

**Budget and Fiscal Services Department
Purchasing Division**

Policy and Procedures Review



Final Report

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Introduction and Executive Summary

The Alachua County Budget and Fiscal Services Department (BFSD) contracted with the National Institute of Governmental Purchasing, Inc. Consulting (NIGP) for a review of Alachua County's (County) Purchasing Policies and Procedures Manual including:

- Ordinances, statutes, procurement policies and procedures to ensure consistency with current practice and industry best practices in the profession
- State legislation that impacts the County
- Regulatory constraints that may impede efficiency
- Other policy and procedures manuals related to purchasing practices and procedures, such as P-card programs and vendor guides
- Comparison to the American Bar Association Model Procurement Code and regulations
- Comparison to two comparable entities

NIGP Consulting assigned consultant Mr. Terry McKee, MPA, CPPO, CPPB, C.P.M., to this project. Mr. McKee possesses over 29 years of public sector procurement experience at the local government level (County, Public School District and a Public Housing Authority). Mr. McKee has been with the Consulting Program since its inception in 1995 and has conducted many reviews for a variety of governmental entities.

The County's contact person for this assignment was Mr. Larry Sapp, CPPB, the Purchasing Manager. He supplied the Review Team with the requested documents and information. Mr. Sapp was highly organized, professional and a pleasure to work with.

This Review was completed using NIGP's proven multiple phase methodology; *Preparation*-during which the County's written policies, procedures and the underlying Procurement codes, Statutes and Ordinances were reviewed, *Analysis* - in which an assessment was completed of all gathered information and *Report Generation*.

Preparation

The Review Team requested documentation from the County to complete the first phase of the review. This documentation along with the County's Budget and Purchasing Division webpage, the State of Florida web page and codes and statutes and the Alachua County web page were reviewed.

Analysis

The Review Team analyzed the collected information and compared it to industry standards and benchmarks as well as to Policy and Procedures manuals from the two agreed upon entities. This report proposes 21 recommendations (with most having several sub-points) in support of the findings and analysis. The recommendations reflect best public procurement practices, support strategic objectives for procurement operations, and streamline existing procurement processes. All recommendations facilitate BFSD's goal to properly manage the procurement function, enable operational improvements and improve accountability.

Report

This report is organized in six sections and recommendations for enhancing the County's Procurement process are located in each section. A Summary of Recommendations is in Appendix A.

Draft Procurement Policy

After the Policies and Procedures Manual review, NIGP prepared a revised draft Procurement Policy for the County, which incorporates current procurement principles and “best practices.”

Overview

Reporting to the Assistant County Manager for Budget and Fiscal Services, BFSD facilitates the optimal use of County government resources through budgeting, performance management, procurement and contract administration, risk management and employee benefit services. All of these services are critical for the ongoing operation of County government. The Board of County Commissioners adopted Purchasing Ordinance 86-8 in March 1986. This ordinance, commonly called the “Purchasing Code” established a purchasing division, provided for the appointment of the purchasing manager and set the authority of the purchasing manager to serve as the central purchasing officer for the County. Through the years, the ordinance has been amended and expanded to include additional responsibilities for the purchasing manager and the entire Purchasing Division.

BFSD focuses on promoting operational best practices and efficient government operations. BFSD’s customers and stakeholders include County departments and employees, the County Commission, elected officials, suppliers, contractors, municipalities, non-profits, community redevelopment agencies, the Library District and Alachua County residents and visitors.

Purchasing serves these customers by procuring, renting, leasing or otherwise acquiring materials, supplies, services, construction or equipment. Purchasing also provides support by reviewing and processing all grant and contract related documents, administering the purchasing card program and the rental car program.

The County Code (Title 2, Chapter 22), State Laws (FSS 287.055, 218 and 119), internal policies, procedures and regulations govern county purchasing activities. Additionally, constraints on grant funds from the state and federal governments regulate County procurement activities.

Purchasing provides numerous services including:

Procurement Services

- Administer the Purchasing Code
- Administer the Purchasing policies and procedures
- Administer purchasing card program
- Administer rental car program
- Enforce and monitor the small business activity in the competitive bidding process
- Enforce the County’s minimum wage requirements for contractors

Informal solicitations

- Review and coordinate specifications
- Obtain phone quotes or written quotes
- Ensure compliance with specifications
- Award the purchase order/contract

Formal Solicitations

- Coordinate the Scope of Service with departments
- Assemble bid and source list
- Establish bid dates
- Advertise bids
- Conduct pre-bid conferenced
- Publicly receive bids
- Evaluate bids for responsiveness
- Coordinate bid recommendations with departments
- Complete Finance Reports and agenda items for Board approval
- Process approved purchase orders or contracts

Contracts and Grant Document Processing

- Review and comment on Requests for Proposals and bid documents prior to the solicitation
- Assist Departments with contract negotiations
- Contract/grant document review, distribution after approval and retention
- Contract pre-review to determine consistent and accurate contract language
- Contract amendment, notice to proceed and close-out process
- Complete encumbrance

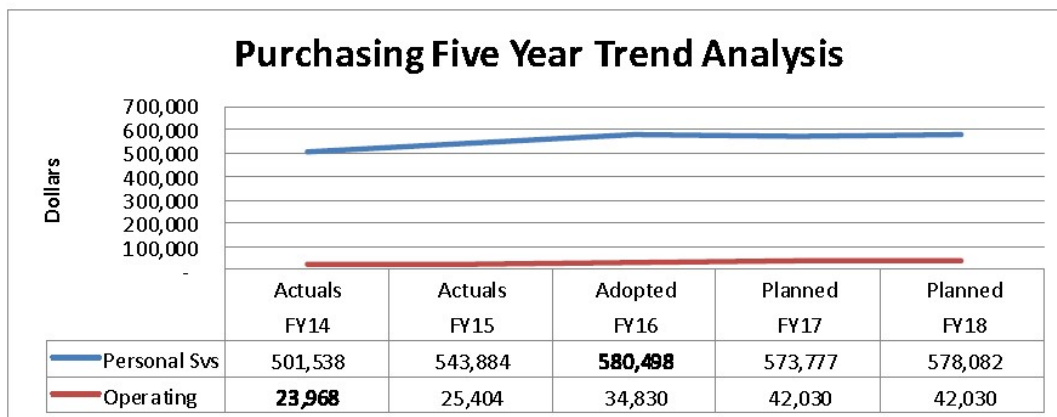
Outreach Activities

- Participate annually in the University of Florida Small Business Conference and Trade Show
- Provide training annually called "An Introduction to County Purchasing"
- Provide County-wide employee year-end training sessions
- Provide Contracts 101 training to County employees
- Provide vendor training annually "How to do Business with Alachua County"
- Complete individual training at the user department level

Purchasing Card Program Administration

- Acts as a liaison between the bank and the cardholders
- Review cardholder applications and submit to the bank
- Provide training and training materials before releasing cards to individuals
- Ensure lost or stolen cards are closed by the bank
- Assist the Department's liaisons with erroneous declines, unresolved supplier disputes, lost or stolen cards, and fraudulent charges
- Receive and distribute bank statements and monthly reports
- Analyze exception reports

Purchasing's staff size has been stable with 9 fulltime positions since FY14. In FY14 Purchasing operated on a budget of \$525,000 and in FY18, the budget was \$620,112. This reflects an 18% increase over five fiscal years. This equals a 3.6% increase each year but in reality the significant growth occurred in only two of the fiscal years (FY16 and FY17) and in the operating portion of the budget only. With that said, when examined as a bar chart, this growth still means that Purchasing's trend line is nearly flat.



Purchasing consists of two sections Grants/Contracts Administration (2 FTEs) and Purchasing Section (6 FTEs) and is headed by a purchasing manager (1 FTE). Two of the FTEs are staff assistants (1 in Grants/Contracts Administration and 1 in the Purchasing Section).

As noted in the BFSD Business Plan for Fiscal Year 2016-2017 (page 28), the Purchasing Section handles approximately 70 bids each year and there were no valid bid protests during this time period. Among other reasons noted for this spectacular protest rate is “the dedication of highly qualified staff.” The County’s Purchasing Section was the recipient of the "Achievement of Excellence in Procurement Award" in 2010, 2011, 2012, 2013 and 2014. The National Purchasing Institute's Achievement of Excellence in Procurement Award recognizes organizational excellence in procurement. Those organizations that demonstrate excellence in procurement by obtaining a high score on a rating of standardized criteria receive the award. Recognized nationally and internationally, the award is the gold standard for the achievement of excellence, innovation and best practices in the profession of public procurement. In 2013, the Alachua County Purchasing Division was 1 of only 22 government agencies in the state of Florida receiving the award and 1 of only 43 counties in the United States to receive the award.

BFSD oversees a Purchasing Card (P-card) program which has good results. In terms of the ratio of P-cards issued to the total number of employees, the County compares rather well with 19.52% of its employees having P-cards (the RPMG 2017 P-Card Benchmark survey study showed the average is 13.4% with a “best practice” of 16.1%). Yearly spend is reported at \$1,613,734. However, that equates to \$9,961 per cardholder per year. This is somewhat low when compared to a benchmark study conducted by the Review Team for another (larger) entity in Florida last year. That study showed the average spend per cardholder (of the six responding entities) was an average spend of \$35,597. The RPMG 2017 study shows a figure of \$39,300 for average spend per cardholder per year. As an aspirational goal, the RPMG study shows that mid-sized counties (annual budgets above \$25,000,000 and less than 1,000 employees) have an average of \$216,505 in monthly spend.

The Review Team reviewed and compared the County’s policies, processes and responsibilities to the American Bar Association’s Model Procurement Code (MPC), the *2017 NIGP Public Procurement Benchmark Survey Reports*, and the *2017 RPMG Research Corporation P-Card Benchmark Survey*. The Team reviewed relevant benchmarks and documents to make recommendations consistent with current best practices in the profession. The MPC provides the elements for a well thought out legal and procedural framework for procurement in a governmental

entity. The Review Team recommends that the County consider revamping its ordinance into one MPC style comprehensive document. RPMG is the recognized source for data about purchasing card programs. NIGP is the institute for public procurement and its benchmark studies set a high bar.

While BFSD has a good ordinance and a good procedures manual, it needs to consider changes and improvements to its purchasing ordinance and corresponding manuals. BFSD should consider several enhancements to its policies and practices to maximize its procurement operation. This report provides a roadmap for the transformation of County policies to generally accepted best practices.

NIGP Consulting appreciated the support and assistance provided by County staff throughout the engagement, and we stand ready to assist BFSD in any manner desired.

Part I Purchasing Ordinance Comparison

A sound, well-organized procurement program rests on a foundation of procurement policies, regulations and procedures. Procurement policies, regulations and procedures are the basis of maintaining a procurement program that is fully transparent, so that all stakeholders having an interest in the program are aware of the approach for spending taxpayer funds and the processes involved for all types of procurements.

Procurement rules, policies and procedures enhance or hamper procurement processes and service. As they either strengthen or weaken the function, it is imperative that rules, policies and procedures are as efficient and effective as possible. With this understanding, the Review Team examined the procurement rules, policies and procedures to identify conflicts and weaknesses and to identify potential changes that would result in more effective and efficient purchasing operations.

Public procurement agencies must evaluate their methods, policies and processes on a consistent basis. Procurement agencies are responsible for acquiring needed goods and services in a cost effective manner while ensuring compliance with legal requirements, professional standards and best practices. A procurement procedures manual establishes and describes the internal procedures for use by all personnel. The entity publishes additional procedures manuals for internal clients and the suppliers conducting business with the procurement organization.

Upon contract award, the Review Team requested the various documents that County procurement maintains. The Review Team examined and compared these documents to those from other agencies as well as the ABA Model Procurement Code. Within these documents, the Review Team examined procurement authority, procurement methods, supplier management, thresholds, processes and many other topics to gain an understanding of the County's requirements and processes. The Review Team determined that while these provide detail to the purchasing process, updates and enhancements would improve the documents and benefit the County.

