

**2510.2 SUBJECT: PROCUREMENT OF GOODS AND SERVICES**

**:1 OBJECTIVE:**

To establish uniform procurement policies and procedures for the acquisition of goods and services consistent with the City's Procurement Code and applicable State and Federal Law.

**:2 AUTHORITY:**

This procedure amended by City Council, January 28, 2013 - Item A-3.

**:3 DIRECTION:**

The Chief Financial Officer, as an appointed official, serves at the pleasure of, and receives direction from the Mayor.

**:4 FUNCTIONS:**

**A. Introduction**

City government, as an institution, has multiple partners including citizens, taxpayers, businesses, visitors, employees, and other governments. As a major institutional, economic, and service force in the region, it is important that the City strengthen relationships with its partners by adopting a clear and comprehensive set of policies and procedures.

Furthermore the integrity of the City of Orlando is of utmost importance, and adopting a set of policies is a key element to maintain this integrity. The purpose of this policy is to establish procedures for the acquisition of goods and services consistent with the Procurement Code and applicable State and Federal Law.

**B. Direction**

1. Except as otherwise provided in City Code, policies and procedures, or by City Council, these procedures apply to the procurement of all goods and services and related procurement activities for using agencies under the jurisdiction of the City.
2. Procurement laws, rules, policies and procedures are intended to achieve sound stewardship of government resources. Pursuant to Chapter 7 of the City Code, this Policy contains procedures and guidelines for compliance by all using agencies in the procurement of goods and services.

3. All City personnel are expected to exercise diligence in applying applicable policies and procedures and sound professional judgment in the pursuit of all purchases to obtain the best value for the City.
  4. The intent of this policy is to foster full and open competition for public procurement when appropriate within the free enterprise system and to ensure the fair and equitable treatment of all persons who deal with the procurement system through a transparent procurement process which will promote increased public confidence.
- C. The Chief Procurement Officer (CPO) may, by written [operating](#) directive approved by the Chief Financial Officer, promulgate operational procedures consistent with City Code and policies and procedures to implement this Policy and Procedure.
- D. Exemptions from Competition
1. The following acquisitions are exempt from the City's competitive solicitation requirements and from acquisition through the Procurement and Contracts Division. These acquisitions may be procured directly by the using agency utilizing the direct payment method, a procurement card, or other authorized method, in accordance with applicable Policy and Procedures:
    - a. Employee compensation, including but not limited to:
      - 1) Collective bargaining agreements;
      - 2) Automobile allowances;
      - 3) Pensions;
      - 4) Employee service awards; and
      - 5) Tuition reimbursement;
    - b. Entertainment and food related to an authorized function;
    - c. Debt service;
    - d. Judgments;
    - e. Legal services including, but not limited to, attorney, paralegal, expert witness, appraisal, court reporter, mediator services and legal advertisements;

- f. Sale, purchase, and leasing of land;
- g. Newspaper notices and legal advertisements;
- h. Registration, travel, tolls, and per diem;
- i. Subscriptions, memberships, and dues;
- j. Taxes;
- k. Utilities; ~~and~~
- ~~l. Non-repetitive procurements less than of \$1,000 or less.~~
- ~~l. Advertisements, including for promotional purposes, such as in magazines;~~
- ~~m. Health services involving medical consultation, as approved by the Chief Procurement Officer.~~
- ~~n. Education and training services acquired from a nonprofit or educational institution;~~
- ~~o. Lecture by individuals;~~
- ~~p. Space utilization agreements executed under this Policy for training, meeting, and other City purposes, when the nature of the space or use does not reasonably lend itself to competitive solicitation;~~
- ~~q. Postage stamps, post office box rent, and related items;~~
- ~~r. Public art acquisition;~~
- ~~s. Maintenance service agreements provided by the equipment manufacturer or distributor where maintenance from other contractors will void an equipment warranty; and~~
- ~~t. Non-repetitive procurements of \$5,000 or less.~~

Notwithstanding the provisions above, upon the request of a using agency, the Procurement and Contracts Division may issue a Purchase Order in order to facilitate tracking and accounting of such acquisitions.

