

**PORT OF PALM BEACH DISTRICT
REQUEST FOR DISCUSSION AND
COMMISSION ACTION**

**NEW BUSINESS
ITEM I- 2**

PREPARED BY: Paul J. Zielinski Deputy Director-CFO March 15, 2018

**SUBJECT: PURCHASING POLICIES AND PROCEDURE MANUAL
 PROPOSED CHANGES**

BACKGROUND: In October 2016, the Board of Commissioners of the Port of Palm Beach District approved the attached Purchasing Policies and Procedures Manual. Port staff, in conjunction with the Port Attorney, continually monitor the manual to both assure compliance with existing and new Florida State Statutes, and to modify/enhance the document to reflect best practices.

Port staff is requesting that the Board consider three changes to the Purchasing Policies and Procedure Manual.

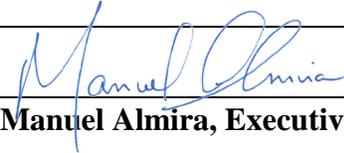
1. To modify the bidding process as permitted by Section 119.071 (1) (b) F.S. (the Florida Public Records Law) to exempt bidders' bids from public disclosure until such time as the agency provides notice of an intended decision or until 30 days after opening the bids, proposals, or final replies, whichever is earlier. The purpose of this change is to protect the Port and its bidders. When bids are opened publicly, they become public record, such that all bidders know what their competitors have bid. This creates a competitive disadvantage amongst bidders, in the event that the Port rejects all bids, and can discourage bidding, which creates an unfavorable competitive environment for the Port. This conforms to Palm Beach County practice.
2. To require that the Port publicly advertise for 7 days the Port's intention to award a contract as sole source, in order to confirm/verify the sole source nature of the award.
3. To establish a Cone of Silence from the time bids are received until such time as the Board makes a determination on how to proceed. During this time, there would be no oral or written communications with any District Commissioner or Port Staff regarding the subject matter of this Request for Proposals/Bids/Qualifications from bidders. For the purpose of clarifying the Request, a bidder must make a written request for such clarification only to Port Staff.

ADDITIONAL INFORMATION ATTACHED: No _____ Yes X

RECOMMENDATIONS: The Board of Commissioners of the Port of Palm Beach is respectfully requested to modify the Ports Purchasing Policies and Procedure Manual to 1) eliminate the public opening of bids so as to permit non-disclosure of same until required by Section 119.071 (1) (b) F.S., the Florida Public Records Law, 2) to require staff to publicly advertise for 7 days any intention to award a contract under a sole source determination and 3) to establish a Cone of Silence from the time a bid is received until after a determination on how to proceed is made by the Board.

FINANCIAL IMPACT: NONE

Respectfully Submitted By:



Manuel Almira, Executive Director

DATE ACTION TAKEN: _____

Approved: _____

Motion By: _____

Disapproved: _____

Seconded By: _____

Deferred To: _____

Unanimous: Yes _____ No _____

Incorporated into Minutes: _____

By: _____

Port of Palm Beach District

Proposed Changes

Purchasing Policies and Procedures Manual

- Removal of any existing language pertaining to **public bid openings** and replace with:

“As applicable, the Purchasing Department is no longer holding public bid/proposal openings due to the provisions of Section 119.071 (1) (b) F.S., the Florida Public Records Law. Therefore, the Port is not required to provide information until the earlier of the Port providing notice of an intended decision, or until thirty (30) days after opening the bids/proposals. Further, if the intended decision is to reissue the solicitation, the Port is not required to provide information until notice of an intended decision concerning the reissued solicitation or until the reissued solicitation is withdrawn.”

- Addition of requirements for **sole source purchases** to include verbiage which reads:

“Commodities or contractual services available only from a single source may be excepted from the competitive-solicitation requirements. If an agency believes that commodities or contractual services are available only from a single source, **the agency shall electronically post a description of the commodities or contractual services sought for at least 7 business days.** The description must include a request that prospective vendors provide information regarding their ability to supply the commodities or contractual services described. If it is determined in writing by the agency, after reviewing any information received from prospective vendors that the commodities or contractual services are available only from a single source, the agency shall provide notice of its intended decision to enter a single-source purchase contract in the manner specified.”

