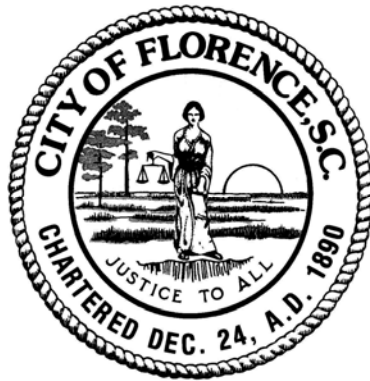


City of Florence, SC



Purchasing and Contracting Policies and Procedures Manual

Revised 10/04/07

Introduction

The City of Florence, SC Purchasing and Contracting Procedures Manual is designed to describe and explain the responsibilities for administration of the City's purchasing and contracting program. This manual describes the procedures to be utilized in the daily administration and management of the procurement function.

It is the goal of the City of Florence to fairly, equally, and impartially administer its procurement program based on the guidelines set forth in this manual. The City of Florence does not discriminate against any vendor on the basis of race, color, religion, national origin, gender, age, disability, or veteran status in any area of the purchasing process.

Interpretation of the procedures outlined in this manual is the responsibility of the purchasing agent, subject to the guidance and supervision of the Finance Director and the City Manager.

This manual is subject to periodic revision as an administrative policy subject to the final approval of the City Manager.

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SECTION I

RESPONSIBILITIES AND FUNCTIONS OF THE PURCHASING AGENT

1. The City's purchasing agent shall be responsible for establishing and administering purchasing policies; initiating reports necessary to permit analysis of purchasing performance; negotiating and recommending contracts; consolidating purchases of like or common items; and analyzing prices paid for materials, equipment, and services.
2. The purchasing agent shall serve all departments and divisions under the supervision of the Finance Director.
3. The primary objectives of Purchasing are to:
 - a. Procure for the City the highest quality supplies, equipment, and/or services for the least possible cost.
 - b. Promote an understanding of sound purchasing policies and procedures throughout all departments and divisions of the City.
 - c. Determine the most efficient and economical means of obtaining an item and/or service without sacrificing the controls and principles of sound purchasing.
 - d. Assist in developing competitive specifications for use by all departments and divisions.
 - e. Maintain awareness of improved purchasing practices utilized by private industry and other governmental entities, and apply such practices when feasible with the approval of the Finance Director and the City Manager.
 - f. Encourage competition and endeavor to obtain full and open competition on all purchases.
 - g. Maintain forms as necessary for the successful operation of the Purchasing and Contracting function.
 - h. Exchange ideas and information with other local government purchasing departments in an effort to solve common purchasing problems.
 - i. Exercise control over surplus, excess, and junk materials.
 - j. Coordinate with departments and divisions to maintain inventories at a satisfactory level commensurate with the budget.

- k. Work with departments and divisions to promote good will between the City of Florence and its vendors.
- l. Maintain current and accurate Equipment Replacement Fund (ERF) reports.
- m. Assist all departments and divisions during budget preparation.
- n. Comply with all local, state, and federal laws in the administration of purchasing and contracting functions.
- o. Maintain an insurance file on all City vehicles in compliance with requirements of the City's insurance carrier.
- p. Maintain property insurance files on all City buildings and structures in compliance with requirements of the City's insurance carrier.
- q. Coordinate real estate appraisals as required.

SECTION II

PURCHASING POLICIES

1. All requests for prices and/or services, and all purchases shall be made by the purchasing agent. In certain instances, authority to request prices and purchase items may be delegated to others.
2. The purchasing agent shall have full authority to question the quality, quantity, and type of materials and services requested by any Department Director or Division Manager to ensure that the best interests of the City are served.
3. The purchasing agent shall not receive any benefit or profit from any contract or purchase made by the City of Florence.
4. The purchasing agent shall buy for the needs of the City of Florence only.
5. Acceptance of gifts and/or gratuities at any time shall be prohibited. Employees shall not become obligated to any vendor and must not negotiate any City transaction from which they may personally benefit, either directly or indirectly.
6. The purchasing agent shall strive to maintain strong and enduring relationships with vendors of proven ability and with those who have a desire to meet the needs of the City. Purchasing activities shall be conducted so that vendors will value the City's business and will make every effort to furnish the City's requirements on the basis of quality, service, and pride.
7. The City will buy and/or contract only with those vendors who have adequate financial strength, high ethical standards, and a record of adhering to specifications, maintaining shipping promises, maintaining construction, and giving a full measure of service. New vendors will be given due consideration as multiple sources are necessary to ensure availability of materials and/or services.
8. All qualified bidders will be afforded equal opportunities to quote.
9. The purchasing agent shall act as the City's representative on all matters pertaining to purchasing and contracting activities.
10. The purchasing agent shall not knowingly issue a purchase order or execute a contract when there is evidence of a conflict of interest. In instances when a conflict of interest may exist, but its existence is not clearly established, the purchasing agent shall refer the matter to the City Attorney, whose opinion will be final in the absence of specific instructions from the Finance Director or the City

Manager.

11. No City employee, either full time or part time, shall take a contract to perform work or furnish materials for the City of Florence and no such employee shall receive any compensation on any such contract except that:
 - a. such contracts may be allowed by the unanimous vote of the Florence City Council for each specific contract, such vote to be taken and results entered in the minutes of City Council; and
 - b. any City employee may enter into such a contract whenever the contract is awarded to him or her as low bidder after a public call for bids, and such contract is allowed by the unanimous vote of the Florence City Council upon each specific contract, such vote to be taken and results entered in the minutes of City Council.

