



Okaloosa County  
Purchasing Division

# Orientation to the New Purchasing Policy

For County Employees

# Welcome

By the end of this training you will understand:

- The changes in purchasing policy
- How the changes affect you
- The County's Procurement basics



# Key Changes

*Key changes from the training will appear as a flash on the monitor*



# Code of Ethics



## General

- Fair and open competition following highest ethical standards
- Grant all competitive respondents equal consideration
- Conduct business in good faith
- Honesty and ethical practices from all
- Promote positive respondent and contractor relationships through courteous, fair and ethical treatment
- Negotiations will be equitable (win-win)
- Negotiate agreeable settlements of disputes or disagreements with respondents
- Avoid conflicts of interest

## Employee Ethics

- Follow HR Policy Code of Conduct & Florida Statute 112.313
- Avoid appearance of unethical or compromising practices in relationships, actions and communications
- Purchasing maintains independence and impartiality, dedicated to preserving integrity of the competitive process and public confidence



# Key Policy Guidance

Table 1- Purchasing Process Thresholds

PROCUREMENT METHOD	THRESHOLD	Signature Authority
Petty Cash ( <u>See</u> Section 11)	Not to exceed \$200.00	Department Director or designee
Verbal Quotes ( <u>See</u> Section 12.01)	\$0 to \$3,500.00	Department Director or designee
Written Quotes ( <u>See</u> Section 12.02).	\$3,500.01 to \$50,000.00	Purchasing Director
Competitive Procurements ( <u>See</u> Section 13; Section 16).	\$50,000.01 to \$100,000.00	County Administrator
Competitive Sealed Bids/Proposals ( <u>See</u> Section 13; Section 16)	\$100,000.01 and over	Chairman of the Board of County Commissioners
Direct Payment ( <u>See</u> Section 22)	N/A	Department Director or designee

# The major changes in Policy

*The threshold limit for verbal quotes at the Department level shifts to \$3,500*

(Table 1, p. 17)

*Purchasing card thresholds also move to a single purchase of \$999.99 or \$3,500 for combined purchases.*

(Appendix 1)



# The major changes in Policy

*The Purchasing Director's written quote threshold moves to \$3,500.01 to \$50,000.*

(Table 1, p. 17)



# The major changes in Policy

*The County Administrator's threshold level for competitive procurements moves to \$50,000.01 to \$100,000.*

(Table 1, p. 17)



# The major changes in Policy

*The threshold for BOCC approvals of competitive procurements becomes \$100,000.01 and over.*

(Table 1, p. 17)



# Valuation Calculation

*Valuation is calculated on the value of the initial term to be awarded.*

*Valuation of a renewal is based on value of the renewal term.*

(p. 17 )



# Purchasing Overview

Value of Purchase	Method & Approval Level	Notification	Quotation Requirement
\$200 or Less	Petty Cash (Director)	NA	No Quote Required
\$3,500 or Less	P-Card (Director) (Appendix 1)	Electronic Requisition or P-Card	Verbal Single Quote
More than \$3,500.01 to \$50,000	Written Quotes (Purchasing Director)	Electronic Requisition	Three Written Quotes

