



# **PURCHASING AND CONTRACTING GUIDELINES**

**JUNE 2014**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**PREFACE**

This procedures guideline is applicable to the procurement of vendor services in compliance with Chapter 287, F.S. and the federal procurement provisions of Office of Management and Budget Circular A-110. Before purchasing a contractual service, an analysis must be performed by the Program Area to determine whether the Department of Economic Opportunity (DEO) is entering into a vendor or subrecipient relationship with the Contractor. The Vendor vs. Subrecipient Checklist should be utilized to make this determination. DEO has identified the following contractual services that are exempt from this requirement:

- Building Construction
- Architect/Engineers Services
- Building Repair & Maintenance (i.e., elevator maintenance, HVAC repairs, plumbing, electrical, etc...)
- Legal Services (including Court Reporting)
- Janitorial Services
- Lawn Services
- Moving and Property Handling
- Memberships
- On-Line Database Services
- Courier Services
- Mail Services
- State Term Contracts
- Alternate Contracts
- Software/Maintenance

This checklist is available for download from DEO's Forms Directory (see Appendix A).

Additionally, 29 CFR 97.36(a) applies to states, so Department contracts must follow the state procurement laws, policies, and procedures as well as our internal policies and procedures. However, each federal Notice of Award for each source of funding may add specific requirements, and regulations specific to each program DEO administers (for example, WIA, CCDF, etc.) could add procedural requirements for those funds; thus procedural requirements of procurement processes could vary and those requirements would need to be followed.

Cost/Price analysis of competition (2 or more responses) usually establishes price reasonableness, and no further action is required. Fixed price/fixed rate agreements with vendors that have been competitively procured by evaluation of two or more responses, does not usually require further price or cost analyses. However, competitively procured

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

fixed price/fixed rate agreements with recipients will require further cost analyses. **Cost reimbursement and/or cost plus fixed fee agreements always require a cost/price analysis.**

Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar advertisement circulars, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine allow-ability, reasonableness, and necessity. DEO's cost and price analysis template is available for download from DEO's Forms Directory (see Appendix A).

Agreements for services awarded on a non-competitive basis must comply with the requirements of s.216.3475, F.S. Agencies are required to maintain records to support a cost analysis for these agreements. Detailed budgets are required to be submitted by the person or entity awarded funding in excess of Category Two and must be reviewed by DEO's Contract Manager. DEO must document its review of the individual cost elements from the submitted budget for allow ability, reasonableness, and necessity. The cost analysis form is required to be submitted to the DFS-Bureau of Auditing when submitting agreements with a value of \$1 million or more. DEO's Cost Analysis for Non-Competitively Procured Contractual Service Agreements in Excess of Category II template is available for download from DEO's Forms Directory (see Appendix A).

Further, Chapter 287, F.S., dictates specific purchasing practices that must be followed according to which threshold applies. A procurement matrix is available for download from DEO's Forms Directory (see Appendix A).

