



PURCHASING MANUAL

TABLE OF CONTENTS

TABLE OF CONTENTS.....	I
INTRODUCTION AND PURPOSE.....	1
CHAPTER 1.....	2
GOVERNING LAW.....	2
CHAPTER 2.....	3
AUTHORIZATION AND RESPONSIBILITY.....	3
A. Village Council/Manager.....	3
B. Delegation of Authority by the Manager.....	3
C. Director of Financial Management and Budget (OFMB).....	4
D. Purchasing Manager.....	4
E. Purchasing Division.....	4
F. User Department.....	4
G. Palm Beach County Office of Inspector General.....	5
CHAPTER 3.....	6
APPROVAL LEVELS AND METHODS OF PROCUREMENT.....	6
Thresholds.....	6
Specific Requisition Approval Authority Levels.....	6
Items Exempt from Competition.....	7
Special Exemption.....	9
Other Procurement Types.....	10
1. Sole Source Purchases.....	10
2. Emergency Purchases.....	11
3. Open Market Purchases.....	11
4. Piggyback Purchasing.....	11
5. Cooperative Purchasing.....	12
CHAPTER 4.....	13
GREEN PURCHASING GUIDELINES.....	13
A. Purpose.....	13
B. Best Practices.....	13
C. Guidelines.....	14
D. Summary.....	16
CHAPTER 5.....	17
COMPETITIVE SOLICITATIONS AND OTHER PURCHASING METHODS.....	17
A. Request for Quotation (RFQ).....	17
B. Request for Information (RFI).....	18
C. Invitation to Bid (ITB).....	18
D. Request for Proposal (RFP).....	18
E. Invitation to Negotiate (ITN).....	18
F. Consultants' Competitive Negotiation Act (CCNA) Request for Qualifications (RFQ).....	19
G. Construction Services.....	20
H. Design-Build Professional Services.....	20
I. Construction Management at Risk.....	20
J. Request for Letters of Interest (RLI).....	20
K. Public-Private Partnerships.....	21
PROCEDURES.....	21

PURCHASING CYCLE	24
RESERVED RIGHTS	25
CHAPTER 6	26
REQUISITION AND PURCHASE ORDER.....	26
<i>Purchase Order Types</i>	26
A. Field Purchase Order (FPO)	26
B. Blanket Purchase Orders	27
C. Purchase Orders	27
CHAPTER 7	29
CONTRACT ADMINISTRATION.....	29
<i>Purchasing Process</i>	29
1. Planning and Scheduling	29
2. Source Selection	29
<i>Contract Monitoring and Administration:</i>	30
<i>Contract Types</i>	30
1. <i>Multi-Term Contracts</i>	30
2. <i>Multiple Source Contracting</i>	30
3. <i>Open-end Contracts</i>	30
4. <i>Purchase Orders</i>	31
<i>Renewal of Contract</i>	31
<i>Extension of Contract</i>	31
<i>Modification of Contract</i>	31
<i>Termination of Contract</i>	31
<i>Bid Security and Performance and Payment Bonds</i>	31
<i>Payment and Performance Bonds and Insurance</i>	32
<i>Reduction of Bond Amounts</i>	33
<i>Authority to Require Additional Bonds</i>	33
<i>Vendor Performance</i>	33
CONTRACT MANAGEMENT PROCEDURES:	34
1. <i>Budget approval</i>	34
2. <i>Council Approval</i>	34
3. <i>Solicitation/Award of Contract</i>	35
4. <i>Contract Execution and Term</i>	35
5. <i>Pre-Construction Conference (Construction Projects)</i>	35
6. <i>Notice to Proceed</i>	35
7. <i>Contract Tracking/Monitoring</i>	36
8. <i>Inspection/ Monitoring/Reporting</i>	36
9. <i>Deficiencies</i>	36
10. <i>TimeExtensions</i>	36
11. <i>Termination</i>	37
12. <i>Liquidated Damages</i>	37
CHAPTER 8	38
CHANGE ORDERS	38
A. <i>Purpose</i>	38
B. <i>Use</i>	38
1. Purchase Requisition Modifications	38
2. Change Orders	39
3. Professional Services Contract Changes.....	39
C. <i>Procedures</i>	40

CHAPTER 9	41
EVALUATION AND SELECTION	41
<i>Selection Committee Guidelines</i>	41
1. Intent	41
2. Committee Task.....	41
3. Committee Members	41
4. Responsibilities.....	42
5. Evaluation.....	43
6. Meetings.....	44
PROCEDURES	45
RECEIPT AND CONTROL OF BIDS, PROPOSALS AND REPLIES	47
TIE BIDS AND PROPOSALS	49
PROTEST PROCEDURE	49
LOBBYING / CONE OF SILENCE	52
CANCELLATION AND REJECTION OF BIDS, PROPOSALS AND REPLIES.....	53
LOCAL PREFERENCE	53
<i>Tier Definitions:</i>	54
LOCAL PREFERENCE APPLICATION REQUIREMENTS.	55
LOCAL PREFERENCE APPLIED TO SEALED BIDS (ITB).....	55
LOCAL PREFERENCE APPLIED BASED ON EVALUATION CRITERIA (RFP)	56
CHAPTER 10	57
PUBLIC LANDS & PROPERTY – PUBLIC CONSTRUCTION.....	57
CHAPTER 11	59
PUBLIC ENTITY CRIMES, CODE OF ETHICS, DEBARMENT	59
A. <i>CODE OF ETHICS AND CONDUCT</i>	60
B. <i>AUTHORITY TO DEBAR OR SUSPEND</i>	60
CHAPTER 12	64
RISK MANAGEMENT.....	64
WAIVER OF INSURANCE REQUIREMENTS.....	64
A. <i>Standard Insurance Requirements Matrix</i>	64
B. <i>Minimum Insurance Requirements for Contracts</i>	65
CHAPTER 13	66
PAYMENT AND SALES TAX, LEASE, AND INSTALLMENT PURCHASE AND DISPOSAL OF ASSETS	66
A. <i>CONSTRUCTION</i>	66
B. <i>SALES TAX</i>	66
C. <i>LEASE AND INSTALLMENT PURCHASE OF ASSETS</i>	66
D. <i>TANGIBLE PERSONAL PROPERTY (TPP) OR FIXED ASSETS</i>	67
GLOSSARY	69

INTRODUCTION AND PURPOSE

This Purchasing Manual (“Manual”) is intended to establish specific directions, guidelines and requirements for employees and agents of the Village of Wellington (“Wellington”) to use in purchasing goods and services. All requests for goods and/or services, and all purchases shall be for a public purpose and in accordance with this Manual, unless otherwise exempt by the provisions hereof. This Manual provides the policies and procedures that frame the purchasing of contractual services and commodities beginning with the purchasing policy, proceeding through contract document or purchase order preparation, and ending with contract administration. The purchasing function involves the procurement of commodities and services at the lowest possible cost consistent with the quality needed to meet required standards. Wellington’s goal is the economical procurement of commodities and services conducted by fair and open competition and in accordance with applicable Florida Statutes, Village Ordinances and Resolutions and this Manual.

This Manual supersedes the entirety of the previous Purchasing Policy and Procedure Manual which had been in effect since 2004. The policies and procedures contained herein apply to the purchase and procurement of all commodities, services, and the construction of facilities to be secured by Wellington. They shall apply to all expenditures of public funds by Wellington irrespective of the source of the funds except as noted herein. When the purchase or procurement involves the expenditure of federal assistance, other grant programs, or contract funds, the process shall be conducted in accordance with any mandatory requirements, including applicable federal law, regulations and contractual provisions that must be adhered to by the selected vendor.

Each Department shall utilize the most cost effective purchase possible, while maintaining the appropriate compliance with applicable statutes, quality or service needs. Department Directors shall ensure necessary commodities and services are acquired at the lowest and best price, except where otherwise provided by applicable statute and this Manual. It is the duty and the responsibility of the Department Director to monitor compliance with all purchasing and procurement policies and procedures. Improper procedures must be corrected while proper procedures must be recognized and encouraged. The Director of Financial Management and Budget will gauge compliance with policies and procedures. Department Directors will be notified of areas that need to be addressed. It is incumbent upon each Department Director to ensure all personnel follow purchasing procedures. Purchases cannot be made until properly authorized. This means all appropriate paperwork, including proper signatures, must be completed ***prior to ordering or entering into any agreement for any goods or services.***

CHAPTER 1

GOVERNING LAW

This Manual establishes policies and procedures for an effective, fiscally responsible purchasing program in accordance with Wellington's authority pursuant to the Florida Constitution, Chapter 166, Florida Statutes, as well as its Charter and Code of Ordinances. The purchasing policies in this Manual shall also be governed and construed in accordance with applicable Florida Statutes. These statutes include, for example, the Public Records and Sunshine Laws set forth at Chapters 119, and 286, respectively, the Consultants' Competitive Negotiation Act, F.S. 287.055, Local Bids and Contracts for Public Construction Works, F.S. 255.20, and such other statutes as may be referenced herein. Additionally, Wellington, including its elected officials, officers and employees shall comply with the standards of conduct for public officers, employees and agents in accordance with Florida Statutes, Chapter 112, and the Palm Beach County Code of Ethics to the extent applicable to Wellington.

CHAPTER 2

AUTHORIZATION AND RESPONSIBILITY

A. Village Council/Manager

Having the power to acquire commodities and services, as well as personal and real property, the Village Council (“Council”) delegates that responsibility to the Village Manager (“Manager”) as set forth herein. All purchases of goods and services, including all commodities, contractual services and award of construction projects when the cost of such is \$25,000 or more shall be approved by the Council. Additionally, unless exempt by law or this Manual, all purchases of \$25,000 or more shall be pursuant to a competitive solicitation. The Manager shall have the authority to approve purchases that are less than \$25,000 without competitive solicitation; provided, however, that purchases shall not be divided to circumvent the competitive solicitation threshold. Contracts equal to or in excess of \$25,000 shall be executed on behalf of Wellington by the Mayor. Purchase Orders and informal purchases that are less than \$25,000 may be executed on behalf of Wellington by the Manager. Purchases made in violation of this Manual are deemed invalid and unenforceable against Wellington. Nothing herein shall be construed to restrict the Manager’s authority to execute multiple purchase orders for materials, supplies, and services from one vendor that equal or exceed \$25,000 cumulatively if said materials, supplies, and services are for separate projects.

The Manager may exempt a transaction(s) from the standard processes of this Manual if the transaction presents an emergency or if otherwise exempt in accordance with this Manual. In the event of an emergency, the Manager may provide for expedited competition if practicable. The Manager shall also have discretion to suspend or terminate any solicitation or pending procurement when deemed in the best interest of Wellington. The Manager shall obtain Council approval for changes to the policies in this Manual, which changes shall be approved by Resolution. The Manager may adopt administrative policies and procedures to implement this Manual, which policies and procedures may be amended from time to time in the discretion of the Manager.

B. Delegation of Authority by the Manager

From time to time, the Manager is unavailable to execute routine documents or make decisions needed for operational efficiency. It is, therefore, necessary to establish a hierarchy to provide for the continuity of order and operations. The Manager may delegate his/her authority to approve official documents and make necessary managerial decisions to Wellington Senior Management, and in his/her discretion.

C. Director of Financial Management and Budget (OFMB)

In addition to the administrative and technical accounting and finance functions necessary to maintain the fiscal operations of Wellington, the Director of OFMB is responsible for managing and ensuring the achievement of purchasing and contract administration objectives. The Director of OFMB shall ensure that areas of risk and exposure to Wellington are addressed and will ensure compliance with legal guidelines and contracting principles. Further, the Director of OFMB shall oversee and supervise the development of all requests for proposals, invitations to bid, requests for qualifications or other competitive solicitations and will monitor all contracts. Additionally, OFMB is responsible for Accounts Payable and Budgeting.

D. Purchasing Manager

The Purchasing Manager, operating under the direct supervision of the Director of OFMB, is responsible for monitoring compliance with all applicable policies and procedures in the acquisition of supplies, equipment and services necessary for the daily operations of Wellington, and for overseeing the Purchasing Division. The Purchasing Manager is Wellington's agent for the purpose of facilitating the competitive solicitation process, contract preparation and administering contracts for the purchase of goods and services. The Purchasing Manager shall supervise the purchase and acquisition of all goods, commodities, services or other items, confirm proposer approvals have been obtained, and will coordinate, maintain and monitor internal controls.

E. Purchasing Division

The Purchasing Division is responsible for administering this Manual and for maintaining and recommending changes to policies and procedures as applicable. The Purchasing Division shall adhere to a high standard of ethics; promote Wellington's reputation for courtesy, transparency, fairness and impartiality. The responsibility for achieving this goal rests with each individual who participates in the purchasing process.

Purchasing staff is responsible for administering purchasing policies and administrative orders, and is charged with the responsibility of ensuring that all purchases are made legally and responsibly in compliance with applicable Federal, State, and local law.

F. User Department

Each User Department shall allow ample time for the Purchasing Manager to place the order and for the vendor to deliver; providing clear and accurate descriptions of goods and services to be purchased; providing technical specifications; not subdividing any purchase or contract solely to avoid competitive solicitation or approval requirements as prescribed in this Manual; and verifying receipt of commodities or completion of services in accordance with initial purchase request

G. Palm Beach County Office of Inspector General

Pursuant to Chapter 2, Article XII of the Palm Beach County Code, the Office of Inspector General is created in order to promote economy, efficiency, and effectiveness in the administration of and, as its priority, to prevent and detect fraud and abuse in programs and operations administered or financed by county or municipal agencies. The Office of Inspector General provides independent oversight of county and municipal operations, in accordance with Section 2-422, et. seq. of the County Code. The Inspector General shall be notified in writing prior to any duly noticed public meeting of a procurement selection committee where any matter relating to the procurement of goods or services by Wellington is to be discussed. The notice required shall be given to the Inspector General as soon as possible after a meeting has been scheduled. The Inspector General may, at his or her discretion, attend all duly noticed Wellington meetings relating to the procurement of goods or services as provided herein, and may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. The failure to give written notice, however, does not constitute grounds for a protest regarding such procurement and shall not be the cause for the stay of any procurement, and shall not be the basis to overturn the award of a contract.

CHAPTER 3

APPROVAL LEVELS AND METHODS OF PROCUREMENT

Thresholds

Responsibility for large-value and/or complex purchases is centralized along with bulk and blanket purchases. Responsibility for high volume, low dollar thresholds are delegated to authorized Department representatives. ***The purchasing of commodities and services shall not be divided so as to circumvent the approval requirements established at each level.***

Purchases of \$25,000 or more shall be made pursuant to a competitive solicitation and approved by Council. Any one-time purchase or multiple purchases of the same commodity or service over a period of one year or over a period that spans the fiscal year that is less than the competitive solicitation threshold of \$25,000 may be made without prior approval of the Council as provided herein. Additionally, the Manager may execute multiple purchase orders for materials, supplies, and services to one vendor that equals or exceeds \$25,000 cumulatively if said materials, supplies, and services are for separate purchases or projects. Purchases less than \$2,500 do not require quotes, but are expected to be made from existing competitive contracts whenever possible. Each department will be responsible for maintaining purchasing files. The use of Purchasing Cards shall be in accordance with this Manual and the Administrative Policies and Procedures applicable thereto.

