

**HERNANDO COUNTY
PURCHASING AND CONTRACTS
DEPARTMENT**



**POLICIES AND PROCEDURES
MANUAL**

Revised: September 25, 2018

**HERNANDO COUNTY
PURCHASING AND CONTRACTS**

POLICIES AND PROCEDURES MANUAL

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Purchasing Procedures Manual

I. PURPOSE:

To establish uniform procedures for the procurement of goods and services that are consistent with the policies of the Board of County Commissioners as provided for in The Hernando County Procurement Ordinance*, latest revision, and applicable State and Federal Law.

II. MISSION:

The mission of Purchasing is to maximize the purchasing value of public funds in procurement; to provide safeguards for maintaining a procurement system of quality and integrity; and to provide for fair and equitable treatment of all persons involved in public purchasing by the County.

III. SCOPE:

These procedures apply to all procurements of goods and services and related activities for the Departments/Agencies under the jurisdiction of the Board of County Commissioners.

The fundamental purpose of these procedures is not to restrict the effectiveness of the individuals involved in the day to day activities related to the procurement of goods and services, but to provide a sound foundation for effective, consistent and fair procurement practices with the result being a positive, professional relationship between the employees of the County and the Vendors who serve the County.

IV. RESPONSIBILITY:

It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based, and the meaning and intent of the procedures themselves.

If there are any questions or concerns relative to either the procedures or the ability of the employee to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of the Chief Procurement Officer immediately. The Chief Procurement Officer is responsible to ensure that fair and open competition is the basic tenet of public procurement in accordance with Florida Statute 287.001.

Directors and Managers will ensure that their representatives comply with the procedures contained herein.

V. THE OBJECTIVES OF THE PURCHASING POLICIES AND PROCEDURES ARE:

1. To deal fairly and equitably with all suppliers wishing to do business with Hernando County.
2. To assure adherence to all purchasing laws, regulations and procedures.
3. To maximize competition for all procurements.
4. To obtain maximum savings through bulk purchases and other value added techniques.

5. To administer the Purchasing and contracting functions with internal efficiency.
6. To purchase goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable suppliers meeting the County's requirements.
7. To obtain maximum value from transfer, trade, sale or other disposition of surplus and/or obsolete property.

VI. PURCHASING POLICY ETHICS

1. Acceptance of gifts at any time, other than advertising novelties, is prohibited. Acceptance of entertainment also is prohibited. Employees must not become obligated to any suppliers and shall not conclude any County transaction from which they may personally benefit.
2. No County officer or employee shall bid for, enter into, or be in any manner interested in any contract for County purchases or County public works, nor shall any officer or employee seek to influence the purchase of a product or service from any bidder; except this restriction shall not be construed to restrict persons from evaluating and appraising the quality and value of the product to be purchased or service to be rendered where the person's scope of employment contemplates advice and council with respect to the purchase.
3. The provisions of Section 112.313, Florida Statutes, pertaining to standards of conduct for public officers, employees of agencies, and local government attorneys expressly apply to the Hernando County Purchasing Policy. A violation of Section 112.313, Florida Statutes, pertaining to purchasing or contractual relationships shall also be deemed a violation of this Policy. Specific statutory provisions pertaining to purchasing and contracting include but are not limited to: Section 112.313 (standards of conduct), Section 119.071 (Public Records), Section 180.24 (bids on construction contracts), Section 218.70, et. seq. (the Florida Prompt Payment Act), Section 287.055 (consultants' competitive negotiation act), Section 336.41 and 336.44 (county roadwork).

Delegation of Commitment Authority

I. PURPOSE:

The purpose of this procedure is to delegate commitment authority for the procurement of goods and services.

II. SCOPE:

This procedure applies to all purchases of materials, equipment and services by those departments and agencies under the authority of the Board of County Commissioners.

III. GENERAL:

The Hernando County Procurement Ordinance, dated July 13, 1993, and amended November 4, 1997, entrusts the Chief Procurement Officer with the responsibility for the procurement of all materials, equipment, supplies and services necessary to support those activities that fall under the jurisdiction of the Board of County Commissioners. Within this authority the Chief Procurement Officer may delegate to other specific individuals the authority and responsibility for the performance of procurement duties.

The delegation of procurement authority by the Chief Procurement Officer to other individuals carries with it the requirement that these individuals comply fully with the policies and procedures adopted by the Board of County Commissioners for the procurement of goods and services. Purchasing & Contracts shall not be responsible for consummating or processing any procurement commitment made by an individual not in compliance with these policies and procedures.

IV. APPROVALS:

Approval requirements for purchases require certain approvals of transactions **prior to commitment of funds for the purchase.** All delegations of authority are subject to the approval requirements of Procedure No. 030 or the latest revision thereof.

Emergency transactions requiring approval can be completed subject to approval and issuance of an appropriate purchase commitment document on the next working day following the transaction.

V. PROCUREMENT DOCUMENTS:

All commitments for the expenditure of funds for the procurement of goods and services encompassed by the Hernando County Purchasing Ordinance shall be made utilizing either an approved purchase/contract document issued by the Purchasing & Contracts Department or a valid County Purchase Card, as may be appropriate.

If the purchase has not been made through an authorized purchasing method then it will be considered an unauthorized purchase and paragraph VIII below applies and the department needs to complete the proper paperwork.

VI. DELEGATION OF AUTHORITY:

The following delegation of commitment authority is hereby made. The individuals (titles) identified

below are responsible for conducting purchase and contracting transactions within the procedures set forth in the Policy and Procedures Manual.

For the purposes of this procedure and all subsequent procedures in this manual, the term Advertised Bidding Requirement (ABR) shall mean the total dollar amount of the procurement or contract which represents the advertised bidding requirement threshold specified in the Hernando County Procurement Ordinance, latest revision.

1. Summary Purchasing Thresholds

- | | |
|--|---------------------------|
| A. Small Purchases: | Not to exceed \$2,500 |
| B. Blanket Purchase Orders Non-contractual basis: | Not to exceed \$10,000.00 |
| C. Blanket Purchase Orders Contractual basis: | Not to exceed \$35,000.00 |
| D. Competitive Written Quotes/Proposals \$2,500.01 | Not to exceed \$34,999.99 |
| E. Competitive Sealed Bids/Proposals | \$35,000 and over |

2. Categories Individual Delegation

A. Materials And Supplies -(Less than the ABR):

- | | |
|--|---|
| (1) Materials and Supplies less than ABR (Includes all items 1 thru 3) | Purchasing Agents Buyers |
| (2) Material and Supplies General Purchases Less than \$2,500 | Personnel designated by Department Director |
| (3) After Hours/Emergency Purchases | Personnel designated by Department Director |

B. Capital Equipment (Less than the ABR):

- | | |
|---|---|
| (1) Capital Equipment Items less than ABR (Includes all items 1 thru 3 below) | Purchasing Agents Buyers |
| (2) Capital Equipment \$750 to \$2,500 in value | Personnel designated by Department Director |
| (3) After Hours/Emergency Purchases | Personnel designated by Department Director |

C. Services(Less than ABR):

- | | |
|--|---|
| (1) Services less than ABR (Includes all items 3 thru 8 below) | Purchasing Agents Buyers |
| (2) Purchases of General Services less than \$2,500 | Personnel designated by Department Director |
| (3) After Hours/Emergency Purchases of Services | Personnel designated by Department Director |
| (4) Rental of Equipment less than \$2,500 | Personnel designated by Department Director |

- | | |
|--|---|
| (5) Professional Services (CCNA) less than ABR | Personnel designated by Department Director |
| (6) Consultant Services (non-CCNA) less than ABR | (7) Personnel designated by Department Director |

D. Contracts:

- | | |
|--|--|
| (1) Lease and/or Lease Purchase of Real Property | Chairman, Board of County Commissioners or as provided by law |
| (2) Contracts for equipment, supplies construction, materials, and non-professional services ABR and above | Chairman, Board of County Commissioners or as provided by law |
| (3) Contracts for equipment, supplies construction, materials, and non-professional consulting services less than ABR (includes item 4 below). | Chief Procurement Officer or such other County official specifically authorized by the Board of County Commissioners |
| (4) Contracts for equipment, supplies construction, materials, and non-professional services less than \$5,000 | Purchasing Agents Buyers |
| (5) Contracts for procurement of Professional Services ABR and above. | Chairman, Board of County Commissioners or as provided by law |
| (6) Contracts for procurement of Professional Services less than ABR. | Chief Procurement Officer or such other County official specifically authorized by the Board of County Commissioners |
| (7) Cooperative Purchases- Less than ABR | Chief Procurement Officer |
| (8) Cooperative Purchases ABR and above | Chairman, Board of County Commissioners or as provided by law |

VII. Subdividing To Avoid Policy Prohibited

No contract or purchase shall be subdivided to evade the threshold amounts or other requirements of this policy. Purchases, orders, or contracts that are subdivided to circumvent the Purchasing policy shall be considered Unauthorized Purchases.

VIII. Unauthorized Purchases

Except as herein provided, it shall be a violation of Board policy for any officer, employee or agent of the Board to order the purchase of any materials, supplies, equipment, professional or contractual services or to make any contract within the purview of this Policy other than through the Chief Procurement Officer, County Administrator or designee. Any purchase order or contract made contrary to the provisions herein shall not be approved, and the County shall not be bound thereby.

Purchase orders, or contracts that are subdivided to circumvent the Purchasing policy shall be considered Unauthorized Purchases and are prohibited. A Purchasing Policy Exception Form #20 shall be completed and submitted for approval. **If not approved the person(s) committing the purchase may be held liable for the amount of the purchase. The Chief Procurement Officer shall review each Purchasing Policy Exception form request and if needed schedule a meeting with Assistant County Administrator, Department Director/Manager,**

person who was responsible for the purchase to make a final determination if the purchase is and Unauthorized purchase or can be approved as a purchasing policy exception.

Instructions for completing the Purchasing Policy Exception Form #20.

Scenario 1:

When the department recognizes that a purchase was made in violation of the Purchasing Policy . The department will print the Purchasing Policy Exception form from EICE. The department will complete the top of the form, the department director/manager will sign and date the form. The department will prepare a letter of explanation to explain the reason(s) for the violation. The completed form, the letter of explanation, the payment request along with supporting documentation will be sent to the Chief Procurement Officer for review and signature. The Chief Procurement Officer will forward the entire package to the County Administrator for review and signature. The County Administrator will forward the entire package to Finance for review and signature. The entire package will be forwarded to Accounts Payable. Accounts Payable will record the violation in the Purchasing Policy Exception log. Accounts Payable will process the documents for payment.

Scenario 2:

When the department does not recognize that a purchase was made in violation of the Purchasing Policy. A payment request is received in Accounts Payable for processing and payment. That payment will be flagged as a possible violation of the Purchasing Policy. A determination will be made by the Finance department, along with input from the Chief Procurement Officer as necessary, according to the guidelines set forth in the Purchasing Policy 040. If a determination is made that a violation exists, the entire payment packet will be returned to the requesting department with instructions that a violation exists. The department will print the Purchasing Policy Exception form from EICE. The department will complete the top of the form, the department director/manager will sign and date the form. The department will prepare a letter of explanation to explain the reason(s) for the violation. The completed form, the letter of explanation, the payment request along with supporting documentation will be sent to the Chief Procurement Officer for review and signature. The Chief Procurement Officer will forward the entire package to the County Administrator for review and signature. The County Administrator will forward the entire package to Finance for review and signature. The entire package will be forwarded to Accounts Payable. Accounts Payable will record the violation in the Purchasing Policy Exception log. Accounts Payable will process the documents for payment.

Approval Requirements for Purchases

I. PURPOSE:

The purpose of this procedure is to define the authority and approval requirements for purchase commitments.

II. SCOPE:

This procedure applies to all purchases of materials, equipment and services by those departments and agencies under the authority of the Board of County Commissioners.

III. GENERAL:

A system of authorization and approval is an important element of internal and budgetary control. The Hernando County Procurement Ordinance establishes the required approval levels and procurement criteria for the purchasing of goods and services by County personnel. The following table provides levels of required approval based on the dollar amount and classification of the procurement. All designated purchasing personnel shall obtain the required approvals prior to final commitment of funds, or condition placement of the order or contract to reflect the needed approvals **(procurement requires approval of each of the noted approval levels prior to commitment to purchase):**

Supplies, Services and Construction

Dollar Amount of Contract or Order	BOCC	County Administrator or Designee	Dept. Director or Designee	County Attorney or Designee	Chief Procurement Officer or Designee
\$2,500 or Less			XXXX	***	***
\$2,500.01 to ABR			XXX	***	XXXX
More Than ABR	XXXX	XXXX	XXXX	XXXX	XXXX

*** County Attorney and Purchasing approval required if procurement requires execution of vendor furnished contract documents

Capital Equipment

\$2,500 or Less			XXXX	***	***
\$2,500.01 to ABR			XXXX	***	XXXX
More Than ABR	XXXX	XXXX	XXXX	XXXX	XXXX

*** County Attorney and Purchasing approval required if procurement requires execution of vendor furnished contract documents

State of Florida and other in state Governmental Contract Cooperative Purchases

\$ 0 to ABR			XXXX	***	XXXX
More than ABR	XXXX	XXXX	XXXX	***	XXXX

*** County Attorney approval required if procurement requires execution of vendor furnished contract documents

Emergency Purchases

\$ 0 to ABR			XXXX		XXXX
More than ABR	XXXX	XXXX	XXXX	XXXX	XXXX

Professional Services (As defined by 287.055, F.S.)

Dollar Amount of Contract or Order	BOCC	County Administrator or Designee	Dept. Director or Designee	County Attorney or Designee	Chief Procurement Officer or Designee
PO Contracts less than ABR			XXXX	***	XXXX
Contracts less than ABR			XXXX	XXXX	XXXX
Contracts more than ABR	XXXX	XXXX	XXXX	XXXX	XXXX

*** County Attorney approval required if procurement requires execution of vendor furnished contract documents

NOTE: **COUNTY ADMINISTRATOR AND COUNTY ATTORNEY APPROVAL IS REQUIRED ON ALL ITEMS SUBMITTED TO THE BOARD OF COUNTY COMMISSIONERS FOR AWARD.**

Requisition/Purchase Order Processing

I. PURPOSE:

To establish guidelines for the completion and timely processing of Purchase Order Requisitions.

II. SCOPE:

This procedure applies to all purchases.

III. GENERAL:

Following are detailed procedures to be followed when implementing a request for the purchase of equipment, materials, services, supplies, etc. The approved purchase requisition will be forwarded to the Purchasing & Contracts Department for processing electronically.

The purchase requisition is designed to contain all of the necessary information and approval signatures relevant to the procurement process within the County. The processing of the purchase requisition by the Purchasing Agent/Buyer also serves to create the formal purchase order which is the official contractual commitment between the supplier and the County.

IV. PROCESSING PRIORITIES:

It is vital that purchase requirements be processed by Purchasing & Contracts in a timely fashion in order to facilitate the provision of services to the public. The following guidelines are established to aid requisitioners in determining the time lines entailed in processing their specific needs and to assist Purchasing Agents/Buyers in establishing priorities for the processing of properly approved requisitions:

Note: Processing times reflect only those periods which are under the control of Purchasing & Contracts and does not include the time(s) required to obtain approvals, concurrences, and/or documentation from other agencies or departments, i.e., Legal, Budget, Risk Management, Requesting Department, Vendors, etc.

All delays that significantly exceed these processing guidelines are to be discussed with Chief Procurement Officer.

REQUIREMENT TYPE

- | | |
|---|--------------------------------|
| 1. Rush (Emergency) Orders: | Process within 4 hours |
| 2. Maintenance Repair Orders (less than ABR): | Process within 36 hours |
| 3. Single/Sole Source | Process within 1 working day |
| 4. Stock or Inventory Orders (less than ABR): | Process within 3 working days |
| 5. Orders requiring quotations from Vendors (\$2,500- ABR) | Process within 5 working days |
| 6. Change Orders | Process within 5 working Days |
| 7. Orders requiring formal sealed Complete bid documents Bids or proposals (over ABR) | Process Within 10 working days |

V. INSTRUCTIONS FOR COMPLETING PURCHASE ORDER REQUISITIONS:

1. All goods and services (other than those purchased by Departments utilizing Purchase Cards) should be requisitioned via the Electronic Requisition through Finance Plus.
 - A. When utilizing the Electronic Requisition Form, the ordering departments are to complete the areas of the requisition noted on the screens. All other blocks will be completed by the Purchasing & Contracts Department. Purchase Order numbers will be automatically assigned by the Finance Plus System after all approvals have been obtained and selection of a vendor.
2. Departments will determine that they have adequate funds to sustain the cost of any services or items they may requisition; and, in the case of Capital Equipment, that the equipment was included in the Department's budget submitted by the Budget Office and approved by the Board of County Commissioners. Requisitions not having sufficient funding will be returned to the requesting department for further action. The authorizing department approval is indicating to the Purchasing & Contracts Department that the department approver is attesting to these facts, and to the accuracy of all entries on the Purchase Requisition.
3. Departments must complete a signature authorization form for any person they designate as authorized to execute Purchase Requisitions. The following indicates the required funding authorization level for the requisitioning of goods and services (excluding equipment).

\$0.00 to \$5,000	Department Director or designated employee
\$5,000.01 and over	Department Director

Authorizing signatures/approvals will be determined by the requisition's estimated price, but additional authorizing signatures/approvals will be required by the Purchasing & Contracts Department if the informal quotation price exceeds the requisition's authorization level.

The Purchasing & Contracts Department will return any Purchase Requisition that is incomplete, unsigned, signed by an unauthorized person or that requisitions a Capital Equipment item not previously approved in the budget.

4. **DELIVERY DATE** - Requesting departments should always be specific in defining the date required for delivery of the requested materials or services in the required date block. Avoid the use of the term ASAP (as soon as possible). This will assist the Purchasing Agent/Buyer in determining priorities regarding delivery requirements. Always allocate as much lead time as practical by scheduling your needs as far as possible in advance. This allows Purchasing & Contracts adequate time to receive competitive bids and to purchase your requirement in the best and most efficient manner for the County.

Denote "**Emergency**" or "**Rush**" in the Comments block **only when relevant and the need requires prompt action or priority of purchase.**

5. Upon receipt of Purchase Requisitions, Purchasing & Contracts will process the order(s) as follows:
 - A. Purchases \$ -0- to \$2,500 in Value

- (1) If the requesting department has designated a vendor Purchasing will process order by (1) verifying department signatures; (2) confirming vendor mailing address; (3) verifying insurance, if applicable and (4) create purchase order per department's request (Note: **It is the Department Director's/Manager's responsibility to ensure that proper competitive purchasing practices have been performed.**)
- (2) If the requesting department **has not** designated a vendor, if the description in the requisition is sufficient Purchasing will obtain the necessary quotations and/or bids, select the vendor, create a Purchase Order and distribution of the purchase order will be automatic through Finance Plus. If more detail information is needed for the description or specifications, the requesting department shall provide the information to the Purchasing and Contracts Department to complete the purchase.

B. Purchases \$2,500.01 to ABR Value

Purchases between \$2,500.01 and the Advertised Bidding Requirement level (ABR) require a minimum of three (3) written quotations prior to issuance of a purchase order unless otherwise approved by the Chief Procurement Officer, the County Administrator or their designee, as a sole source item or an emergency purchase.

- (1) If the requesting department is submitting the Requisition with the necessary quotations as stipulated above and has designated a vendor, Purchasing & Contracts will process the order by (1) verifying department signatures/approvals; (2) reviewing quotations for conformance with proper purchasing practices; (3) comparing quoted prices against like purchases and prices under State Contract if applicable; (4) confirming vendor mailing address; (5) verifying insurance, if applicable; and (6) create purchase order. If Purchasing determines that a vendor other than the one designated by the requesting department offers the County a better purchase, Purchasing will contact the requesting department for concurrence to change vendors, either by telephone, email or by inter-office mail, with the particular circumstances of Purchasing recommendation for changing the selected vendor.

In addition, should the Requisition include a Vendor created contract agreement that the County is required to execute, Purchasing & Contracts shall forward the Requisition and Vendor agreement to the Chief Procurement Officer and he will forward Legal for review if necessary and concurrence prior to processing of the order. If the Chief Procurement Officer or the Legal Department requires changes to the Vendor agreement; Purchasing & Contracts will contact the requesting department as to the course of action deemed appropriate for disposition of the department's requirement.

