

PURCHASING 101

City of Lakeland
Risk Management & Purchasing Department
Purchasing and Stores Division

Revised 11/20

PURCHASING 101

SECTION I - How to Begin

Is the purchase available from one of the City's annual contracts?

Does the City have an annual contract? If so, you may be able to purchase directly from the contract (the list can be found on InSite\City Services\Risk-Purchasing). If not, determine if another governmental agency has a bid or contract for the item/service and piggyback:

- Polk County BoCC
(<https://www.polkcounty.net/procurement>)
- Polk County School Board
(<https://polkschoolsfl.com/purchasing>)
- Cities within Polk County
- Other statewide governmental agencies

Is the purchase on a State Contract?

- Departments can use State Contracts, Agreements and Price Lists when the contract offers products/services that meet user requirements.
- You can access a list of the State Contracts on the purchasing website at:
http://www.dms.myflorida.com/business_operations/state_purchasing/vendor_information/state_contracts_agreements_and_price_lists. Click on the “State Term Contracts” link.

Is the Total Purchase Less Than \$5,000?

The item/service is not available by an existing annual contract or State Contract does not exist:

Department may select the best source without seeking competitive quotes, however, since this is public funds, Purchasing encourages you to get quotes.

Is the Total Purchase Greater than \$5,000 and Less than \$35,000?

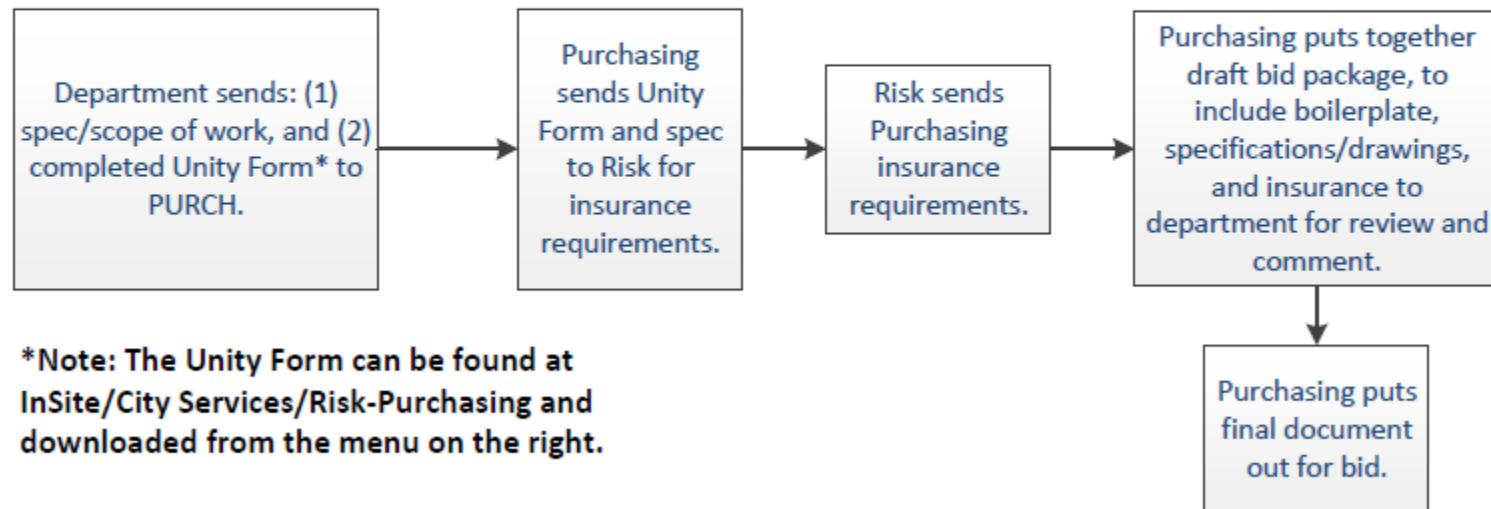
The item/service is not available by an existing annual contract or State Contract does not exist:

- Department shall obtain competitive quotes and purchase item/service from supplier offering the lowest quote meeting specifications; work with Risk Management to obtain insurance requirements.
- Three quotes preferred.
- Quotes must be attached to the purchase requisition (for auditing purposes).