The framework for the County's procurement operations are its ordinance, the P-Card Policy & Procedures Manual, various other manuals and the State of Florida's Codes for local government procurement. The County ordinance establishes basic policy, follows Florida law and establishes the contracting and bidding rules for the County.

Generally, in the United States, procurement activities are limited to what is expressly authorized in ordinances or regulations. Florida's "Home Rule" provisions of the state constitution provide municipal governments the right to perform municipal functions and service and the right to exercise any power for municipal purposes except as otherwise provided by law (Article VIII, Section 2(b) of the 1969 Florida Constitution). However, the Review Team recommends that to the greatest extent possible, the procurement rights, rules and responsibilities be clearly enunciated. This allows County staff, County procurement staff, citizens and others to clearly understand what is authorized.

Comparison to ABA Model Procurement Code

Many entities have adopted the MPC to set the framework for their procurement function. The ABA created the MPC in 1979 to provide state and local jurisdictions with a basic formulation of the fundamental principles upon which durable procurement systems rest.¹ The ABA updated the code in 2000, to reflect the significant changes that had since its implementation. It presents three broad procurement areas for state and local governments:²

1. The statutory principles and policy guidance for managing and controlling the procurement of supplies, services and construction for public purposes.
2. Administrative and judicial remedies for the resolution of controversies in public contracts.
3. Ethical standards governing public and private participants in the procurement process.

While some entities adopt the entire Code, a more common approach is to adopt portions of the Code. Many entities use the format of the Code as their model for laying out their own local ordinances, as it is an excellent model. Sixteen states have adopted the MPC in whole, several more have adopted it in part and thousands of local jurisdictions have adopted it.³

Most entities combine regulations, policies and procedures, as there is a natural interplay and overlap among these items. This section compares the MPC with the County's Purchasing Ordinance and other official manuals and documents.

A comparison of the County's various procurement related documents to the MPC shows:

Item	Present in Documents
Article 1 General Provisions	
Purpose, Rules of Construction	Yes
Supplementary General Principles of Law Applicable	No
Requirements of Good Faith	No
Application of this Code	Yes
Severability	No
Effective Date	Yes

¹ American Bar Association, The 2000 Model Procurement Code for State and Local Governments (Chicago: American Bar Association, 2000), iv.

² Ibid xi.

³ Ibid iii.

Item	Present in Documents
Determinations	No
Definitions	Yes
Public Access to Procurement Information	No
Authorization for the Use of Electronic Transmissions	No
Article 2 Procurement Organization	
Creation of the Office of Chief Procurement Officer (CPO)	Partially-through the Purchasing Manager
Appointment and Qualifications	Yes
Tenure, Removal and Compensation	Yes
Authority/Duties of the CPO	Yes
Delegation of Authority	Yes
Centralization of Procurement Authority	Yes
Authority to Contract for Legal Services	No
Exemptions	Yes
Procurement Regulations	No
Procurement Advisory Council and Other Groups	No
Article 3 Source Selection and Contract Formation	
Definitions	Yes
Methods of Source Selection	Yes
Competitive Sealed Bidding	Yes
Conditions for Use	Yes
Public Notice	Yes
Bid Opening	Yes
Bid Acceptance and Evaluation	Yes
Correction or Withdrawal of Bids; Cancellation of Bids	Yes
Award	Yes
Multi-Step Sealed Bidding	No
Competitive Sealed Proposals	Yes
Conditions for Use	Yes
Public Notice	Yes
Receipt of Proposals	No
Evaluation Factors	Yes
Discussion with Responsible Offerors	Yes
Award	Yes
Debriefings	No
Small Purchases	Yes
Sole Source Procurements	Yes
Emergency Procurements	Yes
Cancellation of IFB's & RFPs	Yes, but under the capital section
Responsibility of Bidders and Offerors	Yes, but discusses previous contract crimes

Item	Present in Documents
Prequalification of Suppliers	Yes
Types of Contracts	No
Multi-Year Contracts	No
Right to Inspect Plant	Yes
Right to Audit Records	Yes
Finality of Determinations	No
Reporting of Anti-Competitive Practices	No
Retentions of Procurement Records	No
Record of Procurement Actions Taken	No
Article 4- Specifications	
Definitions of Terms	No
Regulations for Specification Preparation	Yes
Duties of the CPO	Yes
Relationship with Using Agencies	Yes
Maximum Practicable Competition	Yes
Specifications Prepared by other than [County] Personnel	To an extent
Article 5-Procurement of Infrastructure Facilities and Services	
Definitions	Yes -or Design Build
Project Delivery Methods Authorized	Just Design Build
Source Selection Methods Assigned to Project Delivery Methods	No
Scope	To an extent
Design Bid Build	No
Operations and Maintenance	No
Design Build	Yes
Design Build Operate Maintain	No
Design Build Finance Operate Maintain	No
Choice of Project Delivery Methods	No
A & E Services	Yes
Bid Security	No
Contract Performance and Payment Bonds	No
Bond Forms and Copies	No
Errors and Omissions Insurance	No
Other Forms of Security	No
Article 6-Modification and Terminations of Contracts for Supplies and Services	
Contract Clauses and their administration	Yes
Article 7-Cost Principles	
Cost Principles Regulations Required	No
Article 8-Supply Management	
Definitions of Terms	No
Supply Management Regulations Required	No

Item	Present in Documents
Allocation of Proceeds from Sale or Disposal of Surplus Supplies	No
Article 9-Legal and Contractual Remedies	
Authority to Resolve Protested Solicitations and Awards	Yes
Right to Protest	Yes
Authority to Resolve Protests	Yes
Authority to Debar or Suspend	Yes
Authority to Resolve Contract & Breach of Contract Controversies	No
Remedies	No
Time Limitations on Actions	No
Protest of Solicitations or Awards	Yes
Suspension or Debarment Proceedings	Yes
Contract and Breach of Contract Controversies	No
Appeal and Review of Procurement Appeals Board Decisions	No
Article 10-Intergovernmental Relations	
Cooperative Purchasing Authorized	Yes-under exemptions
Joint Use of Facilities	No
Supply of Personnel, Information and Technical Services	No
Article 11-Assistance to Small and Disadvantaged Businesses	
Statement of Policy and Its Implementation	Yes
Definitions	Yes
Chief Procurement Officer Duties	Yes
Article 12-Ethics in Public Procurement	
General Standards of Ethical Conduct	No
General Ethical Standards for Employees	No
General Ethical Standards for Non Employees	No
Criminal Sanctions	No
Employee Conflict of Interest	No
Employee Disclosure	No
Gratuities and Kickbacks	No
Prohibition Against Contingent Fees	No
Restrictions on Employment of Present and Former Employees	No
Use of Confidential Information	No
Civil and Administrative Remedies Against Employees Who Breach Ethical Standards	No
Civil and Administrative Remedies Against Non-Employees Who Breach Ethical Standards	No

The presence of procurement regulations and procedures containing the missing factors greatly improves the transparency of the procurement processes and sets standards for all to adhere to in processing requirements. The development of procedures and processes for the clients and vendors improves procurement transparency and fairness to all who engage in the procurement process. Without comprehensive procurement procedures, inconsistent processes result and this leads to confusion and prolonged procurement processes.

The chart comparing the County's ordinance to the Model Procurement Code has 108 items and this report notes 59 possible additional or expanded items to make the ordinance as comprehensive and effective as possible. Incorporate these items into the ordinance as appropriate. This will provide a valuable and in depth legal basis for County procurement efforts.

Comparison to Other Entities

The County suggested comparing its ordinance to those of Sarasota and Volusia County and the Review Team has done so. Additionally, during the research for this report the Review Team examined the ordinances from Leon, Manatee and Osceola Counties. The data from Leon County is on the chart below and pertinent comments about each follow the chart. While each entity is different and has its own unique needs and concerns, the chart provides a comparison to other similar entities.

Item	Alachua	Leon	Sarasota	Volusia
Additional Regulations & Procedures Authority	Yes	No	No	Yes
Alternative Construction Delivery Methods	Limited	No	Yes	No
Construction Management Services	No	No	Yes	No
Design Build Contracts	Yes	No	Yes	No
Continuation Contracts	No	No	Yes	No
Appointment & Function of Purchasing Director	Yes	No	Yes	Creates the position of Purchasing Director
Applicability	Yes	Yes	Yes (and to elected officials who choose to do so)	No
Architectural/Engineering Services on QBS	Limited	Yes (through CCNA)	Yes	Yes
Award Authority	Yes (under capital procurement)	Yes	Yes	Yes
Purchasing Director	Up to \$25,000	\$100,000	No	Up to \$25,000
Director Administrative Services	Up to \$50,000	NA	No	No
County Manager/Administrator	None	Up to \$250,000	Up to \$100,000 per fiscal year	\$25,001 to \$50,000 (Reports to Council quarterly)

Item	Alachua	Leon	Sarasota	Volusia
				\$25,001 to \$125,000 for housing rehabilitation bids (Reports to Council quarterly)
County Council/Commission	Above \$50,000	Above \$250,000	Above \$100,000	Those above \$50,000 except: 1. Those delegated to the County Manager 2. Blanket/price agreements are awarded by the Purchasing Director 3. Capital items on the approved budget provided it does not exceed the budget estimate by more than \$50,000.
Bid Rejection	Yes	Yes	Yes	Yes
Change Orders	Yes (under capital procurement)	Yes	Yes	Yes
Purchasing Director	None	Not mentioned	No	Up to \$25,000 (individually or cumulatively)
County Manager/Administrator	10% of original contract amount or \$500,000 whichever is less. This is cumulative.	If exceeds contingency amount	Up to \$100,000 for not to exceed contracts per fiscal year Up to \$100,000 for fixed fee or lump sum contracts per fiscal year	Up to \$50,000 (individually or cumulatively)
County Commission	Over 10% or \$500,000	Not mentioned	Not mentioned	Not mentioned
Other	Administrative Services and Public Works Directors can approve up to	Contracts have a contingency amount and up to that amount the Project	NA	Purchasing Director and County Manager (as appropriate) may approve changes if

Item	Alachua	Leon	Sarasota	Volusia
	\$100,000 when immediate approval is needed- provided it does not reach 10% or \$500,000	Manager can approve. Above this amount the County Administrator handles		the final cost is less than the award or less than the budgeted amount.
Can buy from Public Auctions	No	No	No	Yes
Conflict of Interest-County	No	Yes	Yes	Yes
Conflict of Interest-Vendors	No	No	Yes	No
Conflict of Interest-Penalties	No	Yes	Yes	No
Cooperative Purchasing permitted	Yes	Yes	Yes	Yes
Definitions	Yes	Yes	No	Yes
Delegation of Authority	Yes	Yes	Yes-to the County Administrator	No
Disadvantaged, Small/Woman Owned Business Enterprises Statement	Yes	Yes	No	Yes
Goal	5% to an SBE not to exceed \$50,000 on one bid 3% to a prime using a SBE up to \$50,000	Set by procurement type and by WBE and MBE	NA	10%
Emergency Purchases detailed	Yes Purchasing Manager up to \$25,000 \$25,001 to \$50,000 County Manager or Director of Administrative Services	Yes	Yes, by the County Administrator with a report to County Commission	Yes, by the County Manager with a report to County Council