- (2) If the requesting department has not furnished the necessary three (3) quotations and designated a vendor, Purchasing will obtain the necessary quotations and/or bids, select the vendor, create a Purchase Order and distribution made through Finance Plus
 - (3) If the ordering department is requesting the purchase of a sole source or emergency type purchase, proper justification and documentation should accompany the requisition form.
- C. Purchases more than the ABR require a minimum of three (3) written Bids, unless it has been approved as a Single/Sole Source, Emergency Purchase or as one of the approved Exceptions to bidding requirements as identified in Hernando County Procurement Ordinance 93-16, Section 2-108 (c).

6. Should the requesting department require approval of the selected vendor prior to Purchasing creating the purchase order, please notify Purchasing

Purchasing Cards

I. PURPOSE:

To establish those procedures under which departments will control the use of Purchasing Cards assigned to and utilized by Hernando County employees for purchasing materials and services, on behalf of the County. These procedures are intended to accomplish the following:

1. To ensure that the procurement with Purchasing Cards is accomplished in accordance with the policy and procedures established by the Board of County Commissioners and/or the Clerk of the Circuit Court.
2. To enhance productivity, significantly reduce paperwork, improve controls, and reduce the overall cost associated with small purchases.
3. To ensure appropriate internal controls are established within each department procuring with Purchasing Cards so that they are used only for authorized purposes.
4. To have timely and meaningful management reports which detail and summarize periodic activity.
5. To ensure that the County bears no legal liability from inappropriate use of Purchasing Cards.
6. To provide a convenient method for small purchases, consolidate payments - improve customer service - reduce transaction cost - streamline processes - capture spending information.
7. Prompt payment to vendors and provide hard data on small purchase activity with vendors in order to achieve savings by negotiated discounts based upon the volume of business with the vendor.
8. The primary advantages of the Purchasing Card Program are the various ways that limitations and restrictions for use of the system can be established - by Hernando County, the Clerk of the Circuit Court and by the Cardholder. These features allow the County to tailor the program to fit its needs and to extend purchasing responsibility to many more individuals than in the current purchasing environment, while maintaining or even increasing accountability.

Finally, it is intended that the procedures established herein are viewed as minimum standards for departments, who may wish to establish additional controls beyond those suggested by the procedures.

II. SCOPE:

This procedure will be applicable to those departments and agencies that have selected employees to use Purchasing Cards to purchase goods, services, or for specific expenditures incurred under conditions approved by this procedure. The decision of when a Purchasing Card is issued, and to whom, will be made by the Director of each department.

III. REQUEST FOR INITIAL, ADDITIONAL, OR CHANGES TO PURCHASING CARD:

1. All requests for new Cardholder or changes to current Cardholder will be done by submitting "Request for Purchasing Card Application/Acceptance" form. The form will be processed through Purchasing and Contracts who will forward the request to the Purchasing Card Issuer and notify Finance.

2. All requests for Purchasing Cards must be approved by the Department Directors or their designated representative. The designated representative's name must be provided to Purchasing and Contracts and kept current. Purchasing Card requests for Department Directors/Managers, inclusive of the Chief Procurement Officer must be approved by the County Administrator or his designated representative.
3. When Purchasing and Contracts receives the Purchasing Card from the Credit Card Issuer it will require the Cardholder to personally sign for their Purchasing Card and Purchasing and Contracts will notify the appropriate Approving Director of the issuance of a Purchasing Card to an employee.
4. All Cardholders will complete a mandatory training course conducted by Purchasing & Contracts personnel prior to issuance of a Purchasing Card.
5. Purchasing and Contracts will provide an annual report to Department Directors indicating cardholders who have not used their Purchasing Card for the previous twelve month period. Department Directors will be required to furnish to Purchasing and Contracts justification for continued card activation or the card will be cancelled within thirty (30) calendar days.

IV. CARDHOLDER LIMITATIONS:

1. Pursuant to Purchasing Procedure 020(latest revision) the Delegation of Authority that has been provided to each Cardholder sets the maximum dollar amount for each single purchase made by the Cardholder to \$2,500, and the monthly maximum total purchases to \$5,000 unless specifically authorized by the Chief Procurement Officer and the County Administrator.

All fixed asset purchases must be processed via a purchase order. Fixed Assets are defined as any single item with a cost greater than \$1,000 with the exception of repair and maintenance items.

A single purchase shall be defined as a procurement of an item or several items (either goods or services) which are required to accomplish the task intended for the procurement. Departments are specifically prohibited from splitting a single purchase that exceeds the single purchase dollar limit into multiple purchases in order to circumvent this policy. Each time a Cardholder makes a purchase with his/her Purchasing Card, this limit will be checked, and the authorization request will be declined should the amount exceed the limitation.

Department Directors/Managers may establish lower limits for their employees upon submission of the initial card request form, or may request higher limits with appropriate justification included. It will be at the discretion of the Chief Procurement Officer and the County Administrator to grant higher limits.

2. Spending amount per day, billing cycle, and month. The Cardholder can only incur transactions totaling a predetermined dollar amount within any defined period.
3. Number of transactions per day, billing cycle, and month. The Cardholder can only incur a predetermined number of transactions within a predefined period.

V. USE OF PURCHASING CARD:

1. **THE PURCHASING CARD IS TO BE USED FOR HERNANDO COUNTY PURCHASES ONLY. USE OF THE COUNTY PURCHASING CARD FOR PAYMENT OF PERSONAL EXPENSES OR**

FOR CASH ADVANCES THROUGH BANK TELLERS OR AUTOMATED TELLER MACHINES IS STRICTLY PROHIBITED AND MAY BE GROUNDS FOR DISCIPLINE, UP TO AND INCLUDING DISMISSAL.

THE PURCHASING CARD MAY BE USED IN DIRECT VENDOR TRANSACTIONS, AND CAN BE USED FOR A THIRD-PARTY PAYMENT/PURCHASING SERVICE IF APPROVED BY FINANCIAL SERVICES AND IN SOME CASES A W-9 FROM THE SELLING BUSINESS MAY BE REQUIRED TO BE ATTACHED WITH THE RECEIPT

2. Cardholder Responsibility

- A. Purchasing Cards are issued to Cardholders embossed with the name of the individual assigned to the card and are only to be used by that person. Assigned personnel shall not allow use of their assigned Purchasing Card by another individual.
- B. Cardholders are responsible for the security of their Purchasing Card. All precautions shall be used to maintain confidentiality of the Cardholder's account number and expiration date of the Purchasing Card. **This means you cannot authorize or allow anyone to retain your credit card (p-card) information on file for future orders. In fact you need to inform the person taking your p-card information that they cannot retain the information.**

3. Conditions for use

The total of a single purchase to be paid using the card cannot exceed the authorized single invoice limit assigned to the card even though the purchase may be comprised of multiple items. Purchases will be denied if the authorized single purchase limit is exceeded. Cardholders shall not split purchases made with the Purchasing Card into multiple orders to stay within the single purchase limit or pay an old invoice for something they received without a requisition or a proper purchasing card transaction. The purchasing card may be used to pay for the following purchases that have been exempt by Procurement Ordinance 93-16, Sec.02-101, they are; water, sewer, telephone and electrical utility services as long as there is no fee or service charge charged for using purchasing card. The only exception is when an international fee is charged for a transaction for the Library.

4. Purchases

When using the Purchasing Card, Cardholders should:

- A. Ensure that the goods or services to be purchased are allowable.
- B. Determine if the intended purchase is within Cardholder's Purchasing Card limits.
- C. Inform the supplier/merchant that the purchase will be made using the Hernando County VISA Purchasing Card.
- D. Inform the merchant that the purchase is tax-exempt. Review the receipt before leaving the store and if taxes were included, request a credit. NOTE: Purchases made in Florida and for use in Florida are exempt from Florida sales and use taxes. The County's tax exempt identification number is printed on the face of the Purchasing Card.
- E. If purchase is being made from a current Hernando County Term contract, the vendor shall submit a quote to identify the items on contract and what the contract price is for the item.

- F. If using the Purchasing Card for travel, membership dues, conference, training or other transactions that require prior approval make sure all appropriate forms are completed and approved prior to making the purchase. A copy of the voucher for reimbursement of travel expense form should be attached to Purchasing Card receipts for all travel related expenses.
5. When placing telephone, mail order or electronic purchases, Cardholders should:
- A. Ensure that when placing a telephone, mail order or electronic purchase, sales taxes are not charged by the vendor. If upon receipt of a telephone, mail order or electronic purchase, the invoice/sales receipt indicates that sales taxes were charged, contact the merchant and request that a credit be processed for the amount of the tax charged.
 - B. Make sure the merchant understands that charges are not to be billed until the item(s) has been shipped. Florida law prohibits payment to a merchant prior to receipt of goods or services except in specific circumstances.
 - C. If item(s) is not currently in stock, and is back ordered, remind the merchant that the Purchasing Card cannot be billed until the back ordered item(s) have been shipped.
 - D. To ensure prompt delivery of items ordered by telephone, mail order or electronic means provide the merchant with the appropriate delivery information - do not use a Post Office Box for "Ship to" addresses. Request that your name and "Ship to" address with room number (where applicable) are clearly marked on the outside of the package.
 - E. Instruct the merchant to send the sales receipt directly to the Cardholder and not to send an invoice to Accounting since the merchant will be paid by the merchant's financial institution.
 - F. Ensure that the supplier/merchant includes any shipping or delivery fees unit price of each item, or an item itself and that all purchases are FOB: Destination (Hernando).
6. Returns and Credits

Cardholder is responsible for managing any returns/exchanges and ensuring that proper credit is received for returned merchandise.

- A. Contact the vendor and obtain instructions for return.
- B. Review your next card statement to ensure that your account is properly credited for the return.
- C. All gift cards, bonus bucks and other promotional items shall be turned into the Purchasing Card Administrator in Purchasing and Contracts immediately upon receipt these items for proper identification and disposal.

VI. DOCUMENTATION, RECONCILIATION AND PAYMENT PROCEDURES

1. Documentation

Any time a purchase is made that will be paid using the Purchasing Card; the Cardholder is to obtain a customer copy of the charge slip, which will become the accountable document. Make sure all carbons are destroyed.

2. Missing Documentation

If for some reason the Cardholder does not have documentation of the transaction to send with the statement, he/she must attach an explanation with a reconciliation statement that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation. Instances of frequent (as determined by Purchasing and Contracts and/or Finance) abuse of this provision will result in cancellation of the Cardholder's Purchasing Card.

3. Payment and Invoice Procedures

Purchases made by employees will be paid by the Finance Department once the Cardholder certification and approving official verification have been completed and an account number is assigned for each transaction.

- A. Receipts: The Purchasing Card receipt or vendor's sales receipt for purchases must be supplied. A receipt must include at a minimum, the vendor name, the item(s) purchased, price by item, and the total amount charged. When purchases are conducted by telephone, request the vendor to forward the receipt to you. When purchases are conducted via the internet, a receipt must be obtained. These receipts are to be paper clipped to the monthly statement in the order as it appears on the statement. Failure to keep adequate receipts will lead to the loss of Purchasing Card privileges. If receipts are lost, attach a **memo of justification** indicating the items(s) purchased, see VI.2, and that a receipt may no longer be obtained.
- B. The Purchasing Card Issuer (Bank of America) will provide one **master** copy of the billing statement to the **Financial Services** at the end of a billing cycle. The Cardholder's Department designated representative for Purchasing Card distribution and coordination **will run a monthly statement from Bank of America (Works) system to perform the monthly reconciliation.** Department Directors/Managers are responsible for providing Purchasing & Contracts and Finance with the current designated representative as noted above. This statement will have a listing of all items processed in the previous 30 days.
- C. The Cardholder is required to review the statement and to note any errors on the bill. The receipts will then be paper clipped to the statement. The Cardholder signs the statement certifying items purchased, assigns accounting numbers and forwards to the departments designated representative via immediate supervisor within seven (7) work days after it is received. Noncompliance may mean denial of future use.
- D. The department's designated representative reviews statements from Cardholder and verifies accounting numbers are correct and where applicable, a "Statement of Dispute," is attached. Once review is completed, the department's designated representative will forward the statements to the Department Director within seven (7) days after receipt from Cardholder. The department's designated representative will notify Purchasing & Contracts of any disputed charges and a "Statement of Disputes" will be prepared by Purchasing and forwarded to the card issuer.
- E. Travel: The Purchasing Card Issuer will issue the "Statement" on the third day of each month and mail on the fourth day. It will be the responsibility of the Cardholder to provide his/her Department Director or designated representative with the receipt for that month should travel or extended leave be scheduled at the time the statement is due and he/she will not be able to complete the statement. The Department Director or designated representative will complete, make a copy of the statement for the absent employee, and the statement will be forwarded to Purchasing with the rest of the Cardholder's statements. The original

Cardholder statement will be signed by the employee at the time he/she returns. Use of the Purchasing Card for travel purposes is limited to transportation and lodging cost only. Fuel purchases for use in personal vehicles are strictly prohibited. A copy of the Voucher For Reimbursement of Travel Expenses form should be attached for all travel related expenses. Purchasing Cards are not to be used for the purchase of meals while traveling on County business. Request for reimbursement of meals and mileage should be made using the County's standard Voucher for Reimbursement of Travel Expenses form.

- F. The Department Director/Manager or designee will be responsible for receiving completed statements from all Cardholders, verifying approval of purchases, resolving any questions on the purchases, signing the statements and forwarding complete Cardholder statements with all attachments to the Finance Department. The P-Card statement must be signed by the cardholder and the Department Director/Manager or designee. Should the Department Director/Manager or designee not receive all of the statements, it will be their responsibility to contact Cardholder and have the statements furnished at once. All statements should be furnished to the Finance Department as completed. Statements should not be held while one or more is being verified.

All attachments to the Statement must be paper clipped to the statement and be submitted to the Finance Department by the last day of the statement month.

- G. The Finance Department will consolidate all statement activity for resolution of Purchasing Card activities and may at its discretion electronically store records in accordance with the Clerk of the Circuit Court procedures. Finance will notify department directors if cardholder statements are not received on a timely basis.
- H. Sales tax charged on P-card purchases will require the cardholder/designee to contact the vendor to request a credit on their P-card. If a vendor inadvertently charges the P-card with sales tax the cardholder is required to get a credit within ten (10) calendar days.

Obviously, this does not give license to ignore sales tax charges. The policy remains that we are not to be charged sales tax.

VII. PURCHASE APPROVALS:

1. Approval of the transactions that Cardholder has made using the Purchasing Cards will not be totally defined in this procedure. Approving Director, because of their knowledge of the job responsibilities of Cardholder, are required to look at each Cardholder's purchases, and at the merchants who made the sale in order to determine if these items were for Official Use and if they were items allowed to be purchased in accordance within the prescribed policies and procedures provided.
2. If for any reason the Approving Director questions the purchase(s), it is their responsibility to resolve the issue with the Cardholder. If they cannot be satisfied that the purchase was necessary and for Official Use, then the Cardholder must provide a Credit Voucher proving item(s) had been returned for credit.
3. Resolution of improper use of the Purchasing Card will be the responsibility of the Approving Director to resolve, and disciplinary action for misuse will also be that department's responsibility to process. **The Clerk of Court-Financial Services department is responsible for identifying any improper use of Purchasing Cards to the Chief Procurement Officer immediately upon determining there is a suspected problem. The Chief Procurement Officer is responsible for notifying the approving Manager.** Anyone who flagrantly abuses

the Purchasing Card Policies and Procedures established herein is subject to disciplinary action up to and including termination.

4. Should it be evident that an unauthorized purchase was knowingly made; the County Administrator and Chief Procurement Officer will determine what action will be taken.

VIII. DISPUTES/UNAUTHORIZED CHARGES:

1. If a suspicious charge appears on a monthly statement, the Cardholder should first attempt to verify the charge with records of purchase. If the Cardholder does not agree with the charge posted on the statement, the Cardholder must notify Purchasing and Contracts in writing of the facts of the dispute. Purchasing will complete the "Cardholder Dispute Form." and notify the bank of the dispute. The bank will research the disputed charge and make the necessary adjustments.
2. Credit to Account - When the bank receives proper notification of a disputed charge, the charge amount will be removed from the total owed by Hernando County and shown on the monthly statement as a "suspense" item. When the dispute is resolved, the charge will either be removed from the monthly statement (if the charge was improper) or charged to the Cardholder's department (if research shows the charge was valid).
3. If items purchased with the Purchasing Card are found defective or the repair or services faulty, the Cardholder has the responsibility to return item(s) to the merchant for replacement or to receive a credit on the purchase. **CASH REFUNDS OR GIFT CARD REFUNDS WILL NOT BE PERMITTED.** If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in DISPUTE.
4. A disputed item must be noted on the Cardholder's Statement. In addition, a report must be completed by the Cardholder with appropriate documentation attached and forwarded with the statement through the Cardholder's Department Manager to Purchasing for adjustment with the credit card Issuer. Purchasing will notify the Cardholder and Department Manager of the action taken on disputed items and forward same to the Finance Department.
5. It is essential that the time frames and documentation requirements established by the Purchasing Card Issuer be followed to protect the Cardholders rights in dispute. Dispute policies and procedures issued by the Purchasing Card Issuer will be provided at the time Purchasing Cards are issued to Cardholder.

IX. INVENTORY OF PURCHASING CARDS:

On a monthly basis, Purchasing and Contracts will provide a list of all Purchasing Cards issued to employees for each department to the Clerk of the Circuit Court.

X. LOST OR STOLEN PURCHASING CARDS:

Should an employee lose or have their Purchasing Card stolen, it is the responsibility of the Cardholder to immediately notify the credit card Issuer and Purchasing and Contracts of the loss. Purchasing and Contracts will notify Finance. The telephone number of the credit card Issuers will be provided when the Purchasing Card is issued to the Cardholder.

Failure to promptly notify the issuing bank of the theft, loss, or misplacement of the Purchasing Card could make Hernando County responsible for any fraudulent use of the card and result in loss of privileges for the Cardholder.

Department will request a replacement card by completing Purchasing Card Application/Acceptance form.

XI. TERMINATION / TRANSFER:

1. A Cardholder who terminates their employment must relinquish their Purchasing Card at the time of the separation from Hernando County to their Department Director. **The department Director/Manager is responsible for returning the purchasing card and the completed termination form (Form 28-Pcard Application/Termination Form) immediately to the Purchasing Administrator in Purchasing and Contracts.**
2. Purchasing and Contracts will notify the bank and the Cardholders card will be immediately deactivated. A cardholder who fraudulently uses the Purchasing Card after separation from Hernando County will be subject to legal action.
3. Transfer of an employee to another Approving Director:
If a Cardholder is transferred within the County, but under another approving Director, it will be the responsibility of the approving Director to determine if the Cardholder should retain his/hers current Purchasing Card. If it is determined that the Purchasing Card should be kept by the Cardholder, the master file can be changed upon notification to Purchasing & Contracts, eliminating the need for the issuing of a new Purchasing Card.
4. **IT IS THE RESONSIBILITY OF THE EMPLOYEE'S DEPARTMENT DIRECTOR/MANAGER TO NOTIFY PURCHASING AND CONTRACTS OF ALL TERMINATED AND/OR TRANSFERRED CARDHOLDERS.**
5. Purchasing Card canceled for any reason, must be destroyed by cutting it down the magnetic strip **and returning the card and the Form 28-Application/Termination form to Purchasing and Contracts.**

XII. AUDITS:

1. Random audits may be conducted for card possession, activity and/or receipt retention as well as statement review by the Clerk of the Circuit Court or designee, Finance Department or Purchasing and Contracts.
2. Use of a Purchasing Card for purchases of items/services on County Term Contracts will be audited by the Finance Department for compliance with the terms and conditions (price/discounts) as awarded by the Board of County Commissioners. Failure to adhere to the terms and conditions so stipulated may result in termination of Purchasing Card use.

XIII. UNAUTHORIZED PURCHASES:

PURCHASING CARDS ARE "NOT" TO BE USED FOR THE FOLLOWING:

PayPal accounts and other 3rd party pay accounts

Entertainment

Meals

Personal use

Cash advances

Gift Cards (may be purchased when allowed by ordinance and with prior Chief Procurement Officer approval)

Alcoholic beverages
Tobacco products
Non-work or personal use items and services
Telephone credit card
Fuel Purchases, except for Out-of County travel in County vehicles (Use a travel voucher form for reimbursement of travel expenses associated with use of personal vehicles)

XIV. USE IN EMERGENCY SITUATIONS:

In case of a valid emergency situation as authorized by the Board of Commissioners, through the County Administrator, Purchasing and Contracts will coordinate the establishment of special limits of use of Purchasing Cards for use during the emergency. All purchases made during that period relating to the emergency shall be in accordance with general County Policy and shall be charged to the appropriate account established for the emergency situation. Upon the dis-continuance of the emergency, Purchasing and Contracts will re-establish the original limitations allocated to each Purchasing Card.

