



## CITY OF CALLAWAY, FLORIDA

CITY HALL

6601 East Highway 22, Callaway, FL 32404  
Phone 850-871-6000 • FAX 850-871-2444  
www.cityofcallaway.com

Mayor  
Bob Pelletier

Commissioners  
Melba Covey  
Pam Henderson  
Ron Fairbanks  
Joe Townsend

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### SPECIAL WORKSHOP

CITY OF CALLAWAY BOARD OF COMMISSIONERS  
**TUESDAY, SEPTEMBER 13, 2016 - 7:00 P.M.**  
CALLAWAY ARTS & CONFERENCE CENTER  
500 CALLAWAY PARK WAY  
CALLAWAY, FL 32404

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### AGENDA

CALL TO ORDER

INVOCATION & PLEDGE OF ALLEGIANCE

ROLL CALL

REGULAR AGENDA

**Review of the Purchasing Policy – City Manager and Director of Finance**

ADJOURNMENT TO SPECIAL MEETING

A handwritten signature in black ink, appearing to read "Janice L. Peters", is written over a horizontal line.

Janice L. Peters, MMC  
City Clerk

Providing public input is important. It can be accomplished by calling, emailing, making an appointment with your Commissioner, or speaking at a public meeting. Public Participation will be at limited to three (3) minutes.

If a person decides to appeal any decision made by the City Commission with respect to any matter considered at the meeting, if an appeal is available, such person will need a record of the proceeding and such person may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. Any person requiring a special accommodation at this meeting because of a disability or physical impairment should contact Callaway's City Clerk, at 6601 E. Highway 22, Callaway, FL 32404; or by phone at (850) 871-6000 at least five calendar days prior to the meeting.

If you are hearing or speech impaired, and you possess TDD equipment, you may contact the City Clerk using the Florida Dual Party Relay System, which can be reached at 1-800-955-8770 (Voice) or 1-800-955-7661 (TDD).

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**Fire Department**  
P: 850-871-2753  
F: 850-871-5564

**Leisure Services**  
P: 850-874-0031  
F: 850-874-9977

**Planning / Code Enforcement**  
P: 850-871-4672  
F: 850-871-2404

**Public Works**  
P: 850-871-1033  
F: 850-871-2416

**Arts & Conference Center**  
P: 850-874-0035  
F: 850-874-0706

**CITY OF CALLAWAY  
BOARD OF COMMISSIONERS  
AGENDA ITEM SUMMARY**

DATE: SEPTEMBER 13, 2016

ITEM: PURCHASING POLICY & PROCEDURE MANUAL REVIEW

**1. PLACED ON AGENDA BY:**

J. Michael Fuller, City Manager  
and  
Beverly Waldrip, Director of Finance

**2. AGENDA:**

PRESENTATION   
PUBLIC HEARING   
CONSENT   
OLD BUSINESS   
REGULAR

**3. IS THIS ITEM BUDGETED (IF APPLICABLE)?:** YES  NO

N/A

**4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)**

Staff gave a draft form of the Purchasing Policy & Procedure Manual to Commission on April 28, 2016, before presenting at July 26, 2016 Commission Meeting.

The policy manuals are an invaluable resource/tool for all city employees, particularly new hires or employees taking on new duties and assignments. The City's Purchasing Policy & Procedure Manual has been reviewed and updates are recommended to reflect newly adopted policies, staffing configuration and fixing grammatical errors.

In an effort to stream line tasks, responsibilities have been defined more clearly and processes have been simplified while maintaining the City's efficient and transparent controlled spending and compliance with the ethics and laws set forth by the Florida Legislature.

**ATTACHMENT:**

- DRAFT PURCHASING POLICY & PROCEDURE MANUAL
- EXHIBIT A – PURCHASING CARD POLICY
- EXHIBIT B – CARDHOLDER ACCEPTANCE FORM
- EXHIBIT C – PURCHASING CARD TRANSACTION DISPUTE FORM

**5. REQUESTED MOTION/ACTION:**

Review and direction to staff to adopt the revised Purchasing Policy & Procedure Manual via Resolution at the September 27, 2016 regular Commission Meeting.

CITY OF CALLAWAY  
FLORIDA  
~~CITY OF CALLAWAY~~



~~FLORIDA~~

PURCHASING POLICY  
AND PROCEDURE MANUAL

~~APPROVED BY COMMISSION ON MARCH 26, 2013~~

Approved by Commission on July 26, 2016

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### **Introduction**

The goal of the Purchasing Office is to promote the City's collective best interests through efficient, fair, economical, transparent, and controlled spending. This manual has been prepared to establish the necessary basic guidelines for effective and ethical procurement practices. All City employees will adhere to the procedures defined in the City of Callaway Purchasing Manual as it has been approved by the City of Callaway Board of Commissioners in effort to uphold the integrity of the City, and be in compliance with the ethics and procurement laws set forth by the Florida Legislature within the Florida Statutes.

As amendments to the manual for administrative or procedural changes become necessary by changes in law or for the purpose of internal work flow improvement supplemental pages will be issued to all City personnel.

### Purchasing Policies

1. It is the policy of the City of Callaway Commission to recognize the Purchasing Office as the department responsible for coordinating the City's consolidated purchasing effort.
2. It is the intent of the City to provide all vendors with a fair and opportunity in which to compete for City business. (Local Preference – Ordinance #924)
3. Goods and ~~S~~services offered by State Contract pricing are considered to be competitively bid and to have satisfied the requirements for competitive bidding.
4. It is the policy of the City of Callaway Commission to encourage local businesses to provide goods and services to the City of Callaway through the City's purchasing program.
5. Goods and Services produced in the United States will be given preference when all other aspects in the bid selection process are equal.
6. It will be the policy of the City to consolidate for purchase and bidding, all goods and services in a similar nature.
7. It is the policy of the City to award a bid based upon the total aggregate items bid, when possible, rather than to segregate items out for individual awards.
8. The City reserves the right to reject all, or portions of any bid when it is deemed in the best interest of the City.
- ~~9. It is the policy of the City that all contracts with individual organizations desiring to do business with the City of Callaway are required to have a substance abuse policy subject to the same rules of conduct and tests as the employees of the City.~~
10. Contracts with all individuals or organizations desiring to do business with the City shall have an Equal Opportunity Employment Policy which prohibits discrimination in employment because of race, creed, color, religion, or national origin as defined by Executive Order 11246 and 11375, and subsequent amendments.

