



PURCHASING POLICIES AND PROCEDURES MANUAL

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4.0 Forms

- Petty Cash Reconciliation Form
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- Fixed Asset / Property Record Form (pink)
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Previous Amendments:

Purchasing Code Amended: May 18, 2010 – Ordinance 2010-10

Purchasing Policies and Procedures Amended: May 17, 2011 – Resolution 2011-64

Purchasing Policies and Procedures Amended: December 6, 2011 – Resolution 2011-177

Purchasing Policies and Procedures Amended: April 17, 2012 – Resolution 2012-59

Purchasing Policies and Procedures Amended: September 4, 2012 – Resolution 2012-138

1.0 PURPOSE

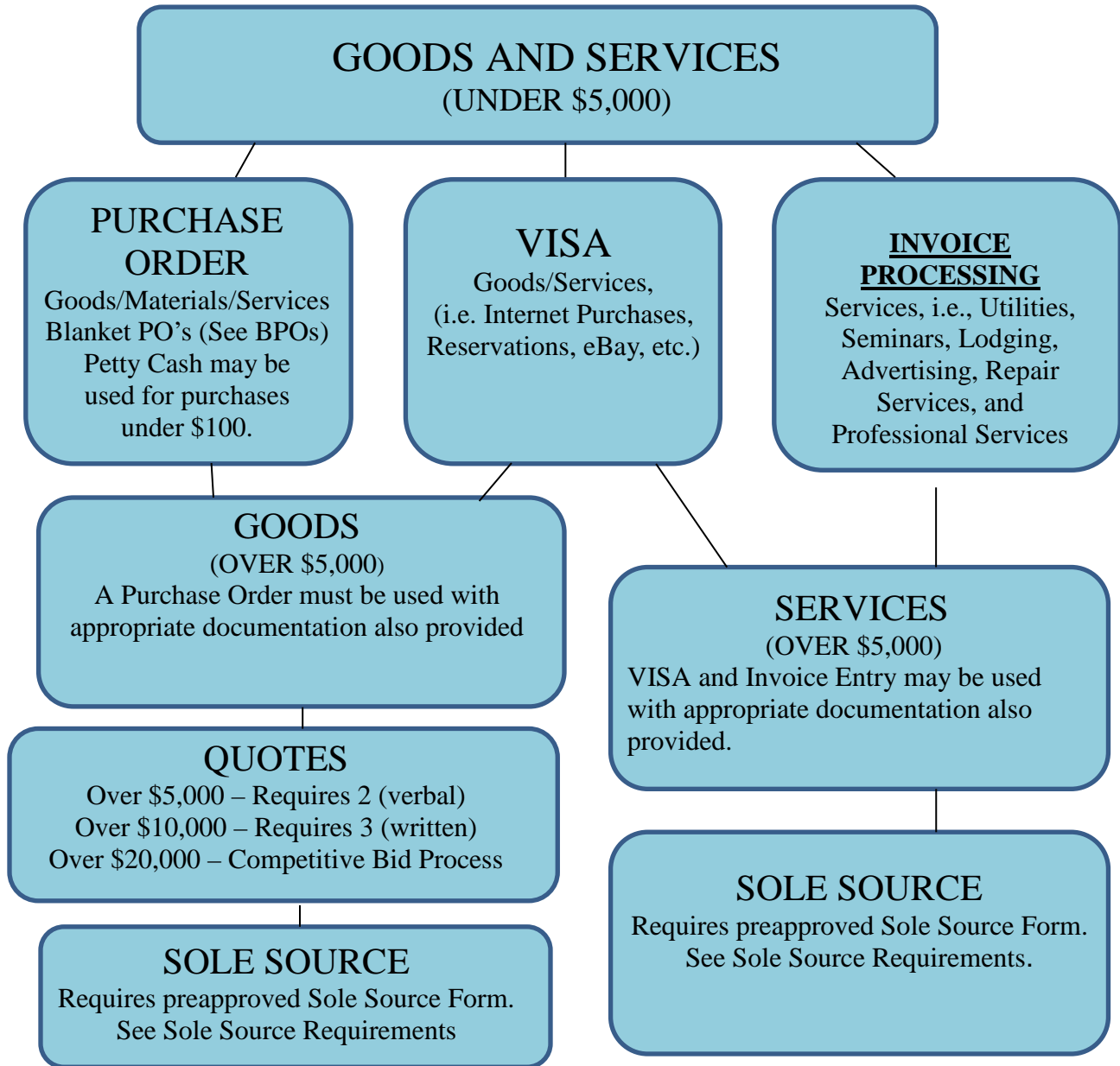
This Purchasing Policies and Procedures Manual is provided to all departments of the City of Fernandina Beach to provide guidance and direction to all employees involved in the purchasing process and to promote transparency, efficiency and economy in the purchase of various goods and/or services. This Manual is intended to incorporate all purchasing policies and ordinances adopted by the City Commission in a form that is “user friendly”. In addition to this Manual, the City Commission has adopted a comprehensive Purchasing Code as part of the Code of Ordinances, Sections 2-420 through 2-446. In case of a conflict between the provisions set forth in the Purchasing Code and this Purchasing Policies and Procedures Manual, the Purchasing Code shall dictate.

It is the policy of the City to make all purchases of supplies, materials, equipment and contractual services utilizing a competitive process and receiving the best value from the most responsive and responsible vendor. The competitive process can include written quotes, formal Invitation to Bids (ITB), Request for Proposals (RFP), Request for Qualifications (RFQ) or any other method set forth in the City’s Code.

The City’s purchasing policies shall also incorporate the following principles:

- Standardization of products and consolidation of purchases used throughout the City to obtain the best value from the most responsive and responsible vendor;
- Use of appropriate specifications for purchase of goods and services, including consideration of value, estimated life and service factors;
- Use of competition to reduce prices;
- Conducting all purchases in a businesslike and objective manner, and eliminating favorites and connivance in public purchasing;
- Elimination of unnecessary purchases, and the limitation of paperwork to the maximum extent possible;
- Transfer of useable goods from one department to another, and from another agency to the city;
- Use of cooperative purchasing agreements to take advantage (piggy-back off) of other government contract agreements;
- Inspection and testing of products to assure compliance with contract specifications;
- Prompt payment of invoices, earning discounts wherever possible;
- Use of local vendors when competitive and taking appropriate measures to ensure affirmative action steps are taken.