XV. PURCHASING AND CONTRACTS TRANSACTIONS:

If it is determined by Purchasing and Contracts authorized personnel that it is in the best interest of the County to utilize Purchasing Cards issued to Purchasing to accomplish purchases for using departments such action shall be authorized under this procedure. A copy of the purchase transaction will be forwarded to the requesting department for their records.

XVI. **Purchasing Card Administrator:**

The Purchasing Card administrator works in the Purchasing and Contracts Department and is responsible for the following areas:

- **Maintain Cardholder list of BOCC cardholders**
- **Coordinate issuance and cancellation of purchasing cards**
- **Provide training to all new cardholders**
- **Coordinate program policy issues**
- **Participate in ongoing program reviews**
- **Assist in resolving billing disputes**
- **Coordinate and maintain internal controls**
- **Maintain procedures and cardholder guides /manual**
- **Establish and monitor benchmarking objectives**
- **Pursue supplier discount opportunities**
- **Evaluate Purchasing Card feedback from suppliers**

Blanket Purchase Orders

I. PURPOSE:

To define and establish procedures for the issuance and use of Blanket Purchase Orders for small dollar procurements

I. SCOPE:

This procedure will be applicable to those departments and agencies under the authority of the Board of County Commissioners. Blanket Purchase Orders will be issued for small dollar purchases where the individual orders for goods and/or services shall not exceed \$2,500 in cost; and where there is a continuing requirement for the item and/or service by the requesting department/agency; and the supplying vendor will not accept a Hernando County Purchasing Card for the purchase.

II. DEFINITION AND USE:

A Blanket Purchase Order is a purchase order that commits a specified amount of Hernando County funds for the procurement of goods and/or services over a specific period of time to a specific vendor. It should be used in those instances when there is a continuing need for small dollar items or services and where it is not practical to establish a continuing contract for the item or service or when the vendor will not accept a Hernando County Purchasing Card for the purchase.

1. Non-contractual Basis – No purchase order shall be issued for an amount greater than the limit established for a non-contractual blanket purchase order in Section 020E of this policy for the purchase of goods or services not under a contractual arrangement authorized under this purchasing policy or approved by the Chief Procurement Officer. Non-contractual blanket purchase orders may be used for repairs for "Tear Down and Quotes" but a single repair may not exceed \$2,500. If the repair is estimated to exceed \$2,500 then a single/sole source form is needed along with a requisition.
2. Contractual Basis – No purchase order shall be issued for an amount greater than the limit established for a contractual blanket purchase order in Section 020E of this policy for the purchase of goods or services unless approved by the Board. The Chief Procurement Officer shall have the authority to make award of said bids that are less than thirty five thousand dollars (\$35,000.00) to the lowest and/or best value responsive responsible bidder. The Chief Procurement Officer shall have the authority to issue blanket purchase orders for all term contracts that have been approved by the Board.

III. BLANKET PURCHASE ORDER REQUEST AND ISSUANCE:

1. Blanket Purchase Orders shall be requested by departments utilizing the Requisitioning Process outlined in Procedure No. 040D, or the latest revision thereof. The requisition shall include the proposed vendor; a general description of the items and/or services to be purchased under the Blanket Purchase Order; the account number which the purchase will be charged against.
2. Request for issuance of Blanket Purchase Orders shall require approval of the Department Director.

3. Departments shall specify on the requisition justification for issuance of the Blanket Purchase Order, i.e., vendor will not accept Purchase Card, etc.
4. Blanket Purchase Orders shall not be issued to vendors for amounts exceeding the ABR in any one fiscal year. If departments anticipate continuing purchases from any vendor for an amount exceeding the ABR, an advertised competitive bid should be awarded for these procurements.

IV. BLANKET PURCHASE ORDER PROCESSING:

1. It is the responsibility of the Department Director or designee to ensure that:
 - A. Issued Blanket Purchase Orders are utilized for legitimate County acquisition;
 - B. Any use of Blanket Purchase Orders are properly processed and recorded; and
 - C. Individual purchases of items and/or services acquired under an issued Non-contractual Blanket Purchase Order do not exceed \$2,500.
 - D. Ensure that the total amount spent against an issued Blanket Purchase Order does not exceed the amount encumbered for that order. Under no circumstances shall a Non-contractual Blanket Purchase Order exceed the ABR in any one fiscal year.
2. Acquisition of goods and/or services under issued Blanket Purchase Orders shall only be permitted by those individuals authorized by the Department Director or designee.
3. All orders against Blanket Purchase Orders shall be made using the Purchase Order No. assigned. This number shall be given to the vendor at the time the item and/or service is ordered or picked up and must appear on all invoices or payment.
4. Departments shall utilize Supplemental Receiving Reports for processing of payments for items and/or services acquired under Blanket Purchase Orders.
5. **ALL BLANKET PURCHASE ORDERS WILL BE CLOSED AT THE END OF EACH FISCAL YEAR. BLANKET PURCHASE ORDERS WILL NOT BE AUTOMATICALLY REISSUED BY PURCHASING AND CONTRACTS. DEPARTMENTS SHALL BE REQUIRED TO REQUEST RE-ISSUANCE OF INDIVIDUAL BLANKET PURCHASE ORDERS AT THE BEGINNING OF EACH FISCAL YEAR.**

Emergency Procedures

I. PURPOSE:

To establish a procedure to accommodate emergency purchases.

II. SCOPE:

This procedure applies to all emergency purchases.

III. GENERAL:

An emergency shall be defined as an urgent and immediate need for equipment, supplies or repair services, the lack of which would seriously handicap the operation of County Government, or where the protection of the life, health, safety or welfare of the community or the preservation of public properties would not be possible through normal purchasing procedures and when the need for such equipment, supplies or repair services was unforeseen and unanticipated.

IV. APPROVAL AUTHORITY:

When an Emergency arises in a BOCC Department that requires the issuance of a Emergency Purchase Order or Credit Card expenditure, the Notice of Emergency Purchase (Form#4) must be sent to Purchasing and Contracts the next business day(**as delineated below**). The employee initiating the procurement shall make every effort prior to the transaction to acquire an estimate for the goods or services. If the emergency is of a nature where more than a single estimate can be obtained it shall be required. For emergencies that occur after business hours or on weekends the initiating employee shall, if possible, contact their supervisor to inform them of the event and request approval(s). The time requirements shall begin on the morning of the next business day.

If the issuance of the Emergency Purchase Order or Credit Card expenditure is between \$2,500 and \$4,999 the employee and his immediate supervisor must sign the Notice of Emergency Purchase (Form #4) where designated and submit to Purchasing and Contracts **within twenty-four hours** of the transaction.

If the issuance of the Purchase Order or Credit Card expenditure is between \$5,000 and \$14,999, the employee, his supervisor and the Division Manager, Assistant Director or Director must sign the Notice of Emergency Purchase (Form #4)

If the issuance of the Purchase Order or Credit Card expenditure is between \$15,000 and \$34,999.99, the Department Director must review the request, sign the Notice of Emergency Purchase (Form #4) where designated and submit to Purchasing and Contracts **within forty-eight hours** of the transaction. If the Director is not available, his designee may approve the emergency transaction in his/her absence after review and submit to Purchasing and Contracts **within forty-eight hours** of the transaction.

For any Emergency that will equals or exceeds \$35,000, the Department Director or his/her designee shall review the request and sign the form prior to the issuance of an Emergency Purchase Order. The Department Director or designee shall make every effort to contact the Chief Procurement Officer or his/her designee as soon as possible to approve the request. The Chief Procurement Officer or his/her designee will inform the County Administrator of the emergency and the estimated cost. As soon as possible following the emergency, the Department must submit an agenda item

describing the emergency to the Board of County Commissioners for approval of the expenditure of funds.

V. PROCEDURE:

1. During normal working hours - A department may process an emergency purchase order by submitting a Notice of Emergency Purchase Request Form with a full explanation of the conditions requiring the emergency purchase to the Purchasing & Contracts Department for assignment of a purchase order number and creation of the purchase order document. If the purchase exceeds \$5,000.00 in value and less than three (3) quotations are submitted with the emergency request, Purchasing will make every reasonable effort to obtain the quotations within the time constraints of the purchase.

If in an extreme emergency it is physically unfeasible to hand carry the request to Purchasing, a department may request an emergency purchase order by telephone or email. Purchasing will assign a purchase order number to the request and contact the vendor selected. A confirming purchase requisition form is then to be immediately processed by the department and forwarded to Purchasing for receipt the next working day after the emergency. Failure of a department to follow this procedure will result in the denial of telephone requests for emergency purchase orders in the future.

2. On Weekends or After Working Hours - A confirming purchase requisition form and a Notice of Emergency Purchase Request form is to be processed immediately to the Purchasing & Contracts Department the morning of the first working day after the emergency purchase.

Documentation for emergency purchases pertaining to the above shall be submitted to the Chief Procurement Officer with a detailed explanation, and support materials attached if applicable, within ten working days after the event occurred. However, if the expenditure exceeds the Advertised Bidding Requirement (ABR) the circumstances surrounding the purchase shall be presented to the Board of County Commissioners for its ratification approval.

3. Procedure for Processing and Following-Up on Emergency PO (EPO) after initial approval from the Chief Procurement Officer.
 - A. **Day one (1) after issuing the EPO the Purchasing agent will follow up with Department contact to see if the project is complete and if they have the final price for the purchase order.**
 - B. **Day three (3) Purchasing Agent will email the department contact to find out the status of project and price for EPO.**
 - C. **Day seven (7) Purchasing Agent Notifies the Chief Procurement Officer that the price for the EPO has not been obtained and will provide the email from Day 3 and any backup information.**

Sole/Single Source Procurements

I. PURPOSE:

To define and establish procedures for the use of sole/single source procurements.

II. SCOPE:

This procedure will be applicable to those departments and agencies under the authority of the Board of County Commissioners. Sole/Single Source Purchase Orders will be issued for purchases when a division/department believes that commodities or contractual services are available only from a single source.

III. DEFINITION AND USE:

The term "sole source" means that the commodity can be legally and reasonably purchased from only one source. This is usually due to the source owning patents and/or copyrights. A requirement for a particular proprietary item does not justify a sole source purchase, if, there is more than one potential supplier for that item. Use of Brand Names and Model numbers does not constitute a sole source.

The term "single source" means that a commodity can be purchased from multiple sources, but, in order to meet certain functional or performance requirements (repair parts, matching existing equipment or materials) there is only one economically feasible source for the purchase.

Purchases of goods and/or services from a sole/single source may be exempted from the quoting or bidding requirements upon written demonstration that: (1) the use is justified based on costs or interchangeability factors; (2) the use is recommended by the project architect, engineer, or affected Department Head; (3) the rationale for sole/single source is approved by the Chief Procurement Officer.

IV. PROCEDURE:

1. Sole/Single Purchase Orders shall be requested by departments requiring the goods and/or services by submitting the Sole/Single Source Justification Request Form (Form #3). On recurring Sole Source purchases with the proper justification and documentation only one approval will be required by the Chief Procurement Officer until it decided to review the sole source request.
2. When a division/department submits a Sole/Single Source Justification Request Form (Form #3) for commodities or contractual services and the total cost is less than \$2,500, the division/department must state on the form that the items are only available from a single source.
3. When a division/department submits a Sole/Single Source Justification Request Form (Form #3) for commodities or contractual services and the total cost is greater than \$2,500 but less than \$35,000, the division/department must state on the form the reasons why multiple quotes were not obtained and the Chief Procurement Officer will approve if justified. Purchasing will make the determination as to whether the commodities/services are only available from a single source.

4. When a division/department submits a Sole/Single Source Justification Request Form (Form #3) for commodities or contractual services and the total cost is greater than \$35,000, Purchasing and Contracts will post the description of the commodities or contractual services to purchase on the web site and Purchasing and Contracts bulletin board for a period of at least seven (7) business days.

If after the posting of the requirement for seven (7) business days, without any response from a potential manufacturer, bidder, or business owner, Purchasing and Contracts may make a written determination that the commodities and/or services are only available from a single source, Purchasing and Contracts will render this determination in writing by approving the Sole/Single Source Justification Request Form (Form #3) **and prepare an Agenda item for BOCC approval.**

Change Orders

I. PURPOSE:

To establish change order procedures for contracts and purchases.

II. SCOPE:

This procedure applies to all change orders that are processed through the Purchasing & Contracts Department.

III. PROCEDURE:

1. Change orders are to be processed for all changes that affect the original purchase order amount. Change orders will also be required, regardless of monetary value, when **modifications** occur to contracts awarded by the Board of County Commissioners **and all construction projects which may result in a material change to the contract affecting the cost, time of performance and/or change in the tangible nature of any specification relating to the work to be performed by the contractor.**
2. All change orders shall be entered into AdminSys (Lion) by the initiating department along with all supporting documents.
3. Change orders shall require the same approvals as were required for the original requisition.
4. Change order increases in excess of the original purchase order will require the signature of the appropriate level of authorization as defined in Purchasing & Contracts Procedure #030.
5. The authorized person in the department must put one or both of the following statements on all quotes from the contractors/vendors for change orders.
 - a. Prices have been determined to be fair and reasonable based on prices submitted with bid.
 - b. Prices have been determined to be fair and reasonable based on negotiations with the contractor and the attached supporting documents.
6. **ORIGINAL PURCHASE ORDER AMOUNT EQUAL TO OR LESS THAN THE ABR VALUE**
 - A. The initiating department shall enter the change order information and attach all supporting documentation, as applicable (including the cost proposal) into the AdminSys(Lion). Purchasing and contracts will review the change and supporting documentation for accuracy, completeness and all necessary approvals (including Grant and Funding compliance).
 - B. Purchasing and Contracts representative will be the lead negotiator on all change orders with the department representative and/or project manager being a part of the negotiation team to negotiate and finalize the change order. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the change order as required after the negotiations have been finalized.
7. **ORIGINAL PURCHASE ORDER/CONTRACT AMOUNT OVER THE ABR VALUE(Other Than Professional Services and Construction)**

- A. Change orders to contracts awarded by the BOCC must be approved by the BOCC (unless otherwise assigned by the Board, i.e., Department Director or Chief Procurement Officer), regardless of amount. Change orders are generated by Purchasing & Contracts, the initiating department or the project engineer and/or consultant by using the construction change order form
 - B. Where the Board of County Commissioners has authorized the Chief Procurement Officer or other designee to approve change orders.
 - C. The initiating department shall enter the change order information and attach all supporting documentation, as applicable (including the cost proposal) into the AdminSys(Lion). Purchasing and contracts will review the change and supporting documentation for accuracy, completeness and all necessary approvals (including Grant and Funding compliance).
 - D. Purchasing and Contracts representative will be the lead negotiator on all change orders with the department representative and/or project manager being a part of the negotiation team to negotiate and finalize the change order. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the change order as required after the negotiations have been finalized.
 - E. Purchasing and Contracts will ensure that distribution is made to 1) one signed original to vendor, 2) one signed original to the Clerk's Office, and 3) a copy to Purchasing & Contracts. Purchasing & Contracts will audit for accuracy and completeness and processes the change(s) through Finance Plus.
 - F. Change Orders Requiring BOCC Approval Where:
 - (1) The initiating department shall enter the change order information and attach all supporting documentation, as applicable (including the cost proposal) into the AdminSys(Lion). Purchasing and contracts will review the change and supporting documentation for accuracy, completeness and all necessary approvals (including Grant and Funding compliance).
 - (2) Purchasing and Contracts representative will be the lead negotiator on all change orders with the department representative and/or project manager being a part of the negotiation team to negotiate and finalize the change order. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the change order as required after the negotiations have been finalized.
 - G. Upon approval by the Board, the Purchasing & Contracts Department will distribute the change order as the original purchase order (or contract) was distributed; one signed original to the vendor and copies to the initiating department, Finance, purchase order file, contract file and engineer/consultant, as applicable.
- 8. CHANGE ORDERS FOR PROFESSIONAL SERVICES AND CONSTRUCTION**
- A. ORIGINAL PURCHASE ORDER AMOUNT EQUAL TO OR LESS THAN ABR**
 - (1) Changes to Professional services agreements and construction contracts originally approved at the department level and contracted for through Purchasing & Contracts require a written contract change order/amendment.

- (2) When a change order is required, the initiating department shall obtain a cost proposal from the contracting vendor for the additional services required.
- (3) The initiating department shall enter the change order information and attach all supporting documentation, as applicable (including the cost proposal) into the AdminSys(Lion). Purchasing and contracts will review the change and supporting documentation for accuracy, completeness and all necessary approvals (including Grant and Funding compliance).
- (4) Purchasing and Contracts representative will be the lead negotiator on all change orders with the department representative and/or project manager being a part of the negotiation team to negotiate and finalize the change order. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the change order as required after the negotiations have been finalized.

B. ORIGINAL PURCHASE ORDER AMOUNT OVER THE ABR

- (1) Additional services not covered in the original professional services agreement or construction contract as approved by the Board of County Commissioners requires a formal supplemental agreement and must be approved by the BOCC (unless otherwise assigned by the BOCC, i.e., Chief Procurement Officer).
- (2) Supplemental agreements initiated by the Purchasing & Contracts Department (Contracts Administrator), the initiating department or the project engineer/consultant.
- (3) The initiating department shall enter the change order information and attach all supporting documentation, as applicable (including the cost proposal) into the AdminSys(Lion). Purchasing and contracts will review the change and supporting documentation for accuracy, completeness and all necessary approvals (including Grant and Funding compliance).
- (4) Purchasing and Contracts representative will be the lead negotiator on all change orders with the department representative and/or project manager being a part of the negotiation team to negotiate and finalize the change order. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the change order as required after the negotiations have been finalized.
- (5) Where the Board of County Commissioners has authorized the Chief Procurement Officer to approve changes, the initiating department prepares the supplemental agreement, obtains vendor signature and makes distribution; one signed original to the vendor, one signed original to the Clerk's Office and a copy to Purchasing & Contracts. Purchasing & Contracts will audit for accuracy and completeness and process the change(s) through Finance Plus. If the initiating department desires and so requests, Purchasing & Contracts will prepare the supplemental agreement. The initiating department shall enter the change order information and supporting documentation, as applicable into the AdminSys (Lion).
- (6) Supplemental Agreements Requiring BOCC Approval Where:
 - (a) Purchasing & Contracts Prepares the Agreement. The initiating department submits their request for change(s) and supporting documentation, as applicable, to the Purchasing & Contracts Department for preparation of the supplemental agreement for submission to the Board of County Commissioners.

- (b) The Project Engineer/Consultant Prepares the Agreement. The initiating department forwards the prepared supplemental agreement, in two originals, to the Purchasing & Contracts Department. Purchasing & Contracts will review for accuracy and completeness and submit to the Board of County Commissioners for approval. The initiating department shall enter the change order information and supporting documentation, as applicable into the AdminSys (Lion).
- (c) The initiating department shall enter the change order information and attach all supporting documentation, as applicable (including the cost proposal) into the AdminSys(Lion). Purchasing and contracts will review the change and supporting documentation for accuracy, completeness and all necessary approvals (including Grant and Funding compliance).
- (d) Purchasing and Contracts representative will be the lead negotiator on all change orders with the department representative and/or project manager being a part of the negotiation team to negotiate and finalize the change order. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the change order as required after the negotiations have been finalized.
- (7) Upon approvals by the Board of County Commissioners, Supplemental agreements are distributed as the original agreement was distributed. Purchasing & Contracts will forward one original signed copy to the vendor, and copies to initiating department, Finance, purchase order file, contract file and engineer/consultant, as applicable.
- (8) If the change orders increases the contract amount additional Performance and Payment Bonds may be required to be submitted with the signed change order and the bonds recorded in the Clerk of Court's office. Check requisition shall be provided by the initiating department for recording the new bonds.
- (9) The Chief Procurement Officer shall have the authority to approve and sign change orders for: a) no cost time extensions, b) changes within the scope of the contract up to \$35,000 or the approved budget amount, or c) change orders within the scope of the contract and under the approved budget for the project.

Purchase Order Expediting & Cancellation

I. PURPOSE:

To establish a uniform method of assuring prompt completion of purchase requests.

II. SCOPE:

This procedure applies to all purchases.

III. RESPONSIBILITY:

It shall be the responsibility of the requesting Department to follow up on all over-dues or back ordered purchases.