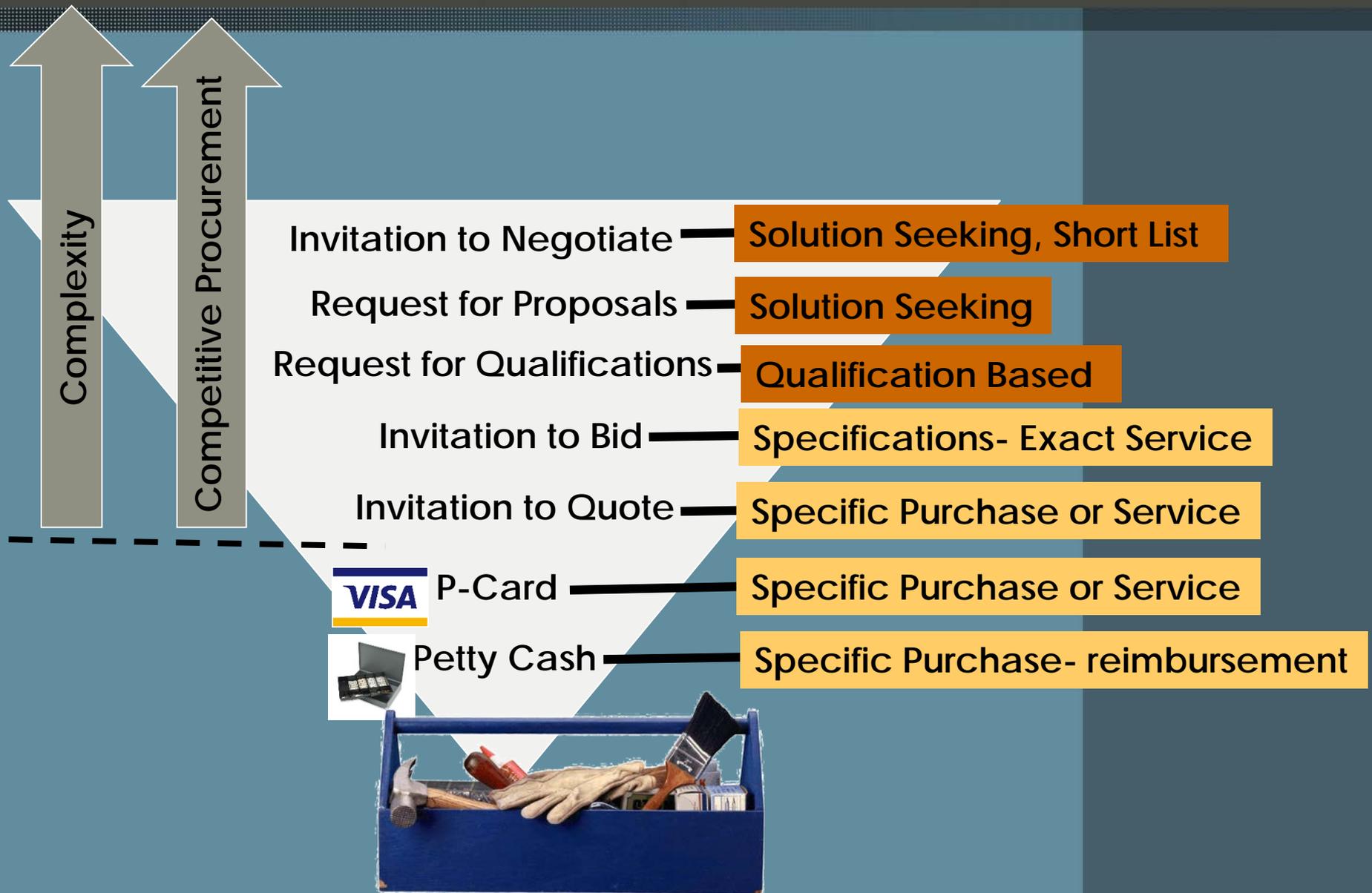


# Purchasing Overview

Value of Purchase	Method & Approval Level	Notification	Procurement Requirement
\$50,000.01 to \$100,000	Formal Quote/Bid/Proposal (County Administrator)	Formal Department Level Notification	Competitive Procurement (ITQ, RFQ, ITB, RFP, ITN)
\$100,000.01 and over	Formal Competitive Procurement (BOCC)	Formal Department Level Notification	Competitive Procurement (RFP, ITB, ITN, RFQ)
Direct Payments	Invoice Approval (Finance)	NA	Approval Before Submission



# Purchasing Tool Box



# Petty Cash for Purchasing

- Small purchases up to \$200 for productivity and public purpose (i.e. tools, supplies, repair parts)
  - Competitive quoting not required
  - Prefer to use P-Card if available
  - Can be used for local parking or tolls, but not travel expenses
  - Supported by vouchers, invoices, receipts
  - Approved by Department Director or designee



# P-Card Process Streamlining

## P-Card Documentation

- Enter description and public purpose into P-Card Works Program
- One P-Card Transaction Approval Form signed by cardholder and supervisor



# P-Card Documentation

## Cardholder Approval Report

**NOTE:**

1. The highlighted portion is the public purpose.
2. The public purpose shall be added to each transaction.
3. The Okaloosa County Pcard Works Report Transaction Approval Form will need to be fill out and signed by the cardholders and the immediate supervisor each month.



