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**CITY OF MARATHON, FLORIDA
RESOLUTION 2003-134**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON,
FLORIDA, ADOPTING POLICIES AND PROCEDURES FOR CITY
EMPLOYEES AND OFFICIALS REGARDING PURCHASING**

WHEREAS, the City Council of the City of Marathon, Florida (the "City"), finds that it is fiscally prudent and in the best interests of the City's residents for the City to adopt policies and procedures for City employees and officials regarding the purchasing and acquisition of contractual services, equipment, goods, professional services and other similar types of services.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, AS FOLLOWS:

Section 1. The City hereby adopts the Policies and Procedures for City Employees and Officials Regarding Purchasing attached to this Resolution as Exhibit "A," and incorporated herein by this reference (the "Purchasing Policies and Procedures").

Section 3. The City Manager is directed to immediately implement the Purchasing Policies and Procedures.

Section 4. This resolution shall take effect immediately upon adoption.

PASSED AND APPROVED by the City Council of the city of Marathon, Florida, this 29th day of October, 2003.

THE CITY OF MARATHON, FLORIDA



Randy Mearns, Mayor

AYES: Bartus, Pinkus, Repetto, Worthington, Mearns
NOES: None
ABSENT: None
ABSTAIN: None

ATTEST:



City Clerk

Cindy L. Ecklund, CITY CLERK

(City Seal)

**APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE
CITY OF MARATHON, FLORIDA ONLY:**



CITY ATTORNEY

CITY OF MARATHON

ALL DEPARTMENTS

POLICIES AND PROCEDURES FOR CITY EMPLOYEES AND OFFICIALS REGARDING PURCHASING.

Quotation and Bidding Requirements

Purchases of \$1,000 or less will not require use of formal or informal bidding procedures. However, the department making the purchase is still required to make a reasonable attempt to insure that the City receives a competitive price that is consistent with the desired quality of materials, workmanship or level of performance.

Purchases in excess of \$1,000 but less than \$10,000 will require at least three verbal quotes which will be recorded in a quotation memo by the Department Head. Purchases in excess of \$10,000 will require at least three (3) written quotes. A copy of the quotes will be sent to the Finance Department. The originating department will also retain the necessary documentation within their files to demonstrate compliance with these procedures. Any purchase of items costing more than \$10,000 will require City Council authorization.

Dollar Limitations

The approval of the City Council will not be required for any interim payment when the full cost has been previously approved by the City Council. Changes or purchases previously approved by the City Council may be authorized by the City Manager provided that total dollar amount and other substantial matters of the purchase do not exceed the City Council authorized maximum.

All purchases in excess of \$2,500 must be authorized by the City Manager. Check requests in an amount of \$2,500 or less must be authorized by the appropriate department head. Purchase orders and check requests totaling between \$2,500 and \$10,000, except as provided in the exceptions section below, must also be authorized by the City Manager. Purchases in excess of \$10,000 or more will require approval of the City Council, except as provided in the exceptions section below.

Exceptions:

The following shall be exempt from the procurement procedures outlined or shall follow applicable procedures required by state or federal law:

1. Purchases of consulting services, such as the professional services of accountants, attorneys, lobbyists, planners, physicians or other persons possessing a high degree of professional skill or license will be exempt from the requirements of advertising and competitive bidding

2. Purchases of professional architects, engineers, landscape architects or surveyors shall be through the procedures specified in section 287.055, Florida Statutes (Consultants Competitive Negotiation Act), if applicable.
3. Purchases of items available only from a single source vendor (approved in advance by the City Manager) will be exempt from the requirements for advertising and competitive bidding, but will require the approval of the City Council if in excess of \$10,000.
4. Contracts for services where procurement is specified by State or Federal laws.
5. Purchases made during emergencies as outlined below:

Emergency Authorization

In the event of an emergency situation which requires the immediate purchase of goods or supplies, the following procedures will apply:

1. A state of emergency must be declared by either the President of the United States or the Governor of Florida.
2. Purchases of \$25,000 or less may be approved by the City Manager without further approval of the City Council and without requirements for advertising and competitive bids.
3. Purchases of more than \$25,000 may be approved by the City Council at a public meeting without the requirements for advertising and competitive bidding.