IV. GENERAL:

In order to accomplish prompt receipt of materials and fulfillment of services as required by the using Agencies and ensure efficient closure of purchase orders, the requesting Department shall:

1. Review the Finance Plus Purchase Order open report monthly and;
 - A. Examine all transactions past due. (Past due is defined as any order where the materials or services ordered have not been received or performed by or after the delivery date or period of reference time frame prescribed by the contract documents).
 - B. The requesting department is to ascertain if:
 - * The order is still outstanding
 - * Material/services are still required
 - C. If requester determines that the material/services have not been received and are no longer required:
 - * The requesting department will process a cancellation request by submitting a change order.
 - * Upon receipt of cancellation request (change order), the requesting department will advise the Vendor of cancellation in writing.
 - D. If the requesting department determines that material has not been received but is still required:
 - * Contact the Vendor and ascertain shipping date
 - * Note expected delivery date by entering the information into Finance Plus under the notes tab, together with any other pertinent information derived from the Vendor.
 - E. Maintain all overdue Purchase Order requests in a receiving pending file.

V. PURCHASE ORDER CANCELLATION:

1. When a department determines that an order should be cancelled or terminated it is necessary for the department to notify the Purchasing & Contracts Department in writing at the very earliest date by entering a change order in the Adminsys (Lion). The earlier the notification of cancellation to the vendor, the less likely the County will encounter termination charges.
2. In the event that a vendor has begun production of a custom-made part or product or has secured the delivery of an article that the Vendor is not likely to sell within the Vendor's normal scope of business or if the Vendor has incurred costs in preparation for special or custom production, the County may have to accept such costs as Vendors may incur as a result of this cancellation.
3. The Purchasing & Contracts Department will be responsible for notifying vendors of the cancellation of all contracts or agreements and the requesting Department will notify the vendors when Purchase Orders are cancelled.
4. Cancellation/termination action will be considered legally complete when the Purchasing Agent has received written acknowledgement of the cancellation/termination from the Vendor concerned with the transaction.

Processing Receiving Reports

I. PURPOSE:

To establish procedures for processing Receiving Reports in an expeditious and uniform manner.

II. SCOPE:

These procedures apply to all procurements utilizing purchase orders.

III. GENERAL:

The Receiving document is the County's official instrument for acknowledgment of receipt for materials and services.

It is the document which authorizes the Clerk of the Court's Finance Department to pay a Vendor for actually delivering specific material or for services rendered. A list of departmental personnel authorized to sign Receiving Reports for payment approval shall be submitted to Finance. Departmental list shall be kept current at all times and updated when personnel leave or authority changes.

For accounting and auditing purposes it is best to avoid having one person sign all signature blocks in the Purchasing & Contracts transaction. Having separate personnel approve, purchase and receive goods or services reduces the chance of error or improper conduct. All signature blocks are to be properly signed. Initials are not acceptable.

IV. PROCEDURES:

1. Receiving and Inspection

It shall be the responsibility of each department to have an individual, immediately upon receipt of product or service, to inspect that product or service to ensure that it meets the specifications as set forth in the purchase order. The person should inspect for proper quantities, proper quality, and damage and prompt delivery. The receiving person should have available a copy of the purchase order for verification purposes. Any deviations should be immediately documented and sent to the supplier and to Purchasing and Contracts.

Signing a delivery slip does not necessarily constitute acceptance of an order. Any problems with an order should be documented and reported to Purchasing as soon as possible and for assistance in resolving the issue. Time is of the essence when dealing with problems on an order. If items received are damaged or defective, the Department receiving the goods should not use the items and immediately notify the vendor for the corrective action. Failure to timely advise the vendor and/or freight carrier may limit your remedies. Also if an item is delivered damaged, the receiving user has the responsibility to protect it and all packing materials from any further damage, and to make it available to the vendor and/or carrier for inspection.

When signing for services performed, sign only for what was actually performed. Never sign blank invoices or service tickets. Always insist that your Department receives a copy of the service/delivery ticket for the work performed.

2. Receiving Goods and/or Services by Using Department in Finance Plus.

- A. In Finance Plus receiving is a two-part process.
- (a) attaching the invoice to the purchase order and
 - (b) the actual receiving in the Finance Plus system.
- (1) Attaching the Invoice: You must convert the invoice into a PDF file and save it as an attachment to the purchase order.
- (a) File naming for the invoice attachment is as follows:
 - Received date-date entered into Finance Plus (Ex: 123111) 6 numbers.
 - Vendor Name-up to 15 characters (bluebunnyicecre).
 - Vendor Invoice number-up to 12 characters-(bb2011456789)
 - Total file name no more than 35 characters-(ex:123111bluebunnyicecrebb2011456789)
 - (b) Attach PDF file to the purchase order in Finance Plus.
 - (c) The efinanceplus-Purchasing user manual located on EICE under other manuals has the full instructions.
- (2) Receiving in Finance Plus: The actual receiving of the ordered goods or services in Finance Plus. All instructions are located in the efinanceplus-purchasing user manual on EICE.
- (a) The date received is the most critical and it is the date that you are entering the attaching the invoice and entering the receiving information into the system to get the invoice paid.
- B. If the using department is using the manual Receiving Report of the purchase order to reflect the actual quantity of items being received. Verification shall be by actual physical count and not necessarily by what is indicated on the vendor's invoice or packing list. Invoices or packing lists reflect what the supplier says he shipped, **not what was actually received.**
- (1) If all items are received as ordered the individual accepting the order is to indicate the quantity received in the "**QUANTITY RECEIVED**" column of the Receiving Report and sign the bottom right hand block as the "Receiving Agent".
 - (2) Receiving Report shall then be forwarded to the department Director, or their authorized representative, for payment approval authorization.
 - (3) Upon approval by the department Director, using department shall attach the Receiving Report with delivery ticket, packing slip and/or invoice and convert it to a PDF file to attach to the purchase order in Finance Plus.
- C. PARTIAL SHIPMENTS - When a partial shipment is received, the requesting department has two options:
- (1) Accept partial shipment by holding the Receiving Report a minimum length of time until the remainder of the order is delivered. Upon receipt of the balance of the order the department shall process the Receiving Report as indicated above.

- (2) Accept partial shipment by indicating quantity received on the Receiving Report and noting B/O (back ordered) for those items not received and process the Receiving Report with the invoice in Finance Plus. When back ordered items are delivered, departments shall process a Supplemental Receiving Report Form (available from Purchasing & Contracts) for closing out the order.
 - D. Receiving Reports shall be processed in an expeditious manner to enable the County to take advantage of cash discounts for prompt payment and to maintain the County's credibility for payment to vendors.
3. Goods Received by Purchasing & Contracts for Using Department:
- A. Goods are received and quantities are verified by Purchasing & Contracts. Purchasing & Contracts signs Receiving Report as "Receiving Agent" and delivers goods to using department with executed copy of Receiving Report. Receiving department confirms receipt of goods and forwards Receiving Report to department Director for payment approval
 - B. Upon approval by the department Director, and receipt of the invoice, the using department shall enter the receiving information into Finance Plus for processing.

Procurement of Professional Services

I. PURPOSE:

To establish uniform procedures for procurement of Professional Services.

II. SCOPE:

The purpose of obtaining professional services is to offer to the County special expertise, practical experience and knowledge, resources and an objective outside professional opinion. The provisions and exemptions contained in Section 287.055, as amended, Florida Statutes (commonly known as the Consultants' Competitive Negotiation Act, "CCNA"), shall apply herein. Contracts for professional services are defined in F.S. 287.055 are required, at a minimum, to follow guidelines as established in Florida Statutes for competitive negotiations for the selection of engineering, architect, landscape architect and surveyors. All contracts which exceed the F.S. CATEGORY TWO requirements for CCNA shall follow the procedure as defined in F.S. 287.055 and as amended by Hernando County Procurement Ordinance and Policies and Procedures.

III. PROCEDURE:

1. Professional Service Contracts less than Section 287.017 F.S., as amended, Thresholds:
 - A. When the Professional Service Contract proposal amounts to less than the threshold(s) established by Section 287.017 F.S. Category Two, as amended, a Purchase Requisition form will be submitted to Purchasing & Contracts with a copy of the Scope of Services for the project and the professional's cost proposal for preparation of the standard "Professional Service" contract. No competition is required for requirements following under the dollar threshold of F.S. CATEGORY TWO.
 - B. Upon receipt of the executed contract from the professional firm, and a date for commencement from the requesting department, Purchasing & Contracts shall prepare and issue an encumbering Purchase Order and A Notice to Proceed to the professional firm.
 - C. When the Scope of Services encompasses work of a routine nature, i.e., simple surveys, geological testing, etc., Purchasing & Contracts may prepare a Purchase Order to encumber the funds for the work and issue same to the professional with the requirements for completion of the project.
 - D. For requirements under \$35,000 the department representative and/or project manager is responsible to finalize the requirement and justify accepting the negotiated prices to Purchasing and Contracts. Purchasing and Contracts shall process the requirement as required after the negotiations have been finalized.
2. Contracts exceeding the threshold amounts specified in Section 287.017 F.S. Category Two, as amended requiring action and award by the Board of County Commissioners.
 - A. When Professional Services in an amount exceeding the thresholds established by Section 287.017 F.S. Category Two, as amended, are considered necessary the procurement of the required services shall proceed in accordance with the provisions of Section 287.055 F.S., as amended, and Hernando County Policy No. 18-2 as follows:

- (1) The requesting Department Director/Manager shall provide the Purchasing & Contracts Department with a completed Purchase Requisition form with an estimated cost for the Professional Services requested and attach a detail Scope of Services in sufficient detail to advertise the requirement for Request for Qualifications or Request for Proposals from qualified professionals.
- (2) The Purchasing & Contracts Department shall forward the request to the Chief Procurement Officer (or designee) for approval to advertise for the professional services required.
- (3) Upon approval of the Chief Procurement Officer (or designee), Purchasing & Contracts shall prepare a Legal Advertisement describing the services required by the County and publish such advertisement as prescribed by law. Purchasing and Contracts will also post this advertisement with the third party service for bid opportunities through Florida Online Bid System (www.floridabidsystem.com).
- (4) Purchasing & Contracts shall register all submissions received from responding firms which are received on or before the time stipulated in the advertisement for submission of Request for Qualifications or Proposals from professionals in regards to the advertised solicitation.
- (5) Purchasing and Contracts shall distribute a copy of each submittal to each of the members of the Professional Services Review Committee recommended by the Chief Procurement Officer for the project in accordance with Policy 18-2. Prior to the review for short listing and ranking of proposals
- (6) The Professional Services Review Committee shall review and evaluate each proposal received to determine the most qualified firm(s) to be submitted to the Board of County Commissioners for ranking. Such evaluation shall be in accordance with Subsection (4) Paragraphs (a) and (b), Section 287.055 F.S., as amended. PSRC members may use the following information in considering the qualifications of each submitting firm:
 - (a) Determination of Qualifications

The committee shall determine if each responding firm satisfies the minimum qualification requirements to perform the desired services. If the minimum qualification requirements are satisfied, each firm shall then be evaluated on its potential to satisfactorily perform the services.

If a firm does not meet the minimum requirements the committee will list the reasons for the non-acceptance and Purchasing & Contracts shall forward a letter of non-acceptance to the firm(s) stating the reasons for non-acceptance. Copies of such letter shall be given to the Board of County Commissioners.
 - (b) Evaluation of Qualified Firms

The evaluation of the responding qualified firms shall be made by the Committee on the basis of the criteria referenced in Subsection (4) Paragraphs (a) and (b), Section 287.055 F.S., as amended. i.e., or as identified in the Request for Qualifications or Proposals. The agency shall consider such factors as the ability of professional personnel; whether a firm is a certified minority business enterprise; past performance; willingness to meet time and budget requirements; location; recent, current, and projected workloads of the firms; and the volume of work previously awarded to each firm by the agency, with the object of effecting an equitable

distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firms.

As such, in reviewing the submittals of the responding firms, the Committee members may use the following as a guide determining the qualifications of each firm in relation to the scope of work required:

- (i) Ability: Questions that should be addressed during the evaluation:
 - 1. Do the resumes of the key staff demonstrate experience in the desired type of work?
 - 2. Has the firm performed this type of work in the past? Are they presently performing similar work?
 - 3. If in the past, the firm has performed this type of work for the County, another State, or a local government, was the final product acceptable?
 - 4. Does the firm have unique abilities which enhance its qualifications to perform the services?

- (ii) Capabilities: Questions that should be addressed during the evaluation:
 - 1. Does the level of key staffing and their percent of involvement, the use of sub-consultants (if any), office location, and/or information contained in the transmittal letter indicate that the firm will be able to meet the time and budget requirement?
 - 2. To your knowledge, has the firm satisfactorily met time and budget requirements on similar projects?

- (iii) General Knowledge: There are many general factors which could be considered during the evaluation. Two specific questions that should be addressed are:
 - 1. Are there any factors that could cause the firm problems in completing the contract? Examples could be, but are not limited to: recent award of a large contract that was not included in the letter of interest, lawsuits, personnel changes, reorganization or pending ownership changes, etc.
 - 2. Has the firm provided unusual considerations to the County or other clients in the past which would lead a reasonable person to believe that the selection of this firm would benefit the County?

- (iv) Past Performance: The past performance factors consider the performance evaluation given the firm for previous projects having similar requirements. The three factors are time, quality, and management.

- (v) Minority Business Enterprise: Whether the prime professional qualifies as a Certified Minority Business as defined by Florida Statutes Minority Business Assistance Act of 1985. A valid certificate issued by the Minority Business Advocacy and Assistance Office, Department of Labor and Employment Security, shall be the only valid form of certification the County will accept for award of points under this area.

- (vi) Location: To what extent does the location of the firm provide a significant advantage to the County. Additional consideration will be given to the proximity of the firm's primary office-in-charge to Hernando County.

(vii) Previously Awarded Work:

The committee shall consider the volume of work previously awarded to a firm by the county, as well as the distribution of work among other qualified firms. The distribution of work can encompass a number of considerations, such as: emerging businesses, *minority requirements, state economic growth and its related benefits, residual fee analysis, the number of active but not selected proposals, etc. (*Firms that are certified minority business enterprises as defined by Florida Statutes Minority Business Assistance Act of 1985).

- (7) The Chief Procurement Officer or designee MUST be present at all Selection Committee meetings. The Chief Procurement Officer or designee will act as **facilitator only** during these meetings and will have no official vote. The Chief Procurement Officer or designee will be responsible for recording all meetings, and making sure all State and Local laws and guidelines are followed.

- (8) No later than forty-five (45) calendar days after receipt of proposals for each project, Purchasing & Contracts will schedule a Meeting of the Professional Services Review Committee for the purpose of scoring the submittals of the competing firms and establishing a short list of a minimum of three (3) of the most qualified firms.

The short listed firms will be those firms receiving the highest rankings of the Committee members based on the Evaluation Criteria from the RFQ/RFP.

- (9) **If the Committee decides to hear Oral Presentations then** Purchasing & Contracts shall schedule a meeting of the Professional Services Review Committee for the purpose of hearing oral presentations by the short listed firms. **The Committee may in addition include additional firms for presentations as it may determine.** The Committee, after due consideration, shall rank, in order of preference, each presenting firm. Ranking points shall be awarded for each vote as follows: 1 for the first highest ranked firm and 2 for the second highest ranked forth and so forth.

- (10) If the Board decides to hear oral presentations, the Board shall, after hearing oral presentations, select in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services. In determining whether a firm is qualified, the Board shall consider such factors as the ability of professional personnel; whether a firm is a certified minority business enterprise; past performance; willingness to meet time and budget requirements; location; recent, current, and projected workloads of the firms; and the volume of work previously awarded to each firm by the agency, with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firms.

ALL MEETINGS OF AND/OR COMMUNICATION BY THE PROFESSIONAL SERVICES REVIEW COMMITTEE RELATED TO THE EVALUATION OF THE PROJECT SHALL BE SUBJECT TO THE PROVISIONS OF THE SUNSHINE LAW in accordance with F 119.071 and 286.0113 as amended

- (11) Approval of the final ranking of the firms, by the Board of County Commissioners, shall be determined by the total cumulative scores of the Committee with the highest scoring firm being ranked first for negotiation.

- (12) Purchasing and Contracts will upon approval of the final ranking by the Board forward the Scope of Services and a contract draft to the selected consultant for use in contract

negotiations. The Department Director/Manager, or designee, for whom the Professional Services are to be performed, will act as the coordinating party for the County in negotiating the professional services contract. A representative from Purchasing and Contracts will be part of the negotiations.

(13) The County shall require the selected Consultant to provide the following documentation to support the negotiated fee proposal as a condition precedent to the execution of the contract:

- (a) A current audited financial statement for the most recently completed fiscal year clearly showing the costs (NOT percentage) of direct labor, indirect labor, fringe benefits, general administrative costs and overhead and a statement of profit or operating margin requested.
- (b) Raw labor rates by labor classification certified as accurate by an officer of the company.
- (c) Breakdown of the fee by task/labor classification and raw or billable hourly rate/number of hours.
- (d) Summary of fees for the services to be provided by sub-consultants.
- (e) Scope of work and fee proposal from each sub-consultant supporting the above summary, on the sub-consultants' letterhead. The scope of work for each sub-consultant must support the scope of work of the prime Consultant's contract.
- (f) Breakeven multiplier statement from each sub-consultant (breakeven multiplier includes direct and indirect labor, general administrative and overhead costs) and the profit or operating margin clearly indicated.
- (g) Project schedule.
- (h) Breakdown of all out-of-pocket and/or direct expenses.
- (i) If any costs for local travel are included, there must be compelling reasons for such costs and must be adequately supported by specific justifications.

(14) Purchasing and Contracts representative will be the lead negotiator on all Professional Service requirements with the department representative and/or project manager being a part of the negotiation team to negotiate and finalize the requirement. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the requirement as required after the negotiations have been finalized.

(15) Should successful negotiations not conclude with the highest ranked firm, negotiations shall then commence with the second highest ranked firm and so forth until a successful contract has been negotiated or the project has been re-advertised or canceled.

B. Following successful negotiations and subsequent award of a contract by the Board of County Commissioners, Purchasing & Contracts will provide the completed standard contract agreement to the Department Director for approval and submission to the professional for execution and return to Purchasing & Contracts.

- C. Upon receipt of the executed contract from the professional, a Purchase Order number will be issued prior to commitment of services.
 - D. It will be the Department Director's responsibility to provide the Purchasing & Contracts Department with written notification of the date the professional is to commence work on the project, whereupon, Purchasing & Contracts will issue a Notice to Proceed to the professional to begin the work.
 - E. The Department Director will approve the invoice(s) for payment as provided in the cost proposal/contract, a copy of which shall be forwarded to the Purchasing & Contracts Department.
 - F. The Department Director will ensure that all deliverables as specified in the Scope of Services are furnished to the County prior to accepting the service as being complete and final.
3. Change Orders:
- A. Changes to the Professional Services Contracts approved by the Board shall be made by submission of an executed Supplemental Agreement form to Purchasing & Contracts for submission to the Board of County Commissioners for approval.
 - B. Upon approval of the Board, Purchasing & Contracts shall forward the executed supplemental agreement to the professional.
 - C. Purchasing and Contracts representative will be the lead negotiator on all change orders with the department representative and/or project manager being a part of the negotiation team to negotiate and finalize the change order. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the change order as required after the negotiations have been finalized.
4. Continuing Contracts: A "continuing contract" is a contract for professional services entered into in accordance with all the procedures of this **FS 287.055 as amended**, between an agency and a firm whereby the firm provides professional services to the agency for projects in which the estimated construction cost of each individual project under the contract does not exceed \$2 million, for study activity if the fee for professional services for each individual study under the contract does not exceed \$200,000, or for work of a specified nature as outlined in the contract required by the agency, with the contract being for a fixed term or with no time limitation except that the contract must provide a termination clause. Firms providing professional services under continuing contracts shall not be required to bid against one another.
- A. Instructions for Task Orders:
- (1) Requesting Department sends a request for a new task order to Purchasing by sending the scope of services for the requirement.
 - (2) Purchasing will Check Task Order Logs (Multiple contract logs), and assign next vendor in the rotation order for this task order and write in Task Order NO., Next vendor, Project Name.
 - (3) Purchasing will create the Negotiation Letter and mail with a copy of the Scope of Services and Blank Pay Schedule to the next vendor in rotation.

