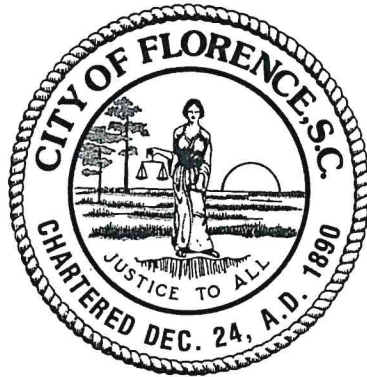


# City of Florence, SC



## Purchasing and Contracting Policies and Procedures Manual

Revised 7/27/2022

# Introduction

The Purchasing and Contracting Policies and Procedures Manual serves as a source for the City of Florence employees and vendors to become familiar with the policies and procedures for procuring goods and services.

The policies in this manual were established to ensure the City's purchasing and contracting procedures are fairly, equally, and impartially administered. 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.

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.

These policies and procedures are subject to periodic revision with the approval of the City Manager.

## Table of Contents

Section I	Responsibilities & Functions of the Purchasing Agent .....	I-1
Section II	Ethics in City Purchasing and Contracting .....	II-1
1.	Ethical Conduct .....	II-1
2.	Contracting with City Employees .....	II-1
3.	Acceptance of Gifts .....	II-1
4.	Conflicts of Interest .....	II-2
5.	Equal Opportunity .....	II-2
6.	Fair and Open Competition .....	II-2
7.	Confidential Information .....	II-2
Section III	Purchasing Policies.....	III-1
Section IV	Purchasing and Contracting Procedures.....	IV-1
1.	Informal Bid Procedure .....	IV-1
2.	Formal Bid Procedure .....	IV-2
A.	Formal bids for purchase of equipment and supplies .....	IV-2
B.	Formal bids for construction projects .....	IV-3
C.	Request-for-Proposals (RFP) .....	IV-4
3.	Selection of Vendors .....	IV-5
4.	Vendor Relations .....	IV-5
5.	Tie Bids .....	IV-6
6.	Business License Requirement.....	IV-6
7.	Competitive Bidding .....	IV-6
8.	Blanket Purchase Contracts.....	IV-6
9.	Emergency Procurement .....	IV-6
10.	Sole Source/Single Source Procurement.....	IV-7
11.	State Purchasing and Other Cooperative Contracts .....	IV-7
12.	Taxes .....	IV-8
13.	Disposal of City Surplus Equipment .....	IV-8
14.	Disposal of City Real Estate or Real Property.....	IV-8
15.	Procurement of Engineering or Architectural Services.....	IV-10
16.	Insurance .....	IV-12
17.	Formal Bid and Request for Proposal Delivery .....	IV-13
18.	Local and Minority Business Enterprise Purchasing Program.....	IV-13
19.	Illegal Immigration Reform Act Compliance .....	IV-14
20.	Procurement Involving Federal Funds .....	IV-15

Section V	Specifications.....	V-1
1.	Purpose of Specifications.....	V-1
2.	Responsibility for Specifications.....	V-1
3.	Level of Quality .....	V-1
4.	Adequate Specifications.....	V-1
5.	Changes in Specifications.....	V-1
6.	Changes in Specifications by Bidder.....	V-2
7.	Changes in Specifications After Bid Sent to Prospective Bidders ....	V-2
Section VI	Payments to Contractors .....	VI-1
1.	Partial Payments .....	VI-1
2.	Prompt Payments .....	VI-1
3.	Retainage Held .....	VI-1
Section VII	Appeals Process .....	VI-1
1.	Protest Procedure .....	VII-1
2.	Authority to Resolve Protest.....	VII-1
3.	Decision .....	VII-1
4.	Notice of Decision .....	VII-1
5.	Appeal of Decision .....	VII-1
6.	City Manager’s Decision .....	VII-1
7.	Final Appeal .....	VII-2