- Addition of verbiage for **cone of silence** to read:

“The ‘Cone of Silence’ is in effect from the date and time of the deadline for submission of the response, and terminates at the time that the Board of Commissioners awards or approves a contract, rejects all responses, or otherwise takes action which ends the solicitation process. **During the period of the Cone of Silence, there shall be no oral or written communications with any District Commissioner or Port Staff regarding the subject matter of this Request for Proposals/Bids/Qualifications from bidders. For the purpose of clarifying the Request, a bidder must make a written request for such clarification only to Port Staff.**”



Port of Palm Beach District

**Purchasing Policies and
Procedures
Manual
General Business**

UPDATED 10/25/16

A MESSAGE FROM THE EXECUTIVE DIRECTOR

This Purchasing Policies and Procedures Manual is approved by the Board of Port Commissioners and shall serve as the framework for all procurement activities of the Port of Palm Beach District.

All staff involved in the purchasing process should familiarize themselves with the contents of this Manual in order that policies of the Port may be administered properly.

Manuel Almira
Executive Director

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INTRODUCTION

The policies and procedures set forth in this Purchasing Policies and Procedures Manual (“Manual”) represent the Port’s adherence to prudent business practices when purchasing goods and services. All purchasing will be done to support the mission of the Port. The Port will consider the benefits of established Federal, State, County and Municipal Contracts to procure certain goods and services, and may “piggy-back” on same in accordance with this Manual. However, since such sources are not “mandatory”, Port management is responsible for determining the appropriate and most desirable source for each procurement.

All Procurement policies and procedures are under the direction of the Board of Port Commissioners except where any of these policies and procedures conflict with Florida Law, Florida Law will control. Specifically, this Manual is intended to guide all Port procurement and ensure the Port:

- Obtains high quality goods and services at a reasonable cost.
- Conducts all procurements in a fair and impartial manner, avoiding any impropriety or appearance of impropriety.
- Seeks competition, consistent with the business needs of the Port.
- Allows flexibility in fashioning details of such competition.
- Provides clear rules, in advance of competition, governing contract awards.
- Freely exchanges information between purchasers and vendors, inasmuch as such exchange does not negatively affect the business objectives of the Port, or violate associated confidentiality requirements.
- Recognizes vendors that have provided long-term, outstanding support.

This Manual provides information to all employees of the Port as they identify and pursue the procurement of goods and services to fulfill the business needs of the Port. However, as indicated herein, specific responsibilities and authorities have been defined for purchasing goods and services on behalf of the Port. All employees are therefore directed to the Port responsible party, as defined herein, prior to pursuing any procurement.

Certain procedures and forms referenced in this Manual are subject to change, as the Port continues to evolve its procurement operations and systems.

The Chief Financial Officer/Deputy Director and the Port’s Purchasing Manager are available to assist in any purchasing activity and to interpret and apply these policies and procedures. These policies and procedures are designed to ensure fairness and competitiveness in the Port’s procurement of goods and services and have been reviewed and adopted by the Board of Port Commissioners.

SECTION 1: ETHICAL STANDARDS OF CONDUCT

1.1 ETHICS IN PROCUREMENT

In Florida Statutes Section 287.001 the Florida Legislature recognized that fair and open competition is a basic tenet of public procurement; that such competition reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically; and that documentation of the acts taken and effective monitoring mechanisms are important means of curbing any improprieties and establishing public confidence in the process by which commodities and contractual services are procured.

Accordingly, it is important that Port employees conducting procurements on behalf of the Port avoid improprieties, as well as the appearance of such improprieties. The integrity and credibility of the procurement program requires Port employees to be impartial, fair and free of any relationships that may cause them to be unduly partial to any vendor or product. It is up to each individual to ensure they do not violate the spirit of procurement ethics.

Procurement ethics will always include, but may not be limited to, the following considerations:

Conflict of Interest. A Port employee is prohibited from participating in a procurement transaction if he/she (his/her spouse or family) has an interest in the potential vendor's business.

Disclosure of Subsequent Employment. Any Port employee having official responsibility for a procurement transaction who accepts employment with a bidder, offeror or vendor/contractor with whom he/she has dealt in any official capacity, must provide written notice to the Port of his/her intention to accept such employment.

Gifts. The following "no gift" policy shall apply: No gifts of any kind, of any value, shall be accepted, on or off the work site, by Port Staff from any individual or entity doing business with the Port.

"Gift" means any gratuity, favor, discount, entertainment, hospitality, loan, meal or any other item having monetary value.