In all cases, when purchases have been made under the authority granted above, the responsible department will submit a report to the City Manager documenting the nature, circumstances and declaration of the emergency and the necessity of the purchases. If the purchase would have required Council approval, a report of the entire matter will be forwarded to Council within 30 days of the purchase authorization.

Prohibitions

No member of the City Council or any employee of the City of Marathon shall have a financial interest or a personal beneficial interest, either directly or indirectly, in any purchase of items furnished to or used by the city.

It is an express violation of this policy to intentionally "split" contracts, purchase orders or check requests for the purpose of avoiding dollar limitations set out in this policy.

Procurement Procedures

These Procurement Procedures shall apply to all construction and service projects within the City with a total cost exceeding \$10,000.00, except for instance provided in the exceptions below:

1. The City Manager shall direct that bid proposals which provide specifications for the purchase or contract be prepared.

2. The City Manager shall attempt to solicit sealed bids from at least three persons or entities engaged in the business of furnishing such materials, supplies, equipment and public improvements or rendering such services. Sealed bids shall be opened in the presence of the City Clerk and at least one witness at the time and date specified in the bid proposal.
3. The City Manager shall publish a public invitation to bid.
4. Bids shall be awarded to the lowest responsive, responsible bidder that is consistent with the desired quality of materials, workmanship or level of performance as determined by the City Council and/or City Manager as the case may be, subject to the right of the City Council to reject any and all bids, and to waive any irregularity in the bids or bidding procedures.
5. All invitations to bid shall include a reservation by the City of the right to reject any and all bids.

Bid Opening Procedure; Awarding of Bids

1. Sealed bids shall be opened by the City Manager or his appointed representative in the presence of two witnesses; one of which will be the City Clerk or the Clerk's appointed representative. The opening of the sealed bids shall be recorded by the City Clerk or the clerk's representative at the date and time specified in the bid proposal. The names of the witnesses and of the City Manager or his appointed representative together with a copy of the bid proposal and the date and time of the opening of the bids shall be filed with the City Clerk.
2. Whenever required by the bid proposal, all bid bonds, cash, insurance, checks or other security accompanying the bid shall be received and maintained for safekeeping by the City Clerk. The City Clerk shall be responsible for the return of the bid bonds, cash, insurance, checks or other security of unsuccessful bidders.
3. Upon completion of the bid opening and reading, all bids received will be deposited with the City Manager or his designee for tabulation and/or recommendation to the City Council.
4. Upon submission of the bid tabulation and recommendation to the City Manager or City Council, as the case may be, the City Manager or the City Council shall accept, reject or refer for additional review the bid tabulation and recommendation.

Waiver of Procurement Procedures

1. The City Council may, by majority vote, waive the procurement procedures outlined in this policy if the City Council, after recommendation from the City Manager, determines that it is impractical to use the procurement procedures and not otherwise required by law.
2. The City Council or the City Manager, depending upon the dollar amount, is authorized to enter into contracts for materials, supplies, equipment, public improvements or services without competitive bidding by utilizing existing contract terms and prices entered into by other local, state or federal governmental authorities, provided that the governmental authority has followed a competitive bidding procedure leading to the award of the contract in question which is substantially similar to the competitive bidding procedure outlined in this Purchasing Policy.

3. The City Council or the City Manager, depending upon the dollar amount, may waive competitive bidding in the event that the services are available only from a sole source. When this situation exists, "Sole Source" is to be indicated on the purchase order at the time the purchase order is submitted.

Purchase Orders

A purchase order represents both a request to acquire an item and the form on which to record the required authorizations (Exhibit A). Purchase orders should be used whenever possible, as check requests are for purchases that have already been made. In those instances where a vendor will not accept a purchase order as a commitment of the City, a check request should be used or as a last resort, a credit card may be used under the terms and conditions of this policy. The originating department will be responsible for completely and accurately preparing the purchase order. This should include the following:

1. Complete name and address of the vendor and vendor number, if known.
2. Date prepared.
3. A description of the item(s) purchased in sufficient detail for adequate identification.
4. The account number(s) and amount(s) to be charged and the total amount of the purchase order.
5. The signature of the appropriate department director.