Item	Alachua	Leon	Sarasota	Volusia
	Over \$50,000 Board Chair			
Environmentally Preferred Procurement	No	No	Yes	No
Establishment of Purchasing Division	Yes (within Budget & Fiscal)	No	Yes	Yes (Within Finance)
Exceptions from Policy Noted	Yes	Yes	Yes	Yes
Administrative Hearing Officers	Yes	No	No	No
Advertising	Yes	Yes	Yes	Yes
Ambulance Billing	Yes	No	No	No
Appraisals (up to \$5,000)	Yes	No	No	No
Artistic Services	Yes	Yes	No	No
Books/Software/ Artwork	Yes	Yes	Yes	Yes
Cable TV and Internet Services	Yes	No	No	No
Cellular Telephone Service	Yes	No	No	No
Commodities from state, PRIDE, government pricing or GSA	Yes	Yes	Yes	Yes
Corporate/Media Sponsorships up to formal bid level	No	Yes	No	No
Court Reporter Services	Yes	Yes	No	No
Dues/Memberships/Registrations	Yes	No	Yes	No
Educational or Academic Programs	Yes	Yes	Yes	No
Entertainment Services for County sponsored events	Yes	No	Yes	No
Expert Witness Fees	Yes	Yes	No	No
Financial Services: debt, debt service, investments, advisors.	No	No	Yes	No
Food Items	Yes	No	No	No
Grants and gifts –if it conflicts with the terms of such grants/gifts	No	Yes	Yes	No

Item	Alachua	Leon	Sarasota	Volusia
Health and Social Services	Yes	No	Yes	No
Heavy Equipment	No	Fleet Director conducts & Procurement reviews	No	No
Insurance	No	No	Yes	Yes
Interpreter Services	Yes	No	No	No
Legal Services	Yes	Yes	Yes	No
Lobbying Services	Yes	No	Yes	No
Medical Services	Yes	Yes	No	No
Non-Profits in Florida	Yes (does not say just Florida)	Yes	Yes	No
Public Utilities	Yes	Yes	Yes	Yes
Real Property purchase or lease or rental	Yes	Yes	Yes	Yes
Repairs/Products necessary to maintain warranties, licenses or compatibility	Yes (up to \$5,000)	No	Yes	No
Revenue Generating Contracts	No	Yes	No	No
Service/Maintenance Contracts for products/installations previously approved and for which the vendor is the manufacturer or developer	No	Yes	No	No
Services for management studies, executive analysis and related matters	No	No	Yes	No
Software Packages for PC's	Yes	Yes	No	No
Telecommunications	No	No	Yes	No
Title Services	Yes	Yes	No	No
Tourism Event Hosting	No	Yes	No	No
Training Media/Services-if only available from producer	No	Yes	No	No
Travel	Yes	Yes	No	No
Used Equipment	Yes	Yes	No	No

Item	Alachua	Leon	Sarasota	Volusia
Veterinarian Services	Yes	Yes	No	No
Formal Bidding at	\$50,001	\$100,000	\$100,001	\$50,001
Notice required on webpage	No	No	Only "Announcement" specified	Yes, or once in the newspaper
Notice required in newspaper	Yes	Construction up to \$200,000- at least once, 21 days prior to bid date. 30 days at \$500.000	Only "Announcement" specified	If not posted to webpage. Must be advertised once at least five days before the due date.
Details scope	Yes	Yes	No	Yes
Bid Bond/Deposit	No	Not required but usually 5% at \$200,000	County Administrator determines need	Purchasing Director determines need
Receipt of Bids Detailed	No	No	No	Yes
Bid Opening Detailed	Yes	Yes	No	Yes
Tabulation Detailed	Yes	Yes	No	Yes
Bid Corrections detailed	Yes, but only for capital procurements	Yes	No	Yes
Tie Bids	Yes	No	No	No
Inspection and Testing	No	No	No	Yes
Insurance-right to require	No	Yes	Yes	No
Inventory Management	Yes	No	No	Purchasing Director is in charge of all storeroom inventories.
Local Preference	No	Yes Up to 5% but not to exceed \$20,000 differential	Local vendor given 5 business days to match lowest bid (if not local) if the local business's bid is within 10%.	Prime Contractor: 3%
			RFPs have criterion for local business for 10% of score	Prime Using Subcontractor to meet goal: 2%
			Exempts:	
			Cooperatives	

Item	Alachua	Leon	Sarasota	Volusia
			CCNA items	Does not apply if the local vendor is \$25,000 higher than the nearest competing bid.
			Emergencies	
			Grants that prohibit it	
Minimum Wage Requirement	Yes	No	No	No
Multi-Step Bidding	No	Yes	No	No
Negotiate if no bids are received	No	Yes (if less than 2 bids are received)	Yes	The Purchasing Director may negotiate upon approval of the County Council.
Public Private Partnerships	No	No	Yes	No
Protest Procedures	Very vaguely	Yes	Yes	Yes
Bond required	No	Yes-1%	Yes-2%	No
Only responding vendors may protest	No	Yes	Yes	Yes
Must be on company letterhead	No	No	No	Yes
Must be on County form	No	No	Yes	No
Bid specification protests-How many business days?	No	No	7 business days after the posting	No
Bid Award protests-How many business days?	No	Notice: 3 after posting of notice of award Formal: 10 after notice of intent	Notice: 3 after posting of notice of award Formal: 7 after posting of notice of award	No 5
Bid specification protests stay the procurement	No	Yes	Yes	No
Bid Specification Protests may be appealed	No	Yes, to the Appeals Board	Yes, to the County Administrator	No
Bid Specification protest appeals-business days to respond	No	No	7	No

Item	Alachua	Leon	Sarasota	Volusia
This first protest notice must include all information and all protests	No	No	No	Yes
Bid Award protests stay the award	No	Yes	Yes	No
The CPO has how long to respond?	No	NA	7 business days	Within a reasonable time
Appeals must occur within how many business days?	No	NA	7 business days	5
Appeals are decided within	No	NA	7 business days (County Administrator)	
Further appeals allowed?	No	No	Yes, to the Board within 7 days of appeal denial.	With 5 business days to the County Manager-if award is below \$50,000 there are no further appeals.
			Recommended vendor may participate in the protest process.	Above \$50,000, the vendor may appeal within 5 business days to the County Commission Chair. The Commission hears the protest at its next meeting. This is the final appeal.
Payment Bond	No	100% required if project is \$200,000 or more	As determined by the County Administrator or designee	As deemed necessary the Purchasing Director in accordance with State law
Performance Bond	No	100% required if project is \$200,000 or more	As determined by the County Administrator or designee	As deemed necessary the Purchasing Director in accordance with State law
Purpose	Yes	Yes	Yes	Yes
Request for Information	No	In definitions	Yes	No
Request for Qualifications	No	In CCNA	Yes	No
Reverse Auctions	No	No	Yes	No
Right to Audit	Yes	No	Yes	No
Right to Reject All Bids	Yes	Yes	Yes	No

Item	Alachua	Leon	Sarasota	Volusia
Scope of Authority	Yes	Yes (under Authority)	Yes	Yes
Small Purchase Procedures	<u>Up to \$2,500:</u> 1 quote <u>\$2,501-\$10,000:</u> Purchasing Manager gets 2 phone quotes <u>\$10,001 to \$25,000</u> Purchasing Manager gets 3 phone or written quotes (written preferred) <u>\$25,001 to \$50,000</u> Purchasing Manager gets 3 written quotes	<u>Up to \$5,000</u> Field Quotes <u>\$5,001 to \$50,000</u> Purchasing Quotes <u>\$50,001 to \$100,000</u> Informal Bids <u>\$50,001 to \$200,000</u> Informal Bids for Renovations to County space leased by tenants	<u>Up to \$5,000:</u> 1 quote <u>\$5,000-\$25,000:</u> 3 verbal quotes <u>\$25,001 to \$100,000</u> 3 written quotes are required	<u>Up to \$3,000:</u> 1 quote <u>Over \$3,000:</u> 3 quotes Quotes to be solicited by the Purchasing Director. <u>Above \$10,000</u> In writing
Sole Source	Yes (Over \$50,000 requires Board approval)	Yes (those above the threshold for Board approval go to the Board)	Yes	No
Specification control	Yes	No	No	No
Standardization	No	No	No	Allowed
Subdividing Requirements to circumvent bidding prohibited	No	No	No	Yes
Surplus Property detailed	Yes	No	No	Yes
Suspension/Debarment	Yes	Yes	Yes	No
Who can suspend/debar	Purchasing Manager	Purchasing Director	County Administrator	NA
Maximum Length Suspension	No	90 days	12 months	NA
Maximum Length Debarment	No	3 years	36 months	

Item	Alachua	Leon	Sarasota	Volusia
Appeals Possible	No	Court	Yes-within 10 days to the County Board	NA
Unauthorized Purchases	Yes Goes to Board	Yes	Detailed	Detailed
Waiving of Irregularities	No	No	Yes	Yes
Purchasing Director	No	No	No	Up to \$25,000 or less
County Manager	No	No	No	Up to \$50,000 or less
County Council	No	No	No	Over \$50,000

As noted the Review Team examined the procurement ordinances of Leon, Manatee and Osceola Counties. Comments and attributes of these ordinances for the County to consider include:

Leon County

The style and comprehensiveness of this ordinance is admirable. This ordinance is well organized and very thorough. It seems to cover most all areas that should be included in an ordinance. It combines portions of an ordinance and portions of a procedures manual.

Osceola County

Among the notable attributes of the Osceola County procurement code are its threshold for formal solicitations (\$100,000), its title (Procurement), the Board approval threshold (\$100,000), and its prohibition against contingent fees.

Manatee County

An admirable attribute from their ordinance is its title: "The Procurement Ordinance." Many people use the terms purchasing **and** procurement interchangeably, but despite their similarities, they do have different meanings⁴. NIGP defines procurement as the purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction; includes all functions that pertain to the acquisition, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration. The combined functions of purchasing, inventory control, traffic and transportation, receiving, inspection, storekeeping, salvage, and disposal operations. Purchasing on the other hand is more limited in meaning the *processes* utilized by public entities for the procurement of construction, supplies, materials, and services at the most favorable overall total cost through the utilization of accepted practices that encourage competition, including best value and quality considerations, thus ensuring that the public good is best served.⁵

Manatee County also details best value procurement, environmental policies and public private partnerships in their ordinance. The County should consider doing so also.

⁴ Procurify: <https://blog.procurify.com/2014/02/07/what-is-the-difference-between-procurement-and-purchasing/>

⁵ NIGP Dictionary of Procurement Terms

Comments about the County's existing ordinance include:

Title:

As noted earlier, the Review Team suggests retitling the ordinance to "Procurement" to be reflective of the entire procurement environment. Purchasing is but one portion of procurement.

Section 22.06 Purchasing Manager

Among many other sources, NIGP recommends a CPO structure in which one person/office has the authority and responsibility for all procurement within the entity. For the details, please consult NIGP's Global Best Practice "The Place of Public Procurement Within the Entity." The professional expertise of the CPO is critical to the success of the entity and is best leveraged when Procurement is involved in the development of the entity's strategic plan. Procurement expertise contributes practical knowledge of available options for achieving the entity's strategic goals (e.g. timing, competition among suppliers, alternates for sustainable procurement, cooperative purchasing opportunities). Procurement knowledge of internal and external stakeholders helps in aligning the entity strategy with end user need. An empowered and effective CPO is crucial to success.

Section 22.09 Competitive Sealed Bidding

- a. The County should consider changing the threshold for formal solicitations to \$100,000. This figure is in line with Leon and Sarasota counties. NIGP's 2017 Public Procurement Benchmark Survey Report showed that the average threshold for requiring sealed bids for construction is \$3,160,221 and that the average threshold for non-construction formal sealed bids is \$57,207. When examining the details that make up these averages, the statistics show that 26% of survey respondents indicated their sealed bid threshold for non-construction items is above \$50,000.
- c. The current ordinance mandates advertising formal solicitations in the newspaper. In today's world this may not reach the largest vendor base. The Review Team suggests the County consider changing this to posting on the County's internet page except for construction bids as the State of Florida requires newspaper advertisements.
- g. Taking this paragraph one step further, assuming the tied vendors all have a drug free workplace policy and that they are all small businesses, the tie should be broken by a witnessed coin toss.