CH Full Name	Card Last 4 Digits	Item Total	Post Date	Purchase Date	Vendor Name	Item Description
			GL: ORG	GL: ACCOUNTS	GL: PROJECT	GL: FFMA PW#
WILKINSON, AIDA	5144	192.49	09/08/2017	09/07/2017	STAPLS7182782527000001	Cartridge multi-pack (3 colors) for printers; PUBLIC PURPOSE: Ink for visitor center computers
	5144	77.51	09/08/2017	09/07/2017	STAPLS7182782527000001	Binder clips, Highlighters, Copy paper, File folders; PUBLIC PURPOSE: Office Supplies for Visitors Center
	5144	26.94	09/08/2017	09/07/2017	STAPLS7182782527000001	View binders with D-rings 1" and 2"; PUBLIC PURPOSE: Office supplies for sales team
	5144	8.73	09/08/2017	09/07/2017	STAPLS7182782527000002	Highlighters, double-sided tape PUBLIC PURPOSE: Office supplies for visitor center
	5144	35.99	09/15/2017	09/14/2017	STAPLS7182782527000003	Postage meter tape strips PUBLIC PURPOSE: for Pitney Bowes machine; supplies not covered under contract
	5144	54.99	09/18/2017	09/16/2017	STAPLS7183431912000001	Sharp Printing calculator PUBLIC PURPOSE: replacement for Charlotte D
	5144	289.65	09/18/2017	09/16/2017	STAPLS7183431912000001	Cartridges blue and pink, Back-UPS battery PUBLIC PURPOSE: for office computers
	5144	35.26	09/18/2017	09/16/2017	STAPLS7183431912000001	Antibacterial hand wipes, Inter-Departmental Envelopes PUBLIC PURPOSE: for office use
	5144	299.70	09/18/2017	09/16/2017	STAPLS7183433160000001	furniture (chairs) PUBLIC PURPOSE: for director's office meeting table
	5144	14.99	09/18/2017	09/15/2017	OFFICE DEPOT #206	Calculator inkroll PUBLIC PURPOSE: for calculator
	5144	255.00	09/21/2017	09/20/2017	A STORAGE SOLUTION OF	Storage Unit 1013 9/13-10/12: PUBLIC PURPOSE: Popup Banners, Displays, Promo Items, Visitor Guides



# P-Card Documentation

## OKALOOSA COUNTY P-Card WORKS REPORT TRANSACTION APPROVAL FORM

Name of employee: Nathaniel Hooks

Transactions for the month of: 10-5-2017 thru 11-4-2017

Last 4 digits of the purchasing card number: 1181

Attached is an account of all purchasing card expenditures for dept: Purchasing Department

**NOTE:** THE PUBLIC PURPOSE FOR THE TRANSACTION SHALL BE ADDED TO THE WORKS REPORT DESCRIPTION.

I HEREBY CERTIFY THAT ALL PURCHASES CONTAINED HEREIN WERE FOR OFFICIAL OKALOOSA COUNTY BUSINESS, WERE MADE IN ACCORDANCE WITH RULES AND DIRECTIVES, AND THAT I HAVE REVIEWED THIS LOG AND IT CORRECTLY REFLECTS THE CARD RECEIPTS ENCLOSED.

\_\_\_\_\_  
SIGNATURE OF CARDHOLDER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
IMMEDIATE SUPERVISOR

\_\_\_\_\_  
DATE



DELIVER TO: OKALOOSA COUNTY FINANCE OFFICE, 302 N. Wilson Street, Suite 203 Crestview FL 32536



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# Alternatives to Competitive Procurement (Piggybacking)



- State of Florida contracts
- RESPECT- The disabled industries of Florida
- PRIDE- Florida Prison Industries
- GSA Schedule 70 (IT) and 84 (Emergency Management)
- Pre-competed Cooperative Contracts
  - Florida Sheriff Association
  - U.S. Communities
  - National Joint Power Alliance
- Local Government Contracts with Piggy Back clauses



**NOTE: Piggybacking scrutinized with Federally funded procurements**



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# Competitive Procurement Phases

- Presented to Approval Authority
- Notice of Award
- Negotiations and Approvals
- Notice to Proceed
- Contract Management and Amendments



- Department justification, scope of work or service, specs, cost estimate, etc.
- Preparation of Solicitation
- Publish Solicitation
- Pre-Bid or Pre-Proposal Meeting
- Questions & Answers
- Addendums

All Phases affected by the "Cone of Silence" / No Contact Clause, Public Records, and Public Meetings



- Intent to Award (3 Business Days to Protest)
- Move forward to approval authority



- Public Opening
- Rejections if required



4 Procurement Selection Committee (RFQ, RFP ITN),



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# The major changes in Policy

OKALOOSA COUNTY  
FLORIDA

*Contracts process defined*

(Section 34)

*Department responsibility for  
defining scope, proposed  
term and renewal options*

(p. 43)

*Continuing contracts and  
FTA funded contracts*

*Five years max + 90 day extension, determine max value*

(Section 35)



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# The major changes in Policy

AMERICAN  
Public Systems

*Formalizes the no contact or  
"cone of silence" guidance.*

(p. 37)

Can still discuss business related to existing  
contracts to accomplish your mission.

