

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

DATE: July 5, 2018

TO: BOARD OF COUNTY COMMISSIONERS

THROUGH: Jason E. Brown, County Administrator
THROUGH: Mike Smykowski, Director, Office of Management and Budget

FROM: Jennifer Hyde, Purchasing Manager

SUBJECT: Adoption of Revised Purchasing Manual

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. The Purchasing Manual is reviewed at least annually and updated as needed. Staff has identified several modifications to the Purchasing Manual to enhance the efficiency and oversight of our procurement processes.

INFORMATIONAL CHANGES:

The current \$1,000 threshold above which a minimum of three quotes are required has been in place since at least 1990. With the increase in pricing for materials and labor over the last decade, as well as normal inflation, the minimum requirement for quotes has become a hindrance to efficient procurement of goods and services. The Purchasing Division is asked frequently to waive the requirement for quotes (but often after department staff time has been expended contacting vendors in the diligent effort to obtain quotes).

As such, the County Administrator has approved a modification to the Purchasing Manual to increase the quote threshold from \$1,000 to \$3,500. In addition to this threshold change, other modifications made to the Purchasing Manual include:

- ✓ General clarification and restructuring of sections for ease of reference
- ✓ Addition of supplemental internal control procedures
- ✓ Clarified description of some Purchase Order Exempt items
- ✓ Added the requirement for department heads to authorize any requested increase to purchase orders, prior to consideration by Budget
- ✓ Streamlined and clarified the emergency procurement process
- ✓ Updated the process for departments to obtain formal bid numbers
- ✓ Added reference to an additional online bidding platform that may be utilized by the County
- ✓ Clarified what source dictates official time of receipt for bids
- ✓ Eliminated redundant text regarding bid package preparation
- ✓ Included text to match bid documents regarding withdrawal of bids and authorization to negotiate when less than two bids are received
- ✓ Defined instances where purchase orders may be used in place of work orders for contracts

- ✓ Added procedures regarding solicitation and receipt of public-private partnership proposals

CHANGES REQUIRING BOARD AUTHORIZATION:

On October 3, 2000, the Board approved the establishment Purchasing Card Policy, which is administered by the Office of Management and Budget, with the most recent revision approved by the Board on August 22, 2006. For consistency, staff recommends the Board authorize the incorporation of the Purchasing Card Policy into the Purchasing Manual, as the authorities provided by it fall within the County Administrator's purchasing authority. The following modifications have been made to the Purchasing Card Policy:

- ✓ Streamlining of text to meet the format of the Purchasing Manual
- ✓ Clarification of prohibited use of cards and consequences, as applicable
- ✓ Modification of telephone orders section to reflect online purchases

RECOMMENDATION

Staff recommends the Board note their concurrence with the changes to the Purchasing Manual and approve of the inclusion of the updated Purchasing Card Policy within the Purchasing Manual. These changes will be effective immediately.

ATTACHMENTS:

Proposed Changes to Purchasing Manual