

**TOWN OF PALM BEACH**  
**PURCHASING POLICY AND PROCEDURES MANUAL**  
**ADMINISTRATIVE PROCEDURE NO. 1-19-1**

**PURCHASING POLICY AND PROCEDURES MANUAL**

Procedure No:.....1-20-10  
(Revision to Administrative Procedure No. 1-19-1)

Effective Date: .....9-28-2020

Next Scheduled Review Date .....10-1-21

APPROVED:   
Kirk W. Blouin, Town Manager

**OBJECTIVE:**

It is the policy of the Town of Palm Beach to provide professional purchasing support to all Departments of the Town, including individual members of the staff authorized to participate in the procurement process on behalf of the Town. All purchasing shall be conducted and controlled by the Purchasing Division of the Finance Department with oversight from the Office of the Town Manager.

This policy applies to all contracts for the purchases of supplies, equipment, and services, including construction. It shall apply to all expenditures of public funds by the Town for public purchasing regardless of the source of the funds, as well as the sale or lease of Town services and/or real property.



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**Welcome to the Town of Palm Beach Purchasing Division.**

**VISION STATEMENT**

To contribute ethically, quantitatively, and qualitatively to the strategic goals of the Town of Palm Beach by engaging best business practices to achieve efficiencies, transparency, and cost savings to the Town's purchasing efforts.

**MISSION STATEMENT**

The role of the Purchasing Division is to maximize the value of public funds by maintaining a fluid procurement system of efficiency, quality, and integrity. In doing so, the Purchasing Division is dedicated to developing a professional work environment that maintains strong ethics.

The Purchasing Division is responsible for:

- Acquisition of all supplies, materials, equipment, construction contracts, and services required by Town departments. This is accomplished by the determination of applicable procurement procedures, quality, value, price, vendor selection, placement of purchase orders, use of purchasing cards, and contract administration Town-wide.
- Coordinate operation of central warehouse for Town supplies and materials. Maintain adequate stock levels to meet operational requirements.
- Coordinate the auction, sales, or other lawful means of disposal of Town-owned property that has been declared surplus.
- Promote environmentally preferable procurement (Green Initiatives) in the acquisition of goods and services and consider life cycle effects for pollution, waste generation, energy consumption, recycled material content, depletion of natural resources, and potential impact on nature in procurement decisions.
- Provide for Town mail delivery, warehouse delivery and bank delivery services.

The Purchasing Division embraces the Values and Guiding Principles of Public Purchasing set forth by the National Institute for Public Purchasing (NIGP).



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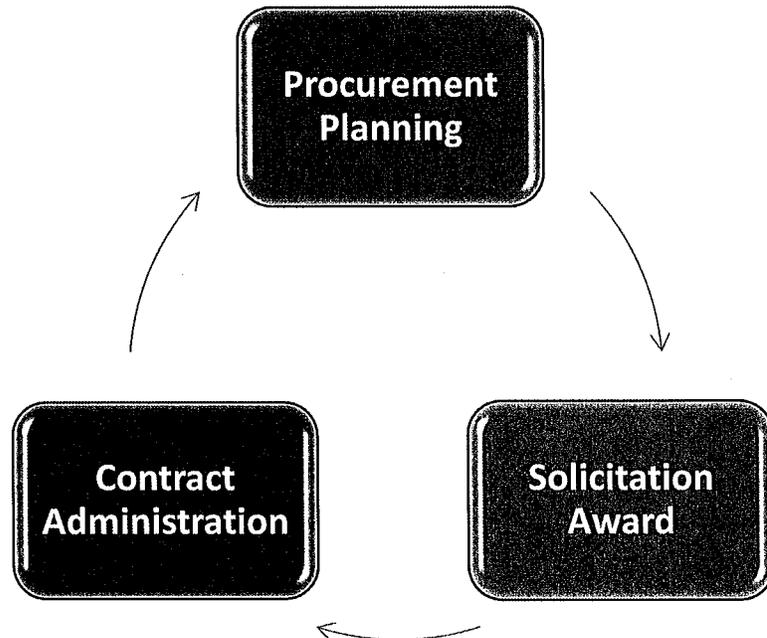
## CHAPTER 1 – INTRODUCTION

- 1.1 Purpose** – The purpose of this Purchasing Manual (“Manual”) is to set forth Town of Palm Beach (“Town”) policies for the purchase of supplies, equipment, and services and shall provide for the fair and equitable treatment of all persons involved in purchasing by the Town, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

This manual provides the policies and procedures that frame the purchasing of contractual services and commodities beginning with the purchasing policy, proceeding through contract document or purchase order preparation, contract administration, and eventually, contract closeout.

The goal of the Town of Palm Beach is to secure the best value for qualitative solicitations or lowest price from a responsive, responsible bidder for the procurement of commodities and services conducted by fair and open competition and in accordance with all applicable Federal Statutes, Florida Statutes, Palm Beach County Code, and the Town Charter and Code of Ordinances of the Town of Palm Beach.

### Town of Palm Beach Procurement Lifecycle



- 1.2 Ownership and Revisions** – The Purchasing Manual is the product of the Purchasing Division and the most current version is publicly accessible at <https://www.townofpalmbeach.com/475/Purchasing-Manual>



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It has been the objective to consolidate all administrative policies related to purchasing of goods, services and construction services into this manual.

The manual will be reviewed at the beginning of every fiscal year. Unless otherwise noted, the effective date of the Purchasing Manual is its stated publication date.

**1.3 Ethical and Professional Conduct** – The Purchasing Division embraces and subscribes to the Values and Guiding Principles of the National Institute for Public Purchasing (NIGP). Those Values and Guiding Principles are:

- **Accountability**
  - Be knowledgeable of and abide by all applicable laws and regulations
  - Be responsible stewards of public funds
  - Maximize competition to the greatest extent possible
  - Use procurement strategies to optimize value to stakeholders
- **Ethics**
  - Maintain consistency in all processes and actions
  - Meet ethical standards of the profession
  - Act and conduct business with honesty and integrity, avoiding even the appearance of impropriety
- **Impartiality**
  - Use sound professional judgement within established legal frameworks to balance competing interests among stakeholders
- **Professionalism**
  - Be led by those with education, experience, and professional certification in public procurement
  - Develop, support, and promote the highest professional standards in order to serve the public good
- **Service**
  - Be a crucial resource and strategic partner within the organization and community
  - Maintain a customer service-focus while meeting the needs, and protecting the interests, of the organization and the public
- **Transparency**
  - Provide open access to competitive opportunities
  - Maintain current and complete policies, procedures, and records



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## CHAPTER 2 – DOING BUSINESS WITH TOWN OF PALM BEACH

2.1 The Town of Palm Beach utilizes E-Bidding to facilitate solicitations. All prospective bidders/proposers must be registered on the E-Bidding Platform Negometrix to respond to solicitations.

2.2 Vendor Registration, Current Solicitations and Published Town Contract Information for E-Bidding and Published Town Contracts:

**Vendor Registration:** All potential suppliers or proposers are required to register through the Town website for doing business here:  
(<https://platform-us.negometrix.com/Registration.aspx>)

**Current Solicitations** – Current Town solicitations can be found here:  
<https://platform-us.negometrix.com/PublicBuyerProfile/CompanyPublishedTenders.aspx?companyId=17>

**Published Town Contracts:** Town Contracts can be accessed here:  
<https://platform-us.negometrix.com/PublicBuyerProfile/CompanyPublicContracts.aspx?companyId=17>

2.3 When appropriate, the Town shall encourage and actively promote local, minority, and small business enterprises to bid on Town solicitations.

2.4 Purchasing will coordinate with the vendor to complete the registration package into the Town's financial system, Eden, Tyler Technologies, to generate purchase orders. Vendors will be required to submit a W-9 in addition to Authorized Clearing House (ACH) authorization form for payments from the Town.

2.5 The only form of payment by the Town is ACH or credit card.

2.6 The Town of Palm Beach is an E-Verify employer for the purposes of verifying work authorization. Work authorization for those contracted to provide services and/or goods to the Town of Palm Beach is the sole responsibility of the contracted vendor and/or service provider.

2.7 The Town posts solicitations on the Town-website, Negometrix, Demand Star, Public Purchase and the Palm Beach Post. Responses are submitted through Negometrix. Advertisement in the Palm Beach Post shall be made once; but in any event at least 15 calendar days shall intervene between the last publication date and the final date for submittal.



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- 2.8 Insurance:** The Town utilizes EBIX for insurance tracking. Vendors are required to email the Certificate of Insurance (COI) directly [townofpalmbeach@ebix.com](mailto:townofpalmbeach@ebix.com) before a purchase order can be issued. Failure to do so, may result in a non-responsiveness notation to the solicitation and the award may then be made to second ranked proposer.
- 2.9 Surplus Sales:** The Town utilizes Public Surplus for surplus sales. Public Surplus can be found at: <https://www.publicsurplus.com>

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## **CHAPTER 3 – STATEMENT OF GOVERNING RULES**

### **3.1 Federal, State and Local Governing Rule**

Purchases are made in compliance with all procurement laws, including all applicable Federal Statutes, Florida Statutes, Palm Beach County Code and the Town of Palm Beach Charter and Code of Ordinances.

The Town complies with Federal Regulation related to Grant Funded Purchases and Declared Disaster Emergencies for FEMA Reimbursement; 2 CFR §200.318-326 requirements.

### **3.2 Palm Beach County Office of the Inspector General**

Pursuant to Chapter 2, Article XII of the Palm Beach County Code, the Office of the Inspector General is created in order to promote economy, efficiency, and effectiveness in the administration of and, its priority, to prevent and detect fraud and abuse in programs and operations administered or financed by county or municipal agencies. The Office of the Inspector General provides independent oversight of county and municipal operations, in accordance with §2-422, et. seq. of the County Code. The Inspector General shall be notified in writing prior to any duly noticed public meeting of a procurement selection committee where any matter relating to the procurement of goods or services by Town of Palm Beach is to be discussed. The notice required shall be given to the Inspector General as soon as possible after a meeting has been scheduled. The Inspector General may, at his or her discretion, attend all duly noticed Town of Palm Beach meetings relating to the procurement of goods or services as provided herein, and may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. The failure to give written notice, however, does not constitute grounds for a protest regarding such procurement and shall not be the cause for the stay of any procurement, and shall not be the basis to overturn the award of a contract.

The Office of the Inspector General of Palm Beach County has the authority to investigate and audit matters relating to the negotiation and performance of Town contracts and thereof, may demand and obtain records and testimony from Town staff, contractors, and subcontractors.

### **3.3 Lobbying / Cone of Silence**

Consistent with the requirements of Chapter 2, Article VIII, Lobbyist Registration, of the Palm Beach County Code of Ordinances, the Town of



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Palm Beach imposes a Cone of Silence.

Pursuant to §2-355 of the Palm Beach County Code and the purchasing policies of the Town of Palm Beach, all solicitations, once advertised and until the appropriate authority has approved an award recommendation, are under the "Cone of Silence". This limits and requires documentation of communication between potential bidders and/or bidders on the Town's solicitations, the Town's professional staff, the Town Manager, Town Council and the Mayor.

The Purchasing Division may issue an addendum in response to any inquiry received, prior to the close of the solicitation period, which changes, adds, or clarifies the terms, provisions, or requirements of the solicitation. The vendor should not rely on any representation, statement, or explanation whether written or verbal, other than those made in the solicitation document or in the addenda issued. Where there appears to be a conflict between the solicitation and any addenda, the last addendum issued shall prevail.

The cone of silence shall not apply to oral communications at any public proceeding, including pre-bid conferences, oral presentations before Selection Committees, contract negotiations during any public meeting, presentations to the Town Council, and protest hearings. Further, the cone of silence shall not apply to contract negotiations between any employee and the intended awardee, any dispute resolution process following the filing of a protest between the person filing the protest and any employee, or any written correspondence with the Town of Palm Beach as may be permitted by the competitive solicitation.

Purchasing serves as a central clearing house for all communication during the cone of silence period.

It is the bidder/proposer's responsibility to ensure receipt of all addenda, and any accompanying documentation. The vendor is required to submit with their bid or proposal, a signed "Acknowledgment of Addenda" form, by upload within the electronic submittal, for each addenda issued.

As a result, failure to abide by this provision may serve as grounds for disqualification for award of contract to the proposer. Further, any contract entered into a violation of the cone of silence shall render the transaction voidable.



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**3.4 Solicitations Exempt from Competition**

- Academic programs or training programs.
- Historic exhibits.
- Items for public resale.
- Advertising: radio, newspaper, television and other media, if exclusive area of coverage or other factors preclude competition.
- Conference, training, and educational expenses.
- Copyrighted materials (books, videotapes and other processed media), except computer software.
- Debt service and other financing transaction costs.
- Governmental entities:
  - Reimbursements to or fees payable to governmental agencies;
  - Fines;
  - Purchases from or services provided by other governmental entities (i.e. Federal, State, County, or non-profit organizations as permitted by F.S. §255.60); as well as grant agreements which may contain provisions or requirements related to purchasing policies, disposition of fixed assets, etc. that differ from this Manual, in which case, the grant provision/requirement will take precedence;
  - Licenses and permits;
  - Refunds.
- Insurance Adjustments: Property damage approved and paid by insurance is exempt and does not require additional quotes or Town Council approval.
- Legal services.
- Membership dues or sponsorships.
- Performing artists, entertainers, and other artistic services.
- Personnel verifications and background checks.
- Publications, including subscriptions.
- Real estate transaction in accordance with Section §166.045, Florida Statutes.
- Non-employee recreation instructors.
- Reimbursement of bid or proposal securities.
- Reimbursement for damages to non-vendor or third parties.
- Shipping and freight costs not otherwise included on a purchase requisition.
- Utilities, postage, refunds, and items covered by insurance policies.
- Other professional services:
  - Actuarial services;
  - Trustees;



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- Health or medical services, to include all certified medical professionals.

### **3.5 Sales Tax Exemption**

The Town of Palm Beach is exempt from tax on all purchases that it makes directly.

### **3.6 Indemnification Clause**

To the fullest extent allowed by law, the Contractor(s) shall protect, defend, reimburse, indemnify and hold harmless the Town of Palm Beach, and the Town's officers, agents, employees free and harmless from and against any and all claims, losses, penalties, damages, settlements, costs, charges, attorneys or other professional fees, or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, cause or causes of action of very kind and character in connection with, or arising directly or indirectly out of or related to this Contract and the Work performed hereunder. Without limiting the generality of the foregoing, Contractor's Indemnity shall include all claims, damages, losses, or expense arising out of or related to personal injury, death, damages to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copyright, proprietary information, or applications of any thereof, or of any other tangible or intangible personal or property right, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation, or order of any court. Contractor(s) agree to investigate, respond, adjust and provide a defense for all and any such claims, demands and actions at Contractor's sole expense and agrees to bear and remain liable for all such other costs and expenses relating thereto, even if such claim is groundless, false or fraudulent. Notwithstanding the foregoing, Contractor's Indemnity shall not extend to liability for damages to persons or property to the extent such damage was caused by any act, omission, or default of the Town, or by the Town's officers, agents and employees.

Contractors must acknowledge and will be asked to agree that the TOWN would not enter into a contract without this indemnification of the TOWN by Contractor, and that TOWN'S entering into a contract shall constitute good and sufficient consideration for this indemnification. These provisions shall survive the expiration or earlier termination of any Contract. Nothing shall be construed to affect in any way the TOWN'S rights, privileges, and immunities as set forth in Florida Statutes §768.28.



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**3.7 Non-Collusion Affidavit**

Any bidder or proposer which submits a bid or proposal in response to a Town solicitation shall submit an affidavit under the penalty of perjury, on a form provided by the Town stating that the contractor is not related to any other parties bidding in the competitive solicitation or identifying all related parties with which it has colluded in offering a bid in the solicitation; or attesting that the contractor's proposal is genuine and not sham or collusive or made in the interest or on behalf of any person not therein named, and that the contractor has not, directly or indirectly, induced or solicited any other proposer to put in an untruthful proposal, or any other person or firm, or corporation to refrain from proposing, that the proposer has not in any manner sought collusion to secure to the proposer an advantage over any other proposer. In the event a recommended contractor identifies related parties in the competitive solicitation its bid shall be presumed to be collusive and the recommended contractor shall be ineligible for award unless that presumption is rebutted to the satisfaction of the Town. Subcontractors are required to complete a Non-Collusion Affidavit.