Insufficient Authorization. No employee shall obligate the Port without having received prior written authorization, in the form of an approved Requisition, Purchase Request Form, PO (if applicable) and/or signed Agreement – based on the applicable thresholds in Section 5, item 5.1.

Kickbacks. Kickbacks involve getting something of value from a bidder, offeror, vendor/contractor or subvendor/contractor in an attempt to influence the award of business and are prohibited.

Legitimate Business Need. The procurement of goods and services will be limited to those necessary to the operation and mission of the Port, and its business interests.

Misrepresentations. Any Port employee having official responsibility for a procurement transaction is prohibited from knowingly falsifying, concealing or misrepresenting material facts concerning a procurement.

SECTION 2: STANDARD PROCUREMENT METHODS

2.1 DEFINITIONS

Alternate Contract Sources: An Alternative Contract Source is a contract written between a governmental entity and specified contractors, for the purchase of commodities and contractual services, which includes contract terms that allow other entities to purchase the defined commodities and contractual services according to the terms established in the contract. Alternative Contract Sources include but are not limited to State, Localities and Federal Contracts and Agreements, GSA Schedules, Cooperative Agreements, U.S. Communities, etc.

Bill Back: Bill back is a method of recovering the cost of goods or services received or obtained through the Port, as agreed in advance, between the purchaser and Port. When applicable, it must be noted on the purchase request form.

Blanket Purchase Orders: Blanket Purchase Orders are orders issued for miscellaneous items or materials, supplies, parts, etc. of relatively small dollar amounts on a repetitive basis.

Board: Board of Port Commissioners.

Commodity: Any of the various supplies, materials, goods, merchandise, equipment, information technology, and other personal property, purchased, leased, or otherwise contracted for by the Port.

Contract: A written agreement signed by all parties for the procurement of professional services.

Emergency Purchase: The emergency procurement of goods or services where there exists an immediate threat to the public health, safety, security and welfare or destruction of property.

Piggyback Method: Purchases made or services performed, under the same terms and conditions, from contracts competitively established by other Federal, State, County and Municipal government entities. .

Port: Port of Palm Beach District

Professional Services: The services of attorneys, consultants, engineers, architects, appraisers, auditors, etc.

Purchase Order: A purchase order is a written authorization from a buyer to acquire goods or services. The document authorizes a supplier to deliver to the buyer at the price, quality level, delivery date and certain other terms specified in the quotation.

Purchase Request: A requisition for the procurement of goods or services.

Requestor: Person or department requesting item(s) to be purchased.

Responsible Bidder or Offeror: A bidder or offeror who is fully capable to perform the requirements of a contract or agreement, in the best interest of the District.

Responsive Bidder or Offeror: A person/firm that has submitted a bid or proposal which conforms in all material respects to the requirements set forth in the invitation to bid, or request for proposal.

Services Agreement: An agreement between a vendor, contractor or service provider and the District, for professional services, which includes important provisions such as, but not limited to, services to be performed, time of completion, payment and general provisions.

Sole Source: Purchases which are clearly and legitimately limited to a single (sole) source of supply.

W-9 Form: A taxpayer identification form.

Note: "vendor", "supplier", "firm", "service provider", "company" and "vendor/contractor" are used interchangeably.

2.2 ITEMS EXEMPT FROM COMPETITION

The following purchases are by their nature exempt from the competition requirements of the Manual:

Item Type	Description
A.	Advertising: radio, newspaper, television and other media, if exclusive area of coverage or other factor(s) preclude competition.
B.	Purchases from governmental entities.
C.	Utilities (water, electricity, gas, etc.).
D.	Membership dues and sponsorships.
E.	Publications (including subscriptions) from publishers or exclusive distributors of such

publications.

- F. Processed media: movies, slides, videos, software, and other; from exclusive processor, producer or exclusive distributor.
- G. Conference, training, educational services, if purchased from sole providers.
- H. Fees and fines (payable to governmental entities), and postage.
- I. Licenses (payable to governmental entities, or for proprietary software).
- J. Permits (payable to governmental entities).
- K. Approved travel expenses.
- L. IT Services or Equipment and Security Technical Services or Equipment to enhance and ensure State or Federal Cyber Security Requirements.

2.3 METHODS OF PROCUREMENT

ROUTINE:

To be used for Purchase Requests which are not assigned one of the three priority level designations below.

