

**CITY OF MARATHON, FLORIDA  
RESOLUTION 2006-155**

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

**WHEREAS**, pursuant to Resolution 2003-134, the City Council of the City of Marathon, Florida (the "City"), adopted Purchasing Policies and Procedures after determining that it was 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; and

**WHEREAS**, pursuant to Resolution 2004-127, the City Council of the City of Marathon, Florida (the "City") amended the adopted Purchasing Policies and Procedures to allow City staff to obtain quotes for purchases of goods and services that do not exceed \$25,000.00; and

**WHEREAS**, pursuant to Resolution 2005-058, the City Council of the City of Marathon, Florida (the "City") amended the adopted Purchasing Policies and Procedures to allow the Deputy City Manager to approve purchases from \$ 10,000 to less than \$ 25,000 in the City Manager's absence and to comply with federal procurement standards which is necessary in order for the City to apply for and receive federal grants; and

**WHEREAS**, the City desires to amend the Purchasing Policies and Procedures to clarify the requirements for purchase order and check request approval and documentation;

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

**Section 1.** The above recitals are true and correct and are incorporated herein by this reference.


**Section 2.** The City hereby amends the Policies and Procedures for City Employees and Officials Regarding Purchasing as shown on the attached Exhibit "A," 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 26<sup>th</sup> day of September, 2006.

**THE CITY OF MARATHON, FLORIDA**

  
\_\_\_\_\_  
Christopher M. Bull, Mayor

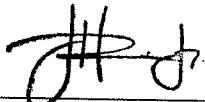
AYES: Mearns, Pinkus, Tempest, Worthington, Bull  
NOES: None  
ABSENT: None  
ABSTAIN: None

**ATTEST:**

  
\_\_\_\_\_  
Diane Clavier, 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.

#### 1.0 Quotation and Bidding Requirements

##### *Purchases - \$0 to \$25,000*

Purchases of less than \$1,000 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 of \$1,000 or greater 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 of \$10,000 or greater but less than \$25,000 will require at least three (3) written quotes.

The required quotation memo or written quotes must be provided to the Finance Department as part of the documentation which accompanies either the Purchase Order or Check Request which authorizes payment for the purchase. The originating department will also retain the necessary documentation within their files to demonstrate compliance with these procedures.

##### *Purchases - \$25,000 and Above*

*The following purchasing procedures shall apply to purchases, contracts or services with a total cost of \$ 25,000 or more.*

#### **Request for Bids**

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 or the City Clerk's designated representative 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.

### **2.0 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 Manager or City Council, depending upon the dollar amount of the purchase, may waive competitive bidding in the event that the items or services are available only from a sole source vendor, or only one vendor possesses the unique and singularly available capability to meet the requirement of the solicitation (such as technical qualifications or compatibility with existing equipment). When this situation exists a memorandum documenting the sole source status of the vendor must be prepared and included with the Purchase Order or Check Request which authorizes payment for the purchase.
3. The City Manager or City Council, depending upon the dollar amount of the purchase, 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 the City's Purchasing Policy. Examples include State Contracts, GSA Contracts, Monroe County Blanket Purchase Agreements (BPA's) and piggybacking of competitively awarded bids. When this situation exists, evidence of the prices and terms of the

existing contract being used should be included with the Purchase Order or Check Request which authorizes payment for the purchase.

### **3.0 Exceptions to Procurement Procedures:**

The City incorporates by reference the federal procurement regulations found in 40 C.F.R. §31.36 (2004), as applicable. 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 the services 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. Contracts for services where procurement is specified by State or Federal laws.
4. Design-build contracts as specified in Section 287.055, Florida Statutes.
5. Purchases made during emergencies as outlined below:

### **4.0 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 or Monroe County.
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.

### **5.0 Dollar Limitations and Approval Requirements.**

The following dollar limits apply for approval and authorization of all purchase orders and check requests:

- Purchases less than \$ 2,500 must be authorized by the department head or appointed designee

- Purchases from \$2,500 to less than \$10,000 must be authorized by the City Manager or the Deputy City Manager.
- Purchases from \$10,000 to less than \$25,000 must be authorized by the City Manager, or, in the City Manager's absence only, the Deputy City Manager, except as provided in the exceptions section above.
- Purchases of \$25,000 or more will require approval of the City Council, except as provided in the exceptions section above.

The approval of the City Council will not be required for any partial or interim payment when the full cost of the purchase has been previously approved by the City Council. Changes to 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.

## **6.0 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.

## **7.0 Purchase Orders**

A purchase order is required for the purchase of any equipment, materials or contractual services (such as construction) whose cost is in excess of \$ 1,000. A purchase order represents both a request to acquire an item and the form on which to record the required authorizations and compliance with bidding procedures (Exhibit A). As such, the purchase order must be processed and approved before the items are ordered or the contractual work is performed. Waivers and exceptions to competitive bidding which are outlined above do not mean that a purchase order is not required; they simply allow the substitution of a sole source memo or "piggyback" in place of the required quotations.

A purchase order is not required for routine operating expenditures as outlined in Section 8.0.

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. Supporting documentation such as quotation memos, written quotes or evidence of City Manager or City Council approval.

After the purchase order has been properly prepared, it must be signed by the appropriate department head and/or the City Manager as indicated in Section 5.0. Purchase orders charged to more than one department must have the signature of all department heads affected.

After the purchase order has been prepared and approved, 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 the appropriate account number is being charged and 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.

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 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.

In those instances where a vendor will not accept a purchase order as a commitment of the City and requires payment up front before delivering the desired items, a check request may be prepared or a city credit card may be used once the purchase order has been approved.

## **8.0 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 expenses<sup>1</sup>, payments for contractual services under existing contracts (such as maintenance contracts), professional services under approved contracts, minor office or operating supplies or similar types of transactions. Purchases of less than \$25 should be handled through petty cash in accordance with petty cash policy as a more cost effective procedure. Routine items such as, but not limited to, utility bills (water, electric, phone) and office supplies (Staples, Office Depot) do not require a check request. Additionally, purchases from vendors who issue the City a monthly statement (Home Depot, Specialty Hardware, Radio Shack, Publix, Ports Supply, and the City credit card) do not require a check request. These items should be coded with the appropriate account number, approved by an authorized signer(s) as indicated in this policy, 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 and date check is required.
3. A description or justification 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. The authorized signature(s) as listed in the Dollar Limitations Section of this policy
7. An invoice, 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.

When complete, the check request should be 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.

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.
2. Supporting documentation that the items have been received and accepted by the City.
3. The correct account number(s) and amount(s) have been charged.
4. There are sufficient funds remaining in the line item(s) budget(s) to make the purchase.
5. The check request has been authorized for payment as indicated in the Dollar Limitations Section

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.

<sup>1</sup> Pursuant to the City Travel Policy