

# PURCHASING 101

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

Revised 02/23

# 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 (contact 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 and other statewide governmental agencies
- National cooperatives, such as OMNIA Partners, Sourcewell, BuyBoard, HGAC, etc.

# 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](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:

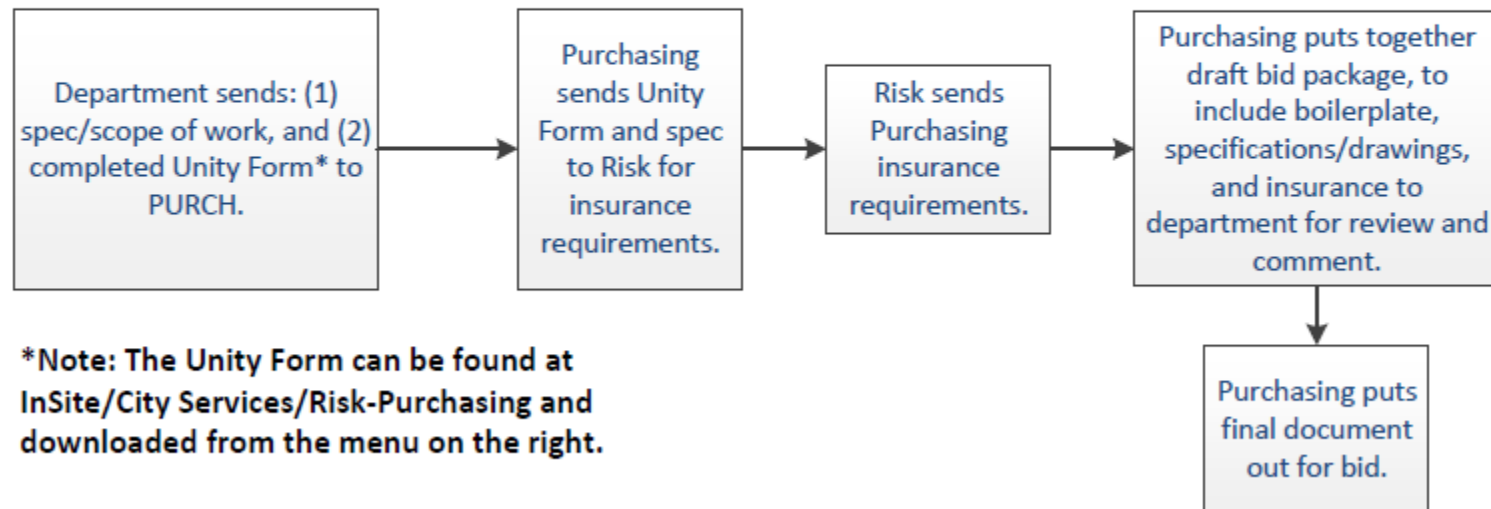
- Department shall obtain competitive quotes and purchase item/service from supplier offering the lowest quote meeting specifications; work with Risk Management to obtain insurance requirements.
- Three quotes preferred.
- Quotes must be attached to the purchase requisition (for auditing purposes).

