



# CITY OF SANIBEL ADMINISTRATIVE POLICY

Subject:

**Purchasing Policy and Procedures**

Policy #:

**24-XX**

(Supersedes Policy: 11-03)

Responsible Department:

**Finance Department - Procurement**

Page:

**1 of 14**

Supporting Legislation:

**Ord #24-021**

Effective Date:

**October 1, 2024**

Last Amendment Date:

**December 1, 2011**

**PURPOSE:** To provide a standardized process for acquiring commodities (equipment, materials and supplies) and services required for the efficient and cost effective operation of the City.

**POLICY:** This amended policy shall supersede all previous rules, regulations, policies, or procedures, in effect, used or otherwise followed prior to the effective date of this policy. The City is committed to purchasing commodities and services at the lowest possible cost consistent with quality, overall cost over the life of the commodity, warranties, service, fitness, adaptability for a particular purpose, and the benefits of standardization.

## A. GENERAL

The City of Sanibel, Florida, recognizes that centralized purchasing is a necessary function of effective government and declares it shall be the responsibility of the Finance Department to consider opportunities to centralize some purchases of supplies, equipment, and services for various functions within the City.

The purchasing function involves the procurement of materials, supplies, equipment, and services at best value, consistent with the quality needed to meet the required standards established and approved by the Sanibel City Council. Our goal is the promotion of the best interest of the City through intelligent action and fair dealings, resulting in obtaining maximum savings for the City.

Rules and regulations are necessary for the proper operation of the purchasing function, and it is essential all who are involved in the purchasing operation be well informed. This manual was developed to aid all employees, and those directly or indirectly associated with the function of purchasing.

All City Departments shall comply with this Purchasing Policy. Florida Statutes will prevail for all Items not expressly covered within this Purchasing Policy. All individuals required to submit a statement of financial interest with the Supervisor of Elections will do so in accordance with the requirements of the State of Florida.

The objectives of the Finance Department are as follows:

1. To deal fairly and equitably with all vendors wishing to do business with the City of Sanibel;

2. Provide professional procurement services for all our customers within the City;
3. Assure adherence to all laws, regulations, and procedures related to City procurement;
4. Maximize competition for all procurements of the City;
5. Obtain maximum savings through innovative buying and application of value analysis techniques;
6. Purchase goods and services at the best value if not lowest price, consistent with quality performance, and delivery requirements from capable vendors meeting the City's requirements.

## **B. DEFINITIONS**

Wherever used in this Procurement Policy, the following terms have the meanings indicated which are applicable to both the singular and plural thereof and all genders:

*Agency:* A state agency, a municipality, a political subdivision, a school district, or a school board.

*Best Value:* The highest overall value based on factors that include, but are not limited to, price, quality, design, time, and workmanship.

*Bid:* A formal written price offer from a vendor to the city to furnish goods, products, or services.

*Consultants' Competitive Negotiations Act (CCNA):* Section 287.055 of the Florida Statutes, as may be amended from time to time, governing the procurement of architectural, engineering, landscape architecture, and registered surveying and mapping services.

*Contractor:* Any person or entity (including officers, directors, executives, and shareholders who are active in the management of a person or entity) who bids or applies to bid on any work of the city, or who provides (or solicits to provide) goods or professional services to the city. For purposes of this Policy, Contractor and Vendor may be used interchangeably.

*Contractual Services:* The rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors, and such services may include, but are not limited to, evaluations, consultations, accounting, security, management systems, management consulting, educational training programs, research and development studies or reports, and technical and social services. Contractual Services does not include any contract for furnishing of services, labor or materials for the construction, renovation, repair, modification, or demolition of any roadway or bridge, building, portion of building, utility, or structure.

*Cooperative Purchasing:* Procurement conducted by or on behalf of more than one public procurement unit or agency.

*Demand Contract:* A contract under which a contractor/vendor agrees to provide goods or services on a demand basis.

*Emergency:* A reasonably unforeseen breakdown in machinery, damage, destruction or obstruction of machinery or roadway or any property owned or operated by the city; a threatened termination of an essential service; the development of a dangerous condition; the development of a circumstance causing the stoppage or slowdown of an essential service; a threat to the public health, welfare or safety; or the opportunity to secure significant financial gain, or avoid significant financial loss, through immediate or timely action.

