

CITY OF LARGO ADMINISTRATIVE POLICIES AND PROCEDURES MANUAL

Policy:	Purchasing	Policy Number:	FP-02-03
Originating Department/Division: Administration/Office of Management and Budget			
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POLICY

The purchasing process is governed by Chapter 2, Article V of the Code of Ordinances.. The purpose of this policy and procedure is to implement the requirements of the Code of Ordinances.

The Office of Management & Budget (OMB) is responsible for ensuring that all purchasing is conducted in an unbiased and fair manner that results in public funds being spent for high quality goods and services at a fair and competitive price. The goal is to achieve a proper balance between quality and cost while maintaining public confidence in the purchasing process.

PROCEDURE

Purchasing Definitions

APA Annual Purchase Agreement (APA) is used for a purchase for an estimated amount within a fiscal year. An APA can encumber funds to easily identify anticipated current, on-going, or future purchases. The key difference between a BPO and an APA is the APA is created within the Financial System providing an automated way of tracking purchases and does not cross over fiscal years. Any APA equal to or greater than \$50,000 in one fiscal year must be taken to the City Commission for approval.

Example A: Purchase of Chemicals – The estimated purchase amount is encumbered and a unit cost is set for the fiscal year.

Example B: Solid Waste Disposal Cost - More than one vendor is used for this service so three APA's are created encumbering \$1.00 on each. Actual purchases are charged against the APA's as the invoices are received. There is no projection of how much debris will require disposal or which vendor will be utilized.

Bid A bid is a competitive process used for purchases equal to or greater than \$50,000. A bid is used when price is used as the primary criteria for award. Please note: All bid evaluation meetings are public meetings. While the evaluation committee may meet at any time to address pertinent issues pertaining to the procurement process, any discussion regarding the actual evaluation and/or ranking of bids must be advertised as a public meeting and must be held at a location accessible by the public.

BPO A Blanket Purchase Order (BPO) is used to establish a price or discount for a set period of time. A BPO does not encumber funds. BPOs are established prices or discounts that cross fiscal years and/or are not tied to a specific account number. Any BPO that may result in purchases equal to or greater than \$50,000 must be taken to the City Commission for approval. To initiate a BPO receiving form, contact the Procurement Analyst in OMB.

BPO Example A: Car Washes - Estimated purchase for a one-year period; departments may use the BPO to purchase car wash services using various account numbers.

<i>BPO Cont.</i>	<i>BPO Example B: Copier Lease – Agreement for multiple years; departments may use the BPO to procure a copier lease using account numbers from various departments.</i>
CCNA	Competitive Consultant's Negotiation Act: The CCNA is included in Section 287.055 of Florida Statutes and governs the procurement of professional individuals/firms for architectural, engineering, landscape architecture, land survey and mapping services. The City's SOP for complying with the CCNA is included in Appendix A of this policy.
Commission Memo	A memo written from City staff to the City Commission to seek approval for all purchases equal to or greater than \$50,000.
Contract	A contract can come in many forms and be called many things. Look for documents titled "Agreement," "Memorandum of Understanding," "Terms and Conditions," or "Scope of Work/Services." When you receive a document from a vendor or contractor, regardless of how it is titled, you should look to see whether it contains any legal terms or requirements. Things to look for would include payment terms, warranty information, insurance requirements, indemnification or "hold harmless" language, items related to legal procedures, etc.
DPO	A Direct Purchase Order (DPO) is a purchase order issued by the city for capital costs (building and construction materials) that are included as part of costs in a construction contract so that sales tax payments can be avoided. The City issues the purchase order for the items and the cost of these items are deducted from the construction purchase order. Assistant City Manager (ACM) approval is required prior to utilizing a DPO.
Emergency Purchase	An emergency purchase is made to protect the public's health or safety or when an immediate repair is necessary to prevent further damage to public property, machinery or equipment. The competitive portion of the purchasing process may only be waived by the City Manager or an ACM. Please refer to the Emergency Purchase Procedure reference within this policy.
Noncompetitive or Sole Source	A noncompetitive or sole source purchase is when OMB determines there is only one practical source for a product or service, or when using competitive purchasing is not in the best interest of the City. OMB will determine if a product or service qualifies as a sole source upon reviewing written justification from the purchasing department. A source is not a sole source because it is the desired vendor or because a certain brand is desired when other brands are available.

