



PURCHASING MANUAL

City of Keystone Heights, Florida
ADOPTED ON NOVEMBER 22, 2005

Lyndel Hale, Mayor
Bruce Harvin, Vice Mayor
Keith Jones, Councilman
Michelle Curtis, Councilwoman
Don Johnson, Councilman
Karen Nelson, City Clerk
Rick Hall, Chief of Operations
Rob Bradley, City Attorney

City of Keystone Heights, Florida

PURCHASING MANUAL

TABLE OF CONTENTS

CHAPTER 1	PURPOSE	3
CHAPTER 2	FINAL RESPONSIBILITY.....	3
CHAPTER 3	DEFINITIONS.....	3-4
CHAPTER 4	PURCHASING RULES AND REGULATIONS.....	4-7
CHAPTER 5	EMERGENCY PURCHASES.....	7
CHAPTER 6	PURCHASING AGENTS.....	7
CHAPTER 7	PROCESSING OF INVOICES FOR PAYMENT....	8
CHAPTER 8	PROCEDURES FOR PUBLIC BID OPENINGS.....	8-11
CHAPTER 9	SOLE SOURCE PROCEDURES.....	11
CHAPTER 10	ADVANCE PAYMENT POLICY.....	11-12
CHAPTER 11	CITY ISSUED CREDIT CARDS.....	12

CHAPTER 1 - PURPOSE

The purpose of this purchasing manual is to promote efficiency and economy in the purchase of various commodities for the City of Keystone Heights. Furthermore, this manual's purpose is also to provide guidelines and directions to all that are involved in the purchasing process, from the individual making the requisition to the final payment of the invoice.

To the extent any of the procedures, requirements, and restrictions contained in this manual conflict with any prior resolutions of the City of Keystone Heights, Florida regarding purchasing by the City, then the procedures, requirement and restrictions outlined herein shall supersede and take precedence over all other said prior procedures.

CHAPTER 2 - FINAL RESPONSIBILITY

The final responsibility for the carrying out of the provisions of this manual rests with the City Council of Keystone Heights, Florida. The Council shall designate an employee and/or officer to administer various facets of this manual.

CHAPTER 3 - DEFINITIONS

- (A) **Council-** The Council is the City Council of Keystone Heights, FL.
- (B) **Clerk-** The Clerk is the City Clerk for the City of Keystone Heights, FL.
- (C) **CO-** The CO is the Chief of Operations for the City of Keystone Heights, FL.
- (D) **Emergency Purchases** - An emergency purchase is defined as one brought about by sudden, unexpected turn of events, i.e., acts of God, riot, fires, floods, accidents, or any circumstances or causes in the normal conduct of business involving health, welfare, injury, or loss to the City or otherwise deemed by the Council to be in the best interest of the City which can be rectified only by immediate purchase of a commodity or service, which may include but shall not be limited to emergency facilities repair, and purchases deemed necessary to avoid a temporary loss of necessary public services. A state of emergency, so declared by the Council, Clerk or CO under the provisions of Chapter 5 of this Purchasing Manual or state law, shall be measured temporally and not geographically.
- (E) **Field Purchase Order** - A field purchase order is a multi-part form in a numbered book for purchases less than \$100.00 that is dispersed from the Finance Clerk.
- (F) **Formal Bid** - A formal bid is defined as a sealed bid with the title, date and hour of the public bid opening designated.
- (G) **Informal Quote** - An informal quote is defined as a written quote from a vendor not requiring a public opening of such quote at a specific time or date.

(H) **Purchase** - A purchase is defined as an acquisition by contracting in any manner, whether by rent, lease, lease/purchase, or outright purchase, of commodities and services. Within the meaning of this definition, the following are not purchases of commodities:

1. Transfer, sale, or exchange of personal property between governmental agencies;
2. Utilities;
3. Public communications, i.e., telephone, telegraph;
4. Transportation of persons or things.

(I) **Purchase Order** - The purchase order is a multi-part computer generated purchase order form. The purchase order is prepared from the approved purchase requisition. The comptroller copy is retained by the Finance Clerk and the remaining copies are sent to the requisitioner. One of these three copies is to be used as a receiving report.