### Purchasing Office Duties & Responsibilities

1. The Purchasing Office shall be responsible for developing and administering the purchasing program for all City departments.
2. All purchases will be made pursuant to the provisions of the annual budget as adopted by the City Commission.
3. The Purchasing Office shall maintain adequate records for all purchasing transactions to include contracts, leases, and agreements.
4. The Purchasing Office shall assist City departments in soliciting quotes where formal bidding is not required.
5. The Purchasing Office will issue a purchase order number for goods or services over \$999.
6. The Purchasing Office will be responsive to department head requests for assistance with research in preparation for purchase requisitions or purchase orders.
7. The Purchasing Office will coordinate with the City Clerk's Office to aid and facilitate departments in the formal bid process when a purchase is expected to exceed ~~\$10,000~~ \$25,000, as approved by the City Commission.
8. The ~~Purchasing Office~~ City Clerk's Office will maintain all original bid documents. Copies will be provided to departments and Purchasing Office upon completion of the bid opening. For the preservation of original bid documents, only official copies will be used as exhibits or supporting material for subsequent contracts, leases, agreements, or agenda packages.
9. The Purchasing Office will maintain all purchasing related forms.
10. The Purchasing Office will ensure that all non-consumable tangible personal property valued greater than ~~\$1,000~~ \$5,000 with a life expectancy greater than one year is capitalized. ~~and inventoried copies of invoices will also be provided to the Assistant to the Finance Director. Capital asset purchase and disposal information will be maintained by the Purchasing Office.~~
11. The Purchasing Office will coordinate with individual departments to perform periodic physical inventories of capital assets to ensure accuracy of records and integrity of security controls. ~~Annual inventories will be completed by the Assistant to the Finance Director or their designee. Departments are responsible for providing physical inventory exceptions to the Purchasing Office.~~

### Requesting Department Duties & Responsibilities

1. All City employees are responsible for following the purchasing policies and procedures adopted by the City of Callaway Commission.
2. All City employees will use the appropriate forms supplied by the Purchasing Office for procurement of equipment, supplies, and services.
3. Department staff is responsible for verifying that budgeted funds are available for purchases made by requisition, purchase order, or P-card.
4. ~~Employees issued P-cards are responsible to report lost or stolen cards immediately to the Purchasing Office.~~

### Authorized Buyers

An **Authorized Buyer** is an individual with a defined level of purchasing authority.

- Level 1 Buyer - \$0 to \$499
    - Non-probationary employee designated by ~~D~~department ~~H~~head.
    - ~~Authorizations must be updated each fiscal year with a memo to Purchasing Office.~~
  - Level 2 Buyer - ~~\$0 to \$999~~ \$500 to \$10,000
    - Department ~~H~~heads
  - Level 3 Buyer - ~~\$0 to \$10,000~~ \$10,000 to \$25,000
    - City Manager
1. Any purchases exceeding ~~\$10,000~~ \$25,000 require a formal bid and must be approved by the Commission. (See Formal Bid Procedure.)
  2. Department ~~H~~heads assume full responsibility for all purchases made by their departments. Authorization of a Level 1 – Buyer does not relieve the ~~D~~department ~~H~~head of responsibility.

### Purchase Requisition & Purchase Order Procedures

A **Purchase Requisition** is a ~~written~~ request to the Purchasing Office for supplies or services necessary to continue operating.

1. A requisition must include:
  - Name and department requesting materials.
  - Vendor name & address.
  - Fund / Account number.
  - Total amount of order.
  - Contract ~~N~~umber or ~~A~~uthorizing ~~M~~meeting ~~D~~ate.
  - Appropriate department level ~~signature approval~~.

City of Callaway, Board of Commissioners  
Purchasing Policy and Procedure Manual

- Detail to include description, units, part numbers, and cost.
  - City Hall listed as the bill to address.
  - Delivery location and desired delivery date.
  - Single item purchases exceeding \$500 require an attempt to obtain at least three quotes, but no less than two.
2. Requisitions should be completed by an authorized buyer and sent electronically to the Purchasing Office.
    - Upon receipt of the purchase requisition, the Purchasing Office will create a purchase order, assign a number, and place the order.
    - If a department wishes to place the order, specific instructions should be on the requisition for the Purchasing Office to create the purchase order, assign a number, and transmit the number back to the authorized buyer.
  3. Requisitions for services to City facilities which are generally shared by one or more departments will be prepared by the Purchasing Office. This includes, but is not limited to, repairs, cleaning, maintenance for buildings, telephones, faxes, copiers, printers, postage equipment, electrical, and plumbing.
  4. ~~Requisitions for computer related items will be generated by the appropriate department. Technical advice will be available through the Finance Department, or a professional consultant.~~
  5. ~~Requisitions for travel should be prepared by the requesting department.~~

A **Purchase Order** is a formal notice to a vendor to furnish the supplies or services specified on the form. A purchase order is required for the procurement of any items or services unless there is a written contract or it qualifies as an exception. (See Purchase Order Exceptions)

1. Purchase Orders will be issued after the submission of a properly executed purchase requisition, and the submittal of any other information required by this policy.
2. ~~If there is a work stoppage situation, the responsible authorized buyer may call the Purchasing Office for a purchase order number.~~
3. No purchase order or encumbrance of City assets may be made without an authorized purchase order or check request.
  - Invoices received without prior issuance of a purchase order will be submitted with a written explanation to the City Manager for approval. Unapproved invoices ~~will be paid by the personal funds of the department head~~ may be subject to disciplinary action.