Section 22.09.05 Capital Improvements

- a. This paragraph concerns bid changes, withdrawals, et cetera and it is applicable to all formal solicitations and should be moved to Section 22.09.
- b. This paragraph concerns contract awards and it is applicable to all formal solicitations and should be moved to Section 22.09. Additionally, the CPO should have authority to award contracts up to \$100,000 (the suggested sealed bid threshold). This is consistent with Leon County and with NIGP's 2017 Public Procurement Benchmark Survey Report. NIGP's 2017 Public Procurement Benchmark Survey Report shows that the average threshold requiring Board approval of award is now at \$135,600.

- d. This paragraph lists change order policies. Under the CPO concept, the CPO should have the authority to authorize change orders and then to report them to the County Board.

Section 22.10 Informal Bids

The Review Team suggests changing the current thresholds when moving the threshold for formal solicitations to \$100,000. This will lead to expedited procurement and when coupled with term bids, will not result in significant loss of control. Specifically, the Review Team suggests:

\$1 to \$10,000	At least 1 valid quote obtained by the client via internet page, published catalog, telephone or email.
\$10,001 to \$25,000	At least 3 valid quotes obtained by the client via internet pages, published catalogs, telephone or email. This is consistent with NIGP's 2017 Public Procurement Benchmark Survey Report which shows that 18% of the respondents do not require quotes until \$25,001 or higher.
\$25,001 to \$99,999	3 or more quotes obtained by the Procurement Office by posting the opportunity to its webpage for a time consistent with the value and complexity of the procurement. This is consistent with NIGP's 2017 Public Procurement Benchmark Survey Report which shows that 21% of the respondents do not require quotes until \$25,001 or higher.

Section 22.11 Exemption from Bidding

The Review Team was surprised at the extensive list of items officially exempted from competitive solicitation. While there have been logical reasons for these exemptions, the Review Team suggests removing several of the exemptions. Specifically, the County should consider removing:

- Advertisements
- Appraisals
- Brokerage and actuarial services
- Cellular telephone services
- Interpreter services
- Lobbying services
- Purchases of perishable items such as fresh vegetables, fruit, fish, meat, eggs and milk
- Software packages for personal computers
- Title searches
- Veterinarian services

These changes are in line with the other Florida counties examined as well as national best practices. While not all of these items are suitable for formal bidding, they can be obtained by formal proposals or formal request for qualifications. Food items can be "bid" on a flexible pricing scale allowing fluctuation against a recognized index.

Section 22.12 Sole Source Purchases

The existing verbiage is good but the Review Team suggests the County consider adding text requiring the posting of the intent to declare a sole source to the County's webpage. This is one more check against the arbitrary declaration of a sole source situation. Once posted, the requirement allows interested parties up to seven days to dispute the sole source declaration.

Section 22.14 Small Purchases

This section should be retitled “Petty Cash” purchases as this is what is really discussed.

Section 22.19 Cancellation of Invitations to Bid

The last sentence requires that the essence of the section be restated in all invitations to bid and requests for proposals. The Review Team suggests the County consider developing a “General Instructions to Vendors” document containing many of these types of items and posting such to its webpage. This will shorten solicitation documents since only a reference to the document will be inserted in the solicitation document.

Section 22.20 Specifications

The County should add additional language in this section prohibiting any vendor helping write the solicitation from submitting a response to the solicitation. This is a best practice in the public procurement industry and is generally required in federal grants.

Section 22.21 Unauthorized Purchases

With the CPO concept, Procurement must be in the loop about such purchases and thus such explanations should first go to the CPO for review and comment. Additionally, this will allow the CPO to track the total spend for the County and this is critical for spend management.

Comments about the County’s existing Vendor’s Guide include:

Vendors are critically important to the success of the Procurement Division and to the success of the County. Many County functions cannot succeed without vendor help. Most entities publish a Vendor Guide and Alachua County is no exception. The Review Team’s comments include:

1. The document’s footer should show an “issued” or “revised” date so that the reader knows that they have the latest version.
2. The current document has different font styles, size and spacing scenarios. This is confusing and unattractive. The document should be consistent in appearance.
3. As this report suggests changing the name of the division to “Procurement” and this change needs to be made throughout the document.
4. On page 5, in the second sentence of the third paragraph, the County should consider inserting “DemandStar will attempt to notify via fax or . . .” This allows a bit of flexibility should systems fail.
5. On pages 6 & 7, the County should adjust the wording to reflect the recommended increased thresholds and the increased approval authority of the Procurement Division.
6. Page 8 discussed Gifts and Favors. The last sentence discusses “refrain from offering anything of value” to the Procurement Division staff. The County should define “value.” Often that is defined as \$25.00 or \$50.00.
7. The document should note that the County is not responsible for any costs incurred in vendor preparation of a bid response.

8. The document should have a FAQ section to address recurring questions.
9. The document should reference a Procurement webpage for additional information.

Comments about the County's existing Vendor's Information webpage:

In the 21st century effective and efficient governments use their webpages to minimize costs and to spread information far and wide. The County is commended for having a good Vendor Information webpage. The Review Team has these comments:

1. The "Watch our Video" about doing business is an excellent touch as it provides another mechanism to assist prospective vendors.
2. It should have a FAQ section to answer recurring questions.
3. It should have links to Facebook and LinkedIn for the procurement functions including the publicizing of solicitations.

Comments about the County's existing Purchasing Card Procedures document:

Having a Purchasing Card (P-card) program is indicative of an effective procurement operation. The Review Team was pleased to find this program and document. Comments include:

- Introduction Paragraph II Purpose

The document specifically states that the P-card program is for low dollar purchases. While this is how most programs start, there is value in extending it to pay for as many items as possible—even items that have been bid and that may be on "term bids." The entity earns the rebate and this can be sizeable.

- Introduction Paragraph IV A Cardholder Liability

Most entities add the phrase "up to and including termination and legal action" when discussing fraudulent usage. So should the County.

- Program Information Paragraph III B General Information

Most entities add the phrase "up to and including termination and legal action" when discussing fraudulent usage. So should the County.

- Reconciliation & Payment Paragraph III D Reconciliation of Monthly Statement

The document states that the departmental liaison forwards the paper copies of all documents each month. Modern P-Card management systems allow this to be done electronically and for the uploading of receipts. This is a very efficient way to conduct business and the County should look into it.

Comments about the County's existing Contract Administration documents:

Contract Administration is critical to effective and efficient government. The County does not have a Contract Administration manual. It does have a "Contracts Guide" which details various technical aspects of getting contracts in place, signing contracts and modifying contracts. It also provides a flow chart of the contracting process. The County also has a "Contracts 101" presentation that Procurement offers to Clients from time to time. This workshop covers topics such as what is a contract, elements of a contract, when to use a contract and the contracting process. Basically it provides a very high level discussion of contracting.

It is a common practice to delegate the administration of the contracts to the Client Department. However, Procurement must monitor, guide and train departments on proper contract administration policies and procedures. Currently, there is limited instruction concerning policy or procedure to fully address and document a comprehensive contract administration policy. It is important that the policy statement detail the contract administration policies and procedures, along with roles and responsibilities.

Contract administration manuals detail those management actions that must be taken to ensure full compliance with all of the terms and conditions contained within the contract document, including price. The contract administration activities include payment authorization, monitoring of progress, inspection and acceptance of the goods and/or services, quality assurance, monitoring and surveillance, modifications or change orders, negotiations and/or dispute resolutions, contract closeout and assorted other activities that may be specific to the goods and/or services required. The development and implementation of various forms facilitates these functions. These include:

- Performance Evaluation
- Supplier Performance Reporting
- Contract Complaint Resolution
- Contract Closeout Checklist

Given the importance of Contract Administration, the Review Team recommends the County consider developing and disseminating a separate and comprehensive Contract Administration guide. The Contract Administration guide defines contract administration, elaborates on the sequence of events in contract administration and explains the roles and responsibilities associated with the function. The guide should note that Procurement manages the training, oversight, monitoring and reporting of the contract administration function within the County.

There are many Contract Management guides or toolkits available from other governmental entities. For instance, the State of Texas Contract Management Guide is thorough and would be a great source for the County's guide. The State of Michigan, Department of Technology, Management & Budget, Purchasing Operations has a very practical Contract Management Toolkit that might be another model for the County. This toolkit also has a rating scale that ISD staff could use to rate the risk of projects.

Recommendations for Part I

- Consider adopting the American Bar Association's Model Procurement Code Provisions that are missing from the County's procurement ordinance including:

- *Supplementary General Principles of Law Applicable*
- *Severability*
- *Determinations*
- *Public Access to Procurement Information*
- *Authorization for the Use of Electronic Transmissions*
- *Authority to Contract for Legal Services*
- *Procurement Regulations*
- *Procurement Advisory Council*
- *Multi-Step Sealed Bidding*
- *Receipt of Proposals*
- *Debriefings*
- *Move the Cancellation of IFBs and RFPs as noted*
- *Enhance the section "Responsibility of Bidders and Offerors"*
- *Types of Contracts*
- *Multi-Year Contracts*
- *Finality of Determinations*
- *Reporting of Anti-Competitive Practices*
- *Retention of Procurement Records*
- *Record of Procurement Actions Taken*
- *Definition of Terms (Specifications)*
- *Enhance Specifications Prepared by Other than County Personnel*
- *Enhance Definitions in Procurement of Infrastructure Facilities*
- *Source Selection Methods Assigned to Project Delivery Methods*
- *Enhance "Scope" in Procurement of Infrastructure Facilities*
- *Design Bid Build*
- *Operations and Maintenance*
- *Design Build Operate Maintain*
- *Design Build Finance Operate Maintain*
- *Choice of Project Delivery Method*
- *Bid Security*
- *Contract Performance and Payment Bonds*
- *Bond Forms and Copies*
- *Errors and Omissions Insurance*
- *Other Forms of Security*
- *Cost Principles Regulations Required*
- *Definitions of Terms (Supply Management)*
- *Supply Management Regulations*
- *Allocation of Proceeds from Sale of Surplus*
- *Authority to Resolve Contract and Breach of Contract Controversies*
- *Remedies*
- *Time Remedies*
- *Contract and Breach of Contract Controversies*
- *Appeal and Review of Procurement Appeals Decisions*
- *Joint Use of Facilities*
- *Supply of Personnel, Information and Technical Services*
- *Ethics (12 parts)*
- *Implement Relevant Portions of Information from the Comparison to Other Entities*

- *Alternative Construction Delivery Methods*
- *Enhance instructions on Qualifications Based Selection*
- *Move Award Authority to a different section as noted*
- *Raise Award Authority Thresholds*
- *Change Orders move to a different section as noted*
- *Change Orders increase thresholds as indicated*
- *Allow authority to purchase from public auctions*
- *Add language about conflict of interest*
- *Add language about vendor conflict of interest*
- *Add language about conflict of interest penalties*
- *Consider adding language about Environmentally Preferred Procurement*
- *Consider reducing the number of exceptions from competitive bidding as noted*
- *Consider requiring notice of Formal Solicitations on webpage*
- *Consider increasing formal bid threshold*
- *Consider only requiring newspaper advertisement pursuant to State law*
- *Detail bonding requirements*
- *Detail bid receipt*
- *Move bid correction information as noted*
- *Insert right for Inspection and Testing*
- *Insert right to Require Insurance*
- *Allow for Multi Step Bidding*
- *Allow for Negotiation if no bids are received*
- *Allow for Private Public Partnerships*
- *Enhance Protest Procedures (timelines, appeals process)*
- *Bonding Requirements*
- *Allow for Requests for Information*
- *Allow for Requests for Qualifications*
- *Allow for Reverse Auctions*
- *Raise threshold for Small Purchases*
- *Allow for Standardization*
- *Prohibit subdividing requirements to avoid thresholds*
- *Enhance Suspension/Debarment language (length of time and appeals)*
- *Reverse the right to Waive Irregularities*
- **Other recommendations**
 - *Change “Purchasing” to “Procurement”*
 - *Establish the CPO concept*
 - *Adjust formal and small purchase thresholds*
 - *Edit the capital section of the ordinance as noted*
 - *Add the requirement to post sole source declarations to the internet*
 - *Clarify in the specification section that if a private entity assists in writing the specifications that they cannot participate in the resulting bid process*
 - *Bring Procurement into the loop on unauthorized purchases*
 - *Increase the authority of the County Manager to award up to \$1,000,000 (per NIGP’s 2017 Public Procurement Benchmark Survey Report).*

- Vendor Guide Recommendations
 - *Add an “Issue Date” to the document*
 - *Standardize the style as noted*
 - *Change the word Purchasing to Procurement*
 - *Make other suggested edits*
 - *Add a dollar value to the Gifts & Favor section*
 - *Add a FAQ section*
- Vendor Information Webpage
 - *Add a FAQ section*
 - *Connect this webpage to Facebook and LinkedIn (and post solicitations there)*
- P-Card Manual
 - Consider expanding the program to other than low cost items
 - Make the needed edits when the program is expanded
 - Add the phrase “Up to and including termination and legal prosecution” as indicated
 - Move to on-line reconciliation
- Contract Administration Manual
 - Create a true contract administration manual as noted
 - Create the forms necessary with the manual

Part II Purchasing Procedures Manuals Comparison

The County suggested comparing its manuals to those of Sarasota and Volusia County and the Review Team has done so. Additionally, during the research for this report the Review Team examined selected documents from Leon, Manatee and Osceola Counties. While each entity is different and has its own unique needs and concerns, the chart provides a comparison to other similar entities.

