

City of South Daytona

Office of the City Manager / Department of Finance

Post Office Box 214960 • South Daytona, FL 32121 • 386/322-3060



MEMORANDUM

To: James L. Gillis, Jr., City Manager

From: Jason Oliva, Finance Director

Date: December 23, 2024

Re: Ordinance No. 2025-02. An Ordinance of the City of South Daytona, Florida, amending Chapter 2, Article IV, Purchases, Sales and Contracts, modifying Sec. 2-137. Sound Discretion, 2-138. Written Quotes, Sec. 2-139. Formal Bid Solicitations, Sec. 2-140. Exemptions to written quotes and formal bid solicitations, and adding Sec. 2-144. Conflicts of Interest; providing for codification, conflicts, severability, applicability, and an effective date. **First Reading. Public Hearing.**

The City's purchasing policy was updated in September 2020 by Ordinance No. 2020-10. The policy needs to be updated to due increases in the prices of goods and services and to add some grant-related language requirements. The goal of the policy remains to provide transparency in purchasing while ensuring the City is getting the best quality goods or services at the lowest possible price.

Attached is Ordinance No. 2025-02 which repeals and replaces Chapter 2, Article IV of the City's Code of Ordinances regarding purchases, sales and contracts. All purchases shall be made by written contract or purchase order and include a detailed receipt of such transaction. The revised purchasing policy is straight-forward and is based on the following thresholds:

Sound discretion. Purchases can be made without formal bidding procedure. The department head is to use sound discretion when evaluating prices. The threshold maximum for sound discretion is being increased from \$3,000 to \$5,000.

Written quotes. Purchases in this category need at least three written quotes. Previously, the threshold was greater than \$3,000 to \$25,000. Now written quotes will be required for purchases greater than \$5,000 to \$25,000.

Formal Bid Solicitation. No changes are being made for purchases greater than \$25,000.

Other changes to the policy include adding language for new procurement software that the City will be using to document compliance with the purchasing policy, giving the city manager the authority to waive irregularities in purchases with a dollar value of \$25,000 or less, clarifying some language regarding cooperative purchases, and adding language required by granting agencies.

ORDINANCE NO. 2025-02

AN ORDINANCE OF THE CITY OF SOUTH DAYTONA, FLORIDA, AMENDING CHAPTER 2, ARTICLE IV, PURCHASES SALES AND CONTRACTS, MODIFYING SEC. 2-137. SOUND DISCRETION, 2-138. WRITTEN QUOTES, SEC. 2-139. FORMAL BID SOLICITATIONS, SEC. 2-140. EXEMPTIONS TO WRITTEN QUOTES AND FORMAL BID SOLICITATIONS, AND ADDING SEC. 2-144. CONFLICTS OF INTEREST; PROVIDING FOR CODIFICATION, CONFLICTS, SEVERABILITY, APPLICABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the overall goal of the City’s purchasing and procurement policies shall be to provide the most appropriate quality of goods and services needed by the City at the least total public expense considering, as a minimum, initial cost, operating, and maintenance cost, and estimated useful life; and

WHEREAS, it is the desire of the City Council of the City of South Daytona to continue to provide the most cost-effective purchases in the competitive marketplace, as well as ensure fairness and impartiality in the City’s dealings with vendors; and

WHEREAS, the City of South Daytona City Council finds to stay current with procurement best practices while maintaining transparency and sound purchasing, it is in the best interest to modify Chapter 2, Article IV as stated herein; and

WHEREAS, for purposes of this Ordinance, underlined type shall constitute additions to the original text, *** shall constitute ellipses to the original text and ~~strikethrough~~ shall constitute deletions to the original text.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH DAYTONA, VOLUSIA COUNTY, FLORIDA THAT:

SECTION 1. Recitals. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. Adoption. The City Council of the City of South Daytona hereby amends Code of Ordinances Chapter 2, Article IV as follows:

ARTICLE IV. PURCHASES, SALES AND CONTRACT

Sec. 2-137. Sound discretion.