4. An emergency exception for the purpose of this manual will be defined as a situation that exists where ~~inventory of material, supplies, parts, etc., are depleted and/or damaged such~~ immediate services, materials or repairs are required to remediate a situation that ~~it~~ poses a threat to public health, welfare, or safety. Emergency purchases may be made with a requisition number emergency purchase order number (as listed below) in lieu of a standard purchase order number. The requisition shall note that it is an emergency. Compliance with established purchasing procedures should take place no later than the morning of the next working day, ~~and will require the signature of the City Manager~~

- ~~○ Water Division — WA99~~
- ~~○ Street Division — ST99~~
- ~~○ Solid Waste Division — SW99~~
- ~~○ Sewer Division — SE99~~
- ~~○ Parks & Recreation Division — PR99~~
- ~~○ Maintenance Division — MA99~~
- ~~○ Fire Department — FD99~~
- ~~○ Planning/Code Enforcement — PC99~~
- ~~○ General Government — GG99~~
- ~~○ Finance Department — FN99~~
- ~~○ City Manager — CM99~~

### Blanket Purchase Orders

A blanket purchase order allows a department to make multiple purchases with one purchase order number. Blanket purchase orders are:

- Issued for a period of time no less than one month and not to exceed one year.
- Limited by the amount indicated.
- Used for routine and recurring operating expenditures only.
  - ~~○ Blanket purchase orders used for capital expenditures will be dishonored and will be paid by the personal funds of the department head.~~

~~Departments will be notified in writing by the Purchasing Office of the blanket purchase order number, amount, and termination date.~~

Each department must have their own blanket purchase order when purchasing from the same vendor.

Department Hheads are responsible for monitoring the status of their current expenditures for blanket purchase orders.

~~Monthly blanket purchase order numbers will be provided to the departments with a form to reconcile their purchases weekly. This practice is intended to keep the department head aware of the current status of expenditures. The weekly~~

~~reconciliation forms must be totaled, attached to invoices, and sent to the Purchasing Office by 9:00 a.m. each Monday morning.~~

### Purchase Order Exceptions

There are certain circumstances under which the processing of a purchase order is unnecessary. These circumstances include:

- Any purchase approved as to amount and vendor by the City Commission however will be encumbered on the basis of the contract and approved blanket purchase order issued for auditing purposes. (See Blanket Purchase Order)
- Service contracts for a fixed monthly amount pre-approved by City Commission will be encumbered on the basis of the contract and approved blanket purchase order issued for auditing purposes. (See Blanket Purchase Order)
- During the period of a declared emergency by the City Commission, Mayor or Mayor Pro Tem, purchasing procedures are waived.
  - Requisitions, reports, invoices, and receipts must be completed and submitted to the Purchasing Office as soon as possible and require the signature of the City Manager.
- ~~○ Vendors holding state or federal contracts which are exempt from the competitive bid process.~~
- ~~○~~
- Petty cash purchases not to exceed \$50 as authorized at the discretion of the department head.
- Regular utility bills, telephone bills, insurance premiums, etc.
- Purchases less than \$1,000
- Employee expenses, mileage, and meals for approved travel.
  - ~~○ Amounts greater than \$999 require signature of the City Manager.~~
  - ~~○ Travel receipts must be submitted to the Finance Department with the Travel Request, Reimbursement & Reconciliation Form (Appendix B Forms).~~
  - ~~○ If an employee is requesting advance payment of expenses, mileage, and meals a Travel "Advance" Request Form must be completed (Appendix B Forms).~~
  - ~~○ Pursuant to City of Callaway Resolution #06-01 City employees will be reimbursed at the Internal Revenue Service approved Standard Mileage Rate for approved work related travel expenses.~~

### Purchasing Card Policy (P-Cards)

Due to the uniqueness of the purchasing card system, a standalone policy has been developed and is included as Appendix Exhibit A.

### Vendor Policies

1. **Open Competition.** It is the intent of the City to provide all vendors with a fair and impartial opportunity in which to compete for the City's business. ~~with~~ With the exception of those on the State Department of Management Services Convicted Vendor List.

2. **Public Entity Crime.** In accordance with F.S. 287.133, any entity listed on the State Department of Management Services Convicted Vendor List shall be denied the right to conduct business or render any type of service for any municipal department or division to the extent required by the debarment, suspension, or other determination of ineligibility by the State.

3. **Qualifications for Construction Contracting.** According to F.S. 489.113(2), no person who is not certified or registered shall engage in the business of contracting in the State of Florida. Construction work may be done by non-certified persons if the work is completed under the supervision of a person who is certified or registered within the scope of the supervisor's license, provided there are not specific requirements listed in F.S. 489.105(3) (d-o).

4. **Vendor List.** Any vendor can submit contact information to the Purchasing Office to be added to the City's Vendor List. It is the responsibility of the vendor to ensure that information on file is current and sufficient. ~~Vendors removed from the Vendor List may be reinstated upon written request once the period of disbarment or suspension is over.~~

A vendor may be removed from the City's Vendor List without notice for:

- Knowingly or negligently employing unauthorized aliens to work in the United States.
- ~~Non-compliance with the City's Drug Free Workplace Policy.~~
- Delinquent City Tax Assessments. Proof of payment is required and should be submitted with all bids.
- Failure to pay sub-contractors.
- Failure to comply with F.S. 119, Public Records.
- Failure to comply with terms and conditions of contract.
- Being listed on the Public Entity Crime List (F.S. 287.133).

