

RESOLUTION 2024-06

A RESOLUTION OF THE HARMONY COMMUNITY DEVELOPMENT DISTRICT (THE “DISTRICT”) AUTHORIZING THE DISBURSEMENT OF FUNDS OF THE DISTRICT WITHOUT PRIOR APPROVAL OF THE DISTRICT’S BOARD OF SUPERVISORS (“BOARD”); SETTING CERTAIN MONETARY THRESHOLDS; ADOPTING REVISED PROCUREMENT POLICIES AND PROCEDURES; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the District is a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, Section 190.011(5) of the Florida Statutes, authorizes the District to adopt resolutions which may be necessary for the conduct of District business; and

WHEREAS, the Board hereby determines that for purposes of administrative and accounting necessity, it is in the best interests of the District, and necessary for the conduct of District business, to establish a policy governing the disbursement of funds with prior approval by the District’s Field Services Manager, District Manager, and/or Chair, as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HARMONY COMMUNITY DEVELOPMENT DISTRICT:

Section 1. Payment of Expenses.

A. Continuing Expenses. The Board hereby authorizes the payment of invoices of continuing expenses, which meet the following requirements:

1. The invoices must be due on or before the next scheduled meeting of the Board of Supervisors.
2. The invoice must be pursuant to a contract or agreement authorized by the Board of Supervisors.
3. The total amount paid under such contract or agreement, including the current invoice, must be equal to or less than the amount specified in the contract or agreement.

B. Non-Continuing Expenses. The Board hereby authorizes the disbursement of funds for payment of invoices of non-continuing expenses which are 1) required or appropriate for the District to maintain orderly, efficient and effective operations, maintenance and replacement of the

District's facilities and infrastructure, 2) required to provide for the health, safety, and welfare of the residents within the District; or 3) required to repair, control, or maintain a District facility or asset beyond the normal, usual, or customary maintenance required for such facility or assets, pursuant to the following schedule:

1. Non-Continuing Expenses Not Exceeding \$500.00 with approval of the District Manager or Field Services Manager; and
2. Non-Continuing Expenses Not Exceeding \$5,000.00 with approval of the District Manager; and
3. Non-Continuing Expenses Not Exceeding \$10,000.00 with approval of the District Manager and Chair of the Board of Supervisors, if in the judgment of the District Manager and Chair such Non-Continuing Expense is required to be addressed before the next scheduled meeting of the Board of Supervisors.

Before any expenditure is made under Section 1.B.1., the District Manager or Field Services Manager shall confirm that there are available funds in the budget to pay the expense, either in the line item most germane to the expense or in another budget line item that has the capacity to be used for the expense.

Before any expenditure is made under Section 1.B.2. or section 1.B.3, the District Manager shall confirm that there are available funds in the budget to pay the expense, either in the line item most germane to the expense or in another budget line item that has the capacity to be used for the expense.

C. Emergency Expenses. For emergency expenses exceeding the authorization in section 1.B. above, and in the event that an emergency meeting of the Board cannot timely be convened pursuant to Florida law, the Board hereby authorizes the disbursement of funds in any amount necessary to address any emergency condition affecting the District, but only with the prior written approval of (i) the District Manager and (ii) the Chair of the Board of Supervisors, or in his or her absence, the Vice Chair, or in his or her absence, the Secretary or any Assistant Secretary of the District. For purposes of this Resolution, the term "emergency expense" means a purchase or payment necessitated by a sudden unexpected turn of events (for example, acts of God, riot, fires, floods, hurricanes, accidents, or any circumstances or cause beyond the control of the Board in the normal conduct of its business), where the delay of waiting for a board meeting would be detrimental to the interests of the District. This includes, but is not limited to, instances where delay will jeopardize the funding for the project, will materially increase the cost of the project, will likely cause damage to property, will prejudice the District's interest in a

project already in progress, or will create an undue hardship on the public health, safety, or welfare.

Section 2. Board Consideration. Any payment made pursuant to the Resolution shall be submitted to the Board at the next scheduled meeting for approval and ratification. Copies of any disbursements made under the authority of this Resolution shall be included in the agenda package for the scheduled meeting or otherwise distributed to the Board at the meeting.

Section 3. Procurement Policies and Procedures. The Procurement Policies and Procedures attached hereto as **Exhibit A** are hereby adopted. **Exhibit A** supersedes all procurement policies and procedures previously approved by the District.

Section 4. Severability. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

Section 5. Effective Date; Conflicts. This Resolution shall take effect upon the passage and adoption by the Board, and shall remain in effect unless rescinded or repealed. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

Introduced, considered favorably, and adopted this 25th day of January, 2024.