Specific Requisition Approval Authority Levels

The following Approval Matrix defines the parameters and thresholds, applicable to both individual transactions and aggregate amounts procured from a single vendor for a specific commodity or service:

Amount	Procurement Method	Authorization
Equal To or Less Than \$2,500	Purchasing Card (P-Card), Purchase Order	Department Manager, Purchasing Manager
Greater Than \$2,500 But Less Than \$10,000	Purchase Order, Purchasing Card (P-Card) – 3 verbal quotes required	Department Manager, Purchasing Manager
Greater Than or Equal to \$10,000 but less than \$25,000	Purchase Order, Purchasing Card (P-Card) – 3 written quotes required	Department Manager, Purchasing Manager, Director of OFMB, Deputy Village Manager/Asst. Village Manager/Senior Manager

Amount	Procurement Method	Authorization
Greater Than or Equal to \$25,000	ITB ,RFP, RFQ, RLI or other Competitive Solicitation, payment may be by Purchasing Card (P-Card)	Department Manager, Purchasing Manager, Director of OFMB, Deputy Village Manager/Asst. Village Manager/Senior Manager, Manager, Council

Note: All Capital Improvement Purchases shall be approved by the Village Manager or his/her Designee

Items Exempt from Competition

The following purchases are by their nature exempt from competitive solicitation requirements:

1. Academic programs or training programs.
2. Advertising: radio, newspaper, television and other media, if exclusive area of coverage or other factors preclude competition.
3. Auditing and accounting services, except that competition shall be provided where required by applicable law, including Florida Statutes, Sections 218.39 and 218.391.
4. Conference, training and educational expenses.
5. Copyrighted materials (books, videotapes and other processed media), except computer software.
6. Debt service and other financing transaction costs.
7. Governmental entities:
 - a. reimbursements to or fees payable to governmental agencies;
 - b. fines;

- c. purchases from or services provided by other governmental entities (i.e. Federal, State, County, or non-profit organizations as permitted by F.S., 255.60); as well as grant agreements which may contain provisions or requirements related to purchasing policies, disposition of fixed assets, etc. that differ from this Manual, in which case, the grant provision/requirement will take precedence;
 - d. licenses and permits;
 - e. refunds.
- 8. Insurance Adjustments: Property Damage approved and paid by insurance is exempt and does not require additional quotes or Council approval.
- 9. Legal services.
- 10. Maintenance service of equipment when considered to be in the best interest of Wellington and recommended by the User Department. Services must be performed by the equipment manufacturer, manufacturer's service representative, a distributor of the manufacturer's equipment or after at least three (3) responsible services have been evaluated.
- 11. Membership dues and sponsorships.
- 12. Other professional services:
 - a. actuarial services;
 - b. environmental experts;
 - c. health or medical services involving physicians.
 - d. insurance broker(s) and/or carriers who have been selected pursuant to the requirements of this Manual, and who are under current contract;
 - e. real estate brokers and other related professional services;
 - f. services involving special skill, ability, training or expertise that are in their nature, unique, original or creative;
 - g. professional services as defined by F.S. 287.055, and where the estimated costs are less than the thresholds provided by F.S. 287.055 and 287.017;
 - h. trustees.
- 13. Performing artists, entertainers and other artistic services.

14. Personnel verifications and background checks.
15. Petty cash purchases.
16. Publications, including subscriptions.
17. Real estate transactions in accordance with Section 166.045, Florida Statutes and Section 2-332 of the Wellington Code of Ordinances.
18. Non-employee recreation instructors (officials, referees, scorekeepers, etc.).
19. Reimbursement of bid or proposal securities.
20. Reimbursement for damages to non-vendor or third parties.
21. Shipping and freight costs not otherwise included on a Purchase Requisition.
22. Utilities, postage, refunds, items covered by insurance policies and legal advertising.
23. Except where prohibited by law, Council may provide directives to the Manager as to exempting a particular procurement from this Manual and/or utilizing a different methodology when deemed in the best interests of Wellington.

The exemptions herein do not exempt the purchase from Council approval, if required by the threshold limits. The following items do not require Council approval under any circumstances: Utilities, postage, refunds, items covered by insurance policies, fees payable to other governmental agencies as may be required by law, and legal advertisements. Additionally, the Manager or his/her designee, upon the recommendation of the Insurance Agent of Record, may permit insurers to offer supplemental products and coverage to employees, and which are to be paid for by the employees.

Special Exemption

The Director of OFMB, as designated by the Manager, may exempt certain transactions from the competitive requirements of this Manual. Examples include, but are not limited to:

1. Unforeseen changes in circumstances after a vendor has performed work (i.e. warranty dispute);

2. Situations in which the vendor of record has a clear competitive advantage and obtaining additional quotations would not add value to the procurement process.
3. Unless applicable law or grant terms require an opportunity for competition, contracts which will generate revenue to Wellington. Provided, however, that Council approval to exempt the contract shall be required for contracts that will generate revenues equal to or in excess of \$25,000. For contracts that will generate less than \$25,000, staff should still provide for informal competition in accordance with the Approval Matrix set forth at Chapter 3.

A Competition Exemption Data Sheet shall be completed and submitted to Director of OFMB with a completed Purchase Requisition Form and any additional documentation. The Data Sheet must contain the reason for granting the exemption and be signed by the Department Manager. Approval must be obtained from the Director of OFMB and/or the Manager, depending on the size and/or nature of the transaction. Except for revenue generating contracts, the Special Exemption set forth above shall only apply to expenditures of less than \$25,000.

Other Procurement Types

In addition to exempt purchases set forth above in this Manual, the following methods may be utilized in lieu of a competitive solicitation when the provision for competition is not practicable or is deemed not to be in the best interest of Wellington. Except for emergency purchases authorized by the Manager, nothing herein below shall be construed as waiving the requirement for Council approval of purchases of \$25,000 or more. These additional methods are described below:

1. **Sole Source Purchases:** Purchases available only from a single source may be exempted from quotation and a competitive solicitation process. For all single source purchases, the authorized Wellington employee must make a written determination substantiating that the commodities or services can only be procured from a single vendor. The ability to meet a necessary condition dictated by circumstances such as delivery date or repairs at a particular location can create a single source, that is, a single available supplier must be documented. A Sole Source Justification Form along with supporting documentation must be submitted to the Purchasing Division for approval.

2. **Emergency Purchases:** Purchasing requirements can be waived in an emergency situation, when the need is the result of a serious and unexpected occurrence and demands immediate action. An emergency is defined as:
 - a. Operational – a situation that presents a threat to public health, welfare or safety; or
 - b. Natural disaster – a situation where the normal operation or major portions thereof of Wellington would cease or be seriously impaired if immediate corrective action was not taken.

Note: An Emergency Purchase Data Sheet shall be submitted to the Purchasing Division for approval. If there is not time to process paperwork to effect the purchase, then documentation may be done after the fact. However, it is the responsibility of the Department Manager to execute and submit to the Purchasing Division all necessary documentation within one working day of the declaration of emergency.

3. **Open Market Purchases:** Where it is determined and approved by the Manager, or the Director of OFMB, that it is either not practical or not advantageous to conduct competitive selection procedures, purchases may be made in the open market without newspaper advertisement and without strictly observing the procedures otherwise prescribed in this policy. Such instances may include, but are not limited to, situations where time constraints exist. Nothing herein shall be construed as waiving competitive solicitation where otherwise required by applicable law.
4. **Piggyback Purchasing:** The term “piggyback” refers to the purchase of commodities and services from vendors under contract with any other government entity. All purchases of this nature are exempt from the competitive purchasing requirements, provided the following criteria and considerations are satisfied:
 - a. The existing contract was awarded through a competitive solicitation process substantially equivalent to the requirements of this Manual; and
 - b. The terms and conditions offered to Wellington are the same or better than the existing contract.

In order to ensure the best pricing, before “piggybacking” onto an existing contract awarded by another government entity, the Purchasing Department will compare the existing contract with other comparable local and/or nationally awarded contracts. Furthermore, the Purchasing Department shall utilize available resources, such as online government procurement pricing services, to confirm that the “piggyback” contract will provide Wellington with the best value. Additionally, in instances where the existing contract provides a procedure for “piggybacking”, Wellington will adhere to those requirements. Wellington staff should consider “piggybacking” onto contracts awarded by other government agencies when it is determined that this method of purchasing will provide the best product/service at the best price without compromising specifications or quality desired. “Piggybacking” shall not, however, be utilized as a means to negotiate a materially different contract in terms of the commodities or services to be purchased.

This method of purchasing should be considered prior to using any other methods set forth herein regardless of quantity or monetary value of the procurement; provided, however, that “piggybacking” shall not be used in the event Wellington is required to directly provide for competition for a particular project by applicable law or the terms of any grant agreement.

5. **Cooperative Purchasing:** The term “cooperative purchasing” (sometimes known as “pooling”) is used when two or more governments combine their purchasing requirements and enter into a contract that meets the needs of everyone in the group. Pooling can reduce the administrative costs of procurement, save time and result in lower product costs due to economies of scale when placing large orders. Usually, one participant will handle most or all purchasing activities on behalf of the others. Such cooperative purchases are exempt from the requirements of formal competitive procurement, and Council may authorize membership in government cooperative organizations when necessary to satisfy by-law or other organizational requirements.

CHAPTER 4

GREEN PURCHASING GUIDELINES

A. Purpose

Wellington recognizes its responsibility to minimize negative impacts on the environment while promoting a healthy community and sustainable economy. The purpose of these guidelines is to provide information, and resources to assist in the selection of materials, products or services that strengthen Wellington's commitment to environmental, economic and community sustainability, but will not result in increased costs or expenditures.

While it is the preference of Wellington to utilize "Green" products, items purchased must be cost effective and within budgeted allowance. Further, the guidelines of this Chapter are aspirational, and shall not create grounds to protest the solicitation or intended award decision.

B. Best Practices

1. Purchase durable and reusable goods
 - a. Use life cycle analysis to determine the best long-term value to:
 - i. Consider durability & repair ability of products;
 - ii. Invest in products with extended warranties;
 - iii. Conduct routine maintenance; and
 - iv. Eliminate single use items such as non-rechargeable batteries.
2. Specify product and packaging take-back
 - a. Utilize vendors who offer an Extended Product Responsibility (EPR) program, especially take-back, recycle, and disposal programs to ensure equipment and products are disposed of properly without the added cost.
3. Buy goods in bulk or concentrated form
 - a. Be careful to estimate demand properly. Purchasing more than is needed, can create excess waste.
4. Know what you are purchasing. Select products with environmentally friendly standards whenever possible and cost effective.

5. Utilize locally produced materials and supplies when possible and cost effective.
6. Procure remanufactured goods and use refurbishing services (when practical)
 - a. Toner cartridges, computer upgrades, carpet repairs and furniture refurbishment.
7. Purchase goods containing fewer toxic compounds
 - a. Printing ink low in volatile organic compounds (VOC).
 - b. Chrome and chlorine free cleaning supplies.
8. Reduction of paper use
 - a. Purchase office equipment that has duplex capability.
 - b. Maximize use of electronic application processing, review and storage of data.
 - c. Electronic placement of orders whenever possible.
9. P-Cards
 - a. Wellington will use p-card or Electronic Funds Transfer (EFT) to make payments on purchases whenever possible.

C. Guidelines

These Green Purchasing Guidelines highlight environmental and economic impacts to consider when selecting products. These and other considerations do not necessarily include or exclude products or services, but should be factored in to ensure informed purchasing decisions.

1. Whenever possible and cost effective employees shall purchase recycled and environmentally friendly products.
2. Whenever possible and cost effective Wellington shall purchase fuel efficient vehicles.
3. Whenever possible, and cost effective, Wellington will attempt to purchase paper products with a minimum 33% post-consumer recycled content, including but not limited to, copier and printer paper and other office paper products. Additionally, Wellington also desires to purchase other paper products with recycled content wherever possible.

4. When purchasing printed materials, Wellington shall specify that the product be produced on recycled paper stock, and/or a recycled paper stock option.
5. Whenever possible, and cost effective, the recycled option shall be selected over any non-recycled stock. Additionally, if available and cost effective, Wellington will request the use of environmentally friendly ink, such as soybean based inks.
6. Whenever possible, and cost effective, Wellington will specify the use of non-paper products with recycled content to be utilized for applications. Such requests may include the purchase of building materials with recycled content as may be appropriate.
7. Wellington shall make every effort to purchase products that have minimal deleterious effects on the environment, in terms of toxicity, biodegradability, impacts on pollution of the air and water supply. This shall include minimizing the purchase of items that emit harmful chemicals such as formaldehyde or methane.
8. Whenever possible, and cost effective, Wellington will purchase energy efficient fixtures and equipment for use by employees. Wellington may utilize a value analysis process to determine which product or products provide Wellington with the lowest overall cost of operation over the life of the product, and award criteria or specifications may provide for or require products that produce the lowest overall life cycle cost over the course of the product life.
9. When purchasing electrical appliances, Wellington shall purchase, whenever available and cost effective, products that are certified as being "Energy Star" compliant through the Federal Energy Star program. This shall include the purchase of computer equipment and monitors.
10. Wellington shall promote its use of recycled and other environmentally preferable products by publicizing its sustainable procurement program. Materials produced for advertising, conferences, press releases, and other communications with clients and citizens shall emphasize Wellington's commitment to environmental and community stewardship.

11. These guidelines are intended as a general guide to assist employees in the selection of products for purchase on behalf of Wellington; provided, however that they do not require the purchase of products that do not perform adequately or products that are not available at a competitive price.

D. Summary

The goal of these Green Purchasing Guidelines is to ensure environmental impacts of our purchasing decisions are minimized or eliminated by obtaining goods and services from manufacturers and vendors who share Wellington's commitment to the environment, the community and the local economy.

CHAPTER 5

COMPETITIVE SOLICITATIONS AND OTHER PURCHASING METHODS

Purchases of materials, supplies, equipment and contracted services from outside vendors by Wellington in the amount of \$25,000 or more shall be acquired through a competitive solicitation processed through the Purchasing Division. The competitive solicitation shall contain such terms and conditions, including, for example, the scope of the work, minimum qualifications, time for performance, and such other requirements deemed necessary by Wellington. Where applicable, the solicitation specifications shall also include all license fees, permit fees, impact fees, or inspection fees that will be payable by the contractor to Wellington. The only permitted exceptions to this policy are those authorized in this Manual.

Each area with a stake in the process (user Departments, Purchasing, budget, accounting and legal staff) has clearly defined roles and responsibilities and, through advanced planning, must create a purchasing schedule that will meet all of its needs.

In situations where, after implementing a competitive solicitation, no responsive and responsible bids, proposals or replies meeting the solicitation requirements are received, or it becomes apparent to Wellington, in its sole discretion, that it would be futile or impractical to advertise a new competitive solicitation, then the procurement may be exempted from competitive solicitation unless applicable law or grant agreement mandates the revision and re-advertisement of a competitive solicitation. In instances where the bids, proposals or replies received exceed budget or available funding, Wellington may, but is not required to, permit the apparent low responsive and responsible bidder to reduce its price to come within budget or funding limits or reject all bids, proposals or replies and consider modification of the project scope and specifications and re-advertise a competitive solicitation.