EMERGENCY:

If a purchase is deemed to be an Emergency, requesting department shall submit a Request for Equipment, Supplies and/or Service, indicating that purchase is an "Emergency Purchase". **Requesting department must provide justification for the purchase.**

SOLE SOURCE PURCHASES:

If a purchase is deemed to be a Sole Source, requesting department shall submit a Request for Equipment, Supplies and/or Service, indicating that purchase is a "Sole Source Purchase". **Requesting department must provide written justification for the purchase being considered "sole source"**. The use of sole source purchases may in no way be used to limit competition or give preferential treatment to a particular vendor or manufacturer.

HURRICANE / NATURAL DISASTERS:

On October 21, 2004, the Port adopted Resolution 04-10212004-15 which established and declared an emergency procurement policy to expedite the implementation of emergency protective measurements, response, assessment recovery, mitigation and any temporary

repairs necessary to insure there is no danger to public life, health and safety as a result of a declared disaster. This process provides the Executive Director with the authority to authorize any necessary emergency expenditures and waiver of the normal procurement process for up to 72 hours for any necessary emergency preparations, temporary repairs and recovery efforts.

The Port also adopted Resolution 05-12152005-16 on December 15, 2005 that authorized the Port to enter into an Interlocal Agreement with Solid Waste Authority for the removal, reduction and disposal of storm debris following the passage of any hurricane that included Palm Beach County as a declared disaster area.

OFFICE SUPPLIES:

1. The Purchasing Manager is responsible for ordering and maintaining an adequate supply of office supplies for staff use.
2. All office supply requests shall be made via e-mail.
3. A Purchase Request Form must be completed and approved for all Furniture items.

SECTION 3: PROCUREMENT FORMS

3.1 PURCHASE REQUEST

1. Requesting Department shall submit a Request for Equipment, Supplies and/or Services (Purchase Request) to the Purchasing Manager, ensuring that it has all the necessary approval signatures.
2. A Department Budget Line Item is required.

Purchasing Manager may request that a department be responsible for placing their own orders, or scheduling services.

ALL PURCHASE REQUESTS ARE REQUIRED TO HAVE A COPY OF THE QUOTATION AND ANY OTHER PERTINENT BACKUP (IF NECESSARY) ATTACHED OR REQUEST WILL NOT BE PROCESSED.

3.2 PURCHASE ORDER/CHANGE ORDER

1. When a P.O. is required, the Requesting Department shall forward a copy of their completed, approved Purchase Request to the Purchasing Manager, who will then cut the P.O. and provide them with a copy. The original P.O. is retained by the Purchasing Manager and a second copy, along the original Purchase Request, is given to Accounts Payable.

2. When a Change Order is required, the Requesting Department shall provide the revised invoice, and any additional backup, if applicable, to the Purchasing Manager who will complete the Change Order. The original Change Order is retained by the Purchasing Manager and a copy provided to Accounts Payable.

3.3 BLANKET PURCHASE ORDERS/MONTHLY P.O.'S

Blanket Purchase Orders are orders issued for miscellaneous items or materials, supplies, parts, etc., of relatively small dollar amounts on a repetitive basis.

Requests for Blanket Purchase orders shall be made through the Purchasing Manager, who will obtain approval from the Chief Financial Officer/Deputy Director prior to issuance.

Once an order is placed, the vendor makes delivery and bills against the Blanket Purchase Order.

Blanket Purchase Orders are issued monthly, for as long as necessary.

Guidelines:

1. To be used where it is the most economical means on items such as automotive parts, gasoline, office supplies, etc.
2. It is the intention of the Port of Palm Beach District that the use of Blanket Purchase Orders be limited to those items which are smaller in value.

3.4 PURCHASE CARD REQUEST/AMERICAN EXPRESS

The Port holds a corporate American Express credit card account, which authorizes cardholders to buy goods and services under an established delegation of authority.

Cardholders' are being entrusted with a powerful and valuable tool and will be making financial commitments on behalf of the Port of Palm Beach District and will strive to obtain the best value for the District.

The card is tailored to meet the cardholders' department specific needs and available to procure items not exceeding a daily purchase of \$2,000.00 and a monthly limit of \$5,000.00 (unless otherwise directed and approved by the Chief Financial Officer/Deputy Director, and based on departmental needs.) The Chief Financial Officer/Deputy Director may exceed these limits only with the approval of the Executive Director.

Please refer to the Port's Purchase Card Cardholder Handbook which provides you with information on the proper use of the purchase card. Cardholder agreement and receipt of card

acknowledgement forms must be signed by each individual being issued a corporate credit card.

