SUBJECT: PROCUREMENT OF GOODS AND SERVICES

1.0 OBJECTIVE:

Describe the policy for the procurement of goods and services.

2.0 AUTHORITY:

This policy was approved by the Orange County Tax Collector on:

3.0 DIRECTION:

The Chief Financial Officer (CFO), under the direction of the Orange County Tax Collector (OCTC) will oversee the procurement of goods and services and ensure compliance with the controls established herein.

4.0 METHOD OF OPERATION:

A. Definitions:

1. Agreement - The written agreement between OCTC and a contractor covering the work to be performed; other contract documents are incorporated in or referenced in the agreement and made a part thereof as provided therein. Whether an agreement has legal consequences is determined by the provisions of the Uniform Commercial Code of Florida, if applicable; otherwise, by the law of contracts.

2. Amendment - A modification, deletion, or addition to an executed contract including work orders, by means of a formally executed document signed by both parties.

3. Bid - A formal written price offer by a vendor to the OCTC to furnish specific goods or services in response to an Invitation for Bids or a multi-step bidding procedure.

4. Bid Award - Award of a bid for which funds have been appropriated by the OCTC.

5. Blanket Purchase Order - A purchase order under which a vendor agrees to provide goods or services to a purchaser on a demand basis; the purchase order generally establishes a maximum dollar limit, prices, terms, conditions, and the period covered, with no specified quantities; shipments are to be made as required by the purchaser.

6. Certificate of Insurance - A document which is provided by the contractor/consultant to show proof of insurance according to the OCTC requirements.

7. Change Order - A written instrument issued on or after the effective date of the formal written contract or purchase order, which when duly executed by OCTC and contractor amends the contract documents to provide for changes in the work or in the provisions of the contract documents, or changes in contract price or contract time, or any
8. Construction - The process of building, altering, repairing, improving, or demolishing any public structure or building, or other improvements of any kind to any public real property. It does not include the routine operation, repair, or maintenance of existing structures, buildings, or real property.

9. Contract Types - The contract types listed below with their major subject content may be utilized as a guide in preparing contracts.
   a) Payable - A contract in which the OCTC issues payments to other parties for goods, services or construction.
   b) Receivable - A contract which generates revenue for the OCTC.
   c) Miscellaneous - A contract which may obligate the OCTC to perform some type of action but does not obligate the OCTC to issue payment.

10. Emergency Purchase - A procurement made in response to certain emergencies or when the delay caused by complying with all governing rules, regulations, and/or procedures would be detrimental to the health, safety and welfare of the OCTC and/or its customers.

11. Goods - Any tangible personal property other than services or real property.

12. Information Technology (IT) – Data processing, telecommunications, and office systems technologies and services.

13. Internet – The international computer network of both federal and non-federal interoperable packet switched data networks, including the graphical sub-network called the World Wide Web.

14. Request for Bids - All documents, whether attached or incorporated by reference, utilized for soliciting sealed bids for the procurement of construction, goods, and/or services.

15. On-line Bidding – Procurement Process in which the Purchasing Office receives bids/proposals for goods, services, construction or information services electronically over the Internet in a real-time, open, interactive, competitive bidding event.

16. Procurement – Buying, purchasing, renting, leasing, or otherwise acquiring goods, services, and construction or information services. It also includes all functions that pertain to the obtaining of goods, services, construction or information services, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

17. Proposal - An executed formal document submitted by a vendor to the OCTC stating the goods and/or service offered to satisfy the need as requested in the Request for Proposal or Request for Information.

18. Proprietary Purchase - A purchase that occurs when there is more than one vendor who can provide the goods or services, but because of exigent circumstances only one specific vendor should provide the goods or services.

19. Public Notice – The distribution or dissemination of information to interested parties using methods that are reasonably available. Such methods will often include publication in newspapers of general
circulation, electronic or paper mailing lists, and web site(s) designated by the OCTC and maintained for that purpose.