The purchasing method shall be determined by Wellington in its discretion, and includes the following:

A. Request for Quotation (RFQ):

A solicitation process not publicly advertised which commonly involves standard well defined commodities or services for costs below the competitive solicitation threshold of \$25,000. Unless and until accepted by or on behalf of the Manager in accordance with this Manual, a response to an RFQ by a prospective vendor is not considered intent to award or a binding contract.

B. Request for Information (RFI):

Made typically during the project planning phase where staff cannot clearly identify product requirements, specifications, and purchase options. RFIs clearly indicate that award of a contract will not automatically follow. Information gathered through an RFI is commonly used to facilitate the creation of the solicitation documents.

C Invitation to Bid (ITB):

A sealed bid process which typically includes a description of the product or service to be acquired, instructions for preparing a bid, the conditions for purchase, packaging, delivery, shipping and payment, contract clauses to be included and the deadline for submitting bids. Invitations to Bid shall be used for purchases that equal or exceed the competitive solicitation threshold of \$25,000.

D. Request for Proposal (RFP):

Structured competitive sealed proposals provide for full competition among proposers. The competitive sealed proposals method allows evaluation of other important and complex factors in addition to price, such as experience, past performance, and approach to the problem or need posed by Wellington. Price need not be the most important evaluation criterion in the evaluation. The evaluation criteria shall be weighted and be included in the terms of the RFP. RFP shall be used for purchases that equal or exceed the competitive solicitation threshold of \$25,000. The RFP proposal method permits negotiation with the offerors whose initial proposals are susceptible to award, and which ranking and negotiation process should be described in the RFP.

E. Invitation to Negotiate (ITN):

A written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the purchasing of commodities or contractual services. The ITN may, for example, be used when it is determined that a vendor is a single source or when competitive bidding has failed to produce an acceptable result. Additionally, upon request of the Manager, the Council may, by majority vote, utilize an ITN instead of an IFB or RFP process in order to authorize the Manager or designee to purchase items or services by negotiation, and where the process for short listing and/or ranking for purposes of negotiation will be set forth in the ITN.

F. Consultants' Competitive Negotiation Act (CCNA) Request for Qualifications (RFQ):

When applicable, Wellington adheres to the procedures established by Florida Statutes, Section 287.055, known as the "Consultants' Competitive Negotiation Act" (CCNA). It is utilized specifically to select professional architects, professional engineers, landscape architects or registered surveyor and mapper. An RFQ is utilized to seek professional qualifications, and may also be utilized as the method to solicit other types of services which may be based upon a qualification selection process.

1. It is a two-step method with selection of a vendor made by merit or qualifications, followed by negotiation of a contract with the most qualified firm. This section applies only to specific projects where the thresholds set forth at Section 287.055(3) are exceeded, and except in cases of valid public emergencies certified by the Manager.
2. Firm(s) desiring to provide professional services for a project with Wellington shall timely submit qualifications statements containing evidence of current professional status, capabilities, adequacy of personnel, past record and related experience, list of sub-consultants, financial strength and other information required by the RFQ necessary for evaluation.
3. The award of any CCNA contract equal to or in excess of \$25,000 shall be approved by Council. Professional services that cost less than \$25,000 are not subject to competitive selection as defined in FS 287.055 or this Manual. The policies contained herein are a mere summarization of the procedure contained in Florida Statutes, Section 287.055 and Wellington personnel are instructed to refer to such provision for additional detail. In instances where CCNA is not applicable based on monetary thresholds, and in the discretion of the Manager, procurement of professional services may be made by any process authorized by this Manual, and may utilize an RFP process where separately sealed price proposals are submitted. In such cases, a Selection Committee shall short list no fewer than three (3) vendors based upon qualifications and rank the vendors based upon merit, and qualifications. The price proposals shall be opened after the short listing, and the final ranking shall consider the price proposals received and in accordance with the process to be further described in the RFP. In the event less than three proposals are received, the Committee shall evaluate and rank the responsive proposals received.

G. Construction Services:

The procurement of construction services shall be in accordance with this Manual and where applicable, Wellington shall also adhere to the requirements established by Florida Statutes, Sections 255.0525 and 255.20.

H. Design-Build Professional Services:

When required, the procurement of the design criteria professional shall be pursuant to Florida Statutes, Section 287.055. The procurement of a design-build firm for a design build project shall be in accordance with this Manual and Section 287.055(9), and shall utilize a competitive proposal selection process. The methodology shall also be set forth in the solicitation document.

I. Construction Management at Risk:

This is a method used to procure a Construction Manager, and which may result in a guaranteed maximum price for construction and time for completion. Such procurements shall be in accordance with this Manual, and in any manner authorized by Florida Statutes, including Sections 255.103 and 287.055, or 255.20.

J. Request for Letters of Interest (RLI):

A method of selecting a vendor whereby all vendors are invited to submit a summary of their qualifications and state their interest in performing a specific job or service. Respondents will be evaluated and "shortlisted", and the shortlisted vendors may be asked to submit price proposals or engage in negotiations based upon a ranking. The specific evaluation to be utilized for purposes of shortlisting, ranking, and requesting price proposals or negotiations shall be set forth in the RLI. An RLI may be used in the discretion of Wellington, provided, however, it shall not be used where a different method is required by applicable statute or this Manual.

K. Public-Private Partnerships:

Wellington may receive unsolicited proposals or may solicit proposals for qualifying projects as defined by Florida Statutes, Section 287.05712, and may thereafter enter into an agreement in compliance with the aforementioned Statute. The Manager may adopt procedures consistent with this Manual and Section 287.05712 relative to the receipt and consideration of an unsolicited proposal. An unsolicited proposal must contain all of the material and information required by Section 287.05712, and such additional information and technical studies as may be reasonably required by Wellington. Additionally, Wellington may charge a reasonable fee to cover the costs of processing, reviewing, and evaluating an unsolicited proposal, including, but not limited to, attorney fees and fees for financial and technical advisors or consultants and for other necessary advisors and consultants. Wellington may also require a deposit, the amount of which will be determined at the discretion of the Manager, and which is reasonably calculated to cover the costs to be incurred. In its sole and absolute discretion, Wellington may reject or otherwise decide not to consider an unsolicited proposal, and which decision shall not be grounds for a protest. In the event Wellington intends to enter into an agreement for the project described in an unsolicited proposal, then it shall first provide notice and allow other proposals to be submitted for consideration in accordance with the requirements of Section 287.05712.

PROCEDURES:

1. Preparing Invitation to Bid (ITB) / Request for Proposal (RFP)/ Request for Qualifications (RFQ)/ Invitations to Negotiate (ITN)/ Request for Letters of Interest: The ITB and RFP are used to initiate a solicitation that includes price proposals. The Purchasing Division:
 - a. works directly with the user department to prepare a scope of work, specifications and plans.
 - b. shall prepare the solicitation document including submission requirements, date, time and location for receipt of bids; where the bids are to be delivered, description or scope of work, evaluation factors (Selection Committee, if applicable), delivery or performance schedule, contract terms and conditions, warranty and bonding requirements.
 - c. schedules dates for issuing the solicitation.

- d. prepares the Public Notice that is advertised in the local newspaper. Adequate public notice of the solicitation of bids/proposals shall be given not less than fourteen (14) calendar days prior to the date set forth in the notice for opening of bids and not less than twenty-one (21) calendar days for proposals. Bid/proposal shall also be advertised at www.demandstar.com, www.wellingtonfl.gov. For construction projects projected to cost more than \$200,000, the solicitation shall be advertised at least once in a newspaper of general circulation in the county at least 21 days prior to the established bid opening and at least 5 days prior to any scheduled prebid conference. For construction projects projected to cost more than \$500,000, the solicitation shall be advertised at least once in a newspaper of general circulation in the county at least 30 days prior to the established bid opening and at least 5 days prior to any scheduled prebid conference.
- e. conduct the pre-bid/proposal conference and determine with guidance from the user department whether the conference shall be mandatory or optional.
- f. conduct the bid opening; the evaluation; Council approval; and issuance of purchase order and/or contract.
- g. shall prepare any addenda, if changes are made to the solicitation document.
- h. shall pick up all bids/proposals/replies from the Clerk's Office shortly after the bid opening date and time and open bids/proposals/replies publicly at the date and time specified in the solicitation documents. The name of each bidder, and other information deemed appropriate shall be read aloud and recorded in accordance with applicable Florida Statutes.
- i. shall prepare a bid tabulation and together with the user department shall determine the lowest responsible and responsive bidder meeting the specifications. In the event a Selection Committee is required, the Selection Committee Guidelines and Procedures described in Chapter 9 shall be followed.
- j. shall, upon completion of the evaluation, prepare a Notice of Intent to award to be displayed publicly in the Clerk's Office and posted on www.demandstar.com and www.wellingtonfl.gov.
- k. shall issue a Notice of Award after Council approval, and will request the required insurance certificates, performance bonds, and any other contractual documents required from the vendor.

- l. shall prepare a contract and /or approve a requisition request entered by the user department.
- m. shall forward all solicitation documents including bid documents, sign in sheets, bid tabulations, notice of Selection Committee meetings, and notice of intents, etc. to the Palm Beach County Office of Inspector General to the extent required by applicable Palm Beach County Ordinances.
- n. In instances in which professional services are sought or for services where qualifications, and not price, is the determining factor, the Purchasing Division shall prepare a Request for Qualifications, Invitation to Negotiate, or Request for Letters of Interest following a substantially similar process and as otherwise provided for in this Manual.

PURCHASING CYCLE

The following outlines the procedures described above:

Required Steps	Responsibility
The User Department's needs are recognized, perceived, or indicated.	User Department
Requisition is prepared, pre-encumbered and forwarded to Purchasing for processing.	User Department
Specifications or scope of services are developed.	User Department/Purchasing Division
Appropriate source selection or method of purchase, i.e. sealed bidding, sealed proposals, sole source, emergency, or small purchase	Purchasing Division
Solicitation package preparation	Purchasing Division/User Department
Advertisement of Competitive Solicitation	Purchasing Division
Bid/Proposal/Reply opening	Purchasing Division
Bid tabulations	Purchasing Division
Bids/Proposals/Replies reviewed and evaluated for compliance with specifications, criterion or scope of service.	User Department/ Purchasing Division or when applicable a Selection Committee to recommend awardees(s)
Publish Notice of intent to Award (3 day protest period)	Purchasing Division
Inform offeror(s) of Notice of Award	Purchasing Division
Based on award value and approval authority	Manager or Council
Purchase Order or formal contract is prepared.	Purchasing Division/User Department
Contract Administration	Purchasing Division/User Department

RESERVED RIGHTS

The Purchasing Division, Manager and Council shall have the authority to waive minor irregularities. Where a mistake or omission is not evident on the face of the bid/proposal/reply, and the bidder/proposer/respondent points out the error with clear and objective evidence before award, it may be permitted to withdraw its bid/proposal/reply in Wellington's discretion, and in accordance with this Manual. No bidder/proposer/respondent will be permitted to correct a material irregularity or otherwise cure a bid/proposal/reply which has been rejected by Wellington as non-responsive. Where a bid security has been required, withdrawal permitted by Wellington normally would be without forfeiture of the security.

Wellington may accept a voluntary reduction from a low bidder or offeror after bid/proposal/reply opening, if such reduction is not conditioned on, nor results in, the modification or deletion of any condition contained in the competitive solicitation. A voluntary reduction may not be used to ascertain the low responsive/responsible bid or for purposes of ranking of proposals.

Discussions may be conducted with responsible Offerors whose submitted proposal is determined to be reasonably susceptible of being accepted for award, for the purpose of clarification, and to assure full understanding of responsiveness to the solicitation requirements. Offerors shall be afforded fair and equal treatment with respect to any opportunity for discussion and revision of proposals after the opening and prior to award for the purpose of obtaining best and final offers when provided by the terms of the competitive solicitation and this Manual.

Wellington further reserves the right to reject any and all bids, proposals, or replies, to terminate a competitive solicitation process, or to otherwise take any action deemed to be in its best interests.

CHAPTER 6

REQUISITION AND PURCHASE ORDER

When a competitive solicitation is not required by this Manual, a Purchase Requisition, Blanket Purchase Order or Purchase Order shall be used. The Purchase Requisition is the main method designed to authorize purchases of commodities and/or services. A Requisition must be prepared prior to the procurement of any commodities and/or services with the exception of commodities and/or services that can be properly acquired through the use of a Purchasing Card, a Field Purchase Order or with funds from Petty Cash or other exceptions as provided herein.

Lead time is critical; therefore, requisitions should be prepared in advance to allow sufficient time for the solicitation process to take place and adequate time for delivery of the product or services required.

Requisitions provide the authorization, budgetary control, and, if required, specifications for the preparation of required competition documents and/or contracts.

Purchase Order Types

The initiating department may select one of three options when completing a Purchase Requisition depending on the nature and dollar amount of the transaction. These options are as follows:

A. Field Purchase Order (FPO)

FPO's properly executed are routed directly to Accounts Payable without any intervention by the Purchasing Department. Field purchase orders cannot be used for Capital Improvement Project (CIP) purchases. Field Purchase Orders can be used in the following circumstances:

- a. to pay for certain items exempt from competitive requirements;
- b. to pay for items less than or equal to \$2,500 that cannot be processed by use of the Purchasing Card;
- c. to reimburse petty cash custodians;
- d. for refunds of fees or charges, including escrows; or

- e. to pay for other special transactions as authorized by the Manager, Director of OFMB and Purchasing Manager.

B. Blanket Purchase Orders

Blanket purchase orders facilitate multiple purchases from and payments to a single vendor and payments on contracts only. It serves to minimize the number of Purchase Requisitions for certain recurring operating expenses. Blanket Purchase Orders are used:

- a. to establish an accounting record for routine periodic payments of recurring operating expenses;
- b. to develop a purchasing relationship, in advance, for repetitively purchased commodities and services. The Blanket Purchase Order is used when the prices or discounts, terms and conditions, and length of contract have been established.

Examples of commodities and services that are expected to be purchased more than once and should be on a Blanket Purchase Order are as follows:

- a. Gasoline
- b. Utilities
- c. Insurance
- d. Leases
- e. Monthly, quarterly or other periodic recurring payments for services only, e.g., quarterly outside lab testing
- f. Payments on contracts
- g. Supplies and materials purchased on a fixed monthly contract and certain recurring purchases of supplies and materials approved by the Purchasing Manager.

C. Purchase Orders

Are authorized through the Purchasing Division authorizing the vendor to deliver commodities or to perform services for Wellington and communicates in writing the terms and conditions, specific quantities and the agreed price. Purchase Orders are used for all procurements except as otherwise provided herein.

The Requisition for a Purchase Order must be prepared far enough in advance to allow the Purchasing Division to process approvals and/or to obtain the best value. The User Department is required to provide Purchasing with written documentation pursuant to the thresholds defined in Chapter 3, Approval Levels and Methods of Procurement. Beyond that, the user Department shall allot additional time for the order and delivery of the commodities or services ordered. Complex procurements may require additional processing time; therefore, the user department should contact the Purchasing Manager to jointly determine the purchasing timeframe.