Piggyback	<p>Piggybacking is the utilization of a Bid completed by another local or state government. The Piggyback must be for a current and active contract for the identical item. The City cannot Piggyback if any part of the item needs to be modified. If the purchase is equal to or greater than \$50,000, the City Commission must approve the purchase.</p> <p>The following documentation is required when submitting a Piggyback purchase:</p> <ol style="list-style-type: none"> 1. Copy of the Bid document from other governmental agency 2. Copy of the Bid tabulation sheet or proposals (more than one Bid must have been received) 3. Copy of the Commission/Council award <p>If requesting to piggyback on a RFP for services, approval must be obtained by an ACM and a separate contract must be negotiated with the vendor under the City's terms and conditions. All such contracts must be reviewed by the Legal Division.</p>
Purchase Order	<p>A Purchase Order (PO) provides approval to purchase an item or service and is issued for all purchases greater than \$2,500, other than those purchases made with a BPO, APA or purchasing card, or for a smaller amount if a purchasing card cannot be used. If a PO is required, it must be issued prior to any purchase being made.</p>
Requisition	<p>A requisition must be entered for all purchases exceeding \$2,500. The requisition must include: model/part numbers, description of the item (color/size/style), quantity, City account number, and ship-to location. When entering a requisition for award of a bid or RFP include the bid/RFP number on the requisition. Once the requisition is approved, a purchase order is issued by OMB.</p>
RFI	<p>Request for Information (RFI) is a competitive process where information is requested and is then used to prepare an RFQ, RFP or Bid. Sometimes, requesting information is necessary when the City does not have experience or expertise in an area, service providers are unknown, or an area is rapidly changing. Please Note: <u>All RFI evaluation meetings are public meetings. While the evaluation committee may meet at any time to address pertinent issues pertaining to the procurement process, any discussion regarding the actual evaluation and/or ranking of proposals must be advertised as a public meeting and must be held at a location accessible by the public.</u></p>
RFP	<p>A Request for Proposal (RFP) is a competitive process used for purchase with a cost equal to or greater than \$50,000. An RFP is used for purchases where qualitative factors are the primary consideration criteria for award rather than price. The RFP shall include specifications, all contractual terms and conditions, including the criteria for award, which shall include but not be limited to price. A few examples where the RFP process has been used include for the purchase of fire vehicles, financial consulting services, grounds maintenance services and softball field lighting. Please Note: <u>All RFP evaluation meetings are public meetings. While the evaluation committee may meet at any time to address pertinent issues pertaining to the procurement process, any discussion regarding the actual evaluation and/or ranking of proposals must be advertised as a public meeting and must be held at a location accessible by the public.</u></p>

RFQ

A Request for Qualifications (RFQ) is a competitive process used to evaluate service providers' qualifications where price is not the primary criteria for award. This process can be used when a specific project scope or specifications are not available or to pre-qualify proposers. Please Note: All RFQ evaluation meetings are public meetings. While the evaluation committee may meet at any time to address pertinent issues pertaining to the procurement process, any discussion regarding the actual evaluation and/or ranking of proposals must be advertised as a public meeting and must be held at a location accessible by the public.

Quotes

Written quotes will be obtained for all purchases costing more than \$2,500 and less than \$50,000.

The following chart gives the number of quotes required for the dollar amount to be purchased:

<u>Purchase Amount</u>	<u>Number of quotes required</u>
Up to \$2,500	No written quotes required; a price comparison is encouraged
\$2,501 - \$10,000	2
\$10,001 - \$25,000	3 with written specifications, preferred
\$25,001 - \$49,999	3 with written specifications, required

Note: exceptions can be made if approved by OMB in writing.

Quotes can be obtained by using a telephone quote sheet, faxed, mailed or e-mailed from the vendor. For any commodity or service that equals or is greater than \$25,000, written quotes must be obtained with a complete description written by the City of the item or service to be purchased. This written description or specifications should be provided to all vendors from which a quote is sought. This will ensure that all vendors are submitting quotes for similar/identical items or services. Do not contact a vendor for a quote with whom you have previously had unsatisfactory experience.

All copies of quotes shall be submitted to OMB with the requisition to serve as the documentation for the purchase. Quotes with terms and conditions attached are subject to the following procedure:

Up to \$25,000: Review of Terms and Conditions by Management Analyst. If the vendor does not agree to delete or accept changes to terms or conditions, the non-acceptable terms must be striken-through and a copy of the changed terms and conditions must be provided to the vendor with the PO.

Over \$25,000: Terms and conditions must be reviewed by legal and approved by an ACM.