After the purchase order has been properly prepared, it must be signed by department head. Purchase orders exceeding \$1,000 must have evidence of three quotations and those exceeding \$2,500 must be signed by the City Manager. Purchase orders charged to more than one department must have the signature of all department heads affected.

After the purchase order has been prepared, the originating department shall send the purchase order to the Finance Department for review and approval. When a purchase order is received in the Finance Department, it will be reviewed for accuracy, completeness and verification that there are sufficient funds remaining in the budget. After all information has been checked, the Finance Department will authorize the purchase order by issuing a purchase order number.

Once all required authorizations have been obtained, the Finance Department will retain the original to enter into the accounts payable system and return a copy to the originating department. All open purchase orders will be shown as "encumbrances" of the account number(s) charged. Once paid, the encumbrance will be deleted and shown as an expenditure/expense on the monthly expenditure reports.

A purchase order will then be given to the vendor or supplier. Once the items have been received and accepted by the City, the invoice shall be signed indicating receipt and, along with all the other relevant supporting documentation, should be attached to a copy of the purchase order and forwarded to the Finance Department. Another copy of the purchase order should be retained in the originating department's files for auditing purposes. The Finance Department will verify that all required supporting documentation is attached including evidence that the items have actually been received and accepted by the City, that the correct account number(s) and amount(s) have been charged, and the information contained on the invoice agrees with the

purchase order. Any differences or discrepancies between the purchase order and invoice must be documented and reconciled before payment will be made. The Finance Department will then initial the purchase order and process payment to the vendor.

Check Requests

A check request form (Exhibit B) records required authorization for disbursement of City funds. Check request forms should be used for, but are not limited to, the purchase and/or payment of seminar and conference registrations, travel expenses¹, payments for contractual services under existing contracts (such as maintenance contracts), professional services under approved contracts, progress payments pursuant to approved purchase orders, minor office or operating supplies or similar types of transactions.² Purchases of less than \$25 should be generally handled through petty cash in accordance with petty cash policy as a more cost effective procedure. Routine items such as utility bills (water, electric, and phone) do not require a check request. These items should be coded with the appropriate account number, approved by an authorized signer, and then forwarded to the Finance Department. The originating department will be responsible for completely and accurately preparing the check request. This should include the following:

1. Complete name and address of the vendor and the vendor number if known.
2. Date prepared.
3. A description of the items purchased in sufficient detail for adequate identification.
4. The account number(s) and amount(s) to be charged and total amount of the check request.
5. If the check request is for a purchase of more than \$1,000, evidence of three (3) quotes must be attached and the City Manager must approve those over \$2,500.
6. If the check request is for a purchase of less than \$1,000, written justification must be included.
7. If the check request is for a reimbursement, all required receipts must be attached.
8. The authorized signature of the appropriate department director.
9. If the vendor is a sole source, the check request must be approved, in addition to all other required approvals, by the City Manager.
10. An invoice, along with packing slip, delivery receipt, or other appropriate documentation must be attached to the check request. Documentation must also include the initials or signature of the person verifying that the items have been received and accepted by the City if other documentation is not available and the account numbers to be charged.

After the department head has approved and signed the check request, it is then sent to the Finance Department for review and approval. Departments shall keep a copy of all check requests for review and fiscal/budgetary control purposes.

¹ Pursuant to the City Travel Policy

² All purchases that can be handled with a purchase order should be used for vendors that will accept a purchase order.

The Finance Department will review the check request for accuracy and completeness. The Finance Department is responsible for verifying that:

1. All required documentation supporting the check request is attached and
2. contains evidence that the items have been received and accepted by the City,
3. that the correct account number(s) and amount(s) have been charged,
4. that there are sufficient funds remaining in the line item(s) budget(s) to make the purchase and
5. that the check request has been authorized for payment by the responsible department head.

After all information has been verified, the check request and supporting documentation will be processed for payment.

In those instances where a vendor will not accept a purchase order or city credit card and requires payment up front before delivering the desired items, a check request may be prepared without full supporting documentation, provided that the originating department shall provide the remaining documentation to the Finance Department within ten (10) working days of the date of the check request.