

**BOYNTON BEACH
COMMUNITY REDEVELOPMENT AGENCY**

PROCUREMENT POLICY

REVISED

January 13, 2009

PURCHASING POLICY

A. SUMMARY OF THE PURCHASING POLICY

The purchase of all budgeted goods and services except exempt purchases must follow the quotation and approval guidelines stated below. Purchases shall not be artificially divided to circumvent the approval process.

Amount of Purchase	Quotation Process per Item	Approval Level	Purchase Order Type
\$ 1 to \$1,999	No Quotation	CRA Director* / Department Head	Direct Payment / Credit Card
\$2,000 to \$4,999	Three Verbal Quotes	CRA Director*	Direct Payment
\$5,000 to \$24,999	Three Written Quotes	CRA Director*	Direct Payment / Purchase Order
\$25,000 or more	Competitive Bidding Process	CRA Board	Purchase Order

* Or assigned Designee.

1. Purchase totaling \$1 to \$1,999.

All purchases totaling less than \$2,000 per purchase may be processed with an invoice. All invoices must be forwarded directly to the CRA Director/Department Head for approval and returned to the Finance Director. Price quotes are not required for purchases under this amount.

2. Purchase totaling \$2,000 to \$4,999.

All purchases totaling between \$2,000 and \$4,999 require three verbal quotes. The verbal quotes must be attached to the invoice. Invoices shall be forwarded directly to the CRA Director for approval and returned to the Finance Director for payment.

3. Purchases totaling \$5,000 to \$24,999.

All purchases totaling between \$5,000 and \$24,999 require three written quotes. The written quotes must be forwarded directly to the CRA Director for review and approval. The approved quote must be submitted to the Finance Director for issuance of a purchase order.

A. SUMMARY OF THE PURCHASING POLICY (Continued)

4. Purchases over \$25,000.

All purchases over \$25,000 require a formal competitive bid/proposal. The proposals must be approved by the CRA Board prior to the issuance of a purchase order.

B. BIDS & PROPOSALS

Formal sealed bids and proposals are the most *effective* methods for soliciting competitive prices from *vendors* in *government* agency purchasing. This policy will establish requirements for sealed bids and proposals.

POLICY:

Formal Bids / Proposals

All contracts of the CRA shall be awarded by competitive sealed bidding or proposals except as otherwise herein provided.

Bid/Proposals of \$25,000 or more shall be solicited through Request for Proposals (RFP's), Request for Qualifications (RFQs), or Request for Letters of Interest (RFLI), unless as otherwise expressly approved by CRA Board or a determination is made that it is more advantageous to utilize another competitive method for acquisition of services.

The following items are required for competitive sealed bids and proposals, when applicable:

1. Invitation for Bids

An Invitation for Bids shall be issued for each solicitation for offers equal to or exceeding the mandatory bid amount and shall include a purchase description and all terms and conditions applicable to the procurement.

2. Bid Specifications

Specifications for all bids should be provided by hard copy to all proposers.

3. Insurance

Insurance is required to safeguard the CRA from all claims resulting from damage to property and/or injury to persons caused by the vendor or their actions. The successful bidder shall be required to obtain, at their own expense, all minimum insurance coverage required under the terms and conditions of all Bids, Request for Proposal (RFP), Request for Qualifications (RFQ), Contracts, Leases, and Agreements.

4. Evaluation Committee

An Evaluation Committee (Committee) will be comprised of technical experts in the field, user department personnel, and any other members that may be appointed by the CRA Director or designee, to evaluate proposal responses. Members are to attend all scheduled meetings, be knowledgeable of the RFP, RFQ or RFLI requirements, personally read and evaluate all responses. A chairperson shall be chosen by the Committee to chair and facilitate the meetings; submit the Committee's findings and recommendations to the CRA Board meeting on behalf of the Committee, if required.

