

**INDIAN RIVER COUNTY  
OFFICE OF MANAGEMENT AND BUDGET  
PURCHASING DIVISION**

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**DATE:** May 9, 2019

**TO:** BOARD OF COUNTY COMMISSIONERS

**THROUGH:** Jason E. Brown, County Administrator  
Kristin Daniels, Budget Director

**FROM:** Jennifer Hyde, Purchasing Manager

**SUBJECT:** Permission to Advertise for Modification to County Code Section 105

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**BACKGROUND:**

Indian River County Code Chapter 105 details Purchasing procedures and limits, and specifically establishes the County Administrator's purchasing authority. Other local purchasing thresholds and policies are established under the County Administrator's authority and detailed in the Purchasing Manual, as required by County Code Section 105.06. Staff has identified several proposed modifications to County Code Chapter 105 to enhance the efficiency and oversight of our procurement processes.

**RECOMMENDED CHANGES TO CHAPTER 105:**

**105.01. AUTHORITY OF COUNTY ADMINISTRATOR and 105.02 COUNTY COMMISSION:**

On July 26, 2005, the Board of County Commissioners approved Ordinance 2005-05, modifying the County Code to increase the Administrator's purchasing authority from \$5,000 to \$50,000. The costs for emergency or urgent work have increased, and the Administrator's ability to approve higher priced procurement actions is recommended to be increased. Of the neighboring Counties, only St. Lucie County's Administrator is limited to \$50,000 or less. Brevard and Osceola Counties afford \$100,000 procurement authority to their Administrators (or equivalent), and Martin County's Administrator is authorized up to \$500,000. As such, staff recommends the County Administrator's purchasing authority be increased from \$50,000 to \$75,000.

Additionally, staff recommends increasing the Administrator's current limit to authorize CCNA Studies from \$25,000 to \$35,000, which is the amount allowed by Florida statute 287.055 without competitive selection.

Finally, authority to utilize piggybacking and cooperative purchasing is noted within the Purchasing Manual, but staff recommends it be included within the code, clearly indicating the Board's approval.

**105.04(b). BIDDING PROCEDURES – PUBLICATION OF NOTICE:**

The current code requires publication of notice of all bids and proposals "in at least one newspaper of general circulation in the county." Only certain solicitations, such as construction projects

projected to exceed \$200,000 and public-private partnership proposals, require newspaper advertising, per Florida statute 255.0525. Three bills were presented during the most recent legislative session proposing to reduce or eliminate the requirement for legal advertising in newspapers (HB-1235, SB-1676 and SB-1710). While the bills did not progress, they serve as an indication of reduced reliance on printed legal ads.

The local requirement to publish advertisements in the newspaper creates a delay in release and unnecessary expense. The current requirement also leads to the disqualification of many bids from other municipalities for piggybacking, as only bids procured and awarded in the same manner as our procedures dictate are eligible for piggybacking.

Legal ads for solicitations must be submitted five days prior to publication. Removing the restriction for newspaper advertisement will enable bids to be released within a day of the completion and approval of the documents, reducing the lead time for projects.

During FY 17/18, the Purchasing Division advertised 68 solicitations in the Indian River Press Journal, at a cost of \$8,105.22. Only 16 of those solicitations were required under statute to be advertised in the newspaper, for a cost of \$3,462.46; well less than half the total amount spent on legal advertising for the year.

During the past several months, all issued solicitations have included an optional response form for bidders and proposers to indicate the sources through which they were notified of the solicitation. Only one of the 58 response forms submitted since October 30, 2018 indicated the notification source for our solicitation to be a legal ad. Staff is confident no loss of visibility or interest in our solicitations will be recognized by minimizing newspaper advertisement of solicitations.

#### **105.04(c). BIDDING PROCEDURES – BID BONDS AND OTHER BID SECURITY**

The current code sets the requirement for bid bonds at \$25,000, which matches the bid threshold established in the Purchasing Manual, and has been effective since at least 1990. The County Administrator has agreed to approve an increase to the bid threshold to \$35,000, and it is recommended the bid bond requirement be increased to match that threshold. The \$35,000 bid threshold amount matches the current State of Florida competitive solicitation threshold, as well as the FEMA Small Purchase Threshold.

#### **105.04(h) PAYMENT AND PERFORMANCE BONDS**

The current code refers to separate payment and performance bonds as contract security, however the office of the County Attorney recommends the option for a singular Public Construction bond be added. Separate payment and performance bonds may still be required for contracts awarded under Federal guidance, and at the Administrator's discretion.

#### **Changes to Purchasing Manual**

The Purchasing Manual is reviewed at least annually and updated as needed. In addition to the changes to the code discussed above, other changes pending to the manual include clarification regarding internal requisition, PO change order and bid processes.

**RECOMMENDATION**

Staff recommends the Board authorize a Public Hearing for the requested changes to County Code Chapter 105, and note the Purchasing Manual will be updated as proposed upon approval of the associated Ordinance, with the same effective date.

**ATTACHMENTS:**

Proposed Ordinance

Proposed Changes to Purchasing Manual