CHAPTER 7

CONTRACT ADMINISTRATION

Purchasing Process

A contract is the legal document that spells out the responsibilities of the vendor and Wellington. Contracts shall contain such terms and conditions acceptable to Wellington, and as may be required by law and the solicitation, including, but not limited to, time for performance, insurance requirements, indemnification, liquidated damages, bonds, and termination. Where practicable, the form of the contract should be incorporated into the competitive solicitation. Clarity is essential so that disputes can be avoided. Contract types vary according to form, and according to the distribution of risk and responsibility between the contractor and Wellington. Pursuant to Florida Statutes, Section 119.0701, in cases where the contractor is acting on behalf of Wellington, the contract shall include the terms set forth at subsection (2) thereof requiring the contractor's compliance with the public records laws. There are three major elements or stages of the purchasing process, each of which is equally important:

1. **Planning and scheduling purchasing and purchasing activities to meet program and budgetary objectives:** Planning is necessary in order to consolidate purchases and achieve economies of scale. Scheduling takes advantage of market cycles by anticipating the best time to buy. Departments that budget effectively estimate their need for commodities and services in advance. From these estimates, a purchasing schedule can be created that takes into account and consolidates Department needs.
2. **Source Selection:** This is the process through which solicitations are issued, advertisements run, vendors selected, and commodities or services received. Staff in both user Departments and in Purchasing must work closely to define what is to be purchased. Neither department can do it alone. Together, they develop specifications and scopes of work reflecting the Department's knowledge of its needs in delivering services and Purchasing's knowledge of the market. After both departments decide on the appropriate purchase method and type of contract, Purchasing staff issues the solicitation and receives bids/proposals/replies in response to the competitive solicitation or as otherwise provided in this Manual. Purchasing obtains the executed contracts and ensures the commodities/services are delivered in accordance with the solicitation. This *separation of duties* is a fundamental aspect of the purchasing process.

Contract Monitoring and Administration

This element ensures that the terms of the purchase order or contract are enforced and invoices are paid. Lead responsibility for contract administration falls on Department personnel with advice and support from Purchasing. Invoices are approved and submitted for payment and the quality of commodities and services are monitored and evaluated. If the Department wishes to change the specifications or scope of services, it consults with Purchasing to negotiate a change order. If the Department is dissatisfied with its purchase, then Purchasing forces corrective action by the vendor. When the contract is completed, the Department staff “closes out” the solicitation by, for example, receiving release of liens from subcontractors, recovering equipment from the vendor, completing and evaluating the purchase, making sure all invoices are paid and the purchase file is complete, and forwarding suggestions for improvements to Purchasing. Purchasing shall notify the vendor of applicable suggestions and comments in writing.

Contract Types

Contract Administration is the final phase of the purchasing cycle and begins at the point a contract or Purchase Order is executed. The objective of contract administration (User Department and Purchasing Division) is to ensure that the vendor and Wellington comply with the contract. Only then can the public be sure that it received what it paid for. The common types of contracts are as follows:

1. **Multi-Term Contracts** – A contract for commodities or services may be entered into for any specified period of time deemed to be in the best interests of Wellington, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting.
2. **Multiple Source Contracting** – A multiple source award is an award of an indefinite quantity contract for one or more similar supplies or services to more than one bidder or offeror. Wellington shall not be liable for any invoice, charge or claim, loss of profits or any other cost or expense unless the purchase was made in accordance with this Manual.
3. **Open-end Contracts** – The Manager or designee shall procure open-end contracts as necessary and reasonable, based on competitive pricing. The total estimated cost of the goods or services shall govern the proper authority for award of these contracts.

4. **Purchase Orders** – Purchase orders are considered binding contracts upon issuance and acceptance. By accepting a purchase order the vendor agrees to the terms and conditions as described on the purchase order.

Renewal of Contract

Unless otherwise provided by law, a contract for commodities or services may be entered into for any period of time deemed to be in the best interest of Wellington, provided the term of the contract and conditions for renewal, if any, are included in the solicitation and funds are available for the first fiscal period at the time of the renewal.

Extension of Contract

Extension of a contract shall be in writing and shall be subject to the same terms and conditions set forth in the initial contract. A contract may be extended where the terms of the contract provide for the extension or in circumstances deemed in the best interest of Wellington, such as the need for additional time to complete a new competitive solicitation process.

Modification of Contract

The Village Attorney or designee, is authorized to promulgate and adopt regulations permitting or requiring the inclusion of clauses providing for or relating to change orders, modifications, and adjustments in prices, time of performance or other contract provisions.

Termination of Contract

Generally, a contract can only be terminated under conditions specified within it. Contracts can be terminated for non-performance (default) if, after being notified, the vendor fails to meet the specifications. Contracts also may be terminated for convenience by Wellington, to cover unforeseen circumstances where commodities or services are no longer needed or as a result of budgetary constraints.

Bid Security and Performance and Payment Bonds

Bid Bonds or other forms of bid or proposal security shall be required on all competitive solicitations for construction, design build, or other solicited project contracts when the price for the project is estimated to cost \$25,000 or more. The amount of the Bid Bond or security shall be ten (10%) percent of the NET bid. Wellington may waive this requirement when it is deemed in its best interest. The bid security shall be a bond provided by a surety company authorized to do business in this State, or the equivalent by certified check, cashier's check, irrevocable letter of credit or an alternate form of security for the same purpose subject to the same conditions and in a form acceptable to Wellington as bid security. Nothing herein shall be construed as precluding Wellington from requiring bid security on non-construction projects, and in such amounts as the Manager may prescribe.

After award of the contract, unsuccessful bidders shall have their bid deposits returned within a reasonable amount of time after the bid or proposal opening (but not before recommendation of award). The bid or proposal security of the successful bidder, and those bidders or proposers who may reasonably be susceptible of an award, shall be retained until execution of the contract and receipt of certificate(s) of insurance and payment and performance bond. If the successful bidder or proposer fails to furnish the required certificate(s) of insurance, payment and performance bond, or fails to execute and deliver the contract to the designated employee within the time specified in the solicitation or contract documents, Wellington will annul the notice of intended award and the entire sum of the bid or proposal security shall be forfeited.

Bidders have the right to withdraw their bids or to make changes to their bid prior to the bid opening. A bidder may withdraw its bid by submitting a written request to the Purchasing Division. No bid may be withdrawn after the closing time for receipt of bids. Unless otherwise specified in the solicitation, bids and proposals may not be withdrawn for a period of ninety (90) days from the opening. Regardless of the threshold, if a bidder withdraws its bid, or if the successful bidder fails to execute and deliver the contract, the bidder or proposer shall be prohibited from doing business with Wellington for a period of one year. In addition, Wellington shall make a claim on such bidder's bid security according to the terms of the competitive solicitation, if applicable. Alternatively, and in its sole discretion, Wellington may refuse to permit the withdrawal of the bid or proposal after opening, accept it, and enforce the terms of the contract subject of the award.

Payment and Performance Bonds and Insurance

Payment and performance bonds are required for all construction contracts in excess of fifty thousand dollars (\$50,000.00). At its discretion, Wellington may exempt a contract from this requirement provided the contract is for \$200,000 or less. The following bond or security shall be delivered to Wellington and shall become binding on the parties upon the execution of the contract:

- a. A payment and performance bond in an amount equal to one hundred percent (100%) of the price specified in the contract and conditioned that: the contractor shall promptly make payments: to all persons who supply labor, materials or commodities used directly or indirectly in the performance of the work provided for in the contract; and contractor shall perform the contract in the time and manner prescribed in the contract; or in lieu of a performance bond and payment bond, Wellington may accept cash, money order, certified check, cashier's check, or irrevocable letter of credit in the amount of one hundred 100 percent (100%) of the contract price. Such alternate form of security shall be for the same purpose and shall be subject to the same conditions as a performance bond and payment bond. All bonds shall be in conformance with Florida Statutes 255.05 and 287.0935.
- b. For construction and other service contracts, the solicitation should specify the amount of insurance and coverage requirements.

Reduction of Bond Amounts

After notice to the Council, the Manager or designee is authorized to reduce the amount of performance and payment bonds to 50% of the contract price for each bond when a written determination is made that it is in Wellington's best interest.

Authority to Require Additional Bonds

Nothing in this Section shall be construed to limit the authority of Wellington to require a performance bond or other security in addition to those bonds, or in circumstances other than specified in Piggybacks, Cooperatives, or in this Manual.

Vendor Performance

When a vendor fails to properly perform under a contract, Wellington will follow a progressive remedy process, unless circumstances warrant that more immediate action be taken in order to protect the safety of individuals, or mitigate any damage to Wellington property.

Prior to administering any form of remedy, however, Wellington must perform its due diligence to ensure a factual account of circumstances leading-up to the unacceptable situation. Project Managers must document any issues, observations, discussions or contacts with the contractor that may have an impact on the situation. Data collection and documentation must be completed in a fair and unbiased manner in order to ensure the credibility of Wellington, and to protect Wellington against any legal liability resulting from making unsubstantiated claims against a vendor.

When a vendor is not providing a product or service that is satisfactory to Wellington a corrective action plan must be implemented. The user department will work with Purchasing to ensure the plan is reasonable and realistic. The plan should detail steps required in order for the vendor to meet Wellington's required level of satisfaction. In the event the vendor fails to meet the obligations of the corrective action plan, the next step shall include termination of the contract. If the project is covered by a performance bond, Wellington will work with the bonding company to ensure completion of the project using funding provided through the bond.

CONTRACT MANAGEMENT PROCEDURES

These procedures contain basic guidelines for the administration of contracts between Wellington and a vendor. Administration of contracts encompasses the full realm of implementation and oversight, including without limitation, receipt of work, services, and supplies as well as monitoring contractor performance; issuing status reports; reviewing invoices; and similar types of review and responsibility.

Wellington will diligently monitor performance and progress of the contract and take necessary steps to require compliance with the terms, specifications, conditions, and provisions of the contract as well as foster and maintain compliance with state statutes and Council approved Ordinances and Resolutions.

1. **Budget approval:** Prior to the issuance of a solicitation the department director for the user department will ensure the availability of funds. All requests for supplies or services shall be initiated by an authorized requestor and approved by the department director.
2. **Council Approval:** If the contract cost equals or exceeds \$25,000, Council approval is required. If the contract cost equals or exceeds the Village competitive solicitation threshold of \$25,000 the award shall also be pursuant to a formal solicitation process unless exempt pursuant to this Manual.

3. **Solicitation/Award of Contract:** Solicitations shall be conducted by the Purchasing Division in compliance with State Statutes; Council approved Ordinances, Resolutions, this Manual, and applicable administrative policies. Contracts shall be awarded in accordance with the terms of the solicitation. The award will be made to the responsive and responsible bidder whose bid, proposal, reply or quotation conforms to all specifications, terms and conditions as set forth in the solicitation. For Invitations to Bid, contract awards will be made on the basis of the lowest price provided the bidder is responsive, responsible, and the final award is deemed in the best interest of Wellington by Council.
4. **Contract Execution and Term:** The term specified in the solicitation will establish the basis for the time for performance of the contract. A start and completion date will be agreed to mutually by Wellington and the contractor, and specified in the contract. Two original copies of the contract will be prepared. One will be maintained in the Clerk's Office and the other will be provided to the vendor. A copy of the contract will be maintained electronically in a shared Wellington directory.
5. **Pre-Construction Conference (Construction Projects):** Following the award of a construction contract, a post award conference will be held by the user department including a member of the Purchasing Division to discuss applicable information as it pertains to the contract awarded, including to identify personnel, discuss the scope of work, state and federal requirements, safety issues, timetable for deliverables, payment methods, required forms to be submitted, and other contract related documents and issues. Post award conference minutes shall be recorded, and minutes shall be made a part of the contract file.
6. **Notice to Proceed:** Upon full execution of the contract documents and delivery by the contractor of all required bonds and certificates, including insurance, to the Purchasing Division, the user department shall prepare and issue to the contractor a Notice to Proceed. The Notice to Proceed will be forwarded to the contractor by the user department by mail, electronically or personally delivered. The user department, along with the Purchasing Division will monitor the progress of the contract from the date of its commencement forward.

7. **Contract Tracking/Monitoring:** Upon electronic approval, a contract (bid number) or purchase order number is assigned to each contract. The Purchasing Division will maintain tracking and monitoring information in a Contract Listing for individual tracking purposes as required herein. The Purchasing Division will review termination dates sufficiently in advance and work directly with the user departments to ensure timely contract renewal or re-advertisement of a new solicitation.
8. **Inspection/ Monitoring/Reporting:** The Purchasing Division will maintain a designated file for each contract including a copy of the contract with all addenda, and exhibits; all amendments and modifications; copies of correspondence, notices to the contractor, change orders pertaining to the contract and any other pertinent and relevant documentation.
9. **Deficiencies:** During implementation by contractor, in receiving supplies and services, and during the ongoing contract administration, the Purchasing Division will be alerted by the user department of any irregularities or deficiencies in the performance of the contract. Non-conforming work, services, products, equipment or goods must be promptly rejected when specifications of contract are not met. Where appropriate, the Purchasing Division will prepare a letter notifying the contractor of any irregularities or deficiencies in performance under the contract.
10. **Time Extensions:** The contractor is responsible for completing the work within the time established by the contract. Time extensions will be considered if the contractor requests an extension, in writing, within a reasonable time prior to the time for the contract to end. The written request must clearly state the contractor's reason for the delay and offer facts supporting justification and verification. The Purchasing Division along with the user department shall review the request and make a determination whether the request will be granted. If the time extension is granted by the Purchasing Division, the contract shall be modified in writing by Change Order or amendment. The Change Order or amendment shall be signed by both parties by the respective authorized representatives and will become an amendment to the original contract. If the time extension is not granted, the contractor will be notified and reminded of the obligation to complete the work in a timely manner in accordance with the terms of the contract.

11. **Termination:** Termination of a contract will be in accordance with the governing provisions of the contract under which the work or services are being performed. In the event it is determined that the contract should be terminated for cause or convenience, the user department shall provide a written recommendation to the Purchasing Department detailing the reasons for the proposed termination. The Purchasing Department will prepare a letter notifying contractor of termination. The letter shall be sent by US Mail, return receipt requested or as provided by the contract. The Manager and Village Attorney shall be consulted prior to the termination of any contract at or above the competitive solicitation threshold.

12. **Liquidated Damages:** Upon determination by the Purchasing Division that enforcement of liquidated damages is proper under the terms of the contract, the Purchasing Division will prepare a letter notifying the contractor of Wellington's assessment of the liquidated damages. The amount of liquidated damages may be deducted from the contractor's final invoice. In the event the amount of the liquidated damages exceeds the final invoice amount; the Purchasing Division shall submit an invoice to the contractor for the difference.

CHAPTER 8

CHANGE ORDERS

A. Purpose

A Change Order provides a mechanism to effectuate a mutually agreeable change in price, scope of work, or time for completion of an existing purchase order or contract. Procedures to modify an existing purchase order or contract shall be initiated immediately upon the recognition of need and the Change Order shall be fully executed prior to authorizing the vendor to proceed further with the purchase or work. A Change Order must be executed by Wellington in accordance with the formalities of the contract or purchase order.

B. Use

Change Orders are to be used when the variance is for the purchase of related items. If items to be added to the Purchase Order are outside of the original scope, then a new Purchase Requisition must be generated.