5. Bonds

The successful bidder shall furnish a surety bond as a security for faithful performance of order(s) awarded and for payment of all persons performing labor and on furnishing materials in connection therewith. Surety of such bond should be in the amount equal to the bid. Simultaneously with the delivery of the executed contract, the successful bidder shall deliver to the CRA an executed bond or a letter of credit in the amount of 100 percent of the accepted bid as security. The attorney-in-fact that signs the bond must file a certificate and effective power of attorney with the bond.

Bonds must be secured by the bidder at his own cost and generally may be classified as:

Bid Bond or Bid Security-This is a document, usually in an amount of five percent of the bid, which guarantees that the bidder will enter into a contract with the CRA. Bid Bonds protect the CRA from erroneous or deliberate low bids which the vendor has no intention of honoring. Should the bidder fail to enter into a contract, the bid bond is forfeited.

Bid security must be submitted with the bid and can be in the form of a certified check, cash or bond.

The awarded vendor's Bid Security will be returned after receipt of a Performance Bond or a Letter of Credit in the amount of 100% of the bid, unless otherwise provided for in the Invitation to Bid.

Performance/Construction Bond -This bond is a surety instrument guaranteeing that the vendor will perform according to the terms of the contract and is generally in an amount of 100% of the bid. This bond affords protection from non-performance in completion of major contracts. Should the vendor default, the bond is cashed and the CRA may then utilize the funds to complete the contract with another vendor. Performance bonds are submitted upon award of contract prior to the CRA signing agreements.

Cash Bond -In the amount of the bid or contract award.

Irrevocable Letter of Credit-Sometimes used in lieu of a bond in the case of some construction projects or multi-year contracts.

6. Bid Conditions

In addition to the general conditions of most formal bids some bids require special conditions that pertain specifically to the bids in question. Conditions differ from specifications in that conditions refer to requirements which must be met by the bidder before specifications of his bid are even considered. Incomplete bids or conditions not met by respondent shall disqualify the respondent's bid. No exceptions or reconsideration is allowed for disqualified bids.

7. Public Notice/Request to Advertise

Public notice shall be given a minimum of fifteen (15) calendar days prior to the date set forth therein for the opening of bids. Such notice shall include publication in a newspaper of general circulation no later than fifteen (15) calendar days prior to bid opening. The notice shall state the bid title, scope of services or reason for the bid, and place, date, and time of bid opening.

8. Bid Opening

Public Bid Opening-All bids received shall be publicly opened in the presence of witnesses at the place designated as stated in the Invitation for Bid.

9. Timing of Receipt

The CRA must receive bids no later than the time and date identified in the Invitation for Bid. Bids received after this time shall be returned unopened to the bidder. The Secretary will stamp date and record the time received on all bids held for formal bid opening. The CRA reserves the right to consider bids that have been determined by the CRA to be received late due to mishandling by the CRA after receipt of the Bid and no award has been made.

10. Unopened Bids

If all bids are not opened at the assigned receiving date and time of the bid, for any reason other than failure of the vendors to present their bids or cause their bid to be presented at the appropriate time, the bid opening may occur the following workday at the same time as originally scheduled.

11. Bid Acceptance and Bid Evaluation

Bids shall be unconditionally accepted without alteration or correction, except as authorized in purchasing policies. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, excluding cash discounts, shall be objectively measurable, such as trade discounts, transportation costs, and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used.

12. Corrections or Withdrawal of Bids

Corrections or withdrawal of inadvertently erroneous bids shall be permitted up to the time of bid opening. After bid opening, no changes in bid prices or other provisions shall be permitted; provided however, the CRA Director or his designee shall have the authority to waive minor irregularities as provided by law or correct obvious calculation errors.

13. Bid Evaluation

Bids should be evaluated based on the requirements set forth in the Invitation to Bid, RFP, RFQ, RFLI, which may include criteria to determine acceptability, such as inspection, testing, quality, workmanship, delivery, service, price and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs and total or life cycle cost, etc. The Invitation to Bid shall set forth the evaluation criteria to be used.