The affidavit may be a separate form, provided by the Town, or as an acknowledged statement included in the bid/proposal within the electronic solicitation document as a requirement response.

**3.8 Drug-Free Workplace Affidavit**

Whenever two (2) or more bids/proposals, which are equal with respect to price, quality, and service, are received by the Town of Palm Beach for the procurement of commodities or contractual services, a bid/proposal received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. In order to have a drug-free workplace program, a business shall:

- (1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of controlled substances is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- (2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.



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- (3) Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in number (1).
- (4) In the statement specified in number (1), notify the employees that as a condition for working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction on or plea of guilty or nolo contendere to any violation of Chapter §893, Florida Statutes or of any controlled substance law of the United States or any singular state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- (5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community by any employee who is so convicted.
- (6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of Section §287.087, Florida Statutes.

**3.9 Scrutinized Companies Affidavit**

In accordance with the requirements of Florida Statue §287.135 and Florida Statue §215.473, contractor must certify that Contractor is not participating in a boycott of Israel. Contractor further certifies that Contractor is not on the Scrutinized Companies that Boycott Israel list, not on the Scrutinized Companies with Activities in Sudan List, and not on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or has Contractor been engaged in business operations in Syria. Subject to limited exceptions provided in state law, the Town will not contract for the provision of goods or services with any scrutinized company referred to above. Submitting a false certification shall be deemed a material breach of contract. The Town shall provide notice, in writing, to Contractor of the Town's determination concerning the false certification. Contractor shall have five (5) days from receipt of notice to refute the false certification allegation. If such false certification is discovered during the active contract term, Contractor shall have ninety (90) days following receipt of the notice to respond in writing and demonstrate that the determination of false certification was made in error. If Contractor does not demonstrate that the Town's determination of false certification was made in error then the Town shall have the right to terminate the contract and seek civil remedies pursuant to Section §287.135, Florida Statutes, as amended from time to time.



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**3.10 Right to Audit Records**

The Town may, at reasonable times and places, audit the books and records of any contractor or supplier who has submitted cost or pricing data to the extent that such books, documents, papers, and records are pertinent to such cost or pricing data. Any person who receives a contract, change order or contract modification for which cost or pricing data is required, shall maintain such books, documents, papers, and records that are pertinent to such cost or pricing data for three years from the date of the final payment under the contract.

The Town shall be entitled to audit the books and records of a contractor, subcontractor or supplier at any tier under any negotiated contract or subcontract other than a firm fixed price contract to the extent that such books, documents, papers, and records are pertinent to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor for a period of three years from the date of final payment under the prime contract and by the subcontractor for a period of three years from the date of final payment under the subcontract.

**3.11 Public Records**

In accordance with Florida Statute §119.0701, the proposer(s) shall comply with public records laws, specifically to:

- (a) Keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform the service.
- (b) Provide the public with access to public records on the same terms and conditions that the public agency would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- (d) Meet all requirements for retaining public records and transfer, at no cost, to the public agency all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the public agency in a format that



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is compatible with the information technology systems of the public agency.

Upon award recommendation or thirty (30) days after opening, whichever occurs first, proposals become “public records” and shall be subject to public disclosure consistent with Chapter 119 Florida Statutes. Proposers must invoke the exemptions to disclosure provided by law in the response to a solicitation, must identify the data or other materials to be protected, and must state the reasons why such exclusion from public disclosure is necessary. Document files may be examined, during normal working hours.

### **3.12 Public Entity Crimes**

In accordance with Florida Statute §287.133, no award will be made to any person or affiliate identified on the Department of Management Services’ “Convicted Vendor List”. This list is defined as consisting of persons and affiliates who are disqualified from public contracting and the purchasing process because they have been found guilty of a public entity crime. A “person” or “affiliate” includes any natural person or any entity, including predecessor or successor entities or an entity under the control of any natural person who is active in its management and who has been convicted of a public entity crime.

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section §287.017, for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.

### **3.13 Green Purchases**

The Town of Palm Beach recognizes its responsibility to minimize adverse impacts on the environment in the selection of materials, products and/or services that promote and strengthen the Town’s commitment to environmental, economic and community sustainability.



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### **3.14 Truth-in-Negotiation Certificate**

Pursuant to Section §287.055(5)(a) of the Florida Statutes, a Truth-in-Negotiation Certificate shall be provided for Professional Service Agreement Negotiations by the consultant which requires the consultant to furnish the Town with a detailed analysis of the cost of the professional services being requested to be provided.

### **3.15 Palm Beach County Commission on Ethics**

The jurisdiction of the Palm Beach County Commission on Ethics extends to any person required to comply with the countywide code of ethics, the county lobbyist registration ordinance, and the county post-employment ordinance, and may further extend to persons or entities required to comply with additional ordinances and regulations duly adopted by other county, local, or municipal government and any commission, bureau, district, or other governmental entity located in Palm Beach County as more fully set forth below. The jurisdiction of the commission on ethics is not exclusive. Any person or entity subject to a complaint to the county's commission on ethics may also be subject to a separate complaint to the state commission on ethics or pursuant to a municipality's ethics ordinance. A finding by the county's commission on ethics is not binding on the state and may not be binding on the Town, depending on the nature of the complaint and whether the municipality's ethics ordinance is more restrictive than the countywide ethics code.

All Town employees and vendors doing business with the Town are subject to the rules and regulations promulgated by the commission.

### **3.16 Ethics in Public Contracting**

**Employee Conflict of Interest** - It shall be unethical for any Town officer or employee to participate directly or indirectly in a procurement contract when the Town officer or employee knows that:

- The Town officer or employee or any member of the Town officer's or employee's immediate family has a financial interest in the procurement contract or;
- Any other person, business, or organization with whom the Town officer or employee or any member of a Town officer's or employees immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement contract.
- A Town officer or employee or any member of a Town officer's or



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employee's immediate family who holds a financial interest in a disclosed blind trust shall not be deemed to have a conflict of interest with regard to matters pertaining to that financial interest.

**3.17 Gratuities and Kickbacks**

**Gratuities** - It shall be unethical for any person to offer, give or agree to give any Town officer or employee or former Town officer or employee, or for any Town officer or employee or former Town officer or employee to solicit, demand, accept or agree to accept from another person, a gratuity, or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore.

**Kickbacks** - It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

**Contract Clause** - The prohibition against gratuities and kickbacks prescribed in this Section shall be conspicuously set forth in every contract and solicitation therefore.

**3.18 Use of Confidential Information** - It shall be unethical for any officer or employee or former officer or employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

**3.19 Waivers of Conflicts of Interest** – The Town Council may grant a waiver from the officer or employee conflict of interest provision upon making a written determination that:

- The financial interest of the Town officer or employee has been fully and publicly disclosed;
- The Town officer or employee will be able to perform its procurement functions without actual or apparent bias or favoritism; and
- The award will be in the best interests of the Town.



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### **3.20 Sanctions**

**Officers or Employees** - The Town Manager may impose any one or more of the following sanctions on the Town officer or employee for violations of the ethical standards of this Article:

- Oral or written warnings or reprimands;
- Suspension with or without pay for specified periods of time;
- Termination of employment.

**Non-employees** - (those contracting with the Town, such as consultants, contractors, vendors, professionals). The Town Council may impose any of the following sanctions on a non-employee or officer for violations of the ethical standards:

- Written warnings or reprimands;
- Termination of contracts; or
- Removal of ability to conduct business with the Town (debarment) or suspension.

### **3.21 Recovery of Value Transferred or Received in Breach of Ethical Standards**

**General Provisions** - The value of anything transferred or received in breach of the ethical standards of this Manual by a Town officer or employee or a non-employee may be recovered from the Town officer or employee or the non-employee, or both.

**Recovery of Kickbacks by the Town** - Upon a showing that a subcontractor made a kickback to a prime contractor or a higher tier subcontractor in connection with the award of a subcontract or order there under, it shall be conclusively presumed that the amount thereof was included in the price of the subcontract or order and ultimately borne by the Town and will be recoverable hereunder from the recipient. In addition, that amount may also be recovered from the subcontractor making such kickbacks. Recovery from one offending party shall not preclude recovery from other offending parties.

**All employees of the Town shall keep themselves free of obligation to any vendor.**

**3.22 Local Preference** – Except where prohibited by federal or state law, other funding restrictions, or as otherwise excluded herein, a Local Preference shall be applied to give preference to local businesses during the evaluation



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and award of competitive sealed bids and proposals received in response to an ITB or RFP as set forth herein. In order to be eligible for the preference, the vendor must be properly licensed and legally authorized to conduct its business, and have its principal place of business located within Palm Beach County, Florida for at least six (6) months prior to the issuance of the solicitation. Post Office Boxes are not verifiable and shall not be used for the purpose of establishing a physical address.

If deemed in the best interest of the Town of Palm Beach, Town Council may waive the application of the Local Preference, provided that such decision is made prior to the advertisement of the competitive solicitation. Further, the preference established herein in no way prohibits the right of The Town of Palm Beach to give any other preference permitted by law in addition to the preferences provided in this section.

The preferences established by this Section, in no way prohibits the rights and discretion of the Town of Palm Beach to evaluate bids and proposals for responsiveness and responsibility, compare the quality of materials and services proposed, and apply other factors that may be relevant to the award decision. Notwithstanding anything to the contrary set forth in any policy or Resolution adopted prior to Town of Palm Beach Purchasing Manual, the Local Preference shall not be applied to cooperative and piggyback purchases.

In order to be considered for the Local Preference, a bidder or proposer must fully complete and submit all information required by The Town of Palm Beach solicitation as follows:

1. An Affidavit signed by a duly authorized representative of the bidder or proposer, under penalty of perjury, confirming that the bidder or proposer has its principal place of business in Palm Beach County for at least six months prior to the issuance of the solicitation, and/or
2. A valid business Tax Receipt issued by Palm Beach County.

If a responsive and responsible non-local business submits the lowest price bid, and if the Palm Beach County Local Business submits a price bid within five percent (5%) of the lowest price submitted, the Palm Beach County Local Business submitting the lowest bid shall have the opportunity to submit a best and final bid equal to or lower than the low bid.



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## **CHAPTER 4 - AUTHORIZATION AND RESPONSIBILITY**

- 4.1 Applicability** - The provisions of this Manual apply to all personnel employed by the Town. This Manual is intended to comply with all federal and state procurement and payment and governing regulations (e.g. §218.70 et. seq; §287.055, Fla. Stat.), and, notwithstanding anything to the contrary herein, such applicable law(s) will supersede this Manual in the event of inconsistency or future change in the applicable law.

Nothing herein shall serve to limit or modify the applicability of Florida Statute §287.055 Consultants' Competitive Negotiation Act ("CCNA"). In the event of any inconsistency between the terms of this Manual and State Statutes, then in such event the terms of State Statute shall control and the Manual remains in full force and effect.

Generally, the Purchasing Manager, with the approval of the Town Manager, may determine those procedures that shall apply to the method of obtaining prices and making purchases, with the goal of streamlining such procedures and taking advantage of technological means and methods available to the Town, wherever possible. Such procedures may be modified from time to time by the Purchasing Manager, either with the approval of the Town Manager, or when deemed appropriate by the Town Manager, by the adoption of Supplements to this Manual.

The Town shall have the rights to cancel invitation to bids, requests for proposals, requests for qualifications, or other solicitations before bid opening, proposal submission, or receipt of quotations and to reject all bids, proposals, quotations, or offers after receipt. All invitations for bids, requests for proposals, request for qualifications, or other solicitations shall contain a reservation of the foregoing rights. In the event of such cancellation or rejection, the Purchasing Manager shall promptly notify all effected bidders or proposers and make available to them a copy of the written explanation for such cancellation or rejection, which shall be a public record.

- 4.2 General** - All Town purchasing functions are the responsibility of the Purchasing Manager, as appointed by and as the designee of the Town Manager. The Purchasing Manager shall have relevant, recent experience in public procurement and in the procurement of supplies, services and construction, and shall be a person with demonstrated executive and organizational ability.



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**4.2 .1 Purchasing Manager**

- The Purchasing Manager shall serve as the central procurement officer of the Town and may adopt operational procedures governing the functions of the Purchasing Division.
  - The Purchasing Manager shall have the authority and responsibility for establishing and administering purchasing policies consistent with this Manual, and as directed by the Town Manager.
  - The Purchasing Manager is responsible for purchases or contracts for the acquisition of all equipment, supplies, services, and construction needed by any Department which derives its support wholly or in part from the Town, except as otherwise provided for in the Manual or as may be determined between the Purchasing Manager and any Department Director.
  - The Purchasing Manager shall determine the method of procurement to be used for solicitations with the input of the Department Director.
    - The Purchasing Manager is responsible for development of best practices related to procurement, leading discussions with user departments and making recommendations to ensure best practices are made policy.
  - The Purchasing Manager exercises authority and control over the purchasing process. The Purchasing Manager or designee, may change vendors on requisitions, substitute other appropriate goods or services (with assistance from requesting department director), and may postpone or deny a request if it does not conform to Town purchasing policies.
  - The Purchasing Manager shall serve as the initial Point of Contact for a Bid Protest and shall respond to the Bid Protest as deemed outlined in this Manual.



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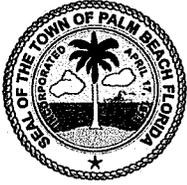
- The Purchasing Manager is responsible for administration of the Purchasing Card program for the Town.
- The Purchasing Manager shall recommend Selection Committee Team Members and Negotiation Team Members to the Town Manager for approval with input from the Department Director.
- The Purchasing Manager is responsible for ensuring that Town staff is trained on purchasing responsibilities, including purchasing cards.
- Purchasing is responsible for preparation of resolutions and agenda related to procurement solicitations with input from the requesting department. Additionally, the Purchasing Manager is responsible for presenting the purchasing methodologies and selection committee process as requested.

**4.2.2 – Director of Finance**

- Any Department desiring to appeal the actions or decisions of the Purchasing Manager in revising or rejecting a purchase requisition, or any other purchasing matter, shall present their appeal to the Director of Finance; and if not resolved at that level, to the Town Manager, whose decision shall be final.
- The Director of Finance is responsible for managing and ensuring the achievement of purchasing and contract administration objectives.
- The Director of Finance shall be responsible for review of agenda items to determine fiscal impact statement.

**4.2.3 – Attorney**

- Contracts and agreements shall be approved by the Town Attorney prior to execution as requested by the Purchasing Manager or Town Manager.



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**4.2.4 – Town Manager**

- The Town Manager is hereby authorized to execute all Town contracts and agreements on behalf of the Town as provided by Town Code. All contractual language contained within the contract proposed for signature must be pre-approved by the Town Attorney for legal form and sufficiency, and all other applicable purchasing requirements of the Town shall be met.
- The Town Manager is authorized to reduce the amount of a performance and payment bond to 50% of the contract price for each bond when a written determination is made that it is in the Town's best interest.
- Approves selection committee recommendation(s) from the Purchasing Manager.
- Approves negotiation committee recommendation(s) from the Purchasing Manager.
- Approves items related to purchasing for agenda input.
- The Town Manager shall serve as the second Point of Contact for a Bid Protest if the protestor disagrees with the Purchasing Manager decision. The Town Manager shall respond to the Bid Protest as deemed outlined in this Manual.
- The Town Manager may exempt a transaction(s) from the standard processes of this Manual if the transaction presents an emergency or if otherwise exempt in accordance with this Manual. In the event of any emergency, the Town Manager may provide for expedited competition if practicable. The Town Manager shall also have discretion to suspend or terminate any solicitation or pending procurement when deemed in the best interest of The Town of Palm Beach.
- The Town Manager or designee may extend an expiring contract, with prorated dollar value, to ensure the continuity of Town services while a new contract is being awarded, not to exceed one hundred twenty (120) days.