1. Purchase Requisition Modifications

A modification is required in all cases except:

- a. increases that are 10% or less of the original Purchase Order plus subsequent modifications, and there is sufficient budget available;
- b. cumulative modifications that cause the original Purchase Order to not exceed \$2,500 more than the original order and there is sufficient budget available;
- c. changes due to freight and shipping;
- d. for cancellation of Purchase Orders or decrease in the total dollar amount of a Purchase Order, when the Purchase Order is considered complete. The user Department shall note directly on the Purchase Order the details of the cancellation or reduction and the fact that the vendor has accepted the reduction or cancellation and notify the Purchasing Department of said transaction. Purchasing will close out cancelled and reduced Purchase Orders after authorizing the final payment.

2. Change Orders

For all purchases approved by Council without contingency the following will apply:

- a. \$250,000 or less – cumulative change orders shall not exceed 20% of the original bid award.
- b. \$250,001 up to \$2.5 million – cumulative change orders shall not exceed \$50,000.
- c. \$2.5 million up to \$5.0 million – cumulative change orders shall not exceed \$100,000.
- d. \$5.0 million and over – cumulative change orders shall not exceed \$100,000 plus 1% of the original bid award.

Change Orders will be presented to Council for approval when the cumulative dollar amounts of the Change Orders for the awarded construction project have reached the threshold levels as shown above. When presented to Council all Change Orders that make up the cumulative Change Order amount will be presented as part of the approval. If, after Council approval, additional Change Orders are required for the construction project the same process will be used for the next cumulative Change Order.

Construction projects approved with contingency funding:

If Council awards the construction project with a contingency allocation then no further Council action is necessary provided the construction project does not exceed the project budget (awarded contract + contingency funding). Council approval is required for any Change Order if budget funds are not available and pursuant to this Manual.

The construction contract and/or the purchase order will be for the bid amount, plus the contingency. Accordingly, a contract or purchase order increase that is within the contingency amount will not require a formal change order. Price increases that are within the contingency amount shall be approved by the project manager or Wellington representative designated by the contract or purchase order.

3. Professional Services Contract Changes

The procedures for authorizing changes to contracts and other written agreements for professional services are as follows:

- a. the user department submits a written request to Purchasing to initiate a contract modification or cancellation;
- b. amendments require the same level of execution as the contract being amended. Required internal and Council approvals must be obtained in accordance with this Manual.

C. Procedures

1. The user Department should prepare documentation supporting and explaining the nature and need for the change.
2. Forward the supporting documentation to Purchasing. The Purchasing Department:
 - a. reviews and/or obtains required approvals, and amends Purchase Obligation;
 - b. submits agenda package for Council approval, if necessary;
 - c. notifies the vendor to proceed upon appropriate approvals.

CHAPTER 9

EVALUATION AND SELECTION

Selection Committee Guidelines

The evaluation and selection process shall be in accordance with the competitive solicitation and this Manual. In order to provide a selection process that is fair and equitable for all respondents, and in relation to competitive solicitations that require an evaluation process, the following Selection Committee Guidelines shall be followed:

- 1. Intent:**
These Guidelines provide a summary of the expectations, rules, processes and procedures applicable to the evaluation of proposals and replies by a Selection Committee.
- 2. Committee Task:**
To evaluate written responses, provide for oral presentations, and/or conduct interviews (where applicable), and pursuant to an advertised competitive solicitation which requires an evaluation; to rank the respondents based on the criteria listed in the solicitation; and when specified in the solicitation, to conduct negotiations with the top ranked vendor. Selection Committees are not charged with the responsibility of making policy decisions or final award decisions.
- 3. Committee Members:**
The Selection Committee will typically consist of five staff members. The Manager shall appoint three (3) persons to be standing members of the Selection Committee, each of whom shall have experience with and general knowledge of this Manual. The fourth and fifth members of the Committee shall be selected on a case by case basis by the Manager, and shall possess technical knowledge regarding the subject matter of the particular solicitation. The Manager may alter the Selection Committee size and membership when deemed in Wellington's best interest to do so. When altering the Selection Committee membership, the Manager may select persons who are not staff members, including, but not limited to entire standing advisory boards and committees or an ad hoc committee selected for this purpose. The Manager may also utilize outside consultants with professional expertise regarding a particular selection. Prior to using an alternate Selection Committee, the Manager shall receive the advice and consent on the Committee's makeup and membership from the Council. Such advice and consent requires the approval of a majority vote of a quorum of the

Council at a regular or special meeting wherein the issue is set forth on the Council Agenda.

4. Responsibilities:

Each member of the Selection Committee shall be responsible for reading, understanding, and complying with the provisions of this document.

All proposals/responses/replies submitted to Wellington for consideration must be submitted to the Clerk's Office by the respondents and will be accepted up to the advertised date and time. Subject to the terms of this Manual, and Florida Statutes, Sections 119.071, and 255.0518, all proposals will be opened and acknowledged at a time and place open to the public.

The Purchasing Division will facilitate the evaluation process and shall be responsible for the following:

- a. Maintaining the integrity of the overall evaluation process;
- b. Scheduling and posting, in accordance with Florida Statutes, all Committee meeting dates and locations;
- c. Ensure proper audio and video recording and storing of all Committee actions;
- d. Documenting members' scoring and ranking information;
- e. Posting final rankings and issuing Notices of Intent;
- f. Communicating the Committee's recommendation(s) to the Council.

The Selection Committee meetings must follow the requirements of Florida Statute 286.011 for Public Meetings and notice of such meetings must be posted at least 72 hours in advance. These meetings are open to the general public, which can include proposers who have submitted responses to Wellington solicitations. No public comment will be taken during the Selection Committee meeting unless otherwise required by law. Nothing herein shall preclude the Selection Committee from seeking additional information from staff or individual proposers. The public will have an opportunity to be heard in accordance with applicable law and this Manual.

Attendance of all Committee members at all scheduled meetings is essential to the quality of the evaluation process. All Selection Committee members shall attend all scheduled meetings, including oral presentations/interviews, and adhere to set timelines.

Under no circumstances will individual Selection Committee members communicate, by any means, regarding the competitive solicitation outside of the scheduled and publicly posted Selection Committee meetings. The Purchasing Division representative shall monitor any communication regarding the solicitation. Any Selection Committee member contacted by anyone regarding the competitive solicitation at any time during the solicitation process shall notify the Purchasing Division immediately.

The following items will be provided by the Purchasing Division representative to each Selection Committee member in advance of the first meeting:

- a. Copy of the subject competitive solicitation, and all Addendums;
- b. One hard copy or electronic version of each proposer's submittal;
and
- c. Copy of Selection Committee scoring sheet including all scoring criteria.

5. Evaluation:

Each Selection Committee member will initially review and evaluate the written proposals from all respondents, individually. There shall be no discussion regarding the solicitation amongst any Selection Committee members during the individual evaluation process and outside of a scheduled Selection Committee meeting.

Evaluations shall be based on the predetermined set of criteria only. No other criteria may be used. All criteria must be scored in accordance with the solicitation.

Scoring sheets may be filled out at the Selection Committee meeting after the members have had the opportunity to discuss the solicitation during the public meeting. Each Selection Committee member shall convert his/her cardinal score to an ordinal number or ranking. The proposer with the highest cardinal score will receive an ordinal score or ranking of one (1). The proposer with the next highest cardinal score will receive an ordinal score or ranking of two (2) and so on until all proposers are given an ordinal number or ranking. The ordinal scores or rankings for each proposer shall be added together to arrive at a Total Ordinal Score or Ranking. The proposer with the lowest total ordinal score or ranking will be ranked highest for award preference. The proposer with the second lowest total ordinal score or ranking will be ranked second highest for award preference and so on. The Selection Committee will determine whether presentations/interviews with short listed proposers are desired or required based on the competitive solicitation document.

If presentations/interviews with the short listed proposers are desired or required, the Selection Committee will identify which proposers will be asked to provide an oral presentation/interview, based on the initial rankings. The Selection Committee may request presentations/interviews from as many proposers as it deems necessary. All proposers to be scheduled for presentations/interviews will be notified in writing by the Purchasing Division representative and in sufficient time (approximately 7-days) with regard to the date time and location.

Oral presentations/interviews with a minimum of three proposers are required for all Professional Service RFQ's for the selection of Architect, Engineer, Landscape Architect, and Land Surveying services, in accordance with Florida Statute 287.055 (CCNA).

6. Meetings:

Meetings will be conducted in accordance with Section 286.011, Florida Statutes, and this Manual. In accordance with Florida Statutes, Section 286.0113, however, portions of Selection Committee meetings shall be closed in certain circumstances. Specifically, any portion of a meeting at which a negotiation with a vendor is conducted pursuant to a competitive solicitation, at which a vendor makes an oral presentation as part of a competitive solicitation, or at which a vendor answers questions as part of a competitive solicitation shall be closed. Additionally, portions of a Selection Committee meeting at which negotiation

strategies are discussed shall be closed. The closed portions of the Selection Committee meetings must still be recorded and, together with any records presented during the closed portion, are not subject to disclosure until the time of an intended award decision or until 30 days of the bid, proposal, or reply opening, whichever occurs earlier (F.S., 286.0113(2)(C)). If Wellington rejects all bids, proposals, or replies and concurrently provides notice of its intent to reissue a competitive solicitation, the recording and any records presented at the closed portion of the meeting(s) remain exempt from disclosure until such time as Wellington provides notice of an intended decision concerning the reissued competitive solicitation or until Wellington withdraws the reissued competitive solicitation. A recording and any records presented at a closed portion of a meeting(s) are not exempt for longer than 12 months after the initial notice rejecting all bids, proposals, or replies.

PROCEDURES:

The Selection Committee, after all proposals have been reviewed, evaluated, and initially ranked or short listed, shall conduct oral presentations/interviews (if necessary) and vote on a final ranking. NOTE: the initial scoring of written proposals is used to determine the short-list, where the oral presentation/interview is used as part of the process to determine the final ranking. The oral presentation/interview scoring will follow the same format as the written proposal scoring unless a different weight or procedure is set forth in the competitive solicitation.

The Purchasing Division representative will draft a Notice of Intent to award the contract to be publicly posted electronically at which time the three (3) day protest period will begin. If no protests are received during the three (3) day protest period, recommendation of award will be forwarded to Council for approval.

Council reserves the right to make all final decisions regarding a competitive solicitation, including the final award or decision to reject all bids, proposals or replies. Nothing herein shall be construed to restrict the Manager's right to terminate a competitive solicitation process where deemed in the best interest of Wellington. Additionally, Wellington may reject any bid, proposal or reply for any of the following reasons:

- a. If the evidence submitted by the bidder/proposer/respondent or the investigation of such bidder/proposer/respondent fails to satisfy Wellington that such bidder/proposer/respondent is qualified or responsible to carry out the obligations and to complete the work contemplated therein. In determining whether a bidder/proposer/respondent is responsible, Wellington shall have the authority, in its sole discretion, to consider matters such as past performance, references, litigation history, criminal records, prior and pending claims and disputes with Wellington or other public agencies, including relevant information as to the vendor's affiliated entities and principals, and such other matters as may be deemed relevant in determining responsibility.
- b. If there is reason to believe collusion exists among the bidders/proposers/respondents.
- c. If the bid/proposal/reply is not responsive, not properly delivered, not properly signed or is unsigned, shows serious omissions, alterations in form, additions not called for, unauthorized conditions, or irregularities of any kind. Wellington reserves the right to waive such technical errors and minor irregularities as may be deemed in the best interest of Wellington.

Note: Subject to F.S., Sections 119.071 and 255.0518, and the provisions of this Manual, sealed bids, proposals and replies are opened in public at the location designated by the Purchasing Division in the solicitation. All bids, proposals, and replies are read aloud to identify the bidder and are recorded for purposes of documenting submissions received by applicable deadlines. With respect to ITB's, Wellington staff will first review the bids, following which a contract will be awarded by Council to the lowest responsive and responsible bidder, in accordance with the terms and conditions of the ITB. For RFP's, an award will be made to the responsible offeror whose proposal is determined to be the most advantageous to Wellington, taking into consideration the price and other evaluation criteria and factors set forth in the RFP. For RFQ's, ITN's, and RLI's, an award will be made to the respondent determined to be the most qualified and who negotiates a contract on terms and conditions deemed most advantageous by Wellington, and in accordance with the solicitation and applicable law.

In the case of construction solicitations, the initiating department shall be responsible for ensuring plans and specifications are reviewed and approved by the building department and that the design professional has obtained all necessary approvals prior to advertising bid documents. To the extent any plans, specifications or other materials are exempt from public disclosure pursuant to F.S., Section 119.071, and as a condition of receiving a copy of the exempt materials, prospective bidders may be required to execute an agreement to maintain the exempt status of the information in order to effectuate the provisions of F.S., Section 119.071(3). Further, all City Departments shall coordinate their efforts.

RECEIPT AND CONTROL OF BIDS, PROPOSALS AND REPLIES

All sealed bids, proposals and replies to competitive solicitations shall be delivered to the office of Wellington's Clerk, be dated and time stamped, shall remain sealed, and shall be kept in a secure place until the time of bid/proposal/reply opening. The sealed envelope must be clearly identified as a bid, proposal, or response and the applicable solicitation name and number shall also be identified on the exterior of the envelope. Bids, proposals, or replies submitted by fax or email shall not be accepted. If someone other than the Purchasing personnel inadvertently opens the bids/proposals/replies, that person may re-seal the bid/proposal/reply, mark it "opened in error," and it will retain its status as a sealed bid/proposal/reply.

- a. The modification or withdrawal of bids/proposals/replies is permitted at any time before opening, but only upon written request by an authorized representative of the bidder/proposer/respondent. A request for withdrawal and modification must be in writing and signed by a person duly authorized to do so, and in a case where signed by a deputy or subordinate, the principal's proper written authority to such deputy or subordinate must accompany the request for withdrawal or modification. After expiration of the period for receipt of bids, no bid or proposal may be withdrawn or modified. If, prior to acceptance of a bid or proposal, a bidder or proposer claims a mistake in pricing and requests to withdraw its bid or proposal, the decision whether to permit withdrawal will be made by the Manager, and in his/her sole discretion. In determining whether to permit a bidder to withdraw its bid or proposal, the bidder shall provide such information, including, but not limited to, sworn statements as may be requested by Wellington.

- b. Late bids/proposals/replies will not be accepted and will be returned to the bidder/proposer/respondent. All timely received bids/proposals/replies and accompanying documentation received shall become the property of Wellington and will not be returned. All costs of preparation of a bid/proposal/reply shall be borne by the vendor.
- c. The Purchasing Division personnel shall conduct the bid/proposal/reply opening as follows:
 - i. Identify the transaction being conducted;
 - ii. Open bids/proposals/replies and read in any order;
 - iii. Announce the name of each bidder/proposer;
 - iv. Bids/proposals received shall be tabulated as soon after the opening as practicable. The tabulation shall contain the name of each offeror, and any other information required by the bid/proposal documents, and may include any other information necessary to determine responsiveness, i.e. bid bonds, number of addenda, if any; and
 - v. To the extent required by Florida Statutes, Section 255.0518, bid openings for construction or repairs on a public building or public work will be opened at a public meeting, and the name of each bidder and the price submitted shall be announced.
- d. Purchasing Manager shall have the authority to waive minor irregularities.
- e. Where a surety/bid bond has been required, withdrawal may be cause for forfeiture of the bid security.
- f. Wellington may accept a voluntary reduction from a low bidder/offeror after bid opening, if such reduction is not conditioned on, nor results in, the modification or deletion of any condition contained in the Invitation for Bids. A voluntary reduction may not be used to ascertain the lowest responsive/responsible bid.
- g. Sealed bids, proposals, or replies received pursuant to a competitive solicitation are exempt from public records disclosure until a notice of intended decision is posted or until 30 days after opening of the bids, proposals, or final replies, whichever is earlier, and in accordance with Florida Statutes, Section 119.071. In the event Wellington determines that it is in its best interest to reject all bids, proposals, or replies and re-advertise a new solicitation, the original bids, proposals, or replies shall remain exempt from public disclosure and as provided by Florida Statute 119.071.