Any person violating the provisions of Paragraph 11, is guilty of a misdemeanor and, upon conviction thereof, must be fined in the discretion of the court or imprisoned not more than three years (S.C. Code, Section 5-21-30).

12. No City employee shall use his or her official position for financial or personal advantage. Such advantage may include, but is not limited to, attendance at vendor sponsored conferences, displays or events of similar nature wherein the vendor pays for lodging, meals, and entertainment. Should it be necessary that an employee attend an event to obtain information that may be of value to the City, the City will bear all expenses resulting from the event contingent upon appropriate funding and final approval from the City Manager.

SECTION III

PURCHASING/CONTRACTING PROCEDURES

1. INFORMAL BID PROCEDURE

Purchases less than \$1,000: Quotes may be obtained verbally, in person, by telephone, or in writing. The Department Director or purchasing agent must determine that the price(s) is (are) fair and reasonable. If the Department Director determines that the quote obtained is fair and reasonable, a purchase order (PO) may be obtained from the Finance Department and issued to the vendor.

Purchases of \$1,000 but less than \$2,000: The Department Director or purchasing agent must obtain a minimum of two (2) written quotes either on the vendor's quotation form or the City's quotation form completed by the bidder. A PO may then be obtained from the Finance Department and issued to the vendor.

Purchases of \$2,000 but less than \$5,000: The Department Director or purchasing agent must obtain a minimum of three (3) written quotes either on the vendor's quotation form or the city's quotation form completed by the bidder. A PO may then be obtained from the Finance Department and issued to the vendor.

In all of the above informal purchases, the bid shall be awarded to the lowest responsible and responsive bidder who best meets the City's specifications or scope of work. Factors considered in awarding an informal bid shall include but not be limited to the following: 1) quality; 2) price; 3) warranty or guarantee; 4) timeliness of delivery; 5) service; 6) operating cost of item over its expected lifetime; 7) past performance of like or similar services or products utilized by the City; 8) past performance of bidder on previous City orders; 9) significant variances in prices from average quoted prices; 10) client references involving like or similar goods; 11) geographic location of bidder including his or her service facility relative to the City of Florence.

Responsible Bidder refers to a vendor who has the capability in all respects to fully perform the purchase requirements, and the integrity and reliability which will assure good-faith performance.

Responsive bidder refers to a vendor who has submitted a bid which conforms in all material respects to the request for quotes.

2. FORMAL BID PROCEDURE

This procedure shall be utilized when a purchase or contract is estimated at \$5,000 or more. Purchases in an amount of \$5,000 or more must be approved on the Purchase Approval Form by the Finance Director and City Manager before that purchase transaction becomes a valid one.

A. Formal bids for purchase of equipment and supplies

The Department Director and/or purchasing agent will generate a competitive bid specification. The bid documents shall be prepared by the purchasing agent. The date set for the bid opening must allow adequate time for prospective bidders to prepare their bids. Public bid notices may be run in one or more newspapers of general circulation as the purchasing agent deems necessary. The formal bid may appear on the City's Government Access Channel and may also appear in SC Business Opportunities, a widely distributed newsletter published twice weekly by State Purchasing. The purchasing agent may refer to the current SC Minority Business Directory as published by the Governor's Office of Small and Minority Business Assistance to determine if any Minority Business Enterprise (MBE) or Women's Business Enterprise (WBE) offer the equipment or service that the City is seeking. In addition, the purchasing agent may refer to the current issue of Greater Carolinas Regional Industrial Buying Guide in an effort to obtain additional bidders. Formal bids may also be advertised via the internet through the World Wide Web or through any other means deemed appropriate by the purchasing agent.

Bids are publicly opened at a specific date and time. Bids received late will not be accepted or considered for the award. A bid tabulation will be produced and made available to all interested bidders. No bid will be awarded until the purchasing agent and Department Director have reviewed each bid. A written recommendation is then sent by the purchasing agent to the Finance Director and City Manager for written authorization to proceed with the purchase. It is the policy of the City to award the PO to the lowest responsible and responsive bidder who best meets the City's specifications.

In the event the Department Director desires to purchase from a bidder other than the lowest bidder, the Department Director shall submit a written request to the City Manager detailing reasons for the request. The request must be approved by the City Manager or by City Council, as the City Manager deems necessary, before the purchase can be made from a vendor other than the one determined to be the lowest responsible and responsive bidder.

B. Formal bids for construction projects

For construction projects, the Public Works Director or a third party engineering firm shall generate plans and create specifications. The date set for the bid opening must allow ample time for prospective bidders to prepare their bid. Public bid notices may be run in one or more newspapers of general circulation as the purchasing agent deems necessary. The formal bid may also appear on the City's Government Access Channel. The purchasing agent or Department Director will determine what construction trades will be involved on the project (e.g., subcontractors, drywall, electrical, fencing, grading, excavating/clearing, landscaping, masonry, painting, plumbing, etc.). After this determination is made, the purchasing agent may refer to the current SC Minority Business Directory as published by the Governor's Office of Small & Minority Business Assistance to locate MBEs and WBEs who do such work. The names and addresses of applicable MBEs or WBEs are to be submitted to the third party engineering firm to be included on their bidders list. The formal bid may also appear in SC Business Opportunities; the Associated General Contractors Weekly Bulletin; Dodge Reports Daily; Construction Market Data; Construction Week; the Coalition of Black Networking; the World Wide Web or other means of advertisement as deemed appropriate by the purchasing agent.

