

Procedure Category: Finance
Subject: Purchasing Goods and Services
Effective Date: January 24, 2013
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Procedure: FN-11

Purpose and Scope:

- This procedure outlines the duties and authority of the Purchasing Official, requesting departments, and all employees regarding the purchase of goods and services described in this procedure.
- This procedure does not apply to the expenditure of funds for programs or contracts to provide services on behalf of children and families.
- This procedure implements Board Policy Sections I.14.A Duties of the Executive Director; and Section I.14.C Implementation by Executive Director of Expenditures Approved by the Board.

Standards and Procedures:

All purchases shall meet the following standards and procedures:

Legal Standard:

- Purchases shall be conducted in a manner consistent with the principle that Children's Board funds shall always be spent efficiently and in the best interest of the Children's Board and the public. A purchase order is required for the purchase of any good or service.

Documentation:

- In compliance with this procedure, documentation sufficient for an audit shall be prepared prior to the time of purchase.

Prohibited Conflicts:

- Employees involved in or influencing a purchase shall avoid any conflict of interest and shall maintain the highest degree of integrity and fairness throughout the purchasing process.
- Employees shall not purchase or recommend the purchase of goods or services from family members, board members, relatives or friends.
- Employees shall not bill personal purchases to any of the Children's Board accounts or purchasing cards nor use the Children's Board tax-exempt number to make personal purchases.

Procurement Ethics:

- The Children's Board will spend the taxpayer's money in the most efficient manner.
- All purchases in the operating budget will be procured through one of several purchasing processes as applicable and/or required by the adopted procurement procedures.
- Members of the Board of Directors will not influence or interfere in the purchasing process.
- All competitive purchases will be fair and equitable as required by the adopted procurement procedures.
- Employees shall not engage in communications with bidders outside of the purchasing process regarding a pending procurement.

Definitions:

Good:

Article of trade, wares, or merchandise.

Service:

Employment in duties or work; services are time limited.

Invitation to Bid (ITB):

An invitation to submit a sealed competitive price quote on a specific project to be realized or goods or services to be furnished.

Invitation to Negotiate (ITN):

A competitive solicitation for goods or services, where factors other than price are considered in the award determination. These factors include but are not limited to vendor experience, project plan, or design features.

Request for Proposals (RFP):

A written proposal made through a bidding process for the procurement of goods or services.

Request for Qualifications:

A written invitation for statements of qualifications to select one or more vendors to provide a specified goods or services.

Request for Quotes (RFQ):

An invitation to submit a written offer to provide goods or services.

Purchasing Official:

The individual responsible for the administration of the purchasing process

Designees:

The working title of said employee designated as the point of contact; Executive Director, Department Director.

Requesting Department:

Requesting Department means the employee assigned to purchase goods or services acting under the direction and authorization of the employee's department director or the department that will use the goods or services.

Bidder, Proposer, Vendor and Contractor:

These terms are used to refer to those seeking to do business or are doing business with the Children's Board.

Contract:

This term means a formal written document used to contract for goods and/or services and executed by all parties involved and may go by the name of INDEPENDENT CONTRACTOR AGREEMENT, SERVICE LEVEL AGREEMENT, LICENSE or SERVICE AGREEMENT.

Online Announcement Service:

This term means one or more web-based companies providing announcements of contracting opportunities.

General Purchasing

Preparing to Purchase:

To prepare a purchase the requesting department shall:

- Estimate the amount of the purchase;
- Review the budget prior to initiating the purchasing process to determine if funds are budgeted;
 - If the item is not in the budget, the department director must consult with the Director of Finance to determine if and where the dollars may be adjusted in the budget to complete the purchase. Proposed revisions may be brought to the Executive Director for approval, and approved in writing by the Director of Finance;
- Ensure the appropriate department director approval and when necessary, the Executive Director's approval has been obtained for the purchase.

Additional Expenditure Authorizations:

- The Executive Director is authorized to approve expenditures up to \$75,000;
- In the absence of the Executive Director a department director may authorize expenditures not to exceed \$10,000 with notification to the Executive Director;
- Department managers may authorize expenditures not to exceed \$3,000 with notification to the department director supervising said department;
- Approval of expenditures that do not meet the above conditions must be approved by the full Board, except in emergency situations as determined by the Executive Director, with notification to the Board Chair as soon as practicable and in their absence a member of the Executive Committee.