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**TABLE OF CONTENTS**

**DEFINITIONS..... 8**

**SECTION ONE: PURCHASING ..... 24**

**I. GENERAL .....24**

    A. PURPOSE..... 24

    B. STATE AND FEDERAL PROCUREMENT LAWS..... 24

    C. PRINCIPLES AND RESPONSIBILITIES..... 24

        1. Purchasing Office Responsibilities ..... 25

        2. Program Area Responsibilities ..... 27

    D. ETHICS AND STANDARDS OF CONDUCT IN PROCUREMENT..... 28

    E. DISALLOWED PURCHASES ..... 31

**II. PURCHASING SYSTEM CONTROLS.....31**

    A. PROCUREMENT DOCUMENT..... 31

    B. FIXED CAPITAL OUTLAY ..... 32

    C. OPERATING CAPITAL OUTLAY ..... 32

    D. NONCONFORMING REQUEST FOR PURCHASE ORDER ..... 32

    E. PERSONAL PREFERENCE ..... 32

    F. VENDOR RELATIONS AND SELECTION ..... 33

    G. EXEMPT ADMINISTRATIVE PURCHASES ..... 33

    H. FEDERAL APPROVALS ..... 33

    I. KEY DATES..... 33

**III. PROCUREMENT INSTRUMENTS.....35**

    A. State Purchasing Card (PCard) ..... 35

    B. Purchase Order via MyFloridaMarketPlace (MFMP) ..... 36

        1. Processing MFMP Purchasing Requisitions..... 37

        2. MFMP Confidential Information ..... 38

        3. Review of MFMP Requisitions..... 39

        4. MFMP Electronic Approvals ..... 39

        5. Purchase Order..... 39

**IV. TYPES OF PROCUREMENT..... 39**

    A. Small Purchases ..... 40

    B. Non-Competitive ..... 41

        1. Exempt Procurements..... 42

        2. Single Source ..... 42

        3. Emergency Purchases..... 44

        4. State Term Contracts..... 45

        5. Request for Quotes ..... 46

        6. Prison Rehabilitative Industries and Diversified Enterprises (PRIDE) ... 48

        7. RESPECT of Florida..... 48

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- 8. Alternate Contract Sources ..... 48
- 9. GSA SCHEDULE ..... 49
- 10. State Purchasing Agreements ..... 50
- C. Request for Information..... 50
- D. Competitive Solicitations ..... 50
  - 1. Invitation to Bid ..... 51
  - 2. Request for Proposal ..... 52
  - 3. Invitation to Negotiate ..... 53
- V. PROCUREMENT MATRIX (THRESHOLDS/DESCRIPTIONS/SPECIFICS).....54**
- VI. SOLICITATION DOCUMENTS..... 55**
  - A. Solicitation Document Contents ..... 55
  - B. Solicitation Development ..... 59
  - C. Evaluation and Negotiation Team Appointments..... 60
  - D. Potential Conflicts of Interest ..... 61
  - E. Business Case to Outsource ..... 61
  - F. Scope of Work Development ..... 66
  - G. Issuing the Solicitation ..... 69
  - H. Posting Notifications of Public Meetings ..... 70
  - I. Pre-Response Conference ..... 71
  - J. Technical Questions and Answers..... 72
  - K. Receipt/Opening of Responses ..... 72
  - L. Evaluation of Proposals or Replies ..... 73
  - M. Receipt of Less Than Two Responsive Bids, Proposals, or Replies ..... 73
  - N. Tie Bids ..... 73
  - O. Receipt of Notice of Intent to Protest..... 74
  - P. DMS Protest Timelines for the State of Florida ..... 75
  - Q. Award ..... 76
- VII. RECEIPT AND INSPECTION OF GOODS.....76**
  - A. Receiving Commodities ..... 76
  - B. Approving Services ..... 77
  - C. ShipmentS Delivery ..... 77
  - D. ShipmentS Inspection..... 77
  - E. Damaged Shipments ..... 77
  - F. Incorrect items or unacceptable delivery ..... 78
- VIII. EQUITY IN CONTRACTING.....79**
  - A. Minority-, Women-, and Veteran-Owned Business Enterprise ..... 79
  - B. Authority ..... 79
  - C. Minority and Women-Owned Business Enterprise Participation ..... 80
  - D. Techniques ..... 80
  - E. Direct Assistance ..... 81
  - F. Analysis..... 81
  - G. Procedures and Assigned Responsibility..... 81

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- IX. FRAUD PROCEDURES.....82**
  - A. What is Fraud? ..... 82
  - B. Responsibilities..... 82
- X. SPECIFIC PROCUREMENTS.....84**
  - A. CONSTRUCTION PROCUREMENTS – Chapter 255, F.S. .... 84
    - 1. Bid Bond ..... 85
    - 2. Performance and Payment Bonds..... 85
    - 3. Advertising, Negotiation and Opening of Construction Bids ..... 85
    - 4. Building Plans Exemption ..... 86
  - B. ROUTINE PURCHASES..... 87
    - 1. Office Supplies..... 87
    - 2. Prepayment and Advance Payments ..... 88
    - 3. Legal Services ..... 88
    - 4. Memberships..... 89
    - 5. Moving Expenses..... 89
    - 6. Printing ..... 89
    - 7. Copying Equipment ..... 90
    - 8. Copier Supplies..... 91
    - 9. Copier Usage ..... 91
    - 10. Pricing Plans for Copier Equipment..... 91
    - 11. Equipment Leases..... 92
    - 12. Consolidated Equipment Financing Program..... 92
    - 13. Data Processing Commodities and Services ..... 93
    - 14. Computer Maintenance ..... 94
    - 15. Promotional Items..... 94
    - 16. Motor Vehicles ..... 94
    - 17. Recycled Products ..... 94
    - 18. Recycled Paper ..... 95
    - 19. Subscriptions ..... 95
    - 20. Meeting Rooms ..... 96
    - 21. Cellular Phones..... 97
- SECTION TWO: CONTRACTS ..... 97**
  - I. Contract Development.....97**
    - A. Contract Development Process..... 101
    - B. Types of Contracts..... 102
    - C. Contract Review, Approval, Execution, Distribution and File Set Up ..... 103
    - D. Contract Amendments ..... 105
    - E. Contract Extensions..... 105
    - F. Contract Renewals ..... 105
    - G. Contractor Breach ..... 106
  - II. CONTRACT MANAGEMENT.....107**
    - A. Roles and Responsibilities of DEO’s Contract Manager ..... 108