Bids received late will not be accepted or considered for the award. Bids are opened publicly at a specific date and time. A bid tabulation shall be produced and made available to all interested bidders. No bid will be awarded until the purchasing agent, Department Director, and Engineer have reviewed each bid. A written recommendation for the award is submitted to the City Manager by the Department or third party engineer. Upon written authorization from the City Manager, the purchasing agent generates a contract agreement which is sent to the successful contractor for execution. Once the contract agreement has been returned, the contract is then routed by the purchasing agent for signature to the Department Director and the Finance Director. After these staff members have signed the contract, the City Manager will then sign the contract to be properly executed. The third party engineer or the purchasing agent will generate a "notice-to-proceed" for the contractor.

It is the policy of the City to award the contract to the lowest responsible and responsive bidder who best meets the City's plans and specifications. Factors considered in awarding a construction contract should include but not be limited to the following: 1) quality; 2) price; 3) warranty or guarantee; 4) timeliness of delivery; 5) service; 6) past performance of contractor on previous projects; 7) client references involving like or similar projects.

In the event the Department Director desires to award the contract to other than the lowest bidder, the Department Director and/or third party engineer shall submit a written request to the City Manager detailing reasons for the request. The request must be approved by City Manager or by City Council, as the City Manager deems necessary, before the contract can be awarded to a contractor other than the one determined to be

the lowest responsible and responsive bidder.

When deemed necessary by the purchasing agent, a bid deposit in the amount of at least 5% of the proposed contract price will be required of all bidders. This deposit will be in the form of a 5% bid bond executed by a corporate surety licensed under the laws of South Carolina. If the successful bidder fails to enter into the proposed contract within 15 days after the award date, the City may call for the bid bond.

A performance bond in the amount of 100% of the contract price shall be required by the purchasing agent in any case where the construction contract price exceeds \$25,000. This provision enables the purchasing agent to ensure that the contractor provides suitable evidence of their financial condition and ability to complete the work without financial difficulty. Cash or a certified check, in the full amount of the contract, may be submitted as part of the contract in place of a bond within 15 days from contract award date. Failure of the contractor to satisfactorily fulfill their obligations shall be cause for the forfeiture of the guaranty. In such instance, the purchasing agent shall document the circumstances and file such findings with the related contract.

In some cases, the purchasing agent may determine that an alternative to a performance bond is appropriate. In such cases the City shall require a general liability insurance policy with a binder for "completed operations" and premises policy rider sufficient to cover the cost to complete the project. In addition, a provision shall be made for all accounts payable checks for the project to be issued as jointly payable to the contractor and supplier. Also, a provision shall be made in the contract raising the percentage of retention in the contract prior to completion.

For construction contracts of \$25,000 or less, 25% of each payment request shall be retained by the City until the final payment for the contract is made or until the City has determined to its satisfaction that the contracted project is substantially complete.

A payment bond in the amount of 100% of the contract price shall be required by the purchasing agent for any project where the construction contract price exceeds \$5,000.

Commercial contractors must be licensed by the South Carolina Department of Labor, Licensing and Regulation before being awarded any contract for \$5,000.00 or more. Electrical and plumbing contractors must secure a surety bond, made out to City of Florence, before being awarded any contract for \$1,000.00 or more. Mechanical contractors must secure a surety bond, made out to City of Florence, before being awarded any contract for \$2,500.00 or more.

C. Request-for-Proposals (RFP)

When the Department Director and/or purchasing agent determines that the use of competitive sealed bids (formal sealed bids) is neither practical or nor advantageous to

the City, a contract agreement may be entered through Request-for-Proposals (RFP) or Competitive Sealed Proposals. Proposals shall be solicited from a minimum of three (3) qualified sources, when such sources are available, through an RFP. Adequate public notice of the RFP may be given in one or more newspaper of general circulation as the purchasing agent deems necessary. The purchasing agent may also run a public notice in SC Business Opportunities, the Dodge Report, and the Public Access Channel. Receipt of the written proposals shall be handled publicly by the purchasing agent. The RFP should state the relative importance of price or fee and other evaluation criteria. To ensure complete understanding of and responsiveness to the RFP scope-of-work, discussion with responsible respondents who submit proposals that appear to be eligible for contract award may be appropriate. Respondents will be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. In conducting discussions there shall be no disclosure of any information derived from proposals submitted by competing respondents.

Award shall be made to the responsive respondent whose proposal is determined in writing to be the most advantageous to the City of Florence, considering price and other evaluation criteria set forth in the RFP. This procurement method has traditionally been utilized for: 1) services rendered by medical facilities to provide screening or qualified medical treatment to city employees; 2) services rendered for an update of the City's classification and compensation plan; 3) cash management or banking services, as well as other financial services provided to the City; and 4) auditing services provided to the City.

3. SELECTION OF VENDORS

Vendors will be selected based on results of interviews and their ability to furnish and service their product.

4. VENDOR RELATIONS

The City desires to maintain good vendor relations at all times. All vendors will be given an equal opportunity to submit quotes on a competitive basis. Care must be taken to avoid unnecessarily imposing on a vendor's time. If an excessive amount of detailed work is required of a vendor to prepare specifications, the vendor may be compensated for services rendered as negotiated by the vendor and purchasing agent, subject to the approval of the Finance Director and City Manager.