*Exceptional Purchase:* Procurement of commodities or contractual services excepted by law or rule from the requirements for competitive solicitation, including, but not limited to, purchase from a single source, purchases upon receipt of less than two responsive bids, proposals, or replies.

*Federal Agency:* The term "Federal agency" means any department, agency, or instrumentality in the executive branch of the Government, any wholly owned Government corporation, the Architect of the Capitol, the Federal Reserve banks and branches thereof, and any person who has the authority to acquire property by eminent domain under Federal law.

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

*Invitation to Bid (ITB):* A written or electronically posted solicitation for competitive sealed bids.

*Invitation to Negotiate (ITN):* A written or electronically posted solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services.

*Minor Irregularity:* A variation from the solicitation procedure that does not affect the price of the contract or does not give an offeror an advantage or benefit not enjoyed by other offerors or does not adversely impact the interests of the contracting party.

*P-Card:* Procurement, or purchasing card is a type of payment that allows employees to charge goods or services on behalf of the City. The cards are issued to approved employees following an application process.

*Procurement:* Buying, purchasing, renting, leasing or otherwise acquiring any goods or services for public purposes in accordance with the law, rules, regulations, and procedures intended to provide for the economic expenditure of public funds. It includes, but is not limited to, all functions which pertain to the obtaining of any supplies, materials, equipment and/or services, including Contractual Service, Design Professional Services, and Professional Services, construction projects and capital improvement projects required by the city regardless of the source of funds.

*Professional Services:* The value of services which are substantially measured by professional competence of the firm performing them and which are not susceptible to realistic evaluation/assessment by cost of services alone. Professional Services shall include but are not limited to, services customarily rendered by attorney, certified public accountants, and insurance, financial, personnel, public relations firms, legislative advisors, systems, planning and management advisors. For purposes of this Policy, Professional Services shall not include

services customarily rendered by architects, landscape architects, professional engineers and registered surveyors and mappers.

*A/E (Architect or Engineer) Professional Services:* Services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.

*Renewal:* Contracting with the same contractor for an additional contract period after the initial contract period, only if pursuant to contract terms specifically providing for such renewal.

*Request for Information (RFI):* A written or electronically posted request made by an agency to vendors for information concerning commodities or contractual services. Responses to these requests are not offers and may not be accepted by the agency to form a binding contract.

*Request for Proposal (RFP):* A written or electronically posted solicitation for competitive sealed proposals.

*Request for Qualification (RFQ):* Used to obtain statements of qualification of potential development teams or consultants.

*Request for Quote (RQ):* A small order amount procurement method.

*Responsive Bid/Proposal/Reply:* A bid, or proposal, or reply submitted by a responsive and responsible vendor which conforms in all material respects to the solicitation.

*Responsible Vendor:* A vendor that has submitted a bid, proposal, or reply that conforms in all material respects to the solicitation.

*Sole Source:* A procurement in which only one vendor can supply the goods or services, one is selected for substantial reasons, eliminating the competitive bidding process.

*Standardization:* The adoption of a single product or group of products to be used by different organizations or all parts of one organization.

*Vendor:* See "Contractor".

### **C. THRESHOLDS AND APPROVALS**

#### **1. Purchasing requirements for commodities, services, construction, and equipment:**

Requisition requests must be entered into the City's authorized electronic procurement system for any product or service purchased over \$500.00 (or aggregate thereof). This includes purchases that are expected to be paid with a P-Card (except for pre-approved travel expenses).

NOTE: If purchases will be funded in part or full by using State or Federal funds the purchase needs to additionally comply with all regulations found under 2 CFR Part 200.320. (See City of Sanibel Addendum for State and Federal Purchasing for more specific information).