**Cannot discuss the competitive procurement**



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Procurement Selection Committee (RFQ, RFP ITN),



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# Procurement Selection

## Bid Evaluation Against ITB Criteria (Price centered)

- Ability, capacity to perform
- Ability to support schedule
- Performance with previous contracts
- Legal compliance with previous contracts
- Financial resources
- Quality, availability, adaptability
- Ability to provide maintenance and service
- Number and scope of conditions
- Personnel, licensing, corporate qualifications
- Current litigation
- Subcontractor poor performance
- Negotiate adjustment of scope if cost estimate is exceeded



## Procurement Selection Committee (RFQ, RFP, ITN)

- Meetings are advertised, open to the public, and have minutes recorded
- Evaluation using criteria published within solicitation



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Procurement Selection Committee (RFQ, RFP ITN),



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# The major changes in Policy

*ITA notice with forwarding recommendation to the BOCC starts the protest period.*

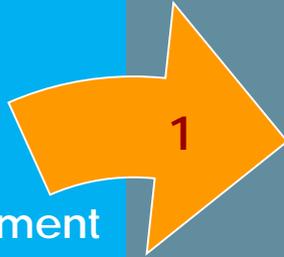
(p. 26 )

**BOCC opportunity to ask questions about the competitive procurement and award recommendation before the formal approval**



# Competitive Procurement Phases

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Procurement Selection Committee (RFQ, RFP ITN),



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# Post Award Responsibilities

## Issuing Departments

- Assign department monitor (contract manager) for each agreement through the term of the agreement
- Ensure agreements, amendment, change orders are authorized using approval authority and threshold level
- Administration of agreement



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# Post Award Responsibilities

## Issuing Departments (Continued)

- Admin controls and monitoring to oversee performance- conduct periodic inspections
- Attend meetings as required related to contract
- Review progress schedule
- Conduct on-site observations
- Maintain logs capturing data aligned to work directive changes or change orders

**IMPORTANT:** Watch contract term end date. Work with procurement on decision to renew or re-compete in advance



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# Types of Competitive Contracts



# Pre-Procurement Expansion

## Federal Compliance

- **Procurement Decision Matrix**
  - Specifications, description, scope, expected duration, justification of need
  - **Independent Cost Estimate**
  - Consolidate requirements for piggyback by cities
  - Documents procurement strategy, alternative solutions or implementation strategy
  - Sole source- justification and cost analysis
  - Lease vs. Buy analysis
- **Independent Contract Clause Matrix**
  - Determine Federally Required **Contract Clauses**
- **Qualifications based procurement** (compliance with the Brooks Act)



# Terms & Conditions

Page 1 of 2

## STANDARD QUOTATION REQUEST TERMS AND CONDITIONS

ALL QUOTATIONS ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS

**DEFINITIONS** - The Board of County Commissioners is hereinafter referred to as "The Board" The Purchasing Director is hereinafter referred to as "The Director". A Request implies no obligation on the part of the Broward County Purchasing Division. The Director reserves the right to reject any or all quotations and reject the other part if in his opinion such action would be in the best interest of the Board.

Upon acceptance of this quotation by the County, the terms of the quotation shall apply to all orders issued as a result of such acceptance included within this quotation form shall prevail over any conflicting provision within any standard form contract of the Vendor regardless of the contrary. Any order resulting from this quotation will be subject to the following express conditions and agreements on the part of the successful Vendor.

- DO NOT INCLUDE MORE THAN ONE QUOTE PER ENVELOPE -

### 1. VENDOR:

(a) **PRICING** - Vendor shall insert unit price and extension against each item. In the event of a discrepancy between the unit price and the extension Grand and/or Total, the unit price will govern.

(b) The vendor, in submitting this quotation certifies that the prices quoted hereon are not higher than the prices at which the same item(s) or service(s) is sold in approximately similar quantities under similar terms and conditions to any purchaser whomsoever.