Procurement of Goods or Services to Support CBHC Operations:

There are two methods of procurement:

- Competitive
- Sole Source

At each monthly CBHC Board meeting, a complete list of all contracts signed by the Executive Director for the preceding month shall be included in the Board meeting materials.

Purchases Subject to Statutory Requirements:

The following purchases are subject to Statutory Requirements of the state of Florida:

Auditing:

- Procurement of audit services by an independent Certified Public Accountant licensed pursuant to Chapter 473 and retained by the Children's Board to perform a financial audit is governed by section 218.391, Florida Statutes.
- Purchase of auditing services shall follow the requirements of section 218.391, Florida Statutes and this Purchasing Procedure in matters not addressed in the statute.

Architects and other Design Professionals:

- Certain purchases of services of architects and other design professionals are governed by the Consultants' Competitive Negotiation Act ("CCNA"), section 287.055 Florida Statutes, which establishes selection and contracting procedures for architects, engineers, landscape architects, design-builders, and surveyors and mappers.

Construction Contractors:

- Purchases of construction contractors are governed by section 255.20, Florida Statutes, which establishes the methods of purchasing and forms of announcement for construction projects.

Exemptions:

Purchases exempt from the competitive process:

The following purchases are exempt from the competitive purchasing process, but are subject to the other applicable provisions of this procedure. While some of these purchases may be initially competitively acquired, they may be exempt from the five (5) year renewal purchasing requirement.

- Goods or services determined to be a sole source and approved by the Executive Director. The approved sole source form must be attached to the purchase order;
- Regulated utilities, i.e. water, sanitary sewer, electricity, and solid waste;
- Regulated public communications;
- Membership dues according to the standards applicable to state agencies pursuant to Section 216.345, Florida Statutes;
- Interlocal/Intergovernmental agreements (Chapter 163, Florida Statutes);
- Real estate lease, license, purchase or sale agreements (which may include concessions), and appraisers;
- Legal services, including attorney, paralegal, expert witness, appraisal, arbitrator or mediator services. For anticipated expenses incurred under legal services, the Children's Board may pay a designated vendor directly for approved services authorized under any contract for legal services. A copy of the agreement between vendor and Board Attorney will be submitted to Children's Board with invoice and W-9 form;
- Conferences, lectures or specialized training attended by staff;
- Staff travel conducted according to Section 112.061, Florida Statutes, including conferences;
- Specialized training or presentations when the facilitator is paid for the service;
- Insurance agreements and policies;
- Maintenance agreements or services on proprietary or licensed equipment or software;
- Emergency purchases;
- Negotiated purchases after the rejection of all bids, proposals, or submission of quotes, or statements of qualifications;
- Publications, subscriptions, media including television, radio, print, billboard advertising;
- Other instances where exceptions are provided by state or local law.

Purchases using State, National, and Local Purchasing Agreements:

National, State and Local Purchase Agreements:

- Purchases of goods and services below the maximum amount that may be approved by the Executive Director pursuant to Board Policy 1.14.A or similar Board Policy may be made from the purchasing agreements of the national U.S. Communities Purchasing Alliance, state of Florida and local governments, such as special districts, municipalities, counties, or similar systems that use appropriate competitive purchasing methods, collectively called Combined Purchasing Agreements. See section (287.056) Florida Statutes. Such purchases shall be considered to be purchases according to this purchasing procedure as to the form of announcements for informal and formal competitive requirements. Other parts of this procedure shall be followed as applicable to all purchases.

Documentation:

- Attach the identifying information about the source of the national, state, or local purchase agreement. Describe the procedure.