****Terms and Conditions under \$25,000 can only be signed by a Department Director after Management Analyst Review****

****Terms and Conditions over \$25,000 can only be signed by an Assistant City Manager/City Manager****

Purchase Orders

All purchases equal to or greater than \$50,000 must be approved by the City Commission.

Purchases over \$2,501 must be quoted and processed on a Purchase Order (PO).

Example: A department is purchasing Oak trees. The department would obtain price quotes over the phone or writing from two to three vendors, which will be attached to the requisition as documentation for the product/price/vendor selected. Once the requisition is reviewed and approved, OMB will issue a PO.

Example: A department has a printing project. The department creates the specifications/requirements for the project and sends them to vendors for quotes. Sending the same specifications/requirements to vendors makes the project clear and ensures that the department receives quotes that are for the same product/service. All received quotes are attached to the requisition as documentation for the selected vendor. Once the requisition is reviewed and approved, OMB will issue a PO.

Purchase of \$10,001 through \$25,000, must be quoted, and it is preferred that written specifications are used, and must be processed on a PO. Purchases of 25,001 through \$49,999 must be quoted with written specifications and processed on a PO. Note: written specifications may resemble portions of a formal RFP document.

Example: Facilities Maintenance has a small office remodeling job with a budget of \$26,000. The department develops a scope of work (project description) and obtains at least three written quotes. Quotes are evaluated and documentation is provided by the department as to which vendor is selected. If the lowest quote is not selected, a justification must be submitted to OMB. Once the requisition is reviewed and approved, OMB will issue a Purchase Order.

Purchases equal or greater than \$50,000 must be competitively bid, approved by the City Commission and processed on a Purchase Order.

Example: The Public Works Department has budgeted \$60,000 for the purchase of a tractor. The department must submit specifications, evaluation criteria if applicable and a vendor list to OMB. A bid or RFP will be compiled by OMB and posted to the City Website to initiate the advertisement period, which typically ranges from three to six weeks. When the bids or proposals are opened and evaluated, a recommendation for award is made to the City Commission through a Commission Memo. After Commission approval, a requisition must be entered, approved by OMB, and a Purchase Order will be issued.

Commission Memos

Commission memos are required for consideration of purchasing requests by the City Commission at regular City Commission meetings for purchases that equal or are greater than \$50,000. The City's Administrative Policies and Procedures #CC-01-02, explains the Commission Memo policy and format.

Bid Protest

A bid/RFP protest process is outlined in the City's purchasing ordinance, and occurs when a vendor or vendors express in writing to OMB their concerns regarding another vendor's bid or proposal submittal or any part of the procurement process. The letter of protest is reviewed by OMB and the Assistant City Manager and a response is sent to the vendor. A bid/RFP protest must be submitted within six calendar days after the vendor knew or could have reasonably been expected to know of the facts giving rise to such protest. The City Manager/Administration has the authority to settle a bid protest for consideration less than \$50,000.

If any protest is received from a vendor in reference to a bid or proposal to be awarded by the City Commission, the award should not be placed on a City Commission Meeting Agenda until OMB staff has had sufficient time to respond to the protest. If the item is already on the agenda, please contact the City Clerk to have it removed prior to the City Commission Meeting.

Process for Bid Protest:

1. Bid Protest is received in writing prior to award of the bid.
2. Office of Management and Budget and department representatives review protest.
3. Office of Management and Budget and department representatives meet or discuss with protesting vendor.
4. Written response is sent to the vendor within three business days.
5. If the protest is not settled, a meeting with the Assistant City Manager is scheduled. The ACM may uphold or dismiss the protest.
6. If the vendor chooses, the vendor may appeal the decision of the ACM to the City Commission. The City Commission is the final authority to settle a bid protest.

Emergency Purchases

When the need arises for an emergency purchase, please contact the ACM (non-business day) or the Office of Management and Budget (OMB Manager or Purchasing Analyst) immediately or as soon as practical for a consultation. Communication with the Office of Management and Budget is important to ensure that proper procedures are followed.

Included in the purchasing ordinance is a provision allowing the City Manager to waive the normal purchasing requirements in emergencies. If the purchase equals or is greater than \$50,000, City Commission approval is required after the purchase has been made. Such requests must be accompanied by written documentation from the City Manager that an emergency existed. The emergency provision is intended to expedite the purchasing process, but not to circumvent all normal procedures. During normal business hours, it is still necessary for OMB to issue a purchase order or agree to an alternative means to make the purchase. Normal insurance requirements must also be complied with. In most cases, the formal bid process is waived and either quotes are secured or direct negotiation with vendors occur, depending on the immediacy of the emergency and the availability of alternative sources. If it is practical, the City Commission should approve an emergency purchase prior to the purchase being made or the orders processed.