## SECTION I

### RESPONSIBILITIES AND FUNCTIONS OF THE PURCHASING AGENT

1. The City's Purchasing Agent is responsible for ensuring that purchases are made in accordance with the established policies and procedures; analyzing and reporting on purchasing performance; preparing and recommending contracts; and analyzing prices paid for materials, equipment, and services.
2. Under the supervision of the Finance Director, the Purchasing Agent shall assist all departments and divisions.
3. The primary objectives of Purchasing are to:
  - a. Secure the appropriate supplies, equipment, and services at the appropriate quality and quantity, on a timely basis, as efficiently as possible, and at the best value.
  - b. Conduct business with integrity, fairness, and dignity so as to maintain public trust and reduce the City's exposure to criticism and legal action.
  - c. Promote an understanding of sound purchasing policies and procedures throughout all departments and divisions of the City.
  - d. Determine the most efficient and economical means of obtaining supplies, equipment, and services without sacrificing the controls and principles of sound purchasing.
  - e. Assist in developing competitive specifications for use by all departments and divisions.
  - f. 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.
  - g. Encourage competition by establishing specifications that accurately describe the equipment, materials, and services needed.
  - h. Assure vendors that impartial and equal treatment is afforded to all who wish to do business with the City.
  - i. Exchange ideas and information with other local government purchasing departments in an effort to solve common purchasing problems.

- j. Communicate effectively with the department directors, equipment maintenance manager, and inventory control coordinator to ensure surplus and junked equipment is sold or disposed of properly and expeditiously.
- k. Coordinate with departments and divisions to maintain inventories at a satisfactory level commensurate with the budget.
- l. Provide all customers and vendors with quality service in a manner that is courteous, responsive, accessible, and seamless.
- m. Assist all departments and divisions, when requested, with the preparation of their capital budgets.
- n. Comply with all local, state, and federal laws in the administration of purchasing and contracting functions.
- o. Maintain a file containing all titles for all vehicles owned by the City, organized such that a title for a specific vehicle is easily located when needed.
- p. Notify the City's insurance carrier and the City's risk management staff when newly acquired equipment and property should be added to the City's insurance and removed when equipment and property is disposed.

## SECTION II

### ETHICS IN CITY PURCHASING AND CONTRACTING

#### 1. Ethical Conduct

The City of Florence adheres to the principles of fair and open competition and maintaining the integrity of the City's purchasing and contracting process.

#### 2. Contracting with City Employees

The City of Florence prohibits business transactions with their respective employees (either full time or part time), either directly or indirectly 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 this provision, 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).

#### 3. Acceptance of Gifts

The City of Florence prohibits the acceptance of gifts and/or gratuities at any time. Employees shall not become obligated to any vendor and must not negotiate any City transaction from which they may personally benefit or profit, either directly or indirectly.

No employee of the City 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.

#### **4. Conflict of Interest**

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.

#### **5. Equal Opportunity**

The policies of the City of Florence prohibit discrimination against any person or business in pursuit of business opportunities on the basis of race, color, sex, religion, or national origin. The City is committed to assisting small, women-owned, and minority owned businesses in becoming active vendors with the City of Florence. The City encourages and invites small, women, and/or minority owned businesses to participate in the City's procurement process.

#### **6. Fair and Open Competition**

The City of Florence promotes the principle of a fair and open competitive solicitation process, wherever practical. Restrictive or proprietary specifications are kept to minimal use; and only applied where necessary to meet technical demands for operational compatibility with existing City equipment and/or operations for unique and cost effective performance applications.

The City may contract with persons other than City personnel for the preparation of specifications. However, no person or entity preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications.

#### **7. Confidential Information**

It is unethical and unlawful for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.



## **SECTION III**

### **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 interest of the City is served.
3. The Purchasing Agent shall buy for the needs of the City of Florence only.
4. The Purchasing Agent shall strive to maintain positive relationships with current vendors and with prospective vendors.
5. The City will buy from 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.
6. All qualified bidders will be afforded equal opportunities to quote.
7. The Purchasing Agent shall act as the City's representative on all matters pertaining to purchasing and contracting activities.

## SECTION IV

### PURCHASING/CONTRACTING PROCEDURES

#### 1. Informal Bid Procedure

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

**Purchases of \$1,000 but less than \$3,000:** 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 which is to be completed by the vendor. Once the vendor is selected from the written quotes, a PO may then be issued to the vendor.

**Purchases of \$3,000 but less than \$10,000:** 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 which is to be completed by the bidder. Once a vendor is selected from the written quotes a PO may then be 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 provide the product or serve which best meet the requirements of the City, and who demonstrates 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 \$10,000 or more. Purchases in an amount of \$10,000 or more must be approved on the Purchase Approval Form by the Finance Director and City Manager before the formal bid process may begin.