(c) **DISCOUNTS** - Vendor may offer a cash discount for prompt payment. However, such discounts will not be considered in determining the lowest net cost for quote evaluation purposes. Vendor should reflect any discounts to be considered in the quote evaluation in the unit prices quoted. Payment discounts should be for a period of at least 30 calendar days.

c. **REJECTED MERCHANDISE** - The Director may withhold acceptance of, or reject any goods which are found, upon examination, not to meet the specification requirements. Upon written notification of rejection, goods shall be removed within five (5) calendar days by the Vendor. Rejected goods left longer than thirty (30) calendar days will be regarded as abandoned and the Board shall have the right to dispose of them as its own property. On goods, tools and drugs, no written notice or rejection need be given. Upon verbal notice to do so, the Vendor shall immediately remove and replace such rejected merchandise at the Vendor's expense. Rejection for non-conformance, failure to provide services conforming to specifications, or failure to meet delivery schedules may result in contractor being found in default.

1. **GOVERNMENTAL REGULATIONS** - The Vendor expressly undertakes and agrees to fully comply with all laws, rules, regulations, orders of any federal, state, municipal or county which may affect the order. If government regulations or orders require compliance with any requirements of the Director before substitutions may be delivered, the order may be cancelled without liability to the Board or

Standard boilerplate language that includes standard clauses and rules which apply to formally solicited offers.

## Federal Compliance

## Additional clauses

(2 CFR Part 200 and FTA Circular C 4220.1F)

(p. 38)

(1) Quotations to be considered shall be received no later than the day stated. Quotations sent by Email/fax/mail are sent at the risk of the vendor.

(2) Quotation Requests will not be accepted from vendor in arrears to the Board upon debt or contract or from a defaulter upon obligations to the Board.

2. **SAMPLES**: Samples, or drawings required shall be delivered free of charge as requested. If not mutilated or destroyed in the examination, Vendor will be notified to remove same at their expense. If samples are not removed within thirty (30) calendar days after written notice to the Vendor, they shall be considered as abandoned and the Director shall have the right to dispose of them as its own property.

9. **PAYMENT AND COLLECTION OF CHARGES**: Invoices will be payable after proper delivery of merchandise. Invoices must bear purchase order number. Follow instructions for billing as indicated on purchase orders. All items due to the Board shall be deducted from current obligations that are due or may become due. In the event that collection is not made in this manner, the Vendor shall pay the Board, on demand, the amount of such charges.

10. **WARRANTIES AND GUARANTEES**: The Vendor shall obtain all manufacturers' warranties and guarantees of all equipment and materials required by this quotation and a copy of such orders in the name of the Board and shall deliver same to the point of delivery.

The Vendor expressly undertakes and agrees to fully comply with all laws, rules, regulations, orders of any federal, state, municipal or county which may affect the order. If government regulations or orders require compliance with any requirements of the Director before substitutions may be delivered, the order may be cancelled without liability to the Board or

All claims made against the Board or any other rights arising from the purchase or use of items shall be the responsibility of the Vendor, and any officer, agent or retainer of any monies which may be collected shall be held liable to meet all claims arising from such



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# Pre-Procurement Expansion

## Federal Compliance

- **Independent Cost Estimate (Prior to Bidding)**
  - Design engineering firm estimate
  - In-house technical staff estimate for construction
  - Third party staff member not impacted by procurement
    - Past pricing using CPI
    - Market research



# Insurance Requirements

## Formal Procurement environment

- Included in all contracts and agreements from purchasing
- Certificates of insurance in place before work commences

## P-Card environment

Insurance is required:

- When a vendor will be **coming onto Okaloosa County premises**
- When a delivery will be made via a **company vehicle**



# Competitive Procurements

## Request for Proposals (RFP):

The scope of work, specifications and conditions **cannot be well defined** or a **solution is being sought** to a problem. Used for services, including professional services.

- Department Directors shall outline specific need and objectives that will make up the *scope of work or scope of services*
- Evaluation Criteria is defined with the Department
- After opening, rank the proposals, negotiate a contract, and then award the project to the responsible and responsive business that offers the best value and most advantageous proposal

Federal requirement- Document the basis for the selection of the vendor and that sets forth the vendor's deliverables and price, pursuant to the contract, along with an explanation of how these deliverables and price provide the best value



# The major changes in Policy

*Introduces the use of the Invitation to Negotiate (ITN) concept*

- Seeking a solution*
- Develop a short list*
- Negotiations*
- Best and Final Offer*

(p. 22)



# Competitive Procurements

## Invitation to Negotiate (ITN):

The scope of project is not clearly defined and negotiations will be required to receive the best value. Used with areas that experience constant change, such as technology

- A phased process where evaluation/scoring/ranking proposing firms written submissions results in a short list of one or more firms.
- Second phase consists of one or more scheduled presentations/interviews and/or demonstrations with short list firms.
- This is followed by single or concurrent negotiations to obtain the best and final offer.