20. Purchase Order - The document used to authorize a purchase transaction with a vendor, which contains provisions for goods and/or services ordered, applicable terms as to payment, discounts, date of delivery or performance of services, transportation and other factors or conditions relating to the transaction. Acceptance of a purchase order by a vendor shall constitute a contract.

21. Quotation - Any oral or written informal offer by a vendor to the OCTC to furnish specific goods and/or services at a stated price.

22. Request for Information (RFI) - A solicitation sent to prospective vendors/contractors to provide information to determine specifications, qualifications and/or capabilities to satisfy a need rather than a firm specification. The respondent may be given latitude in order to develop a product and/or service, which will fulfill the need. Upon receipt of responses to the RFI, the OCTC may develop specifications for a Request for Bids or criteria for a Request for Proposals, either of which may be issued to qualified bidders/proposers who submitted responses to the RFI.

23. Request for Proposals (RFP) - A solicitation for response for complex systems and/or services for which the scopes of work, specifications or contractual terms and conditions cannot reasonably be closely defined. Evaluation of a proposal is based on prior established criteria stated in the RFP.

24. Requisition - A request transmitted by an electronic purchasing system to the Purchasing Section to procure goods or services from vendors. The Purchasing Procedure manual contains instructions for processing requisitions and other purchasing transactions.

25. Responsible Bidder, Proposer, or Respondent - A person who has the capability in all respects to perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, ability, reliability, capacity, facilities, equipment, financial resources and credit which will assure good faith performance.

26. Services - The furnishing of primarily labor, time, and/or effort by consultants or contractors, wherein the submission of goods or other specific end products other than reports, studies, plans, advisories, contractual documents, or other documents relating to the required performance is incidental or secondary. This term shall not include employment agreements or collective bargaining agreements.

27. Signature – A manual or electronic identifier or the electronic result of an authentication technique attached to or logically associated with a record that is intended by the person using it to have the same force and effect as a manual signature. [Reference Florida State Statutes, Chapter 668, Part I, Electronic Signatures.]

28. Small Purchases – Any procurement not exceeding $1,000.00 may be authorized by a Department Director or Division Manager and their designees in accordance with procedures promulgated by the Purchasing Administrator provided however, that procurement requirements shall not be artificially divided so as to constitute a small purchase transaction as
defined herein.

29. Sole Source - The only existing source of an item which meets the needs of the user department as determined by a reasonably thorough analysis of the marketplace.

30. User Department - That department within the OCTC government which requests and utilizes goods and/or services.

31. Warranty - The representation either expressed or implied that a certain fact regarding the subject matter of a contract is presently true or will be true.

32. Work Order - Authorization for performance of professional consulting and other services under Master Agreements.

33. Written or In Writing – The product of any method of forming characters on paper, other materials, or viewable screens, which can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

B. Purpose:

1. To provide increased economy in government procurement activities and to maximize to the fullest extent practicable the purchasing values of funds while ensuring that procurements are the most advantageous to the OCTC.

2. To foster effective broad-based competition for public procurement within the free enterprise system.

3. To ensure the fair and equitable treatment of all persons who deal with the procurement system through a transparent bidding process which will promote increased public confidence in the procedures followed in public procurement.

C. Procurement of Goods and Services:

The majority of purchasing transactions are for goods which are requisitioned through the electronic purchasing system in accordance with the Purchasing Procedure manual.

Requests for services or complex systems including annual agreements for professional services, equipment maintenance, and facility/grounds maintenance, usually involves detailed specifications and a scope of work. The two methods for competitively bidding requests for services are 1) Request for Proposals and 2) Requests for Bid.