An Emergency Purchase is made to protect the public health or safety or when an immediate repair is necessary to prevent further damage to public property, machinery or equipment. *Poor planning does not constitute grounds for an emergency purchase.*

Emergency Purchase Procedure:

1. Notify OMB of the emergency, or if not during normal operating hours, notify the ACM.
2. Secure a firm price from a qualified vendor that can perform the service/provide equipment immediately.
3. If the cost is over \$50,000 an ACM must authorize the expenditure.
4. If possible, a purchase order should be issued. If a non-business day, a PO must be issued on the next business day following the emergency.
5. If the emergency purchase is equal to or greater than \$50,000, the item must be approved by the City Commission at the next regular City Commission meeting.

Conflict of Interest

The City requires that vendors certify that, to the best of their knowledge or belief, no elected/appointed official or employee of the City of Largo, a spouse thereof or other person residing in the same household, is financially interested, directly or indirectly, in providing the goods or services specified in any submitted bid or proposal. A financial interest is defined as ownership of more than five percent (5%) of the total assets or capital stock or being an officer, director, manager, partner, proprietor, or agent of the business submitting the bid or proposal or of any subcontractor or supplier thereof providing goods or services in excess of ten percent (10%) of the total bid or proposal amount.

Additionally, the vendor, on company letterhead, must divulge at the time of the submittal of a bid or proposal, any relative, other than those already specified, of an elected/appointed official or employee of the City of Largo who has a financial interest, in providing the goods or services specified in the bid or proposal. The City, at its sole discretion, will determine whether a conflict exists and whether to accept or reject the bid or proposal.

Office of Management and Budget Customer Service

The Office of Management and Budget is committed to providing quality customer service internally to our City Departments as well as externally to any potential or current vendor. Listed below are service goals once all necessary justification, backup, documentation and final changes are received by OMB:

Purchase Orders – three business days from the requisition arriving to the Purchasing Analyst with the proper quotes and back-up documentation a PO will be issued.

Bid/RFP/RFQ/RFI – two weeks from request and required associated information arriving to the Purchasing Analyst the Bid/RFP/RFQ/RFI will be posted to the website.

Related Policies:

Accounts Payable Policy (FP-01-02)

Finance Department's City Purchasing Card Policy

Ethics Policy (E-01-21) as it pertains to purchasing

Appendix A: Consultants Competitive Negotiation Act (CCNA) procedures

Appendix B: Contract Review, Drafting and Processing Procedures

***Competitive Consultant's Negotiation Act
Professional Services Procurement Procedures***

Purpose

The purpose of the procedures outlined herein is to guide staff through the procurement of professional individuals/firms for architectural, engineering, landscape architecture, land survey and mapping services. This is also intended to ensure the City operates in compliance with Section 287.055, Florida Statutes, commonly known as the "Competitive Consultant's Negotiation Act."

Before pursuing the procurement of any of these services, it is highly recommended that you have a kick-off meeting with the project manager and/or requesting department and representatives from OMB, the City Clerk's Office and the City Attorney's Office. This meeting will confirm the necessary procedures and requirements regarding the City's procurement policy, the CCNA and public records law. When in doubt regarding any procedure or policy, call the OMB Manager first and she/he will direct you to the appropriate member of staff or City Administration to address your needs or concerns.

Procedures

The table below is intended to provide general information regarding when the CCNA applies based on the type of project or service to be procured, estimated project cost, and whether the procuring department desires a continuing Professional Services Contract with the selected firm. A more detailed procedural description is provided below the table.