2.0 PURCHASING APPROVAL PROCESS



APPROVAL LIMITS & SIGNATURE REQUIREMENTS

< \$100	Foreman/Field Supervisor
< \$5,000	Department Director
< \$10,000	Finance Comptroller
< \$20,000	City Manager
> \$20,000	City Commission and Competitive Bid
Vehicles/Related Equipment: Fleet/Facilities Maintenance Director	
Building Related: Fleet/Facilities Maintenance Director	
Computer/Software/Related Equipment: IT Manager	

3.0 POLICIES & PROCEDURES

- A. Procedures Mandatory: No person shall make any commitment for supplies, materials, or services of any kind on behalf of the City except in accordance with City Purchasing Procedures and Section 2-431 of the Code of Ordinances.
- B. Organization: The City of Fernandina Beach employs a modified centralized purchasing system, wherein the requesting department, in addition to the City Purchasing Agent, may perform purchasing functions that follow the City's purchasing policies and procedures.

The City Manager has the ultimate responsibility to ensure that the procurement of goods and services are in compliance with City policy, codes, regulations and State Statutes and that funds have been budgeted and are available.

The City Comptroller/Finance is charged with the responsibility of policing purchases and bidding procedures for legality relative to Federal, State, and City laws, regulations, policy and procedures and guarding against unethical or discriminatory practices in the bidding and procurement activities.

- C. Purchasing: A purchase is defined as buying, renting, leasing or otherwise acquiring any goods and/or services for public purposes in accordance with the law, rules, regulations and procedures intended to provide for the expenditure of public funds. It includes, but is not limited to, all functions which pertain to the obtaining of any supplies, materials, equipment and/or services including construction projects and capital improvement projects, as defined herein, required by the City. The City of Fernandina Beach is exempt from Florida sales tax, and it is the responsibility of each Department Director to ensure that the appropriate employees in their department understand the City's tax-exempt status.

Purchases of Services over \$5,000 are to be procured via Requisition/Purchase Order and need approval from the City Comptroller and City Manager, if applicable, prior to commitment. Purchases are to be checked for appropriation within departmental budget prior to completing the requisition in Munis.

Within the meaning of the definition of a purchase, the following are **NOT** purchases that would require a Requisition/Purchase Order but may be payable through Munis Invoice Processing:

- a. Public communications, i.e., telephone, newspaper ads, etc.
- b. Utilities
- c. Transportation of persons and things
- d. Educational seminars/workshops
- e. Overnight lodging
- f. Any rental or lease of property or buildings for less than twelve calendar months with a non-renewable lease
- g. Professional services, services of a professional nature like those covered under Consultants Competitive Negotiation Act (CCNA)
- h. Credit Cards/Vendor Cards charges up to \$5,000

- i. Labor services such as maintenance repairs for existing City equipment or property
- j. Insurance premiums
- k. Debt payments

D. Purchasing Approvals: Purchases of goods over \$5,000 and less than \$10,000 are to be issued via Requisition/Purchase Order and require approval from the Comptroller prior to commitment. Purchases under \$5,000 require approval of the requesting Department Director and may be processed via a Requisition/Purchase Order or invoice processing. Signing authorities are based on the Requisition/Purchase Orders grand total amount. Purchases greater than \$10,000, but less than \$20,000 require approval from both the Comptroller and the City Manager via Requisitions/Purchase Order or invoicing thru Munis. Expenditures over \$20,000 require City Commission approval. The Munis workflow is built to electronically collect all of the required authorizations.

Purchasing Approval Levels are as follows:

- < \$100 Foreman/Field Supervisor
 - < \$5,000 Department (Director)
 - < \$10,000 Finance Comptroller
 - < \$20,000 City Manager
 - ≥ \$20,000 City Commission
- Departments must get the Information Technology Director’s approval for the purchase of computer / electronic related equipment. Equipment purchased without the IT Director’s approval will not be supported by the IT Department. All technology related Requisitions/Purchase Orders and invoices must have prior e-mail approval from the IT Department Director attached in Munis. The Police Department supports its own IT functions and shall remain **exempt** from this approval process.
 - The Fleet/Facilities Maintenance Director is responsible for purchases, maintenance, and repair of vehicles and equipment (rolling stock), and building-related items. All vehicle-related and building-related Requisition/Purchase Orders and Invoices must have prior e-mail approval attached in Munis.

E. Methods of Procurement: (see each procedure explained below)

1. Petty Cash
2. Invoice Processing without a Requisition/Purchase Order
3. Requisition/Purchase Order (PO)
4. Competitive Bidding (Invitation to Bid/Request for Proposals/Request for Qualifications)
5. Credit Cards/Vendor Cards
6. Sole Source/Emergency Procurement
7. Emergency Purchases

E.1 Petty Cash: Cash maintained in a department that may be used for purchases of \$100 and under that must be made quickly and without prior notice on a contingency basis, for department

purchases, or for official, organized activities of the City Commission or the various boards that function as part of the City government. Each Petty Cash fund has a designated custodian responsible for disbursements and accounting. Petty Cash may be used when other methods of purchase are not practicable. Petty Cash shall not be used to reimburse travel or training related expenses. A Petty Cash Record and Reconciliation Form signed by the employee preparing the form and the supervisor/Department Director detailing each purchase, including date, vendor, item(s), account number charged, and amount, along with the corresponding invoices should be entered into Munis for reimbursement. The form must include a total amount to be reimbursed. The Finance department will prepare a check payable to the fund custodian to reimburse the Petty Cash Fund. The Finance Department performs an annual audit of each Department's petty cash fund.

E.2 Invoice Processing without a Requisition/Purchase Order: A Department Director may submit invoices for a purchase of goods or services under \$5,000 thus avoiding the requirement of processing a formal Requisition/Purchase Order and obtaining quotes. When submitting an invoice for payment in the Munis software, the requesting department must verify funds are available and code the purchase to the proper org/object numbers. The receipt or invoice must be attached to the Munis invoice. The Munis workflow is built to electronically collect all of the required authorizations. This policy modification decreases paperwork and contributes to the efficiency of the various departments as well as Accounts Payable. If the underlying supporting documentation (i.e. contracts from vendor, proposals, quotes, applications, etc.) requires a signature of authority on another form, the documentation must be sent to the City Attorney's Office for review and approval by the City Attorney. Upon review and approval, the documentation will be forwarded to the City Manager's Office for signature by the City Manager. Should the City Attorney feel a modification is required, the supporting documentation will be sent back to the requesting department to work with the vendor. Upon approval of the vendor, the supporting documentation is to then be sent back to the City Attorney for signature. Upon the City Attorney's approval as to form, the document will be forwarded to the City Manager for signature, and then to the City Clerk's Office to be Attested. See Section C for purchase of services.