(J) **Purchase Requisition** - A purchase requisition is a multi-part form prepared by the requisitioning individual. The requisitioner shall complete the form and submit it to the Finance Clerk. The original requisition is retained by the Finance Clerk with a copy that goes to the requisitioner.

(K) **Purchasing Agents** - The purchasing agents are those employees or officers designated by the Clerk and the C.O. as having authority to make purchases.

CHAPTER 4 - PURCHASING RULES AND REGULATIONS

(A) Field Purchase Order -

Any purchase that is for \$100 or less may be made by the use of the purchase requisition and purchase order system as described in Sections 4(B) and 4(C). In the alternative, a field purchase order may be used without advance notification to the finance clerk. If a field purchase order is used, all invoices must show the field purchase order number (which shall be pre-numbered) and each invoice shall be signed "approved to pay" as evidence of receipt of the purchased items and submitted with the voucher copy or the field purchase order to the Finance Clerk daily. All field purchase orders must be fully completed at the time of purchase. No purchases shall be divided or sub-divided in order to avoid the procedural requirements of Sections 4(B) and 4(C). For example, if an item costs \$110, then the purchasing procedures as described in Sections 4 (B) & 4(C) will be followed, and two separate field purchase orders would not be assigned to cover the cost of the \$110 item.

(B) Purchase Requisition -

Employees or officers designated by the Clerk or CO shall have the authority to request purchases on Council approved purchase requisition forms. The requisitioner shall submit the requisition form to the finance clerk. The finance clerk shall review the requisition to make sure that the requisitioner has the appropriate fund account number, sufficient unencumbered amounts in the fund account to cover the purchase, and that the requested purchase meets the requirements of Section 4(C) of this chapter. If the above conditions are met, the finance clerk shall approve the requisition and generate a purchase order ("PO").

(C) Purchase Order -

The PO shall include a purchase order number which will be recorded on any and all documents related to this specific purchase. The appropriate fund account shall also be encumbered at the time of the PO preparation and the fund account number noted on the PO. The finance clerk and requisitioner shall sign the purchase order.

(D) Purchasing Rules -

(1) All purchases that are in excess of \$100 but equal to or less than \$4,999.99, shall follow the purchase requisition and purchase order regulations as described in Sections 4(B) and 4(C).

(2) All purchases that are in excess of \$4,999.99 but equal to or less than \$9,999.99, shall also follow the purchase requisition and purchase order regulations as described in Sections 4(B) and 4(C). In addition, the purchasing agent must obtain at least **three informal quotes in writing** and attach evidence of same to the purchase requisition which is to be sent to the finance office. If three informal quotes cannot be obtained, the agent must attach a written explanation to the requisition as to why three written quotes could not be obtained. The requisition can be approved and the purchase made without three informal quotes if the agent's written explanation why three informal quotes were not reasonably available is adequate and approved by the Clerk or CO. In the event the purchasing agent does not select the lowest quote, then the explanation therefore must be approved by the Clerk or CO, submitted with the requisition, and submitted for information to the Council.

(3) (i) Formal and competitive bids are required for all purchases equal to or in excess of \$10,000 and shall be made and otherwise governed in accord with the formal bid process in Chapter 8 of this Purchasing Manual. The bid award shall be made to the lowest responsible bidder, or, in a proper circumstance, shall be based upon the best bid, not necessarily the lowest bid.

(ii) All contracts for professional services subject to Section 287.055, Florida Statutes, the "Consultant's Competitive Negotiation Act," shall be entered into pursuant to said Act.

(4) Exceptions to the requirements of Chapter 4 hereof are as follows:

(i) Purchases from other Governmental-approved suppliers. If the Council shall deem it to be in the best interest of the City at any time before or after the solicitation of any bids, or after the rejection of bids submitted, the Council may waive compliance with the requirements of this Chapter 4 for the purchase of any goods, supplies or materials if the Council also authorizes that said goods, supplies or materials be purchased from any supplier who supplies such goods, supplies or materials to any other Florida governmental entity under an existing and active contract for the price or prices prevailing under the contract.

(ii) Public Auctions. The Council may waive compliance with the requirements of this Chapter 4 to purchase previously owned or used goods, supplies or materials, whenever said goods, supplies or materials are offered for sale at public auction below normal cost, and whenever said purchase shall be deemed by separate action of the Council to be in the best interest of the City.