- h. Errors in extension of unit prices or in mathematical calculations in bids may be corrected by Wellington prior to the award. In all cases of errors in mathematical computation, the unit prices shall not be changed. A bidder may be permitted to correct clerical mistakes, and in the sole discretion of Wellington, where the error is a minor technicality or irregularity, and when the intended bid amount is ascertainable from the bid itself. Additionally, Wellington reserves the right to seek clarification, additional information, or conduct any and all investigations that it deems necessary in relation to the evaluation of a bid/proposal/reply.
- i. If the contract with the awardee is canceled within 90 days after the bids or proposals are opened, or during any period of time in which bids are required to remain open for acceptance pursuant to the solicitation, Wellington may elect to award the contract to the next lowest responsive and responsible bidder or highest ranked proposer, whichever is applicable.

TIE BIDS AND PROPOSALS

If, after application of the Local Preference, or in instances where the Local Preference does not apply, two or more bidders or proposers are tied, the following criteria will be used to break the tie:

- a. Delivery time – time for performance, if provided in the bid or proposal.
- b. Certification of a “Drug-Free Workplace Program” which meets the criteria established in F.S., Section 287.087.
- c. If application of the above criteria does not resolve the tie, the award will be given to the bidder or proposer whose bid was received earliest by Wellington, and as indicated by the time clock stamp impressed upon the bid or proposal.

PROTEST PROCEDURE

PROTESTS:

A prospective bidder, proposer or offeror may submit a protest in writing to the Purchasing Manager challenging the terms, conditions, or specifications of a competitive solicitation, including any provision governing the methods for ranking bids, proposals, or replies, awarding contracts, reserving rights of further negotiation, or modifying or amending any contract. The foregoing notwithstanding, a protest may not challenge the relative weight of the evaluation criteria or the formula specified for assigning points therefore contained in the competitive solicitation. The protest must be filed within three (3) days (excluding Fridays, Saturdays, Sundays and legal holidays) after the public posting or advertising of the competitive solicitation. Failure to file a protest as to the terms, conditions, or specifications of a competitive solicitation

shall be deemed a waiver of the right to protest on those grounds. Prior to the award of any contract, bidders, proposer(s) or offeror(s), may submit a protest in writing to the Purchasing Manager. The protest must be filed within (3) days (excluding Fridays, Saturdays, Sundays and legal holidays) after the posting of the Notice of Intended Award for public viewing at Wellington's Clerk's Office. All bidders, proposers, offerors or contractors affected by the intended award of contract will also be notified by the Purchasing Manager, via Demandstar.com or other means, of the intended award posting. Notwithstanding the above, it is the responsibility of all bidders, proposers, offerors or contractors affected by the proposed award to review the public posting of the intended award, and the deadlines to protest set forth herein shall not be enlarged based upon a claim of lack of knowledge thereof. Additionally, in order to maintain a protest, a protestor must have standing pursuant to established Florida case law. Protests filed by a person or entity who does not have standing may be summarily denied without further action or decision.

PROCEDURES:

Protestors shall file their written protests with the Purchasing Manager between the hours of 7:00 a.m. and 6:00 p.m., Mondays through Thursdays. Written protests shall contain:

- a. the name of the petitioner;
- b. the petitioner's address and phone number, e-mail address and fax number;
- c. the name of the petitioner's representative, if applicable;
- d. the name and bid number of the solicitation;
- e. a plain and clear statement of the grounds on which the protest is based;
and
- f. a specific request for the relief to which the petitioner deems itself entitled, or the remedy requested.

A written protest is deemed received by Wellington when it is delivered to and received by the Purchasing Division. Delivery to and receipt by any other Wellington staff member is not valid.

Failure to file a timely written protest within the time periods specified shall constitute a waiver by the bidder, proposer, offeror or contractor of all rights of protest under this Protest Procedure, and shall also be deemed a failure to exhaust administrative remedies. Additionally, grounds not raised in any protest shall be deemed waived.

In the event of a timely protest and/or appeal, Wellington shall not proceed further with the solicitation or award of the bid/contract until all administrative remedies have been exhausted, unless the Manager determines that continuation of the solicitation or contract award process is necessary to avoid an immediate and serious danger to the public health, safety, or welfare.

Within seven (7) days (excluding Fridays, Saturdays, Sundays, and legal holidays) of receipt of the written protest, the Purchasing Manager shall attempt to settle or resolve the dispute, with or without a hearing and within his/her sole discretion. A decision will be rendered in writing as soon as practicable and shall: (1) state the reasons for the action taken; and (2) inform the protestor of its right to appeal as provided herein. A copy of the decision of the Purchasing Manager will be mailed or otherwise furnished immediately to the protestor with a copy to any other bidders, proposers or offerors.

Any person aggrieved by the decision of the Purchasing Manager, may appeal to the Manager within seven (7) days from the date of the Purchasing Manager's written decision. Said appeal shall be in writing and shall state with specificity the grounds therefore and also the action requested of the Manager. The Manager shall attempt to settle or resolve the matter, with or without a hearing and within his/her sole discretion. The Manager shall render a decision, in writing, within seven (7) calendar days following receipt of the appeal.

A decision by the Manager under this section shall be final and conclusive unless the protestor files a written appeal directly to Council within three days of the Manager's decision. Said appeal shall be in writing and shall state with specificity the grounds therefor and the action requested of Wellington. The protest shall be considered by the Council within 30 days of the Manager's response. In order to be deemed timely, the appeal to Council must be received by the Village Clerk's office within three (3) days of the Manager's decision (excluding Fridays, Saturdays, Sundays and legal holidays).

Failure to follow the protest procedures or failure to meet any deadline set forth herein shall automatically nullify any protest or claim brought by an aggrieved bidder, proposer, offeror, or contractor.

In the event that either the Purchasing Manager or Manager decide to conduct a hearing, the protestor shall be notified by e-mail and facsimile transmitted to the email address and facsimile number set forth in the protest. Any hearings that may be conducted shall be informal, and the Florida Rules of Evidence shall not apply. Irrelevant, immaterial or unduly repetitious evidence shall be excluded. All other evidence of a type commonly relied upon by reasonably prudent persons in the conduct of their affairs may be considered. Other bidders or proposers who have standing to intervene under Florida law may be permitted to participate in the hearing.

FILING FEES:

In order to defray a portion of the administrative costs associated with a protest, all protests shall be accompanied by a filing fee in the form of a cashier's check or money order for an amount equal to one percent (1%) of the total estimated contract value, but not less than \$1,000 nor more than \$10,000. Failure to pay the filing fee shall result in a denial of the protest. In the event that a protest is upheld, the filing fee shall be refunded to the protestor.

LOBBYING / CONE OF SILENCE

Consistent with the requirements of Chapter 2, Article VIII, Lobbyist Registration, of the Palm Beach County Code of Ordinances, Wellington imposes a Cone of Silence. A cone of silence shall be imposed upon each competitive solicitation from the time of advertisement and shall remain in effect until Council awards or approves a contract, rejects all bids or responses, or otherwise takes action that ends the solicitation process. While the cone of silence is in effect, no proposer or its agent shall directly or indirectly communicate with any member of Council or their staff, the Manager, any employee of Wellington authorized to act on behalf of Wellington in relation to the award of a particular contract, or member of the Selection Committee in reference to the solicitation, with the exception of the Purchasing Agent or designee. Each competitive solicitation shall provide notice of the cone of silence and refer to this Manual and Section 2-355 of the Palm Beach County Code of Ordinances. Failure to abide by this provision may serve as grounds for disqualification for award of contract to the proposer. Further, any contract entered into in violation of the cone of silence shall render the transaction voidable. To the extent this Manual provides more stringent restrictions on communications than Section 2-355, this Manual shall control.

The cone of silence shall not apply to oral communications at any public proceeding, including pre-bid conferences, oral presentations before Selection Committees, contract negotiations during any public meeting, presentations made to the Council, and protest hearings. Further, the cone of silence shall not apply to contract negotiations between any employee and the intended awardee, any dispute resolution process following the filing of a protest between the person filing the protest and any employee, or any written correspondence with Wellington as may be permitted by the competitive solicitation. Additionally, the cone of silence shall not apply to any purchases made in an amount less than the competitive solicitation threshold set forth in this Manual.

CANCELLATION AND REJECTION OF BIDS, PROPOSALS AND REPLIES

An Invitation for Bid, Request for Proposal, Request for Qualification or other solicitation may be cancelled, and any or all bids/proposals/replies may be rejected in whole or in part when it is deemed to be, at the sole discretion of Wellington, in the best interests of Wellington. Each solicitation shall generally contain a notice of the foregoing. Notice of cancellation shall generally be sent to businesses solicited, vendors which attended a pre-bid meeting, and any actual bidder/proposer/respondent.

LOCAL PREFERENCE

Except where prohibited by federal or state law, other funding source restrictions, or as otherwise excluded herein, a Local Preference shall be applied to give preference to local businesses during the evaluation and award of competitive sealed bids and proposals received in response to an ITB or RFP as set forth herein. In order to be eligible for the preference, the vendor must be properly licensed and legally authorized to conduct its business, and have its principal place of business located in the Tier defined below for at least six (6) months prior to the solicitation. If deemed in the best interest of Wellington, Council may waive the application of the Local Preference, provided that such decision is made prior to the advertisement of the competitive solicitation. Further, the preferences established herein in no way prohibit the right of Wellington to give any other preference permitted by law in addition to the preferences provided in this Section.

For purposes of the Local Preference, the term “principal place of business” means the nerve center or the center of overall direction, control and coordination of activities of the vendor. If the vendor has only one business location, such business location shall be its principal place of business. Post Office Boxes are not verifiable and shall not be used for the purpose of establishing said physical address.

In the case of an ITB, a bidder may also qualify for the Local Preference by utilizing subcontractors where the subcontractor cost comprises 50% or more of the project cost, and the subcontractor meets the eligibility requirements set forth herein. If a bidder intends to rely on subcontractor participation to qualify for the Local Preference, then the bid must include all required forms and information referenced herein to demonstrate eligibility and the Tier within which the subcontractor falls. In the event a contract is awarded to a bidder that qualified for the Local Preference by subcontractor participation, the contract shall provide such terms and conditions acceptable to Wellington to guaranty the subcontractor's participation in the project, and to prohibit the bidder from replacing the subcontractor without Wellington's prior written consent. In the event replacement of the subcontractor becomes necessary, a substitute subcontractor who also meets the eligibility requirements for the Local Preference will be required. Subcontractor utilization does not apply to competitive solicitations where criteria other than price are used to evaluate and score, such as an RFP.

The preferences established by this Section in no way prohibits the rights and discretion of Wellington to evaluate bids and proposals for responsiveness and responsibility, compare quality of materials and services proposed, and apply other factors that may be relevant to the award decision. Notwithstanding anything to the contrary set forth in any policy or Resolution adopted prior to this Manual, the Local Preference shall not be applied to cooperative and piggyback purchases.

Tier Definitions:

- i. **Tier A** – *“Palm Beach County Local Business”*: Means a vendor with its principal place of business within Palm Beach County, Florida.
- ii. **Tier B** – *“Western Communities Local Business”*: Means a vendor with its principal place of business in Wellington or within the boundaries as defined below:
 - a. West of the Florida Turnpike;
 - b. North of Lantana Road;
 - c. South of Okeechobee Boulevard and U.S. Highway 98; and
 - d. West to the Palm Beach County western boundary.
 - e. The Western Communities boundary is intended to include Wellington, Royal Palm Beach, Pahokee, Belle Glade, and South Bay, as well as any unincorporated portions of Palm Beach County located within the boundaries defining this Tier B.

LOCAL PREFERENCE APPLICATION REQUIREMENTS

In order to be considered for the Local Preference, a bidder or proposer must fully complete and submit all information required by Wellington's local preference forms, and the following, as part of its sealed bid or proposal:

- i. An Affidavit signed by a duly authorized representative of the bidder or proposer, under penalty of perjury, confirming that the bidder or proposer has its principal place of business in one of the Tiers defined above, and for at least six (6) months prior to the advertisement of the solicitation.
- ii. A valid business Tax Receipt issued by Palm Beach County or valid business Tax Receipt issued by a municipality located within the Western Communities boundary, as defined above, evidencing business activity for at least six (6) months prior to advertisement of the solicitation. Proposers who provide goods or services that are exempt from Palm Beach County or municipal Tax Receipt requirements shall submit documentation demonstrating the physical presence of the business for at least six (6) months prior to the advertisement of the solicitation.

LOCAL PREFERENCE APPLIED TO SEALED BIDS (ITB)

If a responsive and responsible non-local business submits the lowest price bid, and if a Palm Beach County Local Business submits a price bid within five percent (5%) of the lowest price submitted, the Palm Beach County Local Business submitting the lowest bid shall have the opportunity to submit a best and final bid equal to or lower than the low bid. If a Western Communities Local Business submits a price bid within five percent (5%) of the responsive and responsible non-local business or Palm Beach County Local Business submitting the lowest bid, the lowest Western Communities Local Business shall have the opportunity to submit a best and final bid equal to or lower than the low bid.

If a responsive and responsible Palm Beach County Local Business submits the lowest price bid, and a Western Communities Local Business is within five percent (5%) thereof, the Western Communities Local Business shall have the opportunity to submit a best and final bid equal to or lower than the low bid. A best and final bid must be submitted to Wellington within five (5) days of being notified by Wellington of the opportunity to do so, and prior to Wellington issuing a notice of intent to award.

Ties in the best and final bids shall be resolved in the following order:

- i. Western Communities Local Business.

- ii. Palm Beach County Local Business.
- iii. If a tie occurs between two (2) or more of either Western Communities Local Businesses or Palm Beach County Local Businesses, or non-local businesses, then the general Tie Bids and Proposals criteria set forth at Section 4, above, shall be applied.

LOCAL PREFERENCE APPLIED BASED ON EVALUATION CRITERIA (RFP)

Upon completion of rankings pursuant to an RFP, three percentage points (3%) of the total available points shall be awarded to a Palm Beach County Local Business and five (5%) percentage points of the total points available shall be awarded to a Western Communities Local Business as a Local Preference, such that the total points available to a Palm Beach County Local Business shall be one hundred and three (103%) percent of the total available to the non-local business, and a Western Communities Local Business shall be one hundred and five percent (105%) of the total available points available to the non-local business.