E.3 Requisition/Purchase Order: The official legal record of contract between the City and vendor, issued separately or in conjunction with other documents, which delineates the responsibilities of both parties in the provision of and payment for goods and services required by the City. The Requisition/Purchase Order also is the mechanism by which budgetary and cash balances are encumbered in the City's accounting system. Requisition/Purchase Orders for goods and services are required for purchases over \$5,000 (unless they fall under the exceptions listed in section C). Purchase Orders in the Munis system are created as a result of a department processing a Requisition. If the underlying supporting documentation (i.e. credit applications, Purchase Order terms and conditions, contracts from vendor, proposals, quotes, applications, etc.) requires a signature of authority on another form, the documentation must be sent to the City Attorney's Office for review and approval by the City Attorney. A credit application is sent to Finance for the banking references only and then sent back to the City Attorney for final approval. Upon review and approval, the documentation will be forwarded to the City Manager's Office for signature by the City Manager. Should the City Attorney feel a modification is required, the supporting documentation will be sent back to the requesting department to work with the

vendor. Upon approval of the vendor, the supporting documentation is to then be sent back to the City Attorney for signature. Upon the City Attorney's approval as to form, the document will be forwarded to the City Manager for signature, and then to the City Clerk's Office to be Attested.

The Requisition must be initiated by the requesting department and approved by the Department Director in the Munis workflow. The requesting department must also verify funds are available and that the proper org/object numbers have been used. Quotes, sole source documents, bid number reference, Resolution number reference and a copy of the Resolution must be attached in Munis. The words "Quotes attached" or "Sole Source" or reference to a Resolution number must also be annotated within the Requisition. The Finance department will review the Requisition and supporting documentation from the requesting department to ensure the proper org/object number has been used and proper documentation is attached. The Requisition is then forwarded to the Comptroller and City Manager by the Munis workflow for additional approval(s) as applicable. After approval(s) have been obtained, the Munis system will generate and print a single copy of the Purchase Order. The department will be electronically notified that the Purchase Order has been printed and Finance will send the hard copy to the requesting department via interoffice mail.

Once the requesting department receives the authorized Purchase Order, it is their responsibility to provide a copy to the vendor making sure the purchase order Terms and Conditions are forwarded to the supplier/vendor along with the Purchase Order.

Once the order is shipped to and received by the requesting department they compare the receipt to the packing list and Purchase Order and examine the condition of the shipment. When the invoice is received by the requesting department it is matched with the packing list. If there is any discrepancy between the packing list amount received or with the invoice amount, the requesting department must make an effort to correct these issues with the supplier and make notes on the invoice before processing for payment.

The receiving department keys the invoice information into the Munis workflow against the Purchase Order. Once the invoice has received all the necessary approvals within the Munis system, the Finance staff will process the payment. The City Manager and City Clerk signatures are electronically printed on the checks. A review of all checks to be printed is performed by the City Clerk's Office prior to printing and mailing payments to vendors. A turn around time of two weeks from the time the invoice is received in Finance to the mailing of the check can normally be anticipated. Invoices are paid according to the Florida Prompt Payment Act.

E.4 Competitive Purchasing: A solicitation for goods or services with more than one vendor. Examples are: Request for Qualifications, Invitation to Bid or Request for Proposal. See procedures for Qualifications and Sealed Bids/Proposals.

E.5 Credit Card (VISA) /Vendor Cards: The City VISA Card and/or Vendor Card should only be used when another payment method (i.e. purchase order, check, or petty cash) is not practical due to timeliness or other limitations. City credit cards are given to Department Directors and some employees, with authorization of the City Manager, to facilitate the purchasing of items on-line, for City related travel and training, and to expedite the delivery of goods. Each employee issued

a VISA card is required to sign a VISA Credit Card Employee Agreement. In this agreement the employee agrees to abide by the procedures for use of the card. The City also has store cards which allow the purchaser to buy on account, i.e. Wal-Mart, Home Depot, and Lowe's. Statements are received each month - one statement for each card held by the City. Invoices for individual purchase made by use of these cards are processed using the Munis workflow by the associated department.

- The use of the VISA Card and/or Vendor Card is only for the purchase of goods and services for official business of the City of Fernandina Beach. Any charges considered as personal, non-official business, will be immediately reimbursable to the City and will be grounds for disciplinary action.
- The purchasing process, authorization and spending limits remain the same for purchases made on Visa cards as they are for other purchases. All quotes, bids, Requisitions/Purchase Orders, etc. need to be authorized in advance of placing an order when using a credit card. If the vendor/supplier charges sales tax on a credit card receipt, it is the cardholder's responsibility to get a refund from the vendor and note this on the original receipt when submitting through Munis.
- VISA Card and/or Vendor Card receipts for purchases must be entered into Munis **within five business days** of purchase or return to work from travel, along with the appropriate invoice or receipt. Failure to meet this deadline may result in the revocation of the VISA Card and/or Vendor Card at the discretion of the City Manager and City Comptroller and will be grounds for disciplinary action as follows:
 - 1st Notification – Email to Cardholder and Department Director.
 - 2nd Notification - Email to Cardholder, Department Director, and Comptroller.
 - 3rd Notification – Email to Cardholder, from the Comptroller with a copy to the Department Director and City Manager with instructions to place a copy in Cardholder's performance file.
- If Cardholder loses a receipt, a short, written statement, signed by the employee and Department Director, explaining the item, amount and circumstances of the expense must be submitted with the invoice.
- The City Manager or Department Director may authorize others to use their cards by completing the authorization form. Such authorizations will have a maximum of a one-year limit and will be kept by the department giving the authorization. The cardholder will be responsible for charges even though authorization for other's use may be given.
- Employees are to surrender the VISA Card and/or Vendor Card upon resignation, retirement, termination, or upon request of an authorized representative of the City of Fernandina Beach. Use of the VISA Card and/or Vendor Card after privileges are withdrawn is prohibited.
- If the VISA Card and/or Vendor Card is lost or stolen, the employee will immediately notify the City Comptroller or Accounting Supervisor in the Finance Department.

- Any charges considered as personal, non-official business, are strictly prohibited, must be immediately reimbursed to the City, and may be grounds for disciplinary action.
- VISA credits for returns or refunds must be processed by a separate invoice. The word “CREDIT” must be annotated in Munis and a minus sign shall be placed in front of the amount. As with all invoices, an org/object number is required. The appropriate Credit Slip/Receipt shall be attached to the invoice for the Credit.
- When a department (Maintenance, IT, etc.) is doing work or placing an order for another department the benefiting department is responsible for preparing the Requisition/Purchase Order or invoicing paperwork and submitting it for payment. The department performing the work is responsible for providing all necessary information, receipts and/or invoices to the benefiting department in a timely manner.