ATTEST:

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairman/Vice Chairman

Exhibit A: Procurement Policies and Procedures

Exhibit A

PROCUREMENT POLICIES AND PROCEDURES

PROCUREMENT POLICIES

The District's Board of Supervisors, District Manager and Field Services Manager recognize that open and fair competition is a basic part of public procurement and inspires public confidence that District contracts are awarded equitably and economically.

It is essential to the effective and ethical procurement of commodities and services that the District use a system of uniform procedures in managing and procuring commodities and services. Detailed records of District decisions in procurement must be maintained. Strict adherence to specific ethical considerations by all District officers, employees, and agents, and by the suppliers and contractors is to maintain the confidence of the residents, the District, and the business community in the expenditure of District funds.

I. REQUIREMENTS FOR ALL PROCUREMENTS

- Ensure tax is not included in the quoted price.
- Due diligence to obtain the best price is required no matter the purchase price.
- If the required number of quotes are not obtainable due to lack of vendor interest/response, provide the reason in writing to the DM when submitting the quotes.
- All invoices issued to the District must comply with section 218.70-218.77, Florida Statutes, Prompt Payment Act governing payment for goods or services by government agencies.
- Any agreement that obligates the District for a period of more than six (6) months, such as contracting for mobile phone service, contracting for internet services, or ongoing rental or purchase over time of equipment must be approved by the Board and signed by the Chair, regardless of price.

II. EXEMPTION LIST

The following expenditures are exempt from the Procurement Procedure:

- A. Pre-approved District employees' reimbursements;
- B. Monthly recurring utility bills (sole source);
- C. Purchases made during the period of a declared emergency;
- D. Legal advertising;
- E. FedEx and/or UPS invoices;
- F. Refunds;
- G. Reimbursements to residents serving on District Boards; and
- H. Recurring monthly intergovernmental disbursements.

III. WAIVER OF REQUIREMENTS

The District may, when deemed to be in the best interest of the District and not inconsistent with law, waive any or all requirements or provisions set forth in this Procurement Procedure and proceed thereafter to take whatever action is deemed to be in the best interest of the District.

IV. BID RIGGING

The District prohibits any activity among Vendors, Requestors, or any other participant in the procurement process to fix prices, rig bids, or engage in any other anticompetitive activity.

V. UNAUTHORIZED PROCUREMENTS

An unauthorized procurement is any purchase, order, or contract that is made by any District employee or official contrary to the provisions of this policy. Purchases, orders, or contracts that are subdivided to circumvent this policy shall also be considered unauthorized purchases.

Any unauthorized procurement is voidable by the District Board.

The District Manager or the Board Chairman are the only persons authorized to execute contracts for the procurement of commodities, professional and contractual services, without express action by the Board.

VI. ENFORCEMENT

Violation of the Procurement Policies by vendors, may result in contract termination and/or a ban from doing business with the District, at the discretion of the Board.

VII. VENDOR RELATIONS

One of the functions of the District Field Services Manager/District Manager is establishing and maintaining relations with firms who request to do business with the District and with firms who regularly do business with the District. Any user that develops a problem with a vendor and cannot satisfactorily resolve that problem should contact the District Manager. It is District policy to be fair with all bidders and vendors while still protecting the interests of the District.

Any problem with a vendor should be documented immediately in writing giving all details such as date, nature of problem, person contacted, conversations between the District and the vendor. This can be done by keeping a log of the issue and keeping the District Manager copied on the log and up to date of the issues. Documentation must be detailed and immediately recorded.

VIII. CHANGE ORDERS

Change orders are discouraged and subject to the approval of the Board when the cumulative amount of proposed change order(s) will exceed \$5,000. The District Manager may approve change orders provided the cumulative amount of all change orders on a given contract do not exceed \$5,000.

PROCUREMENT PROCEDURES

1. The District's need for a service or product is identified by the Board, Field Services Manager, District Engineer, or the District Manager (DM).
2. If the Board is the entity that identifies the need, the Board will assign either the District Manager, District Engineer, or Field Services Manager to serve as the Requestor, as appropriate.
3. Requestor determines if this service or product is purchased only once per year or is expected to be purchased more than once in a year.
4. Requestor estimates the annual cost to purchase the service or product.
5. Requestor ensures that sufficient and proper funding is available prior to starting the procurement process.
6. If the annual cost of the service or product is:
 - a) less than \$500.00, then the Requestor may purchase the service or product if the service or product meets a need of the District. Although quotes are not required, prices should be compared to be sure that the best value is being obtained.
 - b) between \$ 500.00 and \$4,999.99, proceed Procedure for \$500.00 to \$4,999.99.
 - c) between \$5,000.00 and \$9,999.00, proceed Procedure for \$5,000.00 to 9,999.99.
 - d) between \$10,000.00 and Florida's statutory amount requiring formal competitive solicitation, proceed to Procedure for \$10,000 to Florida's statutory amount.
 - e) above Florida's statutory amount requiring formal competitive solicitation, follow the statutorily required procurement process.
7. Violation of these procurement procedures by employees or agents of the District, may be grounds for disciplinary actions, contract termination, or other consequences, at the discretion of the Board.