### **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 also appear on the City's Government Access Channel and in SC Business Opportunities, a widely distributed newsletter published daily by the SC State Fiscal Accountability Authority's Procurement Services. 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) offers the equipment or service that the City is seeking, and to solicit minority businesses that may be interested in participating in the bid process. The Purchasing Agent may use other sources of prospective vendors, including a City-maintained list of interested vendors to send bid documents in an effort to obtain bidders. Formal bids may also be advertised via the internet or through any other means deemed appropriate by the Purchasing Agent.

Bids are publicly opened on the date and at the time and place specified in the bid document. Bids received late will not be accepted or considered for the award. Facsimile (FAX) transmissions, email, or any other electronic method of transmitting information will **not** be accepted unless otherwise specified in the bid document. The City will not be responsible for late submissions caused by the postal service, other carriers, or any other delivery problems, regardless of the reason. A bid tabulation will be produced and distributed as deemed appropriated by the Purchasing Agent. 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 bid 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 vendor 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, City staff or a third-party engineering firm shall generate plans and create specifications. The date set for a 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 Purchasing Agent may also post a bid notice in SC Business Opportunities, the internet, or other means of advertisement as deemed appropriate by the Purchasing Agent. 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.

Bids are publicly opened on the date and at the time and place specified in the bid document. Bids received late will not be accepted or considered for the award. Facsimile (FAX) transmissions, email, or any other electronic method of transmitting information will **not** be accepted unless otherwise specified in the bid document. The City will not be responsible for late submissions caused by the postal service, other carriers, or any other delivery problems, regardless of the reason. A bid tabulation will be produced and distributed as deemed appropriated by the Purchasing Agent. 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 Director 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 \$10,000. 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 retainage 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 \$10,000.

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 post an RFP notice in SC Business Opportunities, the internet, or other means of advertisement as deemed appropriate by the Purchasing Agent. Receipt of the written proposals shall be handled publicly by the Purchasing Agent. Proposals received late will not be accepted or considered for the award. Facsimile (FAX) transmissions, email, or any other electronic method of transmitting information will **not** be accepted unless otherwise specified in the RFP document. The City will not be responsible for late submissions caused by the postal service, other carriers, or any other delivery problems, regardless of the reason. 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 but is not limited to: 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. If a substantial amount of 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 within the City limits. A copy of the business license must be submitted with the signed contract. No work shall begin until a valid business license has been obtained by the contractor.

## **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. The Purchasing Agent 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 Procurement**

The need for emergency procurements may exist when there is an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency

conditions, and provided that such emergency procurements shall be made with as much competition as is practicable under the circumstances. For emergency purchases or contracts exceeding \$10,000, 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. Sole Source/Single Source Procurement**

The City Manager or Purchasing Agent may purchase goods and services without competition when the Department Director certifies in writing, at the time of request, that only a single and sole source for the goods or services exists and therefore, the competitive process is not appropriate, and that sole source purchasing serves a proper corporate and public purpose.

Procurement by noncompetitive proposals may be used only when the award is infeasible through informal bid, formal bids, or RFPs, and at least one of the following circumstances applies:

- a) The item is available only from a single source;
- b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c) After solicitation of a number of sources, competition determined inadequate;
- d) The compatibility of equipment, accessories, services, systems, software, or replacement parts is of paramount importance.

## **11. State Purchasing and Other Cooperative Purchases**

The State of South Carolina's Procurement Services 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. The Purchasing Agent 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, and the National Association of Counties, have made available to local governments their cooperative procurement programs.



Cooperative procurement 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 deemed appropriate and as approved by the City Manager.

## **12. Taxes**

The City of Florence is exempt from Federal Excise Tax. The City of Florence is **NOT** exempt from paying SC state sales and use tax 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, office equipment, etc. Following appropriate approval, the Purchasing Agent will periodically offer such material for sale. Surplus items may be sold through an online auction site (available to the public), a live public auction, or by sealed bids (sealed offers-to-buy). The most appropriate method of disposal will be determined by the Purchasing Agent.

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

Disposal of surplus equipment by any means other than those listed above must be requested by the appropriate Department Director and approved in writing by the City Manager or by City Council, as the City Manager deems necessary.

## **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 real property that has 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 the 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**

It is the policy of the City of Florence to publicly announce requirements for engineering or architectural services and to negotiate contracts for these services on the basis of demonstrated competence and qualifications for the professional services required at fair and reasonable prices/fees.

**Public Notice:** A public notice may be run in one or more newspapers as the Purchasing Agent deems appropriate. The formal announcement shall be published in SC Business Opportunities, via the internet, or through any other means deemed appropriate by the Purchasing Agent. The Purchasing Agent shall refer to the current SC Minority Business Directory, 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 services the City is seeking and solicit those minority businesses that may be interested in participating in the bid process.