- **Less than \$10,000** – purchaser shall solicit quotes from various sources regularly to ensure the City is getting the best prices. Staff should document within the system at least three pricing sources.
    - **Approvals required:**
      - Department Director
      - Procurement Manager
  - **\$10,000 - \$25,000** – purchaser shall obtain three written quotes using the most appropriate means necessary. Quotes should be documented on vendor specific forms or website printouts and retained in the approved purchasing system.
    - **Approvals required:**
      - Department Director
      - Procurement Manager
      - Deputy Finance Director
  - **\$25,000 - \$50,000** – purchaser shall obtain three written quotes using the most appropriate means necessary. Quotes should be documented on vendor specific forms or website printouts and retained in the approved purchasing system. The goods/services sought should be specifically itemized so that submitted quotes are as similar as possible.
    - **Approvals required:**
      - Department Director
      - Procurement Manager
      - Deputy Finance Director
      - City Manager/Deputy City Manager
  - **More than \$50,000** – unless otherwise noted, all purchases over this threshold must go through a formal solicitation process (e.g. ITB, RFP, etc.). Approval/Rejection of the bid or proposal shall be made by the City Council before a purchase order can be finalized.
2. The purchase of services for temporary labor shall have the approval of the City Manager and Human Resources Director before a purchase order/contract is issued.
  3. Personnel authorized to purchase commodities/services shall document procurement transactions to provide a basis for audit and compliance reviews and to establish a written record of the purchasing activity.
  4. Required documentation includes the request for quotations, quotations, analysis of the quotations, memos on negotiations, amendments to purchase orders, revisions in specifications, quantities, or delivery and all other pertinent correspondence.
  5. Purchase Order changes that do not require approval from the Finance Department include:
    - A reduction to the total amount of the purchase order
    - Changes in quantity that do not increase the total amount of the purchase order.
    - If the actual cost of goods or services received and invoiced does not exceed 10% of the original purchase order amount.

6. Changes to a purchase order that result in a financial increase of 10% or more from the original issuance are subject to Finance department approval.
7. The use of multiple purchase orders to avoid the minimum requirements, as outlined above in section 1, is not authorized.
8. Vendors hired by the City to provide goods and services shall have obtained a City Business Tax Receipt or Registration, as applicable, (per Code of Ordinances, Section 18 and 62) prior to authorization of the purchase.

#### **D. ETHICAL STANDARDS**

1. The avoidance of actual or apparent conflicts of interest is a prime requisite to the efficient and sound operation of government and maintenance of public trust.
2. All City employees who participate in the purchasing program shall abide by the highest of ethical standards. A special responsibility is imposed on employees who are entrusted with the disposition of City funds and adherence to the ethical standards contained in [Section 112.313 of the Florida Statutes](#) are applicable.
3. Any City employee serving on an evaluation committee must complete the Statement of Non-Conflict indicating that neither they nor any immediate family member could stand to financially benefit directly or indirectly from any given outcome of the solicitation in question.

#### **E. COMPETITIVE SEALED BIDS**

1. *Conditions for use.* Except as provided in this section, all contracts for the procurement by the city of commodities and services shall be awarded by competitive sealed bidding.
2. *Invitation to bid.* An invitation to bid shall be issued, which shall include a brief description of the commodities sought; contractual terms and conditions applicable to the procurement; and the place, date, and time for submittal of bids and for opening of bids.
3. *Public notice.* Public notice of the invitation to bid shall be published at least once in a newspaper of general circulation or listed on the City's website or on a third-party website such as DemandStar at least seven days prior to the date set for the opening of bids. The notice shall consist of the invitation to bid or, alternatively, it shall contain at least a brief description of the nature of the procurement; the place, date, and time for submittal and for opening of bids; and information as to how further bidding instructions may be obtained. This is a minimum notice, and it does not preclude other additional methods of providing notice. Amended invitations to bid and amended public notices are permitted if the other requirements of the purchasing policy are met.
4. *Bidder list.* The city manager may maintain a list of persons or firms who have requested notification of invitations to bid and may provide additional notice to them; however, it shall not be cause for challenge to an award that an additional notice was not given.
5. *Submission of bids.* Unless otherwise stated in the invitation for bids, bids shall be submitted in writing or electronically and shall be sealed. The receipt of bids will be recorded as to the date and the time of receipt in such a manner as to indicate whether they were timely submitted. Bids will be accepted unconditionally without alteration.