(iii) Telecommunications Equipment & Services. The requirements of this Chapter 4 shall not apply to the purchase of any telecommunications equipment, goods, supplies, materials, or services, including Internet access service.

(iv) Emergencies. For any and all emergency purchases as defined in Chapter 3 (D) and made pursuant to Chapter 5, the requirements of this Chapter 4 may be waived by the Council without notice of any kind in the event an emergency, so declared by the Clerk or CO, exists.

(v) Goods produced in correctional work programs. The requirements of Chapter 4 shall not apply to the purchase of any goods produced in correctional work programs under the provisions of Section 946.515, Florida Statutes.

(vi) Used goods, supplies, materials or equipment. The Council may without resort to the requirements of this Chapter 4 authorize the purchase of previously owned or used goods, supplies, materials or equipment whenever the same shall be offered for sale below normal cost for the same or similar new or unused items and whenever said purchase shall be deemed by separate action of the Council to be in the best interest of the City.

(vii) Impracticality. Unless otherwise required by general law or ordinance, the Council may without resort to the requirements of this Chapter 4 authorize any purchase or the entry into any contract for construction of any facility when the circumstances are such as to render notice and bidding impractical or unlikely to produce valid or cost effective bids, as judged by the Council and approved by separate action thereof based upon the best interest of the City.

(viii) Attorneys. The notice and bid requirements of this Chapter 4 shall not apply with respect to the selection or hiring of attorneys to represent the City of Keystone Heights, Florida.

(ix) Engineers. The notice and bid requirements of this Chapter 4 shall not apply with respect to the selection or hiring of engineers to represent the City of Keystone Heights, Florida.

(x) Planners. The notice and bid requirements of this Chapter 4 shall not apply with respect to the selection or hiring of planners to represent the City of Keystone Heights, Florida.

(5) (i) All bids for contracts and purchases under Section 4(D)(3)(i) shall be made in accordance with the procedures of public bid opening and recording provided in Chapter 8 of this manual. Notice of each request for bid shall be posted in a newspaper of general circulation within the City at least ten (10) days prior to the bid opening date excluding Sundays and holidays. The Council reserves the right to reject any and all bids without cause and to waive technical or non-material defects in the solicitation or submittal of any bid, and such reservation should be conspicuously indicated in all published notices and bid invitations.

(ii) When only one bid is received for the purchase of an item or group of items referred to in Section 4(D)(3)(i), the Clerk or CO shall review the bid in order to determine the reasons, if any, why only one bid was received. The Council may accept the only bid or it may request that a second call for bids be issued. If the only bid is accepted, then the reason, if any, why only one bid was received shall be included in the minutes of the Council.

(6) All formal and competitive bid solicitations shall conform to the requirements of Section 287.133, Florida Statutes regarding public entity crimes.

(7) All invoices submitted for payment, regardless of amount, and generated following compliance with the procedures of this Chapter 4, shall contain an acknowledgment by the purchasing agent that all purchasing procedures were properly administered; all goods and/or services related to the invoice were properly received on City property and/or for City approved purposes; the price, quantity and quality are correct and acceptable; the appropriate City records are on file to substantiate this payment; and that the City purchasing agent has the authority to approve the payment.

The acknowledgement stamp will contain the following statements and in order as follows:

I personally acknowledge by my signature the following:

All purchasing procedures were properly administered

All goods and/or services related to this invoice were properly received on city property and/or for city approved purposes

The price, quantity and quality are correct and acceptable

The appropriate city records are on file to substantiate this payment

Approval to pay as a city purchasing agent

(name of purchasing agent)

(title of purchasing agent)

Date

CHAPTER 5 - EMERGENCY PURCHASES

(A) Emergency purchases can be made by the Council, Clerk or CO without having to conform with the purchase requisition or purchase order regulations in Chapter 4 provided that the emergency purchase falls within the meaning of emergency purchase as defined in Chapter 3(D) and provided that the Clerk or CO or his or her designee shall submit to the Council at the next scheduled meeting of the Council a certification of the conditions and circumstances requiring the emergency purchase and requesting the Council's approval. This statement shall include complete details surrounding the events which created the emergency.