Purchases of Goods and Services not exceeding \$1,000:

- The purchasing checklist is not required for purchases under \$1,000 with the exception of conference travel.
- Price comparisons are not required but due diligence will be used to obtain the best possible price.
- If price comparisons are obtained, they should be documented on the form, CBHC Summary of Quotes Obtained. This form should be submitted with the purchase order.
- **If a purchase is for services under \$1,000 a contract is not required. (Refer to Procedure FN-2 -Contract Development for additional details).**

Purchases of Goods and Services \$1,000 - \$25,000:

- The purchasing checklist is required for purchases over \$1,000.
- A minimum of three price comparisons are required. This requirement may be waived if reasonable efforts failed to result in the desired number.
- Price comparisons should be documented on the form, CBHC Summary of Quotes Obtained. This form is to be submitted with the purchase order.
- If price comparisons have been obtained within the last five (5) years, the most recent form may be submitted, with the exception of IT equipment.
- If the purchase is for services a contract is required. **(Refer to Procedure FN-2 - Contract Development for additional details).**

Methods for obtaining Price Comparisons:

- Internet searches of vendor/supplier websites and related prices;
- Written quotations, obtained via email, or facsimile (fax), from at least three (3) or more vendors, including minority or disadvantaged vendors/suppliers obtained from the city of Tampa or Hillsborough County procurement registries;
- Invitation to Bid (ITB);
- Request for Quote (RFQ);
- Request for Qualifications, including hourly rate to deliver services or cost to deliver goods.

Methods of solicitation:

- Advertising is optional for purchases less than \$25,000; but may utilize advertisements in local newspapers, neighborhood or area publications, DemandStar or similar online bidder resources.
- Lists and contact information of potential suppliers of goods or services from other government agencies.
- Internet searches for potential suppliers of goods and services.
- Review of Certified Minority Business Enterprise (MBE) Directories (published by Hillsborough County or the City of Tampa) for the purpose of affording minority-owned businesses an opportunity to participate in Children's Board purchasing.
- Complying with the applicable provisions of Chapter (112), Florida Statutes, on financial disclosure and conflicts of interest.

Purchases of Goods and Services Exceeding \$25,000:

- The purchasing checklist is required for purchases over \$25,000.
- The Formal Competitive Purchasing Process is required at least every five (5) years. (Refer to the section on formal competitive process).
- If a member of the local government purchasing pool has completed a formal competitive process for the purchase of goods or services the Children's Board may utilize the vendor chosen in lieu of conducting a formal competitive search.
- If a purchase is for services a contract is required. **(Refer to Procedure FN-2 - Contract Development for additional details).**

Formal Competitive Process:

Determination of Need:

- A requesting department will select the required or appropriate form of solicitation in collaboration with the Purchasing Official to request vendors to submit a bid or proposal. The form of solicitation provides specific instructions for proposal development.

Scope of Work Development:

- The Purchasing Official will assist the requesting department with preparations of specifications and the scope of work. A specification and/or scope of work should state specific requirements in terms of function, performance or design. Performance-based specifications or work statements that focus on desired performance or results may be considered preferable to the use of specifications that focus on a specific product or service details. The following checklist may be used to determine the adequacy of a proposed specification or scope of work:
 - Does the specification/scope of work describe the needs of the CBHC in terms of essential function or performance required?
 - Does the specification/scope of work indicate the end usage or expected results?
 - Is the specification/scope of work clear and understandable?
 - Does it encourage competition by considering more than one source of supply?
 - Are standard specifications available?
 - Are there any unusual conditions to be considered?
 - Do the specifications require participation by multiple vendors?
 - If a specific brand or model is referenced, does the scope of work include the term "or approved equal"? If not, is there sufficient documented rationale supporting the use of the specific product?
 - Are the deliverables, cost per item and the payment dates clear?
- A clear, concise and accurate statement of work that is void of elements proprietary or unique to a single vendor is the most important single contributor to an effective competitive procurement action.
- Any purchase that involves information technology and/or computer software should be coordinated in advance with the Information Technology Department and Hillsborough County IT support.

Forms of Competitive Invitation to Respond:

A requesting department will select the required or appropriate form of solicitation to request vendors to submit a bid or proposal. The form of solicitation provides specific instructions for proposal development.