3.5 PETTY CASH REQUEST

Petty Cash funds are established for the primary purpose of allowing purchases of small amounts to be made with a minimum of inconvenience. These funds are the responsibility of its custodian. Requesting Department must first obtain approval when seeking an advance or reimbursement for business related items not exceeding \$100.00. The Petty Cash Fund is not to be used to circumvent the regular purchasing process.

Reimbursements for travel expenses and monthly mileage may be paid out of petty cash provided the traveler used personal funds to pay for their travel expenses and the reimbursement amount is less than \$100.

3.6 CHECK REQUEST

Check Requests shall be used for the following: membership dues, fees/permits/licenses payable to government entities, publications, approved travel expenses, training, conference registration fees, educational expenses, mileage reimbursements, sponsorships and vendor deposits/payments, as approved by Port Management.

A completed Check Request Form (Exhibit 5) should be completed and forwarded to the Accounts Payable Department for processing. A copy of the purchase request and estimate or invoice must be attached.

3.7 REQUESTS FOR CUSTOMER INVOICE

In the event that there is an incident which is the responsibility of a tenant, or work is performed under a tenant's lease terms, by the District, it shall be noted on the Purchase Request form that the tenant should be billed back for the service.

Once the Purchase Request is processed, and the work performed, the Purchasing Manager shall complete a Request for Customer Invoice (Exhibit 7) and forward it to our Accounts Receivable Department for processing and direct billing to the tenant.

SECTION 4: CONTRACT PROCUREMENT/TYPES OF AGREEMENTS

A contract is a written agreement for the purchase of commodities and services. To be effective, a contract must include an offer and acceptance by competent parties to furnish goods and/or services for an agreed monetary consideration.

Contracts shall include, but are not limited to, terms and conditions, specifications as described in the Scope of Work, bid solicitation information, vendor proposals and attachments.

The expenditure of funds against the contract will be authorized by the issuance of vendor invoices and will be monitored by the Port's Controller.

4.1 SERVICES AGREEMENT

These vendor contracts establish a source of supply for goods or services during a specified period and at a specified price. (Approved by the Board of Commissioners in March, 2016 – see example, Exhibit 11.)

4.2 ALTERNATE CONTRACT SOURCES

Federal, State, County and Municipal Local, Federal and GSA term contracts and purchasing agreements are created and used when multiple purchases of standard commodities and services are anticipated, for example, office supplies, uniforms, motor vehicles, and management consulting services; these contracts are with vendors selected through a competitive process.

These agreements have an “alternate source” or “piggyback” clause acknowledged by the approved vendor/contractor and may be used by other governments.

Piggyback contracts CANNOT be used as a basis for beginning negotiations. Accela, Inc. v Sarasota County, 993 So. 2nd 1035.

Prior to piggybacking informal quotes should be obtained, with three such quotes being ideal but not required. The contract being piggybacked must specifically provide for piggybacking, and the contract must not have expired.

The Port is authorized to purchase from alternate contract sources such as Federal, State, County and Municipal Local, Federal and GSA Contracts and Agreements, among others.

4.3 NON ADVERTISED COMPETITION METHOD

See Section 5, item 5.1 for required documentation and threshold limits on amounts up to \$10,000.00.

Purchase Requests of more than \$10,000 up to and including \$25,000.00 require (3) documented quotations (email/fax/phone), excluding those items exempted from competition in Section 2.2.

No purchase shall be divided or subdivided in order to circumvent the competitive bid requirements of this rule.

4.4 ADVERTISED COMPETITION METHOD

If the purchase price of commodities or contractual services exceeds the cost threshold of \$25,000.00, purchases may not be made without receiving competitive sealed bids or proposals, unless it meets one of the exemptions in Section 2.2, emergency or sole source purchases, or is waived by the Board.

The Port shall advertise a minimum of one (1) time, in the legal section of an appropriate newspaper of general circulation, and post on the Port's website.

Authorization from the Board must be received prior to advertising competitive bids/proposals and requests for qualifications.

1. **REQUEST FOR QUALIFICATION (RFQ)** is a method of obtaining information on the qualification of a particular vendor, when it is for a service that has not yet been used and information needs to be obtained, prior to receiving a bid.
2. **REQUEST FOR PROPOSAL (RFP)** This is a formal procurement method and is used when established criteria, in addition to price, are considered when selecting a vendor.
3. **REQUEST FOR BID/SEALED BIDS (RFB)** This is a formal procurement method and is used when price is the determining factor when selecting a vendor.