E.6 Sole Source/Emergency Procurement: A Sole Source purchase method is used when any materials, supplies or service can only be obtained from one vendor or manufacturer eliminating the possibility of securing a comparative quote. Justification may include lead time; insurance; pay terms; substitution; proprietary/ unique vendor quality(s); etc.

A Sole Source/Emergency Procurement form must be filled out by the requesting Department Director and requires City Manager approval BEFORE order is placed via Requisition/Purchase Order for goods. If for services, the form requires City Manager approval BEFORE payment to vendor, not to exceed City Manager’s signing authority.

A Department Director may obtain the City Manager’s approval of a sole source (evidenced by signature) to be used for repetitive sole source purchases from an identified vendor. The modified sole source designation includes an expiration date not to exceed one fiscal year. Repeat purchases may be made using a copy of the approved sole source. The annual accumulated amount of purchases made using the modified sole source form for one vendor may not exceed \$20,000. For sole source purchases exceeding \$20,000, the City Commission may approve an annual contract with vendors offering sole source products.

E.7 Emergency Purchases: In the event of an actual emergency which requires a purchase after office hours, on a weekend, or holiday when it is not possible to get a purchase order issued, the Department Director involved shall take responsibility for the necessary purchase reporting it to the Finance Department without delay. A Department Director must complete the Sole Source/Emergency Procurement Form and receive the City Manager’s signature authorizing the proposed purchase prior to placing the order for the goods or service. In the event of an emergency purchase, the Director may receive a verbal or email approval of the emergency purchase from the City Manager and complete the emergency purchase order and the Sole Source/Emergency Procurement form for the City Manager’s signature as soon as practically possible thereafter.

The term "emergency" means an unexpected turn of events that causes:

- (a) An immediate danger to the public health or safety;

- (b) An immediate danger of loss of public or private property; or
- (c) An interruption in the delivery of an essential governmental service.

E.8 Electronic Funds Transfer (ACH): The City may pay debt payments, insurance payments and other payables via an online banking system. Documentation for the electronic transfers is kept in the Journal Entry book. All electronic transfers require action from two individuals: The Accounting Supervisor to establish the transfer file or ACH and a second individual, the City Comptroller, to approve it.

E.9 Sustainable Purchasing: The City will seek to buy and use products needed for city services which are made with recycled materials if the recycled items are reasonably competitive with non-recycled products (cost not to exceed 15%), and meet or exceed specifications and user required quality levels set forth by the City. Departments will make an effort to identify products made from recycled materials that meet appropriate standards for use. When purchases are necessary, strong consideration will be given to durable items, items having minimal packaging, and items that are readily recycled when discarded. Employees are expected to try to purchase products for City use which contain recycled materials whenever such products meet the minimum standards for their particular function.

F. Competitive Purchasing: Competitive purchasing shall operate under the supervision of the City Comptroller in the best interest of transparency, economy and efficiency. For non-emergency purchasing, purchase orders shall normally be issued within three business days after price quotes are received by the Department Director. Multiple small purchases for the same item shall not be made for the purposes of circumventing City purchasing procedures.

Purchases of goods and/or services over \$5,000 but less than \$20,000 require the requesting department obtain quotes. A limit is reached when the total Requisition/Purchase Order exceeds established limits. Each department is responsible for creating their own Requisitions/Purchase Orders and obtaining the required number of quotes. Purchases of \$20,000 or more will be done on the basis of sealed competitive bids/proposals.

- Purchases of \$5,000 but less than \$10,000 require two quotes that may be written or verbal – an email or other documentation from the department detailing the information for the verbal quotes is required
- Purchases of \$10,000 but less than \$20,000 require three quotes that must be written
- Purchases of \$20,000 or more require procurement via sealed bids/proposals

F.1 Obtaining Quotes:

- The requesting department will create a written specification and description of need and fax or email to vendors;
- All vendors must quote to the same specification;
- Requesting departments must ensure equal opportunity is given to a variety of vendors when soliciting for quote.

- The specification will include: City’s Name, Delivery Address, Phone, Fax, Item Description, Quantity, Unit of Measure, Freight reflected as “Delivered”, Date Needed, Price Expiration Date, and a copy of the City’s Tax-Exempt Letter and Terms and Conditions for Purchases and any other information deemed necessary;
- Vendor must agree to City Terms and Conditions, if not, any modifications must be approved by the City Attorney;
- “No Quote” from a vendor may count as a quote if proof is provided that a quote was solicited (copy of faxed confirmation with date and time faxed or copy of sent email reflecting address of vendor) and document multiple efforts to reach vendors.
- Copies of the quote responses must be attached to the requisition along with the Quote Summary form identifying the reason the selected vendor was chosen.

In the event a signature line is provided on a vendor quote form, it is to be noted that the City Manager is the only one authorized to sign. It is preferred that the requesting department cross the line out, however if the vendor pursues a signature on the quote form, the requesting department should send the form to the City Attorney for review and upon review and approval, will forward to the City Manager for signature. The City Manager’s Office will return the proposal to the originating department once the City Manager has authorized such purchase.

The requirement for written quotes may be waived if it is established by the Department Director that the item is available only from a single source, proprietary source, or after solicitation of a number of sources, competition is determined inadequate. The Sole Source documentation must be signed by the City Manager, attached to, and kept with the Requisition/Purchase Order.

Sealed competitive bid process may also be used when deemed advantageous by the City Manager.

F.2 Sealed Bids/Proposals:

Purchases equal to or more than \$20,000 will be made on the basis of sealed competitive bids/proposals. In coordination with the Purchasing Agent, the requesting department will write a detailed specification or scope of work of the goods or services needed. A Bid Issuance form will be completed by the requesting department providing the required information (account number, scope of services, etc.), and sent to the Finance Department, complete with all supporting documentation as required. This form packet requires the City Manager, City Comptroller and City Attorney review and approve.

Once approved, the City’s website becomes the central point for information. Specifications and documents will be maintained on the website so that interested parties may download the information quickly and cost-effectively as needed to reply.