Examples of Competitive Invitations to Respond:

	Goods	Services
<p><u>Request for Quotes (RFQ)</u> A written invitation to submit quotes for the purchase of goods or services.</p>	<p>The standard of award for goods is to select the lowest priced, qualified, responsive, and responsible quote if the only variable among the quotes is the price. Select the best quote meeting the request if factors other than price were included in the Request for Quotes.</p>	<p>The standard of award for services is to select the quote best meeting the request and by which the Children's Board receives the best value.</p>
<p><u>Invitation to Bid (ITB)</u> A written invitation for competitive sealed bids. All invitations to bid must include a detailed description of the goods or contractual services: If the Children's Board contemplates renewal of the contract, a statement to that effect and its terms should be included in the ITB.</p>	<p>The standard of award for goods is to select the lowest priced, qualified, responsive, and responsible bidder. The award is based solely on the bid price and does not include negotiations with bidders. In a bid situation the only variable among qualified, responsive, and responsible bidders is the price. Use other forms of inviting a vendor's response such as a Request for Proposals, if evaluation factors other than price are to be evaluated.</p>	<p>The standard of award for services is to select the lowest priced, qualified, responsive, and responsible bidder. The award is based solely on the bid price and does not include negotiations with bidders. In a bid situation the only variable among qualified, responsive, and responsible bidders is the price. Use other forms of inviting a vendor's response such as a Request for Proposals, if evaluation factors other than price are to be evaluated.</p>
<p><u>Invitation to Negotiate (ITN)</u> A written invitation for competitive sealed responses to select one or more vendors the identified staff will negotiate for the procurement of goods or services.</p>	<p>The standard of award for goods is to select the best negotiated result which represents the best value based on the evaluation criteria in the Invitation to Negotiate.</p>	<p>The standard of award for services is to select the best negotiated result which represents the best value based on the evaluation criteria in the Invitation to Negotiate.</p>
<p><u>Request for Proposals (RFP)</u> A written invitation used when Standard of Award will include price and other criteria stated in the RFP. Under a competitive RFP, the quality of competing goods or services may be compared based on the specific criteria in the RFP.</p>	<p>The standard of award is to select the best proposal meeting the request and by which the Children's Board receives the best value for the stated outcome.</p>	<p>The standard of award is to select the best proposal meeting the request and by which the Children's Board receives the best value for the stated outcome.</p>
<p><u>Request for Statement of Qualifications</u> A written invitation for statements of qualifications to select one or more vendors to provide for the specified goods</p>	<p>The standard of award is to select the most qualified vendor to demonstrate their abilities to meet standards specified for qualification.</p>	<p>The standard of award is to select the most qualified vendor to demonstrate their abilities to meet the standards specified for qualification.</p>

or services.		
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Public Notice of Advertising Solicitations:

- Public Notice Advertising for Formal Competitive Purchases is required.
- A brief Public Notice advertisement will be placed in local publications of General Circulation to inform communities and neighborhood business and residents across Hillsborough County of opportunities to participate in competitive solicitations that have been released by CBHC and where additional information may be obtained regarding a specific solicitation.
- Information related to Formal Competitive Purchasing (goods and services) shall be placed on the CBHC website and may be placed with an Online Service or other websites.

Types of Advertising: (Purchases Exceeding \$25,000)

- Advertising is required for Formal Competitive Purchasing over \$25,000. Information related to formal competitive purchasing (goods and services equal to or greater than \$25,000) shall be placed on the CBHC website and may be placed with an Online Announcement Service, other websites or in newspapers or other publications.
- Invitations to respond are announced or advertised to the public using one or more of the following methods:
 - Utilizing the Children's Board Website;
 - Posting on the Internet;
 - Use of an Online Announcement Service;
 - Newspaper publication of General Circulation;
 - Minority Business Directory;
 - Direct requests from vendors.

Restricted Communications:

- Discussion of any part of any solicitation from the date of issuance until the time of award between any vendor with any potential interest in the solicitation and any employee or consultant employed by the Children's Board is prohibited except as expressly authorized by the Purchasing Official. The exception is with open meetings concerning the purchase.
- The only communications that shall be considered pertinent to a solicitation are the written documents between the designated representative for the purchase and the interested vendor(s).

Pre-Bid Conferences:

- A pre-bid conference may be scheduled for any purchase when it is deemed advisable to allow vendors to consult with purchasing employees and the requesting Department(s) to help ensure full mutual understanding of the terms, conditions, and requirements of the solicitation, and, if applicable, to view the site where the work is to be completed.
- This conference shall be scheduled at a time during the solicitation period to allow time for vendors to prepare for the conference and to consider the information provided.