4.5 BID PROCESS, EVALUATION, SELECTION AND CONTRACT FORMATION PROCEDURE

A. General

The competitive sealed bid process includes the following elements:

1. Issuance of a written Request for Bid.
 - A. An Invitation to Bids shall be issued and shall include instructions to bidders, specifications and contractual terms and conditions applicable to the procurement. Pre-bid conferences are not normally required but recommended for complex purchases. Mandatory pre-bid conferences are permissible and non-attendance may be grounds for vendor disqualification.
 - B. Invitations to Bid, Requests for Proposal and other competition documents shall contain a statement informing persons of the provisions of Florida Statute Section 287.133 Paragraph (2) (a) proscribing bidding by a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime.

2. Regardless of whether the Port places such notices, the solicitation and award of business using public funds, regardless of the level of expenditure or type of good and service, is subject to the Freedom of Information Act. and F.S. 119.01
3. Public opening at the date and time advertised in the Invitation to Bid and announcement of all bids received.
4. The Port reserves the right to waive any technicalities/irregularities and/or to reject any and/or all Bids. The Port further reserves the right to award a contract to that Bidder whose submittal best serves the interest of the Port, in the sole discretion of the Port.
 - A. Any firm which submits in its proposal/bid to the Port any information which is determined to be substantially inaccurate, incorrect, misleading or exaggerated, shall be disqualified from consideration.
5. Evaluation of bids will be based upon the requirements set forth in the bid documents.
6. If less than two responsive bids, proposals, or replies for commodity or contractual services purchases are received, the department or other agency may negotiate on the best terms and conditions. The department or other agency shall document the reasons that such action is in the best interest of the state in lieu of re-soliciting competitive sealed bids, proposals, or replies.

B. Department Responsibilities

The requesting department is responsible for the following during the competitive sealed bid process:

1. Submit a Scope of Work to the Purchasing Manager describing the design, specifications or performance characteristics of the goods or services required.
2. Provide the percentage values to be placed for each deciding factor when evaluating the bids.
3. Provide the dates for advertisement, when bids will be available for review, the pre-bid meeting date (if applicable) and bid opening date.
4. Participate in the Bid Opening with the Purchasing Department.
5. Participation on the Bid Evaluation Committee, reviewing the bids received verifying that the qualifications and past performance of the Bidder meet the specifications of the bid and evaluating each bid, scoring each one using the deciding values assigned

to each one, as indicated in the bid documents, documenting reasons why a bidder should/should not be considered for an award, and their final recommendation for award.

6. Provide support to prepare the Board Agenda item and answer Board questions if Bid results require Board Approval.

4.6 CONTRACT DEVELOPMENT

1. Once it is determined that a contract is necessary, a Services Agreement shall be prepared by the Purchasing Manager. Draft copies of the Contract shall be provided for review and comment to:
 - A. Requesting Department
 - B. Chief Financial Officer/Deputy Director
 - C. Port's Legal Counsel
2. Draft copies shall be reviewed and returned to the Purchasing Manager with any comments within a reasonable time.
3. Once the agreement is finalized, the agreement will be presented to the Board of Commissioners for approval.
4. Once approved, the agreement shall be executed by both parties and one original will go to the vendor and one to the Port's Records Department, with a copy to the Purchasing Manager for retention.

4.7 TERM

A contract for commodities or services may be entered into for any period of time deemed to be in the best interest of the Port, provided the terms of the contract and conditions of renewal or extension, if any, are included in the solicitation.

All contracts must clearly specify cancellation terms. Contracts must also adhere to the Port's guidelines with regard to invoices being payable Net 30 days.

In advance of the end of the designated term, the Purchasing Manager will request that the managing department provide their recommendation of renewal or termination for the agreement. Based on their recommendation, it will either be presented to the Board for Approval, or put out to bid.

4.8 CONTRACT RENEWALS/TERMINATIONS

Contracts shall be renewed for the terms stated in the agreement, upon approval from the Board of Commissioners.

In advance of the end of the designated term, each agreement will be reviewed for a recommendation of extension or termination by the managing department. Based on their recommendation, it will be presented to the Board for approval to: a) renew or b) put out to bid.

Notice of termination and effective date shall be provided by the managing department and issued in writing by the Purchasing Manager.