- Invitation to Bid (ITB) - method of acquiring goods, services, and construction for public use is awarded to the most responsive and responsible bidder offering the best value, based solely on the response to a clearly defined criteria and specifications set forth in the ITB. The contract shall be awarded to the responsible and responsive vendor who submits the lowest responsive bid, per Florida State Statute 287.057.
- Request for Proposal (RFP) - a solicitation for response for a commodity and/or services for which the scope of work, specifications or contractual terms and conditions cannot reasonably be closely defined. Evaluation of a proposal is based on established criteria wherein the RFP shall state the relative importance of price and other evaluation factors. The evaluation criteria and weights are prepared in advance of receipt of response submittals. The results are evaluated by a committee and a recommendation is made to the Commission.
- Advertisement: An advertisement will be posted electronically to the City website, as well as an additional procurement website, where prospective bidders may download bid/proposal documents. Public Notice of the Invitation to Bid or Request for Proposal shall be advertised a minimum of ten business days prior to the date set forth therein for the opening of bids, per Florida State Statute 287-042(3)(b)(1).
- Online Broadcasts: Use of online government procurement information sites (like the PEG channel or Demandstar) may also be used to broadcast bids/proposals to vendors interested in doing business with government entities. This method of advertising assists the City in following affirmative action steps by capturing the attention of small business, women-owned veteran-owned or minority-owned businesses.
- Minorities: To assure that small businesses that are women-owned, veteran owned or minority-owned are utilized when possible, the following affirmative action steps may be taken:
 - Including qualified small businesses that are women-owned, veteran owned or minority-owned on bid lists (obtained from online government information sites and area minority organizations).
 - Assuring that small businesses that are women-owned, veteran-owned or minority-owned are solicited whenever they are potential sources.
 - When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small businesses that are women-owned, veteran owned or minority-owned.
 - Where the requirements permit, establishing delivery schedules, which will encourage participation by small businesses that are women-owned, veteran owned or minority-owned.

- Using the services and assistance of the Small Business Administration, statewide contract register, or the Office of Minority Business Enterprise of the Department of Commerce, and area minority organizations, as required.
- Pass-through to Subcontractors: a contractor shall take the above affirmative steps listed in awarding its subcontracts.

Public Notice for municipalities for public construction:

1. The solicitation of competitive bids or proposals for any construction project that is projected to cost more than \$200,000 shall be publicly advertised on the City's website at least 21 days prior to the established bid opening and at least 5 days prior to any scheduled pre-bid conference. The solicitation of competitive bids or proposals for any construction project that is projected to cost more than \$500,000 shall be publicly advertised at least once in a newspaper of general circulation in the county where the project is located at least 30 days prior to the established bid opening and at least 10 days prior to any scheduled pre-bid conference. Bids or proposals shall be received and opened and read aloud at the location, date, and time established in the bid or proposal advertisement. In cases of emergency, the procedures required in this section may be altered by the City in any manner that is reasonable under the emergency circumstances, as defined herein.
 2. If the location, date, or time of the bid opening changes, written notice of the change must be given, as soon as practicable after the change is made, to all persons who are registered to receive any addenda to the plans and specifications.
 3. A construction project may not be divided into more than one project for the purpose of evading the requirements in this section.
 4. As used in this section, the term "emergency" means an unexpected turn of events that causes:
 - (a) An immediate danger to the public health or safety;
 - (b) An immediate danger of loss of public or private property; or
 - (c) An interruption in the delivery of an essential governmental service.
- Preliminary Meetings: Preliminary meetings are most advantageous to both potential bidders and to the City. Their purpose is to freely exchange information so as to have potential bidders become familiar with the specifications and terms and conditions of the product or services being requested. It is up to the requesting department to determine if a meeting is necessary. If it has been determined that a meeting is necessary, then the meeting time and place must be included in the bid document and advertisement. If it is *mandatory* for bidders to attend, then it must also be stated in the bid document and advertisement. Failure to attend a mandatory preliminary meeting will result in disqualification of the vendor to participate in the bid or proposal process.

The Purchasing Agent will route a sign-in sheet to document attendance. This sheet will be posted on the City's website within 24 hours of the meeting. The City Project Manager or Department Director will run the meeting and respond to any questions. Questions and

answers will be documented and posted on the City's website as an addendum to the bid/proposal. Attendees will be instructed to send any future questions in writing to the Purchasing Agent who will in turn get responses from the Project Manager or Department Director and will then post them on the website.

- General Terms and Conditions to Bid/Proposal: Where competitive purchasing is utilized, an invitation to bid or request for proposal shall be issued which shall include a purchase description and all contractual terms and conditions applicable to the procurement. These terms and conditions would include but not be limited to: insurance requirements, indemnification clauses, local/state/federal compliance information, bond requirements, award of bid, rejection of bid, preparation of bid information, Public Entity Crimes form, Drug Free and Work Place Certification. This information is provided from the City's Attorney and may be modified depending upon the type of purchase or service (i.e. Terms & Conditions for Purchases or Quotes, General Conditions for Bids, General Conditions for Construction, and General Conditions for Professional Services).
- Insurance: Prior to Award, the City of Fernandina Beach shall be furnished proof of insurance coverage as follows:

A. Certificate of Insurance

- The name of the insured, the name of the insurer, the policy number, its effective date, and its termination date;
- Statement that the insurer will mail notice to the City of Fernandina Beach and a copy to Contractor/Vendor at least thirty days prior to any material changes in provisions, cancellation, renewal, or non-renewal of the policy;
- Certificate of Insurance shall be in the form as approved by the City of Fernandina Beach, naming the City as a named additional insured, and such Certificate shall clearly state all the coverage required in this Section;
- If requested by the City of Fernandina Beach, Contractor/Vendor shall furnish complete copies of all insurance policies, forms and endorsements; and
- Receipt of certificates or other documentation of insurance or policies or copies of policies by the City of Fernandina Beach or by any of its representatives which indicate less coverage than required by any agreement does not constitute a waiver of Contractor/Vendor obligations to fulfill the requirements of this Section.

B. Workers' Compensation Insurance

Contractor/Vendor shall have in full force, during the life of any agreement, Workers' Compensation and Employer's Liability Insurance for all its employees connected with work under any agreement, and in the event any work is subcontracted,

Contractor/Vendor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by Contractor/Vendor.

Contractor/Vendor may provide in writing a workers' compensation waiver in lieu of workers' compensation insurance where such waiver is properly approved by the State of Florida Department of Labor and Employment Security and accepted by the City of Fernandina Beach. Such insurance or waiver shall comply with the Florida Workers' Compensation Law. In case any class of work conducted under any agreement is not protected under the Workers' Compensation statute, Contractor/Vendor shall provide adequate insurance, satisfactory to the City of Fernandina Beach, for the protection of employees not otherwise protected.