- Vendor conferences may be optional or mandatory dependent on the specific requirements of the procurement.
- The procedure for restricted discussions between CBHC and vendor personnel during the solicitation process is not applicable during pre-bid conferences.

Addenda to Solicitation Documents:

- There may be occasions when it is necessary to change the specifications, terms, or conditions of a given solicitation. Such changes may be in response to department changes, clarifications, or written vendor inquiries, and shall be formalized by the release of an Addendum.
- The Addendum becomes part of, and supersedes, the revised section of the solicitation documents.
- No change to the terms, conditions, or other requirements stated in a solicitation is official unless the change is expressed in an Addendum.
- Vendor bids or proposals may be rejected by the CBHC if the vendor fails to acknowledge receipt of all addenda.

General Direction Regarding All Responses:

- **Timeliness:**
 - All vendor responses must be received by the time and date stated in the solicitation document to be considered eligible for award. All responses will be publicly opened by the Purchasing designee at the place, date and time indicated in the procurement document.
 - Vendors shall be contacted if their response is not submitted in a timely manner, and given the choice; return of their response at their expense, or destruction of the response.
 - Purchasing employees will retain evidence of any late submissions of the response, time, manner, and of disposition of the late response, within the solicitation files. Any vendor appeal in writing in this regard shall be addressed to Purchasing Official and fully coordinated with the CBHC Board Attorney.

Public Review:

- All supporting documents associated with a specific purchase will be available for public review as soon as permitted by the Public Records Law.

Negotiations and Clarifications:

- Minor clarifications of the bid or response and minor refinements of the contract that involve no material change to an initial vendor response or the Children's Board's procurement documents may be discussed and resolved by the purchasing employees in coordination with the requesting department with any vendor.
- Negotiations involving a material change to the bid, the vendor's response, or the Children's Board's procurement documents are not permitted.

Formation of Selection Committees:

- Selection Committees shall generally consist of three to five voting members. The actual number of personnel involved will be based upon the specific nature of the procurement release. As an exception, multiple personnel from a single department may be included on a Selection Committee.

- An alternate voting member may be included at the time the committee is appointed and will become a voting member in the event that a long-term substitution is required.
- The Director of a requesting department impacted by a specific contract award will serve as one of the members of the Selection Committee.
- A non-voting technical advisor may be used in conjunction with a Selection Committee when necessary.

Use of Selection Committees:

- A Selection Committee may be used for the evaluation of responses when determined appropriate by the Purchasing Official. Selection Committees should be comprised of qualified personnel and may include individuals from external entities.
- Selection Committees are subject to all applicable provisions of the Florida Sunshine Law. Selection Committee meetings shall be noticed and conducted as required by the Sunshine Law (Section 286.011, Florida Statutes).
- Selection Committee members shall be recommended by requesting departments in coordination with the Children's Board employees and approved by the Purchasing Official and the Executive Director. The designated procurement representative for the specific acquisition shall facilitate all committee meetings, prepare written minutes of all such meetings, and provide general support to the committee throughout its deliberations.
- Selection Committee proceedings may be audio-recorded, but is not required. A staff member will be designated if audio recordings are warranted.

Performance of Personnel Designated for Selection Committees:

- Each individual appointed to a Selection Committee shall assure that his/her service shall be in compliance with the Conflict of Interest and Code of Ethics requirements of the CBHC and the Florida Sunshine Law. Individuals appointed to serve as Selection Committee members must plan to attend all orientation and evaluation meetings and be prepared to complete all required actions to complete a comprehensive evaluation.
- Each such individual shall ensure that they do not discuss any aspect of the evaluation outside of appropriately publicly noticed Committee meetings.
- Any request by a committee member to be excused after the initial appointment to a specific Selection Committee must be in writing and be signed by the department director. The alternate will be used should this situation arise.

Evaluation of Proposals/Statements of Qualifications:

- Each proposal shall be evaluated independently by each member of the committee based on the criteria and process established in the procurement document.
- The committee will hold a formal orientation to review the solicitation and discuss their role in the evaluation process.

