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## **PURCHASING OFFICE**

### **Memorandum No. 1 (2008-09)**

**DATE:** August 8, 2008  
**FROM:** Laura I. Jennings, Purchasing Manager  
**SUBJECT:** Revised Purchasing Policy No.: 4.02

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Please be advised that Purchasing Policy No. 4.02 and the “Purchasing and Contracting Procedures Manual” have been revised to establish and provide the end user a concise and sequential operating procedure of the Agency’s procurement process. The new policy effective August 7, 2008 has been posted to the Agency’s web site. Following is an executive summary of the revisions:

- **PREFACE**
  - Revised the dollar threshold for completing the cost or price analysis to be consistent with Federal requirements (page 2)
  - Corrected the Federal reference number from 29 CFS 95.45 to 29 CFS 97.36 (page 2)
  - Updated agency web hyperlinks (page 2)
- **TABLE OF CONTENTS** – rearranged to match the layout of the material presented
- **DEFINITIONS** – added or revised existing definitions (pages 6-16)

#### Added

- Competitive Sealed Bids
- Contract Document
- Electronic Posting
- Eligible User
- Encumbrance
- Expenditure
- Fixed Capital Outlay (FCO)
- Inspection
- Invoice
- Negotiations
- Operating Capital Outlay (OCO)
- Receiving Report
- Unauthorized Purchase

### Revised

- Bidder
- Blanket/Term Direct Order
- Commodity
- Contract Close Out
- Direct Order
- Discretionary Purchase
- Florida Council on Efficient Government f/k/a Governor's Center for Efficient Government
- Negotiation Team
- Purchase Order
- Schedule of Events
- Sub-recipient

### Deleted

- Gate Management Process

## ● SECTION ONE – PURCHASING

### I. General

- Section A - added a general narrative statement for the purpose of the manual (page 17)
- Section B - added a statement to contact the Office of the General Counsel if there are any questions about applicable laws (page 17)
- Section C - merged the Purchasing and Program Area responsibilities with the Principles of Procurement (pages 17-21)
- Section D – added a statement to contact the Office of the General Counsel if there are any questions regarding the application of ethical standards (page 23)

### II. Purchasing System Controls

- Section A - added section that addresses Procurement Documents (page 24)
- Section B – added section that addresses Fixed Capital Outlay (page 24)
- Section C – added section that addresses Operating Capital Outlay (page 24)
- Section D – added section that addresses Nonconforming Request for Purchase Orders (page 25)
- Section E – added section that addresses Personal Preference (page 25)
- Section F – added section that addresses Vendor Relations and Selection (page 25)
- Section G – added section that addresses Exempt Administrative Purchases (page 25)
- Section F – added section that addresses Federal Approvals (page 26)
- Section I – added Federal calendar dates for fiscal year ending/beginning, purchase requisition deadlines (page 27)

### III. Procurement Instruments

- Section B – added requirements for attaching supporting documentation and instructions for processing MFMP purchasing requisitions (page 31)
- Deleted MyFloridaMarketPlace Transaction Fee/Exemption rule information that pertained to Vendors only

### IV. Types of Procurement

- Section A – increased the required number of quotes on informal purchases with a dollar value between \$15,000 and \$24,999.99; from two to three (page 34)

- Section A - added the requirement that at least one quote should be from a CMBE Vendor (page 34)
- Section B – revised the order of sequence of the single source thresholds (pages 35-36)
- Section B – STC Request for Quotes, added the option to issue a purchase (DO) order instead of a two-party contract for contractual services purchased off state term contracts (page 40)
- Section B – defined the Purchasing Office and Program Area responsibilities when obtaining Request for Quotes off state term contracts (page 41)
- Section B – corrected the dollar threshold for GSA procurements from \$125,000 to \$150,000 (page 43)
- Section C – expanded on the type and characteristics of acquisitions solicited under an ITB and RFP (pages 45-46)
- Section C – added the requirement that it is the Program Areas responsibility for providing a written justification (i.e., interoffice memorandum or email) for selecting the method of competitive solicitation (page 46)

V. Procurement Matrix (no changes)

VI. Solicitation Documents

- Corrected the version date of the PUR1000 and PUR1001 (page 47)
- Section D – revised the Agency’s ITB, RFP, ITN and RFQ procurement review and approval process to match the current delegation of authority (page 56)
- Section E – added the World Trade Organization language that states to the extent possible the agency will advertise for at least 40 days on purchase thresholds that exceed \$477,000 when possible (page 57)
- Section G – added section on Technical Questions and Answers (page 58)
- Section L – added instructions on how to proceed upon receipt of a Notice of Intent to Protest (pages 59-60)
- Section M – described the ITB, RFP and ITN award methodology (page 60)
- Section M – ITN award: added instructions that the contract file must contain the Negotiation Teams recommendation approved by the agency hear or their designee that explains the basis for vendor selection with an explanation that provides the best value to the State (page 60)

VII. Receipt and Inspection of Goods

- Section A – added section that addresses MFMP Receiving Reports (page 61)

VIII. Equity in Contracting (no changes)

IX. Fraud Procedures

- Added Fraud Procedures (pages 66-68)

X. Specific Procurement

- Section B – expanded on DFS requirements for Prepayment and Advance Payment criteria (page 71)
- Section B – added Go Green Meeting Room language in accordance with EO 07-126 and instructions for routing hotel agreements through the contract review process (pages 78-79)

• SECTION TWO – CONTRACTS

I. Contract Development – added Development to the section title (page 80)

- Section C - stipulated that the Contract Managers file and the Purchasing Office Contract Administration file should only mirror each other to the extent of the original contract, amendments, renewals and/or extensions (page 85)
- Section G - changed section heading “Contract Default” to Contract Breach” (page 86)

## II. Contract Management

- Section A-G – expanded on the Contract Manager’s role and responsibilities for contract closeout procedures and contract monitoring (pages 88-95)
- Section H - Per IG Audit Report 2007/08-0075 added the mandatory requirement that every Contract Manager shall establish a written Contract Monitoring Plan and that the Contract Manager’s Supervisor should consider the Contract Manager’s duties as part of the employee’s job expectations (pages 95-97)

## III. Contract Closeout

- Added Section III. Contract Closeout and provided instructions on the closeout process (page 98)

## IV. Contract Administration

- Section C – updated the list of available Contract Management and Administration Resources (page 100)

Please contact the General Services Purchasing Office or Laura I. Jennings, Purchasing Manager, at (850) 245-7464 if you have any questions or need additional information.