Is the Total Purchase Greater than \$35,000?

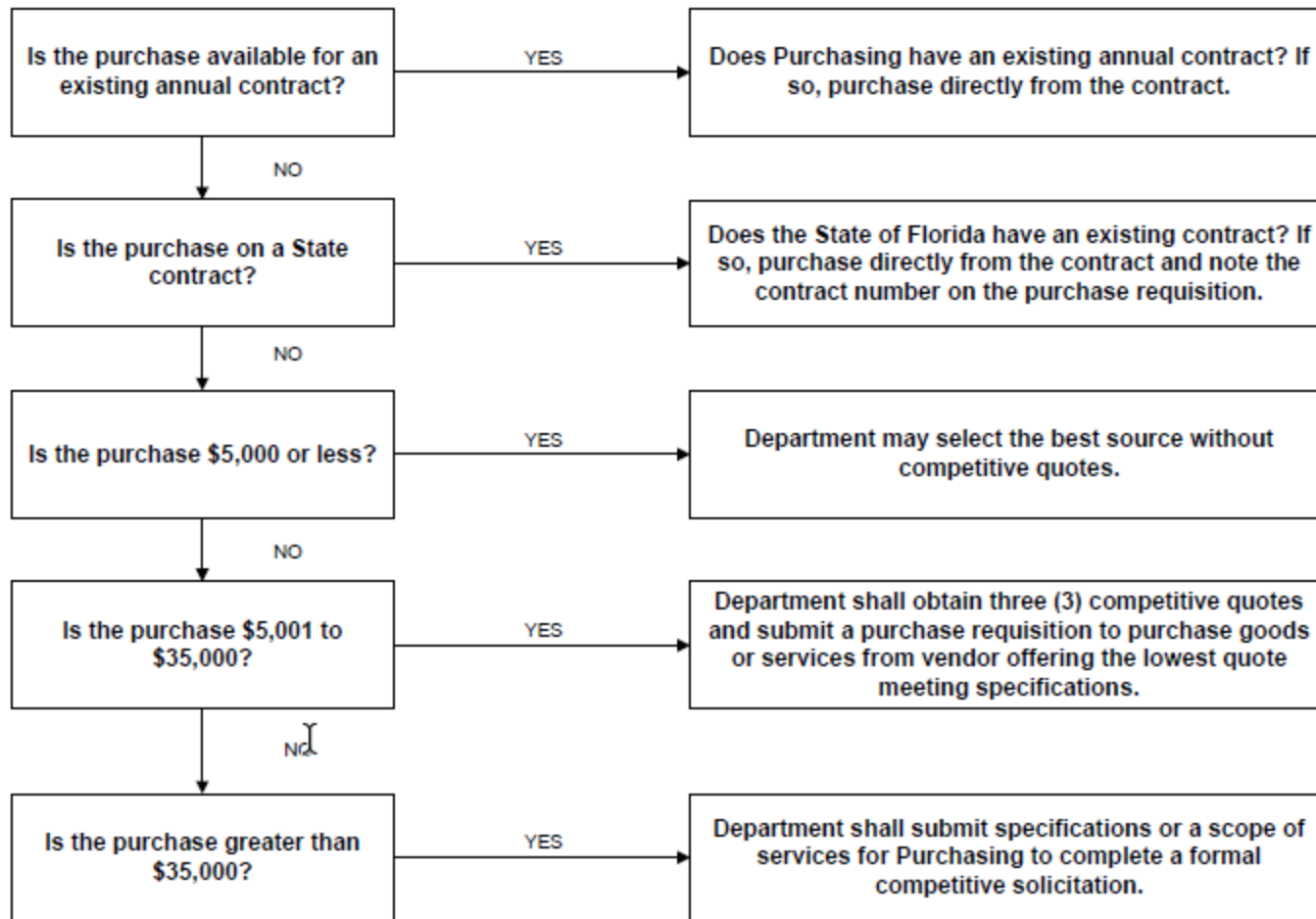
- In Oracle, enter a purchase requisition (results in a purchase order), or send a written request (e-mail or memo) for Purchasing to complete a competitive solicitation.
- Make sure the information includes a description of the item/service to be purchased as well as an approximate dollar amount.
- Send e-mail to PURCH with: (1) detailed specifications that include quantity required, date required (if applicable), delivery location, including any other pertinent information required in the procurement; and (2) completed Unity Form (can be found on InSite\City Services\Risk-Purchasing).
- Include a suggested list of recommended suppliers (if known) including contact information, e-mail address and phone number.