5. **Litigation.** The City will not issue any purchase orders or contracts to any vendors currently involved in litigation with the City until a resolution is reached.

6. **Vendors** are required to submit a signed and completed Form W-9 to the Purchasing Office before receiving any payment from the City.

### Formal Bid Procedure

- 1) The requesting department in conjunction with the ~~Purchasing Office~~Agent Office will formulate specifications using guidelines depicted later in the document under Writing Specifications.
- 2) ~~Prior to release of bid, in~~ an effort to ensure open and fair competition, the requesting department may solicit comments from local vendors to insure specifications, as written, do not preclude any given vendor from bidding.
- 3) The requesting department shall provide the Purchasing ~~Office~~Agent Office with specifications and a written request signed by the appropriate Department ~~Head~~. ~~The Purchasing Office will then complete a purchase requisition covering the expense of advertising and present it to the City Manager for approval.~~ Upon receiving the City Manager's approval the Purchasing Office will formally advertise the bid.
- 4) The Purchasing ~~Agent Office~~Office shall determine the date, time and location for submitting bids, as well as the date, time, and location of the Public Bid Opening (F.S. ~~287.05755-0518~~).
- 5) The Purchasing ~~Agent Office~~Office will advertise the request for bids at least once in a local newspaper and permit at least two weeks for the vendor(s) to respond. The Purchasing ~~Agent Office~~Office will also ensure the advertisement for bid is posted to the City's website.
  - a) In accordance with F.S. 255.0525(2), the solicitation of competitive bids or proposals for any county, municipality, or other political subdivision construction project that is projected to cost more than \$200,000 shall be publicly advertised at least once in a newspaper of general circulation in the county where the project is located at least twenty-one (21) days prior to the established bid opening and at least five (5) days prior to any scheduled pre-bid conference. The solicitation of competitive bids or proposals for any county, municipality, or other political subdivision construction project that is projected to cost more than \$500,000 shall be publicly advertised at least once in a newspaper of general circulation in the county where the project is located at least thirty (30) days prior to the established bid opening and at least five (5) days prior to any scheduled prebid conference.
  - b) EXCEPTION: The advertising requirement can be waived by the City Manager in the event of an emergency. In accordance with F.S. 255.0525, as used in this section, the term "emergency" means an unexpected turn of events that causes:
    - i) An immediate danger to the public health or safety;
    - ii) An immediate danger of loss of public or private property; or
    - iii) An interruption in the delivery of an essential government service.
- 6) The Purchasing ~~Agent Office~~Office will distribute bid documents for all bids that do not contain a document fee assessment to vendor's requesting the package. For

- those bids requiring a document fee assessment, the Purchasing ~~Agent Office~~ or their designee shall distribute bids to those bidders from which payment of the document fee assessment has been received.
- 7) The requesting department will have representation at the ~~Public Bid Opening~~ and will review the submitted bids to ascertain the lowest and best bid that provides the best value to the City. All bids will be opened in public and read aloud by the Purchasing ~~Agent or designee~~Office.
  - 8) Unless otherwise instructed, the requesting department will recommend the award of bid to the City Manager in writing with adequate justification.
  - 9) The City Manager will ~~determine if adequate revenues are budgeted and available for the purchase, if so, the City Manager will include purchases in excess of~~ place the item on the Commission agenda for approval if amounts exceed ~~\$25,000~~ \$10,000 on the next ~~Consent Agenda for Commission approval~~.
  - 10) ~~Cancellation of Invitations BEFORE Opening~~: The cancellation of an invitation for bids usually involves a loss of time, effort, and money spent by the City and bidders. Invitations should not be cancelled unless cancellation is clearly in the public interest; (1) where there is no longer a requirement for the services or supplies, or (2) where amendments to the invitation would be of such magnitude that a new invitation is desirable.
    - a) Notice of Cancellation shall:
      - i) Identify the invitation for bid by number, short title, or subject matter
      - ii) Briefly explain the reason the invitation is being cancelled; and
      - iii) Where appropriate, assure prospective bidders that they will be given an opportunity to bid on any re-solicitation of bids.

### PIGGYBACK

The City of Callaway Board of Commissioners, in lieu of employing competitive contract award procedures for the purchase of goods or services, may authorize purchases through the State of Florida's term contracts. The Commission may also authorize purchases through contracts competitively awarded by other counties or municipalities within the State if the vendors for such contracts agree to provide the City of Callaway the same goods or services, under the same conditions, terms and prices as the other governments' contracts. Such "piggybacking" of government contracts is common practice in public purchasing, and may provide favorable pricing while reducing the time delays and costs of the City of Callaway processing a competitive contract award on its own. The City shall be cautious when piggybacking another entity's bid. Changes to terms, conditions, time frames, and other criteria are not allowable. It is recommended that the requesting department contact the original bidding agency to confirm whether or not they would recommend piggybacking of the award (did the vendor perform appropriately?).

The following is required to be part of the procurement piggyback package:

- A full copy of the Invitation to Bid

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Purchasing Policy and Procedure Manual

- Vendor's price sheet
- Vendor's signature
- Notification of award
- Date of purchase order or contract and expiration date.

Only purchases can be piggybacked; sale or trade-ins must be sold separately.

### Sole Source / Non-Competitive Negotiations

Non-competitive negotiations may be used as a procurement method for purchases of supplies or services available from only one source; or sole brand or when it is determined by the requesting Department Head, Finance Director, or City Manager that competitive bidding is not feasible or not advantageous to the City. Sole Source means the only existing source of the items that meet the needs of the requesting department as determined by a reasonably thorough analysis of the marketplace. Sole Source purchasing of goods and services requires: ~~a written finding that only one qualified source is available; and also requires~~ 1) only one qualified source is available; 2) a written statement that a search for alternative sources has ~~ve~~ been made; and 3) a justification of why the only source is acceptable to fit the needs of the requesting department. A request for a proprietary item does not justify a sole source procurement if there is more than one potential bidder for the item.