(a) *Sound discretion* (~~\$0-\$3,000.00~~ \$5,000.00). All purchasing of supplies, equipment and contractual services with a total value of ~~three~~ five thousand dollars (~~-\$3,000.00~~ \$5,000.00) or less shall be made without formal bidding procedures by the city manager or department head. The city manager or department head shall judge the cost of the supplies, equipment or contractual services as fair and reasonable and in the best interest of the City of South Daytona.

(1) The purchasing card is a tool for small purchases of under three five thousand dollars (~~\$3,000.00~~ \$5,000) or less. Purchasing cards are issued with an employee's name with preset spending and control limits.

Purchasing cards are only issued upon written request from the department director. The purchasing card is intended for small value, non-recurring needs. Acquisitions using a purchasing card must meet the procedures and guidelines contained herein along with the city's purchasing card policy.

Sec. 2-138. Written quotes.

- (a) *Written quotes* (~~(\$3,001.00~~ \$5,000.01 to \$25,000.00). Except as provided in this article, procurement of goods or services (including leases) with an estimated value greater than ~~three- five thousand dollars (\$3,000.00)~~ (\$5,000.00) but less than or equal to twenty-five thousand dollars (\$25,000.00) require written quotes in accordance with the following procedures:
- (1) Department head or their designee must solicit written quotes from at least three (3) qualified contractors, consultants, or suppliers.
 - (2) Award sale to the lowest responsible bidder after a minimum of a five-day bid solicitation.
 - a. If the good or service is needed before the minimum five (5) business days, then it shall be considered an emergency purchase governed by this article.
 - (3) Solicited bidders who do not submit a timely quote shall be considered as a "no quote" in response to the solicitation which can be used to meet the minimum solicited quote requirement.
 - (4) The department head is responsible for documenting the number of solicitations, listing the quotes received and documenting their efforts to assess the reasonableness of the quotes. The department head will make sure that the quote is not a cost plus percentage of cost purchase.
 - (5) The department head shall keep a record of all such open-market bids submitted, and such records shall be open to public inspection.
 - (6) The city manager shall have the authority to waive any and all irregularities in all purchases with a dollar value \$25,000 or less.

Sec. 2-139. Formal bid solicitations.

- (b) For all purchases and sales requiring formal bids, the following procedure shall be followed:
- (1) *Bid invitation notice.*
 - a. *Manner of giving.* A bid invitation notice shall be published on the City of South Daytona website, once in a newspaper published in Volusia County and having general distribution in the city. The bid invitation shall give at least ten (10) business days to submit a bid. If the award needs to be made in less than ten (10) days, it shall be considered an emergency purchase as governed by this article. Bids for construction projects above the cost thresholds in Section 255.0525(2), Florida Statutes shall be advertised in accordance with that section.
 - b. *Scope.* The bid invitation notice shall include a general description of the articles to be purchased or sold or the contractual services desired, shall state where the project manual and specifications may be secured, and the time and place for opening bids. ~~Such notice shall be posted at the entry door of city hall, public works administration building and the Piggotte Community Center for duration of the solicitation.~~ Such notice shall be posted on the City of South Daytona website.
 - c. *Solicitation of bids.* In addition to the published bid invitation notice, the department head soliciting bids may also solicit sealed bids from all responsible prospective suppliers or contractors who are known to customarily deal in the articles or services to be purchased or sold, by sending them a copy of such ~~newspaper~~ notice or such other notice as will acquaint them with the proposed purchase or sale.
 - (2) *Bid deposits.* Bid deposits shall be prescribed in the bid invitation notice. Unsuccessful bidders shall be entitled to the return of their deposit. A successful bidder shall forfeit any deposit made upon their failure to enter into a contract or purchase order agreement within sixty (60) days after the award.