In the event of a tie in the ranking, the tie will be broken in the following order:

- i. Western Communities Local Business.
- ii. Palm Beach County Local Business.
- iii. If a tie occurs between two (2) or more of either Western Communities Local Businesses or Palm Beach County Local Businesses, or non-local businesses, then the general Tie Bids and Proposals criteria set forth at Section 4, above, shall be applied.

CHAPTER 10

PUBLIC LANDS & PROPERTY – PUBLIC CONSTRUCTION

- A.** Construction or improvement of a public building, structure, or other public construction works must be awarded pursuant to a competitive solicitation where the estimated cost of the project equals or exceeds \$25,000. Additionally, Florida Statutes, Section 255.20 applies to projects that are estimated in accordance with generally accepted cost-accounting principles to cost more than three hundred thousand dollars (\$300,000), and for electrical work estimated to cost more than seventy five thousand dollars (\$75,000). The statutory threshold amounts shall be adjusted as set forth at Florida Statutes, Section 255.20(2), and in the event of statutory amendment.
- B.** Options for Construction contracting may include:
1. General contractor;
 2. Village construction management;
 3. Multiple prime contractors managed by: a designated general contractor;
 4. Construction manager;
 5. Procurement Officer of the finance department; or
 6. Design-build; or any other commonly accepted construction method utilized by government or industry which may be used to the benefit of Wellington.
 7. Public-private partnership.
- C.** The Provisions of this Manual as to construction projects, and Section 255.20 requiring a competitive award do not apply:
1. When the project is undertaken to replace, reconstruct, or repair an existing public building, structure, or other public construction works damaged or destroyed by a sudden unexpected turn of events, such as an act of God, riot, fire, flood, accident, or other urgent circumstances, and such damage or destruction creates: An immediate danger to the public health or safety; Other loss to public or private property which requires emergency Village action; or an interruption of an essential governmental service.
 2. When, after notice by publication in a locally circulated paper, Wellington does not receive any responsive bids or proposals.

3. When the project is undertaken as repair or maintenance of an existing public facility.
4. When the project is undertaken exclusively as part of a public educational program.
5. When the funding source of the project will be diminished or lost because the time required to competitively award the project after the funds become available exceeds the time within which the funding source must be spent.
6. When Wellington has competitively awarded a project to a private sector contractor and the contractor has abandoned the project before completion or Wellington has terminated the contract.
7. When Council, after proper public notice, conducts a public meeting under FS. 286.011 and finds by a majority vote of the Council that it is in the public's best interest to perform the project using its own services, employees, and equipment. The public notice must be published at least 21 days before the date of the public meeting at which Council takes final action. The notice must identify the project, the components and scope of the work, and the estimated cost of the project using generally accepted cost-accounting principles that fully account for all costs associated with performing and completing the work, including employee compensation and benefits, equipment costs and maintenance, insurance costs, and materials. The notice and procedures for Council consideration of the measure must further conform to the requirements of Section 255.20(1)(c)(9).

Notwithstanding the above, nothing herein shall be construed as making the requirements or remedies set forth at Florida Statutes, Section 255.20 applicable to projects below the thresholds set forth therein. For projects for which the estimated cost is below the thresholds of Section 255.20, the failure to strictly adhere to the procedures set forth in this section for exempting a construction project from a competitive award shall not be grounds for a protest or other legal challenge to Council's final decision.

CHAPTER 11

PUBLIC ENTITY CRIMES, CODE OF ETHICS, DEBARMENT

The Public Entity Crimes Act, Section 287.133, Florida Statutes as amended, serves to deny to persons convicted of a public entity crime the opportunity to bid on public entity contracts or to supply goods and services to public entities or to otherwise transact business with public entities. A “public entity crime” means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid, proposal, reply, or contract for goods or services, any lease for real property, or contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

Competitive solicitations shall contain a statement informing persons of the provisions of Florida Statutes, Section 287.133 (2) (a), and requiring the bidder, proposer, or respondent to certify whether it or its affiliates, as defined in Section 287.133, has been convicted of a public entity crime.

In accordance with Section 287.133(2)(b), Wellington shall not accept a bid, proposal, or reply from, award any contract to, or transact any business in excess of the threshold amount provided in Section 287.017, Florida Statutes, for Category Two from any person or affiliate on the convicted vendor list for a period of 36 months from the date the person or affiliate was placed on the convicted vendor list unless the person or affiliate has been removed from the list. A list of convicted vendors is maintained on the MyFlorida.com web site and the Florida Administrative Weekly published by the State of Florida. Additionally, Wellington reserves the right to reject any bid, proposal, or reply as non-responsible, even if the contract value is below the Category Two threshold, where the vendor or affiliate is on the convicted vendor list and for a period of 36 months following the date that the person or affiliate was placed on the convicted vendor list, unless that person or affiliate has been removed from the list.

A. CODE OF ETHICS AND CONDUCT

Wellington, including Council members, officers, and employees, shall comply with the standards of conduct for public officers, employees and agents set forth in Florida Statutes, Chapter 112, and the Palm Beach County Code of Ethics (Sec. 2-441 et. seq.). To the extent violations of the ethical standards of conduct set forth in this Manual constitute violations of the State Criminal Code they shall be punishable by law or disciplinary actions prescribed in the Wellington Employee Manual. Wellington employees and officers shall refer to Part III, Chapter 112, Florida Statutes and the Palm Beach County Code of Ethics for more definitive guidance and may consult with the designated Ethics Officer within Wellington's Legal Department.

By way of example only, Section 2-443(d) of the Palm Beach County Code of Ethics prohibits public officials and employees from entering into any contract or transaction for goods or services with their respective county or municipality. Exceptional circumstances and waivers to this prohibition are set forth at Section 2-443(e). Additionally, Section 2-444 provides specific prohibitions as to the acceptance of gifts by Council members, chief executives, employees and advisory board members. The Palm Beach County Code of Ethics is available at: <http://www.palmbeachcountyethics.com/>

Note: In order to avoid the possibility of any misunderstandings regarding compliance with the law and regarding any appearance of impropriety relative to the competitive process for awarding contracts, it is highly recommended that no employee or Public Officers accept anything of value offered from vendors, and that their conduct conform with the above-referenced statutes and Code of Ethics.

B. AUTHORITY TO DEBAR OR SUSPEND

- a. After reasonable notice to the person or company involved and reasonable opportunity for that person or company to be heard, the Purchasing Manager, after consulting with the Village Attorney, shall have the authority to debar or suspend a person or company, whether a prime contractor/consultant or subcontractor/subconsultant, for cause from consideration for award of future contracts. The debarment shall be for a period commensurate with the seriousness of the cause(s), and shall continue for the entire time set by the Purchasing Manager. Where the offense is willful or egregious, an indefinite term of debarment may be imposed. The Purchasing Manager shall also have the authority to suspend a person or company from consideration for award of contracts if there is probable cause for debarment. If suspension precedes a debarment, the suspension period shall be considered in determining the debarment period. The Purchasing Manager may suspend the person or company for a period of not more than three (3) months. During the period of debarment or suspension, the person or

company and its affiliates (“affiliates” shall have the meaning ascribed by Florida Statutes, Section 287.133), or other companies with any officers or principals the same as the suspended company, may not bid on any Wellington contracts, regardless of dollar amount, nor be approved as a subcontractor on any Wellington contract. A decision to suspend by the Purchasing Manager shall be in writing, mailed or otherwise furnished immediately to the person or company, and considered a conclusive and final act with no right of appeal.

Cause for Debarment. The causes for debarment include the following:

1. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receipt of stolen property or any other offense indicating a lack of business integrity or business honesty which currently, seriously and directly affects responsibility as a contractor.
2. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract, subcontract or in the performance of such contract or subcontract.
3. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.
4. Violation of contract provisions, as set forth below, of a character which is regarded by the Purchasing Manager to be so serious as to justify debarment action.
 - a. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - b. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.
5. Refutation of an offer by failure to provide bonds, insurance or other required certificates within a reasonable time period.
6. Refusal to accept a purchase order, agreement, or contract, or to perform thereon provided such order was issued timely and in conformance with the offer received.

7. Presence of principals or corporate officers in the business of concern, who were principals within another business at the time when the other business was suspended or debarred within the last three years under the provisions of this Section.
 8. Violation of the ethical standards set forth in state law.
 9. Violation of the Cone of Silence, or other ethical standards provided by the Palm Beach County Code of Ethics.
 10. Any other cause the Purchasing Manager determines to be so serious and compelling as to affect responsibility as a Wellington contractor including debarment by another governmental entity for any cause listed in this Section.
- b. The Purchasing Manager shall issue a written decision to debar. The decision shall: state the reason for the action taken, and inform the debarred person or company of its rights to administrative appeal. A copy of the decision for the debarment shall be mailed or otherwise furnished immediately to the debarred person or company.
 - c. Any person or company that is dissatisfied or aggrieved with the notification of the Purchasing Manager's determination to debar or refusal to reinstate, must, within ten (10) calendar days of such notification, appeal said determination to the Manager in accordance with the procedures contained herein. Said appeal shall be in writing and shall state with specificity the grounds therefor and also the action requested of the Manager, and shall include the facsimile and e-mail address of the person or company. The Manager shall attempt to settle or resolve the matter, with or without a hearing and within his/her sole discretion. The Manager shall render a decision, in writing, within ten (10) calendar days following receipt of the appeal. In the event the Manager decides to conduct a hearing, the person or company shall be notified by e-mail and facsimile transmitted to the address and facsimile number set forth in the appeal. Hearings which may be conducted shall be informal, and the Florida Rules of Evidence shall not apply. Irrelevant, immaterial or unduly repetitious evidence shall be excluded. All other evidence of a type commonly relied upon by reasonably prudent persons in the conduct of their affairs may be considered. The decision of the Manager shall be final and binding unless appealed to the Palm Beach County Circuit Court in accordance with the Florida Rules of Appellate Procedure. Institution of a court action prior to following the procedure set forth in this Manual shall be deemed a failure to exhaust administrative remedies.
 - d. A debarred person or company may only be reinstated upon submission of an application to the Purchasing Manager. The Purchasing Manager shall make a decision on the application within ten (10) calendar days. Each application for reinstatement (after the term of debarment has been completed or no sooner than three years after debarment in the case of an indefinite debarment) shall include the information set forth at paragraphs 1-5 below. Request for reinstatement during the period of debarment shall include the information set forth at paragraphs 1-5 below, and may only be made if: there is new and material evidence not previously available, dismissal

of the indictment or charge or reversal of the conviction, or a bona fide change in ownership or management sufficient to justify a finding of present responsibility. Applications for reinstatement shall include:

1. The name, address, telephone number, facsimile number and e-mail address of the party making the request or the party's representative.
2. A statement of the financial responsibility of the company.
3. A statement of facts indicating how the circumstances that led to the debarment have been cured.
4. A list of jobs completed during the time between the debarment and the application.
5. A list of all departments of Wellington for which the person or company has performed work.

CHAPTER 12

RISK MANAGEMENT

Acquisition of insurance policies may be procured through a competitive sealed bid/proposal process. The bids/proposals may be evaluated independently with a recommendation to be made to the Manager. While a selection committee may be appointed to evaluate proposals, the Manager in consultation with the Risk Manager will make a final recommendation to Council for approval.

WAIVER OF INSURANCE REQUIREMENTS. Insurance requirements may only be waived or modified by the Director of OFMB and the Legal Department. All proposed language for inclusion in a contract or purchasing for which insurance is contemplated to be waived or modified must be approved by the Legal Department, the Department OFMB and the User Department. Standard insurance requirements are set forth in the Matrix, below.

A. Standard Insurance Requirements Matrix

Insurance Coverage	Construction Projects	Professional & Contractual Services	Property & Leases	Other Vendors, Permits, Licenses	Special Projects
General Requirements	Yes	Yes	Yes	Yes	Yes
Hold Harmless / Indemnity	Yes	Yes	Yes	Yes	Yes
Workers Comp. & Employers Liability	Yes	Yes	Yes	Yes	Yes
Professional Liability	Not unless Design/Build	Yes	No	No	TBD
Environmental Impairment Liability	TBD	TBD	No	TBD	TBD
Liquor Liability	No	No	No	TBD	TBD
Performance Bond	TBD	No	No	No	TBD
General Liability, Including Broad Form Property Damage & Coverage for X,C,U, Hazards	Yes	Yes	Yes	Yes	Yes
Business Auto Liability	¹ Yes	¹ Yes	No	¹ Yes	TBD
Builder's Risk	² Yes	No	No	No	TBD
Property Insurance	No	No	Yes	No	TBD

B. Minimum Insurance Requirements for Contracts

	Minor Contract <180 days < \$50,000.00	Standard Contract >180 & <360 Days > \$300,000.00 < <\$500,000.00	Major Contract > 360 Days >\$500,000.00	Other
Worker Comp				
<i>Each Accident</i>	\$100,000.00	\$500,000.00	\$1,000,000.00	
<i>Each Disease</i>	\$100,000.00	\$500,000.00	\$1,000,000.00	
<i>Aggregate by Disease</i>	\$500,000.00	\$500,000.00	\$1,000,000.00	
General Liability				
<i>Each Occurrence</i>	\$300,000.00	\$500,000.00	\$1,000,000.00	
<i>Personal Injury & Advertising</i>	\$300,000.00	\$500,000.00	\$1,000,000.00	
<i>Products-completed operation aggregate</i>	\$300,000.00	\$500,000.00	\$1,000,000.00	
<i>General Aggregate</i>	\$300,000.00	\$500,000.00	\$1,000,000.00	
<i>(X, C, U) Hazards</i>	Required	Required	Required	
Business Auto Liability				
<i>Owned Vehicles and non owned and hired vehicles</i>	\$300,000.00	\$500,000.00	\$1,000,000.00	
Professional Liability	\$300,000.00	\$750,000.00	\$1,000,000.00	\$1,000,000.00
Builders "ALL RISK"	100% of completed cost	100% of completed cost	100% of completed cost	100% of completed cost

CHAPTER 13

PAYMENT AND SALES TAX, LEASE, AND INSTALLMENT PURCHASE AND DISPOSAL OF ASSETS

As a general rule, the person authorizing the purchase of commodities *cannot be the same person who also receives those same items*. An individual other than the authorizing person must confirm that the items purchased have been received and correspond with the items listed on the Purchase Order.

A. CONSTRUCTION:

Any invoice or payment request for construction or other related engineering services must be reviewed and approved for payment by the appropriate project manager and the Department Head. After required approvals are obtained, the invoice or payment request should be forwarded to accounts payable for processing. Requests for payment (invoices, packing slips, etc.) should be forwarded directly to Accounts Payable. All CIP purchases shall be approved by the Village Manager or designee. Payment procedures are further described in detail in Wellington's Accounting Policy Manual.

B. SALES TAX:

Wellington is exempt from tax on all purchases that it makes directly. This exemption is not available for any taxable transaction when payment is made by an employee by use of personal funds, including cash, checks or credit cards, when the employee is subsequently reimbursed by Wellington. Payment must be made directly to the dealer by Wellington. In the event that sales tax is inadvertently paid, Wellington will make reasonable attempt to recover such charges.