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- 4.3 Levels of Authority** - There are several methods of obtaining prices and making purchases, depending upon the dollar value of the purchase. With respect to all methods of bidding procedures, sufficient time shall be allowed for issuance and response to such bids. Purchases shall not be artificially divided so as to constitute a small purchase and circumvent the dollar limitations and requirements of this Manual.

Solicitations for Requests for Qualifications (RFQ), "Competitive Consultant's Negotiation Act" CCNA procedures and Request for Proposals (RFP) are solicited and awarded through different methodologies and are outlined in Chapter 6.

Each vendor shall be given the same information when obtaining bids or quotes. All documentation obtained in the performance of completing requisitions and fulfilling purchase orders will be retained as public record in accordance with Florida's Public Records Law.

The authorizations outlined in this Manual apply to all expenditures, except those specifically excluded herein.

**4.3.1 – Information Technology Purchases** – All stand-alone and enterprise based solutions including hardware, software, tablets, software as a service, GIS services and support, network components, storage, low-voltage cabling, printers, copiers, technology service agreements, and licensing related requisitions must have the IT Manager, or designee review and approval before Purchasing will place an order and issue a Purchase Order. All purchases must have been formally requested and approved for the respective fiscal year. In addition, digital investments that are defined as a project will require a formal project plan submitted prior to Purchasing approval or IT engagement.

**4.4 Interdepartmental Relations**

The Purchasing Division is a service organization established for the benefit of all other departments and agencies of the Town. The benefits derived from centralized purchasing depend upon a rapport and timely communication existing between the Purchasing Division and other Town functions. This Manual is a guide to helping the departments and divisions to determine their responsibilities in the purchasing system.



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**4.5 Table of Authority**

<b>Purchase Amount</b>	<b>Procurement Procedure</b>	<b>Approval Authorization</b>
Less than \$2,500	Open market, one quote obtained by user department, preferable method is use of purchasing card in accordance with applicable policies	Purchasing Manager
\$2,500 - \$9,999	Open market, three (3) written quotes secured by user department and forwarded to purchasing to process	Purchasing Manager
\$10,000 - \$24,999	Three (3) written quotes secured by purchasing	Purchasing Manager
\$25,000 - \$34,999	Three (3) written quotes secured by purchasing	Town Manager
\$35,000 - \$64,999	Formal sealed bids secured by purchasing	Town Manager
Electrical projects under \$50,000	Three (3) written quotes secured by purchasing	Town Manager
Construction projects \$10,000 - \$99,999	Three (3) written quotes secured by purchasing	Town Manager
Goods and Services greater than \$65,000 with exception of Construction less than \$100,000	Formal sealed bids secured by purchasing	Town Council
Construction projects greater than \$100,000	Formal sealed bids secured by purchasing	Town Council
<b>If the cumulative total of a contract exceeds the threshold of \$65,000, the item must be presented to Town Council for review and approval</b>	Formal sealed bids secured by purchasing	Town Council

**4.6 Information Technology Purchases** – All IT related requisitions including software, hardware, including multi-purpose copiers, and software as a solution must have the IT Manager, or designee review and approval before Purchasing will order.

**4.7 Reporting of Awards between \$35,000 and \$65,000** – The Purchasing Manager will produce a monthly report of any award between the threshold amounts of \$35,000 and \$65,000 to Town Council.



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**CHAPTER 5 – ADVANCED ACQUISITION PLANNING, MARKET RESEARCH, SPECIFICATIONS, AND SCOPE OF WORK**

The following represents estimated timelines for issuance of a purchase order which is why advanced acquisition planning is so critical.

<b>Amount</b>	<b>Estimated Timeline to Issue Purchase Order</b>	<b>Comments</b>
Less than \$2,500 for goods	Less than 48 hours	Purchasing Card should be first option for this threshold for goods only
Less than \$2,500 for services	Less than 48 hours providing all insurance requirements are met	
Between \$2,500 and \$24,999 for goods	Less than 72 hours	
Between \$2,500 and \$24,999 for services	Less than 72 hours providing all insurance requirements are met	
Between \$25,000 and \$35,000 for goods	Less than 72 hours	Town Manager will have to review and approve
Between \$25,000 and \$35,000 for services	Less than 72 hours providing all insurance requirements are met	Town Manager will have to review and approve
Between \$35,000 and \$65,000 for goods where no contract exists	30 days for advertisement and then another five days to review and recommend	Town Manager will have to review and approve
Between \$35,000 and \$65,000 for services where no contract exists	30 days for advertisement and then another five days to review and recommend and that all insurance requirements are met	Town Manager will have to review and approve
RFP/RFQ	A minimum of 30 days for advertisement, then review for responsiveness/responsibility, then selection committee, then oral presentations  Item will then be submitted as an agenda item for Town Council Approval. Minimum time to issue a PO would be 90 days	There are many variables such as addenda being issued which generally extends solicitation date.  Other factors are timing of selection committees and subsequent oral presentations.  Legal has to have sufficient time to evaluate contract(s).
ITB over \$65,000	A minimum of 30 days for advertisement and then another five days to review and recommend  Item will then be submitted as an agenda item for Town Council Approval. Minimum time to issue a PO would be 60 days	It is recommended that all goods and services be determined annually so contracts can be established and reduce number of days to issue a purchase order.



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- 5.1 Advanced Acquisition Planning** - The Purchasing Division, in collaboration with the various Town departments/divisions (stakeholders), procure a wide range of supplies, services and construction services for the operations of the Town. Advance acquisition planning involves the Purchasing Division, in collaboration with the requesting departments, reviewing specifications and statements of work to determine that the purpose of the acquisition is clear, and that the minimum requirements are clearly defined and stated in the terms of performance and/or functionality when possible. It should also include market research and analysis to determine sources of supply and available solutions in the market place.

**Advanced acquisition planning results in effective competitive solicitations, accurate budgetary projections, timely procurement of goods and services, consideration of multiple products or solutions, and enhanced competition.**

It is often the case that purchasing actions are delayed due to circumstances such as after-the-fact revision of specifications or solicitation provisions, or initially unconsidered competition or business utilization issues. The best way to minimize the potential for such delays is to identify and resolve such concerns during the initial planning phases for a given purchase.

It is the Purchasing Division's intent and goal to work with end users (stakeholders) at the earliest point possible in the acquisition cycle. The acquisition cycle begins when a department perceives a need for a given product or service and decides to purchase that good or service. The Purchasing Division can provide a significant value-added service by working collaboratively with requesting departments in the early phases of the acquisition cycle. Such early coordination will minimize or even eliminate procurement pitfalls such as those addressed. It is part of the Purchasing Division's mission to ensure that the Town considers Advance Acquisition Planning to be a major element towards achieving that goal. Actions and policies intended to effect such planning is in progress, and will be expanded in coordination with all Town departments.

- 5.2 Market Research** - Market research must be conducted in anticipation of Town procurements, in order to ensure that the specifications are suitable for fair and open competition. Market research is the foundation for developing an effective solicitation and successful contract that includes terms and conditions consistent with sound business practices and procurement laws.

The primary purpose of market research in public procurement is to



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determine the availability of sources of supply or alternative solutions that will meet minimum requirements. Market research should always begin with the intent to satisfy a legitimate Town requirement or need. The needs should be stated in terms of performance or functionality wherever practical. This means that the minimum requirements must be clearly understood and defined before market research can begin. Once the need has been established, market research must be conducted in order to determine the capability of the marketplace to meet the need of the Town.

Market research includes identifying the attributes of existing products, processes or services that meet the minimum requirements, or identifying the characteristics that of a yet to be identified product, process or service must possess. Effective market research should provide adequate information regarding existing products or services, qualified sources, industry trends, pricing, and what other entities are doing to meet the same or similar requirements. Failure to conduct thorough market research may result in requests for sole source or bid waiver purchases that cannot be adequately justified.

When planning for a purchase (prior to or during the development of specifications or statement of work) of any dollar amount, the requesting department should reach out to the respective purchasing buyer and collaboratively work to conduct market research. Contact, whenever possible, a minimum of three different sources to determine if existing products or services are available to meet requirements or if existing products or services can be modified to meet requirements.

Market research should include, whenever practical:

- The industry trends and customary terms and conditions regarding warranties, acceptance and inspection;
- Standard maintenance support;
- General pricing information and availability of products;
- Cost drivers;
- Competitive practices, other governmental entities practices; and industry support capabilities and practices; and
- Environmental issues regarding recovery and disposal of products a energy efficiency standards and seek a greener footprint in acquisitions where possible.

**5.3 Specifications** – Specifications provide detailed descriptions of the features and functions of a product or service, as well as a description of what a supplier must offer to be considered for an award. Specifications determine and control the minimum quality of the:



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- Product or service;
- Amount of competition;
- Suitability of the product or service for the job to be done; and
- Method of evaluation used in making an award and determining the best value proposal for the purchase.

It is important to consider what type of specifications best describe the need. There are three basic types of specifications:

- **Design Specifications** – set the requirements for the supply to be purchased detailing the characteristics of the item. To fully describe the need, design specifications may be very lengthy. Care must be taken to insure that the required features have been adequately referenced. Should a feature be overlooked, it may not be possible to do an objective evaluation of offers. Design specifications also should not be written so tightly that they unintentionally or unfairly preclude any suppliers from offering their supplies or services.
- **Performance Specifications** – are more widely used. These specifications describe the capabilities of the supplies or services or performance requirements and deliverables. This provides more flexibility in considering other types of supplies or services.
- **Combination Specifications** – is a combination of design and performance specifications. This type of specification provides a basic description of the need and includes performance requirements.

Regardless of the type, specifications need to:

(a) Be **SMART**:

- **Specific** – clearly states what is required
- **Measurable** – confirms when the goal/need has been met
- **Achievable** – can be done and is technically possible
- **Realistic** – is reasonable and not cost prohibitive
- **Timely** – achievable within an acceptable timeframe

(b) Possess these characteristics:

- **Simple**: Unnecessary detail is avoided, but sufficient information is provided to ensure that requirements satisfy their intended purpose.
- **Clear**: Terminology that is understandable.



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- **Accurate:** Units of measure compatible with any industry standards for the product or service that is used. Other requirements, such as quantities or packing/shipping required are specified. Approximate values (e.g., for weight, dimensions, volume, etc.) can be used if they enable the procurement to meet its intended purpose. However, if an approximation is used, an acceptable margin of error needs to be established and specified in the solicitation (e.g., “the unit shall produce an oxygen concentration of approximately 93%, ±%.”)
- **Competitive:** Whenever possible (specifically, when developing an ITB), at least three suppliers should be capable of fulfilling the need).
- **Flexible:** Specifications need to be flexible so consideration can be afforded to any offers proposing alternatives providing greater performance at equal or less cost.

**5.4 Scope of Work/Statement of Work** – The Scope of Work (SOW) are written guidelines that precisely define the operational, physical, and/or chemical characteristics, as well as the quality and quantity of a particular item/service to be acquired.

In a procurement context, a SOW defines what the procurer wants to buy and, consequently, what the offeror/supplier is required to provide. A SOW can be simple or complex depending on the need. The success of the procurement activity relies on the SOW being a true and accurate statement of the buyer’s requirements.

Apart from being a means of identifying the goods or services required, a SOW will form part of any future contract that might result from offers received.

A good SOW should include a clear, concise, and logical statement of the requirements in functional and performance terms. For goods, state what the item will be used for. Contain enough information for offerors to decide to submit and provide enough information for offerors to identify their costs for the goods or services that their performance will be evaluated against.

State the criteria for acceptance of goods, or services, it may be by examination, trial, test, or provide equal opportunity for all potential offerors/suppliers to offer goods, services, or works which satisfies the identified criteria.



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**A good SOW should answer the following questions:**

<b>WHY</b>	the item or service is wanted (Business need)?
<b>WHO</b>	wants the item/service?
<b>WHO</b>	will do what?
<b>WHAT</b>	is the item or service supposed to do?
<b>WHEN</b>	is the service to be performed or item delivered?
<b>WHERE</b>	is the service to be performed or item delivered?
<b>HOW</b>	is the item or service to perform?

Users of the procured goods, services, or works should be involved in defining their requirements together with appropriate project managers, engineering staff, and purchasing staff.

It shall be the responsibility of the requestor to provide a SOW to purchasing which will be vetted with the appropriate stakeholders.

**Tips for writing an effective SOW:**

1. Be clear; use simple, direct language
2. Use active not passive tenses
  - i.e. the seller “shall conduct a test” as opposed to “a test should be conducted” (shall indicates a requirement that must be met).
3. Be precise
4. Spell out the contractor’s obligations carefully
5. Limit abbreviations to those in common usage (define if necessary)
6. Include all relevant reference documents
  - i.e. Handbooks, regulations, designs
7. Don’t sole source the work statement
8. Describe requirements in sufficient detail to assure clarity
  - Use dictionary definitions
9. Be clear about phase requirements
10. Proofread for errors and omissions
  - Solicit assistance from a neutral party

**5.5 Project Schedule** – When the Town issues a solicitation, a requirement may be a project schedule to be included by the proposer/bidders to provide clear guidance of deliverables for the project. As staff develops the Scope or Specification, Purchasing with the project manager, will determine if a Project Schedule will be required.



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## CHAPTER 6 – PROCUREMENT METHODOLOGIES

Please note that Construction Methodologies, the Evaluation Process, and Selection Committees are covered in separate chapters. The goal of this chapter is to outline procurement methodologies.

The Town shall encourage the use of Pre-bid Conferences to explain the requirements of the proposed procurement and shall be announced as part of the solicitation. Pre-bid Conferences can either be voluntary or mandatory based on the complexity of the procurement.

As with all solicitations, regardless of dollar value, the following shall apply:

**Review Best Methodology  
to Achieve Goal**

**Vet process before issuing  
solicitation**

**Issue Solicitation**

### 6.1 Informal – For Procurements less than \$35,000

6.1.1 One quote under \$2,500 for **goods** secured by user department or division; preferably purchased with Town issued purchasing card.

6.1.2 One quote under \$2,500 for **services** to be performed on Town property which shall require insurance provided by vendor and submitted through Risk Management software (EBIX) to insurance requirements. User department or division provides quote to purchasing for final processing. The Purchasing Manager's has award authority.

6.1.3 Three quotes for goods valued under \$10,000 secured by user department or division and provided to purchasing for final processing and are within the Purchasing Manager's award authority. If the commodity is difficult to source, the department or division representative shall provide a scope or specification to purchasing who will then assume the responsibility.

6.1.4 Three quotes for under \$10,000 for services to be performed on



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Town property which shall require insurance provided by vendor and submitted through Risk Management software (EBIX) meeting all insurance requirements. User department or division provides quotes to purchasing for final processing and are within the Purchasing Manager's award authority.

**6.1.5** Three quotes between \$10,000 and \$24,999 shall be secured by purchasing and are within the Purchasing Manager's award authority. If for service(s), then COI will be have to be uploaded and current.

**6.1.6** Three quotes between \$25,000 and \$34,999 shall be secured by purchasing and are within the Town Manager's authority to award. If for service(s), then COI will be have to be uploaded and current.

**6.2 Options for Formal Procurements Greater than \$35,000**

**6.2.1 Invitation to Bid (ITB)** – User departments/divisions shall provide Purchasing with a Scope of Work or Specification. Purchasing will work with requesting department/division to determine if the award will be to one supplier/proposer or to multiple firms (creating primary, secondary, or tertiary awardees). During this discussion period, delivery, shipping, packaging, conditions for purchase and any contract clauses are outlined to ensure the most complete solicitation is issued and the most responsive bidders, or proposers have the most detail so that best pricing is secured for the Town. All ITB's issued by the Town are subject to a Best and Final Offer (BAFO).

An ITB must include:

- A detailed description of the commodities or contractual services sought; and
- If the agency contemplates renewal of the contract, a statement of fact; and
- All bids received for Formal ITB solicitations are to be publicly opened at the designated time and place. Formal ITB's are opened within the E-Bidding Platform, Negometrix and are available after scheduled opening.

**6.2.2 Request for Proposal (RFP)** – Is a structured competitive solicitation where proposals allow for evaluation of other important and complex factors in addition to price. A RFP allows for Best Value. A RFP is awarded based upon a recommendation from a Selection Committee. The Selection Committee will evaluate submittals in light of the stated Evaluation Criteria and weights (refer to Chapter 9-



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Selection Committees). User departments/divisions shall provide Purchasing with a Scope of Work.