6. *Bid opening.* Bids shall be opened publicly in the presence of at least one representative of the city at the date, time, and place designated in the public notice. The name of each bidder, the amount of the bid, and other information deemed relevant by the city representative shall be recorded.
7. *Bid acceptance and evaluation.* Bids will be accepted unconditionally without alteration or correction. Bids received at, or prior to, the time set for bid opening will be opened and considered. Bids received after the time set for opening will not be opened or considered, but instead will be marked as received after designated time of opening and returned to sender.
8. *Withdrawal of bids.* Bids may be withdrawn by the bidder only as follows. Sanctions for improper withdrawal of a bid after the bid opening shall be forfeiture of bid bond, if any, or if none, damages or specific performance of the contract plus costs and attorney's fees.
  - a. *Before bid opening.* Bids may be withdrawn by any type of notice given by an authorized representative of the bidder, received by the city representative prior to the time set for bid opening.
  - b. *After bid opening.* Bids may not be withdrawn after the time set for bid opening, unless and to the extent:
    1. The invitation to bid so provides;
    2. The time set forth in the specifications for award of a contract has expired. If no time is set forth, bids shall expire 60 days after bid opening. The city and the successful bidder may mutually agree to an extension of the expiration as long as the bid terms are not otherwise materially altered; or
    3. The city council finds after hearing that the withdrawal was justified due to obvious and substantial error and inability to perform.
9. *Processing after opening.*
  - a. After bids are opened and recorded, they shall be reviewed by the appropriate city representative for consistency with the requirements contained in the invitation to bid and the specifications, and for consistency with any requirements contained in general law. Analysis of the bids and/or ranking of the bidders for selection purposes by a committee (two or more advisory representatives) shall be accomplished under the Florida Government in the Sunshine Law with the following requirements: 1) open to the public; 2) reasonable notice of the meetings be given to the public, and 3) minutes of the meeting taken. A recommendation for the award of a contract shall be forwarded to City Council for final action.
  - b. City council shall make the final award of a contract with reasonable promptness. Written notice shall be provided to the successful bidder.
10. *Criteria for determining award of contract.*
  - a. Contracts will normally be awarded to the qualified bidder which submits the lowest responsive bid in terms of price; however, nothing in this division shall prohibit consideration of relative quality, overall cost over the life of a commodity, warranties, service, fitness, adaptability for particular purpose, and the benefits of standardization.

- b. No criteria may be used in determining acceptability of the bid that were not set forth in the invitation to bid, the specifications, or this policy; however, minor irregularities in bidding procedures may be waived by the city council.
  - c. If two or more bidders are tied after review by the originating department, in accordance with section 287.087 of the Florida Statutes, preference shall be given to the bidder with a Drug Free Workplace Program. In cases where a tie still exists, the City Council shall award the bidder identified as the most responsible bidder based upon the other relevant factors in the bidding documents. If a tie still exists, the winning bidder shall be determined by the bidder whose response was received first.
  - d. Nothing herein shall prohibit the city from awarding portions of a contract to more than one bidder if it is in the city's interest to do so.
  - e. Any bidder which is awarded a contract must be in compliance with all requirements for city licenses and permits prior to commencement of the work, unless waived by council.
11. *Rejection of bids.* The city reserves the right to reject any bids or portions of them, as best serves the interest of the city. By way of example and not limitation, bids may be rejected if:
- a. They are nonresponsive.
  - b. They are materially higher than expected.
  - c. Errors in specifications may have caused confusion.
  - d. Sufficient funds are not available.
  - e. The item or service is no longer needed.
  - f. There is a lack of adequate competition.
  - g. The item or service can be provided in-house.
  - h. The bidder does not qualify under state or federal law.
  - i. The bidder is not in compliance with city ordinances. This requirement may be waived if the city finds that the noncompliance is inadvertent, minor, and curable as a condition of the award.
  - j. The bidder does not appear to have the expertise, financial capability, or other ability to meet the requirements of the contract to be awarded—is otherwise shown not to be responsible.
  - k. The bidder is debarred.
12. *Resolution of bid disputes.*
- a. Any person adversely affected by a proposed decision concerning a bid or award may protest the proposed decision by filing a written notice of protest with the city representative prior to the award of the contract, or by presenting the protest to city council prior to the award.
  - b. The city council may refer the matter to the City Manager for an informal hearing and recommendation to council prior to awarding a contract or may determine the protest on its own. The decision of the city council constitutes the final action by the city.