C. Liability Insurance

Contractor/Vendor shall have in full force, during the life of any agreement, Commercial General Liability and Commercial Automobile Liability Insurance that shall protect the City of Fernandina Beach from claims for damage for bodily injury and personal injury, including accidental death, as well as claims for property damages which may arise from tasks associated with or carried out under any agreement, whether such operations are by itself or by anyone directly or indirectly employed by them. The amount of such insurance shall be set by the City Attorney for the protection of the City.

- Evaluation Process:

For a Bid, the evaluation of responses may be performed by the Department Director with the assistance of the Purchasing Agent. The vendor whose bid demonstrates the best value and is the most responsive and responsible will be selected per Florida State Statute 287.057.

For a Request for Proposal, an evaluation must be done by an evaluation committee. The objective of the evaluation committee is to recommend the vendor whose proposal is most responsive to the project needs within the requested criteria. The vendor must demonstrate their capability by successfully complying with all the requirements. The committee evaluates accepted proposals against the advertised evaluation criteria.

An evaluation sheet will be provided to the committee members with results being tabulated by the Purchasing Agent. The Purchasing Agent will communicate the results to the committee for final review and discussion.

During the process of evaluation and while meetings are in session, the committee and its members are subject to the Sunshine Laws. Outside of the meetings, members must maintain confidentiality and not communicate preliminary conclusions or results of what was proposed by the vendors. All business and workings of the committee are not to be discussed until the committee has completed its work and the City Manager and City Commission has approved the recommendation.

- Opening and Award Process: The Purchasing Agent and appropriate department staff will attend the bid or proposal opening. Responses must be received on or before the time advertised and will be date/time stamped by the City Clerk's Office. Responses are opened and documented on a bid/proposal opening sheet. This opening sheet generally referred to as a "Bid Tally", will be posted on the City website within two business days of the opening.

The Department Director and/or Project Manager will receive a "copy" of the responses. The "original" will be kept at the City Clerk's Office to be scanned into the City's electronic files and any bid bonds or cashier's checks will be maintained in the vault at City Hall until a selection is made. Additional copies of the responses will be kept in the Finance Department. The Finance Department will scan the responses into the bid files and project file. The Department Director and/or Project Manager will review the submittals, and if references are required, they will check them to make sure they meet the project requirements. If an evaluation by a committee is required, that process will take place at this time. Once the review is complete, the Department Director and/or Project Manager will make a recommendation to the City Manager.

If the project cost is over the threshold for the City Manager's authority an agenda item will be prepared for submittal to the City Commission for approval. The City Commission will approve the award via Resolution, authorizing execution of any documents, upon review and approval of the City Attorney. At this time, the Department Director and/or Project Manager will work with the bidder, the City Manager and City Attorney to complete an agreement or contract for execution.

If the project cost is below the threshold for the City Manager's authority, the City Manager can approve the award and authorize the contract/agreement to be developed for execution.

The Department Director and/or Project Manager will notify the Purchasing Agent as to which vendor is being recommended for the award of bid/proposal and what date the item will go before the City Commission for approval, if required. This allows the Purchasing Agent to communicate to the bidders who were not awarded the bid/proposal and return any bid bonds that may have been included with the submittal.

* See City Code Section 2-444 for bid protest procedures.

- Solicitation of offers, whether by competitive sealed bids or competitive negotiation shall:
 - Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the

performance or other salient requirements of the procurement. The specific features of the named brand which must be met by bidders shall be clearly stated.

- Clearly set forth all requirements which must be fulfilled and all other factors to be used in evaluating bids or proposals.
- Sealed bids shall be publicly opened and read aloud at the time and place stated in the invitation to bid or request for proposal.
- Award will normally be made on the basis of the best value from the most responsive and responsible vendor; however, the Commission reserves the right to accept or reject any bid when there are sound documented business reasons in the best interest of the City or program. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Also, where specified in the bidding documents, factors such as discounts, transportation costs and life cycle costs shall be considered in determining which bid is the most responsive and responsible.
- All bids for annual purchases shall be reviewed annually and may be extended in yearly increments if mutually agreed upon by the City and vendor.

G. Request for Qualifications (RFQ):

Solicitation for Request of Qualifications pursuant to Florida Statutes, section 287.055, known as the Consultants Competitive Negotiation Act (CCNA) is for qualifications only and is evaluated based on prior established criteria for acquisitions of architectural, engineering, landscape architectural or registered land surveying and mapping services. The method of procuring professional services applies to a planning or study activity, and when projects where the basic cost of construction meet established limits under the CCNA Act. See Florida Statutes, section 287.055 for current limits. Those projects in need of architectural, engineering, landscape architectural or registered land surveying and mapping services that are less than the current Florida Statutes, section 287.055 but \$20,000 or more may be solicited using the Request for Proposal process. Those projects in need of architectural, engineering, landscape architectural or registered land surveying and mapping services that have an estimated cost less than \$20,000 may be solicited using quotes. The City's List of Qualified Engineers can be used as a source for relevant firms.

The use of a Request for Qualification (RFQ) occurs when the final selection is based on the firm's qualifications/experience and ability to best achieve the most desired outcome. The process to solicit an RFQ follows the same policies as an Invitation to Bid or Request for Proposal; however, price or cost of the firm's services is not included in the request or response. An award is based on criteria published in the RFQ and firms are ranked based upon their responses. Negotiations are made with the top ranked firm. If an agreement cannot be reached with this firm then the City may cease negotiations with said the firm and go to the second ranked firm, and so on until an agreement can be reached.

H. Design-Build Contracts

The City may desire to place an RFP for a design-build contract in which both the design and construction services are contracted by a single entity instead of bidding first for the design, then the construction, separately. All design-build contracts shall be in accordance with Florida State Statutes 287.055(9) and CCNA standards.

I. Vendor Insurance Requirements:

For all vendors (other than Bid/RFQ/RFP vendors whose insurance requirements outlined above in F.2.A through F.2.C) insurance requirements are as follows:

If required by the City, Contractor/Vendor shall procure and maintain worker's compensation insurance and commercial general liability insurance satisfactory to the City, with liability limits of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage liability, with a certificate of insurance to be furnished to the City naming the City as an additional insured. It is understood and agreed that the coverage afforded by Contractor/Vendor commercial general liability insurance also applies to City as an additional insured. Such policy shall provide that cancellation or changes to such insurance shall not occur without at least thirty (30) days prior written notice to the City. This requirement for proof of insurance may be modified only through approval of the applicable Department Director and the City Attorney.

