



**Village of Royal Palm Beach
Village Council
Agenda Item Summary**

Agenda Item:

PUBLIC HEARING FOR FIRST READING AND APPROVAL OF ORDINANCE NO. 1056, AMENDING CHAPTER 10. FINANCE AND TAXATION. AT ARTICLE VI. PURCHASING GUIDELINES. IN ORDER TO UPDATE THE PURCHASING AUTHORITY OF THE DEPARTMENT DIRECTORS, TO UPDATE THE LEVELS AT WHICH FORMAL PROCUREMENTS ARE REQUIRED, AND TO UPDATE PURCHASE ORDER REQUIREMENTS.

Issue:

As part of the strategic planning process, Village Staff was directed to review and evaluate the Village’s existing purchasing guidelines since they were last comprehensively updated in 2017. Prices for goods and services have increased significantly since the last comprehensive update.

Village Staff has reviewed and evaluated the Village’s existing purchasing guidelines as they compare to other local governments, and also in the context of increased prices for goods and services. Based on this review and evaluation, Village Staff is recommending that the Village’s purchasing guidelines be updated as they relate to the purchasing authority thresholds of the department directors, the thresholds at which formal competitive procurements are required, and purchase order requirements. Ordinance No. 1056 proposes to amend these guidelines as follows:

- Increase the department director’s purchasing authority from \$3,499.00 to \$4,999.99 and adjust the other approval levels accordingly.
- Increase the dollar threshold at which goods and services may be procured based on verbal quotes (increase from \$2,000 - \$7,499 to \$5,000-\$9,999.99), written quotes (increase from \$7,500-\$19,999 to \$10,000.00 - \$49,999.99) or by formal bid, RFP, or RFQ (increased from \$20,000 to \$50,000).
- Increase the dollar threshold when a field purchase order is required versus a requisition/purchase order from \$2,000 to \$5,000.
- Revised the list of contractual goods and services not subject to procurement requirements.

Recommended Action:

Upon Council review, staff recommends a motion to approve Ordinance No. 1056 on first reading.

Initiator:	Village Manager	Agenda Date	Village Council
Finance Director	Approval	1/16/2025	Action

ORDINANCE NO. 1056

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF ROYAL PALM BEACH, FLORIDA, AMENDING CHAPTER 10. FINANCE AND TAXATION. AT ARTICLE VI. PURCHASING GUIDELINES. IN ORDER TO UPDATE THE PURCHASING AUTHORITY OF THE DEPARTMENT DIRECTORS, TO UPDATE THE LEVELS AT WHICH FORMAL PROCUREMENTS ARE REQUIRED, AND TO UPDATE PURCHASE ORDER REQUIREMENTS; PROVIDING THAT EACH AND EVERY OTHER SECTION AND SUB-SECTION OF CHAPTER 10. FINANCE AND TAXATION. SHALL REMAIN IN FULL FORCE AND EFFECT AS PREVIOUSLY ADOPTED; PROVIDING A CONFLICTS CLAUSE, A SEVERABILITY CLAUSE AND AUTHORITY TO CODIFY; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the Village Council of the Village of Royal Palm Beach has reviewed and evaluated the Village's existing purchasing guidelines as they relate to the purchasing authority thresholds of the department directors, the thresholds at which formal competitive procurements are required, and purchase order requirements; and

WHEREAS, the Village Council believes that these purchasing guidelines need to be updated given that the last comprehensive update occurred in 2017, and given that prices for constructions projects and other purchases have significantly increased since that last update; and

WHEREAS, the Village of Royal Palm Beach has held all required public hearings and has provided public notice in accordance with applicable State statutes and Village ordinances; and

WHEREAS, the Village Council of the Village of Royal Palm Beach has determined that the proposed revisions to Chapter 10 of the Village Code of Ordinances are in the best interests of the general welfare of the Village.

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE COUNCIL OF THE VILLAGE OF ROYAL PALM BEACH, FLORIDA, THAT:

Section 1: Chapter 10. Finance and Taxation. at Article VI. Purchasing Guidelines. is hereby amended in order to update the purchasing authority of the department directors, to update the levels at which formal procurements through bids, requests for proposals or requests for qualifications are required, and to update purchase order requirements; providing that Article VI. Purchasing Guidelines. shall hereafter read as follows:

Sec. 10-90. - Purpose.

[Shall remain the same as previously adopted.]

Sec. 10-91. - Definitions.

[Shall remain the same as previously adopted.]

Sec. 10-92. - Authority of the village manager.

[Shall remain the same as previously adopted.]

Sec. 10-93. - Authority of the finance director.

[Shall remain the same as previously adopted.]

Sec. 10-94. - Delegation of purchasing authority.