CCNA PROCUREMENT – GENERAL GUIDELINES				
	Type of Project/Service	Estimated Cost	Applicable Procedure(s)	
			w/out PSA	w/ PSA
Scenario A	Planning Activity or Study: Consultant Fee	Under \$35,000	Follow City's procurement policy	Direct Selection
	Arch/ Eng/ Landscaping: Construction Cost	Under \$325,000		
Scenario B	Planning Activity or Study: Consultant Fee	\$35,000 to \$200,000	CCNA Applies	Direct Selection
	Arch/ Eng/ Landscaping: Construction Cost	\$325,000 to \$2,000,000		
Scenario C	Planning Activity or Study: Consultant Fee	More than \$200,000	CCNA Applies	CCNA Applies (does not qualify for a PSA)
	Arch/ Eng/ Landscaping: Construction Cost	More than \$2,000,000		

I. Release of CCNA Requests for Qualifications (RFQs)

The City is required to publicly notice, in a uniform and consistent manner, each instance in which professional services will be procured in accordance with the CCNA. The notice must include a general description of the project and indicate how interested consultants may apply for consideration. OMB, or the department procuring the professional services as applicable, will develop an RFQ document based on the needs of the department. When doing so, staff must provide a good faith estimate in determining whether the proposed services to be procured, or the project to be constructed, meet the threshold amounts identified in the CCNA (see table above). The RFQ document will be advertised and released in accordance with the City's procurement procedures and as identified herein.

The RFQ document must, at the very least, contain a general description of the project or scope of work and indicate the method and time within which the interested professional firms can provide their written responses. In addition, the RFQ shall contain a draft Professional Services Agreement (where applicable), including the contract term and any potential contract extensions and require the responding individual or firm to indicate whether they are a minority owned business as certified by the State of Florida, Office of Supplier Diversity. The RFQ shall require that all responding parties supply, at a minimum, information regarding the individual's/firm's minimum qualifications as outlined below under the subheading "*Minimum Qualifications For Consideration in Evaluations and Ranking.*" **The RFQ cannot request responding parties to supply the cost/price for the services being procured.**

II. Evaluation of Consultants and Ranking

For each project, an evaluation committee should be created to evaluate the qualifications of each individual/firm responding to an RFQ. The evaluation committee must consist of at least one person from the department procuring the professional services and be comprised of an odd number of individuals. This committee will review statements of qualifications and performance data submitted in response to a released RFQ. The evaluation committee shall select no less than 3 firms deemed to be the most qualified (if at least 3 firms responded to the RFQ) but no more than 7 firms unless City Administration approves additional rankings. If there are less than 3 individuals/firms responding to the RFQ, and after reviewing the RFQ process it is decided every effort was made to meet the requirements of Section 287.055, Florida Statutes, the evaluation committee may proceed with evaluation of those responses received. The committee may choose to rank individuals/firms on the basis of RFQ responses only. This may include a ranking of all responding individuals/firms, or a "short list" of no less than the top 3 individuals/firms.

After completing its "short list", the evaluation committee must meet with each individual/firm, with or without the requirement for a formal oral presentation, to discuss each individual's/firm's qualifications. *To be clear, the opportunity for each individual/firm to make a formal oral presentation is optional.* These meetings must be conducted with no less than the top 3 individuals/firms, but may include more than the top 3 individuals/firms based on the committee's initial review of RFQ and number of individuals/firms on the "short list." All evaluation meetings are public meetings. While the evaluation committee may meet at any time to address pertinent issues pertaining to the procurement process, any discussion regarding the actual evaluation and/or ranking of proposals must be advertised as a public meeting and must be held at a location accessible by the public. The date, time and location of all *public* evaluation committee meetings must be advertised no less than 7 business days prior to the meeting. Minutes must be taken at all public meetings and should, at a minimum, include the names of the evaluation committee members and any official action taken by the committee. The evaluation committee should contact the City Clerk's office to coordinate preparation and posting of all public notices to ensure this process is consistent with City procedures, the CCNA and the Sunshine Law.

If formal oral presentations are requested, the evaluation committee will determine the allotted time for presentations (on a project-by-project basis), the mode and manner of the presentations and any other administrative matters related to presentations. Oral presentations should include, at a minimum, those items identified below, in addition to any other information the evaluation committee requires to complete its evaluation and ranking of qualified firms. Based on the minimum criteria provided below, each evaluation committee member shall rank each individual/firm in order of personal preference and the committee will subsequently decide overall ranking of all presenting firms. The criteria established below constitute the minimum criteria to

be considered for compliance with the CCNA.