- Subsequent meetings will be scheduled to discuss and rate the proposals, attend discussions and/or presentations of “short-listed” firms, conduct reference checks, conduct other related activities, and upon specific request, to review and evaluate price proposals.
- The primary purpose of the committee is to provide an initial “short-list” and final ranking of the vendor responses.
- Vendors may be advised by the designated staff of their status at the time “short-listing” occurs and at the time a specific vendor or vendors are designated as the highest qualified respondent(s).

Recommendation for Award:

- Recommendation for award(s) shall be made in accordance with the evaluation criteria and method stated in the solicitation.
- The final recommendation of awards over \$75,000 will be voted on by the Board of Directors of the Children’s Board.
- The Purchasing Official will send a letter of notification to all vendors to include the final award determination.
- Any change in an award determination that occurs after issuance will require a revised award determination notice to all vendors.

Resolution of “Tie” Situations:

- In the event of a “tie” in the competitive purchasing process the situation will be resolved in favor of the vendor who has operated under its current name the longest as indicated by the state’s Division of Corporation’s official records.
- If this does not clearly resolve the tie as determined by the Purchasing Official, a publicly announced drawing will be conducted by the Purchasing Official with representation from the Children’s Board’s requesting department, the CBHC Board Attorney, and any other interested party.

Debriefing of Unsuccessful Responding Vendors:

- Once a formal award determination under an RFP, ITN, ITB or RFQ action has been finalized, vendors requesting a formal debriefing regarding the evaluation of their proposal may be scheduled.
- Debriefings may be conducted by conference call or in person. The CBHC will be represented by the assigned designated staff person and may include a representative of the Selection Committee.
- Discussion will be limited to issues regarding the proposal submitted by the vendor requesting the debriefing and will be focused on information intended to enable the vendor to respond in a more successful manner in the future.

Response to Public Records Requests:

- Any request for a public record relating to any solicitation process submitted by a vendor, or any member of the public, will be processed in strict compliance with applicable Public Records law in full coordination with the CBHC Board Attorney when appropriate.

Protest Procedures:

- A vendor wishing to protest an award decision regarding a contract for operational goods or services shall do so by written notice of protest to the Purchasing Official.
- A written notice of protest shall be filed with the Purchasing Official within seventy-two (72) hours after the receipt by the protesting vendor of a specific award recommendation letter or email by Purchasing Official.
- A formal written protest shall be filed within five (5) days after the date the notice of protest is filed. The formal written protest shall state the facts and the specific law upon which the protest is based. Saturdays, Sundays, and state holidays shall be excluded in the computation of the seventy-two (72) hour time periods provided by this paragraph.

Sole-Source purchases of goods or services:

A sole-source purchase is exempt from the formal competitive process.

Determination of Sole Source:

Considerations for justification of a Sole Source procurement may include:

- The good is a component, repair, or replacement part of existing equipment for which no commercially available substitute exists and the purchase can only be made from the manufacturer or sole distributor;
- Circumstances exist that dictate delivery as a critical factor and only one vendor is able to meet the time constraints;
- No other manufacturer/vendor can market a like or comparable product;
- It is the only item (goods or services) that will produce the desired results or fulfill the specific need.

Method of Purchase:

- Exempt from the required forms of announcement, but subject to all other applicable requirements of this procedure.

Proprietary Items:

- A request for a proprietary item does not justify sole-source procurement if there is more than one potential distributors for the type of item sought.

Advertising Placements:

- Advertising placements are not required, but the requesting department is encouraged to use information collected from an Online Announcement Service, and other websites and publications to determine if a good or service is available from only a single source.

Negotiations:

- When the requesting department has documented that a sole source exists for the required goods or services on Purchase Process Checklist, employees shall conduct negotiations, as appropriate, as to the price, delivery, and terms.
- The procurement shall be made in accordance with the other requirements of this procedure.

Documentation and Determination of Sole Source:

- The requesting department shall document the attempts to determine the availability of the good or service (see Sole Source Verification Statement for more information). Such information shall be verified by Purchasing Official.
- The documentation by the requesting department and Purchasing Official shall consist of completion of the form, Sole Source Purchase Statement.

Limitation on Renewals:

- A sole-source contract may not be extended without the completion of another sole-source determination.