- (3) *Sealed bids.* Bids shall be required to be submitted to the city manager in a sealed envelope, the outside of which shall be clearly labeled to show that it contains a bid or submitted electronically following the instructions posted in the bid through the City of South Daytona website link.
- (4) *Opening.* Bids shall be opened in public at the time and place stated in the notices. If the bids are opened electronically, a showing of the opening will be available via a virtual meeting.
- (5) *Tabulation.* A tabulation of all bids received shall be made and shall be available for public inspection.
- (6) *Rejection of bids and negotiations.* The city council shall have the authority to reject any and all bids. If the lowest responsible bid exceeds the budgeted amount and the city council does not make additional funds available, the department head shall have authority to negotiate with the lowest responsible bidder to modify the scope of work by deleting or reducing bid items to meet budget requirements.
- (7) *Waiver or irregularities.* The city council shall have the authority to waive any and all irregularities in any and all formal bids.
- (8) *Single response to solicitation.* If only one (1) response is received for a formal bid, then an award may be made to such respondent by the city council pursuant to the determination:
 - a. That the price and other items as submitted are fair and reasonable;
 - b. That other prospective respondents had a reasonable opportunity to respond; and
 - c. That the purchase is in the best interest of the city.
 - d. After solicitation, competition is determined to be inadequate.

Sec. 2-140. Exemptions to written quotes and formal bid solicitations.

- b) Cooperative purchasing is a procedure of procuring goods or services without the formal bid solicitation process by means of utilizing the business terms of another participating municipal contract competitively solicited government contract.
 - (1) The city may forego the formal bid solicitation process by cooperative purchase. The award will be in accordance with all the terms and conditions, prices, time frames, and other criteria as included in the cooperating contract. The City will enter a separate contract with the vendor referencing the terms of the cooperative contract. Both parties in contract must agree to let the city use the contract. Expired contracts are not eligible.
 - (2) Goods and services offered by State of Florida Contract pricing, U.S. General Services Administration (GSA), Sourcewell, and the National Association of State Procurement Officials (NASPO) are considered to be competitively bid and to have satisfied the requirements of competitive bidding.
 - (2)(3) Cooperative purchases in excess of twenty-five thousand dollars (\$25,000.00) must be approved by city council.

Sec. 2-144. Conflicts of interest.

No employee of the City shall contract with or for any business with the City whereby he may derive income or benefits other than those provided as remunerations from the City for his employment. Employees and Council Members shall comply with the Code of Ethics for Public Officers and Employees, Part III, Chapter 112, Florida Statutes and other applicable laws as applicable.

Secs. 2-144-5—2-160. Reserved.

SECTION 3. Administrative Actions. The City Manager, or designee, is hereby authorized
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and directed to implement the provisions of this Ordinance and to take any and all necessary administrative actions to include, but not be limited to, the adoption of administrative forms, policies, procedures, processes and rules.

SECTION 4. Codification. The provisions of this Ordinance, including its recitals, shall become and be made a part of the City of South Daytona Code of Ordinances and the Sections of this Ordinance may be re-numbered or re-lettered to accomplish such intention and the word "Ordinance", or similar words, may be changed to "Section," "Article", or other appropriate word; provided, however, that Sections 1, 3, 4, 5, 6, and 7 shall not be codified. The Code codifier is granted liberal authority to codify the provisions of this Ordinance.

SECTION 5. Conflicts. All ordinances or parts thereof in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 6. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance, or application hereof, is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 7. Effective Date. This Ordinance shall take effect immediately upon enactment.

APPROVED upon first reading on the 14th day of January, 2025 at a regular meeting of the City Council of the City of South Daytona.

APPROVED AND ADOPTED upon second and final reading on the 11th day of February, 2025 at the regular meeting of the City of South Daytona City Council.

CITY OF SOUTH DAYTONA:

ATTEST:

William C. Hall, Mayor

James L. Gillis, Jr., City Manager

CERTIFIED AS TO FORM:

Wade C. Vose, City Attorney