4.9 CONTRACT DOCUMENTS – RETENTION, MAINTENANCE AND CORRESPONDENCE

A. CONTRACT RETENTION

The Purchasing Manager shall be the custodian of all Services Agreements, and will maintain copies of all active and terminated agreements in accordance with the Port's retention policy.

B. CONTRACT MAINTENANCE – Contract Analysis Spreadsheet

The Purchasing Manager shall maintain the Contract Analysis Spreadsheet, which shall contain the firm's name, start and expiration dates, brief contract description, location performed, term, and cancellation terms - for the purpose of tracking upcoming contract renewals.

A copy of Contract Analysis shall be forwarded to Port Controller for review, and then given to Records Management to be presented at Board Meeting each month.

C. CORRESPONDENCE

All written correspondence should be handled by the Purchasing Department. In the event that it is necessary for other departments to correspond with vendors or contractors directly, copies of all correspondence shall be provided to the Purchasing Manager.

4.10 PUBLIC ENTITY CRIMES

The Contractor shall comply with all State and Federal laws applicable to its performance hereunder, including, but not limited to, the provisions of the Federal Civil Rights Act of 1964 as amended, and similar laws of the State of Florida, the Federal Americans With Disabilities Act, and similar laws of the State of Florida, the Federal Immigration Reform and Control Act of 1986, and laws governing Drug-Free Workplace.

The Contractor must attach a fully completed, executed and notarized Sworn Statement (Exhibit 9). The Contractor is specifically notified of the provision of Florida Statutes § 287.133

(2) (a) proscribing bidding by a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime.

4.11 INSURANCE REQUIREMENTS

For all Services Agreements, the vendor (and any/all subcontractors) must agree to maintain insurance coverage during the entire term of the contract, as negotiated, with levels (subject to change) as listed on the Required Insurance Coverage form (Exhibit 10). (Not applicable to tenant agreements or construction projects, as they may require different coverage levels.)

4.12 MINORITY/BUSINESS WOMEN ENTERPRISE (MWBE) POLICY

The Port shall use its best efforts to ensure that minority/women businesses have an equitable opportunity to participate in the Port's procurement process and that no business shall be excluded from participation in, denied benefits of, or otherwise discriminated against in connection with the award and performance of any contracts with the Port on the grounds of race, national origin, sex sexual orientation, sexual preferences or handicapped status.

A. PROCEDURE

The Port shall take all reasonable steps permissible by law to ensure that M/WBE's have maximum opportunity to participate in the Port's competitive purchasing processes.

B. GOAL

The Board has set a voluntary goal of 12 % M/WBE participation in Port business. In order to qualify as a Minority/Woman Business Enterprise, the firm must be certified by any certifying governmental entity in Palm Beach County.

SECTION 5: PROCUREMENT THRESHOLDS, REQUIRED FORMS AND APPROVAL LEVELS

The dollar value (threshold) of a purchase determines the documentation/process and approval(s) required.

5.1 REQUIRED DOCUMENTATION:

- \$100 and less – Petty Cash Request
- \$100.01 - \$999.99 – Purchase Request
- \$1000.00 - \$10,000.00 – Purchase Request, Purchase Order (Three proposals optional)
- \$10,000.01 - \$25,000.00 – Purchase Request, Purchase Order (Three proposals required)
- \$25,000.01+ - Competitive bidding required (unless exempted)

5.2 SPENDING AUTHORITIES/REQUIRED SIGNATURE APPROVALS

Limits on discretionary spending are determined and approved by the Board of Commissioners, and are subject to change. All departments will be notified with any amendments to spending authorities after the issuance of this Manual.

The following approvals are required on all Purchase Requests, Purchase Orders and Service Agreements. It is the responsibility of each approving Director to ensure the accuracy and completeness of the forms they sign prior to submission to the Purchasing Manager.

PURCHASE REQUESTS

- \$100.00 and under – Not Required (Use Petty Cash Form) – Requestor, Department Manager **or** Department Director **and** one of the following: Chief Financial Officer/Deputy Director **or** Executive Director
- \$100.01 - \$500.00 – Requestor **and** Department Manager
- \$500.01 - \$2,000.00 – Requestor **and** Department Director
- \$2,000.01 - \$10,000.00 – Requestor, Department Director **and** one of the following: Chief Financial Officer/Deputy Director **or** Executive Director
- \$10,000.01 - \$25,000.00 – Requestor, Department Director, Chief Financial Officer/Deputy Director **and** Executive Director
- \$25,000.01 and over – Requestor, Department Director, Chief Financial Officer/Deputy Director, Executive Director **and** Board approval

