\_

Reason for Transfer: \_\_\_\_\_

**OR**

The Asset was **DISPOSED** of:

Date of Disposition: \_\_\_\_\_ How Was the Asset Disposed of? \_\_\_\_\_

Reason for Disposition: \_\_\_\_\_

By signing this form, I verify that the asset described above was transferred or disposed of *in accordance with Section 15 of the City of Pensacola Purchasing Manual.*

Accountable Officer \_\_\_\_\_

Date \_\_\_\_\_

Department Director \_\_\_\_\_

Date \_\_\_\_\_

**\*\*Please attach Director of Finance (or City Council) written approval  
of disposal to this form.\*\***

Forward to the Financial Services Department

**CONTINUING PROPERTY  
TRANSFER OR DISPOSAL FORM**

*For assets with an original cost of \$1,000 to \$4,999.99*

(To Be Completed By Accountable Officer and Department Director  
AFTER Transfer/Disposal has occurred)

**TRANSFERS**

Asset #	Acquire Date	Description	Receiving Department	Original Cost

**DISPOSALS**

Asset #	Acquire Date	Disposal Date	Description	Method of Disposition	Original Cost

**Other Changes** (please attach additional sheets as needed)

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By signing this form, I verify that the asset described above was transferred or disposed of *in accordance with Section 15 of the City of Pensacola Purchasing Manual.*

Department Director \_\_\_\_\_

Date \_\_\_\_\_

**\*\*Please attach Director of Finance (or City Council) written approval of disposal to this form.\*\***