



## Legislation Text

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**File #:** PO-2020-08, **Version:** 3

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An Ordinance Of The City Of Hollywood, Florida, Repealing The Purchasing Ordinance, Which Consists Of Sections 38.35 Through 38.52 Of The Code Of Ordinances, Creating The Procurement Code, Also To Be Known As The Procurement Ordinance, Consisting Of New Sections 38.35 Through 38.53 Of The Code Of Ordinances That Will Govern The City's Purchase Of Goods, Supplies. Materials, Equipment and Services.

*Financial Management & Administration*

Staff Recommends: Approval of the attached Ordinance.

### Explanation:

This Ordinance is a comprehensive rewrite of the sections of the City Code dealing with procurement. One subsection of the Code was amended last in 2016, four subsections in 2015, and the rest of the subsections date from 2012 or earlier. This Ordinance updates the Code to reflect changes in municipal procurement in the years since those previous revisions and changes the structure from a decentralized to a centralized organization for procurement services.

Revisions to the current Code include:

- Adding language to clarify that only current contracts are eligible to be used when piggyback contract procurement is utilized. Although that has been the practice, there was no language specifying that piggyback contract procurement shall be limited to piggybacking on current contracts only; such language has been added.
- The Office of Procurement and Contract Services now is given jurisdiction over all City procurement. In the past, procurement jurisdiction was distributed among various agencies of the City; this Ordinance centralizes jurisdiction in the Office for improved consistency and standardization in procurement practices.
- Approval authority limits were spread throughout the Code previously; they are set forth together in one subsection in this Ordinance for improved clarity. Reflecting the growth of costs of procuring items and services, authority for the City Manager to approve and execute contracts and procure goods and services is increased from \$50,000 to \$100,000. The City Attorney will have authority to procure legal services up to \$100,000. The Director of the Office of Procurement Services and Contract

Compliance, in the role of Chief Procurement Officer (“CPO”), has authority to approve procurement up to \$25,000. Procurement in excess of \$100,000 will require City Commission approval.

- The limit of the City Manager to cancel or reject solicitations is increased from \$50,000 up to \$100,000. Procurement solicitations in excess of that limit require City Commission approval for cancellation or rejection.
- Language is added that allows for the receipt of responses to bids, RFPs, RFQs, and other forms of solicitation electronically as well as by paper, in the sole discretion of the City.
- A “best value” concept for procurement practices is established and defined.
- Previously no limit was established on the authority of staff to enter into cooperative purchasing agreements. A limit of \$100,000 has been established for the City Manager or designee to enter into such agreements; cooperative purchasing agreements in excess of \$100,000 will require City Commission approval.
- Previously, the City Manager was given authority to approve change orders in a total amount per project of \$100,000 or 10% of the original contract amount, whichever was greater. This ordinance revises that to be change orders in a sum per project of \$100,000 or 10% of the original contract amount, whichever is less, except that the City Manager may approve any change orders as long as the sum of all change orders plus the original contract amount does not exceed \$100,000.
- The authority for the City Manager to approve contract extensions is increased from 90 days to 120 days. Extensions in excess of 120 days require City Commission approval.

Fiscal Impact: Approval of this ordinance will not fiscally impact the City as this is a proposal to comprehensively revise the Code pertaining to procurement, and sets forth policies and procedures related to approval authorities, powers and duties, competitive solicitations, contract management responsibility, formal solicitation procedures, open market procedures, inspection of purchased items, surplus stock, cooperative purchasing, change orders, termination, extension and renewal of contracts, purchases of real property, preferences for local bidders, protests, and prevailing rate of wages on construction projects.

Recommended for inclusion on the agenda by:

Paul Bassar, Director of Procurement & Contract Compliance

David Keller, Fiscal Special Projects Administrator

Adam Reichbach, Assistant City Manager for Finance and Administration