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- B. Monitoring Contracts ..... 109
- C. Deciding How to Monitor A Contract..... 111
- D. Managing Poor Performance. .... 112
- E. Determining Approach to Poor Performance ..... 113
- F. Dealing with Poor Performance ..... 114
- G. What Does Contract Monitoring Consist Of?..... 114
- H. Assessing Risk ..... 115
- I. Monitoring Plan..... 116
- J. Monitoring Procedures and Criteria ..... 118
- K. Contract Problems Warranting Formal Corrective Action ..... 121
- L. Critical Contract Compliance Deficiencies ..... 121
- M. What is a Contract File? ..... 121
- N. Preferred-Pricing Clause – Most Favored State Status ..... 122
- III. CONTRACT CLOSEOUT.....123**
- IV. CONTRACT ADMINISTRATION.....123**
- A. Contract Administrator Responsibilities ..... 124
- B. Important Relationships in Contract Management and Administration 124
- C. Contract Management and Administration Resources ..... 125
- APPENDIX A:..... 125**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**DEFINITIONS**

1. **Addendum** – A document used to expand or more fully explain the terms of a Request for Proposal, Invitation to Bid, or Invitation to Negotiate that is incorporated as part of the Request for Proposal, Invitation to Bid or Invitation to Negotiate. This modification becomes a legal part of the bid or document it supplements.
2. **Advanced Payments** – A payment mechanism where, under certain circumstances, DEO makes a portion of the contract funds available to a Contractor prior to the delivery of services. Advanced payment(s) may be used only when authorized by the State Appropriations Act or expressly authorized by law.
3. **Alternate Contract Source** – Sources for commodities and/or services available for purchase by DEO from term contracts or requirements contracts competitively established by other governmental entities pursuant to Rule 60A-1.047, F.A.C.
4. **Amendment** – A document that makes substantial changes to the terms of an executed contract. Changes requiring an amendment include, but are not limited to, adjustments in costs, services, time period, and method of payment. The amendment is incorporated as part of the original contract.
5. **Best Value** – The highest overall value to the state based on objective factors that include, but are not limited to, price, quality, design, and workmanship.
6. **Bid** – The offer extended to DEO in response to a solicitation.
7. **Bidder** – Person or entity submitting a reply to a solicitation.
8. **Bidder's Conference** – A publicly noticed meeting held for the benefit of the bidders, during which verbal answers are provided to questions raised during the conference.
9. **Blanket/Term Purchase Order** – A written electronic agreement that encumbers funds and prescribes the term and amount of money which may be spent. It allows DEO to order specified commodity or contractual service on an as-needed basis until the term has lapsed or the maximum dollar amount has been reached. See also, "Purchase Order."



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

10. **Breach of Contract** – Contractor fails to: (1) deliver the product within the time specified in the Contract or any extension; (2) maintain adequate progress, thus endangering performance of the Contract; (3) honor any term of the Contract; or (4) abide by any statutory, regulatory, or licensing requirement.
11. **Calendar of Events** – A document listing dates and times of all relevant events and deadlines for Requests for Proposals, Invitations to Bid, and Invitations to Negotiate.
12. **Category Thresholds** – The categories related to specific dollar amounts established in s. 287.017, F.S. Currently, the established threshold categories are:
  - a. Category One: \$20,000
  - b. Category Two: \$35,000
  - c. Category Three: \$65,000
  - d. Category Four: \$195,000
  - e. Category Five: \$325,000
13. **Certified Minority and Women-Owned Business Enterprise (CMWBE)** – A business which has been certified by the Florida Office of Supplier Diversity.
14. **Commodity** – Pursuant to section 287.012, F.S., “commodity means any of the various supplies, materials, goods, merchandise, food, equipment, information technology, and other personal property, including a mobile home, trailer, or other portable structure that has less than 5,000 square feet of floor space, purchased, leased, or otherwise contracted for by the state and its agencies. The term also includes interest on deferred-payment commodity contracts approved pursuant to section 287.063, F.S., entered into by an agency for the purchase of other commodities. However, commodities purchased for resale are excluded from this definition. Printing of publications shall be considered a commodity if procured pursuant to section 283.33, F.S., whether purchased for resale or not.”
15. **Competitive Solicitation** – The process of requesting and receiving two or more sealed bids, proposals or replies submitted by responsive vendors in accordance with the terms of a competitive process, regardless of the method of procurement.
16. **Conflict of Interest Certification** – The certification is completed by those individuals taking part in the development, evaluation, recommendation or award of a Request for Quote, Single Source, Request for Proposal, Invitation

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

to Bid, Invitation to Negotiate, and/or resulting contract, where such persons attest that they have no conflict of interest with the procurement.