During the preparation period of the scope of work, purchasing and the respective department end user(s) shall meet to strategize a successful layout of the solicitation. Purchasing shall lead the discussion with the goal of issuing a solid document that will maximize competition.

During the solicitation period, purchasing may receive questions relating to the RFP Solicitation. Purchasing will work with the user department to provide clear answers or direction to the submitter(s) that may be issued as an addendum by purchasing. All RFP's issued by the Town are subject to Best and Final Offers (BAFO).

A **RFP** must include:

- A statement describing the commodities or contractual services sought; and
- The relative importance of price and the other evaluation criteria; and
- If the agency contemplates renewal of the contract; and
- Includes the weight that will be assigned to each criterion.

Criteria that will be used for the evaluation of proposals must include, but are not limited to:

- Price/costs, which must be specified in the proposal; and
- If the agency contemplates renewal of the contract, the price for each year for which the contract may be renewed; and
- Consideration of the total cost for each year of the contract, including renewal years, as submitted by the proposers; and
- Consideration of prior relevant experience of the vendor.

The contract file shall contain documentation supporting the basis on which the award is made.

**6.2.3 Request for Information (RFI)** – Made typically during the project planning phase where staff cannot clearly identify product requirements, specifications, and purchase options. RFI's clearly indicate that award of a contract will not automatically follow.

**6.2.4 Request for Qualification (RFQ); Consultants' Competitive Negotiation Act (CCNA)** – A RFQ is utilized to seek professional qualifications. The solicitation is based solely on qualifications and



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price is not a determining factor in the award. A RFQ award is based upon a recommendation from a Selection Committee. The Selection Committee will evaluate submittals in light of the stated Evaluation Criteria and weights (refer to Chapter 9- Selection Committees). User departments/divisions shall provide Purchasing with a Scope of Work in which the solicitation is issued.

A RFQ is utilized specifically to select professional engineers, landscape architects or registered surveyor and mapper under the Florida Statutes, Section §287.055, known as the "Consultants Competitive Negotiation Act" CCNA.

- A RFQ is a two-step method with the selection of a vendor (proposer) made by merit or qualifications, followed by negotiations of a contract with the most qualified firm. This section applies only to specific projects where thresholds are set forth at Section §287.055(3).
- Firm(s) desiring to provide professional services for a project with the Town of Palm Beach shall timely submit qualification statements containing evidence of current professional status, capabilities, adequacy of personnel, past record and related experience, list of sub-consultants, financial strength, and other information required by the RFQ solicitation package to facilitate an evaluation.
- The award of any CCNA contract equal to or in excess of \$65,000 shall be approved by Town Council.
- An **RFQ** at a minimum shall include:
  - A request for specific and/or general information on how the proposer will proceed with the project, including written documentation of expertise and ability to perform the requested service;
  - The criteria that will be used to select the topped ranked firms including the weight that will be assigned to each criterion;
  - As noted in the Chapter on Selection Committees, the committee can decide to recommend award to a firm whose score surpasses all competition or request to hold oral interviews;
  - A statement that the Town Council reserves the right to reject any non-responsive proposal or to reject all



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proposals if it is deemed by the Town Council to be in the best interest of the Town.

**6.2.5 Invitation to Negotiate (ITN)** - A written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the purchasing of commodities or contractual services. The ITN may, for example be used when it is determined that a vendor is a single source or when competitive bidding has failed to produce an acceptable result. The Purchasing Manager will request that the Town Manager secure authorization from the Town Council to utilize an ITN instead of an ITB or RFP process in order to authorize the Manager or designee to purchase items or services by negotiation, and where the process for short listing and/or ranking for purposes of negotiation will be set forth in the ITN.

**6.2.6 Cooperative Purchasing** – The term “cooperative purchasing” is used when two or more governmental entities combine their purchasing requirements and enter into a contract that meets the needs of everyone in the group. Cooperative Contracts can reduce administrative costs of procurement, save time, and result in lower product costs due to economics of scale when placing large orders. Usually, one entity will handle most of or all purchasing activities on behalf of the others. Such cooperative purchases are satisfy the requirements of formal competitive procurement, and based on dollar threshold, the Town Manager or Town Council may authorize membership in governmental cooperative organizations when necessary to satisfy by-law or organizational requirements.

**6.2.7 Piggyback Purchasing** – The term “piggyback” refers to the purchase of commodities and services from vendors under contract with any other governmental entity. All purchases of this nature are exempt from the competitive purchasing requirements, provided the following criteria and consideration are satisfied:

- The existing contract was awarded through a competitive solicitation process substantially equivalent to the requirements of this Manual; and
- The terms and conditions offered to the Town of Palm Beach are the same as the existing contract; and
- In order to ensure the best pricing, before “piggybacking” onto an existing contract awarded by another governmental entity, the Purchasing Division will compare the existing contract with other comparable local and/or nationally awarded contracts;



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and

- Purchasing, before awarding, must secure an authorization in writing from both the governmental entity and the supplier authorizing the use of the contract.

**6.2.8 Limited Competition Acquisitions (Single Source/Sole Source)**

It is the policy of the Town of Palm Beach to purchase goods and services through a full, open, and competitive process whenever possible.

However, when competition is limited or not available, the user department or division shall provide a written justification to purchasing as to why a particular product or service is limited based upon the users' knowledge of the marketplace.

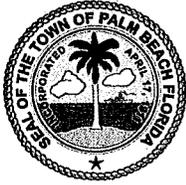
It shall be the responsibility of purchasing to complete Market Research of availability of the requested commodity(s) and determine if the product or service can be secured from another source not readily known to the user department or division.

It shall also be part of the review process to review availability of substitute products and make a business decision as to how to meet Town requirements for goods and services.

- 6.2.9 Bid Waiver** – Is applicable to both informal and formal solicitations. A Bid Waiver is a purchase of a good or service without competitive bidding, when it is determined to be in the best interest of the Town. Extensive market research will be applicable to a Bid Waiver request and will be completed by purchasing. The Purchasing Manager shall be responsible for preparing a request to the Town Manager outlining the justification for the Bid Waiver.

The Town Manager can authorize up to the threshold of \$65,000, The Town Council may authorize a waiver (Bid Waiver) of procurement procedures greater than \$65,000 upon the recommendation of the Town Manager that it is in the best interest of the Town to do so to obtain goods and services which cannot be acquired through the normal purchasing process due to insufficient time, the nature of the goods or services, or other factors. Purchases authorized by waiver process shall be acquired after conducting a good faith review of available sources and negotiation as to price, delivery and terms when reasonable.

- 6.2.10 Emergency – Operational** – An emergency purchase shall be



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defined as an unforeseen or unanticipated, urgent and immediate need for equipment, supplies, or services where the protection of life, health, safety, welfare of the community or the preservation of public properties would not be possible using normal purchasing procedures.

Unless precluded by the nature of the emergency situation, vendors are to comply with all Town purchasing requirements, including, but not limited to the Town affidavits, prior to recommendation of approval by the Purchasing Manager, Town Manager or the Town Council.

It shall be the responsibility of the respective user department(s) to notify purchasing as soon as possible of the pending emergency purchasing requirement. The requestor shall provide a memo detailing the nature of the emergency to the Purchasing Manager. Purchasing will work with the department or division to facilitate the emergency purchase of goods or services.

The Purchasing Manager shall prepare a backup memo to the Town Manager explaining how many vendors were contacted and why the recommended vendor was selected. If the emergency exceeds the Town Manager's award authority, a retroactive agenda item and resolution will be prepared by the Purchasing Manager for the next available Town Council Meeting.

In determining price reasonableness for emergencies, the following shall be taken into account:

- A. Comparable purchases by other governmental agencies.
- B. Past Purchase History including specific references to contracts or purchase orders.
- C. Comparison to an internally developed project estimate.
- D. Comparison to an authorized consultant's estimate.
- E. Maintenance costs expressed as a percentage of original purchase costs in comparison to industry trends.
- F. Pricing trends supported by the Consumer Price Index.
- G. Documentation demonstrating the profit margins are within reasonable ratios.

**6.2.11 Emergency - Natural Disaster (FEMA)** - Upon activation of the EOC, and throughout any emergency situation, the bidding requirements set forth in this Manual may be waived by the Town Manager or his designated representative. All purchases shall be in



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accordance with 2 CFR§200.318-326. Please refer to appendix “B”.

The Purchasing Agent shall be an integral part of the Town EOC and shall coordinate all disaster/emergency purchasing.

- Emergency purchasing shall be limited to only those supplies, services or construction items necessary to meet the emergency need(s).
- The Purchasing Agent or appointee specifically assigned by the Town Manager shall maintain control of all emergency purchases, keeping a record of all transactions to include as a minimum:
  - a. Item purchased.
  - b. Vendor supplying the item/service.
  - c. Amount of the purchase, including unit prices, hourly rates, or any agreed upon breakout of the total purchase price.
  - d. Name of the Town representative making the purchase.
  - e. Date and time of purchase.
  - f. A copy of any agreement, estimate, or invoice which accompanies the purchase.
- Department Directors and their designees are responsible for processing emergency purchases through appropriate channels. Department Directors shall be responsible for insuring that proper procedures are used and that proper documentation of all purchases is provided to the Purchasing Manager for amounts authorized by them up to \$5,000.

**6.2.12 Owner Direct Purchase** – The Town, as “Owner”, may determine that it is in its best interest to purchase materials directly instead of having the contractor provide the materials. The Town may decide to choose this method based on the need to save sales taxes, obtain a government-entity discount, or for any other reason it deems in its best interest. When such a determination is made, the Town will issue a Purchase Order/Owner Direct Purchase Order for the material. If the direct purchase is for a construction project, and the contractor has already included this cost in its proposal, the Town shall ensure that the process compiles with the provisions of Florida Statutes Section §212.08. The Town shall work directly with the contractor to ensure that all the required documentation is provided to the contractor, the Purchasing Division, and the Director of



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Finance. The procedure that controls the issuances of the Town purchase orders shall be followed and complied with, including the required approval levels within Eden ERP Financial System.

**6.2.13 Purchasing Card** – Purchasing Cards are utilized to purchase goods and services as outlined in Administrative Procedure No. 1-18-3. Please refer to appendix “A”.

**6.2.14 Public-Private Partnership** – The Town of Palm Beach may receive unsolicited proposals or may solicit proposals for qualifying projects as defined by Florida Statutes, Section §287.0571, and may thereafter enter into an agreement in compliance with the aforementioned Statute. The Purchasing Manager, in-conjunction with the Town Manager’s Office, may adopt procedures consistent with this Manual and Section §287.0571 relative to the receipt and consideration of an unsolicited proposal. An unsolicited proposal must contain all the material and information required by Section §287.0571, and such additional information and technical studies as may be reasonably required by the Town of Palm Beach. Additionally, the Town of Palm Beach may charge a reasonable fee to cover the costs of processing, reviewing, and evaluating an unsolicited proposal, but not limited to, attorney fees and fees for financial and technical advisors or consultants and for other necessary advisors and consultants. The Town of Palm Beach may require a deposit, the amount of which will be determined at the discretion of the Purchasing Manager, in-conjunction with the Town Manager’s Office, which is reasonably calculated to cover the costs to be incurred. In its sole and absolute discretion, the Town of Palm Beach may reject or otherwise decide not to consider an unsolicited proposal, and which decision shall not be the grounds for a protest. In the event the Town of Palm Beach intends to enter into an agreement for the project described in an unsolicited proposal, then it shall first provide notice and allow other proposals to be submitted for consideration in accordance with the requirements of Section §255.065.

**6.2.15 Standardization** - Standardization of products may occur when a process has been completed based on defining and applying uniform specifications such as quality, design and performance. The standardization process shall be conducted by the Using Department, in conjunction with the Purchasing Division.

Documentation of the process shall be submitted by the user department and maintained by the Purchasing Division; including



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details to support the standardization designation. Approval by the Purchasing Manager is required before any purchase order is issued. Thereafter, purchase of standardized products may be negotiated by the Purchasing Manager, on a sole source basis.

Periodic reviews of the standardization designations should be completed by the Using Department to ensure standardization requirements are being met and are still in effect. Said reviews should be completed by the user department at a minimum of every two (2) years, and submitted to the Purchasing Division for their review and approval. Purchasing approval will be required prior to the placing of any purchase order.

**6.2.16 Professional Service Agreements** - A Professional Service Agreement (PSA) is a result of the award of a Request for Qualification (RFQ).

- The PSA cannot exceed \$500,000 for each project, or utilized for construction valued greater than \$4,000,000.
- Proposals for a PSA shall include fully burdened rates, hours, material, other direct costs, and indirect rates.
- Truth-In-Negotiation Certificates are to be submitted with each PSA proposal.
- Professional services that cost less than \$35,000 are not subject to competitive selection as defined in FS §287.055 or in this Manual.

### **6.3 Types of Contracts**

**6.3.1 Fixed Price Contract** - Fixed price contracts shall ordinarily be used for those purchases of goods and services or sales and leases where the terms, conditions, specifications, and other factors of the contract can be specified with a high degree of certainty and where use of a fixed-price contract will result in substantial competition between bidders or offerors willing to compete for the contract. Incentives based on various performance factors and escalation clauses or other economic adjustments may be included as appropriate to serve the best interests of the Town in achieving the most economical contract performance.

**6.3.2 Cost-Reimbursement Contract** - Cost-reimbursement contracts shall ordinarily be used for those purchases of goods and services or sales and leases where the terms, conditions, specifications, and other factors of the contract cannot be specified with a high degree of certainty or the use of fixed-price contracts is not likely to result in substantial competition between bidders or offerors willing to compete for the contract. Incentives



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based on various performance factors and escalation clauses or other economic adjustments may be included as appropriate to serve the best interests of the Town in achieving the most economical contract performance.

**6.3.3 Blanket Purchase Order (BPO)** - The Purchasing Manager may issue purchase orders for indeterminate amounts of repair parts, supplies, and services to the account of any department, but only when based upon a definite contract or price agreement which shall be negotiated in same manner as if the item to be purchased thereunder were to be individually purchased or contracted for. Such orders shall state a specific monetary limit which may not be exceeded except on written approval of the Purchasing Manager.

A **BPO** shall contain the following information:

- Description of the items to be purchased.
- Period of time the Blanket purchase order will remain valid.
- A list of persons authorized to purchase.
- Maximum total amount which cannot be exceeded.
  - Requests for BPO thresholds will be based on an average of past three years spend.
  - BPO requests must comply with the purchase amounts and procurement procedures as shown in the Table of Authority (refer to section 4.5). Requests for increases will be treated as a Change Order and must be approved according to the Table of Authority.

**6.3.4 Multi-year Contracts** - Unless otherwise provided by law, a contract for supplies or services when deemed in the best interests of the Town, may provide language in the contract for renewals subject to funding approval in subsequent contract renewals, up to a period of five years.

Prior to the utilization of a multiyear contract, it shall be determined in writing by the using department and by the Purchasing Manager that the estimated requirements over the period of the contract are reasonably firm and continuing; and that such a contract will serve the best interests of the Town by promoting more effective competition or otherwise promoting economies to the Town.

**6.4 Pre-qualified Suppliers/Contractors** – When in the best interest of the Town, solicitations shall be issued to secure pre-qualified suppliers or



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contractors. Pre-qualified proposers will then participate in an expedited, competitive, bidding process.

- 6.5 Unauthorized Purchase(s)** - An unauthorized purchase occurs when an employee of the Town orders, contracts or buys any goods or services outside the policies and procedures established in this Manual.

**Town employees committing unauthorized purchases may be held personally responsible for such purchases and/or be subject to disciplinary action(s) as may be recommended by the respective Department Director and/or Town Manager.**

The following are examples of, unauthorized purchases, (it is not intended as an exhaustive list):

- Purchasing directly from a vendor and bypassing the Purchasing Division.
- Committing for a purchase before securing an authorized purchase order.
- Adding unauthorized purchases to previously approved purchase orders without first submitting a purchase requisition and/or request for issuance of a change order and obtaining a purchase order or change order.
- Splitting quantities of the same or like materials, supplies or services to reduce the total cost of an order to circumvent the dollar limitations and vendor quote/bid requirements within this Manual.
- Directing a construction or service contractor to change their work or perform additional work, without the proper approvals (except as otherwise permitted elsewhere by this Manual).
- Approving an agreement when not authorized to do so. Only the Purchasing Manager or Town Manager, or designee may approve an agreement as per approved threshold outlined in Table of Authority, Section 4.5.



