



**ADMINISTRATIVE
POLICY**

POLICY NUMBER

4.02

TITLE:	PURCHASING POLICY
RESPONSIBLE OFFICE:	Division of Finance and Administration Bureau of General Services 107 East Madison Street B-047 Caldwell Building Tallahassee, Florida 32399 Phone: (850) 245-7471 Fax: (850) 245-7470
EFFECTIVE:	06/25/2014

I. PURPOSE

The purpose of the Purchasing Policy is to establish requirements for the Florida of Department of Economic Opportunity's (Department) procurement activities in accordance with applicable state and federal laws. The procurement of all commodities and contractual services required for the operation of the Department will be accomplished according to this policy and the Department Purchasing and Contracting Guidelines. Procedures contained in the Department Purchasing and Contracting Guidelines are designed to comply with applicable state and federal laws, and do not, in any way, supersede them.

II. SCOPE

The Purchasing Policy applies to all Department employees and contracted employees who are responsible for, or involved with, the procurement of commodities or contractual services.

III. AUTHORITY

Rule 60A-1, Florida Administrative Code, General Regulations
 Rule 60D-5, Florida Administrative Code, Procedures for Construction Contract Bidding, Award, Negotiation, and Changes
 Chapter 112, Florida Statutes, Public Officers and Employees General Provisions
 Chapter 119, Florida Statutes
 Chapter 120, Florida Statutes
 Chapter 215, Florida Statutes, Financial Matters, General Provisions
 Chapter 255, Florida Statutes, Public Property and Publicly Owned Buildings

Chapter 283, Florida Statutes, Public Printing
 Chapter 286, Florida Statutes, Public Business, Miscellaneous Provisions
 Chapter 287, Part I, Florida Statutes, Commodities, Insurance, and Contractual Services
 29 CFR 97, Uniform Administrative Requirements for Grants and Cooperative
 Agreements to State and Local Governments
 Executive Order No.: 99-281, One Florida Initiative
 Executive Order No.: 07-126, Green Lodging Program

IV. REVISION HISTORY

Version #	Version Date	Overview of Change
1	07/16/2001	Original policy
2	09/29/2003	Revised policy
3	11/08/2006	Revised policy
4	08/07/2008	Revised policy
5	06/25/2014	Revised policy

V. DEFINITIONS

- A. Alternate Contract Source – Source for commodities and/or services available for purchase by the Department from term contracts or requirements contracts, competitively established by other governmental entities pursuant to Rule 60A-1.047, Florida Administrative Code.
- B. Amendment – A document that makes substantial changes to the terms of an executed contract. Changes requiring an amendment include, but are not limited to, adjustments in cost, service, time period, and method of payment. The amendment is incorporated as part of the original contract.
- C. Best Value – The highest overall value to the state based on objective factors that include, but are not limited to, price, quality, design, and workmanship.
- D. Bid – The offer extended to the Department in response to a solicitation.
- E. Commodity – Pursuant to Section 287.012, F.S., “commodity means any of the various supplies, materials, goods, merchandise, food, equipment, information technology, and other personal property, including a mobile home, trailer, or other portable structure that has less than 5,000 square feet of floor space, purchased, leased, or otherwise contracted for by the state and its agencies. The term also includes interest on deferred-payment commodity contracts approved pursuant to s. 287.063 entered into by an agency for the purchase of other commodities. However, commodities purchased for resale are excluded from this definition. Printing of publications shall be considered a commodity if procured pursuant to s. 283.33, whether purchased for resale or not.”