17. **Conflict of Interest Questionnaire** – The questionnaire is completed by those individuals taking part in the development, evaluation, recommendation or award of a Request for Quote, Single Source, Request for Proposal, Invitation to Bid, Invitation to Negotiate, and/or contract, where such persons determine whether or not a conflict of interest exists with either the procurement and/or contract.
18. **Contract** – An agreement entered into voluntarily by two or more parties, each of whom intends to create one or more legal obligations between or among them. Pursuant to section 287.058, F.S., both parties must sign the contract prior to services being rendered.
19. **Contract Administration** – A description of the activities that must be taken to ensure compliance with the terms of the contract after the award of the contract.
20. **Contract Administrator** – A designated employee in the Purchasing Office who is charged with administering the contract through the term of the agreement and is specifically responsible for maintaining a contract file on all DEO contracts. The Contract Administrator serves as a liaison between DEO Contract Managers and the Florida Department of Management Services.
21. **Contract Checklist** – A checklist that outlines the Purchasing Office Contract Administrator and Program Area Contract Manager responsibilities.
22. **Contract Clause** – A provision or condition that is part of the contract.
23. **Contract Close-out** – At the completion of the contract term, the process by which the Contract Manager ensures that all terms and conditions of a contract have been fully performed including completion of the DEO Contract Manager's Contract Close-out Guide. The Contract Manager ensures that all steps necessary to close out the file have been taken. It may include such operations as processing final payment, recovering all equipment purchased according to the terms of the contract, or recovering any overpayment. The Contract Administrator updates the Procurement and Contract Tracking System (PACTS) database.
24. **Contract Document** – Refers to the Contract and any amendments, renewals, extensions that it may have including attachments, exhibits and

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

documents incorporated by reference regardless of the method of procurement.

25. **Contract File** – The original and official record for DEO which must be maintained for a period of five years following contract close-out or the resolution of any pending action (e.g., legal, audit, etc.), whichever is later. This file is maintained by the Purchasing Office. The Contract Manager’s contract file should mirror DEO’s Contract Administrative file only to the extent that the Contract Managers contract files contain copies of the original contract, amendments, renewals and/or extensions, to ensure that necessary documentation is being properly maintained.
26. **Contract Manager** – A person designated by each program area within DEO who is charged with monitoring a contract through the term of the agreement and who is specifically responsible for enforcing performance of the contract terms and conditions, and maintaining all financial information (i.e., payment history, payment method, payment tracking, etc.) The Contract Manager serves as a liaison between DEO and the Contractor regarding performance issues contained in the contract.
27. **Contract Number** – A unique number assigned to each two-party written agreement and MyFloridaMarketPlace (MFMP) purchase order for contractual service procurement in special categories (10xxxx) will be assigned a 5-alpha numeric FLAIR contract number by the DEO Office of Budget Management.
28. **Contract Renewal** – The period of time specified in the contract that follows the initial contract term, for which the contract may live on beyond the contract end date. The cost of contemplated renewals shall be specified in the solicitation document.
29. **Contract Review Form** – The document that accompanies any inter-agency agreement, contract, renewal extension or amendment that is routed through DEO contract review and approval process and records the approvals, disapprovals, and/or comments by Department personnel reviewing the document.
30. **Contract Term** – The original term or life of the contract. “Contract Term” or term is the period of time from the contract effective date through the contract ending date, which includes renewals, amendments and extensions.

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

31. **Contract Termination** – Refers to the pre-mature ending of a contract prior to the published date in the Contract. Contracts may be terminated for convenience by DEO by providing written notice within the timeframes established by the contract terms. Contracts may be terminated due to Contractor non-performance issues, discontinuance of contract funding, or other reasons. Expiration refers to a contract successfully completing the term of the agreement.
32. **Contractor** – A person or entity that contracts to sell commodities or contractual services to DEO.
33. **Contractual Service** – The rendering by a Contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are Contractors. Services may include, but are not limited to, evaluations, consultations, maintenance services, accounting, security, management systems, management consulting, educational training programs, research and development studies or reports, and professional, technical, and social services. The term “Contractual Service” does not include any contract for the furnishing of labor or materials for the construction, renovation, repair, modification, or demolition of any facility, building, portion of building, utility, park, parking lot, or structure or other improvement to real property entered into pursuant to Chapter 255, F.S., and Rule 60D-5, F.A.C.
34. **Cooperative Purchasing** – The process that allows the Administrator of the Federal General Services Administration (GSA) to provide states and localities access to certain items offered through the GSA’s Federal Supply Schedule 70, Information Technology (IT) contracts.
35. **Cost Analysis** – DEO’s documented review in accordance with section 216.3475, F.S., of a provider’s detailed budget to determine that all costs are reasonable, necessary and allowable by state or federal law.
36. **Design Professional** – For construction procurements, refers to the architect, engineer or other consultant under contract with DEO for professional services.
37. **Division** – Relates to construction related procurements, refers to the Division of Building Construction within the Department of Management Services.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