(B) In order to invoke the emergency purchasing powers under this Chapter 5, the Clerk or CO must declare in writing that a state of emergency exists. The declaration may be noted on the purchase requisition form. The authority to make emergency purchases shall be capped at \$10,000 per declared state of emergency.

(C) In the event either the Clerk or CO declares a state of emergency, then they shall be entitled to make emergency purchases up to \$10,000, per declared state of emergency, without following the procedures and formalities otherwise required of the City under this Purchasing Manual or state law. They shall report the purchase(s) at the next scheduled meeting of the City Council in accord with Section 5(A) above.

CHAPTER 6 - PURCHASING AGENTS

The Council shall accept a list of those employees and/or officers, on an annual basis, as assigned by the Clerk and CO, who shall have the authority to make purchases in accordance with the provisions of this manual. These employees and/or officers shall be designated as purchasing agents.

CHAPTER 7 - PROCESSING OF INVOICES FOR PAYMENT

(A) All invoices for purchases that are in excess of \$100 but equal to or less than \$4,999.99, shall be processed only if the following documents are on hand with the Finance Clerk:

1. A properly completed and signed purchase requisition.
2. A properly completed and signed purchase order.
1. A properly signed and dated receiving report. The receiving report must be signed and dated by an authorized individual and it must clearly indicate the commodities or services received.
4. An original invoice. The invoice must be as complete as possible and must clearly indicate the name, address, and any other information pertaining to the vendor. It must also clearly indicate the commodities sold and cost of such commodities. Monthly or other statements may be submitted; however, such statements shall not be used in place of an original invoice.
5. IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

(B) All invoices for purchases that are in excess of the amounts listed in Section 7(A) but less than \$10,000, shall be processed only if the documents listed in Section 7(A) above are on hand with the Finance Clerk. However, the purchasing agent must also submit evidence of three informal quotes as applicable (or reasons why if less than three) showing the lowest and best bid was accepted.

(C) All invoices for purchases that require formal and competitive bids shall be processed only if the documents listed in Section 7(A) are on hand with the Finance Clerk as well as any contract entered into by the Council therefore, if applicable, and evidence exists in the Council minutes indicating who the bid was awarded to and the bid amount.

(D) All invoices must have affixed the standard stamp with space for signature containing the authorization and statements specified in Section 4(D)(7).

CHAPTER 8 - PROCEDURES FOR PUBLIC BID OPENINGS

(A) Purpose: This is for the purpose of specifying procedures for the submittal, receipt, opening and recording of all formal bids required by all of the various laws, ordinances, and other procedures and manuals governing the solicitation and awarding of public bids in the City of Keystone Heights, Florida, including but not limited to:

- a. Section 336.44, Florida Statutes (2001).
- b. Applicable Provisions of City Charter.
- c. Florida Department of Transportation Standard Specifications, most recent edition.

(B) Time of Opening: All bids shall be submitted to the Finance Clerk or his/her designee located in City Hall, 555 South Lawrence Blvd. Keystone Heights, Florida, which shall record its

receipt thereof by date and time on the bid envelope. Upon receipt, the Finance Clerk or his/her designee will maintain custody and control of all bid submittals until after they have been opened. The deadline for a particular bid shall be determined on an individual bid basis and deadline shall be included in the advertised announcement. No bid shall be opened unless and until proof of the published bid solicitation is received and filed by the Finance Clerk. Bidders and the public are welcomed to attend the opening and all subsequent committee and commission meetings related to the bids. Opened bids are public records and a copy may be obtained for a service fee.

(C) Form of Bid Submittal: All bids shall be submitted with one original and five copies, (and if applicable only on the forms provided by the City or its staff). Each bid and its accompanying materials shall be submitted in a single, sealed and opaque envelope. The party making the submittal prior thereto shall prominently mark the following items on the cover of the envelope:

- a. The number assigned to the particular bid solicitation.(Bid #)
- b. The title of the bid exactly as it appeared in the published solicitation.
- c. The date of the bid opening.

(D) Place of Opening: All bids properly submitted shall be opened in City Hall, 555 South Lawrence Blvd. Keystone Heights, Florida.