Bid / RFP Request Process



***Note: The Unity Form can be found at InSite/City Services/Risk-Purchasing and downloaded from the menu on the right.**

Purchasing Flowchart

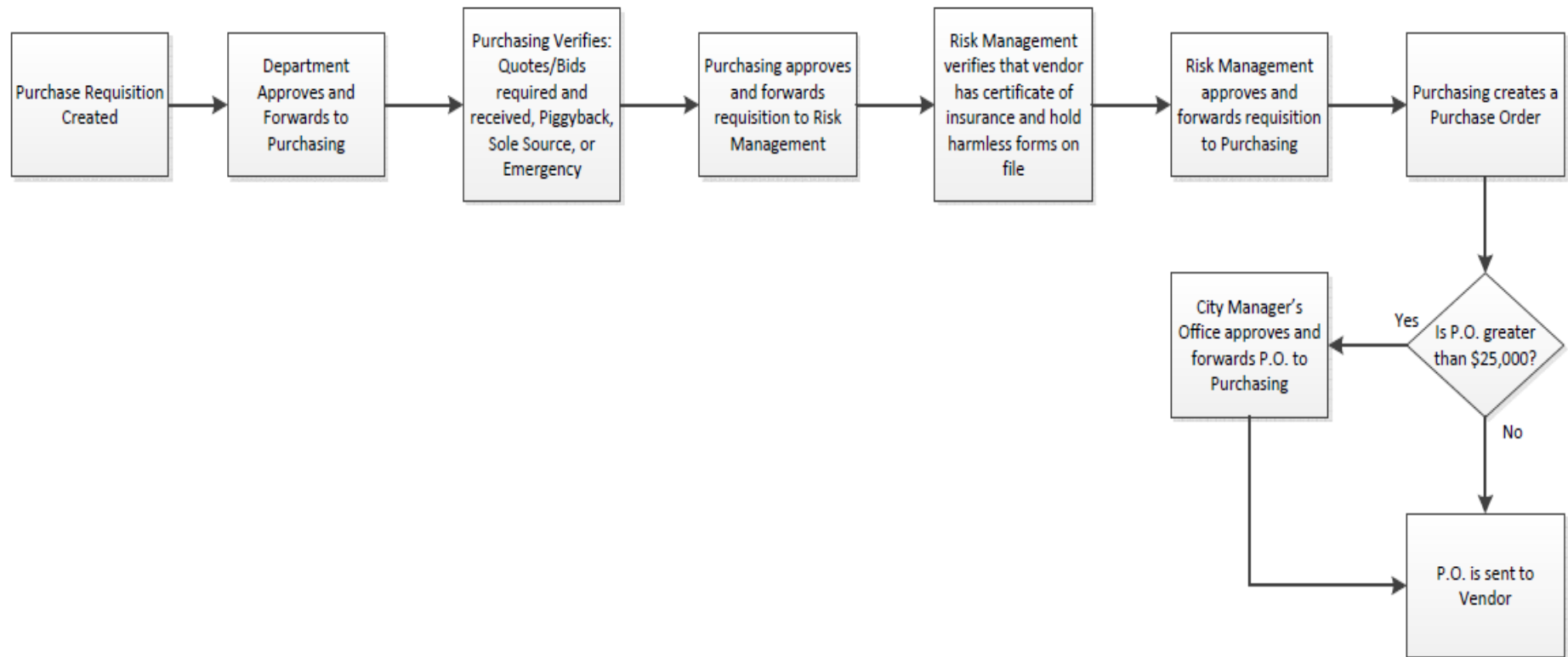


Sole source purchases greater than \$1,500 require Purchasing approval using the Sole Source Justification form. Purchasing staff will send an electronic version upon request.