38. **Electronic Posting or Electronically Post** – The noticing of solicitations, Department decisions or intended decisions, or other matters relating to procurement on a centralized Internet website designated by the Department of Management Services for this purpose.
39. **Eligible User** – Any person or entity authorized by the Department of Management Services pursuant to rule to purchase from state term contracts or to use the on-line procurement system.
40. **Emergency Purchase** – A purchase that is exempt from open competitive procurement, by either an Executive Order of the Governor or the agency head determines in writing that an immediate danger to the public health, safety, or welfare or other substantial loss to the state requires emergency action.
41. **Encumbrance** – A form of budget control to ensure that funds are available before a commitment is entered into with a vendor.
42. **eQuote** – An electronic sourcing event in MyFloridaMarketPlace requesting submission of electronic quotes
43. **Exceptional Purchase** – Are optional purchases that may be made according to the specific conditions surrounding the particular procurement need. Exceptional purchases include: alternate contract source, discretionary purchases, informal quotes, purchases from a single source (section 287.057(3), F.S.), and exempt commodities and contractual services (section 287.057(3)(f) and (g), F.S.).
44. **Expenditure** – The creation or incurring of a legal obligation to disburse funds.
45. **Extension** – An increase in the time allowed for the contract period due to circumstances which, without fault of either party, make performance impracticable or impossible, or which prevent a new contract from being executed, with or without a proportional increase in the total dollar amount, with any increase to be based on the method and rate previously established in the contract. Extension of a contract shall be in writing for a period not to exceed six months and shall be subject to the same terms and conditions set forth in the initial contract. There shall only be one extension of a contract unless the failure to meet the criteria stated in the contract for completion is due to events beyond the Contractor's control. Extensions must be executed prior to expiration of the contract.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

46. **Evaluation Team** – A group of at least three persons appointed by the agency head or delegated authority that collectively have knowledge and experience in the program area and service requirements for which commodities or contractual services are sought.
47. **Firm or Contractor** – As relates to construction procurements, refers to any individual, firm, partnership, corporation, company, association, or other legal entity permitted by law to construction projects, or portions of projects, in the State of Florida.
48. **Fixed Capital Outlay (FCO)** – An appropriation category for the purchase of real property (land, buildings, including appurtenances, fixtures and fixed equipment, structures, etc.), including additions, replacements, major repairs and renovations to real property which materially extend its useful life or materially improve or change its functional use and including furniture and equipment necessary to furnish and operate a new or improved facility, when appropriated by the Legislature in the fixed capital outlay appropriation category.
49. **Fixed Price** – The method of payment used when the service provided can be broken down into unit costs (hour, client days, etc.) or for an established fee known as a fixed fee (payment based on delivery of a completed service).
50. **FLAIR** – The Florida Accounting Information Resource System. FLAIR is the system utilized by the State of Florida that serves as the statewide accounting system.
51. **Formal Procurement** – Purchases with a dollar value of Category Two or more procured by an Invitation to Bid, Request for Proposal or Invitation to Negotiate.
52. **GSA IT Schedule 70** – The Information Technology (IT) schedule number 70 that was established by the General Services Administration (GSA) to provide government agencies with solutions for their various information technology requirements and allow agencies to procure the IT products and services that they need. Pursuant to Rule 60A-1.047, F. A. C., State and local governments are able to purchase off contracts competitively established by other governmental entities, such as GSA's IT Schedule 70 by way of cooperative purchasing.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