Item	Alachua	Sarasota	Volusia
Assignments and Assumptions			Yes
Audit Rights		Yes	
Authority & Purpose	Yes-purpose	Yes	
Applicability		Yes	
Bonds	Yes	Yes	
Not required up to	\$50,000	\$200,000	
Required for Services		If Purchasing determines	
Irrevocable Letter of Credit	Yes		
Warranty Bonds	If desired		
Capital Outlay Purchases	Yes		
Change Orders	Departments & Accounting up to \$2,000		Yes Purchasing/County Manager up to \$50,000 Over \$50,000-Council.
Compliance with State and Federal Guidelines		Yes	Yes
Construction	Yes	Yes	Yes
Competitive Bid Award for Construction	Yes	\$300,000	
Competitive Bid Award for Electrical Work	Yes	\$75,000	
Competitive Bid Award for Road, street and bridge work	Yes	\$250,000	
Annually adjusted		Yes	
Design-Bid-Build			Yes
Design-Build	Yes		Yes
Construction Manager at Risk			Yes
Contract Disputes or Claims		Yes	
Contracts		Yes	
Required for Services		Yes	
Required for Goods & Services above \$100,000		Yes	
Cooperative Purchasing Authorized	Yes	Yes	Yes
Departments use a Coop Request Form		Yes	Yes

Item	Alachua	Sarasota	Volusia
Approval required below \$50,000		No	
Approval required between \$50,000 to \$100,000		County Administrator	
Over \$100,000		County Commission	
Purchasing determines whether or not to use the coop		Yes	Yes
Delegated Authority	Yes	Yes	Yes
Purchasing Official	Up to \$50,000	Approve contracts, amendments, renewals, extensions	
		Term and Project contracts up to \$50,000 per year	
		Amendments to approved contracts up to \$50,000 cumulative	
County Administrator/Manager	Up to \$50,000	Yes	Budgeted Capital Equipment up to \$50,000
County Attorney		Yes	
Department Director-Library		\$150,000	
Department Director-Unit Price Contract Work		\$100,000 for any one contract	
Chief Information Officer-communication services contracts		\$100,000	
Definitions	In various sections	Use NIGP's and on file in Procurement	Yes
Disadvantaged Business Enterprise	Yes (Small Business Enterprise)		Yes
Administered by	Division of Equal Opportunity		Economic Development
Goal			10%
Emergency Procurement	Yes	Yes	Yes
Justification form required	Yes	Yes	Yes
Procurement approves	Yes	No	Yes
Reported to the Board	Yes (over \$50,000)	Yes	Yes
Environmentally Preferred Procurement	Brief note in Printing	Yes	Yes

Item	Alachua	Sarasota	Volusia
Ethical Standards	Yes	Yes	Yes
Exemptions from the Bidding Process	Yes		
Purchasing Manager may bid these if adjudged best to do so	Yes		
Public Utilities	Yes		
Goods/Services purchased at a price determined by the State of Florida	Yes		
Items/Services purchased from other units of government	Yes		
Emergency Purchases	Yes		
Sole Source Purchases	Yes		
Perishable items such as foods	Yes		
Purchases of Real Property	Yes		
Used Equipment	Yes		
Items on an approved term bid	Yes		
Professional Services	Yes		
Items/Services on another government's contract	Yes		
Direct purchases by the county as part of a construction manager agreement	Yes		
Administrative hearing officers	Yes		
Advertisements	Yes		
Airline Tickets	Yes		
Ambulance billing	Yes		
Appraisals up to \$5,000	Yes		
Artistic services/works of art	Yes		
Brokerage/Actuarial Services	Yes		
Cable TV & Internet Services	Yes		
Cellular Telephone Services	Yes		
College Tuition, Educational Fees	Yes		
Court Orders	Yes		
Court reporter services	Yes		
Expert witness fees and/or services	Yes		
Instructors, lecturers, presenters and trainers	Yes		
Interpreter services	Yes		
Lobbying services	Yes		
Membership dues	Yes		
Maintenance and service agreements of \$5000,00.00 or less	Yes		
Notary public applications	Yes		

Item	Alachua	Sarasota	Volusia
Odd-lots and closeout materials	Yes		
On-going payments and fees for maintenance and support of existing software technology	Yes		
Petty cash purchases	Yes		
Postage and postage meter rentals and maintenance, exclusive of mailing or stuffing services	Yes		
Purchases of \$999.99 or less	Yes		
Purchases made with a county issued credit card	Yes		
Purchases covered by board approved public purpose statements	Yes		
Purchase of goods or services from non-profit organizations	Yes		
Social services indigent care	Yes		
Software packages for personal computers approved by ITS	Yes		
Subscriptions, subscription renewals, audio, audio disk, audio tape, video, video disk, video tape, film, books, e-books periodicals or similar materials	Yes		
Test items when it is probable that such purchases will result in formulating future bid specifications for such items	Yes		
Title searches/title insurance	Yes		
Travel expenses	Yes		
Veterinarian services	Yes		
Formal Solicitations	Yes		Yes
Advertisement for at least 1 week before due date	Yes (2 weeks)		Yes
Late Submittals Rejected			Yes
Opening Procedures			Yes
Pre-Bid Conferences			Yes
Pre-Bid Conferences can be mandatory			Yes
Public Advertisement on website			Yes
Public Advertisement in newspaper of general circulation			Yes, for several categories
Freight and Shipping			Yes
Furniture Purchases			Yes

Item	Alachua	Sarasota	Volusia
Insurance		Yes	
Required on all services		Yes	
Required no matter the payment mechanism		Yes	
Interaction with other County Departments/Roles explained			Yes
Invitation to Negotiate allowed		Yes	Yes
Letter Contracts			Yes
List of Supplemental Resources	Yes	Yes	
Procurement Ordinance		Yes	
Purchasing Card Manual		Yes	
Standard Operating Procedures		Yes	
Procurement Forms	Yes	Yes	
Contracts Administration Manual		Yes	
Green Business Partners		Yes	
Term Contracts		Yes	
NIGP		Yes	
Florida Department of Business & Professional Regulation		Yes	
Local Preference		Yes-lowest local vendor have 5 days to match the lowest bid. With RFPs 10%of the points are for local.	Yes 3% local prime 2% local prime qualifying by sub Maximum of 5% Not given if more than \$25,000 higher than next lowest
Open Records			Yes
Payment Procedures/Roles			Yes
Payment Requests Authorized	Yes	Yes	
Petty Cash	Yes		
Printing Requirements	Yes		
Procurement Activities	Yes	Yes	
Community Outreach	Yes	Yes	
Consolidation of Similar Requirements	Yes	Yes	
Approve Evaluation Committees	Yes	Yes	
Market Analysis (Life Cycle Costing)		Yes	
Funding (verification of available funds)		Yes	
Develop standardized templates	Yes	Yes	

Item	Alachua	Sarasota	Volusia
Purchasing Card Program		Yes	
Collect Data/Generate Reports		Yes	
Training of internal/external customers		Yes	
Procurement Thresholds	Yes	Yes	Yes
	<u>Up to \$2,500</u> 1 phone quote	<u>Up to \$5,000</u> 1 quote	<u>Up to \$999.00</u> 1 quote & P-card
	<u>\$2,501 to \$10,000</u> 2 phone quotes	\$5,001 to \$25,000 2 or more quotes	<u>\$1,000 to \$3,000</u> 1 quote
	<u>\$10,000 to \$25,000</u> 3 phone quotes	\$25,001 to \$100,000 Purchasing obtains formal quotes	<u>\$3,001 to \$10,000</u> 3 Verbal Quotes
			<u>\$10,001 to \$25,000</u> 3 Written Quotes
	<u>\$25,001 to \$50,000</u> 3 written quotes	Over \$100,000 Formal bids	<u>\$25,001 to \$50,000</u> 3 Written Quotes through Purchasing
	<u>Over \$50,000</u> Formal bids		<u>Over \$ 50,000</u> Formal Advertised IFBs/RFPs
Professional Services	Yes	Yes	Yes
Uses CCNA	Yes	Yes	Yes
Evaluation process detailed	Yes		
For architectural services	Yes	Yes	Yes
For engineering services	Yes	Yes	Yes
For landscape architectural services	Yes	Yes	Yes
For surveying services	Yes	Yes	Yes
For mapping services	Yes	Yes	Yes
Use a Professional Services Library (roster of firms that won)		Yes	Yes
Use a Request for Professional Services (RPS) for single project awards	Yes	Yes	Yes
Tie Breaking Procedures	Yes	Yes	
Prompt Payment Act		Yes	
Protests		Yes	Yes
Intent to Protest required		Yes	No
Protest Delivery Methods		Hand, First Class Mail, Courier or Fax	No
Protest Form Required		Yes	No
Protest Bond Required		Yes	No
Public Private Partnerships		Yes	

Item	Alachua	Sarasota	Volusia
Purchase Orders	Yes		
Blanket Purchase Orders	Yes		
Terms and Conditions	Yes		
Purchasing Card Authorized	Yes	Yes	Yes Limited to \$999.99 per transaction
Purchasing Function/Cycle	Yes		Yes
Purpose/Mission	Yes	Yes	Yes
RFPs Allowed	Yes	Yes	Yes
RFPs-price is not a primary factor		Yes	
RFPs-require points	Yes	Yes	
Receiving, Inspection and Testing	Yes		Yes
References for Vendors (including surveys)			Yes-requires permission
Request for Information		Yes	
Request for Qualifications	Yes	Yes	
Requests for Real Estate			Yes
Purchase of			Through Legal Dept.
Lease of			Through Central Services
Requisitions	Yes		
Research & Development, Trials, Demonstrations			Yes
Revenue Contracting			Yes-through Purchasing
Reverse Auction		Yes	
Right to Cancel Bids	Yes	Yes	
Sales Tax Exemption			Yes
Signature authorities			Yes, maintained
Single Source		Yes	Yes
Require a Single Source form		Yes	Yes
Procurement approves		Yes	Yes
Valid for 12 months		Yes	
Approval		Up to \$50,000 Procurement only \$50,000 to \$100,000 County Administrator Over \$100,000 County Commission	Up to \$50,000 Procurement only Over \$50,000 County Commission
Sole Source	Yes	Yes	Yes
Require a Sole Source form	Yes	Yes	Yes
Procurement approves	Yes	Yes	Yes