- (4) Vendor will send acceptance/denial letter back, insert into right side of folder. (If vendor denies, send the same documentation to the next vendor in line).
 - (5) Purchasing and Contracts representative will be the lead negotiator on all task orders with department representative and/or project manager being a part of the negotiation team to negotiate and finalize the task order. Purchasing and Contracts will schedule the negotiation session with the firm/contractor. Purchasing and Contracts shall process the task order as required after the negotiations have been finalized. . The negotiation team will negotiate and include the information identified in Paragraph 13 above for this requirement for inclusion in the file.
 - (6) Purchasing and Contracts will create agenda item for the task order to be submitted for Board approval and for contracts and **task orders under the threshold for continuing contracts.**
 - (7) Purchasing and Contracts will issue a Notice to Proceed.
 - (8) Documents needed for attachment to the Purchase Order for approval:
 - (a) Completed agenda
 - (b) Notice to Proceed
 - (c) Scope of Services
 - (d) Signed Pay Fee Schedule
5. Design-Build: A "design-build firm" means a partnership, corporation, or other legal entity that:
- A. Is certified under s.489.119 to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent; or
 - B. Is certified under s.471.023 to practice or to offer to practice engineering; certified under s.481.219 to practice or to offer to practice architecture; or certified under s.481.319 to practice or to offer to practice landscape architecture.
 - C. A "design-build contract" means a single contract with a design-build firm for the design and construction of a public construction project.
 - D. A "design criteria package" means concise, performance-oriented drawings or specifications of the public construction project. The purpose of the design criteria package is to furnish sufficient information to permit design-build firms to prepare a bid or a response to an agency's request for proposal, or to permit an agency to enter into a negotiated design-build contract. The design criteria package must specify performance-based criteria for the public construction project, including 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 development requirements, provisions for utilities, storm water retention and disposal, and parking requirements applicable to the project.
 - E. A "design criteria professional" means a firm who holds a current certificate of registration under chapter 481 to practice architecture or landscape architecture or a firm who holds a current certificate as a registered engineer under chapter 471 to practice engineering and

who is employed by or under contract to the agency for the providing of professional architect services, landscape architect services, or engineering services in connection with the preparation of the design criteria package.

Procurement of Consulting Services (Non-CCNA)

I. PURPOSE:

To establish uniform procedures for procurement of Professional Consulting Services where the work to be performed is not subject to the requirements of Section 287.055 Florida Statutes, known as the Consultants Competitive Negotiation Act (CCNA).

II. SCOPE:

These procedures apply to procurement of professional consultant services as defined in the Hernando County Purchasing Ordinance, Section 2.102, Consultant Services. For the purpose of this procedure, this includes any study and/or project where the narrow discipline, education and the experience of the individual or business performing the study and/or project is of such a nature as to be considered essential by the using agency to accomplish the work required.

III. PROCEDURE:

1. Professional Consulting Service Contracts less than ABR.

A. Consulting Contracts \$ -0- to \$2,500 in Value

- (1) The requesting department shall submit a Purchase Requisition for the project with the scope of work to be performed. If the requesting department has designated a Consultant to perform the project, Purchasing will process the order by (1) verifying department signatures; (2) verify insurance; (3) Prepare a Professional Services Agreement less than \$35,000; and (4) create purchase order per department's request. (Note: if the consultant's proposal contains any terms and conditions, said proposal shall be referred to the County Attorney's Office for approval prior to issuance of a Purchase Order.)
- (2) If the requesting department **has not** designated a vendor, Purchasing will obtain the necessary quotations and, select the vendor, and create a Purchase Order.

B. Consulting Contracts \$2,500.01 to ABR Value

- (1) **Consulting Contract Procurements between \$2,500.01 and the Advertised Bidding Requirement threshold (ABR) do not require a minimum of three (3) quotations. The requesting department shall submit a purchase requisition for the project with the scope of work to be performed. If the requesting department has designated a Consultant to perform the project, Purchasing will process the order by (1) verifying department signatures; (2) verify insurance; (3) prepare a Professional Services Agreement for less than \$35,000; and (4) create a purchase order per department's request. (Note: If the Consultant's proposal contains any terms and conditions that the Chief Procurement Officer does not agree to, said terms and conditions shall be referred to the County's Attorney's Office for a legal opinion prior to issuance of a purchase order.**

- (2) When the Scope of Services encompasses work of a routine nature, Purchasing & Contracts may prepare a Purchase Order to encumber the funds for the work and issue same to the professional with the requirements for completion of the project.
 - (3) Upon receipt of the executed contract from the professional, and a date for commencement from the requesting department, Purchasing & Contracts shall prepare and issue an encumbering Purchase Order and Notice to Proceed to the professional.
2. Contracts for Professional Consulting Services exceeding the ABR threshold amount shall be procured in accordance with procedures established in Purchasing and Contracting Policies and Procedure Number 120, latest revision.

Contract Administration

I. PURPOSE:

To establish procedures for the processing of Contracts from initiation through final closeout.

II. SCOPE:

These procedures are applicable to all written Agreements for services, goods and construction.

III. GENERAL:

The Board of County Commissioners has the power and authority to enter into Contracts and bind the County by Contract when authorized by law. Certain department and governmental officials are delegated the responsibility and authority to approve Contracts on behalf of the County pursuant to the Hernando County Procurement Ordinance, Ordinance No. 93-16/97-23 or the latest revision or current edition thereof.

It is the purpose and intent of this policy document to provide a guide to those who participate in the Contractual process on behalf of Hernando County, Florida, with a view toward a better understanding of what constitutes proper Contract practices and to provide a more uniform treatment of the Contract process to ensure that contracts to which Hernando County is a party are both legal and in the best interest of the County.

The outline below indicates representative Contract classifications and examples. Those individuals involved in Contract Administration should become familiar with these classifications and determine which classification is appropriate for the different types of Contracts for which they are responsible. All references to the Contract Administrator shall be the individual within the appropriate administrative function/department who is responsible for the subject Contract.

1. Intergovernmental

- A. Maintenance, Grants, Loans, Interlocal, etc.
- B. Grant related information/instruction located in Policy/Procedure 180 and 160G (current edition).

2. Monetary

- A. Third party leasing and other financial matters.

3. Procurement

- A. Goods - Supplies/Commodities
- B. Equipment - Capital
- C. Services - Professional, Consulting – Consultants' Competitive Negotiation Act (CCNA)
- D. Services - Consulting (Non-CCNA) and Technical
- E. Maintenance - Plant
- F. Maintenance - Preventive, Technical, Utilities
- G. Construction - Buildings, Bridges, Roads, Utilities
- H. Insurance

- I. Real Property - Fee Ownership, Easements, Permanent, etc.

4. Sale of County Assets

- A. Land
- B. Buildings
- C. Scrap/Surplus Materials
- D. Personal Property/Equipment, etc.
- E. By-Products

5. Leases and Lease Purchases

- A. Property - Land
- B. Property - Buildings
- C. Property - Personal: Equipment, Software, Etc.

6. Settlements - Claims, Litigations

- A. Personal Injury
- B. Property Damage
- C. Employment
- D. Worker's Compensation

IV. Key Elements of **Good Project Management**:

1. **Communication** – At the start of your project, review with the Vendor/Contractor the requirements of the bid. Include key personnel on both sides, so everyone is aware of the expectations. Identify methods for communication (e-mail, fax, and phone). If multiple staff in your division/department are using the bid, keep the lines of communication open and verify that they fully understand how the bid is going to be administered (pricing, submittal of forms, invoices, delivery, etc.)

Communicate with the vendor immediately any areas that they are not in compliance with so you can obtain quick resolution. *If the vendor is not aware of an area of noncompliance, they will continue performing in the same manner.*

Communication by e-mail or faxing is recommended to convey blanket order releases, time schedules, areas of noncompliance, etc. In most instances, if you communicate with a Vendor/Contractor verbally, the best safeguard to administering the Contract is to follow-up the conversation in writing and share this information with others in your division/department that use the Contract. An e-mail recapping the verbal discussion is often beneficial for both parties. Documentation is the key to validate conversations and issues resolution.

2. **Organization** – Does the bid require services at certain times during the year or deliveries within so many days? Is the Vendor/Contractor required to turn in their reports to confirm services were performed? As the Project Manager, you should develop a schedule with e-mail reminders to make sure you are getting the services or products in accordance with the bid. If you delegate your responsibilities to others in your Division/department, you should perform a follow-up to make sure they (department staff) are following your direction. Access the Contract Management Module to view the bid document to refresh you on the term of the Contract, remaining renewal options, pricing, terms and conditions, or any other attached documents. Set up a File directory for saving

correspondence related to the bid in a specific folder. Setting up a folder that can be viewed by others in your Division, this may be very beneficial to the monitoring and success of the Contract.

3. **Problem Solving** – At times, the scope of services may not be clear enough for the Vendor/Contractor or the County may have omitted an area from the bid and problems can arise. Review the bid document objectively and listen to the comments/concerns from the Vendor/Contractor will enable changes to the scope to the benefit of both parties. Meet with the Purchasing & Contracts Department representative/staff assigned to your Division/Department to review possible solutions, as developing a list of possible solutions will be essential for resolution to the problem. In conjunction with the Purchasing & Contracts Department representative/staff, resolution may include issuance of a change order for a contract alteration, cancellation of the bid, or doing another quote for the scope of work that was accidentally omitted. Use prior contract performance to enhance re-bid projects to maximize future project success – be involved in the process.

V. OBJECTIVES FOR PURCHASING & CONTRACTS DEPARTMENT:

1. Develop Contractual obligations in conjunction with the County Attorneys' Office that promote effective and consistent documents.
2. Standardize Contract instruments, where possible, to provide consistent and effective documents that will adhere to County policies and regulations.
3. Update standard bid packages and service agreements that adhere to State, Federal, or Local laws and regulations (current editions).
4. Provide and maintain a Contract File for the Board of County Commissioners of all Contracts subject to the provisions of the Hernando County Procurement Ordinance No. 93-16 (current edition).
5. Maintain a Contract library to promote consistency in format and terminology for similar projects.
6. Assist, when requested, with the monitoring of Contracts by interfacing with the user agency's Project Manager and those responsible for the technical aspects of the Contract. This assistance is a courtesy and does not release nor transfer Project Management responsibilities to Purchasing & Contracts staff.
7. Coordinate the review and approval of the signed agreement and documents thereto.
8. Secure the execution of the agreement by the Board's Chairman and the Clerk of Circuit Court when required.
9. If applicable, verify the Performance and Payment Bond by request of certification from the Surety upon which the bond was issued.
10. Process Changes Order(s) and Modification Agreements as applicable.
11. Coordinate with outside professionals, where appropriate, concerning the production of Contractual documents.
12. Verify insurance, licensing and permitting requirements are met., when applicable

VI. DEPARTMENTAL/AGENCY RESPONSIBILITIES:

As noted previously, various departments/agencies have certain responsibilities in the preparation and administration of Contracts on behalf of the Board of County Commissioners. Defined below are the general responsibilities of the departments/agencies (Project Managers) relating to the administration of Contracts.

1. **Originating Division/Department/Agency:** The responsibility for Contract Administration begins at the point of award. Those Department/Agency Project Managers and/or Directors who have been delegated the authority or responsibility for defining the details of Contractual agreements (i.e., terms, conditions, duration, etc.), conducting or participating in Contract negotiations as well as, in some cases, the preparation of draft Contracts are responsible for the coordination and routing of the Contract and subsequent documentation throughout the Contracting process, although these roles may be shared with one or more other departments/agencies (i.e., the Purchasing & Contracts Department, Professional, etc.). Originating Department/Agency Project Managers and/or Directors shall:
 - A. Designate one or more individuals (Project Manager) in the department/agency to ensure compliance with the procedures and provisions of this policy and to coordinate the administration of the project throughout the Contracting process.
 - B. Ensure that sufficient funds have been appropriated and are available for the purpose of the Contract as well as other budgetary considerations.
 - C. Monitor implementation and performance of the Contract after award where applicable.
 - D. Ensure proper execution and distribution of Contracts for which the Board of County Commissioners' approval is not required (pursuant to the Hernando County Procurement Ordinance No. 93-16 (current edition)).
 - E. Forward to Purchasing & Contracts all Contract performance documentation (permits, material approvals, third party approvals, etc.) required of the Vendor/Contractor prior to issuance of any and all notices related to the work, (i.e., Notice to Proceeds, etc.)
 - F. Inspect all work and services being provided to ensure adherence to the Contract and ensure that copies of all such inspection reports are submitted to Purchasing and Contracts staff assigned to the Division/Department for the specific project or projects.
 - G. Monitor the obtaining of all required permits necessary relative to the job and ensure copies are provided to Purchasing and Contracts prior to the Notice to Proceed being issued, unless a date is agreed to when permits will be submitted.
 - H. Monitor performance of work to ensure compliance with agreed upon specifications, schedule and budget. Notify Purchasing and Contracts staff of any problems.
 - I. Review Vendor/Contractor's invoices for payment, verify accuracy and submit to County Financial Services for review, approval and payment.
 - J. Compare unit prices of materials and labor and verify field quantities to ensure validity of charges.
 - K. Verify and process pay applications.

- L. Verify all work upon completion and certify Department's acceptance of same to Purchasing and Contracts Department.
- M. Initiate action for required changes to the scope of work prior to enacting changes. Negotiate any and all Change Orders (and modifications to the Contract and forward to Purchasing & Contracts Department to secure Board approval.
- N. Notify the Purchasing & Contracts Department of completion of project and Department Director's recommendation for close-out of the Contract.
- O. Involve the Purchasing & Contracts Department in any meetings relative to the Contract and services being provided as needed.

2. Purchasing & Contracts Department:

The Purchasing & Contracts Department shall:

- A. Prepare and/or review all bid solicitations prior to release for "Request for Bids/Proposals", so as to ensure strict compliance with the Hernando County Procurement Ordinance, all applicable Florida Statutes and Federal Laws and regulations, and with the policies established by the Board of County Commissioners.
- B. Coordinate with all departments/agencies involved with the bid process to ensure proper approval of bid solicitation documents and requests for proposals are approved prior to bidding.
- C. Process all Change Orders.

3. The Chief Procurement Officer or designee may, but shall not be limited to:

- A. Participate with the user department/agency in contract negotiations when requested.
- B. Attend pre-bid, pre-construction conferences and meetings and compile either an audio or video record of the proceeding(s) which will be maintained for a period of at least five (5) years.
- C. Draft, with the approval of the County Attorney, construction, professional service, miscellaneous service Contracts and tangible property lease agreements to ensure uniformity in Contract language and terms.
- D. Coordinate with all departments/agencies involved with the contracting process to ensure proper approval, execution, distribution, and implementation of Contracts for the Board of County Commissioners.
- E. Coordinate with all the necessary departments/ agencies to ensure that Contracts have been reviewed and approved at all applicable levels, including but not limited to, the County Administrator, County Attorney, Budget Office and Risk Management.
- F. Ensure all insurance and licensing requirements have been met prior to execution of the Contract.

- G. Ensure that all required documentation and/or approvals are received from Contractors prior to issuance of any and all Contract notices related to the Contract.
 - H. Act as the point of issuance of all official notices related to Contracts (Notice to Proceed, stop work, etc.).
 - I. Assist the user department/agency in the negotiation of all Change Orders and/or modifications to Contracts originally approved by the Board when necessary.
 - J. Maintain a "Contract File" of Purchasing & Contracts Department administered Contracts to include the following information:
 - (1) Contract number, title, type and award date
 - (2) Vendor/Contractor name, address, regular and emergency telephone numbers and contact representative
 - (3) Contract amount (initial)
 - (4) Contract Change Orders (numbers and amounts)
 - (5) Contract total
 - (6) Required completion dates (substantial and final) or Contract period as applicable
 - (7) Authorized payment requests (amounts and total paid to date)
 - (8) Bonding and Insurance companies (where applicable)
 - (9) Originating department/agency and designated representative
 - (10) Final Contract expiration or close out date.
 - K. Ensure that proper documentation is maintained on all applicable Contracts for review by authorized parties.
 - L. Coordinate with participating departments/agencies to establish standardized Contracting documentation where possible.
 - M. Participate in negotiations and meetings concerning Contracting procedures and policies where applicable.
4. Risk Management:
- The Risk Manager's responsibilities for Contract Administration shall include, but not be limited to the following:
- A. Determine the adequate levels and types of insurance coverage to be provided for the County's protection for each Contract.
 - B. Assure that the proper indemnification provisions are included in the Contract provisions.

- C. Ensure, if applicable, that risk exposure lies with non-county parties.
- D. Determine if "loss preventable" exposures are being created.

5. County Administrator:

The County Administrator's responsibilities for Contract Administration shall include, but not be limited to the following:

- A. Initiation of Contracts where applicable.
- B. Act as the final approval authority for all Contract matters prior to submission to the Board of County Commissioners.

6. County Attorney:

The office of the County Attorney shall participate in all Contractual obligations involving the Board of County Commissioners. All Contracts which require approval by the Board of County Commissioners shall be reviewed and approved by the County Attorney or his/her designee.

The County Attorney's office responsibilities for Contract Administration shall include, but shall not be limited to, the following:

- A. Review of all Contracts to ensure their legal sufficiency with respect to form and compliance with applicable law.
- B. Participate in Contract negotiations when requested.
- C. Provide comments regarding the clarification and/or ramifications of certain Contractual situations.
- D. Review and approve all standardized Contract instruments, including the form thereof, and the terms and conditions therein as to legal sufficiency and applicable law.

7. Finance Department - Clerk of the Circuit Court:

The Finance Officer of the Clerk of Circuit Court shall have the following responsibilities:

- A. Review the terms and conditions of Contracts to assure, to the extent possible, that:
 - (1) It is not an open-ended obligation.
 - (2) That provisions and payments do not violate constitutional or statutory requirements imposed on County government.
 - (3) Payment verification, which involves a review of the system of management authorizations, encumbrances of obligations, verification of mathematical accuracy, appropriate Board approvals and the subsequent payment and recording in financial records.
 - (4) The Finance Department's role and responsibilities may include the coordination of alternative means of financing which would have a positive effect on cash flows. This

includes recommendations for outright purchase and related financing arrangements or lease/purchase/buy-out options.

VII. CONTRACT PROCEDURES:

The procedures listed below outline the appropriate sequential steps to be followed in the Contracting process within Hernando County. Procedures include the areas of initiation, Bidding/Contract formation, approvals, execution, distribution, administration, and monitoring of the Contract types previously listed.

Department Directors shall ensure compliance with these standards is maintained in their respective areas of responsibility.

1. Inter-Governmental Contracts:

A. Grant Applications (Department Instructions)

Please refer to Purchasing & Contracts Policy Procedure No. 180 - Grant Related Procurements, Paragraph No. 10, Sub-Paragraph A. and Policy Procedure No. 160 Surplus Property (current edition).

Grant Applications may create a contractual obligation upon the County. Therefore, the following criteria are necessary for implementation along with County Policy No. 15-01 Guidelines for Grant Activities.

Please refer to Purchasing & Contracts Policy Procedure No. 180 - Grant Related Procurements, Paragraph No. 10, Sub-Paragraph A. and Policy Procedure No. 160 Surplus Property (current edition).

B. Grant Close-Out (Department Instructions)

Please refer to Purchasing & Contracts Policy Procedure No. 180 - Grant Related Procurements, Paragraph No. 10, Sub-Paragraph B. and Policy Procedure No. 160 Surplus Property (current edition).

C. Inter-Local and Inter-Local Maintenance Agreements

- (1) Maintenance Agreements requiring issuance of a Purchase Order will be processed through the Purchasing & Contracts Department for coordination and review with the County Attorney Office and for issuance of a Purchase Order, subsequent to approval by the authorized Department Director.

Distribution and request for payments against these type agreements will also be processed through the Purchasing & Contracts Department.

The issuing agency will be responsible for processing instruments, obtaining approvals and administering the contract.

Maintenance Agreements will not be included in the contract file.

- (2) Interlocal Agreements will be processed through the Budget Office for coordination and review with the County Attorney's Office.

The issuing agency will be responsible for obtaining Board approval and administering the agreement.

Inter-local agreements will be maintained in the issuing agency Contract File.

2. Monetary Contracts:

Contracts involving the acquisition of funding should be coordinated through the County Administrator, Budget Office, County Attorney and Finance Officer for review and approval procedures.

3. Procurement Contracts:

Contracts involving the purchase of Goods, Non-Professional Services & Maintenance Contracts

- A. User Agency identifies requirement for procurement and submits a Purchase Requisition form complete with specifications, if available, and funding verification to the Purchasing & Contracts Department for processing.
- B. Purchasing & Contracts proceeds to develop the terms, conditions, and specifications as appropriate for the procurement. Prior to advertising for bids/proposals, Purchasing & Contracts shall forward the complete package to the County Attorney and to other appropriate individuals for review and approval as appropriate.
- C. Purchasing & Contracts advertises and solicits bids/proposals as applicable to the requirements and in accordance with approved policies and standards.
- D. Purchasing & Contracts will open bids/proposals, tabulate responses and coordinate with the necessary agencies to establish a low responsive bidder meeting the specifications of the bid/request for proposal. Purchasing and Contracts will send a technical evaluation form to be completed by the requesting department to complete the evaluation of the **low responsive and responsible bidder**.
- E. Requesting Department will check the references provided in the bid/proposal.
- F. Purchasing & Contracts shall submit the recommendation for an award of Contract for the procurement to the Board of County Commissioners through the County Administrator's agenda.
- G. Upon approval by the Board, Purchasing & Contracts shall prepare the Contract and have the document executed by the appropriate County official authorized to sign the Agreement.
- H. Purchasing & Contracts shall encumber the funds for the procurement using the funding source approved by Budget Office and Department Director.
- I. Distribution of the completed contract shall be as follows:
 - (1) Original to Purchasing and Contracts file
 - (2) Original to Clerk of the Court
 - (3) Copy to user agency(s)
 - (4) Copy to Vendor/Contractor
 - (5) Copy to appropriate financial agency

J. Contract Changes (See Procedure 080 Change Orders):

Any modification to a Contract approved by the Board of County Commissioners which may result in a material change to the Contract affecting the cost, time of performance and/or change in the tangible nature of any specification relating to the work to be performed by the Contractor, may be submitted to and approved by the Board of County Commissioners in the form of a change order or Contract amendment prior to the implementation of modification.