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## CHAPTER 7 – CONSTRUCTION

All construction projects shall be solicited using the most appropriate construction delivery method that will result in timely, economical, and successful completion of the construction project. Infrastructure improvement decisions shall be based upon industry-wide standards and professional judgment in maximizing the useful life of investment in the Town infrastructure.

The Town shall have sufficient flexibility in formulating the project delivery approach which will fulfill the Town's needs. Consideration commensurate with the project's size and importance shall be given to all appropriate and effective means of obtaining both the design and the construction of the project. The methods for achieving those purposes set forth herein are not to be construed as an exclusive list.

The determination of the appropriate project delivery method for a particular project shall be made by the Purchasing Manager in conjunction with the Director of Public Works and Town Engineer.

The choice of the Project Delivery Method shall be authorized subject to the following:

- (a) Establishment of criteria to be used in determining the project delivery method for a particular project;
- (b) Establishment of the bonds, insurance, and other security provisions that apply to each project;
- (c) Establishment of the appropriate contract clauses and fiscal responsibility requirements that apply to each project; and
- (d) Documentation setting forth the facts which led to the recommendation that a particular project delivery method be used for a specific project which shall be maintained in the project file.

Construction projects are managed under direction of the Director of Public Works who is responsible for the full scope of the management of these projects. This includes project development and construction oversight including complete documentation of all aspects of the construction documents including close out procedures, documents and warranties. See Administrative Procedure No. 1-16-3 (appendix E) for additional requirements for managing capitalized construction projects.

Solicitation of bids, RFP's and RFQ's shall be the responsibility of the Purchasing Manager or designee. The Purchasing Manager or designee shall chair the selection committee as a non-voting member for RFP's or



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RFQ's (refer to Chapter 9 – Selection Committee), and lead in the negotiation. The Purchasing Manager shall prepare award recommendations, including agenda preparation for Town Council Approval.

Contract administration, project management, approval of all payments to contractors, and calculation of retainage of a percentage of payments for work completed shall be the responsibility of the Public Works Department.

Construction projects valued at under \$100,000 can be bid and awarded by the Town Manager.

Where applicable, the Town shall incorporate Owner Direct Purchasing options into the solicitation documents.

Methods commonly utilized for construction contracting:

- 7.1 Competitive Sealed Bidding** - This concept is most common and is awarded to the lowest responsive and responsible bidder who is otherwise qualified to perform the work.
- 7.2 Competitive Sealed Proposals** - This type of selection method involves preparing an RFP and is awarded to the best qualified proposer who meets the requirements of the RFP, cost and other factors considered.
- 7.3 RFQ/CCNA - Construction Pre-qualification Process (Two Step)**

When in the best interest of the Town, solicitations shall be issued to secure pre-qualified contractors. Pre-qualified proposers will then participate in an expedited, competitive, sealed bidding process.

**Definition and Purpose:** This construction procurement method allows the Town to narrow the field of bidders to the most qualified contractors for a specific project.

**(Step One)** The initial part of the process is the issuance of a Request for Qualifications ("RFQ"), which will result in the short-listing of all interested firms who submitted a response to the RFQ. The short-listing results are based upon credentials, e.g., relative experience, staffing, bonding capacity, current workload, past & present litigation, etc. (Costs are not considered for Step One). Only those contractors that are short-listed may have their submittals evaluated for the award of contract(s). This hybrid two-step



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procurement process may be used for all projects including construction, except where sealed competitive bids are required. A determination must be made on a case by case basis.

The Purchasing Manager, upon receipt of scope of work and sufficient information and estimated cost from the Director of Public Works, Town Engineer or designee, will issue the RFQ document.

The Purchasing Manager shall distribute the RFQ documents through E-bidding procedure and follow the process set forth herein. Depending on the complexity of the solicitation, a paper submittal may be requested in addition to online submittal.

Upon the close date of the RFQ, Purchasing will release the proposal submittals to the voting members for review and ranking.

The Selection Committee will evaluate the submittals and recommend a list of qualified contractors based on the established criteria set forth in the RFQ to be solicited to bid on the project (refer to Chapter 9 – Selection Committees). A memorandum shall be submitted to the Town Manager with a listing of the selected firms for approval which shall be prepared by the Purchasing Manager.

**(Step 2)** The Director of Public Works or his designee will prepare the project's bid specifications, drawings and bid schedule, and submit them upon 100% completion to the Purchasing Manager for solicitation of bids.

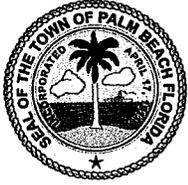
The Purchasing Manager will complete the bid document and send to those firms that were pre-qualified. The bid process will be administered by the Purchasing Manager in the same manner as the competitive bid process defined herein.

The bid will be awarded to the lowest responsive, responsible bidder among the pre-qualified firms. The Town has the right to request a Best and Final Offer from the designated awardee.

#### **7.4 Construction Manager at Risk (“CMR”)**

The selection of the successful contractor under this process, known as the CMR, is based upon a competitive qualifications procedure, and is allowed under Florida Statute Section §255.20.

The Town may authorize the use of competitive sealed proposals for



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contracts for construction manager at risk. This method is intended to permit the procurement of a construction manager at-risk to perform the functions that a construction manager may provide to a public owner, including constructability review, schedule and cost review, and the construction review function prior to the completion of the design of the project by the design consultant.

Solicitations for a CMR is similar to a RFQ. It is a two-step method with the selection of vendor(s)/proposer(s) recommended by a Selection Committee based upon their merits and qualifications (without cost), followed by negotiations with the most qualified firm(s). The Selection Committee will evaluate submittals in light of the stated evaluation criteria (not including pricing) and weights (refer to Chapter 9 – Selection Committees).

Ideally, the CMR will not self-perform any construction work under the contract and will be secured prior to the commencement of the design process. The Town reserves the right to allow the CMR to self-perform work upon prior written notification and consent of the Town Manager or designee, up to ten percent (10%).

The CMR contract is issued with a Pre-Construction Phase Services scope and fee and will be amended once the Guaranteed Maximum Price (GMP) is negotiated to include the Construction Phase Services scope and fee. The greatest benefit is achieved when the contractor is brought into the design process at the onset. The benefit of this construction method is the contractor's input into the design resulting in a better scope of work and the expectation that fewer change orders and claims will occur due to design errors.

The Pre-Construction contract will require the following, among other things:

1. Develop a project manual, which includes, but isn't limited to, issues such as project goals, project approach, work plan, communication and coordination procedures, emergency contacts, etc.
2. Pre-qualify subcontractors
3. Competitively bid subcontractor work
4. Provide documentation of pre-qualification/bidding process
5. Prepare GMP

A GMP amendment will be executed with the Construction Phase Services contract, which will define the CMR's total Guaranteed



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Maximum Price (GMP) and time of performance and serve as the authorization to proceed with Construction Phase Services. The GMP will be built upon receipt of bids from subcontractors and material suppliers, which includes its fee, general conditions, any contingencies, and any allowances. The CMR is responsible for directing and coordinating the entire project including bidding of all subcontract requirements. The GMP is the most the CMR can receive for constructing the scope of work negotiated. If the cost for the project comes in less than the GMP, the balance of the GMP reverts back to the Town. However, unless there is a scope change approved by the Town, any cost overruns are to the CMR's account.

### **7.5 Design-Build Professional Services**

A Design-Build firm provides for one single administrative entity (a firm as defined herein) responsible for design and construction under one contract where architectural and engineering services are performed by a registered architect or professional engineer and where construction services are performed by a certified or registered contractor.

The purpose of the design criteria package is to furnish performance criteria and sufficient information so as to permit design-build firms to prepare competitive technical and price proposals in response to the Town's Request for Proposal.

The design criteria must be issued with the RFP on all competitive projects solicited via competitive proposal process. For a qualifications based process, RFQ, the design criteria package shall be provided to the top ranked firm. The design criteria must specify such performance based criteria for the project and must include but is not limited to:

- The legal description of the site.
- Survey information concerning the site.
- Interior space requirements.
- Material quality standards.
- Schematic layouts and conceptual design criteria of the project.
- Cost or budget estimates.
- Design and construction schedules.
- Site developments requirements.
- Provisions for utilities, storm water retention and disposal, and parking requirements, as may be applicable to the project.



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The firm to whom the design-build contract is awarded will be responsible for creation of the project design based on the criteria in the design criteria package.

When required, the procurement of design criteria professional services shall be pursuant to Florida Statutes, Section §287.055. The procurement of a design-build firm project shall be in accordance with this Manual and Section §287.055 (9), and shall utilize a competitive proposal selection process. The methodology shall be set forth in the solicitation document.

To initiate the use of this process, the Director of Public Works, in conjunction with the Purchasing Manager, will determine the delivery method in lieu of the conventional bid-build process, setting forth the criteria used in determining why this project delivery method should be used for this particular project. All authorized project delivery methods, the comparative advantages and disadvantages of each and how these methods may be appropriately configured and applied to fulfill the Town requirements will be included in this determination. Other factors to be included, but not limited to the following: the extent to which qualified and experienced Town personnel are available to provide the decision-making and administrative contributions, the type of infrastructure to be constructed, the delivery date, and the size, scope, complexity and technical difficulty of the project.

- 7.6 Value Engineering** – Value engineering can be defined as an organized effort directed at analyzing designed building features, systems, equipment, and material selections for the purpose of achieving essential functions at the lowest life cycle cost consistent with required performance quality, reliability, and safety.

In the design phase, properly applied value engineering considers alternative design solutions to optimize the expected cost/worth ration of projects at completion. Value engineering elicits ideas on ways of maintaining results while reducing life cycle costs.

In the construction phase, contractors are encouraged through shared savings to draw in their special “know-how” to propose changes that cut costs while maintaining or enhancing quality, value, and functional performance.

**7.7 Required Language in Each Construction Solicitation**



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All terms listed in Appendix "C" shall be noted.

**7.8 New Requirements**

**Sub-Contractors** – All sub-contractors shall complete all required affidavits that the general contractor is responsible for completing.

**Bonding and Insurance** – language to state that all bonding and insurance will be treated as a pass-thru.

The following Procedures shall be incorporated into the Purchasing Policy and Procedures Manual as an appendix related to Construction.

<b>Procedure No.</b> <u><b>1-87-4</b></u>  <b>Appendix "C"</b>	<b>Construction Contract Specifications – Standard Insurance Requirements and Indemnification Clause</b>	<b>Effective Date:</b> <b>April 23, 1987</b>
<b>Procedure No.</b> <u><b>1-02-2</b></u>  <b>Appendix "D"</b>	<b>Design/Build Procedures Pursuant to F.S. 287.055</b>	<b>Effective Date:</b> <b>January 18, 2002</b>
<b>Procedure No.</b> <u><b>1-16-3</b></u>  <b>Appendix "E"</b>	<b>Capitalized Construction Management Procedures</b>	<b>Effective Date:</b> <b>June 13, 2016</b>

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**Sub-Contractors** – All sub-contractors shall complete all required affidavits that the general contractor is responsible for completing.

**Bonding and Insurance** – language to state that all bonding and insurance will be treated as a pass-thru.

**The following Procedures shall be incorporated into the Purchasing Policy and Procedures Manual as an appendix related to Construction.**

<b>Procedure No.</b> <b><u>1-87-4</u></b>  <b>Appendix "C"</b>	<b>Construction Contract Specifications – Standard Insurance Requirements and Indemnification Clause</b>	<b>Effective Date:</b> <b>April 23, 1987</b>
<b>Procedure No.</b> <b><u>1-02-2</u></b>  <b>Appendix "D"</b>	<b>Design/Build Procedures Pursuant to F.S. 287.055</b>	<b>Effective Date:</b> <b>January 18, 2002</b>
<b>Procedure No.</b> <b><u>1-16-3</u></b>  <b>Appendix "E"</b>	<b>Capitalized Construction Management Procedures</b>	<b>Effective Date:</b> <b>June 13, 2016</b>

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## **CHAPTER 8 – EVALUATION OF SOLICITATIONS**

**8.1 Responsiveness and Responsibility** - The Town shall award its contracts to the responsive, responsible vendor offering the best value, and whose offer or proposal is technically compliant with the Town's requirements. The use of the term bidder shall be understood to include any participant in the Town's procurement process and the term bid shall be understood to include any offer in response to a solicitation. The following is intended to be used as general guidelines:

### **8.1.1 Responsiveness**

Bidder responsiveness refers to a bidder's unequivocal promise, as shown on the face of its offer, to provide the item(s) or service(s) called for by the material terms of the solicitation. A responsive bid means one submitted at the correct time and place, in the correct format, containing all required information, signatures, and affidavits. A bid that deprives the government of the assurance that the contract will be entered into in accordance with its terms is not responsive. Any omission is normally not curable, as a bidder submitting an incomplete or qualified bid could opt in or out of the process at its will, depriving the Town of a valid offer and placing that the bidder at a material advantage over other bidders who have made firm offers.

The determination of responsiveness is based on the application of bid requirements and legal precedent to facts provided by Town staff or developed in the course of a bid protest. The Purchasing Manager has the authority to decide whether a bid or proposal is responsive or non-responsive.

### **8.1.2 Responsibility**

Bidder responsibility refers to findings whether the bidder or proposer can perform as provided in the bid. In general, solicitation requirements for information relating to a bidders or proposer's financial condition, capability, experience and past performance pertain to bidder's or proposer's responsibility. The term responsibility is not limited in its meaning to financial resources and ability. Under its definition, the Town has discretionary power to make determinations upon the honesty and integrity of the bidder necessary to a good faith performance of a contract, upon a bidder's or proposer's skill and business judgement, its experience and its facilities for carrying out the contract, the bidder's or proposer's previous conduct under other contracts, and the quality of its



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previous work. The type of information bearing on a bidder's ability to perform may be furnished up to the time of recommendation to award by user department and Purchasing Manager.

In the event the Town has knowledge of facts which may exist that would render a bidder non-responsible, the Purchasing Manager shall conduct a responsibility review and inquiry as may be reasonably required to make the affirmative finding of responsibility as a condition of recommending the bidder for award. Town departments and divisions shall advise, in a timely manner, the Purchasing Division, of knowledge of any facts that may render a bidder non-responsible. Given the variety of goods and services purchased by the Town, and the unique issues that may arise, the issues of responsibility shall be addressed on a case-by-case basis.

A determination of bidder responsibility shall be made, on a contract-by-contract basis. A responsible bidder is a bidder which the Town affirmatively determines (prior to the award of a contract) has the ability, capability and skill to perform under the terms of the contract; can provide the materials or services promptly within the time specified, without delay or interference; and has a satisfactory record of integrity and business ethics.

**In making the determination of whether the bidder has the capability to perform the contract the Town may consider factors, but not limited to the following:**

- 8.1.2.1** Past performance of the bidder, its principles, affiliates, or supervisory personnel in the execution of prior Town contracts or with the other public entities;
- 8.1.2.2** Any information which the Town may obtain relating to the performance of the bidder, its principals, affiliates, or supervisory personnel on contracts with third parties, including without limitation, contracts with other governmental entities;
- 8.1.2.3** Financial performance and capability, including without limitation, pending and unsatisfied claims;
- 8.1.2.4** Qualifications and past performance of the personnel who will have supervisory responsibility for the performance of the specific Town contract;



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- 8.1.2.5 Licensing, certifications and other permits; and
- 8.1.2.6 Any significant changes in the bidder's financial position or business organization.