Emergency purchases are processed in accordance with Purchasing Manual.

Purchasing Flowchart

Purchase Requisition Process



Section II

Common Procurement Methods

- Request for Quotation
- Competitive Sealed Bid
- Request for Proposals
- Request for Qualifications (CCNA)
- Sole Source
- Emergency Purchase

- Work with a Purchasing Agent to determine which method is best for your requirements.
- Additional information is included in the City's Purchasing Manual at: <http://www.lakelandgov.net/purchasing>.

Request for Quotation

A procurement method generally used for small orders under a certain dollar threshold, such as \$35,000.00. A request is sent to suppliers along with a description of the commodity or services needed and the supplier is asked to respond with price and other information by a predetermined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance, and reliability.

Request for Quotation

- Use: Low Dollar/Risk; May be Written (Fax or E-mail Quotes)
- A mandatory public posting is not required (determined by Purchasing Agent)
- Method of Award: Low cost quote meeting minimum bid specifications

Competitive Sealed Bid

A procurement method used to solicit competitive sealed bid responses for purchases \$35,000 and above, sometimes called a formal bid. It must be submitted in a sealed envelope and in conformance with a prescribed format to be opened in public at a specified date and time. Price is the basis for award, and award is made to the lowest most responsible, responsive bidder.

Competitive Sealed Bid

- Use: Solicitations where requirements are well defined and detailed for goods and/or services.
 - Formal Process through Purchasing
 - Written Documents
 - Public Openings
- Bid must be posted on Purchasing website and bulletin boards.
- Method of Award: Lowest most responsible and responsive bidder.

Request for Proposals (RFP)

A procurement method used to solicit proposals from potential providers (proposers) for goods and services. Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price, prior to contract award. May include a provision for the negotiation of best and final offers.

Request for Proposals (RFP)

- **Uses:**

- Specifications can't be clearly defined.
- Several possible solutions
- Based on user needs.
- Cost is only one factor in determining award.

- **Method of Award:**

- Best Offer (Best Value)
- Point Based Evaluation (determined before RFP is posted).
- Evaluation Team

- **Evaluation:**

- Technical Evaluation (per criteria and points posted in the RFP specifications)
- Cost Proposal Evaluation
- Possible Interviews
- Award to Offeror receiving the Highest Total Points

Request for Qualifications (RFQ)

A procurement method used to obtain statements of the qualifications and performance data of potential firms or consultants in order to evaluate their qualifications, approach to the project, and ability to furnish the required services. In determining whether a firm is qualified, consideration is given to such factors as the ability of professional personnel; whether a firm is a certified minority business enterprise; past performance; willingness to meet time and budget requirements; location; recent, current, and projected workloads of the firms; and the volume of work previously awarded to each firm by the agency.

Request for Qualifications (RFQ)

Use:

- For professional services defined by FS 287.055: architectural, engineering and surveying.
- Project specific.
- Continuing contract.

Method of Award:

- Qualifications based.

Evaluation: Professional Services

Selection Committee.

Current statements of qualifications and performance

- Possible Interviews
- Competitive Negotiation with top ranked firm

Sole Source Procurement

Occasionally it is necessary to replace an item with an exact duplicate available from one vendor. Also, there may be certain products or services which are so unique that they can only be supplied from one source. Such uniqueness would warrant that only one reasonable and practicable source exists to supply a particular good or service, because (1) they are proprietary, or available from only one source, and for which there are no competitive alternate sources, or (2) standardization of equipment and/or maintenance, warranty, or other justifiable economic factors.

Sole Source Determination

The following conditions must be met:

- Attempts to identify alternate suppliers have been made and documented.
- An explanation of the uniqueness of the product or service is given; accordingly, it is the responsibility of the requisitioner to justify and explain the need for any “sole source” purchase. Documentation can be provided through the use of the Sole Source Justification Form or Notice of Intent to Sole Source.

Sole Source Determination (cont.)

- Purchasing and/or the originating department may negotiate with a sole source provider under the following circumstances/examples:
 - The needed product or service is available from only one known source, and such determination has been made by the Purchasing Manager.
 - The product or service is wanted for experimental trial or testing.
 - The product is purchased for resale.
 - Additional products or services are needed to complete an ongoing task.

