

HARMONY COMMUNITY DEVELOPMENT DISTRICT

PROCUREMENT POLICY AND PROCEDURE

PROCUREMENT POLICY

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 required to maintain the confidence of the residents, the District, and the business community in the expenditure of District funds.

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 District invoices must comply with [Section 218.7, Florida Statutes, Prompt Payment Act](#) governing payment for goods or services by government agencies.
- Any agreement that obligates the District into the future, 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 District Manager, regardless of price.

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.

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.

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.

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 the Procurement Policy shall also be considered unauthorized purchases.

Any unauthorized procurement shall not be approved and the District shall not be bound thereby.

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.

ENFORCEMENT

Violation of the Procurement Policy and Procedures:

- A. by employees or agents of the District, may be grounds for disciplinary actions or other penalties, at the discretion of the Board; or
- B. by vendors, may be banned from doing business with the District, at the discretion of the Board.

CONSULTANTS COMPETITIVE NEGOTIATION ACT (CCNA)

The District shall follow the guidelines of the [Consultants Competitive Negotiation Act](#) for the acquisition of professional architectural, engineering, landscape architecture, or surveying and mapping services.

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 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. The Board has the Authority to act against any vendor, including the suspension/debarment from doing business with the District for a specific length of time. This is a drastic action & will not be done without proper documentation. Documentation must be detailed & immediately recorded.

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 or 10% of contract value, whichever is less. The District Manager may, in consultation with the Board Chair, approve change orders provided the cumulative amount of all change orders on a given contract do not exceed \$5,000 or 10% of contract value, whichever is less.

PROCUREMENT PROCEDURE

- 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 \$2499.99, proceed to Page 4, Procedure for \$500 to \$2499.99.
 - c) between \$2500.00 and \$4999.99, proceed to Page 5, Procedure for \$2500 to 4999.99.
 - d) between \$5000.00 and Florida's statutory amount requiring formal, sealed, competitive bidding, proceed to Page 6, Procedure for \$5000 to Florida's statutory amount.
 - e) above Florida's statutory amount requiring formal, competitive bidding, follow the statutorily required procurement process.

Procurement for Service or Product between \$500.00 and \$2499.99

1. First, provide to the DM the following:
 - a. a brief written reason this purchase is needed; 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. if emergency, explain emergency.
 - iii. if piggyback procurement, name of governmental entity that completed the original vendor selection and their contact info and assurance that piggyback is authorized.
 - iv. Board approval date and terms (if applicable).
2. Then, if the DM approves moving forward with the purchase:
 - a. The Requestor will 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 \$2499.99, proceed to Page 5, Procedure for \$2500 to 4999.99.
 - c. If quotes are less than \$2500.00, 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 or Board Chair confer and select vendor.
 - e. Purchase is made.
3. Requestor receives goods/services and invoice.
4. Requestor verifies invoice, processes and submits invoice to Accounts Payable.
5. Accounts Payable audits the invoice prior to processing payment.
6. Finance Department issues a payment to the vendor for the goods/services provided.

Procurement for Service or Product between \$2500.00 and \$4999.99

1. First, provide to the DM the following:
 - a. a brief written reason this purchase is needed; 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. if emergency, explain emergency,
 - iii. if piggyback procurement, name of governmental entity that completed the original vendor selection and their contact info and assurance that piggyback is authorized,
 - iv. Board approval date and terms (if applicable).
2. Then, if the DM approves moving forward with the purchase:
 - a. The Requestor will obtain quotes (including, if applicable, shipping, handling, and any fees) and references from at least 3 different vendors. For products, current online pricing and catalogs can be used for quotes.
 - b. If the quotes exceed \$4999.99, proceed to Page 6, Procedure for \$5000 to Florida's statutory amount.
 - c. If quotes are less than \$5000.00, 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 and reference checks to the information provided in Step 1. above and submit this information to the Board at the next regular meeting.
 - d. 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.
3. Requestor receives goods/services and invoice.
4. Requestor verifies invoice, processes and submits invoice to Accounts Payable.
5. Accounts Payable audits the invoice prior to processing payment.
6. Finance Department issues a payment to the vendor for the goods/services provided.

Procurement for Service or Product
between \$5000.00 and Florida's statutory amount
requiring formal, sealed, competitive bidding.

1. First, provide to the DM the following:
 - a. a brief written reason this purchase is needed; 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. if emergency, explain emergency.
 - iii. if piggyback procurement, name of governmental entity that completed the original vendor selection and their contact info and assurance that piggyback is authorized,
 - iv. 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 obtain quotes from at least 3 different vendors.
 - b. If the quotes exceed Florida's statutory amount requiring formal, sealed, competitive bidding, proceed to the statutorily mandated process.
 - c. If quotes are less than Florida's statutory amount requiring formal, sealed, competitive bidding, 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 submit this information to the Board at the next regular meeting.
 - d. 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.
3. Requestor receives goods/services and invoice.
4. Requestor verifies invoice, processes and submits invoice to Accounts Payable.
5. Accounts Payable audits the invoice prior to processing payment.
6. Finance Department issues a payment to the vendor for the goods/services provided.