All village purchases must have proper prior authorization and approval. Department directors or their designee(s) are required to approve all purchasing related documents prior to submitting same to finance for processing.

The approval levels are as follows (total purchase):

- (a) \$0.00—~~\$4,999.99~~~~3,499.00~~: Department director.
- (b) ~~\$5,000.00~~~~3,500.00~~—~~\$9,999.99~~~~00~~: Department director, assistant finance director~~accounting manager~~.
- (c) \$10,000.00—~~\$19,999.99~~~~00~~: Department director, assistant finance director~~accounting manager~~, finance director.
- (d) \$20,000.00—\$50,000.00: Department director, assistant finance director~~accounting manager~~, finance director, village manager or designee.
- (e) Over \$50,000.00: Department director, assistant finance director~~accounting manager~~, finance director, village manager or designee, village council.

Purchase amounts shall not be artificially divided to circumvent the approval requirements. Willful violation of these rules will result in termination of purchasing authority for the individual and/or department and may further result in disciplinary action against the individual committing the violation.

Sec. 10-95. - Quotations.

The quotation levels are as follows (individual item):

- (1) \$0.00—~~\$4,999.99~~~~1,999.00~~: None.
- (2) ~~\$5,000.00~~~~2,000.00~~—~~\$9,999.99~~~~7,499.00~~: Two (2) verbal quotes.
- (3) ~~\$10,000.00~~~~7,500.00~~—~~\$49,999.99~~~~19,999.00~~: Three (3) written quotes.
- ~~(4) \$20,000.00—\$50,000.00: Formal bid; RFP or RFQ.~~
- ~~(4)~~(5) Over \$50,000.00: Formal bid; RFP or RFQ; must be approved by village council.

The quotation levels identified above are for individual items with the following exception: if two (2) or more items are purchased of the same kind (e.g. mowers, tractors, etc.) the combined purchase amount must be used to determine the appropriate quotation level.

Sec. 10-96. - Processing of contract for the provision of commodities or services.

- (a) *Field purchase orders.* All purchases of goods or services with a total cost less than ~~five~~~~two~~ thousand dollars (~~\$52,000.00~~) shall be entered into the purchasing system using field purchase orders.
- (b) *Requisitions/purchase orders.* All purchases of goods or services that cost ~~five~~~~two~~ thousand dollars (~~\$52,000.00~~) or more shall be entered into the purchasing system using a requisition/purchase order.
- (c) ~~{Exceptions.}~~ The exceptions to the issuance of a purchase order are:
 - (1) Those goods or services which are exempt from the competitive procurement requirements as listed in section 10-98(b) and (d);
 - (2) Inventoried items (i.e. postage, gas);
 - (3) Insurance expenditures; and
 - (4) Maintenance services provided under the terms of an existing maintenance contract.

These items shall be processed into the purchasing system using field purchase orders. Department directors are required to submit a copy of all maintenance agreements associated with their department to the purchasing division of the finance department at the beginning of each fiscal year.

Sec. 10-97. - Competitive procurement required.
[Shall remain the same as previously adopted.]

Sec. 10-98. - Exceptions to the competitive procurement requirement.

The following are exempt from the requirements of formal competitive procurement:

(a) *Sole source procurement.*

1. All specifications shall be drafted so as to promote overall economy for the purposes intended, to encourage competition in satisfying the village's need and shall not be unduly restrictive. Brand name specifications can be restrictive of competition and shall only be used as specifically provided within this article.
2. Contracts may be awarded without competition after the department director and/or the finance director have made a good faith review of available sources and have concluded that there is only one (1) identifiable source for the required commodity or contractual service.
3. All sole source procurements where the cost of the commodity or contractual service exceeds fifty thousand dollars (\$50,000.00) shall be authorized by the village council.

(b) *Emergency procurements.* The village manager may make or authorize emergency procurements of commodities or services when there exists a clear and present threat to public health, property, welfare, safety or other substantial loss to the village; provided, however, that such emergency procurements shall be made with such competition as is practicable under the circumstances. The department director requesting the emergency procurement must provide to the village manager a memorandum indicating the basis for the emergency, the name of the proposed vendor and how this vendor was chosen, along with the dollar value of the proposed contract. Where the cost is twenty thousand dollars (\$20,000.00) to fifty thousand dollars (\$50,000.00), the village manager's verbal approval must be obtained prior to the purchase of goods or services. A written memorandum shall be forwarded for the village manager's signature within forty-eight (48) hours of the time verbal approval was obtained. Where the cost exceeds fifty thousand dollars (\$50,000.00), the memorandum must be signed by the village manager prior to execution of any contract. The memorandum must be attached to the vendor's invoice and a copy included in the

department's file for audit purposes. The village council must be notified of such emergency procurements in excess of fifty thousand dollars (\$50,000.00) at the next scheduled village council meeting. Additionally, any increase over the original amount of an emergency procurement reported to the village council in excess of ten (10) percent must be reported to the village council to be noted for the record.