5. TIE BIDS

If all bids received are for the same total amount or unit price—quality and service being equal—the contract shall be awarded to the “local vendor” (a vendor located within the city limits of Florence). If two or more tie bids are submitted by local bidders, the contract shall be awarded to one of the local tied bidders by publicly drawing lots with

witnesses present. If local bidders are not involved in the tie bids, the contract shall be awarded to one of the outside tied bidders by drawing lots in public with witnesses present.

6. BUSINESS LICENSE REQUIREMENT

It is required that each vendor, contractor, or subcontractor awarded a contract with the City of Florence either have a current business license or secure a business license for the contract amount of work to be performed for the City within the City limits. A copy of the business license must be submitted with the signed contract. No work shall be done by the contractor until a valid business license has been obtained.

7. COMPETITIVE BIDDING

It shall be the policy of the City to write specifications in a manner which encourages competitive bidding whenever possible. In cases where the specification recommended by the Department Director has the result of discouraging or precluding competitive bidding, the Department Director shall justify the need for the restrictive specification. The City Manager must be advised when competitive bidding is not possible and the reasons for such occurrences. Department Directors requiring specifications which discourage or preclude competitive bidding must justify such specifications to the City Manager.

8. BLANKET PURCHASE CONTRACTS

Blanket Purchase Contracts may exist for ongoing needs of the City. Bids are solicited based upon historic use of certain supplies or equipment. Purchasing may authorize certain Department Directors to place orders against blanket contracts without seeking bids each time since unit prices and terms have been agreed upon in writing by both parties. Certain Blanket Purchase Contracts may contain a provision for the renewal of a given annual contract for up to two additional fiscal years based upon mutual agreement of both the City and the vendor.

9. EMERGENCY PURCHASES/EMERGENCY CONSTRUCTION

Emergency purchases should be avoided whenever possible through proper planning. An emergency may be defined as an “unforeseen occurrence requiring prompt and immediate action.” An emergency may also include situations in which life, safety, and welfare of the citizens of Florence are in danger, necessitating emergency construction work such as, but not limited to, repairs to a sewer line, repairs to a water well pump, etc. For emergency purchases or contracts exceeding \$5,000, the Department Director must request authorization from the City Manager, utilizing the Purchase Approval Form, to waive the City’s formal bid procedures. Such emergency purchases or construction may then be executed immediately upon approval.

10. STATE/GENERAL SERVICES ADMINISTRATION/OTHER COOPERATIVE CONTRACTS

State purchasing enters into a variety of contracts with manufacturers and/or dealers utilized by the state and local governments at all levels. The purchasing agent may procure without competitive bids equipment, supplies, or services which are under current state contract. These commodities may include, but are not limited to, vehicles, tractors, backhoes, radar units, janitorial supplies, office supplies, traffic control equipment, and fuel.

General Services Administration (GSA) contract holders make their products available to state and local governments for the same prices charged to federal government agencies. Purchasing may procure without competitive bids, equipment or supplies under contract with GSA, also referred to as Federal Supply Schedules.

Various support agencies and organizations, including but not limited to, the Municipal Association of South Carolina, the National League of Cities, the International City/County Managers Association, the National Association of Counties, and Public Technology, Inc., have made available to local governments cooperative procurement programs. The programs are generally the result of a thorough competitive bidding process at the state or national level which fully satisfies the City's procurement requirements. The purchasing agent may utilize such cooperative procurement programs as needed.

11. PROCUREMENT OF CONTINUOUS BUSINESS FORMS AND DECALS

It is the policy of the City to randomly select a vendor of business forms and request that the vendor develop a proof of the new forms as needed. If the vendor chosen successfully develops the new business form and can print the quantity desired for a fair and reasonable cost, the vendor may be selected to receive the initial order. When reorders of the form are necessary, additional quantities of the form should be competitively bid.

This policy shall apply to the acquisition of other printed or fabricated items such as emblems, decals or other comparable items used by the City.

12. TAXES

The City of Florence is exempt from Federal Excise Tax. The City's Tax Exemption Registry Number is available upon request. The City pays SC state sales taxes on all applicable purchases.

13. DISPOSAL OF SURPLUS CITY EQUIPMENT

The purchasing agent shall be responsible for the disposal of junk, excess, or obsolete materials and equipment such as automobiles, trucks, vehicle bodies, tractors, riding mowers, typewriters, etc. Following appropriate approval, the purchasing agent will periodically (generally on an annual basis) offer such material for sale. Surplus items may be sold through a public auction or by sealed bids (sealed offers-to-buy). The most appropriate method of disposal will be determined as required. Sales of surplus equipment will be advertised in the local media, including the Local Government Access Channel, as well as SC Business Opportunities.

Outdated or used municipal equipment may be sold to other governmental entities, provided the offer-to-buy is fair and reasonable. The sale must be approved in writing by the appropriate Department Director and the City Manager.

14. DISPOSAL OF CITY REAL ESTATE OR REAL PROPERTY

It shall be the policy of the City to offer for sale, at fair market value, all surplus real property owned by the City. Surplus real property shall be sold exclusively to adjacent property owners only when, as determined by the appraiser's report, such property is usable only by the adjacent property owner(s). When property is sold, adequate legal provisions shall be made so that no owner will be denied access to his or her property as a result of the sale. The City Manager shall set a minimum selling price for all appraised surplus properties.

The Community Services Department may identify as Community Development Real Property those parcels in Community Development project areas suitable for furthering the goals and objectives of Community Development programs. Properties so identified shall not be used for other purposes except as decided by the City Manager or the City Council.