~~The Purchasing Office may negotiate with an~~ A sole source supplied can be used under the following circumstances:

- The needed supply or service is available from only one source / brand.
- The supply or service is wanted for experimental trial or testing.
- Additional supplies or services are needed to complete an ongoing task.
- A supply or service is purchased from, or a sale is made to, another unit of government.
- The item is a component or replacement part for which there is no commercial distributor.
- Compatibility is the overriding consideration.
- The item is a used item, which ~~is~~ subject to immediate sale.

### Procedures for Processing Sole Source / Non-Competitive Negotiations

1. In processing requisitions for sole source / sole brand items, the Purchasing Office conducts negotiations as to price, delivery, terms, and conditions.
2. The Purchasing Office, in cooperation with the requesting department, prepares a recommendation for award.

### Design-Build Contracts

Contracts for the design-build of public construction projects for the City of Callaway Board of Commissioners shall be awarded in accordance with this procedure. Design-

build contracts are single contracts with a design-build firm for the design and construction of a public project.

Design-Build Firms must be certified pursuant to Florida Statute 489.119 to engage in contracting through a certified or registered general contractor (as defined in F.S. 471.023, 481.219, or 481.319).

The City Manager, in conjunction with the Purchasing ~~Agent~~Office will determine if the design-build method is appropriate for a particular requirement. The following factors will be considered when making the determination:

- The potential for project cost savings and / or cost reduction.
- The need or potential for reducing the time to complete the project.
- The need or potential to expedite the completion, activation and operation of the project due to public service considerations or requesting department operational needs and requirements.
- The potential for collaboration to develop designs and construction methodology that could provide a project with enhanced qualities of aesthetics, innovative use of materials, economy of construction, operational efficiency, and / or functional effectiveness.
- The need or potential for protecting, preserving and enhancing the health, safety, and welfare of the public.

#### **Procurement Procedures for Design-Build Services**

Upon approval by the City Manager, procurement and contracting of design-build contract services shall be in accordance with: F.S. 287.055 as follows: the following procedures:

1. A ~~d~~Design ~~c~~Criteria ~~p~~Professional employed or contracted by the City shall prepare, produce and seal a design criteria package for use by the City in advertising for design-build firms, providing a basis for determining and selecting the most highly qualified design-build firms, soliciting competitive technical and price proposals from design-build firms, and providing a basis for awarding a design-build contract.
2. The Request for Proposals should contain a copy of the design criteria package, the scope of services including schedule and time frame, insurance coverage and bonding requirements, instructions regarding form, content, and manner in which the qualifications statement, technical proposal, and price proposal are to be submitted, weighted evaluation criteria for assessing the submitted proposals, a draft design-build contract including general and supplemental terms and conditions, and any other information deemed appropriate by the City.
3. The Notice of Intent (NOI) to solicit design-build services will be consistent with the City of Callaway Purchasing Manual, Section "Formal Bid Procedure".

4. Responding firms shall submit a technical and price proposal, in addition to other required documentation.
5. An evaluation team, comprised of either a contracted Design Criteria Professional or in-house staff, shall submit an alphabetical listing of the short listed firms, providing scoring sheets as back-up, to the City of Callaway Board of Commissioners for selection of one firm and up to two ranked alternates to negotiate and award a design-build contract with the selected firm, provided the final negotiated price does not exceed the price submitted in their proposal. The City may negotiate minor changes prior to the execution of the contract for the purpose of clarifying or refining the project requirements and the services to be performed.

### Florida Prompt Payment Act

~~The Florida Prompt Payment Act was passed by the State Legislature in Special Session to insure that Vvendors who provide goods and services will receive payment for those goods and services in a timely manner pursuant to F.S. 218.70, the Florida Prompt Payment Act. Invoices that remain unpaid after 45 days are subject to an interest penalty at the rate of one percent (1%) that is accrued on unpaid balances. to vendors from the City.~~

### Auditing Compliance

~~An i-Invoices submitted to or received by the Purchasing Office for payment will be matched to the initiating purchase order and forwarded to accounts payable for processing. Invoices require online approval of the items, cost and receipt of purchases invoiced. shall qualify for payment if it is accompanied by a copy of the purchase order, an acknowledgment by City staff that the goods or services have been received, and is signed and dated by a City employee with appropriate level of authority that coincides with the monetary amount of the goods or services will be matched to the initiating purchase order and forwarded to accounts payable for processing. Invoices require online approval of the items, cost and receipt of purchases invoiced.-~~

~~Request for payments of partial shipments must be accompanied by a duplicate of the purchase order indicating the item(s) received and then forwarded to the Purchasing Office with the appropriate signatures and date.~~

~~A Change Order will be processed when the invoiced amount is in excess of 10% of the originating purchase order to correct any discrepancies between the monetary amount on the invoice and the monetary amount of the processed purchase order, and will be signed by an employee with the appropriate signing authority.~~

**Tax Exempt Status / Tax Exempt Number**

All purchases made by the City of Callaway are exempt from all state and local use tax. It is the City staff's responsibility to ensure that any time an order for goods or services is placed the vendor is provided the City's Tax Exempt I.D. Number. Personal use of the City's Tax Exempt I.D. Number is strictly prohibited. Any employee caught using the City's Tax Exempt I.D. Number for personal use will receive disciplinary action to include, but not limited to, immediate termination of employment. Additionally, F.S. 212.085, states that in addition to being liable for payment of the tax plus a mandatory penalty of 200 percent of the tax, such person shall be liable for fine and punishment as provided by law for a conviction of a felony of the third degree, as provided in F.S. 775.082, 775.083, or 775.084.