C. LEASE AND INSTALLMENT PURCHASE OF ASSETS:

Procedure:

1. Responsibility for the financial and administrative review of all proposals shall be by committee. The committee shall consist of:
 - a. Director of OFMB
 - b. User Department
 - c. Purchasing Manager
2. The User Department shall submit a Requisition with detailed backup documentation consisting of, at a minimum, a comparative value/cost analysis between outright purchase and the proposed lease, and a written justification.

3. The Purchasing Manager shall promptly convene the committee and, after deliberation, present the majority recommendation along with the minority viewpoint, if any, to the Manager or designee for approval. If the Manager or designee approves a recommendation to proceed with the proposal, then the recommendation shall be presented to the Council for approval. Council approval is required due to the multi-fiscal year commitment required.
 - a. Vendors for lease, lease-purchase, or installment purchases shall be selected competitively as prescribed in this Manual.
 - b. If the item procured would normally qualify as an asset, then it shall be tagged for inventory purposes upon receipt.
 - c. Rentals which are generally on a month-to-month basis or of short duration do not require the approval process of this section. Rentals require the prescribed competitive vendor selection based on the estimated dollar value for the total rental period.
 - d. All leases or rental agreements shall be reviewed by the Village attorney.

D. TANGIBLE PERSONAL PROPERTY (TPP) OR FIXED ASSETS:

“Fixed assets” or “property”, as used in this Section means fixtures and other tangible personal property of a nonconsumable nature, and which shall be procured, maintained and disposed of in accordance with the terms of this Manual and Chapter 274, Florida Statutes.

Procedures:

1. Any purchase of fixed assets must be reported immediately to the Purchasing Manager or designee.
2. The item must be inventoried and tagged with an identification number by the Purchasing Manager or designee, prior to being released to its custodian.
3. Disposal of any item must be preceded by notification in writing to the Purchasing Manager or designee.
4. Items lost or stolen must be reported immediately.
5. Items no longer having any use because of damage must be reported to the Purchasing Manager or designee.
6. Items traded-in, in exchange for a new purchase, must be reported to the Purchasing Manager or designee.

Annually, or on an as needed basis, a list of any surplus property shall be provided to the Purchasing Manager or designees. All items shall be reviewed by the Manager or designee. The list is then submitted to Council for approval and disposal.

Disposal of surplus property may be conducted through the sealed bid process, recycling (certified recycling firm), donation (not-for-profit), public auction, cooperative thrift store or internet and in accordance with Florida Statutes, Section 274.05.

GLOSSARY

As used in this Manual, the following terms shall have the meanings ascribed, unless the context otherwise requires.

Addenda - Written or graphic instruments issued prior to the opening of bids, proposals or replies which clarify, correct or change the competitive solicitation documents or contracts.

Actual Costs – All direct and indirect costs which have been incurred for services rendered, supplies delivered, or construction built, as distinguished from allowable costs only.

Amendment – A method of changing the terms and conditions or requirements of a contract beyond what is specifically allowed by contract. All amendments must be approved in the same manner as the original contract and signed by the authorized representatives of the parties to the contract. For example, if Council approved the original contract, then Council must approve the amendment except as may be specifically set forth in this Manual.

Architect-Engineer and Land Surveying Services – Those professional services within the scope of the practice of architecture, professional engineering, or land surveying, as defined by the laws of the State of Florida.

Award – The acceptance of a bid, offer or proposal by the proper authority, and as set forth in this Manual.

Inverted Purchase Orders – A Purchase Order issued for the acquisition of commodities or services over a certain period of time within the fiscal year for a specified dollar limitation. Shipments are made, as requested, against the Inverted Purchase Order number for the term of the contract or Inverted Purchase Order.

Brand Name or Equal Specification – A specification limited to one or more items by manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other salient characteristics needed to meet Wellington requirements, and which provides for the submission of equivalent products.

Brand Name Specification – A specification limited to one or more items by manufacturers' names or catalogue numbers.

Capital Improvement Project – Any improvement that Wellington undertakes which includes the construction, reconstruction, renovation, repair, modification, or demolition of any facility, building, portion of a building, utility, park, parking lot, structure, road, highway, street improvement, plant, or other improvement to real property necessary in carrying out the functions of Wellington.

Change Order – A request for revision in one or more of the criteria on a Purchase Order or Contract to correct errors, omissions, or discrepancies, to cover acceptable overruns or freight costs; incorporate requirements to expand or reduce the scope of goods or services ordered; or to direct changes in contract execution to meet unforeseen regulatory or market conditions.

Commodity – Any of the various supplies, materials, goods, merchandise, equipment, and other personal property.

Competitive Solicitation – Means the process of requesting and receiving sealed bids, proposals or replies in accordance with the terms of a competitive process, regardless of the method of procurement.

Competitive Selection and Negotiations – A method of purchasing whereby qualified professional firms are invited to submit replies or “letters of interest” and are short-listed by an appropriately appointed Selection Committee. The Committee may also be responsible for negotiation of a contract, subject to approval by the awarding authority as set forth in this Manual and the solicitation documents.

Construction – The process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property. Construction does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property.

Consultants’ Competitive Negotiations Act (CCNA) – The common name for Section 287.055, Florida Statutes concerning the purchasing of architectural, engineering (including testing), landscape architecture, and registered land surveying services. These services will be procured by a Request for Qualifications seeking letters of interest and competitive selection and negotiation.

Continuing Contract – A type of contract for professional services authorized by the CCNA whereby a firm provides professional services to Wellington for projects in which the estimated construction cost of each individual project under the contract does not exceed \$2,000,000, for study activity if the fee for such professional services for each individual study activity under the contract does not exceed \$200,000, or for work of a specified nature as outlined in the contract required by Wellington, with the contract being for a fixed term or with no time limitation except that the contract must provide a termination clause. Firms providing professional services under continuing contracts shall not be required to bid against one another.

Contract – Any agreement, regardless of style or form, for the purchasing of commodities, services or construction. It includes contracts for a fixed price, cost, cost plus a fixed fee, or incentive or performance based contracts, contracts providing for the issuance of job or task orders, leases, letter contracts, and Purchase Orders. It also includes supplemental agreements with respect to any of the foregoing.

Contract Extension – An increase in the time allowed for the contract period due to circumstances which, without fault of either party, make performance impracticable or impossible, or which prevent a new contract from being executed, with or without proportional increase in the total dollar amount, with any increase to be based on the method and rate previously established in the contract.

Contract Modification – Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provision of any contract accomplished by mutual action of the parties and as provided by the terms of the contract.

Contractor – Any person having a contract with Wellington to perform a service or sell a product.

Contractual Services – The rendering by a contractor of its time and effort rather than the furnishing of specific commodities, materials, goods, equipment and other personal property. The term applies only to those services rendered by individuals and firms who are independent contractors.

Cooperative Purchasing – Purchasing conducted by, or on behalf of, more than one public agency.

Contract Renewal – Contracting with the same contractor for an additional contract period, and as may be provided in the original contract.

Cost-Reimbursement Contract – A contract under which a contractor is reimbursed for costs which are allowable and applicable in accordance with the contract terms and the provisions of this Manual, and a fee or profit, if any.

Designee – A duly authorized representative of a person holding a superior position

Emergency Purchase – Purchase made due to the presence of an immediate danger to the public health, safety or welfare, or other substantial loss to Wellington and as permitted by this Manual.

Employee – An individual drawing a salary or wages from Wellington, whether elected or not; any non-compensated individual performing personal services for Wellington or for any department, agency, commission, council, board, or for any other entity established by the executive or legislative branch of Wellington; and any non-compensated individual serving as an elected official of Wellington. This definition specifically excludes all independent contractors and all other contractors with Wellington.

Firm Fixed-Price Contract – A contract whereby the price is fixed, not variable, for the entire life of the contract or until a set quantity of goods or services is delivered.

Franchise – A special right or privilege conferred by Wellington on an individual or a corporation or other entity to do that which does not belong to citizens generally by common right.

General Services – Support services performed by an independent contractor requiring specialized knowledge, experience or expertise. The service rendered does not consist primarily of acquisition of equipment or materials. Examples of general services are janitorial, pest control services, and maintenance of equipment. General services are normally procured through requests for proposals or invitations to bid. Purchasing of general services may include subjective evaluation factors of the submitting firms.

Governmental Agency – Any federal, state or local department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment or official of the executive, legislative, or judicial branch of any government in the United States of America.

GSA Contracts – Contracts entered into by the General Services Administration of the federal government (also known as GSA schedules) and are multiple-award contracts containing prices to be utilized by all federal government agencies. GSA contracts also contain the most preferred customer clause, making the prices contained in the GSA contracts equivalent with those that are given to the most preferred customer of the vendor.

Invitation for Bid or Notice to Bid - A written solicitation for competitive sealed bids with the title, date, and hour of the public bid opening designated and specifically defining the commodity, group of commodities, or services for which bids are sought. The invitation for bid will be used when Wellington is capable of specifically defining the scope of work for which a contractual service is required or when Wellington is capable of establishing precise specifications defining the actual commodities required. The invitation to bid will include instructions to bidders, plans, drawings and specifications, if any, bid form and other required forms and documents to be submitted with the bid.

Invoice – A document supplied by the providing contractor or vendor which itemizes charges for the purchase of supplies, materials, equipment or services that have been furnished. It is the means by which the supplier informs Wellington of its Orders and should contain the same basic information as the Purchase Order or as required by contract.

Letter of Interest (Request for) – A method of selecting a vendor whereby all vendors are invited to submit a summary of their qualifications and state their interest in performing a specific job or service

Mandatory Bid Amount – The dollar threshold at which the formal bid process is required. The mandatory bid amount is any purchase equal to or greater than twenty five thousand dollars (\$25,000.00). The current known requirement of any commodity or service will not be divided to circumvent the requirement of the mandatory bid amount.

Master Contract – An agreement of several years duration that provides for the use of Work Authorizations to authorize specific scopes of work as the need arises.

Negotiations for Professional Services – The act of determining terms, condition, and prices for the performance of professional services. An appropriately appointed negotiation committee will negotiate with the top-ranked candidate from the competitive selection of professional service firms, in an attempt to reach agreement on a contract for approval by the awarding authority, and for the provision of services to Wellington.

Notice of Award – The written notice by Wellington to the apparent, successful bidder or offeror stating that upon compliance by the successful bidder or offeror with the conditions precedent to the contract within the time specified, Wellington will sign and deliver the contract.

Open-end Contract – A contract providing for an indefinite quantity of supplies, services, or construction to be provided over an identified time span, and on an as needed basis.

Open-end Purchase Order – A purchase order whereby a vendor provides supplies, services, or construction on demand or on a prescribed schedule not to exceed a period of twelve (12) months or the mandatory bid amount. An open-ended purchase order may be used as a release and encumbrance document to authorize an agency to order any predetermined amount from an open-ended contract on an as-needed basis.

Performance bond – A bond of a contractor/vendor in which a surety guarantees to Wellington that the work/services will be performed in accordance with the contract documents and may, at the discretion of Wellington, include a letter of credit issued by a financial institution and as otherwise provided for in this Manual.

Purchasing – The buying, purchasing, renting, leasing or otherwise obtaining any commodities, services, construction or any other item(s). It also includes all functions that pertain to the obtaining of any supplies, services, construction or any other item(s), including description of requirements, selection and solicitation of sources, preparation and award of contracts.

Professional Services – Any services where Wellington is obtaining advice, instruction, or specialized work from an individual or firm specifically qualified in a particular area. Professional services may include a report, or written advice which may be lengthy; however, the main thrust of the service is not considered labor, but the exercise of intellectual ability. The purchasing of professional services does not lend itself to normal competitive bidding and price competition alone. These services may be procured by letter of interest in response to a Request for Qualification or Request for Proposals and selected through competitive selection and negotiation. Those services within the scope of the practice of architecture, professional engineering, landscape architect, or registered land surveying, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered land surveyor in connection with his professional employment or practice will be procured in accordance with the CCNA, where applicable, and this Manual.

Project – In relation to professional services, the term means that fixed capital outlay study or planning activity described in the public notice requesting professional services. A project may constitute a grouping of minor construction, rehabilitation, or renovation activities or a project may constitute a grouping of substantially similar construction, rehabilitation, or renovation activities. In relation to non-professional services, the term shall have the meaning ascribed to it by the competitive solicitation.

Purchase Order – A purchaser’s document to formalize a purchase transaction with a vendor, conveying acceptance of a vendor’s proposal or authorizing a particular transaction pursuant to a contract. The purchase order should contain statements as to quantity, description and price of the supplies, services, or construction ordered and applicable terms as to payment, discounts, date of performance, transportation, insurance and other factors or suitable references pertinent to the purchase and performance by the vendor.

Qualified or Responsible Bidder/Proposer/Respondent – A vendor who has the capability in all respects to perform fully the contract requirements and has the integrity and reliability that will assure good faith performance.

Quotation – An informal or formal notice by a vendor to the buyer stating the prices, terms and conditions under which they will furnish certain goods or services.

Request For Proposals – A written solicitation for competitive sealed proposals with the title, date, and hour of the submittal deadline, and public opening designated. The RFP may be used when Wellington is incapable of specifically defining the scope of work for which the commodity, group of commodities, or contractual service is required and when Wellington is requesting that a qualified offeror propose a commodity, group of commodities, or contractual service to meet the specifications of the solicitation document. Price of the goods or services may not be the primary criteria for the evaluation and award.

Requisition – Form used to request the purchase of commodities or services which serves to inform the Purchasing Division of the needs of the user Department and to correctly define the material requested.

Responsive Bid/Proposal/Reply – A bid/proposal/reply submitted by a responsive, and responsible vendor, which conforms in all material aspects to the solicitation.

Responsive Bidder/Proposer/Respondent – A vendor who has submitted a bid/proposal/reply that conforms in all material respects to the solicitation.

Selection Committee – A group of persons appointed to rank in preferential order those persons, firms or entities interested in providing services on a particular project and to negotiate a final contract with the highest ranked firm, and for final approval by the awarding authority.

Service or Services – The furnishing of labor, time, or effort by a contractor, above and beyond the sale and delivery of commodities, and which may include, but are not limited to, professional services, construction services, and general services.

Single/Sole Source Purchase – The purchase of goods and/or services from the only available source which is exempt from quotation or competitive solicitation requirements.

Sole Brand – The only known brand or only brand which is reasonably capable of fulfilling the needs of Wellington.

Specification – Any description of the physical or functional characteristics, or of the nature of a supply, or service item. It may include a description of any requirement for inspection, testing or preparing a supply or service item for delivery.

Supplies – All property, including but not limited to, equipment, material, printing and leases but specifically excluding the acquisition of leasehold interests in real property by Wellington.

Surplus Property – Any supplies, vehicles, equipment, or other personal property which no longer has any use to Wellington. This includes obsolete supplies or equipment, scrap materials, and non-expendable supplies that have completed their useful life cycle.

Term Contract – An indefinite quantity contract wherein a party agrees to furnish commodities or contractual services during a prescribed period of time, the expiration of which concludes the contract.

Using Department – Any governmental body of Wellington which utilizes any supplies, services, or construction procured under this code.

Vendor – Means an actual or potential supplier of commodities or services to Wellington, and may be a sole proprietor, partnership, corporation, limited liability company, joint venture or other business entity recognized by law.

Wellington – Means the Village of Wellington, a Florida municipal corporation, including its officers, employees and departments.

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