Appraisal of Property: All surplus real properties must be appraised to determine fair market value.

Management Review and Recommendation: Following review, the City Manager will request authorization from City Council to sell those City owned real properties that have been deemed to be surplus.

City Council Authorization: The sale of any surplus real property must be authorized by City Council. Authorization shall be made in City Council meetings by motion on the specific property to be offered for sale.

Sale of Real Property: After City Council authorization, surplus real property will be sold according to the following procedures:

a. Properties Valued at \$10,000 or less:

Arrangements for sale of surplus properties valued at \$10,000 or less shall be made by the City Attorney and/or the purchasing agent through negotiation at not less than the minimum selling price. If negotiations are not complete within one (1) year from the date of City Council authorization, a new appraisal must be made.

b. Properties Valued at more than \$10,000:

The purchasing agent will advertise surplus properties valued at more than \$10,000 at least twice in local newspapers with the advertisement containing the minimum selling price and a request for offers-to-buy on a given date, no less than 30 days nor more than 75 days after first publication. Offers-to-Buy will be submitted to the purchasing agent to be opened on the specified date and time.

Acceptance or Rejection of Offers-to-Buy: On all sealed offers-to-buy (bids), only the highest net offer after deducting any broker's commissions will be considered. The City Council will have 30 days to accept or reject an offer-to-buy. City Council may, by motion, extend the time for considering the offer to 60 days. If the offer is accepted, City Council shall adopt an ordinance indicating acceptance.

In the event that no reasonable offers-to-buy are received, the selling price of such property will be negotiable. The City Attorney shall represent the City in any subsequent negotiations.

Exceptions:

- a. Community Development properties will be sold in accordance with all applicable federal government regulations and will be processed by the Community Services Department.
- b. Notwithstanding the above rules and regulations, and except for Community Development property, the City Council may dispose of real property by other legal methods.

15. PROCUREMENT OF ARCHITECTURAL AND ENGINEERING SERVICES

This section shall apply to architectural and engineering services for all construction projects of the City **with the exception** of engineering services for routine utilities infrastructure extension and construction projects which are annually budgeted or otherwise approved by City Council.

It is the policy of the City of Florence to publicly announce requirements for architectural and engineering (A&E) services and to negotiate contracts for A&E services on the basis of demonstrated competence and qualification for the professional services required at fair and reasonable prices/fees.

Public Notice: An appropriate public notice may be run in one or more newspapers as the purchasing agent deems necessary. The formal announcement may appear on the City's Government Access Channel and may also appear in SC Business Opportunities, a widely distributed newsletter published twice weekly by State Purchasing. The purchasing agent may refer to the current SC Minority Business Directory as published by the Governor's Office of Small and Minority Business Assistance to determine if any Minority Business Enterprise (MBE) or Women's Business Enterprise (WBE) offer the equipment or service that the City is seeking. The formal announcement may also be advertised via the internet through the World Wide Web or through any other means deemed appropriate by the purchasing agent.

The notice should include a project title or description, general scope-of-work, submission deadline, and client contact. The following notice provides sample language for a typical notice for A&E services:

INVITATION FOR ARCHITECTS/ENGINEERS NO. ___ - ___

The City of Florence invites all interested Architects/Engineers to submit a resume of qualifications for consideration by the City of Florence, SC for the design of a _____ to be located at _____, Florence, SC.

Resumes should include 1) a letter of interest; 2) demonstration of understanding of project; 3) evidence of firm's ability to perform the work; 4) profiles of firm's principals, staff, and facilities; 5) references including previous clients; and 6) evidence of firm's fiscal stability. The project will be _____.

Resumes from interested parties must be submitted to the purchasing agent in Room 602, City County Complex, 180 N. Irby St., Florence, SC no later than 2:00 pm, _____, _____, _____. Firms selected for review, will be notified of the time and place for the interview. Please call (843) 665-3107 or FAX (843) 665-3111 for further information.

Selection. An Evaluation Committee for each proposed project shall evaluate statements of qualifications submitted by firms regarding the proposed project. The Evaluation Committee will normally be composed of the City Manager, the relevant Department Director, the City Engineer, and the purchasing agent. The Evaluation Committee shall conduct interviews with no less than three (3) firms regarding anticipated design concepts and the relative utility of alternative methods of approach for furnishing the required services. The Committee shall select therefrom, in order of preference, based upon criteria established and published, no less than three (3) firms deemed to be the most qualified to provide the services required.

Criteria which the Evaluation Committee may use in ranking the firms include the following:

1. Education, experience, and expertise of firm's principals and key employees.
2. The firm's general experience, stability, and history of performance on similar projects.
3. Availability of adequate personnel, equipment, and facilities to perform the needed work expeditiously.
4. The name or names of individuals in the firm who will be assigned key project responsibilities with attention to their qualifications, competence, and past performance.
5. The firm's approach to the planning, organizing, and management of a project including communication procedures, approach to problem solving, data gathering methods, evaluation techniques, and similar factors.
6. Facilities and equipment owned by the firm, including computer capabilities, reproduction and communication equipment, laboratory and testing equipment, or other specialized equipment applicable to the project under consideration.
7. Present workload, with attention to current and future commitments of available personnel, specifically those key individuals expected to be assigned to the project.
8. Financial stability with attention to avoiding reliance upon income from the City's project for its existence.
9. Recommendations and opinions of each firm's previous clients concerning its ability to meet deadlines and remain within budget. Prior clients may also be able to advise as to each firm's sense of responsibility; attitudes of key personnel; concern for economy, efficiency and environment; and quality of service.
10. When possible, an observation of each firm's facility and the sites of current and/or completed projects.
11. Proximity of the A&E firm to the proposed project site and City offices.
12. Reputation and integrity of the A&E firm within the profession and the community.
13. Awards received by the firm and technical papers written by employees.
14. Special considerations for certain projects may include qualified minority representation or staff members fluent in a foreign language.