**Federal requirement- Document the basis for the selection of the vendor and that sets forth the vendor's deliverables and price, pursuant to the contract, along with an explanation of how these deliverables and price provide the best value**



# Competitive Procurements

## Request for Qualifications (RFQ):

- Used for qualifications based selection of professional services and compliance with the Federal Brooks Act
- Used to comply with the Florida Consultants Competitive Negotiation Act (CCNA) to select engineers, surveyors, architects, and landscape architects

**Under CCNA, the top ranked firm helps define a detailed scope of work and provides a detailed fee proposal. If fee is not acceptable, modifications to scope, schedule, and budget are sought. If agreement cannot be reached, close negotiations and begin with the next most qualified firm.**



# Competitive Procurements

Invitation to Bid (ITB):

The County **has precise specifications** or very **specific scope of services**. This is a cost-basis competition between businesses

Includes contract language in the bid package

Very specific rules- usually involves a form-based approach for bid packages

May require bid bond, performance or payment bonds (Section 38, 39, 40)

Selection is based on the **LOWEST PRICED**, responsive and responsible bidder.

Legal must approve final contract language



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# Competitive Procurements

## Invitation to Quote (ITQ):

The County has **precise specifications** or **very specific scope of services**. This is a cost-basis competition using a formal written quote process in the \$3500.01 to \$50,000 range

Very specific rules usually involves a form-based approach for the formal quotes

Adaptable to e-procurement efforts using technology to capture the formal quotes

Selection is based on the **LOWEST PRICED**, responsive and responsible bidder



# Competitive Procurements

Public Notice Requirements (Newspaper, County web site, Florida Purchasing Group)

- If a pre-bid or pre-proposal meeting is involved, 5 days notice is required
- RFP, RFQ, ITB, ITQ require public notice 14 calendar days prior to the receiving inputs from business.
- If construction valued at more than \$200,000 is involved, 21 days notice is required. If the value exceeds \$500,000, the notice increases to 30 days.
- ITQs below \$50,000 do not require public notice in the newspaper



# The major changes in Policy

OKALOOSA COUNTY  
Purchasing Division

*Introduces seeking diversity in competitive procurements*

- *Minority, women, and small business enterprises (W/MBEs)*
- *Disadvantaged business enterprises (DBE)*

*Required for federally/ state funded/grant efforts*

(p. 35)





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# Public Procurement Issues

# Sole Source Procurements

1. Sole Source can be legally purchased from ONLY ONE SOURCE- **Excludes competition**
2. Only one item will produce desired results or fill the need
3. Use of brand names or model numbers is NOT a sole source procurement
4. Requires a good faith review and certification by Purchasing Director
5. An Intent to Award/Sole Source Notification is published (3 business days)
6. \$100,000.01 or greater- BOCC approval



# The major changes in Policy

*Public ITA notice with sole source procurements*

(p. 29 )



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# Single Source Procurements

1. Single Source procurements have multiple sources- but functionality and performance requirements point to ONE economically feasible source
2. Justified due to cost or interchangeability factors, recommendation by architect or engineer
3. Rationale approved by Purchasing Director
4. An Intent to Award/Single Source Notification is published (3 business days)
5. \$100,000.01 or greater- BOCC approval



# The major changes in Policy

*Public ITA notice with single source procurements*

(p. 29 )



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# Emergency Procurement

# Emergency Procurements

1. Emergency procurements are driven by unexpected turns of events, to include acts of God.
2. Purchases related to protecting the health, safety, welfare within the County, and County property may fall under this category.
3. These actions must be backed up with documentation, especially when seeking reimbursement by the Federal or State government. Documentation is submitted to the County Administrator if \$100,000 or below. If amount is greater than \$100,000, BOCC ratification is required.
4. Pre-planning, having contracts in place, and pre-positioning avoids panics

**Prior planning prevents poor performance**





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# Orientation to the New Purchasing Policy

For County Employees

# Questions?