Item	Alachua	Sarasota	Volusia
Valid for 12 months	List periodically updated	Yes	
Approval	Up to \$50,000 Procurement Only Over \$50,000 Commission approves	Up to \$50,000 Procurement only \$50,000 to \$100,000 County Administrator Over \$100,000 County Commission	Up to \$50,000 Procurement only Over \$50,000 County Commission
List of items not constituting a sole source		Yes	
Splitting of transactions to avoid thresholds prohibited		Yes	
Specifications/Statement of Work			Yes
Standardization		Yes	
Surplus	Yes		Yes
Suspension or Debarment	Yes	Yes	
Technology Purchases	Yes		Yes
Term Contracts		Yes	Yes
Maximum Time		5 years	Yes
Must use the contract		Yes	
Task Ordering Discussed			Yes
Tie Breaking Procedures		Yes	
Transparency of Solicitation Documents		Yes	
Transportation Equipment			Yes-joint effort with Central Services
Unauthorized Purchases	Yes	Yes	Yes
Unsolicited Offers			Yes
Use of County Logo/Trademark			Yes
Vehicle Purchases	Yes		
Vendor List			Yes
Vendor Relations	Yes		Yes
Debarment	Yes		Yes
Debarment Appeals Process	Yes		Yes
Debarment List	Yes		Yes
Waiver of Competition		Yes	
Each one requires use of a Request for Waiver of Competition		Yes	
Procurement Approval		Yes	
Valid for 12 months		Yes	

Item	Alachua	Sarasota	Volusia
Approval		Up to \$50,000 Procurement only \$50,000 to \$100,000 County Administrator Over \$100,000 County Commission	
Waiver requests for services over \$100,000 require contracts		Yes	
Special Waiver requirements for software		Yes	
Special Waiver requirements for IT products and services		Yes	
Year End Cut Off	Yes		

Comments about the County's existing Procurement Manual include:

Date:

The document's footer should show an "issued" or "revised" date so that the reader knows that they have the latest version.

Stylistic:

Manuals should avoid sentences in all upper case as they are difficult to read and are considered to be yelling at the reader. Bolding and/or underlining will bring attention to the reader.

Manuals should be careful to ensure spacing is proper and consistent. The County should review this document for spacing considerations.

Language in manuals should be straightforward, as free of jargon and redundancy as possible and not in the passive tense (whenever possible). The County should review this document for these considerations.

Title:

As noted earlier, the Review Team suggests retitling the ordinance to "Procurement" to be reflective of the entire procurement environment. Purchasing is but one portion of procurement.

Section 1 Mission-Ethics

This section notes that the County used NIGP's Code of Ethics in its procurement function. However, the NIGP Code of Ethics is not inserted in this document. It should be inserted even if as an attachment.

Section 2 Page 8

In Part I of this report, the Review Team recommends editing out several exemptions from the bidding process. If that recommendation is accepted, the same edit needs to occur here.

Section 3 Page 23

This section notes that “The purchasing division shall not honor “no substitution” on requisitions. Most governments seldom accept such requisitions however, from time to time, no substitute requisitions may be prudent and necessary. The Review Team suggests the County edit this phraseology to edit the possibility that no substitution requisitions may be considered at times.

Section 4 Page 27-29

This section details the various dollar thresholds and the procedural requirements associated with them. Since the Review Team suggested significant edits to these, this section needs a corresponding edit. Additionally, the Review Team suggested raising the threshold at which awards have to be approved by the Board and if that recommendation is accepted, that information needs edited too.

Section 5 Page 34-38

The Review Team notes that a modern best practice is to have software automatically email purchase orders to vendors and that makes them available for departments to review on line. This says printing and postage costs plus it is better for the environment. If the County’s software is capable of doing so, the County should implement this functionality.

On page 38, the purchase order approval process is detailed. The County should also provide a flowchart here. Many people can follow a chart easier than a textual explanation.

Section 6

Section 6 begins by discussing unauthorized purchases and then progresses to discuss surplus property, petty cash, professional services (CCNA), vehicle purchases, design/build and finally computer equipment purchases. Each of these should be separate chapters as they are not necessarily related. Additional comments include:

Surplus:

Many governments, if not most, place the management of surplus equipment under the procurement function. This seems to be logical and the County may wish to look into this option.

Professional Services:

As noted, if the County accepts the recommendation to increase the various procurement thresholds, edits are necessary in this section.

Vehicles:

The sentence on page 50 detailing using contracts for heavy equipment purchases instead of purchase orders needs edited so that it reads easier.

Section 8

This is an appendix of forms used for various procurement needs in the County. Review Team comments include:

- Make sure these are available on line and in a fillable electronic version
- Explain when they are used (such as the Vendor Performance Evaluation Form)
- All the forms should show an issue or revision date

Exhibit H: Bonds

The Review Team suggests raising this threshold for the requirement of a bond to \$100,000 or even \$200,000. Bonds cost money and this is passed onto the County. Additionally, bonds may unnecessarily burden small businesses. Finally, bond verification and administration requires staff time that can often be better used on other functions. With that said, the CPO would still have the authority to require bonds below the new level whenever it is in the County's best interest.

The County may also want to make a standard operating procedure to cross check bonding companies against the *"Department of the Treasury's Listing of Approved Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies."* Entities expending federal funds are required to do so and other agencies have found it to be a good crosscheck.

Recommendations for Part II

- Change to Policy and Procedures Manual Based on those from Other Entities
 - *Add an applicability statement*
 - *Adjust the bonding language as recommended*
 - *Adjust the change order language as recommended*
 - *Add a section concerning compliance with grant terms*
 - *Add language for construction concerning alternative delivery methods*
 - *Add language concerning contract disputes and claims*
 - *Add language about contracts*
 - *Edit the coop language to clearly state that Procurement ascertains whether or not to use cooperatives*
 - *Adjust delegated authority language as noted*
 - *Edit/create a statement on Environmentally Preferred procurement*
 - *Edit exceptions to competitive solicitation as noted*
 - *Add to the section on formal solicitations (rejection of late submittals, opening procedures, pre-bid conferences, public advertisement via webpage, et cetera)*
 - *Add verbiage about freight and shipping*
 - *Add verbiage about insurance requirements*
 - *Add verbiage about interact with other county departments (legal, Board, manager)*
 - *Add verbiage on the right to issue Invitations to Negotiate*
 - *Add verbiage about Letter Contracts*
 - *Add verbiage about Open Records requirements*
 - *Add verbiage about Payment Procedures and Prompt Payment requirements*
 - *Add verbiage about Life Cycle Costing*
 - *Adjust verbiage about thresholds as recommended*
 - *Add verbiage about protests*
 - *Add verbiage about Public Private Partnerships*
 - *Add verbiage about Reference Check protocol*
 - *Add verbiage about Requests for Information*
 - *Add verbiage about Real Estate purchases and sales*
 - *Add verbiage about Revenue Contracting*

- *Add verbiage about Sales Tax Exemption*
- *Add verbiage about Single Source procurement*
- *Add verbiage about Splitting of Transactions to Avoid Thresholds*
- *Add verbiage about Standardization*
- *Add verbiage about Term Bids*
- *Add verbiage about Tie Breaking procedures*
- *Add verbiage about the use of County Logos and Vendor Endorsement protocols*
- **Change to Existing Policies and Procedures Manual**
 - *Add an Issued/Revised date*
 - *Make stylistic edits as suggested*
 - *Change to Procurement instead of Purchasing*
 - *Insert the NIGP Code of Ethics*
 - *Implement the suggested edit to “No Substitutions” language*
 - *Set up automatic emailing of purchase orders if software allows*
 - *Consider the placement of the surplus operation*
 - *Make the suggested edits to the forms section (online, fillable, issue date, explanations as to when/why)*
 - *Increase thresholds*
 - *Increase the authority of the County Manager to award up to \$1,000,000 (per NIGP’s 2017 Public Procurement Benchmark Survey Report).*

Part III Review and Comparison to Other Manuals and Standards

The Review Team also compared the County's Purchasing Ordinance and Manuals (as appropriate) to independent standards of excellence. Those standards are from NIGP and NPI.

AEP Requirements

NPI offers the "**Achievement of Excellence in Procurement Award**" to recognize organizational excellence in procurement. Organizations demonstrating procurement excellence and obtaining a high score on a rating of standardized criteria in procurement, earn the award. This gold standard for the achievement of excellence, innovation and best practices in public procurement is recognized nationally and internationally. The criteria for the award include components related to the ordinance and procedures manuals:

Item	Comment
Adoption of statutes/ordinance allowing for Best Value Procurement	Not present in the documents reviewed
Authority of the Chief Procurement Official (CPO) to award contracts without governing body approval	The current Purchasing Policy mostly extends this authority to the County Manager and the Commission.
Centralized Procurement Authority based in law	Present in the policy.
Electronic Procurement Manual for internal use	Yes
Environmental Procurement Policy	Not available at this time.
Procurement Ethics Policy	Not present as a distinct item.
Publication of an electronic P-card Manual for internal use	Yes

OA4

NIGP offers The **Outstanding Agency Accreditation Achievement (OA4)** to recognize agencies that lead the public procurement profession through the implementation of best practices. The basis of this program is a self-evaluation process using the NIGP Agency Accreditation Criteria Form. Agencies meeting the minimum requirements are OA4-accredited for three years. The criteria for the award include components related to the ordinance and procedures manuals:

Item	Comment
A formal document adopted by the governing body of the jurisdiction that provides authority to the Procurement Agency.	Present
A formal internal policies and practices manual that governs the authority and practices of the procurement function.	Present
A formal policies and practices manual outlining the relationship between the Procurement Agency and suppliers.	Exists

An adopted Code of Ethics prescribing the appropriate conduct of governmental and procurement officials involved in procurement.	No
A Code of Ethics prescribing the appropriate conduct of suppliers, contractors or their agents.	No
Do the statutes, ordinances or manuals provide the Procurement Agency authority and responsibility for the following procurement activities?	
Placing the procurement authority within one agency or with one designated official.	Present
Describing the overall procurement goals and objectives.	Present
Specifying the authority of the Procurement Agency in all aspects of acquisition.	Present
Specifying the authority of the Procurement Agency in all aspects of contract administration.	Partial
Specifying the authority of the Procurement Agency in all aspects of Quality Assurance.	No
Defining all aspects of procurement delegated to other agencies.	Yes
Allowing the Procurement Agency to promulgate additional regulations.	Yes
Prescribing dollar limits for each of the degrees of formality used in soliciting bids and proposals.	Present
Defining factors used in determining the responsiveness of a bid or proposal as well as the contractor's capacity to perform.	Present
Defining signatory authority for purchase orders and contracts.	Present
Defining conditions for sole source purchases.	Present
Defining conditions for emergency purchases.	Present
Requiring the Procurement Agency to prepare, review, modify, and approve specifications.	No
Allowing the use of performance specifications, as well as design specifications, and/or a combination of the two.	No
Procurement Agency responsibility for the procurement of non-professional services.	No
Procurement Agency responsibility for the procurement of professional services.	No
Procurement Agency responsibility for the procurement of construction services.	Yes
Procurement Agency has authority to select the method that provides the best potential timing and cost for the construction project.	No
Requiring standard formats for the solicitation of bids and proposals.	No

Requiring public notice for competitive sealed bids and proposals including the receipt and public opening of bids or proposals.	Yes
Public notice for competitive sealed bids and proposals may be on-line and does not require notice in a newspaper.	No
Requiring documentation to support a decision to award to other than the apparent low bidder.	No
Providing a process for handling irregularities and mistakes in quotations bids or proposals.	No
Granting authority to determine which bids meet the terms and conditions of the solicitation.	Yes
Reviewing supplier information and performance as a condition for awarding orders and contracts to vendors.	Yes
Requiring change orders to follow the same controls and approvals as are required for original contracts.	Yes
Providing a process for protests or appeals by vendors.	Partial
Providing a process for debarring vendors under specific circumstances.	Yes, but limited
Providing a process for disciplining agency employees who violate the procurement policies or code of ethics.	Partial
Does the jurisdiction have a Technology Plan for managing the Procurement Agency's technology?	No
Does the Procurement Agency promote opportunities for minority and women owned businesses to participate in the process?	Yes
Does the Procurement Agency have an environmental or green procurement program?	No
Does the Procurement Agency engage in best value procurements?	No
Does the Procurement Agency have written procedures for timely identification, reporting, and/or disposal of surplus and/or scrap items?	Partial

State of Florida Requirements

As in all states, there are certain state requirements that apply to local procurement activities. Generally, these type of requirements are either mandatory or permissible meaning that the state will require or prohibit certain things while allowing certain other things to an extent specified in law. For instance, many states will allow local governments to purchase up to a certain dollar threshold without formal sealed bids but the local government may decide to set the threshold lower than the state caps it at.