(E) Distribution of Copies: Upon the opening of a bid, one copy shall be distributed to either the Clerk or CO, who shall submit to the City Council at its next scheduled meeting a tabulated list of all bidders and their bids, including bid number, name, and a recommendation to include but not be limited to the lowest responsible bid, or in a proper circumstance the best bid, budget information and alternatives. The original copy of the bid shall be retained by the City Clerk.

(F) Ineligible Bid: Any bid that does not meet the foregoing requirements for form, time of submittal, number of copies or the specifications advertised will be rejected and the reasons stated therefore; provided that the Finance Clerk shall reject and return all unopened bids which do not meet the foregoing requirements for time of submittal, or envelope markings. Bids that do not meet requirements for form will be rejected and declared "No Bid".

(G) The Council reserves the right to reject all bids and in its discretion to re-advertise the solicitation.

(H) Bid Withdrawal Period: Bids submitted may require a five (5) percent bond prior to solicitation, and cannot be withdrawn for a period of 30 days subsequent to the date of the bid opening, notice of which shall be incorporated in all bids and requests for bids. As used herein, the term bond shall include cashier or certified checks payable to the City. All such checks shall be held by the Finance Clerk for safekeeping immediately upon acceptance of the bid (but not deposited). The Finance Clerk is hereby authorized to return each bond to the submitting party, as soon as practicable, but only after a bid and contract have been awarded and executed between the City and the successful bidder for a particular project, in the event that all bids have been rejected by the Council, or in the event the time provided that the bid should remain in effect shall have expired and the bidder requests the return of the bond in writing.

(I) Bid Addenda: All addenda distributed subsequent to the initial distribution of specifications shall be sent by certified mail/return receipt requested, said return receipt to be returned to the Finance Clerk identified by bid number. Prior to mailing, a copy of each addendum shall be

received by the Finance Clerk, provided that no addendum shall be mailed later than five (5) working days prior to the scheduled bid opening date.

(J) Bid Tabulation Form: The bid Tabulation Form used at bid openings shall include a place thereon for the city clerk and two witnesses to sign. This procedure will eliminate the need for signing each individual bid at the time of opening, thus requiring the three witnesses to sign only once for each bid number submitted. Three City employees shall be present at all bid openings, (1) one of which will be the Clerk or the CO for the City. A current Councilperson may substitute for the Clerk or CO if requested by the Clerk or CO. It would be desired that either the Chair or Vice-Chair of the Finance Committee substitute in a bid opening if a councilperson is requested.

(K) Authority to Delay Bid Openings: The Clerk or CO is hereby authorized, without seeking prior approval of the Council in any particular case, to order a delay of any bid opening from its scheduled date and time. All information related to the delay of bid opening shall be reported to the Council at the next regularly scheduled meeting, or such special meeting called for such purpose. The delay may be ordered at any time prior to the time of the scheduled opening, provided that such order be in writing, addressed and delivered to the Finance Clerk with a copy delivered to the Council, and that copies thereof be mailed by certified mail, return receipt requested to all responding bidders as soon thereafter as is reasonably practicable. Upon receipt of the order, the Finance Clerk shall immediately record the date and time thereof. Finance shall continue to accept sealed bids up until the applicable deadline. At the date and time originally scheduled for the bid opening, The Finance Clerk shall announce the delay order to all in attendance and shall continue to maintain in its custody all properly submitted sealed bids until further order of the Council. At the scheduled or special Council meeting, Clerk or CO shall present his/her reason or reasons for the delay order and his recommendation for disposition of bids submitted. The Council may order the bids to be opened then and there, or at some other time and date certain; it may cancel the bid and order the return of all bids unopened; it may order a further delay of the bid opening; or it may make any other order appropriate to the circumstances. If the bids are ultimately opened; they shall be reviewed as provided elsewhere herein. If a delay occurs as provided herein, then the 30 day withdrawal period as provided in 8(I) shall commence upon the date of the actual bid opening, provided such date is not more than 60 days subsequent to the originally scheduled date. No delay shall be ordered beyond such 60 day period, unless the parties submitting timely bids consent to such delay in writing. In no event is the Clerk or CO authorized to extend the deadline for bid submittals for any particular project, just the bid opening date.