Emergency Purchases

- True emergencies cannot be anticipated. Emergencies may occur due to accidents, equipment or infrastructure failures, inclement weather, sabotage, vandalism, and unforeseen or hidden worksite conditions.
- To initiate an emergency purchase, the Purchasing Manager or designee will be contacted at any hour and the nature of the emergency will be explained. If neither of the Purchasing officials is available, and the value of the emergency purchase exceeds \$10,000, the Assistant City Manager, Deputy City Manager or City Manager will be contacted for approval.

Emergency Purchases (cont.)

- In all other circumstances, if none of the authorizing officials specified above are available to make the decision, a department head or any City employee authorized by a department head to initiate emergency purchases may proceed without following normal purchasing procedures as described herein.
- The party assuming responsibility for the emergency purchase will first make a determination using the prescribed criteria as to whether a true emergency exists. The party assuming responsibility for the emergency purchase must also limit the amount purchased to only that which is necessary to meet the emergency circumstances and must consider whether there is sufficient time to seek verbal quotations from more than one vendor.

Local Vendor Preference

- Ordinance No. 20-043 dated 11/16/2020
- A Local Business shall be defined as a vendor, supplier or contractor that: (i) conducts business within the jurisdictional limits of Lakeland Electric's service territory by providing goods, services or construction; (ii) maintains a physical business location within the jurisdictional limits of Lakeland Electric's service territory in an area legally zoned for conducting such business; (iii) conducts business on a daily basis from the local business location; (iv) has conducted business from such location for at least twelve (12) consecutive months prior to the due date for the applicable bid or proposal; and (v) provides a copy of its local business tax receipt, if located within the City of Lakeland, or a copy of its Polk County local business tax receipt, if located outside of the City limits but within Lakeland Electric's service territory.

Local Vendor Preference (cont.)

- When written quotations or sealed bids received do not exceed \$250,000 and the lowest price offered is not by a local business, but a local business is within ten percent (10%) of the lowest price offered, then the local business will be awarded the quotation or bid.
- When sealed bids received exceed \$250,000 and are up to \$500,000 and the lowest price offered is not by a local business, but a local business is within seven and one-half percent (7.5%) of the lowest price offered, then the local business will be awarded the bid.
- When sealed bids received exceed \$500,000 and are up to \$1,000,000 and the lowest price offered is not by a local business, but a local business is within five percent (5%) of the lowest price offered, then the local business will be awarded the bid.

Local Vendor Preference (cont.)

- When sealed bids received exceed \$1,000,000 and the lowest price offered is not by a local business, but a local business is within two and one-half percent (2.5%) of the lowest price offered, and provided the difference in price does not exceed \$100,000, then the local business will be awarded the bid.
- In the event two or more local businesses offer prices that are within the above local preference percentages, award shall be made to the local business offering the lowest price that is otherwise responsive, responsible and fully qualified to meet all City requirements.
- For all other competitive solicitations such as Requests for Proposals, Requests for Qualifications, Letters of Interest or other competitive negotiations and selections for which objective factors are used to evaluate responses by assigning point totals, local businesses shall be assigned ten (10) additional points to their total combined evaluation score.

Standard City Contract

- Reviewed by Risk, Purchasing, City Attorney's Office and Lakeland Electric (LE) Contracts Division (as applicable for LE.)
- Included with sealed bid documents.
- Contains standard terms and conditions, indemnification and insurance requirements.

Section III Competition and Ethics

Your Responsibility:

- Make sure specifications are written to obtain adequate competition (not tight or restrictive).
- Planning a Procurement – Allow sufficient time to follow internal procedures and Purchasing requirements and procedures. (Lack of planning on your part does not justify an emergency on our part)
- If You Don't Know – Please Ask Purchasing
- Keep Good Documentation on your Purchases

Be Independent

Act Only in the Public Interest

**You are a Trustee of the Public's
Money**

Follow the Law

Strive for Efficiency

Do Not Accept Gifts from Vendors

Do Not Socialize with Vendors

Maintain Confidentiality

Do Not Play Favorites

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As always, please visit us at
www.lakelandgov.net/purchasing.