The Review Teams examined State of Florida laws and, while the Review Team is not composed of attorneys nor State of Florida legal experts, provides these comments about the State laws and regulations and Alachua County procurement operations:

Item	Comment
28.235, FS: Advanced Payment for Goods and Services	The County appears to be compliant.
50.011, FS: Language of legal and official advertisements	The County appears to be compliant.
50.061, FS: Chargeable amounts for legal and official advertisements	The County appears to be compliant.
101.293, FS: Voting Machines and Equipment	The County appears to be compliant.
119, FS: Public Records	The County appears to be compliant.
125.012, FS: Transportation and Port Facilities	The County appears to be compliant.
125.031, FS: Lease or lease-purchase of Property	The County appears to be compliant.
125.3401, FS: Purchase, Sale or Privatization of Water, Sewer, or Wastewater Reuse Utility	The County appears to be compliant.
125.35, FS: Property sale or lease	The County appears to be compliant.
125.355, FS: Purchase of Real Property	The County appears to be compliant.
129.07, FS: Prohibits County from contracting for more than the amount budgeted	The County appears to be compliant.
129.08, FS: Prohibits County from incurring indebtedness or paying claim not authorized	The County appears to be compliant.
153.10, FS: Water and Sewer System Construction Contracts	The County appears to be compliant.
155.12, FS: Supply Purchased for County Hospitals	The County appears to be compliant.
157.03-.07, FS: Drainage Projects	The County appears to be compliant.
217.15-.19, FS: Federal Surplus Property Procurement	The County appears to be compliant.
218.391, FS: Auditor selection procedures	The County appears to be compliant.
218.70-.79, FS: Local Government Prompt Payment Act	The County appears to be compliant.
218.80, FS: Public Bid Disclosure Act	The County appears to be compliant.
252.38, FS: Emergency Management Power	The County appears to be compliant.
255.103, FS: Procurement of Construction Management Services	The County appears to be compliant.
255.20, FS: Local bids and contracts for public construction works	The County appears to be compliant.
255.05, FS: Payment and Performance Bond for Public Construction Contracts	The County appears to be compliant.
255.0518, FS: Public Bid Openings	The County appears to be compliant.
255.065, FS: Public-Private Partnership Act	The County appears to be compliant.
286.011, FS: Sunshine Law – applicable to bid evaluation committees	The County appears to be compliant.
286.0113, FS: Sunshine Law – temporary exemption for procurement related oral presentations, Q&A, and contract negotiations.	The County appears to be compliant.
286.043, FS: Limitation on use of funds for Airport Car Rental	The County appears to be compliant.
287.055, FS: CCNA	The County appears to be compliant.
287.082, FS: Preference for commodities manufactured, grown or produced in the State	The County appears to be compliant.
287.0822, FS: Beef and Pork Purchases	The County appears to be compliant.
287.084, FS: Preference for Florida Businesses	The County appears to be compliant.
287.087, FS: Preferences to Businesses with Drug Free Work Programs	The County appears to be compliant.

Item	Comment
287.092, FS: Preferences to Certain Foreign Manufacturers	The County appears to be compliant.
287.093, FS: Preference for Minority Businesses	The State allows up to 10%. The County appears to be compliant.
287.0931, FS: Preference for Minority Business Bond Underwriters	The County appears to be compliant.
287.0935, FS: Surety Bond Insurers	The County appears to be compliant.
287.133, FS: Public Entity Crimes – prohibits contracting with vendor/contractors	The County appears to be compliant.
287.135, FS: Prohibition against contracting with scrutinized companies	The County appears to be compliant.
295.187, FS: Service Disabled Veterans Business Enterprise Opportunity Act	The State encourages local governments to do so. The County appears to be compliant.
336.41 & 336.44, FS: ITB on County Roadwork	The County appears to be compliant.
403.70605, FS: Solid Waste Collection Services in Competition with Private Companies	The County appears to be compliant.
Chapter 489, FS: Generally – Contracting for Electrical and Alarm Systems and Septic Tanks	The County appears to be compliant.
489.145, FS: Guaranteed Energy, Water and Wastewater Performance Savings Contracting Act	The County appears to be compliant.
705.103, FS: Sale of Abandoned Property Procedure	The County appears to be compliant.

Recommendations for Part III

- Make the Changes Reflective of AEP Criteria
 - Edit to allow for Best Value Procurement
 - Edit to allow the CPO to award contracts without governing body approval
 - Establish an Environmental Procurement Policy (The 2011 Survey by the Florida Association of Public Procurement Officers showed that approximately 34% of Florida entities have an environmental procurement policy).
 - Establish a Procurement Ethics Policy specific to Procurement
- Make the Change Reflective of the OA4 Criteria
 - CPO authority to prepare, review, modify, and approve specifications.
 - Allow using design and performance specifications, as well as the combination
 - State the CPO's responsibility for the procurement of non-professional services.
 - State the CPO's responsibility for the procurement of professional services.
 - State the CPO's authority to select the method that provides the best potential timing and cost for the construction project
 - Require standard formats for the solicitation of bids and proposals
 - Examine making public notice for competitive solicitations on-line and not in a newspaper except as required by state law
 - Require documentation to support a decision to award to other than the low bidder
 - Provide a process for handling irregularities and mistakes in bids or proposals
 - Develop a Technology Plan for managing the Procurement Agency's technology
 - Create an environmental or green procurement program
 - Allow the use of best value procurements

Part IV Comparison to Industry Best Practices

An indirect portion of this review is examination of industry best practices (in addition to the ones identified in the previous sections) that may be beneficial to the County. While this is not the main focus of this assignment, these best practices may be quite beneficial to the County. The following information is gathered from NIGP and other whitepapers, the Review Team's knowledge and other sources.

Recommendations for Part IV

- *Automatic increase to procurement thresholds*
Inflation, even at minimal levels year after year, makes procurement thresholds outdated and ineffective. Every three years, the County should review the formal and informal thresholds to determine if increases are needed to keep pace with inflation and County needs. BFSB should have the authority to increase the thresholds on its own to adjust for inflationary "creep."
- *Establish a Continuous Improvement Program*
Thriving companies and governments constantly improve their operations by regular review of effectiveness and adjustments. This takes many forms: focus groups, yearly reviews, hiring outside experts periodically to review operations, constant learning and more. Continuous improvement requires customer feedback in a systematic and impartial manner. There are two typical methods of doing this: either the County conducts a satisfaction survey of Client Departments or the County hires an outside firm to conduct the surveys. Often self-administered surveys have higher participation rates, while surveys conducted by an independent party may yield more true results as participants feel they can be more open and honest without fear of discovery or identification by County leadership. While both surveys offer challenges and benefits, feedback provides benchmark data for new and changing processes as well as continued process improvement. These external surveys are typically more comprehensive than internal surveys. There are numerous sources available to conduct external surveys including NIGP. NIGP's 2017 Public Procurement Benchmark Survey Report shows that 25% of the respondents had conducted such surveys in the most recent fiscal year).
- *Establish procurement measurement programs*
Most successful procurement organizations measure workload and performance. Procurement must be able to measure and track transactions and program success in the form of savings, cost reductions, and processing time consistently and accurately. Tracking these factors strengthens the need for process consistency because without consistency it is very difficult to measure anything. The Review Team recommends the County implement a tracking mechanism, select data to be tracked (such as cost savings, cost avoidance, staff time spent, customer satisfaction, commodities purchased, vendors utilized, contract compliance, et cetera) and develop reports of these metrics for management.

One savings tracking system is MEASURE. NIGP provides agencies holding national membership with this tool for recording and reporting on delivered savings for free. MEASURE's functionality provides an efficiency measurement framework and the supporting online tools to make it easy to capture, collate, analyze and report the savings and efficiencies delivered by the procurement function. Among its attributes, MEASURE helps:

- Demonstrate the effectiveness of the procurement function
- Create compelling reports for management in less time

- Track and quantify delivered savings
 - Reduce the administrative burden and eliminate data entry bottlenecks
- *Punch-out Catalogs*
Punch out catalogs are an e-procurement method making it possible for buyers to access a supplier's web site from the buyer's own procurement application. The buyer leaves ("punches out") of their procurement application and enters the supplier's web-based catalog, which launches the supplier's website within the buyer's browser frame. The buyer browses the web-based catalog and adds items to the shopping cart while both applications maintain their connections. The shopping cart with the selected items returns to the e-procurement application. After the shopping cart returns the buyer to the County's software, the buyer then proceeds through the normal workflow steps, which may include adding additional items to the requisition, canceling or editing the requisition, submitting the requisition, or discarding the requisition. Orders do not submit to the supplier until the buyer has added the line items to a purchase order and proper approval is given.
 - *Reverse Auctions*
The Internet has brought a number of usable new and innovative instruments to public procurement. Reverse auctions are such a tool. Unlike traditional auctions where there is an attempt to run the prices up, reverse auctions are a technique used to drive prices down as bidders' prices are revealed and bidders have the opportunity to modify their bid prices for the duration of the time established by the auction. Entities have to adopt procurement procedures regarding public notice, prequalification of vendors and security. Reverse auctions for commodities and services can save the County substantial money. The 2011 Survey by the Florida Association of Public Procurement Officers (FAPPO) showed that 14.2% of Florida entities utilized reverse auctions and that percentage has undoubtedly grown since then.

Reverse auctions are viable in many potential situations and many industries use them, confirms Sandy D. Jap, professor of marketing at Emory University's Goizueta Business School. "They clearly generate cost savings, ranging from 5% to 40%, with 15% to 25% being more typical."⁶ For instance, Maricopa County, Arizona has successfully used reverse auction to save millions of dollars for their County on various goods and services including insurances.
 - *Spend Management*
Spend Management is an effective best practice that results in financial savings and reduced expenditures (time and resources). In its very basic form it may be nothing more than combining several small purchases into one larger purchase where volume discounts occur. The strategic sourcing process tends to transition the organization from one completing small, routine procurement to one completing larger procurements combined with procure-to-pay strategies. The rewards are decreased transaction costs, lower costs and allowing purchasing staff to concentrate on the value added procurement tasks.

An important stepping-stone is for procurement to be able to get a forward look at major, upcoming requirements and to identify those as early as possible. To accomplish this task, procurement must participate closely and actively with Client Departments to provide professional procurement guidance as early in the planning process as possible.

⁶ <http://knowledge.emory.edu/article.cfm?articleid=414>

The development and maintenance of an annual, County Procurement Outlook plan that features upcoming procurements will serve as the technique to incorporate those upcoming procurement requirements into a practical planning mechanism.

- *Supplier Code of Ethics*

Another best practice in public procurement is a “Supplier Code of Ethics.” The County has various employee ethic policies in place including NIGP’s. A Supplier Code of Ethics provides assurance that suppliers understand their role in the County’s ethical standards.

Once developed, the Supplier Code of Ethics is in the Supplier Guide. Located at <http://www.seattle.gov/ethics/etpub/fagcontractorexplan.htm>, the City of Seattle’s supplier code of ethics may provide guidance for The County. The NIGP Library has additional samples.