14. Award

The contract shall be awarded to the lowest responsible bidder whose bid meets the requirements and criteria set forth in the Invitation to Bid, RFP, RFQ, RFLI. In determining "lowest responsible bidder", in addition to the bid evaluation criteria above, the following may be considered:

- A. Managerial capability.
- B. Technical acceptability and approach in meeting performance requirements.
- C. Reasonableness of price.
- D. Experience in the line of work being considered including references.
- E. Staff capabilities along with resumes of key individuals who will work on the project.
- F. A cost breakdown of the proposed price.
- G. The ability and skill of the bidder to perform the contract.

14. Award (Continued)

H. Whether the bidder can perform the contract or provide the supplies/services as required without delay or interruption within the time specified.

I. The quality of performances of previous contracts or services with the CRA or other entities.

15. Tie Bids

If two or more bidders are tied, the tie may be broken and the successful vendor selected by the following criteria presented in order of importance.

- Quality of the items or services bid if such quality is ascertainable.
- Delivery time if provided in the bid by the bidders.
- Location of the vendor with the following award preferences:
 - CRA Vendor
 - City of Boynton Beach vendor
 - Palm Beach County vendor
 - State of Florida vendor

If the above criteria are impossible to determine with any reasonableness or do not resolve the issue, the award will be given to that vendor whose bid was received first as indicated by the date stamp and time recorded on the envelope containing the bid.

16. Contract Extension

All invitations for bids for open-end contracts shall, when practical, provide for an extension of the contract for a time period up to the amount of the original time period, upon mutual consent of the buyer and seller and written analysis by the CRA Executive Director that renewal is in the best interest of the CRA. Any contract extension of \$25,000 or less will require the approval of the CRA Executive Director. Contract extensions above \$25,000 will require approval of the CRA Board.

17. Cancellation of Requests

A request for proposals, invitation for bids or request for qualifications may be canceled and/or any or all responses may be rejected in whole or in part when it is in the best interest of the CRA. The reasons therefore shall be made part of the CRA file.

Exclusions from the Competitive Process:

A. Emergency Purchases

The CRA Director may procure goods and services where the cost does not exceed twenty five thousand (\$25,000) when there exists a clear and present threat to public health, property, welfare, safety or other substantial loss to the CRA, provided however, that such emergency procurement shall be made with such competition as is practical under the circumstances.

B. Expert Consultants

Expert consultants means individual(s) acting as independent contractors for professional services to the CRA retained by the CRA Director on a contract basis with a specific term for the purpose of performing specialized work that require knowledge, skills and training not otherwise available to the CRA. The procurement of an expert consultant does not lend itself to normal competitive bidding.

C. Sole Source Purchases

Procurement may be awarded for a supply, service or construction item without competition when it is determined that there is only one source available such as repairs or additions from the original equipment manufacturer, only supplier in the area or for service, franchised or licensed distributor or service, patented or proprietary item, or by negotiation where the procurement by competitive procedures is not feasible nor practical. Any vendor identified by staff as a sole source vendor must be supported in writing.

D. State Contracts

State Contract is the State of Florida Purchasing Division's formal bidding process and award of various equipment and services contracts extended for use to all political subdivisions and/ or entities.

E. Piggy Backing

"Piggy-backing" onto contracts by other governmental agencies (i.e., city, county, school board, state) is encouraged when it is determined that this method of procurement will provide the best product/service at the best price without compromising specifications or quality desired. This method of procurement should be considered prior to using any other method set forth regardless of quantity or monetary value of the procurement. Supporting documents will be submitted with requisition to the Finance Director (for example-contract number and information from the state of Florida's website). The contract must be an open active contract.

F. City of Boynton Beach

Contracts with The City of Boynton Beach for direct services.

G. Other Purchases

Certain purchases are exempt from the formal purchasing procedures. These include purchases and expenses where the competitive process would be unavailable, or where purchases or expenses are routine operational expenses, unique in nature and/or under contract, or approved by the CRA Board such as:

Appraisers

Real Property Purchases

Title Insurance

Rental Expense

Membership Fees

Subscriptions

Utility Services

Services, as it relates to special events

Promotion, Marketing and Entertainment

Testing or Instructional Material

Real Estate Taxes

Speaker Expense

Insurance

Payroll

CRA PURCHASING POLICY - CHANGE ORDERS

A change order is a written modification to a contract or purchase. Purchase orders may be amended to correct errors, omissions, discrepancies, acceptable overruns, freight costs or amendments to contracts. Change orders may entail additional cost, revision of scope or quantities or an extension of time to complete the contract.