**Receipt by City.** Receipt of the written proposals for engineering or architectural services shall be handled publicly by the Purchasing Agent. Proposals received late will not be accepted or considered for the award. Facsimile (FAX) transmissions, email, or any other electronic method of transmitting information will **not** be accepted unless otherwise specified by the City. The City will not be responsible for late submissions caused by the postal service, other carriers, or any other delivery problems, regardless of the reason.

**Selection.** For each formal solicitation by the City for professional engineering or architectural services, an Evaluation Committee, appointed by the City Manager or an authorized designee, shall evaluate statements of qualifications submitted by such firms. The City Manager or an authorized designee shall also serve as a member of this committee.

The Evaluation Committee shall conduct interviews with up to three (3), but never fewer than two (2) 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, up to three (3), but never fewer than two (2) 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 individual(s) 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, and the firm's approach to problem-solving, data gathering methods, evaluation techniques, and similar criteria.
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 responsibility; attitudes of key personnel; concern for economy, efficiency and environment; and quality of service.
10. When appropriate, an observation of each firm's facility and the sites of current and/or completed projects.
11. Proximity of the firm to the proposed project site and City offices.
12. Reputation and integrity of the 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 process of ranking affords the City of Florence an opportunity to make an informed decision based on qualifications, anticipated quality of work, and prospects for a cooperative effort.

Once firms have been ranked, contract negotiations will begin with the highest ranked firm. Such negotiations are intended to ensure the best possible price or fee is established to render maximum design capability.

**Negotiation:** To begin contract negotiation, the Evaluation Committee will request the presentation of a comprehensive proposal by the first ranked firm. 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. Aspects

of the engineering and architectural services to be addressed during negotiation will generally be specified by the City in each request and may include:

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

If the City fails to reach an agreement with the top-ranked firm, the City will 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, negotiations will be formally terminated with that firm and the process repeated with the third ranked firm.

In the event that all three negotiation attempts are unsuccessful, the City will re-evaluate the engineering or architectural services requested relative to the City's needs and available resources.

## **16. 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, in the form of an appropriate certificate-of-insurance, shall be given to the Purchasing Agent 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, in the form of an appropriate certificate-of-insurance, shall be given to the

Purchasing Agent 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.

### **17. 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, email, or any other electronic method of transmitting information will **not** be accepted unless otherwise specified in the bid or proposal document. 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.

### **18. Local and Minority Business Enterprise Purchasing**

When lowest bid is the principal determining factor in a bid selection process it is the intent of the City of Florence to provide preference first to local businesses within the City or County of Florence; however, if no local business is eligible or able to participate, preference shall then be provided by the City to minority business enterprises based on the following guidelines:

- A. For purposes of this policy, a "local business" is defined as a person, firm, contractor, corporation, or other business entity offering the services and/or products being bid by the City that maintain a place of business and have a physical business address located and operating within the City or County of Florence. The business must have been established for not less than one year within the City or County of Florence and have a valid City of Florence Business License for a minimum of 12 months prior to the bid date.
- B. For purposes of this policy, a minority business enterprise (MBE) is defined as an MBE that is certified in accordance with South Carolina Regulations § 19-445.2160, as authorized by §11-35-5270 the South Carolina Code of Laws, as amended.

- C. When lowest bid is the principal determining factor in the selection process any “local business” as defined in Subsection A above that submits a responsible and responsive bid within 5% (if the business is located within the City of Florence) or 3% (if the business is located within Florence County) of the non-local bidder who submitted the lowest bid may match the bid submitted by the non-local bidder. A “local business” that is within the percentage guidelines of the lowest bid received shall then be eligible for award of the contract.
- D. If the lowest bid is not a “local business” and a “local business” is within the percentage guidelines of the lowest bid received, the “local business”, subject to the provision of Subsection H below, shall be awarded the contract if it is willing to provide goods or services at the same price of the lowest bid received.
- E. If conditions of Subsection C above are met and the qualified “local business” declines or is unable to match the lowest bid, then the option to do so moves to the next qualified “local business”, if such business' bid is within the percentage guideline of the lowest bid, and is similarly responsible and responsive.
- F. In the event there is no “local business” eligible or willing to match the lowest bid, the lowest responsible and responsive bid submitted by an MBE, if any, would be allowed the opportunity to match the bid submitted by the non-local bidder and thereby be awarded the contract when lowest bid is the primary determining factor in the bid selection process.
- G. If a procurement is to be made pursuant to state funding requirements, federal funding requirements, bond covenants, or other outside funding source requirements which prohibit or restrict local or MBE preference, then no local or MBE preference consideration will be given.
- H. The provisions for a local or MBE preference does not prohibit the right of the City to compare quality of materials proposed for purchase and compare qualifications, character, responsibility and fitness of all persons, firms, contractors, corporations, or other business entities submitting bids. Accordingly, the local or MBE preference for a particular procurement may be waived by the City Manager upon written recommendation and justification by the Department Director.