- ~~2. The goods and services as detailed below are exempt from the competitive solicitation process; however, funding is encumbered and payment is made through the issuance of a~~

~~purchase order through the Procurement and Contracts Division upon the submittal of such documentation required to substantiate the procurement and facilitate the tracking and accounting of such acquisitions, unless a valid pro card or other authorized payment method is used.~~

- ~~a. Advertisements, including for promotional purposes, such as in magazines;~~
- ~~b. Health services involving medical consultation, as approved by the Chief Procurement Officer.~~
- ~~c. Education and training services acquired from a nonprofit or educational institution;~~
- ~~d. Lecture by individuals;~~
- ~~e. Space utilization agreements executed under this Policy for training, meeting, and other City purposes, when the nature of the space or use does not reasonably lend itself to competitive solicitation;~~
- ~~f. Postage stamps, post office box rent, and related items;~~
- ~~g. Public art acquisition; and~~
- ~~h. Maintenance service agreements provided by the equipment manufacturer or distributor where maintenance from other contractors will void an equipment warranty.~~

E. Procurement Solicitation Thresholds

Except as otherwise provided in City Code and policies and procedures, formal and informal solicitation thresholds are set forth below:

1. Procurement of goods and services that are reasonably estimated to exceed \$100,000 require a formal competitive solicitation process such as the Invitation for Bid, Request for Proposals, Request for Qualifications, Invitation to Negotiate or other formal process as outlined in Chapter 7 of the City Code.
2. Procurements of goods and services reasonably estimated to cost less than \$100,000 may be procured either by formal process, a Request for Quotation(s), or a competitive process as approved by the CPO. The CPO, with the written approval of the Chief Financial Officer, shall establish in an operating directive the number of quote(s) required and the associated acquisition threshold limits for Requests for Quotation(s).

F. Procurement Methods

Based on the type and cost of goods or services, the following acquisition methods are available:

1. Procurement Card\*;
2. Direct Payment\*;
3. Term Contract;
4. Purchase Order and Non-Term Contracts; and
5. Use of Other Public Entity Contracts.

\* The Procurement Card and Direct Payment procurement methods are only valid for the purchase of non-repetitive goods and services of \$54,000 or less for Direct Payment and reference Policy and Procedures 2400.2 for Procurement Card. Otherwise, the Procurement Card and Direct Payment are payment methods (and not procurement methods) for items included on a contract, and for items exempt from the City's competitive solicitation requirements and from acquisition through the Procurement and Contracts Division.

#### G. Competitive Source Selection Methods

Based on the type and cost of goods or services, the following competitive source selection methods are available:

1. Request for Quotation (RFQ);
2. Invitation for Bids (IFB);
3. Request for Proposals (RFP);
4. Request for Qualifications (RFQu) or Request for Qualification Statements (RQS);
5. Invitation to Negotiate (ITN); and
6. Reverse Auction.

#### H. Sole Source Acquisition

Competitive procurement is the preferred method of acquiring goods and services under City Code. Therefore, procurement justification must be able to demonstrate that the purchase is clearly and legitimately limited to a single source of supply.

I. Negotiated Procurements

In cases where there is a need for a negotiated procurement in which competitive procedures are not feasible or practicable, it is a criterion that, after careful assessment of the circumstance, that such determination is made by the CPO with the approval of the Chief Financial Officer.

J. Space Utilization Agreements:

The CPO may execute space utilization agreements when space or facilities are required by the City or a using agency for training, meeting, and other purposes up to the limits set forth for contracts in Section 7.202(A)(2) of Chapter 7 of the City Code.

K. Emergency Procurement

Pursuant to City Code, when the CPO or designee determines that (i) a delay from a competitive solicitation process would cause an immediate danger to the public health, safety or the welfare of person(s), or (ii) immediate action is required for the preservation or protection of property, or the continuance of a vital City function, the using agency is permitted to proceed with the procurement of goods or services with such competition as is practical under the circumstances.

The emergency purchase shall be limited to the purchase of the type of items and quantities needed during the emergency event and for a time period sufficient to meet the immediate threat or emergency situation, and shall not be used to meet long-term requirements.

L. Standardization:

In accordance with the Procurement Code, the CPO, in consultation with the using agencies, may develop a standardization program to support cost reduction and effective maintenance, training, integration, and economies of scale.

:5 FORMS:

None.

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:

Code of the City of Orlando, Chapter 7. Approved by City Council, December 19, 2012, Item A-3. Procedure adopted by City Council January 28, 2013, Item A-3, doc.#130128A03.

:8      EFFECTIVE DATE:

This procedure is amended effective January 28, 2013.