In certain instances authority to make purchases and request quotes from qualified vendors may be delegated to Department Directors and Division Managers. Sole source and emergency purchases require adequate justification statements in the form of a memo approved by the appropriate Director.
D. Methods of Purchase:

The following purchasing methods are used by the OCTC to acquire goods, services, and equipment:

1. Open Market Purchases
   A. Up to $1,000 – one or two quotes required.
   B. $1,001 to $10,000 – one to three verbal quotes.
   C. $10,001 to $25,000 – one to three verbal quotes from three or more sources by phone, fax or email.
   D. $25,001 to $50,000 – requests for quotes sent to a minimum of three vendors, usually electronically.

2. Competitive Sealed Bidding or Competitive Sealed Proposals

   Required for purchases over $50,000; can be used for lesser amounts.

   All purchases of products and services exceeding $50,000, whether a one time purchase or an annual agreement, are acquired through this process.

   Legal notices will either be published in a newspaper of general circulation informing the public of the products or services being solicited or the solicitation will be electronically posted for at least 10 days before the date set for receipt of bids/proposals, or replies, unless the requesting department or other agency, determines in writing that a shorter period of time is necessary to avoid harming the interests of the OCTC. The OCTC’s centralized website on the Internet (www.octaxcol.com) will be utilized to electronically post solicitations, decisions or intended decisions, and other matters relating to procurement.

   Request for Bid and Request for Proposal packages are prepared with appropriate terms and conditions, and detailed specifications including instructions for proposing or bidding and any special requirements. Assigned dates for a Pre-Bid/Proposal Conference (if any) and for the Public Bid/Proposal Opening are also included.

   Sealed bids or proposals are publicly opened and read at the time designated in the bid/proposal documents and legal notices. Whenever a sealed proposal is opened and read, the pricing schedule and any other cost data will not be available until ten (10) business days after the formal opening, or until an award decision is made, whichever is sooner.

   Bids/Proposals are evaluated and recommendations are forwarded to the appropriate level of authority for review, approval, and award.

   Purchase orders and/or contracts are awarded to the most responsive and responsible bidder(s)/proposer(s).
Bid responses are made available for public inspection the day of the opening and Request for Proposal responses are made available ten (10) days after the opening.

Requests for Proposals are evaluated by a Selection Committee comprised of OCTC staff. The process to be followed by the Committee during the proposal evaluation process is as follows:

STEP I – Proposal packages will be reviewed by the Purchasing Administrator for compliance with the submittal and content requirements cited in the RFP.

A. Responsive Proposals will be reviewed under Step II.

B. Non-Responsive Proposals will not be considered by the committee.

Prior to the initial committee meeting and after receipt of proposals, the Committee Chairperson and the Purchasing Administrator will meet and review the proposal evaluation process.

STEP II – An evaluation scoring system will be used to rank the proposals. The request for proposals shall state relative importance of cost or revenue to the OCTC and other evaluation factors. The selection committee chairperson will use the sample format provided by Purchasing. Point weightings are assigned to the evaluation criteria prior to release of the request for proposal and these evaluation factors/points cannot be changed except by written addendum issued prior to the submission date for the proposal. The scoring matrix and the weighted factors must be included in the RFP document so the proposers know how they will be evaluated.

STEP III – Based upon the evaluation conducted in Step II, the firm(s) deemed to be in the competitive range may be interviewed. Thereafter, the evaluation team will finalize their proposal scoring based upon the interview(s). All committee meetings must be posted a minimum of forty-eight (48) hours in advance. Minutes must be completed and filed with the appropriate custodian within five (5) business days.

STEP IV – Selection and Award.

As provided in the request for proposals, discussions may be conducted with responsible proposers who submit proposals determined to be reasonably acceptable of being selected for award for the purpose of clarification and to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers must be accorded fair and equal treatment with respect to any opportunity for discussion and revision of
proposals and such revisions may be permitted after submission prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing proposers, except as may be required by the Florida Public Records Law, Chapter 119, Florida Statutes.

Award shall be made to the responsible proposers whose proposal is determined to be the most advantageous to the OCTC, taking into consideration the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation.