J. Local Vendors:

In order to stimulate business and economic activity within the Fernandina Beach area and for convenience, purchases shall be made from local merchants whenever their quotations represent the best value than any others received, provided all qualifications and requirements are met. Consideration of procurement costs (travel expense, personnel time, shipping charges, etc.) may be taken into account in determining the best value and quality-

K. Government Contracts/Cooperative Purchasing:

The City Manager shall have the authority to join with other units of government in cooperative purchasing activities whenever such activities are in the best interest of the City, and if reasonable due diligence shows that a competitive price can be obtained from using such contracts.

- Government Contracts and Cooperative Contracts/Agreements - When available, the use of competitively bid government or cooperative contracts (i.e. GSA/Florida State/NJPA/WSCA/TCPN/FSA) is encouraged, unless a better value can be obtained elsewhere. Purchases of this type shall be exempt from the bid process. However, if the contract is in excess of the threshold of the City Manager's authority, the item will have to be approved by the City Commission at a public meeting. Purchase Orders must reflect the appropriate contract number and have the relative specific information relating to the contract attached which includes a copy of the contract document that reflects the contract number,

expiration date and pricing. Additionally, in cases requiring Commission approval, the Resolution number is to be reflected on the purchase order.

- “Piggybacking” from other Government contracts – This type of purchase is allowed only when proof of competitive process has been obtained by another entity. Such proof will allow this type of purchase to be exempt from the bid process. Documentation reflecting proof of the competitive process such as the awarding entity’s bid description including bid number, award of contract and bid tally must be attached to the purchase order. Written agreement from the Vendor extending the same terms, conditions and pricing to the City as was offered and agreed to with the awarding entity must accompany the purchase order and related documents. Purchases of this type shall be exempt from the bid process. However, if the contract is in excess of the threshold of the City Manager’s authority, the item will have to be approved by City Commission at a public meeting, in which case, the purchase order will also reflect the Resolution number showing Commission approval.

L. Bonds – Performance Bonds / Payment Bonds / Bid Bonds:

- If Bid is less than \$100,000, no Bid Bond or Payment and Performance Bond required;
- If Bid is greater than \$100,000 and is for material only, a Bid Bond is required but no Payment and Performance Bond is required;
- If Bid is \$100,000 to \$200,000 and is for services, a Payment and Performance Bond is required but no Bid Bond is required; and
- If Bid is greater than \$200,000 and is for services, both Bid Bond and Payment and Performance Bond are required.

Bid Bond: If the Base Bid or the Base Bid plus the sum of any alternates fall into the criteria above requiring a Bid Bond, the bidder shall enclose a Certified Check, Letter of Credit or Bid Bond with each bid. A Certified Check, Irrevocable Letter of Credit or Bid Bond shall be for an amount not less than five percent (5%) of the Bid price and shall be made payable to the CITY OF FERNANDINA BEACH as a guarantee that the Bidder will not withdraw its bid for a period of ninety (90) calendar days after Bid closing time. Bid Bonds, Irrevocable Letters of Credit or Certified Checks will be returned to unsuccessful bidders within 10 days of bid award. Successful bidders will receive their Certified Check, Irrevocable Letter of Credit or Bid Bond after the contract/agreement has been fully executed and a Performance and Payment Bond is received. Bid Bonds will be held by the Finance Department until they are returned. Certified Checks will be placed in the City Clerk’s Office vault or deposited. In the event a check is deposited, the Purchasing Agent will submit a Request for Payment to release the funds to the vendor.

Performance and Payment Bonds: In the event the Contract is awarded to the Bidder, Bidder will thereafter enter into a written contract with the City of Fernandina Beach and furnish a Payment and Performance Bond in an amount equal to the contract price. The form of the bonds shall be in accordance with Section 255.05 of Florida Statutes. Failing to execute a contract or submit the required payment and performance bonds means ~~de-so~~, the Bidder will forfeit its bid security.

Payment and Performance Bond shall be secured from or countersigned by an agency or surety company recognized in good standing and authorized to do business in the State of Florida.

Exceptions to the bidder providing Performance and Payment Bonds are as follows:

In lieu of the Performance and Payment Bonds, a contractor may file with the City an alternative form of security in the form of cash, a money order, a certified check, a cashier's check, an irrevocable letter of credit, or a security of a type listed in part II of Chapter 625, Florida Statutes. Any such alternative form of security shall be for the same purpose and be subject to the same conditions as those applicable to the bonds. The value of an alternative form of security shall be in the amount of the bid.

Payment and Performance Bonds, Certified Checks, Money Orders, Cashier's Checks and letters of credit will be placed in the City Clerk's Office vault or deposited. In the event a check is deposited, the Project Manager or Department Head in charge of the project must submit a Request for Payment to release the funds to the vendor once the project is completed. It is also the responsibility of the Project Manager or Department Head to obtain the Payment and Performance Bond from the City Clerk's Office and return it to the vendor once all project requirements have been met.

M. Partial Pay:

Partial Payments are processed as invoices through the Munis system by applying each invoice to the Purchase Order by quick receipt.

N. Capitalization, Depreciation, Transfer and Disposition of City Assets as defined by Policy (see separate Capitalization Policy):

The City has an established Policy for capitalizing city assets, depreciation, and transfer and disposition of items greater than \$1,000.

- **Capital Asset Defined:** A capital asset is a piece of property that meets all of the following requirements:
 1. The asset is tangible and complete
 2. The asset is used in the operation of the City's activities
 3. The asset has a useful life greater than one year
 4. The asset value meets or exceeds established thresholds
- **Asset Classes and Capitalization Thresholds - Based on Unit Cost**

Land	All
Buildings	\$5,000 General Fund; \$2,500 Enterprise Funds
Building Improvements	\$5,000 General Fund; \$2,500 Enterprise Funds
Machinery & Equipment	\$5,000 General Fund; \$2,500 Enterprise Funds
Infrastructure	\$5,000

- Depreciation Policy for Fixed Assets - The City employs the “straight line” method of depreciation over the estimated useful life of the asset. Partial year depreciation will be based on the number of months the asset was placed in service of the fiscal year.