## 19. Illegal Immigration Reform Act Compliance

The contractor certifies that the contractor will comply with the requirements of Chapter 14, Title 8 of the South Carolina Code of Laws titled **Unauthorized Aliens and Public Employment** and agrees to provide the City of Florence any documentation required to establish either; (a) the applicability of such law to the

contractor and any subcontractor or sub-subcontractor; or (b) the compliance with this law by the contractor and any subcontractors or sub-subcontractor.

## **20. Procurement Involving Federal Funds**

All goods and services obtained through the use of **Federal funds** shall be in compliance with applicable state and federal laws and regulations and be in compliance with the mandatory requirements of the selected agency. Whenever City policy is more restrictive than the state or federal laws or regulations, the provisions of this City policy shall be followed. **All Purchasing that involves Federal Funds must be approved by the Purchasing Agent for mandatory agency compliance rules prior to contract issuance, revisions, amendments, etc.**



## **SECTION V**

### **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 to the Purchasing Agent. The Purchasing Agent may assist the Department Director in the development of specifications as needed.

Prior to obtaining bids, the specifications may be modified by the Purchasing Agent, in consultation with the requesting Department Director, to encourage competitive bidding and to provide for a level of quality commensurate with the intended use of the needed item.

#### **3. Level of Quality**

In considering and developing specifications, purchases made from public sources and administered by public bodies should not be expected to provide options beyond those which are necessary for the intended use. The City shall purchase good, standard grades of merchandise which represent an optimum relationship between quality and price consistent with providing the required level of service.

#### **4. 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 bid process.

#### **5. 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.

## **6. Changes in Specifications by the Bidders**

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.

## **7. Changes in Specifications After Bid is Sent to the 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 VI**

### **PAYMENTS TO CONTRACTORS**

#### **1. Partial Payments**

The City may approve partial payments or draw payments if approved by the appropriate Department Director. Partial payments should not exceed 90% of completed project costs or material delivered and approved.

#### **2. Prompt Payment**

Payments to contractors should be made within 30 days of approval by city staff and the contractor meeting all specified and committed obligations to the City.

#### **3. Retainage Held**

If specified in the contract or if issues with the project, material or service delivered are not to the City's satisfaction a 10% retainage will be held by the City until such issues are resolved. All actions regarding retainage must be documented in writing and approved by the City Manager or his designee.

## SECTION VII

### APPEALS PROCESS

Any actual or prospective vendor, bidder, or contractor who is aggrieved in connection with a 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.

1. **Protest Procedure:** A protest shall be in writing, submitted to the Finance Director, as stated above, and shall set forth the grounds of protest and relief requested with enough particularity to give notice of the issues to be decided.
2. **Authority to Resolve Protest:** The Finance Director, and under advisement of the City's attorney, shall have the authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve a protest by an actual aggrieved bidder, offeror, or a contractor concerning the award of a contract.
3. **Decision:** If the protest is not resolved by mutual agreement, the Finance Director, in coordination with the City's attorney, shall issue a decision in writing within ten (10) days after receipt of the protest. The decision shall state the reasons for the action taken.
4. **Notice of Decision:** A copy of the decision under paragraph number 3 of this section shall be mailed or otherwise furnished immediately to the protestant and any other intervening party.
5. **Appeal of Decision:** A decision rendered under paragraph number 4 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 Notice of Decision by the Finance Director.
6. **City Manager's Decision:** The City Manager, within ten (10) day of hearing such appeal, shall affirm, alter, or reverse the decision rendered by the Finance Director in writing to the protesting party.

7. **Final Appeal:** Any vendor, bidder, offeror, or contractor receiving an adverse decision from the City Manager may appeal this decision to the courts of the State of South Carolina.

Approved:



Kevin V. Yokim, Assistant City Manager



Randall S. Osterman, City Manager