Guidelines for the Committee's Evaluation and Ranking of Firms

Minimum Criteria for Consideration in Evaluation and Ranking:

1. Individual/firm's capabilities, including adequacy of personnel and the individual/firm's willingness and ability to meet the project schedule and budget.
2. Individual's/Firm's experience with projects of similar size and scope, including past performance and experience with the City.
3. Volume of work previously awarded by the City.
4. Individual's/Firm's minority business status.
 - a) RFQ response should indicate whether the individual/firm is a minority owned business as certified by the State of Florida, Office of Supplier Diversity.
 - b) If the evaluation committee determines all factors are equal between two or more individuals or firms, the individual/firm that is certified as a minority owned business will be ranked higher.
5. Individual's/Firm's location.
6. The individual's/firm's recent, current and projected work loads.
7. Any additional (project specific) criteria requested in the RFQ packet.

**** Cost may not be a factor considered in evaluating and ranking individuals/firms under the CCNA. Information regarding compensation may only be utilized during the negotiation phase of this process.**

Suggested Minimum Criteria for Oral Presentations:

1. Evaluate the individual's/firm's qualifications and understanding of the project.
2. Evaluate the individual's/firm's ability to provide the required services within budget and on schedule.
3. Evaluate the managerial methods used to plan, design and administer the project.
4. Evaluate the individual/firm based on additional criteria supplied in the RFQ packet.

In the event the estimated cost for the project/service to be procured exceeds \$25,000, the rankings must be presented to the City Commission for approval prior to initiation of negotiations.

III. Competitive Negotiation Procedures

After completion of ranking (and City Commission approval where applicable), the evaluation committee or an appointed representative of that committee, may then commence negotiations with the top ranked (#1) individual/firm. As part of the negotiations the evaluation committee or appointed representative must consider the cost of the professional services to be procured, in addition to considering their scope and complexity, when determining a fair, competitive and reasonable price. The final terms and associated scope of work will be memorialized in a Professional Services Agreement (PSA) between the City and the selected individual/firm, and the PSA shall be approved by the City Commission if the cost exceeds \$25,000.

In the event negotiations with the #1 individual/firm are unsuccessful, the next step would be to proceed with negotiations with the #2 ranked individual/firm. Prior to commencing negotiations with a subsequently ranked firm, the City must formally terminate negotiations with the individual/firm it has currently engaged in negotiations. This should be done in the form of a letter addressed to the individual or the firm's principal. If negotiations with the top 3 ranked firms are all ultimately unsuccessful, the evaluation committee, if it has not already done so, would go back to complete a ranking of any additional individuals/firms that were responsive to the RFQ. If the committee determines the remainder of the proposers are not sufficiently qualified to be ranked, the City may then begin the procurement process again. If the committee determines the remaining proposers are sufficiently qualified to be ranked, after completion of a subsequent ranking staff must then go back to the City Commission to seek approval of this new ranking for projects with an estimated cost of \$25,000 or more. The City may then commence negotiations with subsequently ranked firms in order of ranking. If negotiations fail with all ranked firms, the City must begin the procurement process again by releasing a new RFQ.

IV. Additional Requirements for CCNA-Related Procurement/PSA Requirements

For any lump-sum or cost-plus-a-fixed-fee project over \$195,000: Staff will require the firm receiving the award to execute a truth-in-negotiation certificate stating that wage rates and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contract award. Any PSA under which such a certificate is required must contain a provision that the original contract price and any additions will be adjusted to exclude any significant sums which staff determines increased the contract price due to inaccurate, incomplete, or non-current wage rates and other factual unit costs. All such contract adjustments must be made within 1 year following the end of the contract term.

For ALL Professional Services Agreements: All PSAs must contain a prohibition against contingent fees as follows (provided in Subsection 287.055(6)(a), Florida Statutes:

“The architect (or registered surveyor and mapper or professional engineer, as applicable) warrants that he or she has not employed or retained any company or person, other than a bona fide employee working solely for the architect (or registered surveyor and mapper, or professional engineer, as applicable) to solicit or secure this agreement and that he or she has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the architect (or registered surveyor and mapper or professional engineer, as applicable) any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this agreement.”

Direct Selection Procedures

The Office of Management and Budget oversees a process every 3 to 5 years whereby the City issues an RFQ for response from individuals/firms of various disciplines, including those covered by the CCNA, who are subsequently evaluated, ranked and accepted for inclusion in a group of “pre-qualified” firms for use on various City projects in accordance with CCNA procedures. Those firms selected for inclusion in this standing group enter into a PSA or “continuing contract” with the City. This allows for a streamlined procurement of professional services from individuals/firms. When the City has a project requiring professional services from a pre-qualified individual/firm, the individual/firm is selected from this standing list through a “direct selection” process as the CCNA process would already have been conducted.