**Tax Exempt Status Granted to Contractor**

The City of Callaway is exempt from payment of sales taxes. As such, it is exempt from the payment of sales tax for the performance of work under construction contracts when it is determined to be in the best interest of the City. Tax agreements, if applicable, will be identified in the bid documents.

**Risk Management Requirements**

City contracts for goods or services shall include the following requirements:

The Contractor / Vendor is required to purchase and maintain minimum limits of \$500,000 per occurrence of all liability, which includes general liability and, if applicable, automobile liability.

The Contractor / Vendor agrees to hold the City harmless against all claims for bodily injury, sickness, disease, death or personal injury or damage to property or loss of use resulting from, arising out of the agreement, unless such claims are a result of the City's sole negligence.

~~The Contractor / Vendor shall purchase and maintain workers' compensation insurance for all workers' compensation obligations imposed by state law and employer's liability limits of at least \$100,000 each accident and \$100,000 each employee / \$500,000 policy limit for disease. Even if the Contractor / Vendor is not required by state law to secure workers' compensation insurance, the Contractor / Vendor shall purchase and maintain workers' compensation insurance in order to perform work or provide services to the City of Callaway. The City Manager may waive the requirement for workers' compensation if the Contractor / Vendor complies with~~

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~~state law. Any request to waive workers' compensation insurance shall be made in writing.~~

The Contractor / Vendor shall ~~also purchase~~ maintain workers' compensation insurance ~~and~~ any other insurance coverage required by law for the benefit of employees. Required insurance shall be documented in the Certificates of Insurance and shall be provided to the City Purchasing Office.

**Vendor Dispute Resolution Procedures**

In the event a dispute occurs between a vendor and a City Department the vendor shall submit a written statement via certified mail no later than 45 day from the time when the invoice was submitted to the City specifying the nature of the dispute regarding payment of the invoice.

In the event a City Department has a dispute with an invoice submitted by a vendor, the appropriate Department Head will send a written statement, via certified mail, not later than thirty days of the receipt of the improper invoice, to the vendor specifying the reasons for the dispute. A copy will be provided to the City Manager and the Purchasing Office. The Department Head should ~~request the vendor respond within fifteen days of receipt of the certified letter indicating their agreement or disagreement with the letter~~ verify the vendor's receipt of disputed invoice.

Any dispute unresolved at the ~~D~~department level will be reviewed by the City Manager, or his designee. ~~Within ten days of being presented with an unresolved dispute~~ The City Manager will recommend a final decision on the matter and inform the Department Head and vendor ~~(via certified mail).~~



## PURCHASING CARD POLICY

### I. PURPOSE

This policy establishes the basis for the City's purchasing card program. The purchasing card program is designed to improve efficiency in processing purchases from any authorized vendor that accepts the Visa credit card.

The City has adopted a procedure to simplify the purchasing process for obtaining supplies, materials, services, travel, and equipment by making available to certain employees the authority to make purchases directly through a purchasing card program.

This program will allow the cardholder to purchase approved supplies and services directly from vendors. Each purchasing card is issued in the name of the employee who is responsible for its use or the department that will use it for purchasing and the "City of Callaway" is clearly shown on the card as the governmental buyer of the supplies/services.

The card may be used to purchase non-restricted commodities in person at the vendor site, over the telephone, via fax, by mail and over the Internet.

### II. OBJECTIVES

- To provide an efficient method of purchasing and paying for supplies/services
- To reduce the use of purchase orders, accounts payable edits and petty cash whenever possible
- To ensure card purchases are in accordance with the City's Purchasing Policy Manual
- To reduce staff time involved in processing transactions
- To ensure that the City bears no legal liability from inappropriate use
- To provide for disciplinary action if the purchasing card is misused

### III. AUTHORIZATION

All requests for purchasing cards must be approved by the department director. Only the City Manager or Director of Finance can authorize issuance of a purchasing card.

Before a purchasing card is issued, the employee must receive and read the Purchasing Card Policy and sign the Cardholder Acceptance form (Exhibit "B").

By signing the Cardholder Acceptance form, the employee affirms that he/she has read and is familiar with the rules, regulations, and procedures as stated in the City of Callaway

Purchasing Manual. Employees who misuse or abuse card usage will be subject to disciplinary action up to and including termination of employment.

Purchasing cards may be used only by the person or department whose name appears on the face of the card and may not be loaned to or used by any other person or department. The account number must not be given to any individual other than the vendor from whom the employee is making a purchase.

#### **IV. RESPONSIBILITIES**

The following are the responsibilities of:

##### **A. Card holder:**

- Hold and secure purchasing card
- Comply with all purchasing, travel policies, requisition and purchase order procedures
- Determine availability of budgeted funds before ordering
- Collect and save all sales receipts/invoices
- Log phone orders and request receipts
- Review, reconcile, & attach all receipts to the monthly statement
- Identify disputed charges
- Make sure vendors are aware of our tax exemption
- Notify the Finance Department immediately of lost, stolen, or other cards requiring termination

##### **B. Card Processing Procedures:**

- Match receipts with monthly card statement
- Assign and/or verify the appropriate accounting code
- Obtain department director's signature to authorize payment of the card
- Forward statements, receipts, and supporting paperwork to accounts payable

##### **C. Department director or designee:**

- Request purchasing cards
- Recommend departmental and cardholder spending limits within established guidelines and budgets.
- Collect purchasing cards from terminated or transferred employees and give to the Director of Finance or designee

D. Director of Finance or designee:

- Coordinate issuance and cancellation of cards with card provider
- Provide training to all new cardholders and periodic refresher training as needed
- Participate in billing dispute resolution
- Maintain procedures and cardholder guides/manuals
- Conduct annual inventory of purchasing cards
- Coordinate program policy issues

E. Accounts Payable:

- Receive approved monthly statements from all departments
- Receive consolidated statement from the financial service provider
- Confirm that receipts are provided for all charges
- Notify department representative when approved monthly statements are not received
- Reconcile all monthly statements to consolidated payment
- File and store relevant paperwork

V. LIMITS AND RESTRICTIONS

The purchasing card is for official City business only. The purchase of goods or services for the employee's personal use is strictly prohibited. The purchase of tobacco products, alcohol or obtaining a cash advance is strictly prohibited. Misuse or abuse of the card can result in disciplinary action up to and including termination. All items paid for with the purchasing card must be shipped to the city and are property of the City of Callaway.