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- F. Contract – An agreement entered into voluntarily by two or more parties, each of whom intends to create one or more legal obligations between or among them. Pursuant to Section 287.058, F.S., both parties must sign the contract prior to services being rendered.
 - G. Contract Administrator – A designated employee in the Purchasing Office who is charged with administering the contract through the term of the agreement and is specifically responsible for maintaining a contract file on all Department contracts. The Contract Administrator serves as a liaison between Department Contract Managers and the Florida Department of Management Services.
 - H. Contract Close-out – At the completion of the contract term, the process by which the Contract Manager ensures all terms and conditions of a contract have been fully performed including completion of the Department Contract Manager’s Contract Close-out Guide. The Contract Manager ensures all steps necessary to close out the file have been taken. It may include such operations as processing final payment, recovering all equipment purchased according to the terms of the contract, or recovering any overpayment. The Contract Administrator updates the Department’s Procurement and Contract Tracking System (PACTS) database.
 - I. Contract File – The original and official record for the Department which must be maintained for a period of five years following contract close-out or the resolution of any pending action (i.e., legal, audit, etc.), whichever is later. This file is maintained by the Purchasing Office. The Contract Manager’s contract file should mirror the Department’s contract administrative file only to the extent the Contract Managers’ contract files contain copies of the original contract, amendments, renewals, and/or extensions, to ensure necessary documentation is being properly maintained.
 - J. Contract Manager – A person designated by each program area within the Department who is charged with monitoring a contract through the term of the agreement, and who is specifically responsible for enforcing performance of the contract terms and conditions, and maintaining all financial information (i.e., payment history, payment method, payment tracking, etc.) The Contract Manager serves as a liaison between the Department and the contractor regarding performance issues contained in the contract.
 - K. Contract Termination – Refers to the pre-mature ending of a contract prior to the published date in the contract. Contracts may be terminated for convenience by the Department by providing written notice within the timeframes established by the contract terms. Contracts may be terminated due to contractor non-performance issues, discontinuance of contract funding, or other reasons. Expiration refers to a contract successfully completing the term of the agreement.
 - L. Contractor – A person or entity that contracts to sell commodities or contractual services to the Department.

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- M. Expenditure – The creation or incurring of a legal obligation to disburse funds.
- N. Extension – An increase in the time allowed for the contract period due to circumstances which, without fault of either party, make performance impracticable or impossible, or which prevent a new contract from being executed, with or without a proportional increase in the total dollar amount, with any increase to be based on the method and rate previously established in the contract. Extension of a contract shall be in writing for a period not to exceed six months and shall be subject to the same terms and conditions set forth in the initial contract. There shall only be one extension of a contract unless the failure to meet the criteria stated in the contract for completion is due to events beyond the contractor's control. Extensions must be executed prior to expiration of the contract.
- O. Invitation to Bid (ITB) – A written or electronically posted solicitation for competitive sealed bids. The ITB is used when the agency is capable of specifically defining the scope of work for which a contractual service is required or when the agency is capable of establishing precise specifications defining the actual commodity or group of commodities required. A written solicitation includes a solicitation that is electronically posted.
- P. Invitation to Negotiate (ITN) – A written or electronically posted solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services. The ITN is used when the agency determines that negotiations may be necessary for the State to receive the best value. A written solicitation includes a solicitation that is electronically posted.
- Q. MyFloridaMarketPlace (MFMP) – The State of Florida's electronic procurement system.
- R. Negotiations – The formal process of seeking agreement between the Department and a vendor (or several vendors) on the cost, levels, types of services, terms, and conditions of a contract. The Department may only negotiate Invitations to Negotiate and exceptional purchases.
- S. Negotiation Team – Pursuant to Section 287.057(16)(a), F.S., for contracts over \$195,000 the agency head shall appoint:
- a. At least three persons to conduct negotiations during a competitive sealed reply procurement who collectively have the experience and knowledge in negotiating contracts, contract procurement, and the program areas and service requirements for which commodities or contractual services are sought.
 - b. If the value of a contract is in excess of \$1 million in any fiscal year, at least one of the persons conducting the negotiations must be certificated as a contract negotiator based upon Department of Management Services' rules.

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- c. If the value of a contract is in excess of \$10 million in any fiscal year, at least one of the persons conducting negotiations must be a Project Management Professional, as certified by the Project Management Institute.
 - T. Price Analysis – The process of examining and evaluating price data, without evaluating the separate cost elements or proposed profit, to assist in arriving at prices to be paid and costs to be reimbursed.
 - U. PRIDE – The nonprofit corporation authorized by Chapter 946, F.S., to lease and manage the correctional work programs of the Florida Department of Corrections, and to sell commodities and services.
 - V. Procurement – The act, through utilization of various methods, of obtaining commodities or contractual services for the Department.
 - W. Procurement and Contract Tracking System (PACTS) – The application/database used by the Purchasing Office to track the development of a contract from initiation of a solicitation to contract execution, through each renewal, and/or through expiration and close-out of a contract.
 - X. Program Area – An individual bureau, office, section, or unit, within the Department.
 - Y. Project Manager – The individual that is assigned by the program area to facilitate the program area’s formal procurement responsibilities. This individual may also be assigned as the Contract Manager.
 - Z. Protest – A formal objection by any person or firm who believes they have been adversely affected by a decision or intended decision concerning a solicitation or notice of contract award or who contests the solicitation specifications. An official protest must be submitted in writing within the time frame prescribed by Chapter 120, F.S.
 - AA. Purchase – An acquisition made by contracting in any manner for goods or services.
 - BB. Purchasing Card – The charge card utilized by state agencies for informal procurements, emergency purchases, and travel.
 - CC. Purchase Order – Created when a requisition completes the approval process in MyFloridaMarketPlace (MFMP). MFMP sends purchase orders to the chosen supplier.
 - DD. Purchase Requisition – A formal request issued via MFMP to procure commodities and/or services on behalf of program areas or divisions. The purchase requisition is used by all offices to identify commodity and service requirements, and notify or authorize the Purchasing Office to make a purchase. This is sometimes referred to as a requisition.