POLICY:

Change orders less than \$25,000 require CRA Executive Director approval; Change orders \$25,000 or greater require CRA Board approval.

A change order will be issued prior to payment of invoice for the following purposes:

1. Change orders for all construction and non-construction purchases, which were initially awarded by the CRA Board, will be approved as follows:

Change orders will only be presented to CRA Board for approval when Cumulative change orders for the awarded item have reached \$25,000 or more. When presented to the CRA Board all cumulative changes that make up the cumulative change order amount of \$25,000 or more will be presented as part of the approval. If additional change orders are required, after CRA Board approval, the same process will be used for the next cumulative change orders.

An original of the change order and a purchase requisition requesting the change order shall be remitted to the CRA Executive Director for approval. The CRA Finance Director will make the necessary change(s) to the purchase order for the CRA records.

Purchase orders over \$25,000 will have a tolerance of 10 percent of the purchase order amount. Anything exceeding 10% would require a new purchase order. The invoices for these purchase orders can be processed without preparing a change order. Invoices, which exceed the tolerance limit, will require the CRA Executive Director to review and approve the discrepancy. The change order request shall justify the cause for variance.

All change orders are to be reviewed and processed to change the purchase order amount. Change orders will be distributed to the holders of the original purchase order.

CRA PURCHASING POLICY - ARCHITECTURAL OR ENGINEERING PROFESSIONAL SERVICES

PURPOSE:

To provide a policy that fully complies with the requirements of the Consultants *Competitive* Negotiation Act (CCNA), Section 287.055, Florida Statutes, when the combined amount for the *services* is \$25,000 or more.

DEFINITION:

Professional services mean any services where the CRA is obtaining advice, instruction or specialized work from an individual specifically qualified in a particular area. This would include architectural, professional engineering or registered land surveying and mapping services. Professional services may include a report or written advice which may be lengthy; however, the main thrust of the service is not considered labor but the exercise of intellectual ability. The procurement of professional services does not lend itself to normal competitive bidding and pricing competition alone. These services may be procured by a Request for Letter of Interest, Request for Proposal or Request for Qualification and selected through competitive selection and negotiation.

POLICY:

The CRA requires a competitive bid process for professional services when the cost of the service exceeds:

1. \$25,000 or more for planning or study activity.
2. \$25,000 or more for basic construction costs.

The processes to contract for professional services are:

1. Public Announcement/Request to Advertise -At such time when professional services are deemed necessary by the CRA, the CRA Executive Director shall provide and request a legal advertisement to be published in a newspaper of general circulation within Palm Beach County, Miami Dade or Broward county setting forth a general description of the project requiring professional services and providing instructions on how interested firms may apply for consideration by the CRA. In addition, a notification of the project will be sent to certified firms which express an interest.

2. Competitive Selection -There shall be a Competitive Selection Committee (CSC), which shall be appointed by the CRA Executive Director and may be composed of the following representatives:
 - A. Representative(s) of the CRA Board.
 - B. Citizen appointed by the CRA Board based on their qualifications and experience in the area of discipline sought.
 - C. Other representative(s) that may be deemed appropriate by the CRA Executive Director or CRA Board.

The responsibility of the CSC committee will be to:

- Select a minimum of three qualified and reputable firms
 - Hold discussions with selected firms. Such discussion may encompass formal presentations by each firm. The requirements of presentations or discussion will be the same for each selected firm and must include qualifications of firm, approach of the project, and ability to furnish services.
 - Rank the firms based on qualifications, ability of personnel, past performance, location, recent, current and projected workloads.
 - After selection of the firm that will best serve the interest of the CRA, the selection committee will bring their recommendation before the CRA Board to authorize the priority of the firms for negotiation of a contract.
3. Competitive Negotiation -The CSC committee, designee or CRA Executive Director or designee will attempt to negotiate a contract with the highest ranked firm to perform the services at a compensation that the CSC determines to be fair and reasonable. If a satisfactory contract with the firm obtaining the highest ranking is unable to be negotiated, negotiations with that firm shall be formally terminated. Negotiations will be undertaken with the second ranked firm. If these negotiations also prove unsatisfactory, negotiations shall again be terminated and negotiations with each firm in accordance with their ranking by the committee will begin until an agreement is reached or the available firms are exhausted. When Staff has reached an impasse in the negotiations, staff will notify the CRA Board. The CRA Board may choose to have a CRA Board Member or designee try to negotiate a contract with the list of potential firms. When the firms are exhausted and all negotiations have failed a new solicitation for proposals must be initiated for any lump-sum or cost-plus-a-fixed-fee professional service contract over the threshold amount provided in Section 287.017 (5) (a), Florida.

CRA PURCHASING POLICY - CONSTRUCTION CONTRACTS

PURPOSE:

Due to the complexity of construction projects and the cost involved these contracts warrant special conditions.

POLICY:

In general, contracts for construction of major CRA projects are obtained through the Formal (Sealed) Bid process. Construction projects under \$25,000 in cost may be procured by written quotations. Sealed bids are required for all construction projects over \$25,000 in costs and the following special conditions will apply:

1. ***Announcement of Bids.*** To assure the greatest degree of competition, all of the following shall be used to announce the bids:
 - A. ***Newspaper Legal Ads.*** Legal ads are an excellent method of attracting interested bidders, while also dispelling any criticism of bids only going to favored contractors. For this reason, they are required to be posted in a newspaper of general circulation in Palm Beach County, Broward County or Miami/Dade County. Legal ads should briefly state the name of the project, location, nature of work required, contact person name and telephone number, bid receiving date and time, cost of plans and location where bid specifications may be obtained. The ads should be placed a minimum of fifteen (15) calendar days prior to the bid receiving date. Advertisements may also be listed in the Dodge Reports, and other construction journals.
 - B. ***Mailing to Interested Contractors (Bidders List).*** The primary contacts for construction bids are those firms that have previously done work for the CRA or other governmental entities and have expressed a desire to bid. A list of these firms shall be assembled from the records of the CRA and other governmental entities. Additionally, the CRA Director and the CRA Board may contribute firms that are listed in various reference sources, including but not limited to: Thomas Register, Municipal Index, Yellow Pages, Contractor's Blue Book, Palm Beach County Minority Business Directory, etc or from personal experience. Generally, only an "Invitation to Bid" letter or a "Notice to Contractor" should be mailed to firms on the Contractors Bid list.

2. ***Pre-Bid Conference.*** A pre-bid conference may be held for all construction projects. Attendance at this conference is not mandatory, but highly recommended for all bidders.
3. ***Bid Opening.*** No bids will be accepted after the receiving date and time. However, the CRA reserves the right to consider any bids received late due to mishandling by the CRA. The CRA Executive Director or designee is in charge of the bid opening and shall fully record the various bids for the construction project. Anyone requesting to review bids will be requested to wait until all bids received are finally tabulated and a staff person is available to monitor the bid package review process.
4. ***Bid Review and Award.*** Bid review is by the CRA approved selection committee. CRA staff will make copies of the tabulation sheets and have all bids available for their review. In some cases, review of bids may be performed by a contracted Architectural/Engineering firm. The contract award should generally be made to the lowest most responsive, responsible bidder meeting specifications. If this is not the case, a thorough explanation should accompany the formal evaluation. Bid award shall be made by the CRA Board.
5. ***Formal Construction Contract.*** Due to the complex nature and duration of construction projects, a formal construction contract is prepared and copies are issued to all parties. These contracts are prepared by either a hired Architectural/Engineering firm, or the CRA Attorney's Office. The formal construction contract is based on the bid document and plans. The contractor shall provide all required licensing, insurance, and bond documentation to the CRA along with the signed contracts. All contracts must be reviewed and approved by the CRA Attorney as to form and legality before the contract is signed.