VI. TRAVEL RELATED CHARGES

Expenditures for the following employee reimbursable travel expenses are prohibited from being charged on the purchasing card:

- Meals (per Diem)
- Telephone charges

The individual traveler needs to submit the appropriate Travel Request/Authorization form to the department director or designee for prior approval. Please note that a copy of the completed travel form and copies of any trip-related receipts charged to the purchasing card must be submitted with the monthly department reconciliation. The submission of a copy of the travel form is required even though some travel items are authorized to be placed on the purchasing card while others are handled through the regular purchase order and reimbursement process.

If a gift card is issued to card holder for a qualifying purchasing event, said gift card must be submitted to the Finance Department so that the card may be applied to next department purchase.

**VII. TAXES**

Most purchases are exempt from sales tax. Cardholders must assure that sales tax has not been added to the receipt or request that a credit be processed. Some internet purchases will require the cardholder to call a customer service number on the company's website in order not to have taxes placed on the order; it is the responsibility of the cardholder to ensure that this occurs. Cardholders using a purchasing card out of state may be subject to that state's tax law.

**VIII. BACKORDERS**

A backorder must be processed as a separate transaction. The City will only pay for goods received at the time of purchase.

**IX. LOST OR STOLEN CARDS**

If a card is lost or stolen, immediately contact 1-888-934-1087 and the Finance Department. Verbal reports of a lost or stolen card must be confirmed by e-mail to the Director of Finance.

**X. CREDITS/RETURNS**

Merchandise returned must be credited to the City's account to which the transaction was charged. Cardholders are not authorized to receive a cash payment or store credit for returned merchandise. It is the responsibility of the user department to assure that credits for returned merchandise are properly applied to the monthly account statement.

**XI. DISPUTES/ERRONEOUS CHARGES**

It is the responsibility of the cardholder to document and resolve disputes and erroneous charges directly with the vendor. In most cases, disputes can be resolved in this manner. If a dispute cannot be resolved, a Purchasing Card Transaction Dispute Form will need to be completed in its entirety and emailed. (Exhibit "C")

**XII. ANNUAL PURCHASING CARD INVENTORY**

An annual purchasing card inventory will be conducted by each user department. A list of all department cardholders will be provided to user departments by the Finance Department. User departments are responsible for reviewing, approving and returning the inventory listing to the Finance Department.

In conjunction with the annual purchasing card inventory, department directors or designee will be asked to justify keeping low usage purchasing cards. A card is considered to have low usage if the card has 12 or fewer transactions in the previous calendar year. A list of all department low usage cards will be provided to user departments. Director justification is requested in the form of a memorandum/e-mail addressed to the Finance Department.

**XIII. RECORD KEEPING/RECEIPTS**

It is the responsibility of the cardholder to obtain transaction receipts for all purchases. Sales receipts or packing slips must be obtained whether a purchase is made in person or via telephone, fax, mail, or over the Internet. It is the employee's responsibility to assure that the description on the sales receipt or packing slip is legible and clearly describes the purchase. These receipts will be used by department representatives to balance the monthly reconciliation and be part of the documentation kept on file to substantiate the payment process.

Documentation maintained must be accurate, accessible and complete, as it not only records the transaction, but also supports the legitimate business purpose of the purchase. In addition to sales receipts and packing slips, the following are additional examples of supporting documentation:

- Copies of internal order forms
- Subscription or dues forms
- Conference registration forms
- Statement of service report from vendor performing on-site repairs
- Cash register receipts

In the event all efforts to obtain documentation of a transaction have failed, the cardholder must attach a written description of the purchase along with a signed certification that the purchase was made in accordance with City policy. Failure to provide certification may result in disciplinary action and the employee may be required to pay the City for the undocumented expense.

The cardholder is responsible for submitting all documentation to their department representative as soon as possible. It is essential that the established time frames and documentation requirements be followed to insure timely payments.

**XIV. BILLING STATEMENTS/MONTHLY DEPARTMENT VISA RECONCILIATION**

Department representatives will be given access to Regions Card Management System in order to download billing statements, review transactions and reconcile. Department representatives will be required to have monthly reconciliation completed and sent to the Finance Department by the 15th of the following month.

**XV. CHANGES IN AUTHORIZED USERS**

It is the responsibility of the user department to contact the Director of Finance concerning any change to an authorized cardholder's employment status such as transfer or termination. Cards must be returned in person to the Director of Finance. Cards may not be returned via interoffice mail.