(c) *Purchases under contracts with any governmental entity or cooperative of the federal government, the State of Florida and/or its political subdivisions*. All purchases of commodities or contractual services under the provisions of any other governmental entity or cooperative local, state and federal purchasing contracts shall be exempt from the competitive procurement requirements, provided the following criteria are all satisfied:

1. The terms and conditions of the original contract entered into by the ~~federal, state or local~~ governmental entity or cooperative are satisfactory to the village and such terms and conditions are expressly extended to other governmental entities, including the village ~~other local governments~~;
2. The original contract by the ~~federal, state or local~~ governmental entity or cooperative was awarded through a competitive solicitation process and is current and in effect at the time of the proposed purchase of commodities or services by the village;
3. The department director and/or finance director have performed a market survey and determined that the prices of the original contract are fair and reasonable; and
4. The village council authorizes such procurement when the cost of the commodities or contractual services exceeds fifty thousand dollars (\$50,000.00).

(d) *Exempt contractual goods and services not subject to the competitive procurement requirement:*

1. Services involving special skill, ability, training or expertise which are in their nature, unique, original or creative;
2. Legal services including paralegals, expert witnesses, appraisal services, investigative services and court reporters;
3. Actuarial services;

4. Auditing and accounting services, except that competitive procurement shall be provided where required by applicable law, including F.S. §§ 218.39 and 218.391;
5. Academic and training programs ~~program reviews or lectures or seminars by individuals;~~
6. Health services involving examination, diagnosis, treatment, prevention, medical consultation or administration;
7. Artistic services which are original and creative in character and skill in a recognized field of artistic endeavor such as music, dance, drama, painting and sculpture, photography, culinary arts, fashion design etc., ~~provided, however, that contracts for artistic instructors, coaches, teachers, aides and assistants are deemed contractual services;~~
8. Performing artists and entertainers hired to provide entertainment for the benefit of the citizens of the village and the general public at any village facility;
9. Maintenance service of equipment, when considered to be in the best interests of the village as recommended by the using department when such services to be performed are by the manufacturer, manufacturer's service representative or a distributor of the manufacturer's equipment;
10. Advertising;
11. Utilities, including but not limited to, electric, water and telephone;
12. Goods and services provided by other government entities or not-for-profit organizations;
13. Copyrighted materials (books, subscriptions, videotapes, etc.), except computer software;
14. Food, clothing and other promotional items purchased for resale or distribution to the public;
15. Conference, ~~training~~ and educational expenses including related travel accommodations ~~seminars; and~~
16. Membership dues;
17. Purchase of food items;
18. Payroll related expenses including but not limited to tax withholding payments, unemployment compensation, pension benefits payments, etc.;

19. Gift cards;

20. Recreational contractual services such as umpires, referees, instructors, coaches, teachers, aides, assistants and recreational programs provided by independent contractors; and

21. Any services identified in F.S. §287.057, as may be amended from time to time, as being exempt from the competitive solicitation process.

Note: The preceding list determined to be exempt from the competitive procurement requirements is not intended to be an exhaustive or exclusive list. The village manager or finance director may determine if a contractual service must be procured through the competitive procurement process, if not identified above.

Sec. 10-99. - Formal competitive procurement procedure.

[Shall remain the same as previously adopted.]

Sec. 10-100. - Award of contract.

[Shall remain the same as previously adopted.]

Sec. 10-101. - Payment and performance bonds.

[Shall remain the same as previously adopted.]

Sec. 10-102. - Contracts for professional services.

[Shall remain the same as previously adopted.]

Sec. 10-103. - Brand name or equal specifications.

[Shall remain the same as previously adopted.]

Sec. 10-104. - Brand name specifications.

[Shall remain the same as previously adopted.]

Sec. 10-104.1. - Construction projects.

[Shall remain the same as previously adopted.]

Section 2: Each and every other Section and Sub-section of Chapter 10. Finance and

Taxation. shall remain in full force and effect as previously enacted.

Section 3: All Ordinances or parts of Ordinances in conflict be and the same are hereby repealed.

Section 4: Should any section or provision of this Ordinance or any portion thereof, any paragraph, sentence or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder of this Ordinance.

Section 5: Specific authority is hereby granted to codify this Ordinance.

Section 6: This Ordinance shall take effect immediately upon passage.

FIRST READING this 16th day of January, 2025.

SECOND AND FINAL READING this 20th day of February, 2025.

VILLAGE OF ROYAL PALM BEACH

MAYOR JEFF HMARA

ATTEST:

(Seal)

DIANE DISANTO, VILLAGE CLERK