K. It is the responsibility of the using agency(s) to take the necessary steps to ensure implementation of the Contracts with which they are involved. These Contracts should be monitored to ensure proper performance of the terms and conditions contained therein. Any need for corrective measures to ensure proper performance should be forwarded to the Chief Procurement Officer for appropriate action.

L. Contract Renewals/Closeout:

(1) Contract Renewals:

The Purchasing & Contracts Department shall:

- (a) Monitor all term contracts for renewal period dates.
- (b) Contact using agency(s) prior to contract renewal date and verify agency(s) desire to renew the contract with the present contractor.
- (c) Request a completed Vendor Performance Evaluation Form (13a, 13b or 13c) from the using Department at each contract renewal or closeout.
- (d) Contact contractor regarding option for contract renewal.
- (e) Review response received and coordinates with appropriate agency(s) for approval of renewal offer.
- (f) Obtain approval for renewal as necessary.
- (g) Process renewal approval option or rejection of renewal option as appropriate.
- (h) Make changes to contract as required and notate same in Contract File.
- (i) Distribute notifications of actions taken to all parties receiving the original contract.

(2) Contract Close-Out:

- (a) The using agency has the responsibility of certifying and documenting as appropriate, performance by the Contractor pursuant to Contract terms as a basis for partial and/or final payment.
- (b) Upon delivery of the goods or services procured, the using agency shall verify acceptance thereof, by forwarding the receiving report for the procurement to the Purchasing & Contracts Department.

(c) Purchasing and Contracts shall notate same to the Contract File and shall close the Contract file.

4. Professional and Consultant Services:

- A. Contract Procedures for the procurement of Professional Services shall be in accordance with F.S. Chapter 287.055 (Current Edition) known as the "Consultants Competitive Negotiations Act" (CCNA).
- B. All procurements for Professional Services shall be procured in accordance with Procedure No. 120, latest revision, of the Purchasing & Contracts Manual.
- C. All procurements for Non-Professional Consulting Services shall be procured in accordance with Procedure No. 125 of the Purchasing & Contracts Manual.

5. Construction:

- A. The Department Director or County Engineer, will present the proposed construction project and technical specifications to the Purchasing & Contracts Department with a notation as to whether or not to waive the performance and payment bond requirements for projects under \$100,000.00.
- B. Technical specifications shall be prepared before submitting project to Purchasing & Contracts for solicitation of bids.
- C. The standard County terms and conditions (boiler plate), with changes as required, shall be utilized for all construction projects, including those prepared by consulting engineers and architects, unless otherwise approved by the County Attorney and the County Administrator.
- D. Departments or the professional preparing the specifications, shall submit the project manual to Purchasing & Contracts for appropriate review and approval prior to duplication. Purchasing & Contracts shall review the manual, make appropriate inserts and changes, and forward the project manual to County Attorney for review and approval. Upon receipt of the approved project manual from County Attorney, Purchasing and Contracts will prepare the final bid documents Construction packages shall include the following minimum information:

Statement of Intent	Specifications
Drawings and Schedules	Insurance and Indemnity
Warranties	Responsibilities
Permits	Licenses
Sub-Contractors	Inspections
Bonds-Bid, Performance Payment	

- E. All construction specification documents and contracts for construction shall include the following wording:
"Hernando County reserves the privilege of auditing a vendor's records, by a representative of the County, as such records relate to purchases between Hernando County and said vendor. Such records include, but are not limited to: all books, records and memoranda of every description, pertaining to work under contract. Hernando County further reserves the right to reproduce any of the aforementioned documents pertaining to the work under contract."

- F. Departments shall prepare and submit to Purchasing & Contracts, a Purchase Requisition for the project, citing the funding source and justification for purchase.
- G. Purchasing & Contracts shall prepare and submit for publication, the required legal advertisement.
- H. Purchasing & Contracts shall notify all contractors listed under the appropriate commodity concerning this bid through the Florida Purchasing Group (www.floridabidsystem.com) and may also email bids and RFP's to vendors when necessary but they must register on Florida Bid System.
- I. At the stated date and time in the bid documents, Purchasing & Contracts shall open and publicly read the names and total amount of each section and total base bid (Florida Statute 119-071 (Current Edition). Sealed bids, proposals, or replies received by an agency pursuant to a competitive solicitation are exempt from s. 119.07(1) (Current Edition) and s. 24(a) (Current Edition), Art. I of the State Constitution until such time as the agency provides notice of an intended decision or until thirty (30) days after opening the bids, proposals, or final replies, whichever is earlier.
- J. Purchasing & Contracts shall distribute copies of the bid forms to the evaluating agency, either to the department or the professional, or both as necessary. Purchasing & Contracts shall also prepare a bid tabulation based on the base bid of each bidder.
- K. The evaluating department/agency shall review each bid for compliance with the specifications to determine if the low responsive bid submitted is acceptable. If necessary, bids may be submitted to the County Attorney's Office for legal opinions.
- L. After review and evaluation of the bids received, the requesting Department shall submit their recommendation for award, with supporting data if necessary, to Purchasing & Contracts for placement before the Board for approval of Contract award.
- M. Upon approval of award by the Board, the Purchasing & Contracts Department shall prepare the construction Contract utilizing the County's standard construction Contract format, unless otherwise approved by the County Attorney and the County Administrator, and forward same with a Notice of Award to the Contractor for review and execution.
- N. Upon receipt of the properly executed Contract documents and the necessary bonding and insurance required by the Contract, the agreement shall be executed by the Chairman of the Board of County Commissioners or other party so designated by the Board of County Commissioners.
- O. Purchasing & Contracts shall return the requisition for correction to match the recommended awarded bid amount and re-submit the requisition for approvals to encumber the funds for the project using the funding source provided by the requesting department.
- P. The requesting Department shall forward to Purchasing and Contracts the effective date applicable to the Official Notice to Proceed along with all documentation required for issuance of same. Upon receipt of all required Contract documentation (this includes material submittals, permit submittals, and an approved progress schedule by the department), said notice to proceed shall be provided to the Contractor by Purchasing and Contracts at a Pre-Construction conference with the awarded Contractor and applicable departments or

- agencies. If all required Contract documentation has not been submitted and approved the Notice to Proceed shall not be issued at the Pre-Construction meeting.
- Q. Copies of the Contract documentation (Contract, notices, etc.), shall be distributed to the parties relative to the project.
 - R. The Purchasing & Contracts Department shall log the Contract information into the Contract File.
 - S. Construction Changes, when changes occur with a construction project a Contract modification must be issued. The first decision that must be made is it within the scope of the Contract or not. Some change in Contract scope may include but not limited to the following; 1) increase in quantities, 2) increase in deliverable services, 3) increase in number hours worked, 4) extended period of performance, increase in specifications (form, fit, function). A construction change order shall be submitted in the Admin/systems Lions for approval by the Chief Procurement Officer. Purchasing Policy and Procedure 080 outlines the change order process who and when approval is required.
 - T. Upon approval by the Board or Chief Procurement Officer if applicable, the Purchasing & Contracts Department shall have the Change Order(s) executed and distributed to the appropriate parties involved and shall notate the Contract file with the appropriate changes.
 - U. After approval by the Engineer or designee and the using department, progress payment requests shall be submitted to Financial Services for payment.
 - V. Liquidated Damages: For construction projects, if the work is not completed within the time specified in the Notice to Proceed and any subsequent change orders by the substantial completion date and/or final completion date then the work is considered to be late. Liquidated damages will be assessed in accordance with the Contract. The Chief Procurement Officer must be notified prior to the exceeded due date of completion that Liquidated Damages will be assessed. The Chief Procurement Officer will issue a letter notifying the Contractor that liquidated damages will be assessed each calendar day until the work is completed and accepted by the County Representative for substantial or final completion date whichever one applies.
 - W. Contract Closeout:
 - (1) Pre-Final and Final Inspections:
 - (a) Upon completion of the work, Contractor shall submit written certification that the Contract Documents have been reviewed, the work has been inspected by the Contractor, and that the work is substantially complete in accordance with the Contract Documents and ready for Engineer's inspection.
 - (b) At this time the representatives of the Contractor, Engineer and Owner shall make a pre-final/substantial completion inspection with reasonable promptness. If the work is incomplete or defective, Engineer or designee shall notify the Contractor in writing to remedy these deficiencies by issuance of a pre-final punch list (Certificate of Substantial Completion form).
 - (c) Upon written notification from the Contractor of substantial completion of the pre-final punch list items, the Engineer or designee will coordinate the re-inspection of the work by conducting a final inspection. Representatives of the Contractor, Engineer, and Owner shall be present for the final inspection.

- (d) Contractor shall submit the final signed and sealed As-Built drawings ten (10) calendar days prior to the date of final inspection and provide all other submittals to the Engineer or designee that are required.
- (2) Project Record Documents:
The Contractor shall maintain on site, one set of the following record documents; recording actual revisions to the work commensurate with the construction progress:
 - Contract Drawings
 - Specifications
 - Addenda
 - Change Orders and modifications to the Contract
 - Reviewed (and approved) shop drawings & product data
 - Permits
- (3) Closeout Submittals:
When the Engineer or designee has determined that the work is acceptable under the Contract Documents and the Contract fully performed, the Contractor shall prepare and submit his final Application for payment to the Engineer/Owner with the following;
 - (a) Contractor's Lien Waiver in the full amount of the Contract Sum.
 - (b) Lien Waivers from all subcontractors and material suppliers who have furnished for the work under the contract with the Contractor or subcontractor. The lien waivers shall be in the full amount of the Contract involved.
 - (c) Consent of Surety to final payment
 - (d) Vendor Performance Evaluation Form (13A, 13B, OR 13C)
 - (e) Evidence of compliance with requirements of any governing authorities.
 - (f) Certificates of inspection from all required agencies and departments, as needed.
 - (g) Warranties and Maintenance Bond.
 - (h) Confirmation from Florida Department of Environmental Protection (FDEP) if required.
 - (i) Any outstanding documentation and/or reports necessary to insure compliance with Florida Department of Transportation (FDOT) requirements. (if applicable)
 - (j) As-Built documents prepared in accordance with the Contract Documents and signed and sealed by a Professional Surveyor and Mapper, registered in the State of Florida and all other requirements as set forth in the Contract Documents.
- (4) The Department Director/Engineer shall submit the request for Final Payment Checklist/Certificate of Completion to Purchasing and Contracts for submission to the Board for approval(Final Payment Checklist Form).

NOTE: Before submittal of the Request for Final Payment to the Board, the Department Director should check with the Purchasing and Contracts Department to ensure that no Notice of Liens or Claims have been filed against the Project.

- (5) A Waiver (Release of Liens) from subcontractor(s) or supplier(s) is required to be submitted:
 - (a) With all final payments where payment and performance bonds have been required;
 - (b) When a Notice of Owner has been filed and it has been verified that the subcontractor or supplier has not been paid from the last progress payment;
 - (c) A Release of Lien may be required at the discretion of the Chief Procurement Officer when no payment or performance bond(s) were required for Contracts of \$100,000 or less.

- (d) At the discretion of the Chief Procurement Officer when it is deemed appropriate to require releases of liens on all pay requests.
 - (e) F.S. 255.05(11) (Current Edition) Bonds-When a contractor furnishes and records a payment and performance bond for a public works project in accordance with F.S. 255.05 (Current Edition) and provides the public authority with a written consent from the surety regarding the project or payment in question, the public authority may not condition its payment to the Contractor on the production of a release, wavier, or like documentation from a claimant demonstrating that the claimant does not have an outstanding claim against the contractor, the surety, the payment bond, or the public authority for payments due on labor, services, or materials furnished on the public works project. The surety may, in writing served on the public authority, revoke its consent or direct that the public authority withholds a specified amount from a payment, which shall be effective upon receipt. This subsection applies to contracts entered into on or after October 1, 2012.
- (6) The Purchasing & Contracts Department shall notate the Contract File of completion date and shall hold the performance and payment bonds for the period specified in the Contract documents. The original performance and payment bonds will be recorded in the Clerk of the Circuit Courts office and held in the original Contract file in Purchasing and Contracts

6. Consulting Services, Professional Services (Technical) or Miscellaneous Services:

- A. Contracts for Consultant Services, Technical Professional Services or Miscellaneous services (i.e., jail operation, medical examiner, etc.), will be handled through the County Administrator, County Attorney, Budget Officer and/or the Purchasing & Contracts Department.
- B. Purchasing & Contracts, upon request by the County Administrator, user Department, or designated official, will assist in the preparation of contract documents or Request for Proposals.
- C. All Contracts of this type shall include the following wording:

"Hernando County reserves the privilege of auditing a vendor's records, by a representative of the County, as such records relate to purchases between Hernando County and said vendor."

Such records include, but are not limited to: all books, records and memoranda of every description, pertaining to work under Contract.

Hernando County further reserves the right to reproduce any of the aforementioned documents pertaining to the work under Contract."

- D. Upon approval of the Board of County Commissioners a copy of the Contract shall be provided to Purchasing and Contracts for inclusion in the Contract file.

7. Insurance:

Contracts for insurance shall be negotiated and administered as per the policies and procedures of the

County Administrator and Board of County Commissioners. Refer inquiries concerning insurance to the Insurance Coordinator.

8. Real Property:

Procurement of Real Property shall be made in accordance with the Hernando County Property Management Ordinance No. 2001-12, as adopted by the Board of County Commissioners.

NOTE: Please contact the County Attorney's Office for guidelines concerning procurement of Real Property.

9. Sale of Surplus Property:

The sale of surplus property shall be carried out in accordance with the Purchasing & Contracts Department Policies & Procedures Manual Procedure No. 160, or latest revision, and the Board of County Commissioners Official Policy No. 18-1.

10. Leases and Lease Purchases:

A. Real Property (Land & Buildings)

- (1) Refer to the guidelines for procurement of Real Property.
- (2) Upon request, a Purchase Order will be issued by Purchasing and Contracts for payment of monthly lease amounts.

B. Personal Property

- (1) User agency identifies requirement for procurement and submits a Purchase Requisition form complete with requested specifications, if available, to the Purchasing & Contracts Department for processing.
- (2) Purchasing & Contracts forwards request to the County Attorney, Finance Office and Budget Office for review and approval of Lease/Lease Purchase arrangement and agreement.
- (3) County Attorney, Budget and Finance Office, forwards request to Purchasing & Contracts for appropriate action after review.
- (4) Purchasing & Contracts develop terms, conditions and specifications as appropriate for the procurement.
- (5) Purchasing & Contracts shall advertise and solicit bids/proposals as applicable to the requirements and in accordance with approved policies and standards.
- (6) Purchasing & Contracts will open bids/proposals, tabulate responses and coordinate with the necessary agencies to establish a low responsive bidder meeting the specifications of the bid/request for proposal.
- (7) Purchasing & Contracts shall submit the recommendation for an award of Contract for the procurement to the Board of County Commissioners through the County Administrator's agenda.

- (8) Upon approval by the Board, Purchasing & Contracts shall prepare the contract and have the document executed by the appropriate County official authorized to sign the Agreement.
- (9) Purchasing & Contracts shall encumber the funds for the procurement using the funding source approved by the Budget Office.
- (10) Distribution of the completed Contract shall be as follows:
 - (a) Original to Purchasing and Contracts file
 - (b) Original to Clerk of the Court
 - (c) Copy to user agency
 - (d) Copy to Vendor
 - (e) Copy to appropriate financial agency
- (11) The Purchasing & Contracts Department shall log contract information into the Contract File.
- (12) Contract Changes to Leases/Lease Purchase
 - (a) All requests for changes to Contracts shall be submitted to the Purchasing & Contracts Department for processing, utilizing the Hernando County Contract Change Order Form.
 - (b) The Chief Procurement Officer shall submit all applicable requests for Contract changes to the Board for approval through the County Administrator's agenda.
 - (c) Upon approval by the Board, the County Administrator's office will have the appropriate County official execute the Change Order and shall distribute as follows:
 - (i) One original to Purchasing and Contracts file
 - (ii) One original to Clerk of the Court
 - (iii) Copy to Vendor
 - (iv) Copy to User Agency
 - (v) Copy to appropriate financial agency
 - (d) The Purchasing & Contracts Department shall note the changes in the Contract File.
- (13) It is the responsibility of the using department/agency(s) to take the necessary steps to ensure implementation of the Contracts with which they are involved. These Contracts should be monitored to ensure proper performance of the terms and conditions contained therein. Any need for corrective measures should be forwarded to the Chief Procurement Officer for appropriate action.
- (14) Lease Contract Renewals/Closeout:
 - (a) Contract Renewals - The Contract Administrator shall, but not be limited to:
 - (i) Monitor all term Contracts for renewal period dates.

- (ii) Contact using agency(s) prior to Contract renewal date and verify agency(s) desire to renew the Contract with the present Contractor.
- (iii) Contact Contractor and solicit terms and conditions for Contract renewal.
- (iv) Review response received and coordinates with appropriate agency(s) for approval of renewal offer.
- (v) Obtain approval for renewal as necessary.
- (vi) Obtain execution of renewal option or rejection of option as appropriate.
- (vii) Make changes to Contract as required and notate same in Contract File.
- (viii) Distribute notifications of actions taken to all parties receiving the original Contract.

(b) Contract Close-Out:

- (i) The using department/agency(s) have the responsibility of certifying and documenting as appropriate, performance by the contractor pursuant to contract terms as a basis for partial and/or final payment.
- (ii) Upon delivery of the goods or services procured, the using agency(s) shall verify acceptance thereof, by forwarding a receiving report for the procurement to their appropriate financial department.

Using agency shall forward a copy of above receiving report to Purchasing & Contracts Department as notification of receipt of the procurement.

- (iii) The Purchasing & Contracts Department shall notate same to the Contract File and shall close the Contract file.
- (iv) Vendor Performance Review/Evaluation Form should be completed for each supplies/service provided to Hernando County. There are three forms that may be completed.

1. VENDOR PERFORMANCE REVIEW/EVALUATION FORM FOR SUPPLIES/SERVICES. (Form No. 13A)
2. VENDOR PERFORMANCE EVALUATION-Construction Projects (Form No. 13B)
3. VENDOR PERFORMANCE EVALUATION A/E (Architectural/Engineering) Services for Design Phase and/or Construction Phase (Form No. 13C)

11. Settlements, Claims & Litigations:

Contracts concerning the above shall be administered through the Chief Procurement Officer, County Administrator, and County Attorney.

A. The Disputes Process:

- 1. The County's policy is to try to resolve any and all Contractual issues by mutual agreement at the Chief Procurement Officer's level. This**

requires the use of fact-finding, research, and good negotiations strategies to resolve the disagreement. If the Chief Procurement Officer fails to get a mutual agreement at that level, the Contractor may seek resolution through the Contracts disputes process.

2. A dispute occurs when a controversy develops about the interpretation of payment, time, or money due either party involved in a Contract. A dispute unresolved, may lead to a claim.
3. A claim is a written demand or assertion by either the County or the Contractor seeking as a matter of right, the payment of money, the adjustment or interpretation of Contract terms, or other relief arising under, or relating to the Contract.
4. A claim must be in writing and must contain sufficient detail to permit the Chief Procurement Officer to give meaningful reasonable consideration to the claim. The sufficiency of the case will be determined on a case by case basis.
5. The Chief Procurement Officer will make every reasonable effort to resolve disagreements or requests for equitable adjustment (Change Orders) before they become claims. For Example:
 - a. With other members of the County's acquisition team (e.g., County Engineer, Project Manager, designated owner representative, Engineer, or inspector), review the Contractor's proposal/request as a team.
 - b. Collect other available information related to the proposal/request.
 - c. Develop a County's position for negotiations or other method of resolution.
 - d. Resolve the disagreement.
 - e. Document the agreement in a bilateral Contract modification and
 - f. Document the resolution process in the Contracts file using a price negotiation memorandum or similar document.
6. The requesting department of this project performing the Contract administration of this project shall immediately notify the Chief Procurement Officer of any possible disputes, change orders or possible claims.