The Evaluation Committee may give preference to an A&E firm used by the City on a previous project if there is some continuity between the proposed project and the prior project(s).

The Evaluation Committee may give preference to the A&E firm ranked second if the A&E firm ranked first has several ongoing City projects. The Evaluation Committee may give preference to the A&E firm ranked third if the firms ranked first and second both have several ongoing City projects.

The weight given each evaluation criteria in the ranking process will vary from project to

project. For example, criteria no. 6 would be more heavily weighted than criteria no. 11, if the bulk of project tasks involve computer analysis and design. However, the reverse would be true for a project with an extensive construction oversight provision attached.

The process of ranking affords the City of Florence an opportunity to make an informed choice based on factors of qualification, anticipated quality of work, and prospects for a cooperative effort.

Cost is a primary consideration in any procurement process. Once firms have been ranked, contract negotiations will begin to ensure the best possible price or fee is established to render maximum design capability with attention to reducing related project costs. This objective is most often accomplished by awarding the project to the firm ranked as the most qualified for the project.

Negotiation: To begin contract negotiation, the Evaluation Committee will request the presentation of a comprehensive proposal by the first ranked firm. At this point all interested firms will have submitted information related to their qualifications and capabilities. The process of ranking the three most highly qualified firms and inviting the first ranked firm to present a comprehensive proposal results in only one firm being required to expend resources to develop concepts; the project scope; work schedules; cost comparisons; and project contract proposals.

Following the firm's proposal presentation, the Evaluation Committee will meet to discuss and evaluate the proposal and make modifications, if necessary. The negotiation process offers the opportunity for refining, amending, and completing the definition of the services to be rendered, as well as the areas of responsibility and liability for those services. Specific elements of the engineering/architectural portion of the project to be established during negotiation, include:

1. project schedule
2. manpower requirements
3. level of A&E effort
4. avenues of research
5. areas of responsibility and liability
6. fee structure, including amount, method of payment, etc.

If the City reaches an agreement with the firm on all of these components, the agreement should be bound in writing by both parties.

If the City fails to reach an agreement with the top-ranked firm, the City should formally terminate negotiations with that firm and invite the second ranked firm to submit a comprehensive proposal and repeat the negotiation process. If the City cannot reach agreement with the second ranked firm, that negotiation should be formally terminated and the process repeated with the third ranked firm.

In the event that all three negotiation attempts are unsuccessful, the City will re-examine the project in terms of the City's expectations and available resources.

Ranking and negotiation involve a considerable amount of subjective judgment. Because engineering projects result in large expenditures of funds, accountability for decisions is extremely important. To ensure adequate accountability, the following guidelines shall be utilized:

1. Involve more than one knowledgeable person in the evaluation process.
2. Maintain accurate records of all correspondence, memoranda, evaluation sheets, assigned weights for criteria, and competitor submissions.
3. Maintain consistency in the thoroughness of each applicant's review.

16. ENGINEERING SERVICES FOR UTILITIES INFRASTRUCTURE CONSTRUCTION AND EXTENSION

This section shall apply **ONLY** to engineering services for routine utilities infrastructure construction and extension projects which are annually budgeted or otherwise approved by City Council.

On a bi-annual basis, the City of Florence shall publicly announce requirements for architectural and engineering services for all routine utilities infrastructure construction and extension projects. Contracts for engineering services shall be negotiated for a two-year period

An appropriate public notice may be run in one or more newspapers as the purchasing agent deems necessary. The formal announcement may appear on the City's Government Access Channel and may also appear in SC Business Opportunities, a widely distributed newsletter published twice weekly by State Purchasing. The purchasing agent may refer to the current SC Minority Business Directory as published by the Governor's Office of Small and Minority Business Assistance to determine if any Minority Business Enterprise (MBE) or Women's Business Enterprise (WBE) offer the equipment or service that the City is seeking. The formal announcement may also be advertised via the internet through the World Wide Web or through any other means deemed appropriate by the purchasing agent.

Selection. An Evaluation Committee for each proposed project shall evaluate statements of qualifications submitted by firms regarding the proposed project. The Evaluation Committee will normally be composed of the City Manager, the relevant Department Director, the City Engineer, and the purchasing agent. The Evaluation Committee shall conduct interviews with no less than three (3) firms regarding anticipated design concepts and the relative utility of alternative methods of approach for furnishing the required services. The Committee shall select therefrom, in order of

preference, based upon criteria established and published, no less than three (3) firms deemed to be the most qualified to provide the services required.

Cost is a primary consideration in any procurement process. Once firms have been ranked, contract negotiations will begin to ensure the best possible price or fee is established to render maximum design capability with attention to reducing related project costs. This objective is most often accomplished by awarding the project to the firm ranked as the most qualified for the project.