# 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.

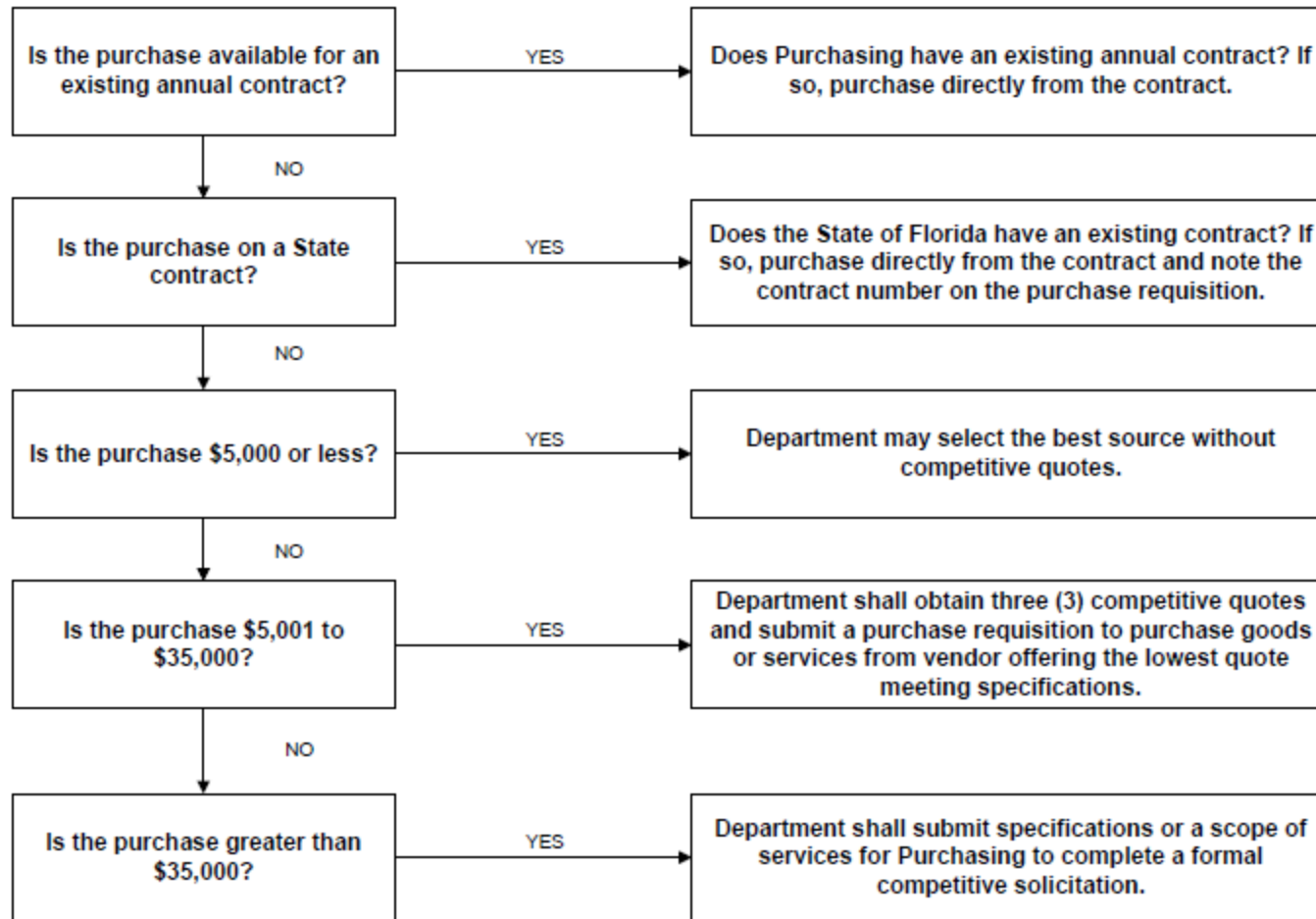
## Bid / RFP Request Process

---





# Purchasing Flowchart

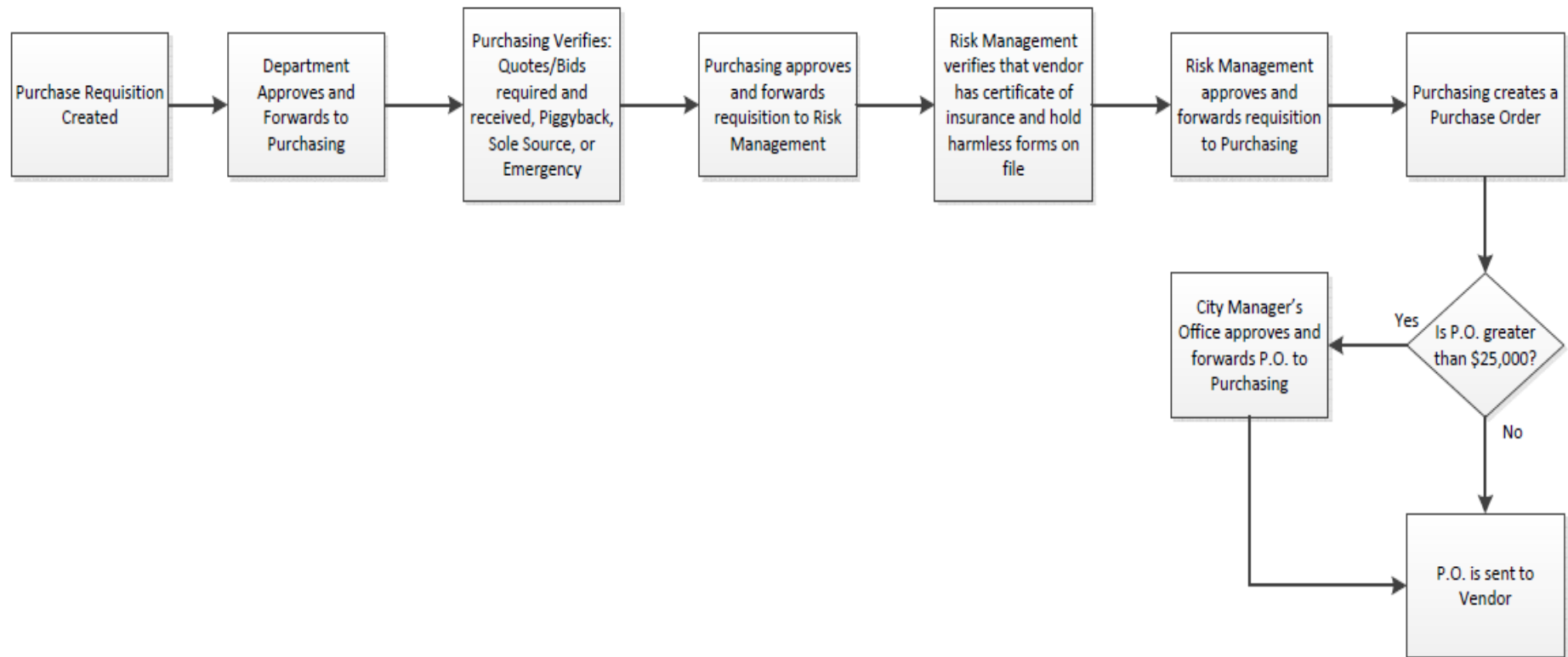


Sole source purchases greater than \$5,000 require Purchasing approval using the Sole Source Justification form. Purchasing staff will send an electronic version upon request.

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 specific 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. These are known as “sole source” purchases and according to our policies and procedures, the requirement for competition may be waived if the following conditions have been met:

# 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.
  - If there exists more than one responsible source, and a competitive process cannot reasonably be used or, if used, will result in a substantially higher cost to the City, will otherwise injure the City's financial interests or will substantially impede the City's administrative functions or the delivery of services to the public
  - The product or service is wanted for experimental trial or testing.
  - The product is purchased for resale.
  - A product or service is purchased from, or a sale is made to, another unit of government.

# Sole Source Determination (cont.)

- The product is a component or replacement part for which there is no commercially available substitute and is only available from the manufacturer, sole distributor or provider
- A specific material or service is required in order to standardize or maintain standardization for the purpose of reducing financial investment or simplifying administration.
- The needed product or service may be available from more than one source. However, due to documented advantages such as uniqueness, vendor qualifications, timeliness, etc., a sole source purchase may be initiated when such determination has been justified that there is only one practicable and reasonable source, with confirmation by the Purchasing Manager