53. **Industry** – As relates to construction procurements, there are four categories: commodities, contractual services, architectural/engineering, and construction.
54. **Informal Quote** – A written or oral quote not requiring a public opening. Informal quotes are used when making purchases with a dollar value of \$2,500 but less than Category Two on the basis of two or more recorded, documented and written competitive quotes.
55. **Information Technology (IT)** – Equipment, hardware, software, firmware, programs, systems, networks, infrastructure, media, and related material used to automatically, electronically, and wirelessly collect, receive, access, transmit, display, store, record, retrieve, analyze, evaluate, process, classify, manipulate, manage, assimilate, control, communicate, exchange, convert, converge, interface, switch, or disseminate information of any kind or form.
56. **Inspection** – The close and critical examination of commodities and/or services delivered to DEO pursuant to authorized direct orders or contracts, for the purpose of determining that the quantity and quality ordered were received.
57. **Intent to Award** – DEO posts electronically on the Florida Vendor Bid System (VBS) notices of intended award, including rejection of some or all of the bids received, and all other decisions or intended decisions concerning a solicitation, contract award or exceptional purchase. The Notice of Intent to Award is posted by the Purchasing Office for a period of 72 hours (3 business days excluding weekends and holidays).
58. **Intent to Protest** – Communication informing DEO of a bidder's, proposer's, or respondent's intention to contest solicitation specifications, contract award, or other Department decisions. The Notice of Intent to Protest is filed prior to receipt of a formal written protest and bond.
59. **Invitation to Bid (ITB)** – A written or electronically posted solicitation for competitive sealed bids. The ITB is used when the agency is capable of specifically defining the scope of work for which a contractual service is required or when the agency is capable of establishing precise specifications defining the actual commodity or group of commodities required. A written solicitation includes a solicitation that is electronically posted.
60. **Invitation to Negotiate (ITN)** – A written or electronically posted solicitation for competitive sealed replies to select one or more vendors with which to

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

commence negotiations for the procurement of commodities or contractual services. The ITN is used when the agency determines that negotiations may be necessary for the State to receive the best value. A written solicitation includes a solicitation that is electronically posted.

61. **Invoice** – Vendor’s itemized document stating prices and quantities of goods and/or services delivered, and sent to buyer for verification and payment.
62. **Method of Payment** – The section of the contract that specifies the total maximum dollar amount of the contract, the manner in which providers will submit their invoices, the frequency with which invoices will be submitted to DEO, and any conditions pertaining to the payment of contract invoices.
63. **Minority and Women-Owned Business Enterprise (MWBE)** – Any small business entity that is organized to engage in commercial transactions, is domiciled in Florida, and is at least 51 percent owned by minority persons, and whose management and daily operations are controlled by such persons. (See Certified Minority and Women-Owned Business Enterprise (CMWBE)).
64. **MyFloridaMarketPlace (MFMP)** – The State of Florida’s electronic procurement system.
65. **Negotiations** – The formal process of seeking agreement between DEO and a vendor (or several vendors) on the cost, levels, and types of services and terms and conditions of a contract. DEO may only negotiate Invitations to Negotiate and exceptional purchases.
66. **Negotiation Team** – Pursuant to section 287.057(16)(a), F.S., for contracts over \$195,000 the agency head shall appoint:
  - a. At least three persons to conduct negotiations during a competitive sealed reply procurement who collectively have the experience and knowledge in negotiating contracts, contract procurement, and the program areas and service requirements for which commodities or contractual services are sought.
  - b. If the value of a contract is in excess of \$1 million in any fiscal year, at least one of the persons conducting the negotiations must be certificated as a contract negotiator based upon Department of Management Services’ rules.
  - c. If the value of a contract is in excess of \$10 million in any fiscal year, at least one of the persons conducting negotiations must be a Project



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Management Professional, as certified by the Project Management Institute.

67. **Notice of Award** – A publically posted notice by DEO that identifies the vendor chosen by DEO as the one to be awarded the identified contract.
68. **Offeror** – An individual, organization, or entity that submits a response to a competitive bid to the Department pursuant to section 287.057, F.S.
69. **Office of Supplier Diversity (OSD)** – The Office of Supplier Diversity’s (OSD) function is to improve business and economic opportunities for Florida’s women-owned and minority-owned businesses. OSD’s efforts toward this goal can be categorized into four primary functions, namely, Certification of Minority Business Enterprises, Advocacy, Outreach, and Matchmaking Activities.
70. **One Florida Initiative** – The mission of the Governor’s One Florida Initiative is to unite Floridians behind a shared vision of opportunity and diversity. The goal is to increase opportunity and diversity in the state’s universities and in state contracting without using policies that discriminate or that pit one racial group against another.
71. **Operating Capital Outlay (OCO)** – An appropriation category for the purchase of equipment, fixtures and other tangible personal property of a non-consumable and nonexpendable nature, the value or cost of which is \$1,000 or more and the normal expected life of which is one (1) year or more, and hardback bound books that are circulated to students or the general public, the value of cost of which is \$25 or more, and hardback-covered bound books, the value or cost of which is \$250 or more.
72. **Outsourcing** – The process of contracting with a vendor to provide a service as defined in section 216.011(1)(f), F.S., in whole or in part, or an activity as defined in section 216.011(1)(rr), F.S., while a state Department retains the responsibility and accountability for the service or activity and there is a transfer of management responsibility for the delivery of resources and the performance of those resources.
73. **Preferred-pricing clause** – A contractual provision under which the state is offered the most favorable price that the Contractor offers to any client.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