## **F. COMPETITIVE PROPOSALS**

1. *Conditions for use.* Competitive sealed proposals may be used instead of competitive sealed bids when it is determined that the use of competitive sealed bidding is impractical due to the nature of the commodity or service, or the purchasing department is incapable of specifically defining the full scope of work for which the commodity, group of commodities, or contractual service is required. Request for qualifications will be used for the acquisition of professional services as applicable to the Consultants' Competitive Negotiation Act (CCNA).
2. *Request for proposals.* A request for proposals shall be issued and shall include specifications, scope of services, or conditions applicable to procurement. All thresholds and provisions applicable to competitive sealed bids shall apply to competitive sealed proposals, except as follows:
  - (1) Contracts shall be awarded to the qualified and responsive proposer whose proposal best suits the overall needs of the city.
  - (2) Price may be considered as a factor in making the determination but need not be the only factor, or a primary factor, considered.
3. *Request for qualifications.* A request for qualifications shall be issued when the professional services of architectural, engineering, landscape architectural, or surveying and mapping is required due to the estimated construction cost or estimated professional fee for services under CCNA, F.S. § 287.055

## **G. DESIGN-BUILD**

Design-Build is a single firm that has been given responsibility for the design and construction of a public project. Selection of a firm is a combination of qualification-based selection and negotiated pricing based on requirements specifications. Some of the primary objectives of using this procurement method are:

1. Fast tracking of project completion
2. Quick re- pricing and the ability to get an immediate analysis of options during a critical time when changes in plans are being considered,
3. Competitive bids are obtained from each subcontractor and
4. It ensures that a project is going to be within an established budget before any early and/or substantial expenditures are made.

Per F.S. 287-055(j) City must have a “design criteria package” prepared prior to going out for bids/ proposals or qualifications. The firm that creates the “design criteria package” is not eligible to submit for the actual design-build.

## **H. COOPERATIVE PROCUREMENT**

1. *Cooperative Procurement Programs* – The Finance Department is affiliated with, and active members of, various professional procurement organizations. These associations allow the City access to numerous cooperative contracts that have been competitively awarded and may be utilized for the procurement of various goods and services. Departments are encouraged to utilize and purchase from cooperative agreements when the City does not

have a current contract in place; this procurement method generally expedites procurements and provides competitive pricing for items and services needed.

Other governmental contracts that the City may utilize include, but are not limited to, term contracts of the State of Florida, Federal General Services Administration, and other governmental cooperatives, entities, counties and municipalities within and outside of the State of Florida.

2. *Piggybacking contracts of other Public Entities (Non-Cooperative Contracts)* – the City may utilize a contract that was competitively sourced and entered into between another governmental or public entity and a provider of supplies or services (piggy-back) sought by the City, if the City Manager or Finance Department determines that it is practicable and advantageous for the City to employ this method of procurement. If such other governmental contract is utilized, the public notice requirements and/or the need to utilize the selection processes is obviated; however, a separate contract or purchase order must be executed by the City and the particular supplier. This separate purchase order/contract will then incorporate by reference the governmental contract and terms and conditions under which the cooperative contract was awarded. All services and/or commodities to be purchased and terms and conditions, including expiration dates will apply. Piggybacks cannot exist beyond the final contract date of the originating agency. Prices must be the same or less than the original contract.

Sole source or emergency contracts cannot be used to establish piggybacks.

Contracts awarded in accordance with Chapter [§287.055](#) Florida Statutes (the Consultants' Competitive Negotiation Act) may not be piggybacked.

Other governmental entities are similarly authorized to utilize the City contracts where the other governmental entity determines such utilization is practicable and advantageous and the particular supplier agrees to enter into such separate contract with the other governmental entity which incorporates the terms and conditions of the City contract.