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- EE. Renewal – Contracting with the same contractor for an additional contract period after the initial contract period, only if pursuant to contract terms specifically providing for such renewal. Emergency procurements and single source procurements may not be renewed. A competitively solicited contract cannot be renewed unless there is a renewal provision in the Request for Proposal, Invitation to Bid, or Invitation to Negotiate, and the resulting contract. Renewals are subject to satisfactory performance, and renewals shall be in the best interest of the Department.
- FF. Request for Information (RFI) – A written or electronically posted request made by an agency to vendors for information concerning commodities or a contractual service. Responses to these requests are not offers and may not be accepted by the agency to form a binding contract.
- GG. Request for Proposals (RFP) – A written or electronically posted solicitation for competitive sealed proposals.
- HH. RESPECT – A non-profit organization designated by the Florida Department of Management Services to administer Florida’s State Use Program. The organization helps employ Floridians with disabilities throughout the state by producing commodities and providing contractual services that are sold to government entities.
- II. Responsible Vendor – A vendor who has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance.
- JJ. Responsive Bid, Responsive Proposal, or Responsive Reply – A bid, proposal, or reply submitted by a responsive and responsible vendor, which conforms in all material respects to the solicitation.
- KK. Single (Sole) Source – A purchase of a commodity or contractual service that is available from only one source.
- LL. Small Business – An independently owned and operated business that employs 200 or fewer permanent full-time employees and that, together with affiliates, has a net worth of not more than \$5 million or any firm based in Florida, which has a SBA 8(a) certification. As applicable to sole-proprietorships, the \$5 million net worth requirement shall include both personal and business investments.
- MM. Solicitation – A request for bids, proposals, quotes, replies, or offers to provide supplies, services, or construction items.
- NN. Statement/Scope of Work – A narrative attached to the solicitation document and contract that details the commodities and/or services to be provided, specific

eligibility requirements, concrete objectives that are to be accomplished, and any other requirements that affect how the commodities and/or services will be delivered. It also includes specifications of any reports due and benchmarks for performance.

OO. Term Contract – An indefinite quantity contract to furnish commodities or contractual services during a defined period.

PP. Vendor – A person or entity that sells, or offers to sell, commodities or contractual services.

VI. POLICY

It is the policy of the Department to follow the operating procedures established in the Department Purchasing and Contracting Guidelines and to adhere to this policy and all identified authority within this policy.

VII. PROCEDURES

A. Department Principles:

The purpose of the procurement function at the Department is to ensure the availability of required resources, and to achieve the best value for the State of Florida. The Department has a centralized Purchasing Office which adheres to the principles of legality, ethics, effective service, efficiency, economy, fairness, and diversity.

The Department's purchasing staff provides procurement services responsive to the needs of the programs and facilities they support. These procurement responsibilities will be accomplished within the framework of state and federal laws, Florida Administrative Code, and Department policies.

B. Ethics and Standards of Conduct in Procurement:

The Department shall maintain high standards of ethics and conduct in all procurement transactions. The ethical standards in both the Department's Code of Ethics, Policy Number 1.05, and Chapter 112, Florida Statutes, provide requirements and guidance on many topics including:

- Solicitation or acceptance of gifts
- Doing business with one's Department
- Unauthorized compensation
- Misuse of public position
- Conflicting employment or contractual relationship
- Disclosure or use of certain information

Contact the Department's Office of the General Counsel with questions about the above ethical standards.

C. Disallowed Purchases:

The Department may purchase only items necessary to carry out statutory duties and should select such items on an economically prudent and cost effective basis, not to satisfy the personal convenience or personal preference of individuals.

A list of prohibited expenditures may be found in the Department of Financial Services' Reference Guide for State Expenditures and is available at the following location: http://www.myfloridacfo.com/aadir/reference_guide/.

D. Procurement Instruments:

The procurement of all commodities and services will be accomplished by one of the following methods:

1. State Purchasing Card (P-Card) – Utilization of the P-Card is limited to the authorized Cardholder whose name appears on the face of the card. The Purchasing Office encourages the use of the P-Card for all purchases less than \$35,000 that do not require a written agreement or purchase order.
2. Purchase Order via MyFloridaMarketPlace (MFMP) – An automated purchase requisition is completed, initiated, and submitted within the MFMP system following a determination that a specific item is needed, and provided for, in the program area budget.