Estimated Useful Lives:

Buildings	30 - 50 years
Building Improvements	Remaining useful life up to 50 years
Infrastructure	15 - 40 years
Vehicles	5 years
Computer Equipment	3 years
Software	3 years

- Disposition or Transfer of Fixed Assets - When assets are sold or disposed of, the Fixed Asset Listing will be relieved of the cost of the asset and the associated accumulated depreciation and the gain or loss on the sale or disposal of the asset will be recognized. Assets will be removed on an annual basis. The City frequently transfers assets among the various Departments/Funds. The transfer of the cost of the asset and associated accumulated depreciation at the time of the transfer will be recorded on an annual basis. Both dispositions and transfers require the completion of the City’s *Dispositioned Property Record* form and must include Department Director and City Manager approvals.
- Inventory of items under the capitalization thresholds will be maintained by the Finance Department via an inventory tracking system with tag numbers for all capital items as well as items with a minimum value of \$1,000 and a life longer than one year.
 - Guidance on Capitalization Policy: When any item purchased exceeds \$1,000, a tag will be sent to the Department to place on the item purchased. The Department Director will have to sign the Asset – Non Capitalized Form as proof that the item has been tagged as City owned property and return the Form to the Finance Department.
 - In Munis, use the 56400 object number for items over \$5,000 (\$2,500 for Enterprise Funds); 56401 for items greater than \$1,000 but less than \$5,000/\$2,500. Police and Fire should use the 56400 object number, regardless of cost, for any item that is permanently added to the Police/Fire vehicles.

- O. Sale of Surplus or Unserviceable Property: When any property owned by the City has become worn out, obsolete, or of no longer use to the City, or in such a condition of disrepair as to make it useless, the disposition of such property will be arranged by the City Manager, or his designee.

Sale of surplus property must be made by competitive bid or other means consistent with public laws and good practices. The disposition of items with an asset tag must be documented by means of the Fixed Asset Disposition Form. The disposal of property with little or no value (such as junk, trash, scrap, by-products, etc.) is approved and arranged by the Department

Director(s) and documented via picture and/or witness. Such junk items should be recycled where applicable. The determination of whether property is junk or surplus, with the exception of titled vehicles and equipment, should be made by the City Manager, or his designee, and should include an equation that includes employee time, transportation costs, and estimated auction value. Titled vehicles must be declared surplus by the City Commission.

In addition, the following criteria must be considered when determining the disposition of City property:

- Junk items are those items that have little or no value and should be recycled for thrown-away.
- Surplus items are those items that have a reasonable value and must be sold by competitive bid, public auction or other means consistent with public laws and good practices.
- I.T. Department is responsible for all I.T. related equipment.
- Fleet Maintenance Division is responsible for Vehicles and related equipment.

P. Org/Object Numbers: All Requisition/Purchase Orders and Munis invoices must reflect the budget appropriation number for each encumbrance as approved in the annual budget. All individual items over \$1,000 must be inventoried and included on the inventory and/or fixed asset list. These expenditures are appropriated for in the capital accounts. Only items over \$1,000 will be allocated to the capital accounts.

Q. Description of Purchase: A statement in descriptive form is required on the Requisition/Purchase Order or Munis invoice stating the purpose for which the material or service is to be used, i.e.: “repairs to traffic lights at 5th and Dade St., repairs to lift station #5.” In case of requisitioning material or service for a specific piece of equipment, the identity of the equipment should be used.

R. Project Numbers: Project numbers may be issued by the Finance Department for tracking expenditures for which detailed cost control is required and/or desired, generally long-term or construction projects. Project numbers are required for all Capital Projects (56200, 56300, etc). Departments will be notified of project number assigned and, the Requisition/Purchase Order shall contain the project number.

S. Contracts: **All contracts and/or agreements must be approved as to form by the City Attorney.** Contracts in an amount of \$20,000 or more, shall be submitted to the City Commission for approval, via a Resolution indicating approval and authorizing the City Manager’s signature of the document.

T. Travel: Authorization in writing for staff travel must be approved by the appropriate Department Director prior to travel arrangements being made. Department Directors must obtain the City Manager’s approval prior to making their own training/travel arrangements. All training related expenses are routed to the City Manager through the Munis workflow for approval following training. “Traveler” shall mean a public officer, employee, or person authorized by the City Manager as designee for the City who is called upon to perform official duties for the City of Fernandina Beach.

The Travel Expense Statement shall be used by all travelers for reimbursement of traveling expenses and shall be completed by each individual to reconcile travel expenses after travel is complete. No travel expense reimbursements shall be made unless the request is submitted with the appropriate form and contains all signatures and supporting documentation as outlined in the Travel Expense Statement.

All requests for travel expenses shall be submitted to the Department Director (for staff) or the City Manager (for Directors) at least two weeks in advance.

Pursuant to Section 5 of the Vehicle Use Policy, mileage reimbursement may be provided to employees who drive their personal vehicle for training/travel outside of Nassau County only when a loaner or department assigned vehicle is not available for use. The rate for mileage reimbursement is determined by Florida State Statutes, and is amended from time to time. Supporting documentation for:

Reimbursement of Employee using the Travel Expense Statement: Complete the travel expense statement as required. Include all expenses associated with the reason/purpose of the travel. Include ALL receipts and documentation relating to these expenses as well as the **written approval** from the Department Director or City Manager. For training, include an itinerary to support dates/times and meals provided. Non-reimbursed expenses (hotel, course tuition, registration, etc.) will be totaled on the “Advances” line/box of the Travel Expense Statement.

Non-reimbursed Employee travel/training expenses: Travel expenses paid by the City (advances) are entered into Munis, and must include all required documentation (Invoices or receipts and **written approval**). **Also indicate the specific expense and purpose in the description field in Munis.** For non-reimbursed training expenses, an itinerary is not necessary.

Non-employee travel expenses: Travel expenses for non-employees (trainers/instructors, etc.) are entered into Munis. Include all related documentation to support the charge. **Indicate the specific expense and purpose in the description field in Munis.**

Once the Travel Expense Statement is complete, and contains the appropriate signatures and supporting documentation, it is then processed through Munis as an invoice for reimbursement. The reimbursement check will be processed in Finance and sent to the recipient through interoffice mail. If the traveler is required to reimburse the City any expenses, a check or money order payable to the City shall accompany the Travel Expense Statement. The report should also indicate what org/object number(s) the deposit should be applied to. Any fraudulent claim of mileage or other travel expense shall be subject to criminal prosecution and/or disciplinary action, up to and including termination.

Appropriate expenses coded to the Training/Travel object number (54000) are those provided specifically related to training, travel or entertainment (including meals). Snacks, etc. provided for training or meetings should be coded to Operating Supplies (55200).

- U. Review by City Clerk: Prior to mailing payments to vendors, for any services or goods purchased by the City, the City Clerk's Office performs an audit, in accordance with the above policies and procedures to ensure compliance and will notify the City Commission, City Manager, and City Comptroller quarterly of non-compliance.
 - V. CDBG Procurement Policy: Procurement activities related to the CDBG grant must be made in accordance with the 24 CFR PART 85 Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments, attached hereto as Exhibit "A".
- 4.0 Forms