Design-Build Projects

The CCNA generally does not apply to design-build projects with a few limited exceptions. Before staff begins the process to engage an individual or firm for a design-build project, they must first contact the OMB Manager to discuss application of the CCNA procedures in the procurement of these services.

Purchasing Policy Appendix B:

Procedures for the Review, Drafting and Processing of Contracts

Purpose

The purpose of the procedures outlined herein is to guide staff through the process of identifying when a contract is necessary for a given project or purchase. These procedures provide a guideline for initiating the review, drafting and processing of contracts for the City. These are intended to assist staff in determining when a particular project would require a contract, when legal review of a contract is required prior to execution, and who is authorized to execute contracts on the City's behalf.

Procedures

I. Identifying what a contract looks like:

A contract can come in many forms and be called many things. Look for documents titled "Agreement," "Memorandum of Understanding," "Terms and Conditions," or "Scope of Work/Services." When you receive a document from a vendor or contractor, regardless of how it is titled, you should look to see whether it contains any legal terms or requirements. Things to look for would include payment terms, warranty information, insurance requirements, indemnification or "hold harmless" language, items related to legal procedures, etc.

II. Identifying when a contract is necessary:

When initiating a new purchase or when working on a project, staff should consider the circumstances of the services or commodities to be procured to determine whether a contract is necessary. This analysis would include a determination of whether the City's standard Purchase Order terms and conditions or Bid/RFP/RFQ documents are insufficient to address necessary legal issues or where those documents would lack the specificity a contract could provide. This assessment should occur early and involve the procuring department's Director or Assistant Director depending on department policies. Input from City Administration, the City Attorney's Office (CAO) or the Risk Manager may be warranted when there may be a heightened level of risk exposure. This analysis should be conducted early to avoid lost time later in the procurement process.

Questions to ask to determine whether a contract is necessary:*

1. Does City Administration require or desire a contract for this project?
2. Does the City have a standard contract typically utilized for projects of this nature?
3. Does the project or purchase encompass a time period in excess of one fiscal year?
4. What is the City's risk exposure?
 - a) What is the risk of the activity involved?
 - b) Will there be outside personnel onsite to conduct all or a portion of the work?
 - c) Does the activity involved have an associated risk of injury to the City's employees, the contractor's employees, subcontractors or the public?
 - d) Does the activity involved require a heightened level of safety or security?
5. What is the cost of the project?
6. What is the scope of work or services involved?
 - a) Are there specific performance standards that the vendor/contractor must comply with?
 - b) Is the City requesting any guarantees or warranties?
 - c) Does the scope of services include data hosting or sharing?
 - d) Are there any applicable or necessary public records or confidentiality provisions?
 - e) Does the relationship with the vendor/contractor involve the lease or conveyance of property?
7. What is the City's experience with this vendor/contractor?
 - a) Has the vendor/contractor successfully completed a project of this nature before?
 - b) Has the City had a good or bad experience with this vendor/contractor on previous projects?
 - c) Has the City had *any* experience with this vendor/contractor?

* The exercise of determining whether a contract is required will not always be necessary. For example, if the

vendor/contractor supplies a contract to the City or if the City's standard operating procedures already call for a contract (i.e. construction projects), staff would proceed directly to processing the contract for review as outlined below.

III. When should the City Attorney's Office and IT Department become involved?

There are several instances where a contract should be forwarded directly to the City Attorney's Office ("CAO") for review prior to any action being taken with the other party or vendor.

1. When the vendor/contractor has supplied a contract for the City's execution or acceptance, the contract should be forwarded to the City Attorney's Office subject to the following exception:
 - a) If the project or purchase cost is less than \$25,000, the contract should first be forwarded to the department's Management Analyst (MA) for review. The MA will determine whether review by the City Attorney's Office is necessary. If CAO review is not necessary, the MA will conduct the necessary review and address any changes with the vendor. The MA will then follow up with the appropriate staff member to process the contract for execution and payment. For all leases and rental agreements, regardless of cost, the MA will be required to discuss the contract with the City Attorney or Assistant City Attorney to confirm whether the MA or City Attorney's Office will conduct the review. The MA will also be required to discuss with the City Attorney or Assistant City Attorney any contracts requiring the City Attorney's signature.
2. When OMB has identified that the project or purchase requires legal review based on the City's purchasing policy.
3. When the contract requires City Commission approval. Examples include:
 - a) Any purchase of \$50,000 or more
 - b) Scopes of work or services, regardless of whether they contain legal terms and conditions.
 - c) Interlocal Agreements or multi-jurisdictional agreements
 - d) Grant Agreements
 - e) Lease Agreements
 - f) Authority to Operate Agreements
 - g) Contracts that span more than one fiscal year and that lack a fiscal non-funding clause (which require approval by ordinance in accordance with the City Charter)
4. When a risk assessment identifies a moderate to high level of risk exposure. (This would often be identified by the Director of the department where the project is initiated, by City Administration or by the City's Risk Manager.)