# Emergency Purchases

- Emergency purchases for goods and services may be made in the event of a disruption of essential operations caused by a natural or manmade event or civil unrest, or when there exists a potential or actual threat to the public's health, welfare or safety requiring disaster preparedness, or when the protection or preservation of public property (collectively referred to as an "emergency") would not be possible through normal purchasing procedures; provided that such emergency purchases shall be made with competition as is reasonably practical under the circumstances. A written determination of the basis for the emergency purchase and why a specific vendor was selected shall be prepared and filed accordingly with the Purchasing Division.
- In an emergency which requires immediate purchase of goods and/or services and which are not expected to exceed \$50,000, the person designated per the City Manager shall have the authority to secure or cause to be secured, at the lowest obtainable and reasonable price(s), the goods and/or services necessary to alleviate the emergency.



# Emergency Purchases (cont.)

- The City Manager (or authorized representative), may also approve purchases in excess of \$50,000 when deemed in the best interest of the health, safety or welfare of the City to alleviate the emergency.
- Emergency purchases in excess of \$50,000 may be reported at the next regularly scheduled meeting of the City Commission by the City Manager.

# Local Vendor Preference

- Ordinance No. 5912 dated January 3, 2022
- 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 additional points equivalent to five percent (5%) of 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.)
- 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**

# Risk Management & Purchasing Department Purchasing and Stores Division

As always, please visit us at  
[www.lakelandgov.net/purchasing](http://www.lakelandgov.net/purchasing).