74. **Price Analysis** – The process of examining and evaluating price data without evaluating the separate cost elements or proposed profit to assist in arriving at prices to be paid and costs to be reimbursed.
75. **PRIDE** – The nonprofit corporation authorized by Chapter 946, F.S., to lease and manage the correctional work programs of the Florida Department of Corrections, and to sell commodities and services.
76. **Procurement** – The act, through utilization of various methods, of obtaining commodities or contractual services for the Department.
77. **Procurement Checklist** – The checklist utilized by the Purchasing Office and Program Areas to ensure that all steps of the procurement process are followed and that all required documentation is maintained in the proper file.
78. **Procurement and Contract Tracking System (PACTS)** – The application/database utilized and maintained by the Purchasing Office to track the development of a contract from initiation of a solicitation to contract execution, through each renewal and/or through expiration and close-out of a contract.
79. **Project** – As it relates to construction procurements, refers to any facility building, portions of a building, utility, park, parking lot, structure or other improvement to real property required to be constructed, renovated, repaired, modified or demolished by a state agency.
80. **Project Manager** – The individual that is assigned by the Program Area to facilitate the program area’s formal procurement responsibilities. This individual may also be assigned as the Program Area Contract Manager.
81. **Proposer/Respondent** – Individual or organization submitting a proposal in response to a Request for Proposals.
82. **Protest** – A formal objection by any person or firm who believes they have been adversely affected by a decision or intended decision concerning a solicitation or notice of contract award or who contests the solicitation specifications. An official protest must be submitted in writing within the time frame prescribed by Chapter 120, F.S.
83. **Public Meeting** – All meetings of the evaluation or negotiation teams, except as otherwise provided in section 286.0113, F.S., and the Constitution, at

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

which official acts are to be taken are declared to be public meetings open to the public at all times, and no resolution, rule, or formal action shall be considered binding except as taken or made at such meeting and must provide reasonable notice (7 calendar days) of all such meetings.

84. **Purchase** – An acquisition made by contracting in any manner for goods or services.
85. **Purchasing Agent** – An employee of the Purchasing Office whose main responsibility is to facilitate all related public procurement responsibilities.
86. **Purchasing Card (PCard)** – The charge card utilized by state agencies for informal procurements, emergency purchases, and travel.
87. **Purchasing Card Post Audit** – Performance of a review of completed purchasing card charges to ensure that proper purchasing procedures have been followed.
88. **Purchasing Categories/Thresholds** – The categories related to specific dollar amounts established by section 287.017, F.S. and that govern required procurement procedures depending on the category.
89. **Purchasing Gatekeeper** – A purchasing employee that has been assigned the responsibility of receiving all Department requisitions as they are submitted to the Purchasing Office’s MFMP queue, and who then assigns the requisition(s) to the appropriate purchasing employee within the Purchasing Office for processing.
90. **Purchasing Officer** – The individual within the Purchasing Office that is tasked with overseeing all related public procurement activities for the Department. This person is also known as the Purchasing Manager or Purchasing Director.
91. **Purchase Order (PO)** – Created when a purchase requisition completes the workflow approval process in MFMP. MyFloridaMarketPlace sends POs to the chosen supplier by fax, email, or through the vendor’s ASN account (depending on the vendor’s preferred method). Encumbered orders generate an alphanumeric PO number and unencumbered orders generate a “PO” number.
92. **Purchase Requisition** – A formal request issued via MFMP to procure commodities and/or services on behalf of program areas or divisions. The

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

PR is used by all offices to identify commodity and service requirements, and notify/authorize the Purchasing Office to make a purchase. All PRs are processed in accordance with all applicable rules, procedures and statutes.

93. **Receiving Report** – The electronic process used by the recipient of a commodity ordered on a Purchase Order/Direct Order to acknowledge the receipt and acceptance of the item. Receipt and acceptance of services is further acknowledged by manual approval of the paper invoice, signed and dated by the recipient.
94. **Renewal** – Contracting with the same services with the same Contractor for an additional contract period after the initial contract period and is subject to the same terms and conditions. Emergency procurements and single source procurements may not be renewed. A competitively solicited contract cannot be renewed unless there is a renewal provision in the Request for Proposal, Invitation to Bid or Invitation to Negotiate, and the resulting contract. Renewals are subject to satisfactory performance and it is in the best interest of the Agency to do so.
95. **Request for Information (RFI)** – A written or electronically posted request made by an agency to vendors for information concerning commodities or a contractual service. Responses to these requests are not offers and may not be accepted by the agency to form a binding contract.
96. **Request for Proposals (RFP)** – A written or electronically posted solicitation for competitive sealed proposals.
97. **Request for Quote (RFQ)** – An oral or written request for written pricing or services information from a state term contract vendor for commodities or contractual services available on a state term contract from that vendor.
98. **Requestor** – The individual within the Program Area Office that initiates the purchase requisition details through the MyFloridaMarketPlace e-procurement system. This person also works directly with the Purchasing Office as may be needed.
99. **Requisition** – A formal electronic MFMP request to procure commodities or contractual services on behalf of a program area.
100. **Requisitioner** – Any individual that initiates a purchase requisition or any type of request for goods or services utilizing MFMP or the P-Card.