PURCHASE ORDERS

- \$1,000.00 to and including \$10,000.00 – Purchasing Manager, Chief Financial Officer/Deputy Director **or** Executive Director
- \$10,000.01 - \$25,000.00 – Purchasing Manager, Chief Financial Officer/Deputy Director **and** Executive Director
- \$25,000.01 and over – Purchasing Manager, Chief Financial Officer/Deputy Director **and** Executive Director (if designated by Board to do so) **and** Board approval

CONTRACTS

Contracts up to \$25,000.00

Executive Director

Contracts over \$25,000.00

Executive Director **and** Board approval

SECTION 6: INTERNAL CONTROLS AND RECORD KEEPING

6.1 BUDGETARY CONTROLS

Budgetary control is essential to the procurement process at the Port. All departments must prepare and submit a budget request each fiscal year which includes, among other items, the projected expenditure levels for procurement of goods and services. The budget should further define major procurements which are to be obtained during the course of the year. The request will be reviewed by the Executive Director, Deputy Director, Chief Financial Officer/Deputy Director and the Port Controller, and either approved, or revised and approved, as part of the overall Port budgeting process.

Before any department processes an order for goods and services, the Finance Department must ensure that proper funds are available (based on the available budget) to support the payment for such items. Currently, the Port accounting records reflect the “expenditure” of those funds once the items are paid for, to ensure subsequent purchases do not result in and over-expenditure of the budget.

Thus, the Budget Line Item section of all Requests must be completed in order for the Finance Department to identify the account the purchase is being made from.

6.2 EXPENDITURE CODING

All Port purchasing transactions will be coded to the general ledger account code for the appropriate department.

The Finance Department will be responsible for ensuring that any purchases of Fixed Assets will be identified, and the Port Controller will be responsible for properly recording the transaction on the Port’s financial records. A Fixed Asset is defined as:

Fixed Asset: A tangible or intangible item with a cost of \$1,000.00 or more, and with a life expectancy of more than one (1) year. All costs directly related to the acquisition of a fixed asset (i.e. freight, installation) should be included in the computation of the total costs.

6.3 PROCUREMENTATION DOCUMENTATION

Producing and maintaining adequate documentation of all purchasing activity is another essential element of internal controls within the Port. The documentation prescribed by this Manual will be maintained in all instances.

The Purchasing Manager will be responsible for issuing and retaining the original copies of all purchase orders, in accordance with requirements established by the State of Florida, General Records Schedule for Local Government Agencies. Copies of such documents will be retained by the requesting department.

A valid taxpayer identification form (W9) is required from all new vendors/contractors who are added to the Port's accounting system.

6.4 CONTRACTS

The Purchasing Manager is the custodian of all Services Contracts.

PROCEDURES:

1. Contact the Finance Department before issuing any formal solicitations (RFQ's / RFP's).
2. If the Finance Department believes a contract is not necessary (i.e. only a purchase order will be issued), the requesting department will be notified.

SECTION 7: FORMS / ATTACHMENTS

Exhibit 1	Requisition for Purchase of Equipment, Supplies and/or Services
Exhibit 2	Purchase Order
Exhibit 3	Petty Cash Form
Exhibit 4	Purchase Card Request Form
Exhibit 5	Check Request Form
Exhibit 6	W-9
Exhibit 7	Request for Customer Invoice
Exhibit 8	Missing Documentation Form
Exhibit 9	Public Entity Crimes/Sworn Statement

Exhibit 10 Required Insurance Coverage Form

Exhibit 11 Services Agreement - Example

EXHIBIT 1

REQUISITION FOR PURCHASE OF EQUIPMENT, SUPPLIES AND/OR SERVICES

EXHIBIT 2

PURCHASE ORDER

EXHIBIT 3

PETTY CASH FORM

EXHIBIT 4

PURCHASE CARD REQUEST FORM

EXHIBIT 5

CHECK REQUEST FORM

EXHIBIT 6

W-9

EXHIBIT 7

REQUEST FOR CUSTOMER INVOICE

EXHIBIT 8

MISSING DOCUMENTATION FORM

EXHIBIT 9

PUBLIC ENTITY CRIMES/SWORN STATEMENT

EXHIBIT 10

REQUIRED INSURANCE COVERAGE FORM

EXHIBIT 11

SERVICES AGREEMENT - EXAMPLE