E. Procurement Type:

1. Small Purchases – Discretionary and Informal Quotes.
2. Non-Competitive – Exempt Procurements, Single Source, Emergency Purchases, State Term Contracts, Request for Quotes, PRIDE, RESPECT of Florida, Alternate Contract Sources, General Services Administration (GSA) Schedules, and State Purchasing Agreements.
3. Request for Information (comparative market analysis only) – The Department may use a “Request for Information” in circumstances including, but not limited to, determining whether or not to competitively procure a commodity or contractual service, determining what solicitation process to use for a particular need, or researching general, special and/or technical specifications for a solicitation.
4. Competitive Solicitations – Include the following: Invitation to Bid (ITB), Request for Proposal (RFP), and Invitation to Negotiate (ITN). All competitive solicitations shall be made available simultaneously to all vendors and must include:
 - Time and date for the receipt of bids, proposals, or replies;
 - The public opening date; and
 - All contractual terms and conditions applicable to the procurement, including the criteria to be used in determining acceptability and relative merit of the bid, proposal, or reply.

F. Solicitation Documents:

The Department follows the solicitation process as outlined in the Purchasing and Contracting Guidelines. The guideline document provides detailed information on the following:

- Solicitation document content
- Solicitation development
- Evaluation and negotiation team appointments
- Potential conflicts of interest
- Business case to outsource
- Scope of Work development
- Issuing the solicitation
- Posting notifications of public meetings
- Solicitation conference, technical questions and answers
- Receipt and opening of bids, proposals, or replies
- Evaluation of proposals or replies
- Receipt of less than two responsive bids, proposals, or replies
- Tie bids
- Receipt of "Notice of Intent" to Protest
- DMS Protest timelines for the State of Florida
- Contract award

G. Equity in Contracting:

The Department develops and implements a Small Business Participation Plan each year outlining prospective related activities for the upcoming year. The plan provides information about the legal authority, minority and women-owned business enterprise participation, techniques use to increase the Department's participation with small and minority businesses, direct assistance, analysis, and procedures and assigned responsibility.

H. Fraud Procedures:

The Department requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible.

I. Contract Development:

The Department follows a process for contract development, review, and approval. The Department will follow the laws, rules, and guidelines covering the contract development process listed below:

1. Types of Contracts:
 - a. Fixed Price/Fixed Rate Price
 - b. Cost Reimbursement
 - c. Performance Based
 - d. Combination
2. Contract review, approval, execution, distribution and file set up

3. Contract amendment
4. Contract extension
5. Contract renewal
6. Contractor breach

J. Contract Management:

The Contract Manager, in coordination with the Purchasing Office, is the primary point of contact for all contracting information between the Department and a vendor. All actions related to a contract shall be initiated by or coordinated with the Contract Manager.

The Department's Purchasing and Contracting Guidelines provide detailed information regarding the Roles and Responsibilities of a Contract Manager including:

- Monitoring contracts
- Deciding how to monitor a contract
- Managing poor performance
- Determining approach to poor performance
- Dealing with poor performance
- What monitoring consists of
- Assessing risk
- Monitoring plan
- Monitoring procedures and criteria
- Contract problems warranting formal corrective action
- Critical contract compliance deficiencies
- The contract file
- Preferred-pricing clause

K. Contract Close-out:

Prior to initiating a contract termination or contract expiration date, the Contract Manager must complete the contract close-out process.

L. Contract Administration:

Section 287.057(15), F.S. provides that the Department shall designate at least one employee who shall serve as a contract administrator responsible for maintaining a contract file and financial information on all contractual services contracts and who shall serve as a liaison with the contract managers and the Department. The contract administrator is responsible for maintaining a contract file and financial information on all contractual services contracts and shall serve as a liaison with the contract managers and the Department of Management Services. It is the Department's policy that this requirement is applicable to department contracts, CareerSource Florida, Inc. contracts, interagency agreements, and memoranda of understanding.

The Department’s Purchasing and Contracting Guidelines outline all procedures associated with this policy.