In the event the Department Director desires to award the contract to other than the lowest bidder, the Department Director shall submit a written request to the City Manager detailing reasons for the request. The request must be approved by City Manager or by City Council, as the City Manager deems necessary, before the contract can be awarded to a firm other than the one determined to be the lowest responsible and responsive bidder

17. INSURANCE

All contracts awarded by the City shall require that the vendor or contractor agree to hold harmless, indemnify and defend the City of Florence, South Carolina, its agents and employees, from any claims for property damage or personal injury (including death resulting therefrom). Such claims shall include, but are not limited to, actual, consequential, incidental or punitive damages. The vendor or contractor shall agree to maintain sufficient comprehensive general liability insurance, naming the City of Florence, South Carolina, as additional insured, in the amounts of \$1,000,000.00 per occurrence and \$1,000,000.00 per person. Proof of such insurance shall be given to the purchasing agent by an appropriate certificate-of-insurance issued by the contractor's insurance agent.

Further, the vendor or contractor shall ensure prior to commencement of work, that all subcontractors, agents, assigns or employees of the vendor or contractor and subcontractors shall agree to hold harmless, indemnify and defend the City of Florence, South Carolina, its agents and employees from any claims for property damage or personal injury (including death resulting therefrom). Such claims include but are not limited to, actual, consequential, incidental or punitive damages. Further, prior to commencement of work, the vendor contractor shall ensure that all subcontractors, agents or assigns of the contractor, maintain sufficient comprehensive general liability insurance, naming the City of Florence, South Carolina, as additional insured, in the amounts of \$1,000,000.00 per occurrence and \$1,000,000.00 per person. Proof of such insurance shall be given to the purchasing agent by an appropriate certificate-of-insurance issued by applicable entity's insurance agent.

Vehicle liability insurance with minimum combined single limits of \$1,000,000.00 per occurrence shall also be maintained by the vendor or contractor.

The vendor and/or contractor shall be required to maintain, during the life of the contract agreement, workers' compensation and employer's liability insurance for all employees to be engaged in services on this project under this agreement in an amount not less than the minimum allowed by South Carolina law, and in case any such services are sublet, the contractor shall require the subcontractor(s) similarly to provide workers' compensation and employer's liability insurance for all of the subcontractor's employees to be engaged in such services.

18. FORMAL BID AND REQUEST FOR PROPOSAL DELIVERY

All bids and proposals must be submitted to the City in sealed envelopes. If a bid or proposal is mailed, it is the sole responsibility of the vendor, contractor, or proposer to have the bid or proposal delivered to the City by the date and time specified in the invitation to bid or request for proposal. Any bid or proposal received later than the date and time specified will not be accepted or considered. Facsimile (FAX) transmissions will **not** be accepted. The City will not be responsible for late submission caused by the postal service, other carriers, or any other delivery problems regardless of the reason.

SECTION IV

SPECIFICATIONS

1. PURPOSE OF SPECIFICATIONS

Specifications are intended to assist the City in obtaining the best quality and value for funds expended. Specifications are not designed to deter, preclude, or prevent competition through the use of excessive technicalities or details.

2. RESPONSIBILITY FOR SPECIFICATIONS

It shall be the primary responsibility of the requesting Department Director to furnish proper specifications. Because the responsibility for procurement rests with the purchasing agent, the purchasing agent may assist in the development of specifications jointly with the Department Directors as needed.

Prior to obtaining bids, the specifications furnished by a requesting department may be modified by the purchasing agent to permit competitive bidding and to provide for a level of quality commensurate with the intended use of the needed item. In the event the purchasing agent deems it necessary to alter the specifications from those originally submitted, the purchasing agent will generally inform the requesting Department Director, describing the need for alteration to the specifications, and the extent and nature of the changes.

3. TYPES OF SPECIFICATIONS:

Each purchase, regardless of the dollar amount involved, is based on a specification. There are six basic types of specifications or methods used to describe what is to be purchased. These are listed below in the order of preferred usage.

- a. **Performance:** Function and use of the product are the basic definitions.
- b. **Design:** Specific characteristics of the product and their arrangement are the basic definitions.
- c. **Approved Products List:** Actual products have been tested or examined and approved prior to soliciting bids.
- d. **Questionnaire:** The purchaser prepares a product information sheet to accompany the request for prices. Each bidder must complete and return the questionnaire as a part of the bid

- e. **Sample:** The purchaser requires vendors to furnish representative samples of products offered for comparison and evaluation in determining the successful bidder.
- f. **Or Equal:** One or more vendors' exact products or typical workmanship is identified as the level of quality desired, and the purchaser reserves the right to approve any other as equal or acceptable.

4. LEVEL OF QUALITY

In considering and developing specifications, purchases made from public sources and administered by public bodies should not be expected to provide for "deluxe" or luxurious levels of quality. Therefore, it is necessary to follow a general policy with regard to purchasing good, standard grades of merchandise which represent an optimum relationship between quality and price consistent with providing a satisfactory level of service.

5. ADEQUATE SPECIFICATIONS

Adequacy and accuracy of specifications are very important. Specifications should not be written for the purpose of eliminating competition, but should provide sufficient detail for full and fair competitive bidding.

In the manufacture of certain products, there is usually a price range covering similar products offered by more than one manufacturer representing a level of product quality and features offered—low, medium and high. It is important to consider these levels in the development of specifications. For example, a lower priced, stripped automobile versus a medium priced automobile or a higher deluxe model automobile. Each of these models has its own use and place, but without proper specifications when bid, the wrong automobile could be acquired for the use intended.

6. CHANGES IN SPECIFICATIONS

If it is determined, after bids have been opened, that a product with an alternate satisfactory specification provides for a lower price, all bids may be rejected at the discretion of the purchasing agent, with concurrence of the Department Director. The specifications should then be rewritten to allow all bidders an equal opportunity to submit proposals on an acceptable alternate.