B. Contractor Complaints and Disputes: The Chief Procurement Officer may determine that a meeting should be held to resolve the problem(s). The Chief Procurement Officer shall notify the User Department/Division of said meeting and ensure that all parties of the User Department/Division are invited to attend the meeting. All reports shall be maintained with the Contract file to be utilized in the Dispute Process if not resolved.

Bids and Quotations Processing & Evaluation

I. PURPOSE;

To define procedures to be used by Purchasing Agents/Buyers in the processing and evaluation of procurements requiring the solicitation of quotations, informal bids or advertised sealed bids, including but not limited to, Invitation for Bids, Request for Proposals, Request for Qualifications, Invitation to Negotiate, or any other form of competitive bidding as may be authorized by the Board of County Commissioners.

II. SCOPE:

This procedure applies to all purchases when bids or quotations are required. Florida's competitive procurement process is aimed at the protection of the public against collusive contracts, fraud, bias, and favoritism. It is designed to secure fair competition on equal terms to all bidders, to secure the best values at the lowest possible expense, to provide an opportunity for an exact comparison of bids, and to assure that the most responsive bid is accepted. To ensure that the competitive process conforms to applicable Federal law, all Federal Transit Administration (FTA) funded procurements shall include, all FTA required third party contract clauses, the development of independent cost estimates prior to receipt of bids or proposals, and performance of a cost or price analysis for every procurement action.

III. GENERAL:

1. Competitive bidding is employed to ensure responsive, reasonable and firm proposals to County requirements. Generally three or more qualified suppliers are to be solicited for bids/quotes when a requirement is generated. Exceptions are made only in unique situations where such a bidding process would result in no apparent benefit to the County; this may require a Sole/Single Source form or an Emergency form.
2. Quotes and bidding will be administered by the Purchasing and Contracts Department based on information submitted by the requesting agency.
3. Quotations are solicited only after a decision has been made to procure items. However, upon request of a using department, solicitation of quotations will be allowed prior to the decision to procure the requirement when it is determined that such action best suits the County's interests.
4. Requests for quotations will not be solicited from a prospective supplier unless it is intended that an order shall be placed with the supplier if that supplier is determined to be responsive and responsible.
5. Where the solicitation of quotations is in connection with new ventures, future requirements, or in any other circumstance where a firm requirement does not exist, the Purchasing Agent/Buyer shall make clear to prospective suppliers the intent of the request.
6. To the reasonable extent possible, investigations or informal surveys will be made prior to solicitation of quotations to determine if prospective suppliers have the required resources and satisfactory performance experience to fulfill the County's needs, and are in compliance with Federal, State and Local laws.
7. Where, for any reason, a supplier is given an opportunity to re-bid on a solicitation, all competing suppliers must also be given an equal opportunity to re-bid the requirement. Those conditions in

which it is in the County's best interest to allow re-bidding include, but are not limited to, changes in requirements or changes in specifications.

8. It is imperative that the suppliers know that:
 - A. Pre-contract discussions and agreements are preliminary and shall only be done with Purchasing and Contracts staff (no communication with Departments is permitted);
 - B. Any agreements reached are tentative;
 - C. The County assumes no contract obligations to the supplier until a formal purchase order or letter of agreement/contract is executed, or authorization to proceed is given by an approved representative of the County.
 - D. The County is not under any obligation to procure the items for which the negotiations are conducted, and any cost incurred by suppliers prior to the placing of an order is at the suppliers' expense unless otherwise agreed to in advance by the Purchasing Agent/Buyer and the supplier(s).
9. If two or more fully responsive, responsible bids are received for the same total amount or unit price, with quality and service being equal, the County reserves the right to award the contract to the Bidder whose place of business is located within the boundaries of Hernando County, Florida. Should tie bids, as described above, be received from either two or more Hernando County Bidders or from two or more non-local bidders when no Hernando County bidder has submitted a tie bid, then the award shall be made to one vendor by drawing lots in which two or more witnesses are present and the results are documented on the bid tabulation sheet.

IV. BIDDING PROCEDURES:

1. Informal Bids & Quotations -

This procedure outlines the process of securing verbal or written quotations prior to the selection of the source for all procurement actions with a dollar value not exceeding the ABR.

- A. Requesting department/agency should use the request for Quote Form (Form 11 Quote Form) when obtaining quotes.
- B. After receiving the quotes, the department should document the results from all the quotes on Purchasing Form #1- Vendor Quote Sheet and submit with the requisition.
- C. Requesting agency prepares a Purchase Requisition detailing the required specifications of the item needed. Requisition is forwarded to Purchasing and Contracts with agency's suggested vendors and departmental acquired quotations, if any.
- D. Construction requirements with detailed specifications estimated to be over \$10,000 shall be sent to Purchasing and Contracts to issue a formal quote.
- E. The Purchasing Agent/Buyer assigned the procurement will:
 - (1) Research the requirement to ensure that a minimum of three (3) written quotations/bids were submitted with the requisition; or, prepare an informal solicitation to obtain three (3) written quotations/bids as required by Hernando County Purchasing and Contracts Policies and Procedures; or prepare a small purchase memorandum for the purchase

order file detailing the justification(s) for waiving the requirements for three (3) written quotations or it may require a Sole/Single Source form; or an Emergency form.

- (2) The Purchasing Agent/Buyer will review the informal bids received and select the best and lowest proposal for tentative contract award and if the requesting agency has so requested, the Agent/Buyer will confirm purchase with agency prior to approval of the purchase order; and forward the purchase order to the vendor.

2. Formal Bidding Procedures -

This procedure outlines the process of securing formal written bids for all procurement actions with a dollar value exceeding the ABR. Approved formal bidding methods shall include Invitation for Bids, Request for Proposals, Request for Qualifications, Invitation to Negotiate and/or any other generally recognized method of competitive solicitation which may be appropriate to procure the required goods or services that is approved by the Board of County Commissioners.

- A. Requesting agency prepares Purchase Requisition, project specifications (word document) and drawings (PDF or CAD) and forwards same to Purchasing and Contracts for processing.
- B. Purchasing and Contracts prepares a draft of formal bid documents, procurement plan with estimated dates for the requirement and forwards the solicitation to requesting department for approval.
- C. Upon receipt of approved solicitation draft and procurement plan, Purchasing and Contracts finalizes bid documents and forwards same to the Chief Procurement Officer and the County Attorney's Office for approval as to form and legal sufficiency.
- D. Upon receipt of the approved solicitation from the County Attorney's Office, Purchasing and Contracts shall take the necessary actions to advertise the bid in accordance with County statutes, distribute the bid solicitation (Florida Online Bid System (www.floridabidsystem.com)) to appropriate bidders and issue addendum to solicitations if necessary.
- E. At the time designated for opening of sealed bids, Purchasing and Contracts will publicly open and read the names of bidder's section prices, and total base bid price submitted by the bidders who submitted bids.
- F. Bids/Proposals received after the designated time shall be time and date stamped in and declared as a late bid, the bid shall be returned unopened to the sender with an official letter to the sender that their bid/proposal is being returned as a late bid.
- G. Purchasing and Contracts will furnish copies of all bids received, Bid Tabulation, and Technical Evaluation Checklist and Reference Check forms to those parties essential to the evaluation and award of the proposed contract.
- H. Upon receipt of the requesting agency's Recommendation of Award memo, Reference Check forms and Technical Evaluation checklist, the Purchasing and Contracts will review same for conformance to proper award provisions of the bid and prepare an agenda item for placement before the Board of County Commissioners for contract award. Purchasing and Contracts will coordinate with the Grants Compliance Specialist on any requirements which have Grant funding after the requesting agency has completed their evaluation.

- I. After approval by the Board, Purchasing and Contracts will prepare the contract agreement and/or formal purchase order for execution by the appropriate authority.
- J. Upon receipt of executed agreement from the Board, Purchasing and Contracts will ensure that all required agreements, bonds, insurance, permits or other documentation have been received from vendor. At that time, Purchasing and Contracts will distribute the executed agreement and/or purchase order to vendor and forward all original copies of the bid documents to the Clerk of the Circuit Court.

V. EVALUATION OF BIDS:

Once bids or quotations have been received they must be evaluated to determine which vendor will be awarded the contract or Purchase Order. No set formula can be devised that can be applied to the evaluation and award of all procurements. For the reason, the act of selecting the bid which best suits the needs of the County is not always simply a matter of quantitative selection but one that may require individual judgment and practical experience. The following criteria shall be utilized when evaluating bid offers prior to committing the County to final award of a contract or order.

1. Contract award evaluation criteria shall be specifically identified and listed in all formal bid solicitations for the procurement of equipment, supplies and services.
2. Contract/purchase orders will be awarded to the lowest responsive and responsible bidder. In determining the lowest responsive and responsible bidder, the following factors will be considered in addition to the price bid; and any bid may be rejected for cause if not responsive to any of the following:
 - A. The conformity of the bid offer to the specifications and bid documents.
 - B. The sufficiency of the financial resources and the ability, capacity and skill of the bidder to perform the contract or provide the service required.
 - C. The ability of the bidder to perform in accordance with the terms and conditions of the contract and provide the service promptly or within the time frame specified, without delay or interference.
 - D. The character, integrity, reputation, judgment, experience and efficiency of the bidder.
 - E. The previous and existing compliance of the bidder with laws and ordinances relating to the contract or service.
 - F. The quality of performance on previous contracts or orders.
 - G. The quality, availability, and adaptability of supplies, or services to the particular operational needs of the requirement and/or using agency.
 - H. The ability of the bidder to provide parts, future maintenance and service for subject procurement.
3. Rejecting Bids/Proposals:

The Chief Procurement Officer, after consultation with the affected Department Head, County Administrator and/or the County Attorney, shall have the authority to reject any and all bids.

4. Negotiation:

If no compliant bid is received, the Chief Procurement officer may re-bid, or the Board may authorize the Chief Procurement Officer and/or County Administrator to purchase the requirement by negotiation and the award shall be in accordance with this Section 140 as amended.

VI. COOPERATIVE PURCHASING and PIGGYBACK: Cooperative purchasing is working together with other government entities in joint purchasing ventures or utilizing competitive contracts.

1. Cooperative -The Chief Procurement Officer shall have the authority to purchase from and join with other units of governments in cooperative purchasing ventures when the best interest of the County would be served thereby. It is standard policy of Purchasing to cooperate with other government agencies in the purchase of goods and services required by the County. The most common form of cooperative purchasing is purchasing from contracts issued by the State of Florida, General Services Administration (GSA), and other government pricing for specific commodities and services.
2. Piggyback -When any other government agency has competitively bid and awarded any contract for any product or service, Hernando County may purchase that product or service from the awarded vendor at the awarded price if the original bid specifications and award allow it. Where the public purchasing unit administering a cooperative purchase complies with the requirements of this policy, the County, when participating in such a purchase, shall be deemed to have complied with the provisions of this policy.
3. Purchasing and Contracts Department may bid and award the purchase of any product or service with the stipulation that any other government agency may also purchase the awarded product or service at the same awarded price.
4. It may prove advantageous for the County and other government agencies to explore the possibility of combining their respective requirements for certain commodities and issuing a joint cooperative bid/RFP.
5. When departments are requesting to Piggyback a contract they shall use the Purchasing Form 14, Piggyback Approval form to request the approval from Purchasing and Contracts.
6. A BOCC Agenda item will need to be prepared by Purchasing and Contracts if the estimated cost for the Piggyback is going to exceed the ABR.

VII. BID PROTEST/CHALLENGE:

Any bid award recommendation may be challenged on the grounds of material irregularities in the bid procedure, or material irregularities in the evaluation of the bid. Such notice of intent of bid challenge shall be made in writing and delivered to the Chief Procurement Officer within 72 hours after posting of the intended recommendation of award or notice of award in the Administration/Purchasing Office (72 hours excludes Saturdays, Sundays, and County holidays). **Any bidder who protests the bid specifications or Award or Intent to Award, must file with the County a notice of protest and formal written protest in compliance with Chapter 28-110, Florida Administrative Code, and applicable provisions in Section 120.57, F.S. (2011). Failure to timely file such documents will constitute a waiver of proceedings under Chapter 120, F.S. (2011).** A formal written protest shall be filed within ten (10) working days in the Purchasing and Contracts Office after the date on which the notice of protest has been submitted. Failure to file a timely notice of protest or failure to file a timely formal written protest shall constitute a waiver of bid challenge

proceedings. Bidders who do not submit a legitimate bid do not have standing to file a protest. Furthermore, bidders who would not be awarded the subject contract even if the protest were successful lack standing.

1. The notice of protest shall contain at a minimum: the name of the bidder, the bidder's address, fax number and phone number, the name of the bidder's representative to whom notices may be sent, the name and bid number of the solicitation, and a brief factual summary of the basis of the intended challenge.
2. The formal written protest shall: identify the protester and the solicitation involved, include a clear statement of the grounds on which the protest is based, refer to the statutes, laws, ordinances, or other legal authorities which the protester deems applicable to such grounds, and specifically request the relief to which the protester deems itself entitled by application of such authorities to such grounds. The protester shall mail a copy of the notice of protest and the formal written protest to the apparent best bidder. The County Administrator shall, within ten (10) working days of receipt of the formal written protest, cause the protest to be investigated. In the event the protest is not resolved, the Board shall, within a reasonable time, be presented with the written protest and the County Administrator's decision to the protest prior to award of the bid. The procurement, which is the subject of the protest, shall not proceed until a final decision has been made, unless the Board makes a determination that the contract must proceed without delay to protect substantial interest of the County.
3. Nothing herein relinquishes the County's rights to waive irregularities and formalities in accordance with its bid package and instructions. Further, nothing herein shall create any rights in the unsuccessful bidder. All decisions of the Board shall be final.

VIII. MANAGEMENT OF LARGE SCALE PROJECTS:

Contract Administration and managing of large scale projects, specifically related to schedules, budget and public perception are important for successful completion of projects.

To ensure this oversight takes place, a contract review team will be appointed to review and sign off on projects before the contract is awarded, with periodic review of progress as needed during the contract administration period.

Process:

1. The project manager/department director or purchasing and contracts may determine the need for a project review based on the following criteria (submitted on Purchasing form 25):
 - a. Dollar amount of contract
 - b. Grant funding involved
 - c. High public interest/media factor
 - d. Managed/impacted by multiple departments.
2. The project manager/department director indicates on the bid form that the project warrants a review by the contract review team. The Purchasing and Contracts Department reviews the request for a contract review team from the project manager/department director and makes a determination regarding whether a contract review team is necessary using the project review criteria. If a contract review team is warranted, the Purchasing and Contracts Department assigns a contract review team to the project.

3. Purchasing and Contracts coordinates the initial contract review team meeting and sets a tentative schedule for other contract review team meetings during the contract administration. The purpose of the meeting is for all members of the team to get a better understanding of the project, and approve/suggest changes for items related to their respective areas.
4. Significant change orders, subsequent development phases, changes to the project design, release of retainage, substantial completion and final pay requests may necessitate another review and/or approval of the contract review team.
5. Contract review team should consist of representatives from the following departments who have approval authority for the project:
 - a. Project manager and/or Department Director(s) managing the contract
 - b. Purchasing
 - c. Office of Management and Budget
 - d. Grants Management
 - e. Community Relations Coordinator
 - f. Finance
 - g. County Attorney's Office, as needed
 - h. Planning Department, as needed
 - i. Engineering Office, as needed
 - j. Engineer of Record or Design Consultant, as needed
 - k. County Administrator, as needed
 - l. Other as identified

Surplus Property

I. PURPOSE:

To establish policies and procedures for the orderly transfer and/or disposal of Tangible Personal Property.

Tangible Personal Property is defined as: Everything other than real estate that is used in a business or rental property. Examples of tangible personal property are computers, furniture, tools, machinery, signs, equipment, leasehold improvements, supplies, and leased equipment.

II. RESPONSIBILITY:

The disposition of surplus equipment and supplies by transfer and/or sale is the responsibility of the Fleet Management Department. Should County owned equipment and supplies be deemed to have no further useful purpose or value to the County, the disposal of said surplus property shall be approved by the Board of County Commissioners as provided by the provisions of Section 125.38 (current edition) and/or Chapter 274 (current edition), Florida Statutes.

III. SCOPE:

As defined in F.S. Chapter 274.03 (current edition) and 274.11 (current edition), the Department names referenced are hereby added as applicable, and will be changed as applicable and will be deleted as applicable without requirement for Policy revision to the Board of County Commissioners and shall be inclusive of the following: Note: These procedures shall apply to all Board of County Commissioners departments and/or agencies and shall be inclusive of the following:

Board of County Commissioners

County Administrator
Budget Office
Purchasing & Contracts
County Attorney
County Engineer
Hernando Fire & Rescue Department
Technology Services
Fleet Management
Community Services Department
Animal Control
Building and Grounds
Parks and Recreation
Extension Services Dept.
Gulf Soil and Water
Veterans Services
Development Department
Zoning Building
Cannery
Emergency Management Department

Library Services
Little Red School House
Lykes Memorial - Main
Westside
Human Resources
Planning Department
Airport Operations
Public Works Department
Mosquito Control
Port Authority
Road Division
Traffic Operations
Water & Sewer District Board
Utilities Department
Customer Service
Maintenance & Installation
Waste Management
Water Operations

IV. PROCEDURES FOR DECLARATION OF SURPLUS PROPERTY:

1. GENERAL:

Each agency and/or County department will monitor the equipment and supplies under its control for need and usefulness and upon determination that the need for and/or usefulness of the equipment or supplies no longer exists, the agency and/or department shall report and surrender the equipment or supplies to the Fleet Management Department for disposal as surplus property.

2. Documentation Form I-1 and I-2:

A. Each agency and/or department will report its disposable stock, equipment or supplies to the Fleet Management Department utilizing Form I-1's and I-2's electronically. Departments should provide a full description, estimated value, condition, and asset number if applicable. It shall be the responsibility of the department to assure completion of all required information before Form I-1 and I-2 is submitted electronically. **There are no longer any paper forms to complete or sign.**

B. Deleted, revised by 2. A. above.

C. It shall be the responsibility of the Fleet Management Department to final process (as applicable) the Form I-1 and I-2 in the process of surplus property declaration, disposition and disposal (as applicable).

D. The official asset record is maintained in FinancePlus and is adjusted only when Form I-1 or I-2 has been submitted by the Department to the Property Fund Account and the change is in compliance with the Fixed Asset Policy. **There are no longer any paper forms to complete or sign.**

3. Transfers to Stock:

A. Items reported as disposable property shall be transferred to the specified controlled area by the disposing department and/or agency when so directed by the Manager of Fleet Management Department and/or Chief Procurement Officer or its authorized representative. **Note: items will not be accepted unless a properly completed "County Inventory Form I-2" is delivered with the item.**

Exception: Should the item to be disposed of be of such size that immediate transportation and storage in the controlled area is not practical or the storage area is filled to capacity, Form I-2 (intact) will be accepted prior to delivery of such equipment.

B. **NO items are to be "dropped off" without prior arrangement with the Fleet Management Department or Fleet Management Department Representative.**

C. Delivery of all vehicular and rolling stock items, which have been deemed disposable by Fleet Management Department, is to be coordinated with Fleet Management Department. The Form I-2 (intact) will be completed for the vehicle or rolling stock item by Fleet Management

at such time. Fleet management will "receipt in" such equipment, lock the equipment, retain the keys and notify Purchasing & Contracts.

- D. The Fleet Management Department will insure all equipment and material items in the controlled area are properly recorded, tagged and added to the "Tangible Property List" which will be maintained by Fleet Management Department as the official County inventory register of surplus property.

4. Interdepartmental Transfers:

Except for rolling stock transfers initiated and/or approved by the Fleet Manager, no direct transfer of equipment or materials between departments and/or agencies will be permitted unless specifically authorized by the Fleet Manager or Chief Procurement Officer or the County Administrator's office. All equipment and/or supplies noted as surplus to any organization should be declared as such and processed in accordance with the procedures outlined herein. If equipment and supplies were obtained with Grant funding, please see VII. Grant Conditions, of this procedure.

V. PROCEDURES FOR TRANSFER OF SURPLUS PROPERTY:

1. GENERAL:

The Fleet Management Department will maintain a "Tangible Property List" of all surplus property items available for transfer to Board departments and agencies. Board departments and agencies shall be those listed under Section III, of this procedure. All other agencies seeking surplus property shall submit a request for said property as noted in Section VI of these procedures. If equipment and supplies were obtained with Grant funding, please see VII. Grant Conditions, of this procedure.