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**CITY OF CALLAWAY CARDHOLDER ACCEPTANCE FORM**

**I AGREE TO THE FOLLOWING REGARDING THE USE OF THE CITY OF CALLAWAY PURCHASING CARD ASSIGNED TO ME FOR OFFICIAL CITY OF CALLAWAY BUSINESS ONLY.**

1. I understand that I am being entrusted with a powerful and valuable tool and will be making financial commitments on behalf of the City of Callaway and will strive to obtain the best value for the organization.
2. I understand that under no circumstances will I use the Purchasing Card to make personal purchases, either for myself or others. Willful intent to use the Purchasing Card for personal gain or unauthorized use may result in disciplinary actions up to and including termination of employment and prosecution to the extent permitted by law.
3. I will follow purchasing policies of City of Callaway, and the established guidelines for using the Purchasing Card. Failure to do so may result in either revocation of my card privileges or other disciplinary action.
4. I have been provided a copy of the Purchasing Card Policy and Procedures and have been given an opportunity to ask any questions to clarify my understanding of the Purchasing Card Program.
5. I agree to review and reconcile transactions within 72 hours and will maintain all applicable information and receipts.
6. I understand that I am responsible for all charges made against the card.
7. I understand that a lost or stolen card must be reported immediately by telephone to Region Bank (24 hours a day 7 days a week, 1-888-934-1087). A report of the lost or stolen card must also be made to the Director of Finance by the beginning of the next business day.
8. I understand that I must surrender my card upon termination of employment or transfer and no further use of the card is authorized.
9. I agree that, should I violate the terms of the Agreement, I will be subject to disciplinary action up to and including termination of employment and that I will reimburse the City of Callaway for all unauthorized charges and any costs related to the collection of such charges.

\_\_\_\_\_  
Cardholder Name (Print)

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Department Head (Print)

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Date



**Purchasing Card Transaction Dispute Form**

To: \_\_\_\_\_ Email: \_\_\_\_\_

Date: \_\_\_\_\_ From: \_\_\_\_\_

Case Number: \_\_\_\_\_

\*\*\*Please contact 1-888-934-1087 to obtain a Case Number prior to submitting this form \*\*\*

If you believe a transaction on your statement is an error or unauthorized, please complete this form in its entirety, or write a detailed letter on a separate sheet attached to this form with any accompanying documentation. Return this form via email (RegionsRiskTeamMailbox@hp.com). If unable to email, this form may be mailed to Commercial Card Services, Attn: Fraud Dept., PO BOX 1049, Southeastern, PA 19398.

Cardholder Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Business Name: \_\_\_\_\_

Contact Number: \_\_\_\_\_ Email: \_\_\_\_\_

Transaction Amount: \_\_\_\_\_

Merchant Name: \_\_\_\_\_

Transaction Date: \_\_\_\_\_

Reference Number: \_\_\_\_\_

If disputing multiple items, please enter "See Attached" for Transaction Amount, Merchant Name, Transaction Date, and Reference Number and list transactions on separate sheet.

Is the card in your possession?  Yes  No

Do you believe the transaction(s) to be fraudulent?  Yes  No

\*\*\*Accounts with fraudulent activity must be closed in order to prevent additional fraud\*\*\*

Please contact the Fraud Dept. at 1-888-934-1087, option 3 to report fraud prior to submitting this form.

**Dispute initiated for the following reasons (Please select only one):**

1. The amount of the charge was increased from \$\_\_\_\_\_ to \$\_\_\_\_\_ or my sales receipt was added incorrectly. Enclosed is a copy of the sales receipt that shows the correct amount.

2. Fraudulent charge - I certify the charges listed were not made by me or a person authorized by me to use my card, nor were the represented goods or services received by me or a person authorized by me. **\*\*\*NOTE: This option is for fraud only and requires the account to be closed\*\*\***

3. I do not recognize the charges listed above and would like to receive more information from the merchant concerning the details of the charges or I need a copy of the sales receipt for my records. I understand that if, upon review of the merchant's information, it is determined the charges are valid, my account will be charged a \$7.50 Receipt Copy Fee per sales receipt received (This fee will not be charged if the charges are determined to be unauthorized or invalid).

4. I have not received merchandise that was supposed to be shipped to me on \_\_\_/\_\_\_/\_\_\_\_. I contacted the merchant on \_\_\_/\_\_\_/\_\_\_\_ to credit my account, but this has not happened. The merchant provided the following response to my inquiry (required): \_\_\_\_\_

5. A credit has not posted to my account and it has been more than 15 days. (Please attach a copy of the credit slip):

\_\_\_\_ The attached credit slip was listed as a charge on my statement

\_\_\_\_ I was issued a credit from the merchant that has not shown on my statement.

6. Although I did engage in the above transaction, I dispute the entire charge or a portion in the amount of \$\_\_\_\_\_. I have contacted the merchant and requested a credit adjustment. I either did not receive the credit or it was unsatisfactory. I am disputing the charge because \_\_\_\_\_

7. I certify that the charge in question was a single transaction, but was posted twice to my statement. I did have all cards in my possession at the time. I did not authorize the second transaction of \$\_\_\_\_\_

8. The merchandise or services I received was paid for by other means. (Please attach proof of payment by other means such as a copy of a cancelled check, a copy of a credit card statement, etc.).

9. I notified the merchant to cancel this recurring charge on \_\_\_/\_\_\_/\_\_\_\_. The cancellation number provided to me is \_\_\_\_\_. I cancelled the transaction because \_\_\_\_\_

10. Merchandise received by me was (check one):  
\_\_\_\_ Damaged \_\_\_\_ Defective \_\_\_\_ Unsuitable for Use \_\_\_\_ Not as Described \_\_\_\_ Counterfeit

Please explain what was expected from the merchant versus what was received and details regarding your attempt to resolve the situation with the merchant. \_\_\_\_\_

11. Service provided to me was (check one):  
\_\_\_\_ Unsuitable for Use \_\_\_\_ Not as Described \_\_\_\_ Misrepresented

Please explain what was expected from the merchant versus what was received and details regarding your attempt to resolve the situation with the merchant. \_\_\_\_\_

12. Although I did engage in a transaction at the merchant, I was billed for additional transactions that I did not engage in, nor did anyone else authorized to use my card. I did have all cards in my possession at the time of the transactions in question. Please list the additional transactions. \_\_\_\_\_

13. Other. Please explain: \_\_\_\_\_

Signature (required): \_\_\_\_\_ Date: \_\_\_\_\_