A. Procurement for service or product between \$500.00 and \$4,999.99 annually

1. First, provide to the DM the following:
 - a. a brief written reason this purchase is needed, including any emergency circumstances; and
 - b. estimated cost of purchase; and
 - c. budget line item of funds to be used for this purchase; and
 - d. desired 'deliver by' date; and
 - e. backup documentation (if applicable) to the request to assist in the approval process, such as;
 - i. if sole source, explain why (sole source means that the commodity can be legally purchased from only one source.)
 - ii. Board approval date and terms (if applicable).
2. Then, if the DM approves moving forward with the purchase:
 - a. The Requestor shall attempt to obtain quotes (including, if applicable, shipping, handling, and any fees) from at least 2 different vendors. For products, current online pricing and catalogs can be used for quotes.
 - b. If the quotes exceed \$4,999.99, proceed to Procedure for \$5,000.00 to 9,999.99.
 - c. If quotes are less than \$5,000.00, provide the DM with the quotes obtained and any information that would have bearing on the selection of the vendor. DM will attach copy of quotes to information provided in 1. and retain for records.
 - d. Requestor and DM confer and select vendor.
 - e. Purchase is made.

B. Procurement for service or product between \$5,000.00 and \$9,999.99 annually.

1. First, provide to the DM the following:
 - a. a brief written reason this purchase is needed, including any emergency circumstances; and
 - b. if requesting services, a scope of work to be provided to each vendor in obtaining quotes; and
 - c. estimated cost of purchase; and
 - d. budget line item of funds to be used for this purchase; and
 - e. desired 'deliver by' date; and
 - f. backup documentation (if applicable) to the request to assist in the approval process, such as:
 - i. if sole source, explain why,
 - ii. Board approval date and terms (if applicable).
2. Then, if the DM approves moving forward with the purchase:
 - a. The Requestor shall attempt to obtain quotes (including, if applicable, shipping, handling, and any fees) from at least 3 different vendors. For products, current online pricing and catalogs can be used for quotes.
 - b. If the quotes exceed \$9,999.99, proceed to Procedure for \$10,000 to Florida's statutory amount.
 - c. If quotes are less than \$10,000.00, provide the DM with the quotes obtained and any information that would have bearing on the selection of the vendor. DM will attach copy of quotes to the information provided in Step 1. above. and submit this information to the Board at the next regular meeting.
 - d. DM and Board Chair confer and Chair selects vendor if in the judgment of the DM and Chair such Non-Continuing Expense is required to be addressed before the next scheduled meeting of the Board of Supervisors. If the purchase can wait until the next scheduled Board of Supervisors meeting, the purchase shall be placed on the next Board agenda and the Board will either:
 - i. select a vendor and authorize purchase, or
 - ii. deny the purchase, or
 - iii. request further information or quotes.
 - e. DM ensures that Chair's or Board's decision is carried out.

C. Procurement for service or product between \$10,000.00 and Florida’s statutory amount requiring formal competitive solicitation.

1. First, provide to the DM the following:
 - a. a brief written reason this purchase is needed, including any emergency circumstances; and
 - b. for a product, a detailed Specifications of that product, if requesting services, the Scope of Work which will be provided to each vendor in obtaining quotes. The Scope of Work shall be developed by the District Engineer if the service involves any transportation or drainage work; and
 - c. estimated cost of purchase; and
 - d. budget line item of funds to be used for this purchase; and
 - e. desired ‘deliver by’ date; and
 - f. backup documentation (if applicable) to the request to assist in the approval process, such as:
 - i. if sole source, explain why.
 - ii. Board approval date and terms (if applicable).

2. Then, if the DM approves moving forward with the purchase:
 - a. The Requestor in cooperation with the DM will request quotes and references from all vendors on the District/DM’s Central Florida Vendor List and any virtual vendor list in use in order to attempt to obtain quotes from at least 3 different vendors.
 - b. If the quotes exceed Florida’s statutory amount requiring formal competitive solicitation, proceed to the statutorily mandated process.
 - c. If quotes are less than Florida’s statutory amount requiring formal competitive solicitation, provide the DM with the quotes obtained and any information that would have bearing on the selection of the vendor. DM will attach copy of quotes and reference checks to information provided in 1. above, and, except in cases of emergency, submit this information to the Board at the next regular meeting.
 - d. Except in cases of emergency, the Board will consider the request at a public meeting and then either:
 - i. select a vendor and authorize purchase, or
 - ii. deny the purchase, or
 - iii. request further information or quotes.
 - e. DM ensures that Board’s decision is carried out. If a case of emergency, the DM shall ensure the Chair’s decision is carried out.