Should the Committee be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price the OCTC determines to be fair, competitive, and reasonable, negotiations with that firm must be formally terminated. The Committee shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the Committee must terminate negotiations. The Committee shall then undertake negotiations with the third most qualified firm.

Should the agency be unable to negotiate a satisfactory contract with any of the selected firms, the agency shall select additional firms in the order of their competence and qualification and continue negotiations in accordance with this subsection until an agreement is reached.

A recommendation will be sent to the CFO for approval and submittal to the Tax Collector or Assistant Tax Collector for approval.

Delegation of Purchasing Authority/Small Purchases:

a. Department Directors and their designees have the authority to authorize purchases of materials, supplies, and services not to exceed $1,000.00 by either check request or Purchasing Card.

b. To authorize a small purchase, each Department shall establish internal controls to insure that unless there is a time or quality constraint commodities are obtained at competitive prices, and that competing vendors are provided equal opportunity to quote on OCTC requirements.

c. It is the responsibility of the user Department to ensure all “extra” charges, such as freight, handling, and set-up are considered before a purchase is made. Vendor willingness to honor requests exceeding $1,000.00 does not authorize Department Directors or their designees to make such purchases.
E. Open Market Purchases:

If the Purchasing Administrator or designee determines it is either not practical due to time or other constraints or not advantageous to the OCTC, to strictly observe the bidding procedures prescribed herein, an open market purchase will be initiated.

The Purchasing Administrator or designee will ensure compliance with the following procedures for open market purchases:

1. All open market purchases shall, whenever feasible, be based on at least three (3) competitive bids, and shall be awarded to the lowest responsible bidder.

2. Newspaper advertising will not be necessary; however, the solicitation will be posted in the Administration Office.

3. Bids shall be solicited by:
   a. Direct mail request to prospective vendors.
   b. Telephone, fax or electronic mail notification by OCTC or third party service provider.

4. Recording – A record will be maintained of all open market orders and the bids received, and such records shall be available for public inspection after opening.

F. Single Source Purchases:

Purchases may be made from a single source under the following conditions:

1. When failure to receive the material or service by the required date will prolong an unsafe condition, adversely affect operation or cause a work stoppage.

2. A competitive procurement for identical items (within the last three (3) months) establishes that the supplier selected offers the best available price with reasonable delivery and service.

3. The material is an item of required design or is a proprietary or patented item available only from the patent holder or licensee such as the original equipment manufacturer.

4. A reasonable attempt at competition has been unsuccessful.

5. Repair and overhaul work. The requestor, with approval of Purchasing, will be responsible for ensuring the repair costs are within the OCTC’s estimate and do not exceed the recommended
percentage of replacement costs.

6. A contract may be awarded for a supply, service or construction item without competition when the Purchasing Administrator determines that there is only one source for the required service supply or construction item or negotiation where the procurement by competitive procedures is not feasible or practicable.

7. Awards in the amount of $1,000 or less.

8. Full documentation of the reason for granting an award to a sole source vendor must be provided by the requester. In cases where either Items 3 or 5 above is the reason for the sole source, the documentation requirement may be satisfied by noting the justification on the telephone quote sheet.

G. Use of Government Contracts:

The Purchasing Administrator is granted the authority to purchase goods and services directly, without bids or quotes, from federal, state, county or city government’s contracts or any other governmental agency or political subdivision contracts. The vendor(s) must agree to extend the same terms and conditions of the contract to the OCTC.

The following documentation will be maintained in the contract or purchase order file:

1. Copy of the contract being utilized or contract number must be referenced on the Purchase Order.
2. Letter from each awarded vendor agreeing to the OCTC’s use of the contract under the same terms, conditions, and pricing; if applicable.
3. Copy of contract exhibits (including pricing sheets) and any required insurance certificates and bonds; if applicable.

H. Approval Authority:

Approval authority for purchasing transactions shall be as follows:

For all MIS Purchases:

MIS→MIS Mgr→Assistant Tax Collector→Finance→CFO

For all other Purchases:

Department→Finance→CFO