2. TRANSFER FROM STOCK:

- A. Requests for transfers of surplus equipment and materials from Board department/agencies will be processed on a continuing basis by Fleet Management Department.
- B. Priority will normally be given to transfer requests received from BOCC departments/agencies to the first department/agency requesting the material.
- C. NO items will be transferred from the controlled area without authorization of the Fleet Manager or designated representative on a "County Inventory Form I-1" to Board departments or without authorization of the Board to other governmental units or not for profit corporations or organizations.
- D. **ALL REQUESTS FOR THE TRANSFER OF ROLLING STOCK (CARS, LIGHT TRUCKS, ETC), CONSTRUCTION EQUIPMENT (HEAVY TRUCKS, TRACTORS, BACKHOES, ETC.) AND MARINE EQUIPMENT SHALL REQUIRE APPROVAL OF THE FLEET MANAGER PRIOR TO TRANSFER.** The requesting department/agency should submit a completed "County Inventory Form I-1" along with a "letter of justification" to Fleet Management Department detailing the intended use for the equipment being requested and the justification for said use, i.e., replacement vehicle (Include: Vehicle Number of the vehicle being replaced); new employee, etc.

- E. When a County department or agency requests the transfer of an item of surplus equipment which has been turned in by a department or agency that receives its funding from a different source than that of the requesting department or agency, i.e., general fund vs. enterprise fund accounts, the department or agency requesting the surplus equipment item shall reimburse the surplus department or agency the estimated or fair market value of the equipment. If equipment and supplies were obtained with Grant funding, please see VII. Grant Conditions, of this procedure.
- F. It shall be the responsibility of the Fleet Management Department upon receipt and processing of the completed Form I-1 and transfer of the subject property to distribute a copy of said "County Inventory Form I-1" to the Finance Department, Insurance Technician, and Fleet Management (if applicable), reporting the transfer of the property to the receiving department/agency.

VI. PROCEDURES FOR DISPOSAL OF TANGIBLE PERSONAL PROPERTY:

1. GENERAL:

- A. The Fleet Management Department will maintain the "Tangible Property List" of surplus property available for disposition and will publish and distribute copies of the list no less than twice annually to:
 - (1) All agencies, departments, Constitutional Officers and public units in Hernando County.
 - (2) All governmental units, which are located outside of Hernando County, but within the State of Florida, should communicate with Fleet Management Department personnel to be placed upon Fleet Managements list for the receipt of disposable property notifications.
- B. All agencies, departments, Constitutional Officers and agencies should review the "Tangible Property List" and notify the Fleet Management Department within fifteen (15) calendar days of any requirement for the equipment and/or materials listed therein.
 - (1) Priority will be given to transfer requests received from Board departments and priority normally will be given to the first department requesting the material.
 - (2) After processing transfers to Board departments in accordance with Section V herein, requests received from other Hernando County governmental units shall be prioritized and handled on a first received basis.
- C. After receipt of all requests from the parties noted above, the Fleet Management Department may then, if deemed applicable, offer the Tangible Property to governmental units/agencies outside the County.

2. DISPOSAL OF TANGIBLE PERSONAL PROPERTY:

Periodically and after the transfer of all requested equipment and materials to Board departments and agencies has been processed, requests and recommendations will be presented to the Board of County Commissioners by the Purchasing & Contracts Department as to those items which should be identified as surplus and the best method of disposition available to maximize a return to the County.

The Board of County Commissioners in accordance with Florida Statutes may elect to dispose of those materials and equipment it has declared surplus to the County's needs as follows:

A. Disposal of County property to the United States, or state.

In accordance with Florida Statutes, Section 125.38 (current edition), conveyance of County property to the United States or any department or agency thereof, the state or any political subdivision or agency thereof, or any municipality of this state, or corporation or other organization not for profit which may be organized for the purpose of promoting community interest and welfare shall be processed as follows:

- (1) Written application for conveyance of property received from one of the agencies listed in Paragraph III, above. Application must state purpose for which the property would be utilized.
- (2) Board determines that such property is required for such use and that such property is not needed for County purposes.
- (3) Board conveys property at a private sale to the applicant for the fair market value of the property or such other price, whether nominal or otherwise, as the Board may fix, regardless of the actual value of such property.
- (4) The fact of such application being made, the purpose for which such property is to be used, and the price shall be set out in a resolution duly adopted by the Board.

B. Disposal and/or Sale of Surplus Property

- (1) In accordance with Florida Statutes, Section 274.07 (current edition), authority for the disposal of property shall be recorded in the minutes of the Board of County Commissioners.
- (2) In accordance with Florida Statutes, Section 274.06 (current edition), having consideration for the best interest of Hernando County, property that is obsolete or the continued use of which is uneconomical or inefficient, or which serves no useful function will be disposed of as follows.
 - (a) Property that is without commercial value or the value of which is estimated to be less than \$100.00, may be donated, destroyed, or abandoned. If equipment and supplies were obtained with Grant funding, please see VII. Grant Conditions, of this procedure.
 - (b) Property, the value of which is estimated to be less than \$5,000.00 may disposed of either by (a) direct sale to the public at a market value fixed by the Fleet Management Department; (b) by sale to highest responsible bidder after a request for at least three (3) bids; (c) by public auction.
 - (i) The Fleet Manager or Fleet Management Department designee shall place a notice in a local newspaper of general circulation within the County not less than one (1) week nor more than two (2) weeks prior to any public sale of surplus property. Such notice shall include the dates, times and location of the sale and the location where a listing of the available items may be obtained.

- (3) Property, the value of which is estimated to be in excess of \$5,000.00 shall be sold only to the highest responsible bidder, or by public auction.
 - (a) The Fleet Manager or Fleet Management Department designee shall place a notice in a local newspaper of general circulation within the County not less than one (1) week nor more than two (2) weeks prior to any sale. Notices published shall include:
 - (i) **Sale by Public Auction:** Location of auction, time and date to be held and location where listing of items may be obtained. The term Public Auction shall include auctions of a physical nature where all participants are present during bidding and may, upon the approval of the Board of County Commissioners, be sold by auction through electronic means.
 - (ii) Sale by Sealed Bid: Time, date and location of bid opening, general description of items, location for inspection of items and where bid blanks may be obtained.
 - (b) Auctions shall be contracted out by the Purchasing & Contracts Department as an annual competitive term contract.
 - (c) Items shall be sold to the highest bidder, whether by public auction or sealed bid.
 - (d) All sales by public auction shall be final at time of sale. Sealed bid sales are final upon acceptance by the Board of County Commissioners.

VII. GRANT CONDITIONS:

1. GENERAL:

Assets purchased with grant funds are charged to a designated grant department and tracked on the I-1 form (when entered into Adminsys). When grant funded assets or supplies are no longer needed for the authorized program or project, the administering department is responsible for seeking disposition instructions and coordinating with the Grants Team to ensure compliance. This also includes the transferring of assets and supplies to other agencies and/or County departments.

2. DISPOSITION OF GRANT FUNDED ASSETS OR SUPPLIES:

Unless specific instructions have already been given in the applicable grant regulations or corresponding grant agreement, the administering department needs to contact the awarding agency for specific written disposition instructions if the fair market value is greater than \$1,000.00 (\$5,000.00 Federal). This request should occur prior to submitting an I-2 form to avoid any processing delays. The regulations and/or approved instructions should be included with the documentation sent to the Property Control Agent for processing.

3. PROCEEDS FROM SALE:

Grant funded assets must be sold competitively to maximize the return. This is achieved by auction, sufficient advertising, etc. If proceeds are generated from the sale of grant funded assets or supplies, notification should be given to the Grants Team and the funds should be credited to the corresponding grant department for tracking purposes. If funds are to be returned to the funding agency, the administering department will need to submit a check requisition within forty-five (45) days after receipt of the surplus funds to the Grants Compliance Accountant

for processing. If approval was given by the funding agency to keep the proceeds, the funds should be reinvested in the grant program or project that the assets or supplies were originally authorized for.

References: 2CFR200 (current edition)

VIII. ALLOCATING AND TRACKING FUNDS FROM SURPLUS SALES:

1. General: Fleet Management Department receives a check from the Auction company upon completion of a surplus sale event.
2. Disbursement of Funds:
 - A. The check received from the Auction Company pursuant to a surplus sale will be delivered to Fleet Management Department and Fleet Management Department will deliver this check to County Financial Services and County Financial Services will deposit this check in a County revenue account for disbursement. The Auction Company disbursement check will include a breakdown of how much money was received per department/agency.
 - B. Fleet Management staff will be responsible for allocating the funds for expenses and revenues to the department in September after the last surplus sale in August every year. The Department revenue is based on the equipment sold and the percentage (%) of dollars received from the sale less proportionate administrative expenses.
 - (1) The monthly lease amount will be paid annually by Fleet Management Department after the last surplus sale before September 1 every year.
 - (2) The allocation of the Property Control Agent salary will be performed annually before September 1 every year, based on an analysis of the amount of time the Property Control Agent spent on management of property control.
 - (3) Grant assets are to be excluded from administration fees.
 - C. Funds will be used to pay for operating expenses (building lease, water, electrical, phone service, operating supplies, and other incidentals and part the Property Control Agent's salary. The expenses are based on the department percentage (%) of revenue received from the surplus sales.

Grant Related Procurements

I. PURPOSE:

To establish a procedure and process when Grant Funding is involved in procurement related matters.

II. SCOPE:

These procedures are applicable to all written agreements for services, goods and construction.

When property or services are procured using funds derived from a Federal or State grant(s) or agreement(s) (whether direct to the County or "pass-through" from another entity such as the State), the County is required to and will follow the Federal procurement standards in the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", 2 C.F.R. Sections 200.213 (current edition) and 200.317 (current edition) through 200.326 (current edition) along with Florida Statutes (current editions). All procurements must be conducted in a manner that provides full and open competition. Micro-purchases of \$2,500 or less, do not require competition or a cost/price analysis provided the County considers the price fair and reasonable. (See procedure 020G (current edition) Purchasing thresholds.)

- Small purchases (Micro-Purchase), \$2,500.00 or less.
- Small Purchase – (Includes Blanket PO and Competitive Written Quotes) Not to exceed \$35,000.00
- Sealed Bid - \$35,000.00 (known as the Advertised Bid Requirement (ABR)) and over.
- Competitive Proposal - \$35,000.00 and over
- Sole/Single Source – Any \$ Amount, (May require agency approval or additional justification during procurement). Requires Board approval if over \$35,000 (Purpose and processing under Purchasing Policy 070A (current edition)).

It is the responsibility of the requesting Department to notify the Purchasing & Contracts Department **"and"** the Grants Compliance Department Staff **"or"** Grants Manager as applicable when Federal or State funds will be used on any particular project, a project change order, and of any special conditions that are imposed upon the County through such funding sources, including any requirement for newspaper advertisements or funding agency approval prior to purchase order or Contract award.

III. GENERAL:

The County shall use the same procurement policies as otherwise contained in this Purchasing Policies and Procedure Manual to the extent that they do not conflict with the Federal and State procurement standards. In the event of a conflict in procurement, Hernando County should always follow the most stringent procurement requirements based upon Federal, State and local guidance. Applicable Davis-Bacon wage determinations shall be submitted by the Requesting Department together with technical specifications. Departments should ensure that Federal grant requirements do not prohibit the use of previously-awarded vendors. The following additional policies shall apply:

1. Equipment:

Management and disposition of equipment purchased with funds deriving from Federal grants shall be in accordance with 2 C.F.R. Section 200.313 (current edition) and County Procurement Procedure 160G (current edition). All property acquired must be used for federally authorized purposes until project funding ceases or until the property is no longer needed for the project and shall not be encumbered without approval of the Federal awarding agency. Property will be managed and disposed of as follows:

- (a.) Property records will be maintained that include a description of all Federally funded equipment, a serial number, the source of funding including the Federal Award Identification Number (FAIN), record of title, the date of acquisition, the cost, the percentage of Federal participation in the purchase, the property location, use and condition, and the ultimate disposition of the property.
- (b.) A physical inventory of the property will be performed, and the results reconciled once every - one (1) year.
- (c.) The County's existing and customary property control system will be utilized to ensure against loss, damage or theft.
- (d.) Provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by non-Federal entities. 2 CFR 200.310 (current edition).
- (e.) Property authorized for sale shall be sold in a manner ensuring the highest possible return.
- (f.) Surplus property no longer needed for its original purpose may be used for other Federally supported activities.
- (g.) The County may sell or otherwise dispose of Federally funded equipment with a current fair market value under \$5,000.00 in accordance with its customary surplus property processes (County Surplus Property Procedure 160G (current edition)).
- (h.) The County will request permission from the Federal granting entity prior to disposal of equipment with a current fair market value over \$5,000.00.

2. Conflicts of Interest:

- (a.) All County employees and officers are subject to the provisions of the Code of Ethics for Public Officers and Employees (Sections 112.311 et seq. of the Florida Statutes (current edition)); County Policy HR07-02.1 – Conflict of Interest (current edition); Purchasing Policy Ethics in this manual and the provisions governing Federal conflicts of interest outlined herein. Purchasing and Contracts, the Chief Procurement Officer requires its procurement staff to certify annually that it has not conflicts of Interest and that is conforms to all ethics in the performance of their procurement duties. Policy 010B VI (current edition) Purchasing Policy Ethics.
- (b.) For Federal and State procurements, no employee, officer, or agent of the County may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated above has a financial or other interest in, or a tangible personal benefit from a firm considered for a Contract. Except as limited by County Policy HR-07-02 (current edition), officers, employees, and agents of the County may neither solicit nor accept gratuities, favors, or anything of monetary value from Contractors or parties to subcontracts. **Any potential**

conflicts of interest must be disclosed, in a timely manner and in writing, to the Federal awarding or State pass-through agency. The assigned Grant Project Manager for the grant funded project is responsible for making this disclosure. Please see the County Policy HR-07-02 (current edition) – Conflict of Interest and Grant Policy 15-01 Guidelines for Grant Activities (current edition).

- (c.) In addition to the penalties provided in the Florida Statutes, a violation of any provision of the Code of Ethics for Public Officers and Employees; County Policy HR-07-02 (current edition); or this section, may subject an employee to disciplinary action up to and including discharge from employment.

3. Suspension and Debarment:

- (a.) The County is subject to the debarment and suspension regulations implementing Executive Orders 12549 (current edition) and 12689 (current edition), 2 C.F.R. Part 180 per 2 CFR 200.213 (current edition).
- (b.) The County may not enter into an agreement for property or services with an entity or person who has been disqualified (suspended or debarred) from participation in Federal or State programs or activities, unless the Federal or State granting agency grants an exception.
- (c.) The County shall take reasonable steps to determine whether any Vendor, Contractor or Consultant is or has been excluded or disqualified from participating in such transaction. Prior to awarding any bid, the Purchasing Department shall check with Florida List of Convicted/Suspended/Discriminatory Vendors, the System Award Management (SAM) to ensure that the Bidder or Sub-contractors, if applicable, are not disbarred or suspended from working with Federally or State funded Contracts.
- (d.) The County shall include a provision in all agreements requiring Contractors, Vendors or Consultants to comply with 2 C.F.R. Part 180 (current edition) when entering into covered transactions (greater than \$25,000.00) with Sub-contractors, Sub-vendors and Sub-consultants, etc.
- (e.) The County shall comply with all reporting requirements as mandated by the Federal and State granting agency.
- (f.) Additionally, all procurements using Federal or State grant funds should also be verified to ensure that any Vendor, Contractor or Consultant is or has not been on the Convicted/Suspended/Discriminatory Vendor lists found at dms.myflorida.com.

4. Settlement of Procurement and Contract Disputes:

Any person or entity wishing to dispute the award of a bid, acceptance of a proposal, other procurement of property or services, or the application or interpretation of a Contract or Agreement relating to property or services procured using Federal or State grant funds shall submit all relevant information to the Chief Procurement Officer (CPO)/ Purchasing Manager. The CPO/Purchasing Manager, shall review all information presented and shall conduct such further investigation as he or she deems appropriate under the circumstances. After review of all relevant information, the CPO/Purchasing Manager shall render a decision concerning the dispute, which decision shall be the final decision of the County. Persons not satisfied with the decision of the CPO/Purchasing Manager, may proceed in accordance with the Hernando County Procurement Ordinance (most current edition).

5. Local Preference:

Local Preference will not be used in the evaluation of Bids or Proposals relating to procurements deriving from Federal or State grant funding, unless otherwise provided for in any specific grant Agreement. When Contracting for Architectural and Engineering Services, geographic location may be a selection criterion provided its application leaves a number of qualified firms, given the nature and size of the project, to compete for the Contract.

6. Minority- and Women-Owned Business Enterprises:

Hernando County does not discriminate on any basis within its Procurement and Contracting process and encourages the participation of minority and women-owned business enterprises (collectively, "MBEs"). Within the limits of the Federal Constitution, the County will consider the firm's status as an MBE or a certified MBE, and the status of any Sub-contractors or Sub-Consultants proposed to be utilized by and encouraged to respond.

The County will take and document constitutionally-permissible affirmative steps to assure that minority and women-owned businesses (MBE or a certified MBE) are used whenever possible. These steps include, but are not limited to:

- (a.) Placing qualified small, minority- and women-owned businesses on solicitation lists;
- (b.) Assuring that small, minority and women-owned businesses are solicited whenever they are potential sources;
- (c.) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small, women- and minority-owned businesses;
- (d.) Establishing delivery schedules, where requirements permit, which encourage participation by small, women and minority-owned businesses;
- (e.) Using the services and assistance, as appropriate, of organizations such as the Small Business Administration, the Minority Business Development Agency of the Department of Commerce and the Florida Office of Supplier Diversity; and
- (f.) Requiring the prime contractor, if Sub-contracts are to be let, to take these same affirmative steps in the administration of its related Contracts.

7. Procurement of Recovered Materials:

- (a.) The County shall comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (current edition), when procuring goods funded through Federal grant funding.
- (b.) Whenever feasible, the County will procure items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 (current edition) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000.00 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000.00.
- (c.) The County will procure solid waste management services in a manner that maximizes energy and resource recovery.
- (d.) The County will maintain an affirmative preference program for procurement of recovered materials identified in the EPA guidelines (current edition). The County may consider the Minimum Content Standard, the Case-by-Case Standard, or a

substantially equivalent standard, as set forth in RCRA Section 6002(i)(3) (current edition), as appropriate to any situation.

- (e.) The County may utilize the assistance of Environmental Protection Agency (EPA) Product Resource Guides located at EPA.gov Resource Conservation and Recovery Act (RCRA) Tools and Resources for all product categories for all covered procurements.

8. Contract Cost and Price:

For every procurement in excess of \$150,000.00 including Contract modifications or change orders greater than \$150,000.00, the County shall perform a cost or price analysis in connection with every procurement subject to Federal procurement guidelines, which shall include an independent estimate of cost prior to issuing bids or proposals. For proposals where price is not considered in the award, profit shall be negotiated as a separate element of the price. In determining whether profit is fair and reasonable, the County shall consider the complexity of work, the risk to be borne by the Contractor, the Contractor's investment, the amount of subcontracting necessary, the quality of the Contractor's record and past performance, and industry profit rates for the surrounding geographical area. **"Cost Plus Percentage" methods for determining profit may not be used.**

9. Contract Provisions:

All Federal Grant Contracts or Purchase Orders must contain the applicable provisions required pursuant to 2 CFR Section 200.326 (current edition) and Appendix II to Part 200 of the Code of Federal Regulations (current edition). All State Grant Contracts or Purchase Orders must contain the applicable provisions required by Florida Single Audit Act Section 215.97 (current edition), Florida Statutes.

Vendor Performance Evaluations

I. PURPOSE:

To provide procedures for conducting vendor performance evaluations.

II. SCOPE:

This procedure applies to all BOCC Departments and agencies.

III. PROCEDURE:

Purchasing, receiving and accounts payable personnel deal with vendors on a continuing basis. It is important that information be recorded about specific performance on any purchase order contract awarded to vendors/contractors.

The Purchasing and Contracts Department will solicit useful constructive evaluations from all departments especially personnel assigned to handle purchasing transactions and the receipt thereof.

The information provided by the departments will be very useful for Purchasing to monitor and effectively stimulate vendor activities and performance and screening bidders listings for possible elimination of vendors whose performance is consistently non responsive.

There are four review/evaluation forms that can be filled out on vendors/contractors that are posted on EICE or Purchasing can provide copies:

1. Vendor Performance Review/Evaluation for Supplies and Services (Purchasing Form 13A).
2. Vendor Performance Review/Evaluation for awarded Construction Projects (Purchasing Form 13B).
3. Vendor Performance Review/Evaluation for Architectural Engineering (AE) Services Design Phase and Construction Phase (Purchasing Form 13C).