**In making the determination whether the bidder has a satisfactory record of integrity and business ethics, the Town may consider factors including, but not limited to the following:**

- 8.1.2.7 Pending criminal charges against the contractor, its principals, affiliates, or supervisory personnel;
- 8.1.2.8 Criminal conviction of bidder, its principals, affiliates, or supervisory personnel;
- 8.1.2.9 Debarment of the bidder, its principals, affiliates, or supervisory personnel in the Town of Palm Beach or any other jurisdiction;
- 8.1.2.10 Pending disciplinary proceeding against the bidder, its principals, affiliates, or supervisory personnel;
- 8.1.2.11 Pending enforcement cases, civil judgments, citations, or notices of violation of regulatory authorities with jurisdiction over the goods or services to be rendered, or any adverse determination resulting therefrom, including, but not limited to, those related to environmental protection, the health and safety of labor, and determination by any governmental entity;
- 8.1.2.12 Pending investigation related to, or arising from allegations of dishonesty illegal or fraudulent business practices;
- 8.1.2.13 Efforts by the bidder to redress any breach of prior contracts, and compliance with settlement agreements to redress any contract deficiency;
- 8.1.2.14 Inaccurate, incomplete, or fraudulent accounting practices;
- 8.1.2.15 Efforts by the bidder to remediate any of the adverse conditions mentioned herein, including compliance with the terms and conditions of any compliance



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agreement.

- 8.1.2.16** The preponderance of the evidence, nature and credibility of any and all facts underlying any of the above-cited investigations, allegations, charges, accusations, proceedings, or indictments; and
- 8.1.2.17** Litigation history, including litigation against the Town.

In evaluating the factors above, the Town shall give priority to acts or legal proceedings occurring within the years preceding the submission of an offer to the Town, and any violation of deficiency that is continuous or uncured. Additionally, at any time, the Town may require that the bidder submit documentary evidence and other proof necessary to evaluate the factors identified above.

The Town is entitled to rely on information of the type reasonable persons rely on, in the conduct of business affairs. If the bidder is unable to furnish such documentary evidence or other proof, or if the Town is otherwise unable to make an affirmative determination that the bidder is responsible to perform the work required, the bidder shall be determined non-responsible. Failure of the bidder to provide requested information to determine responsibility in response to a solicitation may cause such bid or proposal to be rejected.

Generally, prospective prime contractors are responsible for determining the responsibility of their prospective subcontractors. Determinations of prospective subcontractor responsibility may affect the Town's determination of the prospective prime contractor's responsibility. A prospective contractor may be required to provide written evidence of a proposed interest to do so, and the Town may directly determine a prospective subcontractor's responsibility. In this case, the same standards used to determine a prime contractor's responsibility shall be used.

In the event a bidder is determined to be non-responsive, the Purchasing Manager shall make, sign, and place in the contract file a determination of non-responsibility, which shall state the basis for the determination. All documents, reports, recordings of meeting(s), supporting a determination of non-responsibility shall also be include in the contract file.

In addition to responsiveness and responsibility determinations, the Purchasing Division, in collaboration with the Town requesting department or division, shall ensure that the goods or services to be procured are technically compliant with the specifications and requirements of the Town's



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solicitation. The requesting department, division, or consultant, as may be the case, shall act as the subject matter experts in the determination whether the offered goods or services are technically compliant with the specifications of the solicitation.

- 8.2 References** – The Purchasing Division in-conjunction with the department or division Subject Matter Expert (SME) shall be responsible for completing all reference checks related to the technical aspect of the submittal. Purchasing shall verify with SunBiz, a State of Florida Agency.

The Finance Department shall be responsible for review and analysis of all financial submittals to the Town whether for an Initiation to Bid or a formal proposal.

- 8.3 Tied Bids** – In the event of tied bid, the solicitation shall be awarded first by Drug Free Affidavit and if both firm have submitted, then a coin tossed by the Purchasing Manager.

- 8.4** All ITB's, RFQ's and RFP's will be open to the public via web platform advertised which will be advertised in the solicitation document.

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## **CHAPTER 9 – SELECTION COMMITTEES**

### **9.1 Formation and Performance of Selection Committee for RFP**

Prior to the issuance of the RFP, the Selection Committee (SC) shall be recommended by the Purchasing Manager, and approved by the Town Manager. The Purchasing Manager will work with the using Department Director in recommendations for Selection Committee participants. The Finance Department shall serve to provide financial oversight and recommendations. Subject Matter Experts (SME) will be asked to participate on committees, including SME's from outside the Town that have relevant experience or knowledge. When the RFP is solicited, all meeting dates, including a potential oral presentation date are to be published.

All meeting dates are required to be publicly noticed a minimum of three days prior to the scheduled meeting. Once approved, the proposed Selection Committee Members will be required to sign the Conflict of Interest Form and return to purchasing before given rights to evaluate. The Purchasing Manager is responsible to notify the Office of the Inspector General of all meeting dates as well as provide any backup documentation that may be requested.

The Purchasing Manager or designee, shall serve as the Selection Committee Chair in a non-voting capacity. At the beginning of the SC Meeting, the Purchasing Manager or designee shall provide an overview of Code of Silence obligations. Questions may only be presented by designated voting and non-voting members. While the Public is welcome to observe, they may only participate as a silent observer.

Proposals are received through an electronic E-Bidding System. Selection Committee members are notified when to begin the self-evaluation process. It shall be the responsibility of purchasing to verify that evaluations are completed prior to beginning of the consensus meeting. Purchasing shall verify references with user department SME and provide SC with backup related to references. Financial information shall be reviewed by the Finance Department and an overall rating provided for each proposer. Purchasing shall provide this information to the SC for their ranking review.

Selection Committee (SC) Members shall come together to have a Consensus Meeting regarding the initial scoring. SC Members at that time can request to update their previous rating based on discussion held at the meeting. Once this is completed, the consensus ranking shall be published.

**Recommendation for Award without Oral Presentation - The**



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Purchasing Manager shall discuss pricing and deliverables strategy with the Department Director and project manager after the recommendation is made by the Selection Committee. The Purchasing Manager will discuss with the Town Manager the outcome of selection process and the decision to pursue a negotiation with the top ranked firm(s). The negotiation team shall be designated and approved by the Town Manager at that time.

Negotiations will be conducted prior to recommendation for award to Town Council. It shall be the responsibility of the Purchasing Manager to conduct market research for pricing and other deliverables.

The Purchasing Manager or designee shall serve as Chief Negotiator for all solicitations.

Upon Town Manager authorization, negotiations will be initiated with the highest ranked firm. If the negotiations are unsuccessful, the Town will formally terminate negotiations with the highest rank firm and will commence contract negotiations with the next ranked firm, etc.

A final ranking is established and Purchasing Manager posts ranking and prepares agenda item and resolution for Town Council Approval.

**The formal protest period begins upon posting of the ranking for a period of three days.**

The proposal remains under the Cone of Silence until recommendation is discussed at Town Council.

**Recommendation to Hold Oral Interviews** - The Selection Committee (SC) has the option to hold oral interviews (presentations) based on initial rankings. Purchasing will notify firms selected for oral interviews, generally proposers with a median score of **60% of the quality score or greater**. State Statute requires a minimum of three firms pursuant to CCNA guidelines unless firms are not responsive or responsible to the solicitation. The Town chooses to hold the same metrics for RFP's.

The SC shall submit any follow-up questions or general comments to purchasing. It shall be the responsibility of purchasing to summarize all questions or comments and send to identified proposers along with all SC members. Proposers shall receive these



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questions or comments to be considered in their presentations at a minimum of three days before date of presentation.

The SC shall score the Oral Interviews by Ordinal Scoring.

**Ordinal Scoring or Best Value Scoring** - Ordinal Scoring (Best Value Scoring) will require the Selection Committee to assign a composite score rank, based on the Committee's determination of the relative overall value of the Proposer's response. Composite scores will rank responses from 1(1<sup>st</sup> place), 2 (2<sup>nd</sup> place), and so on, for the total number of responses under consideration.

**The weighted criteria used for the initial evaluation of proposals and first round of orals will not be utilized for the final evaluation method.**

If there is a tie, the score reverted to original ranking.

The Purchasing Manager shall discuss pricing and/or deliverables strategy with the Department Director and project manager after the recommendation is made.

The Purchasing Manager shall discuss with the Town Manager the outcome of selection process and the decision to pursue a negotiation with the top ranked firm(s). The negotiation team shall be designated and approved by the Town Manager at that time.

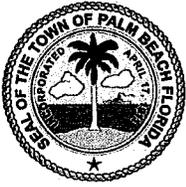
Negotiations will be conducted prior to recommendation for award to Town Council. It shall be the responsibility of the Purchasing Manager to conduct market research for pricing and other deliverables.

The Purchasing Manager or designee shall serve as Chief Negotiator for all solicitations.

The proposal remains under the Cone of Silence until recommendation is discussed at Town Council

Final ranking is established and Purchasing Manager posts ranking and prepares agenda item and resolution for Town Council Approval.

**The formal protest period begins upon posting of the ranking for a period of three days.**



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**9.2 Formation and Performance of Selection Committee for RFQ**

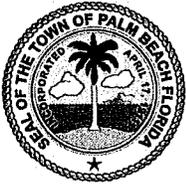
**For RFQ's, price is not included in the proposal, as the RFQ focuses on the Qualifications of the individual or firm submitting.**

Prior to the issuance of the RFQ, the Selection Committee (SC) shall be recommended by the Purchasing Manager, and approved by the Town Manager. The Purchasing Manager will work with the using Department Director in recommendations for Selection Committee participants. Subject Matter Experts (SME) will be asked to participate on committees as necessary, including invitees from outside the Town of Palm Beach with relevant experience/knowledge. When the RFQ is solicited, all meeting dates, including a potential oral presentation date are to be published. All meeting dates are required to be publicly noticed a minimum of three days prior to the scheduled meeting.

Proposals are received through an electronic E-Bidding System. Selection Committee members are notified when to begin the self-evaluation process. It shall be the responsibility of purchasing to verify that evaluations are completed prior to beginning of the consensus meeting. Purchasing shall verify references with user department SME and provide SC with backup related to references. Financial information shall be reviewed by the Finance Department and an overall rating provided for each proposer. Purchasing shall provide this information to the SC for their ranking review.

At the beginning of the SC Meeting, the Purchasing Manager shall provide an overview of Cone of Silence obligations. Questions may only be presented by designated voting and non-voting members. While the Public is welcome to observe, they may only participate as a silent observer. The Purchasing Manager is also responsible for notifying the Office of the Inspector General. Once approved, the proposed Selection Committee Members will be required to sign the Conflict of Interest Form and return to purchasing before given rights to evaluate. The Purchasing Manager, or designee, shall serve as the Selection Committee Chair in a non-voting capacity.

Selection Committee (SC) Members shall come together to have a Consensus Meeting regarding the initial scoring. SC Members at that time can request to update their previous rating based on discussion



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held at the meeting. Once this is completed, a new ranking is published.

**Recommendation for Award without Oral Presentation** - The Purchasing Manager shall discuss qualifications and deliverables strategy with the Selection Committee Members after the recommendation is made.

The top ranked firm(s) will then be requested to present pricing proposals after the Selection Committee recommends moving forward by the Purchasing Manager or designee.

The Purchasing Manager shall discuss with the Town Manager the outcome of selection process and the decision to pursue a negotiation with the top ranked firm(s). The negotiation team shall be designated and approved by the Town Manager at that time.

Negotiations will be conducted prior to recommendation for award to Town Council. It shall be the responsibility of the Purchasing Manager to conduct market research for pricing and other deliverables.

The Purchasing Manager or designee shall serve as Chief Negotiator for all solicitations.

The proposal remains under the Cone of Silence until recommendation is discussed at Town Council.

Final ranking is established and Purchasing Manager posts ranking and prepares agenda item and resolution for Town Council Approval.

**The formal protest period begins upon posting of the ranking for a period of three days.**

**Recommendation to Hold Oral Interviews** - The Selection Committee (SC) has the option to hold oral interviews (presentations) based on initial rankings. Purchasing will notify firms selected for oral interviews, generally proposers with a **median score of 60% of the quality score or greater**. State Statute requires a minimum of three firms pursuant to CCNA guidelines unless firms are not responsive or responsible to the solicitation.

The SC shall submit any follow-up questions or general comments to purchasing. It shall be the responsibility of purchasing to



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summarize all questions or comments and send to identified proposers along with all SC members. Proposers shall receive these questions or comments to be considered in their presentations at a minimum of three days before date of presentation.

The SC shall score the Oral Interviews by ordinal scoring. If there is a tie, the score reverted to original ranking.

The top ranked firm(s) will then be requested to present pricing proposals after the Selection Committee recommends moving forward by the Purchasing Manager or designee. The Purchasing Manager will reconvene the Selection Committee to review price and deliverables.

The Purchasing Manager will reconvene the Selection Committee to review price and deliverables as may be necessary.

The Purchasing Manager shall discuss with the Town Manager the outcome of selection process and the decision to pursue a negotiation with the top ranked firm(s). The negotiation team shall be designated and approved by the Town Manager at that time.

Negotiations will be conducted prior to recommendation for award to Town Council. It shall be the responsibility of the Purchasing Manager to conduct market research for pricing and other deliverables.

The Purchasing Manager or designee shall serve as Chief Negotiator for all solicitations.

The proposal remains under the Cone of Silence until recommendation is discussed at Town Council.

Final ranking is established and Purchasing Manager posts ranking and prepares agenda item and resolution for Town Council Approval.

**The formal protest period begins upon posting of the ranking for a period of three days.**

### **9.3 Cancellation and Rejection of Bids, Proposals, and Replies**

An Invitation to Bid, Request for Proposal, Request for Qualification or other solicitation may be cancelled, and any or all bids/proposals/replies may be rejected in whole or in part when it is deemed to be, in the best interest to the Town.



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The requesting Department Director or Selection Committee can recommend rejection of all proposals to the Purchasing Manager.

If this occurs, the Purchasing Manager shall write a memo to the Town Manager notifying that a new solicitation will issued or other action taken.

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## CHAPTER 10 – BID PROTEST

After the Town has made a determination of the intended award of a contract, Purchasing shall post a tabulation of the bid/proposal evaluation results with intended an award recommendation. Posting shall be made to the Town website under the heading, “Doing Business”. All bidders, proposers, offerors, or contractors affected by the proposed award of contract shall be notified by the Purchasing Division, at the time of posting, via email or facsimile, of the intended award.

**Procedure:** Any person adversely affected by the decision of award may file a formal written protest within 72 consecutive hours (excluding Saturdays, Sundays and legal holidays) from the time of the initial posting by the Purchasing Division. Protestors shall file their written protests with the Town between the hours of 8:30 and 5:00 p.m. Written protests shall include, at a minimum:

1. The name of the petitioner;
2. The petitioner’s address, email address, phone number, and fax number;
3. The name of the petitioner’s representative, if applicable;
4. The title and bid number of the solicitation;
5. A plain clear statement of the grounds on which the protest is based; and
6. Specific information regarding the relief to which the petitioner deems itself entitled and/or the remedy requested.

A written protest is deemed received by the Town of Palm Beach when it is delivered to and received by the Purchasing Division. Delivery to and receipt by any other Town of Palm Beach staff member is not valid.

Formal written protests shall not exceed fifteen (15) type-written pages and in all other respects shall comply with the formatting requirements for an appellate brief as set forth in the Florida Rules of Appellate Procedure.

The Purchasing Manager shall review such protest and shall issue a written decision as soon as practicable after such review is completed. The decision of the Purchasing Manager may be appealed in writing to the Town Manager within three (3) calendar days after the date of the Purchasing Manager’s written decision. The decision of the Town Manager shall be final. An appeal of the Town Manager’s decision may be made to the appropriate court in the Fifteenth Judicial Circuit, Palm Beach County, Florida.

**Stay of Procurement during Protest:** Purchases which are the subject of a timely protest may be stayed until a final decision by the Town Manager regarding such Protest has been made. The Purchasing Manager shall not proceed further with the Invitation to Bid, RFP, or other purchasing solicitation or award which is the



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subject of the protest until all administrative remedies have been exhausted and a final decision of the Town Manager has been rendered, unless a determination is made that the continuation of the award process is in the best interest of the Town. In this case, the Town Manager must make a written determination that the execution of a contract without delay is necessary to protect substantial interests of the Town.