Staff should be mindful that the standard turn around time for CAO review is 2 weeks from date an item is received. However, if changes are required or requested, subsequent review by the CAO would be necessary. Staff will be responsible to communicate with the vendor any changes or comments from the City Attorney's office. Staff should allow an additional 1 week turn around time for each subsequent review. If more complex negotiations occur, or in the event the vendor's attorney becomes involved in the contract review/negotiation process, the City Attorney or Assistant City Attorney will finalize negotiations with the vendor and forward the final draft contract to staff to process as necessary for approvals and execution.

If a project involves the purchase of software/hardware, data hosting or sharing, or any other item which warrants or necessitates input from the IT Department, staff should also submit a copy of the contract to the IT Director. Staff should endeavor to submit copies of a contract to the CAO and IT Director at the same time to allow for a more timely and efficient process. If the CAO believes IT review is warranted, the City Attorney or Assistant City Attorney will note that on the contract when it is returned after he/she completes the first review. For complex contracts involving Information Technology related issues, the City Attorney/Assistant City Attorney and the IT Director may determine it appropriate to forward the contract to an outside attorney for review.

IV. Who has the authority to sign contracts on behalf of the City?

Generally, only the Mayor or City Manager is authorized to execute contracts on behalf of the City of Largo. In the absence of the Mayor, the Vice Mayor is authorized to execute contracts and in the absence of the City

Manager, the Assistant City Manager is authorized to execute contracts. Exceptions to this rule, including additional authorization for other members of executive management to execute contracts on behalf of the City, are outlined below:

1. Examples of contracts the Mayor is authorized or required to execute include, but are not limited to:
 - a) Interlocal Agreements
 - b) Grant Agreements
 - c) Agreements with other governmental agencies which require the Mayor's signature
2. The City Manager, with the consent of the City Commission in accordance with Section 2-133 of the City's Code of Ordinances, has authorized Department Directors to execute certain contracts on behalf of their respective departments. In the Director's absence a contract may be executed by the City Manager, the Assistant City Manager or the Assistant Director of the department, subject to department policy. **PLEASE NOTE:** This authorization does not relieve the department from ensuring the City Attorney's office or the department's Management Analyst completes a review of the contract before execution as outlined in this SOP, unless otherwise stated below.
3. Department Directors may execute "form" contracts drafted "in house" by the City Attorney's Office for purchases/projects costing less than \$25,000 that begin and end within a single fiscal year, subject to all limitations and restrictions outlined in the City Charter, Chapter 2 of the Code of Ordinances and this SOP. Contracts drafted in house will not require review by the department's Management Analyst or the City Attorney's Office. However, **no changes may be made to an "in house"/"form" agreement without the express consent of the City Attorney's office.** Directors are also authorized to execute contracts prepared by outside/third party vendors for purchases/projects costing less than \$25,000 after the contract has been reviewed and approved by either the department's Management Analyst or the City Attorney's Office as provided in this SOP. This authorization does not extend to any contract that requires City Commission approval or contracts that are otherwise exempted by this policy.
4. The Recreation, Parks and Arts Director is authorized to execute rental agreements of limited duration (i.e. athletic field, shelter, equipment, and facility rentals continuing for 7 days or less), agreements with performers and instructors of limited duration (i.e. performances/instruction continuing for 7 days or less), entertainment agreements and agreements related to the provision of services and supplies for special events (i.e. food vendors, inflatable rentals, etc.).

Questions regarding specific contracts may be addressed to the City Attorney, Assistant City Attorney, the City Manager or the Assistant City Manager.

Agreements that do not require City Attorney or Management Analyst review prior to execution will be required to undergo review by the City Attorney's office prior to expiration of the existing contract (if one is to be renewed) or annually if the contract is for a limited duration (i.e. contracts with a one year or shorter term) to ensure the contractual language and form remain up to date. The appropriate review schedule may be coordinated with the City Attorney and/or Assistant City Attorney in conjunction with each Director and their division managers.