(L) Contractor's Insurance Requirement:

1. Any Contractor submitting a bid for any public works project must include, within its initial bid response, proof of the following insurance, in effect continuously from the date of submittal through the 60 days subsequent to the scheduled bid opening date:

a. Commercial General Liability

1.	General Aggregate	\$1,000,000
2.	Products and Completed Operations Aggregate	\$1,000,000
3.	Personal and Advertising Injury	\$1,000,000
4.	Each Occurrence	\$1,000,000
5.	Fire Damage (any one fire)	\$ 50,000
6.	Medical Expense (any one person)	\$ 5,000

- b. Automobile Liability
 - 1. Any automobile-Combined bodily injury/property damage, with minimum limits for all additional coverages as required by Florida law \$1,000,000

- c. Workers Compensation/Employers Liability
 - 1. Workers Compensation statutory limits
 - 2. Employers Liability
 - a. Each Accident \$ 100,000
 - b. Disease-Policy \$ 500,000
 - c. Disease-Each Employee \$ 100,000

- d. Professional Liability
 - 1. When required by contract-per occurrence \$1,000,000

2. Upon being awarded the bid, the contractor must provide proof that such insurance will be in effect from the date of commencement of the project through the date of completion and that the coverages will include all independent contractors and subcontractors. Either prior to or simultaneously with the execution of the contract, the successful bidder must deliver certificates of insurance for the required insurance coverages to the City naming “The City of Keystone Heights, a political subdivision of the State of Florida; Clay County, Florida; and all public agencies of the City, as their interests may appear” as Additional Named Insureds. Said certificates of insurance shall also include a thirty-day prior written notice of cancellation to be provided to the City.

3. The Council reserves the right to waive, raise or lower the minimum coverages required for particular projects prior to bid solicitation by affirmative action. The Council will not waive any defects in a bid submittal pertaining to matters under this subsection.

CHAPTER 9 - SOLE SOURCE PROCEDURES

(A) Commodities or contractual services available from a single source may be exempted from the requirements of Chapter 5:

- (1) When it is determined that only one responsible source and no other services or source is available as a substitute and said determination is documented; or
- (2) When there exists unusual or compelling urgency and the City would be seriously injured unless the City was permitted to limit sources.

(B) In the case of a sole source acquisition under 9(A)(1) above, the Clerk or CO shall certify that the acquisition is from a sole source for purchases up to \$4,999.99. Any sole source purchases in an amount exceeding \$4,999.99, shall be brought before the Council.

CHAPTER 10 – ADVANCE PAYMENT POLICY

(A) Pursuant to the authority of Chapter 28.235, Florida Statutes, the Clerk or CO is authorized to make advance payments on behalf of the City for goods and services, including, but not limited to, maintenance agreements and subscriptions, pursuant to rules or procedures adopted by the comptroller for advance payment of invoices submitted to agencies of the State as follows:

(a) Advance payment must result in a savings to the City, which is greater than the interest which the City would earn on the funds if the payment was made in arrears; or

(b) Goods or services necessary for the City to perform its statutory responsibilities are available only if advance payment is made.

CHAPTER 11 – CITY ISSUED CREDIT CARDS

(A) Purpose:

A City credit card is issued for city business only and shall not be used for personal or unauthorized business. It is intended to allow city business, to conduct without delay or interruption, its normal course of business.

(B) Issuance of cards:

1. From time to time, credit cards may be issued, revoked or not renewed for certain individuals that are employees or agents of the City, to include Councilpersons.
2. Any lost or stolen credit cards are to be reported immediately and without delay to the City Clerk. Any lost or stolen cards will be documented and written documentation provided to the Clerk or CO and copied to all Council.

(C) Card Usage:

1. Credit cards, with the exception of fuel purchases, should not take the place of purchase orders during the regular course of business.
2. When purchasing an item or service, via a City issued credit card, an original receipt shall be dated and signed by that employee issued the card and as soon as practical delivered to the Finance Clerk.
3. Person(s) utilizing a city credit card for fuel purchases are encouraged, but not required, to use the credit card for fuel purchases versus mileage reimbursement during official travel.
4. Meals shall not be purchased using a city credit card, unless prior approval has been obtained from the council.
5. No alcoholic beverages of any type may be purchased using a city credit card.

6. The Clerk shall not issue a credit card personal identification number (PIN) to any one being issued a credit card. No employee or councilperson may use a city credit card for cash advances.