## **I. BLANKET PURCHASE ORDER**

A blanket purchase order is a purchase order issued to a vendor for routine goods or services when it is anticipated that multiple purchases will be made with that vendor over a specified period of time; however, the blanket purchase order cannot extend beyond the end of the fiscal year it is issued.

## **J. SOLE SOURCE**

Occasionally, products or services are determined to be available from only one source or must match a product or service that is already in place. These are rare occurrences and must be fully documented on the Requisition and submitted to the Finance Department for review and for City Manager approval where the cost exceeds \$10,000 for the total purchase. Sole source procurement actions will be submitted on a Departmental Requisition through the *electronic purchasing system* and the rationale for the sole source selection, including vendor name and address, will be scanned and attached to the requisition. A sole source purchase of \$50,000 or greater must be recommended by the City Manager and approved by City Council prior to the purchase.

## **K. CHANGE ORDERS**

If, after a contract is awarded, it becomes necessary to add items/work because of unforeseen findings or a scheduled change, a change order can be issued as follows:

1. The justification, dollar amount, and revised scope of work for all change orders must be documented by a Department Director, Finance Director, or City Manager.
2. All change orders must be approved by a Department Director, Finance Director, or City Manager.

## **L. DISASTER PROCUREMENT**

Disaster procurement is implemented upon the declaration of a disaster by the City Manager, Mayor or City Council. Disaster contracts are in place for the major items and services that may be required. All purchases must be clearly documented in as much detail as possible working closely with the Finance staff. Disaster procurement follow the same competitive standards as emergency procurement in the next section.

## **M. EMERGENCY PROCUREMENT**

A purchase made due to an unexpected and urgent request where health and safety or the conservation of public resources are at risk. Usually, formal competitive bidding procedures are waived.

The City Manager may make or authorize others to make emergency procurement of supplies, services or construction items when there exists a threat to public health, welfare, or safety; provided that emergency procurement shall be made with such competition as is practicable under the circumstances. Emergency Purchases are exclusively reserved for justified emergencies, and purchases may be made without taking competitive bids. However, competitive bids are recommended whenever possible, and the purchase will be made at the best possible price.

## **N. FEDERALLY FUNDED PROCUREMENT AND GRANTS**

All City of Sanibel Federal procurement shall comply with the Federal procurement standards, Title 2 of the Code of Federal Regulations (C.F.R.) sections (§§) 200.317 through 200.326, CDBG-DR requirements, as well as FEMA policies and guidance associated with FEMA's Public Assistance grants. All Federal procurement policies supersede Local and State policies when Federally funded.

## **O. EXEMPTIONS TO THE COMPETITIVE BIDDING PROCESS**

To the extent indicated and unless otherwise required by general law, the following are exempt from the competitive requirements of this Policy:

1. Agreements approved by the City Council between the City and non-profit organizations or governmental entities including the procurement, transfer, sale or exchange of goods and/or services
2. Dues and memberships in trade or professional organizations
3. Subscriptions for periodicals
4. Used equipment

5. Regulated Services: Telephone, electricity, natural gas and water, or similar services where rates or prices are fixed by legislation or by federal, state, City or municipal regulations
6. Abstracts of titles for real property; title insurance for real property; acquisition, sale or disposal of real property or real property interest
7. Copyrighted materials; patented materials
8. Artistic Services: The rendering by a contractor of its time and effort to create or perform an artistic work in the fields of music, dance, drama, folk are, creative writing, painting, sculpture, photography, graphic arts, craft arts, industrial design, costume design, fashion design, motion pictures, television, radio, or tape and sound recording
9. Employment agreements; Collective bargaining agreements
10. Medical services;
11. Job-related travel; seminars; tuition; registration fees and training
12. Where the procurement is of the renewal or extension of existing agreements, such as maintenance or service agreements or insurance contracts. However, the extension of any agreement that exceeds \$50,000 must be authorized by City Council
13. Sole Source Purchases
14. Emergency Purchases: All Emergency Purchases over City Manager's approval level shall be submitted to City Council for approval at the next scheduled meeting, if possible
15. Procurement of auditing and related services from private auditing firms. However, such services in excess of \$50,000 and services to conduct the annual financial audit required by §218.39, Florida Statutes, pursuant to §218.391, Florida Statutes shall be approved by resolution of City Council and may be annually renewed for up to five consecutive years by resolution of City Council
16. Telecommunications & Technology, Software Maintenance
17. Cooperative Purchases or "Piggybacking": Purchases for goods or services from State of Florida or Federal GSA Contracts as well as contracts awarded by any state, City or municipal governments (and any other governmental agency or political subdivision), state colleges and universities, or national government agency, cooperative procurement organizations or procurement associations
18. Items purchased for resale to the general public
19. Advertisements; Publication of notices