- *Supplier Evaluation Program*

With tight budgets and ever-increasing citizen demands, public entities must have vendors who consistently meet agreed upon performance standards. The Performance Analysis is a part of good contract administration and is a component of contract management. There are several steps in conducting supplier performance analysis. The major issue is how to assess superior or inferior performance objectively. Proper documentation of these issues is critical. Steps include:

- On-line scheduled surveys from Client Departments regarding supplier performance
- A database of vendor performance information used during sourcing evaluations
- Sharing of survey results with vendors
- Providing vendors with guidance to assist in improving their performance
- Creating scorecards to measure supplier performance

On the other hand, Procurement must know how they can best serve suppliers since they are also clients. Supplier satisfaction surveys are a best practice. Suppliers can provide valuable insight about their perception of procurement policies and procedures and their interaction with BFSB staff. Supplier surveys should occur consistently-at least every three years. NIGP’s 2017 Public Procurement Benchmark Survey Report shows that 12% of the respondents had conducted such surveys in the most recent fiscal year).

- *Best Value Procurement*

This is a technique that in a competitive solicitation process emphasizes value over price and permits the evaluation of criteria such as qualifications, experience and performance data to determine the best overall value to the agency.

- *Public Private Partnership*

The National Council for Public-Private Partnerships defines a public-private partnership (P3) as a contractual arrangement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility. Governments are increasingly using these arrangements to fund larger public infrastructure projects when the government does not sufficient funds to do so by itself.

Part V Updated Purchasing Ordinance

The Review Team provided comments and recommendations about the Purchasing Ordinance in this report and has separately furnished an edited Purchasing Ordinance draft.

Part VI Conclusion

The Review Team conducted a thorough analysis of the County's procurement function including a review of ordinances, policies, programs and documentation. The recommendations in this report assist the County with its goal of increasing procurement function efficiency and effectiveness while meeting the needs of Client Departments. The Review Team proposes that the County embrace the principles and practices promoted by the American Bar Association's (ABA) 2000 Model Procurement Code (MPC) for State and Local Governments by updating the content and format of the County's Ordinance. Additionally, the County should implement adjustments to its policy and procedures manuals. The County should also implement the best practices suggested in this report.

Alachua County has a very dedicated, nationally recognized, highly educated and professional staff guiding its procurement function. Their energy and willingness to improve the processes and procedures is outstanding. The Review Team has confidence that the staff can make these suggested improvements with the help of the rest of the County's employees and leadership.

Appendix A: Summary of Recommendations

The following is a summary list of all recommendations in this report.

Item	Recommendation
	Ordinance/Policy Changes
1.	<p><i>Revise the County Ordinance to be more reflective of the Model Procurement Code. The County should examine and compare the entire ordinance and the Model Procurement Code but in particular:</i></p> <ul style="list-style-type: none"> • Add the General Provisions • Add the Procurement Organization points • Add the Source Selection and Contract Formation points • Add the Specification points • Add the Procurement of Infrastructure Facilities and Services • Add the Cost Principles points • Add the Supply Management points • Add the Legal and Contractual Remedy points • Add the Intergovernmental Relations points • Add the Ethics in Public Procurement points
2.	<p><i>Implement Relevant Portions of Information from the Comparison to Other Entities</i></p> <ul style="list-style-type: none"> • <i>Alternative Construction Delivery Methods</i> • <i>Enhance instructions on Qualifications Based Selection</i> • <i>Move Award Authority to a different section as noted</i> • <i>Raise Award Authority Thresholds</i> • <i>Move Change Orders to a different section as noted</i> • <i>Increase Change Orders thresholds as indicated</i> • <i>Allow authority to purchase from public auctions</i> • <i>Add language about conflict of interest</i> • <i>Add language about vendor conflict of interest</i> • <i>Add language about conflict of interest penalties</i> • <i>Consider adding language about Environmentally Preferred Procurement</i> • <i>Consider reducing the number of exceptions from competitive bidding as noted</i> • <i>Consider requiring notice of Formal Solicitations on webpage</i> • <i>Consider increasing formal bid threshold</i> • <i>Consider only requiring newspaper advertisement as State law requires</i> • <i>Detail bonding requirements</i> • <i>Detail bid receipt</i> • <i>Move bid correction information as noted</i> • <i>Insert the right for Inspection and Testing</i> • <i>Insert the right to Require Insurance</i> • <i>Allow for Multi Step Bidding</i> • <i>Allow for Negotiation if no bids are received</i> • <i>Allow for Private Public Partnerships</i> • <i>Enhance Protest Procedures (timelines, appeals process)</i> • <i>Specify Bonding Requirements</i> • <i>Allow for Requests for Information</i> • <i>Allow for Requests for Qualifications</i>

Item	Recommendation
	<ul style="list-style-type: none"> • <i>Allow for Reverse Auctions</i> • <i>Raise the threshold for Small Purchases</i> • <i>Allow for Standardization</i> • <i>Prohibit subdividing requirements to avoid thresholds</i> • <i>Enhance Suspension/Debarment language (length of time and appeals)</i> • <i>Reserve the right to Waive Irregularities</i>
3.	<p>Other recommendations</p> <ul style="list-style-type: none"> • <i>Change “Purchasing” to “Procurement”</i> • <i>Establish the CPO concept</i> • <i>Adjust formal and small purchase thresholds</i> • <i>Edit the capital section of the ordinance as noted</i> • <i>Add the requirement to post sole source declarations to the internet</i> • <i>Clarify in the specification section that if a private entity assists in writing the specifications that they cannot participate in the resulting bid process</i> • <i>Bring Procurement into the loop on unauthorized purchases</i> • <i>Increase the authority of the County Manager to award up to \$1,000,000 (per NIGP’s 2017 Public Procurement Benchmark Survey Report).</i>
4.	<p>Vendor Guide Recommendations</p> <ul style="list-style-type: none"> • <i>Add an “Issue Date” to the document</i> • <i>Standardize the style as noted</i> • <i>Change the word Purchasing to Procurement</i> • <i>Make other suggested edits</i> • <i>Add a dollar value to the Gifts & Favor section</i> • <i>Add a FAQ section</i>
5.	<p>Vendor Information Webpage</p> <ul style="list-style-type: none"> • <i>Add a FAQ section</i> • <i>Connect this webpage to Facebook and LinkedIn (and post solicitations there)</i>
6.	<p>P-Card Manual</p> <ul style="list-style-type: none"> • <i>Consider expanding the program to other than low cost items</i> • <i>Make the needed edits when the program is expanded</i> • <i>Add the phrase “Up to and including termination and legal prosecution”</i> • <i>Move to on-line reconciliation</i>
7.	<p>Contract Administration Manual</p> <ul style="list-style-type: none"> • <i>Create a true contract administration manual as noted</i> • <i>Create the forms necessary with the manual</i>
Purchasing Procedures Manuals Comparison	
8.	<p>Change to Policy and Procedures Manual Based on those from Other Entities</p> <ul style="list-style-type: none"> • <i>Add an applicability statement</i> • <i>Adjust the bonding language as recommended</i> • <i>Adjust the change order language as recommended</i> • <i>Add a section concerning compliance with grant terms</i> • <i>Add language for construction concerning alternative delivery methods</i> • <i>Add language concerning contract disputes and claims</i> • <i>Add language about contracts</i>

Item	Recommendation
	<ul style="list-style-type: none"> • <i>Edit the coop language to clearly state that Procurement ascertains whether or not to use cooperatives</i> • <i>Adjust delegated authority language as noted</i> • <i>Edit/create a statement on Environmentally Preferred procurement</i> • <i>Edit exceptions to competitive solicitation as noted</i> • <i>Add to the section on formal solicitations (rejection of late submittals, opening procedures, pre-bid conferences, public advertisement via webpage, et cetera)</i> • <i>Add verbiage about freight and shipping</i> • <i>Add verbiage about insurance requirements</i> • <i>Add verbiage about interact with other county departments (legal, Board, manager)</i> • <i>Add verbiage on the right to issue Invitations to Negotiate</i> • <i>Add verbiage about Letter Contracts</i> • <i>Add verbiage about Open Records requirements</i> • <i>Add verbiage about Payment Procedures and Prompt Payment requirements</i> • <i>Add verbiage about Life Cycle Costing</i> • <i>Adjust verbiage about thresholds as recommended</i> • <i>Add verbiage about protests</i> • <i>Add verbiage about Public Private Partnerships</i> • <i>Add verbiage about Reference Check protocol</i> • <i>Add verbiage about Requests for Information</i> • <i>Add verbiage about Real Estate purchases and sales</i> • <i>Add verbiage about Revenue Contracting</i> • <i>Add verbiage about Sales Tax Exemption</i> • <i>Add verbiage about Single Source procurement</i> • <i>Add verbiage about Splitting of Transactions to Avoid Thresholds</i> • <i>Add verbiage about Standardization</i> • <i>Add verbiage about Term Bids</i> • <i>Add verbiage about Tie Breaking procedures</i> • <i>Add verbiage use of County Logos and Vendor Endorsement protocols</i>
9.	<p>Change to Existing Policies and Procedures Manual</p> <ul style="list-style-type: none"> • <i>Add an Issued/Revised date</i> • <i>Make stylistic edits as suggested</i> • <i>Change to Procurement instead of Purchasing</i> • <i>Insert the NIGP Code of Ethics</i> • <i>Implement the suggested edit to “No Substitutions” language</i> • <i>Set up automatic emailing of purchase orders if software allows</i> • <i>Consider the placement of the surplus operation in Procurement</i> • <i>Make the suggested edits to the forms section (online, fillable, issue date, explanations as to when/why)</i> • <i>Increase thresholds</i> • <i>Increase the authority of the County Manager to award up to \$1,000,000</i>
	<p align="center">Review and Comparison to Other Manuals and Standards</p>
10.	<p>Make the changes reflective of AEP Criteria</p> <ul style="list-style-type: none"> • <i>Edit to allow for Best Value Procurement</i> • <i>Edit to allow the CPO to award contracts without governing body approval</i>

Item	Recommendation
	<ul style="list-style-type: none"> • <i>Establish an Environmental Procurement Policy</i> • <i>Establish a Procurement Ethics Policy specific to Procurement</i>
11.	<p>Make the change reflective of the OA4 Criteria</p> <ul style="list-style-type: none"> • <i>CPO authority to prepare, review, modify, and approve specifications</i> • <i>Allow using design and performance specifications, as well as the combination</i> • <i>State the CPO's responsibility for the procurement of non-professional services</i> • <i>State the CPO's responsibility for the procurement of professional services</i> • <i>State the CPO's authority to select the method that provides the best potential timing and cost for the construction project</i> • <i>Require standard formats for the solicitation of bids and proposals</i> • <i>Examine making public notice for competitive solicitations on-line and not in a newspaper except as required by state law</i> • <i>Require documentation to support a decision to award to other than the low bidder</i> • <i>Provide a process for handling irregularities and mistakes in bids or proposals</i> • <i>Create an environmental or green procurement program</i> • <i>Allow the use of best value procurements</i>
Comparison to Industry Best Practices	
12.	<ul style="list-style-type: none"> • <i>Automatic increases to procurement thresholds</i>
13.	<ul style="list-style-type: none"> • <i>Establish a Continuous Improvement Program</i>
14.	<ul style="list-style-type: none"> • <i>Establish procurement measurement programs</i>
15.	<ul style="list-style-type: none"> • <i>Establish Punch-out Catalogs</i>
16.	<ul style="list-style-type: none"> • <i>Establish Reverse Auctions</i>
17.	<ul style="list-style-type: none"> • <i>Establish Spend Management</i>
18.	<ul style="list-style-type: none"> • <i>Create a Supplier Code of Ethics</i>
19.	<ul style="list-style-type: none"> • <i>Create Supplier Evaluation Program</i>
20.	<ul style="list-style-type: none"> • <i>Establish Best Value Procurement</i>
21.	<ul style="list-style-type: none"> • <i>Establish Public Private Partnership</i>