**Filing Fees:** In order to defray a portion of the administrative costs associated with a protest, all protests shall be accompanied by a filing fee in the form of a cashier's check or money order for an amount equal to one percent (1%) of the total estimated contract value, but not less than \$1,000 nor more than \$10,000. Failure to pay the filing fee shall result in a denial of the protest. In the event that a protest is upheld, the filing fee shall be refunded to the protestor.

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## **CHAPTER 11 – TERMINATION FOR CONVIENCE OR DEFAULT**

### **Termination for Convenience**

a. The Town may terminate performance of work under a contract in whole or in part (the “Work Terminated”) if the Town determines that such termination is in the Town’s best interest. Termination of a contract will be in accordance with the governing provisions of the contract under which the work or services are being performed. The Purchasing Division will prepare a certified letter notifying the contractor of termination. The Purchasing Manager shall notify the Town Manager and Town Attorney prior to the termination of any contract at or above the competitive solicitation threshold, (\$35,000).

Contractors and subs working for the contractor shall acknowledge within the solicitation package that the Town has the right to terminate for convenience without litigation being pursued against the Town. Failure to do so, will result in a non-award.

b. After receipt of a Notice of Termination, a Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

- Stop work as specified in the notice.
- Complete performance of the work not terminated.

### **Termination for Default**

The Town of Palm Beach may, subject to paragraphs below, by written notice of default to the Contractor, terminate this contract in whole or in part if the contractor fails to:

- Perform the services within the time specified;
- Make progress, so as to endanger performance of this contract; or
- Perform any of the other provisions of this contract.

Contractors and subs working for the contractor shall acknowledge within the solicitation package that the Town has the right to terminate for default without litigation being pursued against the Town. Failure to do so, will result in a non-award.



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## CHAPTER 12 – BID BONDS/SURETY DEPOSITS

When required for the protection of the Town's best interest, bid bonds/surety deposits shall be prescribed in the public notices inviting bids. Bid Bonds shall be in an amount equal to or exceeding five percent of the total value of the bid. Unsuccessful bidders shall be entitled to the return of surety promptly after award of the contract. A successful bidder shall forfeit any surety required by the bid upon failure on their part to enter into a contract within ten (10) days after the contract is awarded.

### Types and Purpose of Bonds

- **Bid Bonds** – type of bond required in public construction projects which must be filed at the time of the bid and which protects the Town in the event that bidder refuses to enter into a contract after the award or withdraws his bid before the award.
  - Typical amount is 5% of the total amount that would be awarded
  - Screens financial capability of bidders, prevents frivolous bids and compensates owner for higher bid amount and/or cost for rebidding the project.
  
- **Payment Bonds and Performance Bonds**
  - Payment bonds guarantees payment to subcontractors, suppliers, and workers.
  - Performance bonds guarantees Contractor will perform and complete the project.
  - General costs to contractor ranges 1% to 5%
  
- **Warranty Bonds** – guarantees the contractor will repair any defects in the construction project during the warranty period.
  
- **Retainage Bonds** – a guarantee by the Surety to meet any claims filed against the retainage in the same manner as if the Town had withheld 5% of each progress payment earned by the contractor.

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## **CHAPTER 13 – NEGOTIATIONS**

All Town negotiations related to the procurement of goods and services are chaired by the Purchasing Manager. The Purchasing Manager shall review the recommended negotiation team with the Town Manager for final review and approval by the Town Manager.

A negotiation team shall be comprised of no less than three individuals.

The Town shall have the ability to negotiate with all Invitation to Bids and Requests for Proposals to secure a Best and Final Offer (BAFO).

The Town shall negotiate a contract with the most qualified firm for professional services at compensation which the Town determines to be fair, competitive, and reasonable. In making such determination, the Town shall conduct a detailed analysis of the cost of the professional services required in addition to considering their scope and complexity. For any lump-sum or cost-plus-a-fixed fee for professional service contract over the threshold of \$195,000, as provided in State Statute §287.017, the Town shall 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 contracting.

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

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## **CHAPTER 14 – CONTRACT ADMINISTRATION**

The goal of any contract is to ensure that the Town receives the right quantity of right material or service of the right quality in the right time at the right place, and to do this within the identified budget and without claim.

**Purchasing shall participate in the respective “kick off meeting” with the user department upon award of contract. The goal is to set the tone for a successful contract implementation and success during the term of the contract.**

The Town has the responsibility to ensure that:

- Contractors are performing to standards expressed in the contract; and
- That poor performance of rules, regulations, and/or contract provisions because Town personnel were not properly trained in contract administration; and
- There is an overall reliance on rules and regulations rather than contract outputs/outcomes; and
- That corrective action is taken in cases of contract noncompliance; and
- The risk and level of review necessary are identified for each phase of the contract monitoring and evaluation process.

It is important to note that contract monitoring and contract evaluation are two distinct aspects of insuring that the contractor complies and/or monitoring has complied (evaluation) with all terms and conditions of the contract. In other words, contract monitoring and evaluation requires an established process, whether periodic or continuous, that measures and confirms contractor compliance with the terms, conditions, and requirements of a contract.

Contract monitoring and evaluation plans are an essential component in contract administration because it provides a systematic way for ensuring that all elements of the contract are delivered satisfactorily.

Staff engaged in Project Management shall be properly trained in the overview of how to manage the various disciplines contained within the project. It is imperative that no invoices are paid for services until all work is completed and is approved by the Town. Failure to manage projects can result in unnecessary change orders and costs to the Town.



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**Elements of a Contract Monitoring Plan:**

1. Identify and document each contract deliverable, specification, method of evaluation (i.e. report, delivery, and expected results), timeframe, budget, and performance criteria.
2. Maintain information on deliverables.
3. Require on-going progress reports, both from the contractor and contract administrator.
4. Identify the level of surveillance needed to minimize problems.
  - a. The following are samples of reports that document performance:
    - i. Observation Record
    - ii. Complaint Record
    - iii. Discrepancy Record
    - iv. Unsatisfactory Performance Report
    - v. Summary Evaluation Report
    - vi. Contractor Status Report
    - vii. Surveys
5. Conduct a “kick-off” or post award meeting with the contractor and establish a regular meeting schedule or follow the schedule specified in the contract.
6. Have an internal plan to resolve any performance issues. Conflict Resolution and Corrective Action Plan.

**Purchasing Responsibility**

Purchasing will issue bi-annual evaluations to departments from the contract management software to be completed by the respective project managers. The metrics will be used for contract renewals and maintained in the contract folder. Each contract issued will adhere to metrics of performance.

**Project Manager Responsibility**

The project manager shall be responsible for completing benchmarked evaluations for all construction projects that will be outlined in the specifications of the contract.

Evaluations shall be submitted to purchasing to be added to the contract folder within Negometrix. Any evaluation below satisfactory shall be addressed by the Purchasing Manager with the project manager.

Bi-annual evaluations shall also be held to the same standards.



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## CHAPTER 15 – REQUISITIONS AND CHANGE ORDERS

**Requisitions** – When there is a need for goods and/or services which exceed the threshold of the use of a purchasing card, an electronically generated requisition must be submitted to the Purchasing Division, through the Eden purchase requisition module.

Remember that purchasing cards may not be utilized to pay for services by departments or divisions due to insurance verification. The Purchasing Division is authorized to pay with a credit card provided that all insurance requirements have been verified and documented.

The requisition must ensure that the following are addressed:

- a. Valid requirements have been established;
- b. Funds are available to cover the purchase;
- c. Sufficient data is available to determine the best method to secure the purchase;
- d. Quotations or contract information are attached;
- e. Specifications are available; and
- f. Estimated total dollar value of procurement should be identified.

The Purchasing Division will review the Tyler Eden requisition for accuracy and compliance with purchasing guidelines.

**Change Orders** - Contracts and purchase orders must be amended in the same manner in which they were executed, and at the requisite authorization levels, unless the contract provides for an alternative method of adjustment.

It shall be the department or division responsibility to ensure that all backup justification is attached to the change order request to include the following:

- a. A justification memo detailing the change order request, whether for an increase or decrease;
- b. A quote from the vendor related to the change; and
- c. For purchase orders associated to a resolution, a copy of the resolution showing the availability of funding that was awarded by the Town Council.

There are occasions when Freight Charges will differ. The amount can adjusted by up to 2% without a change order.



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## CHAPTER 16 – INSURANCE

The Town requires insurance to be provided and authorized through the insurance certificate management services, EBIX. EBIX Inc. is the Town's insurance certificate management contracted vendor. All vendors performing service on Town property must have their insurance approved by EBIX prior to performing any services on behalf of the Town.

The Town shall not issue a purchase order for any service work until the Certificate of Insurance is approved.

**Purchasing Responsibility:** It shall be the responsibility of the Purchasing Division to ensure that an approved COI is noted in EBIX prior to execution of a purchase order.

If purchasing completed the solicitation or is responsible for entering the requisition, then the responsibility shall be that of purchasing to enter the vendor into EBIX.

**Department/Division Responsibility:** It shall be the responsibility of the requesting Department/Division to verify if there is an approved COI for a vendor that a requisition will be required when the requisition is entered into Tyler Eden ERP. It is the Department/Division responsibility to enter the vendor into EBIX and maintain the vendor information as needed.

**The following Procedure shall be incorporated into the Purchasing Policy and Procedures Manual as an appendix.**

<b>Procedure No.</b> 1-19-2	<b>Contract Requirements for Insurance and Procedures for Obtaining and Approving Certificates to Minimize Liability to the Town</b>	<b>Effective Date:</b> August 1, 2019
<b>Appendix "F"</b>		

Please refer to the chart below outlining the minimum insurance requirements for Outside Contractors.



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<b>Insurance Coverages that may be required</b>	<b>Standard Contracts and Minor Construction</b>	<b>Construction Contracts</b>	<b>Consulting Contracts</b>
<b>Workers' Compensation</b>	Statutory Limits per FL Statute 440	Statutory Limits per FL Statute 440	Statutory Limits per FL Statute 440
<i>Employers liability Each Accident</i>	\$100,000	\$100,000	\$100,000
<i>Employers liability Each Disease</i>	\$100,000	\$100,000	\$100,000
<i>Employers liability Aggregate by Disease</i>	\$500,000	\$500,000	\$500,000
<b>General Liability</b>			
<i>Each Occurrence</i>	\$1,000,000	\$5,000,000	\$1,000,000
<i>Premises operation; Products and completed operations; independent contractor and subcontractors and broad form contractual</i>	n/a	Part of the GL policy	n/a
<i>General Aggregate</i>	\$2,000,000	\$10,000,000	\$1,000,000
<b>Business Auto Liability</b>			
<i>Business Auto Owned, hired and non-owned</i>	\$1,000,000	\$1,000,000	\$1,000,000
<i>Personally owned vehicles</i>	\$300,000	n/a	\$300,000
<b>Professional Liability</b>	n/a	n/a	\$1,000,000
<b>Builders "ALL RISK"</b>	n/a	100% of completed value	n/a
<b>Insurance Coverages that may be required</b>	<b>Standard Contracts and Minor Construction</b>	<b>Construction Contracts</b>	<b>Consulting Contracts</b>
<b>Pollution Liability</b>	n/a	\$1,000,000	n/a



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<b>Cyber Liability</b>	\$1,000,000	n/a	\$1,000,000
<b>Third Party crime</b>	\$1,000,000	n/a	n/a

**For full coverage requirements refer to the COI Administrative Policy and Insurance Certificate Management Manual.**

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## **CHAPTER 17 – DEBARMENT AND SUSPENSION**

**Authority and requirement to debar and suspend.** After reasonable notice to an actual or prospective contractual party, and after reasonable opportunity for such party to be heard, the Town Manager, after consultation with the purchasing manager and the Town attorney, shall have the authority to debar a contractual party, for causes listed below, from consideration for award of Town contracts. The debarment shall be for a period of not fewer than three years. The Town Manager shall also have the authority to suspend a contractual party from consideration for award of Town contracts if there is probable cause for debarment, pending the debarment determination. The authority to debar and suspend contractors shall be exercised in accordance with regulations which shall be issued by the Purchasing Manager after approval by the Town Manager, Town Attorney, and the Town Council.

**Causes for debarment or suspension.** Causes for debarment or suspension include the following:

- Conviction for commission of a criminal offense incident to obtaining or attempting to obtain a public or private contract or subcontract, or incident to the performance of such contract or subcontract.
- Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification, or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty.
- Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.
- Violations of contract provisions, which is regarded by the Purchasing Manager to be indicative of non-responsibility. Such violation may include failure without good cause to perform in accordance with the terms and conditions of a contract or to perform within the time limits provided in a contract, provided that failure to perform caused by acts beyond the control of a party shall not be considered a basis of debarment or suspension.
- Debarment or suspension of the contractual party by any federal, state, or other governmental agency.
- Found in violation of a zoning ordinance or any other Town ordinance or regulation.
- Any cause judged by the Town Manager to be so serious and compelling as to affect the responsibility of the contractual party performing Town contracts.



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## **CHAPTER 18 – WAREHOUSING, STORES AND MAIL DELIVERY**

**Responsibilities** - The Purchasing Manager shall control and supervise all warehouse operations (Central Stores), as required, for the storage of all supplies and equipment purchased by the Town and not delivered directly to the various Departments. The Purchasing Manager shall be responsible for performing any audits necessary on the records and inventories to protect the Town from over stocking or inefficient material handling procedures. The Purchasing Manager shall maintain inventory records on all items stored in the Warehouse.

**Securing Materials from Central Stores** - Departments requesting items from the warehouse are required to complete Warehouse Requisition Form, online through Eden or through the Work Order Management System, Lucity.

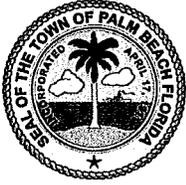
**Deliveries of Material to Loading Dock** - The Warehouse Coordinator is responsible for receiving stock and divisional deliveries. All items shall be inspected within twenty-four hours of receipt. Departments requesting delivery to the loading dock, must notify the Warehouse Coordinator in advance. The Department is responsible for receipt and inspection.

**Catalog** - The Purchasing Manager shall maintain a listing of items available in the Warehouse.

**Physical Inventory** - An annual physical inventory of all warehouse stock shall be conducted, under the direction of the Finance Director, using personnel independent of the Purchasing Division for preparing tabulations and verifying counts.

**Mail Delivery** - The Purchasing Manager shall control the pickup of mail at the central mail facility, provide distribution of mail to departments or division at a minimum of three times weekly. The courier shall also be responsible for providing bank runs as requested by the Finance Department.

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## **CHAPTER 19 – SURPLUS**

The Purchasing Manager shall be responsible for disposal of Town assets after the department and/or the division complete all required paperwork.

“Fixed assets” or “property”, as used in this chapter means fixtures and other tangible personal property of a non-consumable nature, and which shall be procured, maintained, and disposed of in accordance with terms of this Manual and Chapter §274, Florida Statutes.

All surplus items shall be returned to the Purchasing Division for disposition. Capital asset disposals are initiated by the completion of a Property Disposition/Transfer Form (“PDTF”) by the custodial department with that Department Director’s (or designee) authorizing signature. A capital asset is disposed if it is broken, worn or becomes obsolete in service. The completed form is to be sent to the Warehouse Coordinator who will make arrangements for pick up. The asset is held in the Warehouse facility until sold and picked-up, or scrapped.

User department and/or division transferring items to the Warehouse for disposal shall contact the Warehouse Coordinator to arrange for pickup or transfer of item(s).

The Town may sell surplus supplies, equipment, and vehicles through electronic online websites, such as Public Surplus.

Items identified for disposal will be evaluated for scrap value and sold to recycling firms with the goal of generating the best return to the Town.

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## CHAPTER 20 – GLOSSARY

The words defined in this Chapter shall have the meanings set forth below whenever they appear in this Manual unless:

1. The context in which they are used clearly requires a different meaning; or
2. A different definition is prescribed for a particular provision.

**Actual Costs:** All direct and indirect costs which have been incurred for services rendered, supplies delivered, or construction built, as distinguished from allowable costs only.

**Addenda:** Written or graphic instruments issued prior to the openings of bids, proposals or replies which clarify, correct or change the competitive solicitation documents or contracts.