**P. PURCHASE CARD**

Refer to current P-Card Policy (separate document)

**Q. SECURITY FOR PERFORMANCE AND RETAINAGE**

1. *Bid bond.* Unless waived, the city will require bidders to submit with the bid a bond, letter of credit, or equivalent security in the amount of at least five percent of the bid, to ensure that the bidder will enter into the contract if one is awarded, and that the bid bond or security will be forfeited for default. The city manager may waive the bid bond requirement in contracts

where the estimated price will not exceed \$50,000.00; otherwise, council action will be required for a waiver. The waiver must be contained in the invitation to bid or the specifications.

2. *Performance bond.* Unless waived, the city will require the successful bidder to provide a bond, letter of credit, or equivalent security in the amount specified in the specifications, to ensure proper performance of the contract awarded, and that the performance bond or security will be forfeited upon default. The city manager may waive the performance bond requirement where the contract price does not exceed \$50,000.00; otherwise, council action will be required for a waiver. The waiver must be contained in the invitation to bid or the specifications.
3. *Retainage.* The City manager may provide for the retention of final payment or the provision of a bond or other security to ensure that the delivered commodity or completed services is free of defects. If retainage will be required, the terms must be set forth in the bid specifications. Retainage in excess of ten percent of the contract amount, or for a period exceeding one year after delivery or completion, must be approved by the council prior to inviting bids.

## **R. INSURANCE**

Insurance certificates are required to be supplied by all contract vendors. The City of Sanibel should be listed as an additional insured by endorsement on liability insurance. The certificates of liability insurance are to be received with, or shortly after, the signing of the contract. Periodically, the file should be reviewed to ensure that the insurance document on file is still current. If not, an email to the vendor should be made requesting updated documents. Maintaining insurance is a requirement of the contract.

## **S. DEBARMENT**

1. If any person or firm is to be deleted from consideration as a source of commodities or services, the city manager shall notify that person in writing and shall afford the opportunity to be heard as to the nature of the problem. Debarment shall be for no more than two years, unless otherwise provided by law. Grounds for debarment include, without limitation, the following:
  - a. Any grounds for debarment under federal or state law; however, if the person or firm already is under debarment under federal or state law, no notice or hearing is required
  - b. Fraud or misrepresentation
  - c. Unacceptable performance under a contract within the previous two years
  - d. Repeated or serious improper billings within the previous two years.
  - e. Knowing or repeated violations of city ordinances, especially those pertaining to zoning, occupational licensing, contractor licensing or registration, and permit requirements, within the previous two years.
  - f. Any other cause determined to be so serious and compelling as to affect responsibility as a contractor for the city.
2. The city manager's decision shall constitute final agency action.

**T. ELECTRONIC SIGNATURE**

In accordance with sections 668.001 through 668.06, Florida Statutes, the City will accept electronically filed and signed documents in regard to procurement solicitations and responses thereto as well as execution of contracts meeting the requirements of this policy.

**U. VIOLATIONS OF THE PURCHASING POLICY**

Violations of the purchasing policy are subject to disciplinary action up to and including termination of employment.

**RESPONSIBLE DEPARTMENT CONCUR**

\_\_\_\_\_  
Steve Chaipel, Deputy City Manager/CFO

**HUMAN RESOURCES DEPARTMENT CONCUR**

\_\_\_\_\_  
Crystal Mansell, Human Resources Director

**CITY ATTORNEY REVIEW**

\_\_\_\_\_  
John Agnew

**APPROVED**

\_\_\_\_\_  
Dana Souza