7. CHANGES IN SPECIFICATIONS BY BIDDER

When a decision has been reached on the specifications, all bids must be based on the same specifications and no bidder shall have the right to substitute other specifications for those contained in the bid.

8. CHANGES IN SPECIFICATIONS AFTER BID SENT TO PROSPECTIVE BIDDER

Once an Invitation-to-Bid has been sent, no changes in the specifications shall be made unless all prospective bidders are so notified by means of an addendum clearly noting such changes. The addendum shall instruct the bidder to acknowledge receipt of the addendum in the bid proposal.

SECTION V

INVENTORY CONTROL PROCEDURES

1. MAINTENANCE OF FIXED ASSETS INVENTORY LIST

The City shall maintain an inventory of its fixed assets. The fixed assets list will be maintained to:

- a. Safeguard the City's capital investment.
- b. Fix responsibility for the custody of equipment.
- c. Assist in formulation of acquisition and retirement policies through accumulation of data regarding prices, sources of supply, and useful life.
- d. To provide data for financial reports, including Equipment Replacement Fund reports.

Fixed assets are tangible assets of significant value having a useful life that extends beyond a reasonable time period as defined by the City. The fixed assets included in the City's accounting system are land, buildings, other improvements, infrastructure, and equipment.

2. ASSET TYPES

- A. Land:** Land includes the investment, held fee simple in real estate other than buildings and/or other improvements. All land, as defined, regardless of value or cost, should be capitalized.
- B. Buildings:** Buildings include all City owned buildings except those whose condition prevent their serving any present or future useful purpose. Permanently installed fixtures to or within a building, such as boilers, lighting fixtures, and plumbing are considered a part of the building. The subsequent addition or minor fixtures and/or equipment to a building should be recorded as equipment. The costs of major improvements to a building, renovation of the building, etc., should be capitalized and recorded as a part of the building asset value.
- C. Other Improvements:** Other improvements are physical property of a permanent nature, including storage tanks, reservoirs, parking areas, park facilities, etc.
- D. Infrastructure:** Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. Examples are roads, bridges, water and sewer systems, drainage systems, and lighting systems.

E. Equipment: Equipment includes movable property of a relatively permanent nature and of significant value, such as mobile equipment, office equipment, data processing equipment, machines, tools, and office furniture and fixtures. "Relatively permanent" is defined as a useful life of one year or longer. "Significant value" is defined as having an original cost of \$500.00 and over. The City may exercise the option to include other items for the purpose of maintaining appropriate accounting control. The cost may be applied in some instances to aggregates of units of similar type or purpose, such as groups of chairs, shelving, filing cabinets, etc., rather than to the individual unit itself. Exceptions to the \$500.00 value and the one year life rule will be applied consistently.

3. DEVELOPMENT AND ASSIGNMENT OF FIXED ASSET CONTROL NUMBERS

Fixed assets shall be categorized into several classification groups based on type and use of the items. These groups shall be defined and maintained on file in the Purchasing Division of the Finance Department.

Fixed assets will be assigned control numbers and will be added to the fixed asset inventory list immediately following invoice payment to ensure that a current and accurate listing is maintained. Sequentially numbered fixed asset identification tags will be prepared. Following number assignment, the tag and supporting documentation will be issued to the relevant Department. The Department Director is responsible for ensuring that the asset tag is physically attached to the fixed asset.

Only equipment items will be physically tagged with fixed asset control numbers. Equipment will be tagged in a manner and location which ensures ease of number identification and permanence.

4. DEPARTMENTAL REVIEW OF FIXED ASSET LISTING

On an annual basis Department Directors will be issued a copy of the Asset Listing for their respective department(s). This asset report should be thoroughly reviewed, noting changes, additions, or deletions to be made to the inventory system. The inventory system will be revised based on information received from each department.

SECTION VI

APPEALS PROCESS

1. Any actual or prospective vendor, bidder, or contractor who is aggrieved in connection with the solicitation or award of a contract may formally protest in writing to the Finance Director. The protest may be submitted at any time during the bidding process. However, if a prospective vendor, bidder, or contractor wishes to protest, the formal protest must be submitted in writing and must be received by the City *no later* than seven (7) days from the date that the aggrieved actual or prospective vendor, bidder, or contractor has been informed of the bid results by the purchasing agent. Protests received by the City following seven (7) days after bid results have been released by the purchasing agent will not be considered by the City.
2. The Finance Director shall have the authority to settle and resolve a protest of a vendor, bidder, or contractor, actual or prospective, concerning the solicitation or award of a contract.
3. If the protest is not resolved by mutual agreement, the Finance Director shall issue a decision in writing within a period not exceeding ten (10) days following receipt of a formal grievance notice. The decision shall state the reasons for the action taken. A copy of the decision shall be mailed to the protesting party and any intervening party immediately.
4. A decision rendered under Subsection 3 of this Section shall be final and conclusive, unless any person or party adversely affected by the decision appeals in writing to the City Manager. The appeal must be submitted and must be received by the City no later than seven (7) days after the date of notification of a final decision by the Finance Director.
5. The City Manager, within ten (10) days of hearing such appeal, shall affirm, alter, or reverse the decision rendered by the Finance Director in writing to the protesting party.
6. Any vendor, bidder, or contractor receiving an adverse decision may appeal this decision to the courts of the State of South Carolina.