**Alternates:** Substitutes offered by a vendor when specifications of materials being bid are different than specifications set forth in the Town's request for quotes or bids.

**Alternate Bids:** A bid that may be required, or allowed, to permit the Town to have a choice of commodities/services other than what was proposed in the Town's request for quotes.

**Amendment:** – A method of changing the terms and conditions or requirements of a contract beyond what is specifically allowed by contract. All amendments must be approved in the same manner as the original contract and signed by the authorized representatives of the parties of the contract.

**Architect, Engineer, Landscape Architect, Land Surveying and Mapping Services:** Those professional services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered land surveying and mapping, as defined by the laws of the State of Florida.

**Award:** The written notice of the acceptance of a bid or proposal deemed by the proper authority of the Town to be in the best interests of the Town.

**Bid:** Price quoted by the vendor for the commodity or service required.

**Bid Opening:** A formal meeting, open to the public, during which sealed bids are opened and recorded.

**Bid Tabulation Sheet:** A form used to record price quotations from vendors for sealed bids and informal bids. The bid tabulation can be electronically produced from the E-Bidding Platform.



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**Blanket Purchase Order:** An order for goods or services over a certain period of time, usually one year, which provides a streamlined method for the Department to make their purchases directly from the vendor after the blanket purchase order is established.

**Brand Name or Equal Specification:** A specification limited to one or more items by manufacturer's names or catalog numbers to describe the standard of quality, performance, and other salient characteristics needed to meet the Town's requirements, and which provides for the submission of equivalent products.

**Brand Name Specification:** A specification limited to one or more items by manufacturer's names or catalogue numbers.

**Business:** Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

**Capital Equipment:** Any item of equipment which has a life span greater than one (1) year and has a value over \$5,000, except computer equipment which shall have a value over \$3,000 and are non-consumable.

**Capital Improvement:** Any project undertaken by the Town, including construction, repair, or renovation, which involves any building, road, bridge, street, drainage facility, or similar facility or structure necessary to the performance of the Town's business.

**Catalog or Published Price Lists:** Method of pricing for items of a standard nature.

**Change Order:** A written Change Order issued by the Purchasing Manager directing the contractor to make changes which the "Changes" clause of the contract authorizes without the consent of the contractor.

**Collusion:** A secret agreement between two or more vendors which illegally fixes the price or quality of an item or service which is provided to a government entity. This is a violation of federal anti-trust laws and carries severe penalties, including imprisonment.

**Competitive Solicitation:** Means the process of requesting and receiving sealed bids, proposals or replies in accordance with the terms of a competitive process, regardless of the method of procurement.

**Commodity:** Any of the various supplies, materials, goods, merchandise, equipment, and other personal property.

**Competitive Solicitation:** – Means the process of requesting and receiving sealed bids, proposals or replies in accordance with the terms of a competitive process, regardless of the method of procurement.



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**Confidential Information:** Any information which is available to an employee only because of the employee's status as an employee of the Town of Palm Beach and is not a matter of public knowledge or available to the public upon request.

**Construction:** The process of building, altering, repairing, improving, demolishing any public structure or building, or other public improvements of any kind to any public real property. This does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

**Consultant's Competitive Negotiations Act (CCNA):** – The common name for Section 287.055, Florida Statutes concerning the purchasing of architectural, engineering (including testing), landscape architecture, and registered land surveying services. These services will be procured by a Request for Qualifications seeking letters of interest and competitive selection and negotiation.

**Contract:** All types of Town of Palm Beach agreements, regardless of what they may be called, for the procurement of supplies, services, or construction.

**Contractor:** Any person having a contract with the Town of Palm Beach or a Department thereof.

**Contract Modification:** Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract (bilateral agreement).

**Contractual Service:** The rental, repair, and/or maintenance of equipment or real property required by the Town but not furnished by its own employees.

**Cooperative Purchasing:** Procurement conducted by, or on behalf of, more than one Public Procurement Unit, or by a Public Procurement Unit with an External Procurement Activity.

**Cost Analysis:** The evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid, and costs to be reimbursed.

**Cost Data:** Factual information concerning the cost of labor, material, overhead, and other cost elements which are expected to be incurred or which have been actually incurred by the contractor in performing the contract.

**Cost Reimbursement Contract:** A contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions of this Manual and a fee or profit, if any.



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**Debarment:** Removal of a vendor from the bid list and the ability to conduct business with the Town.

**Department:** Any Department, Division, board, agency commission, or any other unit of the Town or any independent agency required by law, which use the services of the Purchasing Division.

**Designee:** A duly authorized representative of a person holding a superior position.

**Direct or Indirect Participation:** Involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

**Discount from List Contract:** Those contracts whereby price is determined by applying a percentage discount from an established catalog price.

**Discounts:** A reduction in the payment due a vendor resulting from prompt payment, usually a 2% discount for payment within ten days of the invoice date.

**Discussions:** As used in the source selection process, means an exchange of information or other manner of negotiation during which the offeror and the Town may alter or otherwise change the conditions, terms, and price of the proposed contract. Discussions may be conducted in connection with competitive sealed proposals, sole source, and emergency procurement; discussions are not permissible in competitive sealed bidding (except to the extent permissible in the first phase of multi-step sealed bidding).

**E-bidding:** The requirement to submit proposals or pricing for an Invitation to Bid through an electronic platform as designated by the Town.

**Emergency:** Any situation where there exists an immediate threat to public health, welfare or safety as determined by the Town Manager.

**Emergency Purchase:** Emergency Purchases are those supplies, services, or construction items necessary to meet the needs of the emergency.

**Employee:** An individual drawing a salary or wages from the Town of Palm Beach; any uncompensated individual performing personal services for the Town of Palm Beach or any Department, agency, commission, board, or any other entity established by the executive or legislative branch of the Town; and any uncompensated individual serving as an elected official of the Town.

**Established Catalogue Price:** The price included in a catalogue, price list, schedule, or



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other form that is regularly maintained by the manufacturer or contractor, is either published or otherwise available for inspection by customers and states prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the supplies or services involved.

**Excess Supplies:** Any supplies having a remaining useful life but which are no longer required by the Department in possession of the supplies.

**External Procurement Activity:** Any buying organization not located in this State which, if located in this State, would qualify as a Public Procurement Unit. An agency of the United States is an External Procurement Activity.

**Equipment:** Any item which is considered to be of a capital nature (valued over \$2500.00, except computer equipment which shall have a threshold of \$1500.00, and non-consumable).

**Escalation:** A contractual method of increasing or decreasing prices usually based upon economic factors (i.e. CPI).

**Extension:** Calculation of total price based upon unit price and quantities purchased.

**Evaluation Committee:** Ad hoc Committee formed to evaluate a specific procurement.

**Financial Interest:** (a) Ownership of any interest or involvement in any relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than \$100.00 per year, or its equivalent. (b) Ownership of 5% of any property or business. (c) Holding a position in a business such as officer, director, trustee, partner, employee, or the like, or holding any position of management.

**Firm Pricing:** Prices that do not fluctuate for a set or an indefinite period of time, depending upon contractual terms.

**Governmental Agency:** Any federal, state, or local department, commission, council, board, bureau, committee, institution. Legislative body, agency, government corporation, or other establishment or official of the executive, legislative, or judicial branch of government in the United States of America.

**Gratuity:** A payment, loan, subscription, advance, deposit of money, service, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

**GSA Contract:** Contracts entered into by the General Services Administration of the federal government (also known as GSA schedules) and are multiple-award contracts



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containing prices to be utilized by all federal governmental agencies. GSA contracts also contain the most preferred customer clause, making the prices contained in the GSA contracts equivalent with those that are given to the most preferred customer of the vendor.

**Identical Bids:** Two or more bids received for the same item that are exactly equal as to price, terms, delivery, make, model, color, etc.

**Immediate Family:** A spouse, children, parents, brothers, and sisters, including spouse's parents.

**Invitation for Bid:** All documents, whether attached or incorporated by reference, used for soliciting sealed bids. The Invitation to Bid will be used when the Town is capable of specifically defining the scope of work for which a contractual service is required or when the Town is capable of establishing precise specifications defining the actual commodities required. The Invitation to Bid will include instructions to bidders, plans, drawings and specifications, if any. Vendors will be directed to the E-bidding platform to submit their quote.

**Invoice:** An itemized statement showing merchandise or service provided to the Town and the amount payable to the vendor who provided the item/service and should include the purchase order number.

**Liquated Damages:** Damages paid usually in the form of a monetary payment, agreed by the parties to a contract which are due and payable as damages by the party who breaches all or part of the contract. May be applied on a daily basis for as long as the breach is in effect. Liquated damages may not be imposed as an arbitrary penalty. The key to establishing liquated damages is reasonableness. It is incumbent upon the Town to demonstrate, through quantifiable means, that damages did exist.

**Letters of Interest (Request for):** A method of selecting a vendor whereby all vendors are invited to submit a summary of their qualifications and state their interest in performing a specific job or service.

**Local Public Procurement Unit:** Any county, municipality, special district, school board, and any other subdivision of the State or agency of any such subdivision; any public authority, educational, health, or other public institution; and to the extent provided by law, any other entity which expends public funds for the procurement of supplies, services, and construction.

**Low Bidder:** The vendor who submits the mathematically lowest price for a procurement solicitation.

**May:** Denotes the permissive as compared with "shall".



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**Motorized Rolling Stock** - Vehicles intended for travel over public roadways.

**Negotiations for Professional Services:** The act of determining terms, conditions, and prices for the performance of professional services. An appropriately appointed negotiation committee, led by the Purchasing Manager will negotiate with the top-ranked candidate from the competitive selection of professional service firms, in an attempt to reach agreement on a contract for approval by the awarding authority, and for the provision of services to the Town.

**Non-Capital Supplies:** All tangible supplies which are not capital supplies.

**Notice of Intent to Award:** The written notice determining the initial apparent low bidder, subject to further review of the bid.

**Notice of Award:** The written notice to the apparent, successful bidder or Proposer stating that upon compliance by the apparent successful bidder or Proposer with the conditions precedent to the contract and/or award within the time specified, the Town will sign and deliver the contract.

**Notice to Proceed:** The written notice, issued by the authorized Town employee to the successful bidder or proposer to proceed as directed.

**Ordinal Scoring:** Ordinal or Best Value scoring requires the Selection Committee to assign a composite score rank, based on the committee's determination of the relative overall score of the Proposer's response. Composite scores will rank responses from 1 (1<sup>st</sup> place), 2 (2<sup>nd</sup> place), and so on. If there is a tie score for first place, then the original ranking from the first review shall be the final ranking.

**Performance Bond:** A bond of a contractor/vendor in which a surety guarantees to the Town that the work/services will be performed in accordance with the contract documents and may, at the discretion of the Town, include a letter of credit issued by a financial institution and as otherwise provided for in this manual.

**Person:** Any business, individual, union, committee, club or other organization or group of individuals.

**Price Analysis:** The evaluation of price, without analysis of separate cost components and profit as in cost analysis, which may assist in arriving at prices to be paid and cost to be reimbursed.

**Pricing Data:** Factual information concerning prices for items substantially similar to those being procured. Prices in this definition refer to offered or proposed selling prices, historical selling prices and current selling prices.



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**Procurement:** The buying, purchasing, renting, leasing, or otherwise acquiring of any supplies, services, or construction. It also includes all functions pertaining to the obtaining of any supply, service, or construction, including description of requirements, selection, and solicitation of sources, preparation, award of contract, and all phases of contract administration.

**Property Custodian:** An individual within each Department who is personally and financially responsible for all fixed assets assigned to that Department or Division.

**Professional Services** – Any services where the Town of Palm Beach is obtaining advice, instruction, or specialized work from an individual or firm specifically qualified in a particular area. Professional services may include a report, or written advice which may be lengthy; however, the main thrust of the service is not considered labor, but the exercise of intellectual ability. Purchasing of professional services does not lend itself to normal competitive bidding and price competition alone. These services may be procured by letter of interest in response to a Request for Qualification or Request for Proposals and selected through competitive selection and negotiation. Those services within the scope of the practice of architecture, professional engineering, landscape architect, or registered land surveying, as defined by the laws of the State, or those performed by any architect, professional engineering, landscape architect, or registered land surveying in connection with their professional employment or practice will be procured in accordance with the CCNA, where applicable, and this Manual.

**Purchase Order:** Written authorization for the purchase of equipment or services containing all terms and conditions for that purchase prepared by the Purchasing Division.

**Purchase Requisition:** A method to communicate to the Purchasing Division an exact description of the item or service that the Department or Division requires.

**Purchasing Card:** A commercial VISA or MasterCard which is issued to authorized Town employees for making small purchases less than \$2500 in accordance with procedures set forth in the Purchasing Card Manual.

**Qualified Products List:** An approved list of supplies, services, or construction items described by model or catalogue numbers, which prior to competitive solicitation, the Town has determined will meet the applicable specification requirements.

**Request for Proposals:** All documents, whether attached or incorporated by reference, used for soliciting proposals. Price of the goods or services may not be the primary criteria for the evaluation and award.

**Resolution:** A formal expression of the desires of the Town Council, adopted by voting.

**Responsible Bidder or Offeror:** A person who has the capability in all respects to



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perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment, and credit which will assure good faith performance.

**Responsive Bidder:** A person who has submitted a bid which conforms in all material respects to the requirements set forth in the invitation to bid or solicitation.

**Sealed Bid:** Written bids in response to a formal invitation to bid. Award of the resulting contract is to the lowest responsive and responsible bidder.

**Selection Committee:** A group of persons appointed to rank in preferential order those persons, firms, or entities interested in providing services on a particular project and to negotiate a final contract with the highest ranked firm, and for final approval by the awarding authority.

**Services:** The furnishing of labor, time or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.

**Shall:** Denotes the imperative.

**Specification:** Any description of the physical or functional characteristics or of the nature of a supply, service, or construction item. The term may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

**Sole Source:** Only one source for the required supply, service, or construction item and the only one that will meet the needs of the Town.

**Standardization:** Procurement based on a process of defining and applying uniform specifications such as quality, design, performance and other conditions necessary to ensure that a given range of requirements can normally be met with a minimum of variety based on the best current techniques. Standardization shall be conducted every two years.

**Supplies:** Any commodity, material, equipment or other tangible article used by any Department.

**Surplus Supplies:** Any supplies no longer having any use to the Town, including obsolete supplies, scrap materials, and supplies that have completed their useful life cycle.

**Telephone Quote:** A method of securing a price quotation for an item or service. The



**TOWN OF PALM BEACH**  
**PURCHASING POLICY AND PROCEDURES MANUAL**  
**ADMINISTRATIVE PROCEDURE NO. 1-19-1**

names and telephone numbers of the business submitting quotations and the date and amount of each quotation shall be recorded and maintained as a public record.

**Terms and Conditions:** The basis of the contractual agreement between two parties of a contract. Includes price, delivery, discounts, etc., and any contractual clause(s) which both parties have agreed upon.

**Town:** Means the Town of Palm Beach, a Florida municipal corporation, including its officers, employers and departments.

**Unit Price:** The price for one unit.

**Vehicles:** Motorized rolling stock intended for travel over public roadways.

**Vendor:** The seller of any merchandise or service.

**Verbal Quote:** A price quotation received either in person or telephonically, for an item or service. The names and telephone numbers of the businesses submitting quotations and the date and amount of each quotation shall be recorded and maintained as a public record. Prices obtained from web sites are not considered quotations.

**Written Quote:** A written price quotation on the Town quotation form, vendor's quotation form or their stationery for items or services. This quote must be signed by an authorized representative of the firm and shall include the date and amount of the quotation. All quotations shall be recorded and maintained as a public record. Prices obtained from web sites are not considered quotations.

Appendix "A"	Purchasing Card Policy and Procedure No. 1-18-3
Appendix "B"	Grant Funded and Declared Disaster Policy, dated November 1, 2018
Appendix "C"	Construction Contract Specifications, Procedure No. 1-87-4
Appendix "D"	Design/Build Procedures, Procedure No, 1-02-2
Appendix "E"	Capitalized Construction Management Procedure, Procedure No. 1-16-3
Appendix "F"	Contract Requirements for Insurance, Procedure No, 1-19-XX