VIII. DISTRIBUTION REQUIREMENTS

The following individuals should be notified of this policy	Method of notification
1. All Department employees	<ul style="list-style-type: none"> • Newsletter • Via email • Department intranet

IX. RESPONSIBILITIES

It is the policy of Department’s purchasing staff to provide procurement services responsive to the needs of the programs and facilities they support. These procurement responsibilities will be accomplished within the framework of federal laws, Florida Statutes, Florida Administrative Code, and Department policies. The responsibilities of each of the following areas are as follows:

A. Purchasing Office:

- Develop and implement rules, operating procedures, and standards for Department purchasing functions.
- Monitor purchasing functions in all Department program areas to ensure compliance with statutes, rules, and policies that govern public procurement.
- Provide purchasing technical assistance to all Department program areas.
- Monitor and track certifications for Department Contract Managers, and provide notice of training opportunities offered by the Florida Department of Financial Services.
- Coordinate purchasing activities with other state and federal agencies.
- Coordinate audits, management review responses, and corrective actions regarding purchasing functions.
- Review proposed purchasing related legislation and its impact on the Department.
- Represent the Department before other agencies on statewide purchasing issues.
- Develop and implement automated purchasing systems for the Department when feasible and economical.
- Assist in budget preparation by providing cost information, appropriateness, and commodity availability.
- Facilitate the Department solicitation, cost/price analysis, and contract development process.
- Conduct special studies and projects relating to purchasing.
- Ensure MFMP requisitions are properly completed and processed.
- Develop and administer the Department’s supplier diversity program.
- Manage vendor information and investigate complaints related to purchasing activities within the Department by:

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- Facilitating and addressing vendor complaints regarding state term contracts to DMS.
 - Addressing and enforcing contractual clauses of Department contracts.
 - Directing problems with PRIDE to PRIDE headquarters.
 - Directing problems with RESPECT to RESPECT headquarters.
 - Ensuring purchases reflect the full diversity of Florida's population.
 - Coordinating responses.
- Plan and coordinate purchases to ensure quality products and services are obtained in a timely manner from responsible vendors on a competitive basis.
 - Report violations of state, federal, or Department purchasing policies and procedures to the Director of Finance and Administration, the Office of the Inspector General, and the Office of the General Counsel. Recommend corrective actions necessary to preclude the recurrence of such violations.
 - Ensure vendors doing business with the Department are treated equally and fairly in the awarding of solicitations and contracts.
 - Serve as the Department's Contract Administrator and maintain original Department solicitation and contract files.
 - Evaluate new or substitute products delivered to, or under consideration, for use within the Department.
 - Conduct periodic meetings with Department staff to discuss purchasing topics.
 - Receive recommendations to improve Purchasing Office operations.
 - Review professional and trade publications to determine market trends and product information that could affect the Department's purchasing operations.
 - Provide administrative purchasing and contracts guidance to the Regional Workforce Boards, as needed.
 - Serve as the Department liaison to the vendor community, and serve as the point of contact for the dissemination of product information to appropriate staff within the Department.
 - Serve as the Department's MFMP Security Administrator. This role is responsible for creating, updating, deleting, and deactivating, the Department's user profiles, Ship To and Bill To addresses, as well as establishing and resetting passwords. This role is sometimes referred to as the MFMP System Administrator.
- B. Program Area:
- Ensure requisitions are completed in their entirety, attach supplemental quotes, justifications, and approvals prior to submitting the requisition.
 - Ensure adequate time is provided purchasing activities to be accomplished.
 - Confirm identified vendors are registered to do business with the state in MFMP. If vendors are not registered in MFMP, assist the vendors with MFMP registration.
 - Follow statute, rules, and policies, and ensure commodities and services covered under a Department implemented term contract are procured through such contract.

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- Strive to meet or exceed prior-year minority and women-owned business expenditures.
 - Attend required training offered by the Department of Financial Services and the Department Purchasing Office.
 - Develop competitive solicitations and cost/price analysis in conjunction with the Purchasing Office.
 - Initiate purchase requests through the Purchasing Office.
 - Make purchasing and business recommendations to the Department's Purchasing Manager.
 - Manage vendor information and complaints by:
 - Facilitate solutions to vendor complaints.
 - Document vendor complaints and actions taken.
 - Address vendor complaints regarding state contracts to the Purchasing Office.
 - Address and enforcing contractual clauses of the Department's core contracts.
 - Ensure appropriate written justification is included on requisitions or purchases not procured through the use of a state term contract, as applicable.
 - Assign a Project Manager, if needed, to serve as the Program Area procurement main point of contact (Project Manager), as well as the Contract Manager.

The Department's Purchasing and Contracting Guidelines outline all procedures associated with this policy.

X. FORMS/ATTACHMENTS

N/A

XI. REFERENCES AND RELATED INFORMATION

[Purchasing and Contracting Guidelines](#)