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

101. **RESPECT** – A non-profit organization designated by the Florida Department of Management Services to administer Florida’s State Use Program. The organization helps employ Floridians with disabilities throughout the state by producing commodities and providing contractual services that are sold to government entities.
102. **Responsible Vendor** – A vendor who has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance.
103. **Responsive Bid, Responsive Proposal, or Responsive Reply** – A bid, or proposal, or reply submitted by a responsive and responsible vendor that conforms in all material respects to the solicitation.
104. **Responsive Vendor** – A vendor that has submitted a bid, proposal, or reply that conforms in all material respects to the solicitation.
105. **Risk Assessment** – A process used to evaluate variables associated with contracts and assign a rating for the level of risk to the Department associated with each contract. Variables considered include dollar amount of contract, type of service provided, and results of prior monitoring activities.
106. **Service-Disabled Veteran Business Enterprise** – An independently owned and operated business that: 1) Employs 200 or fewer permanent full-time employees; 2) Together with its affiliates has a net worth of \$5 million or less or, if a sole proprietorship, has a net worth of \$5 million or less including both personal and business investments; 3) Is organized to engage in commercial transactions; 4) Is domiciled in this state; 5) Is at least 51 percent owned by one or more service-disabled veterans; and 6) The management and daily business operations of which are controlled by one or more service-disabled veterans or, for a service-disabled veteran with a permanent and total disability, by the spouse or permanent caregiver of the veteran.
107. **Single (Sole) Source** – A purchase of a commodity or contractual service that is available from only one source.
108. **Small Business** – An independently owned and operated business that employs 200 or fewer permanent full-time employees and that, together with affiliates, has a net worth of not more than \$5 million or any firm based in Florida, which has a SBA 8(a) certification. As applicable to sole-

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

109. **Solicitation** – A request for bids, proposals, quotes, replies, offers to provide supplies, services, or construction items.
110. **State of Florida Initiatives** – A bidder’s, proposer’s or respondent’s written State Project Plan addressing the State’s four (4) objectives. The State supports and encourages initiatives to protect and preserve our environment; initiatives to keep the workplace of Florida’s suppliers and Contractors drug free; the gainful employment of citizens with disabilities; and the use of Florida Correctional work programs.
111. **State Purchasing Agreement (SPA)** – A document which replaced the State Negotiated Agreement Price Schedules (previously known as SNAPS II). These agreements are optional use and limited to expenditures not to exceed Category Two per fiscal year.
112. **State Term Contract** – A term contract that is negotiated and executed by the Department of Management Services and that is used by agencies and eligible users pursuant to section 287.056, F.S.
113. **Statement/Scope of Work** – A narrative attached to the solicitation document and contract that details the commodities and/or services to be provided, specific eligibility requirements, concrete objectives that are to be accomplished, and any other requirements that affect how the commodities and/or services will be delivered as well as specifying any reports due and benchmarks for performance.
114. **Subrecipient** – A non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. This term does not refer to an individual that is a beneficiary of such a program.
115. **Term Contract** – An indefinite quantity contract to furnish commodities or contractual services during a defined period.
116. **Unauthorized Purchase** – A purchase made without prior approval and/or the issuance of a Direct Order and is therefore, considered “unauthorized.” Unauthorized purchases may result in the purchaser being held responsible for payment and/or subject to disciplinary action.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

117. **Vendor** – A person or entity that sells or offers to sell commodities or contractual services.
118. **Vendor Bid System** (VBS) – A web-based electronic system which allows all state agencies to advertise bids and exceptional purchases on MyFlorida.com and publically post notices related to intended contract award or decisions. It also provides automatic e-mail notification of bid advertisements, addendums to bids, and exceptional purchases to be sent to vendors.
119. **Written Quote** – A price quote submitted either on company letterhead, company fax transmittal sheet with authorized signature, or e-mail by an account representative with company contact information included in the e-mail.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**SECTION ONE: PURCHASING**

**I. GENERAL**

**A. PURPOSE**

The purpose of this procedure guideline is to set forth guidelines for the procurement and contract management functions within the DEO. The procurement of all commodities and services required for operation of DEO will be accomplished according to this policy. Procedures contained herein are designed to comply with applicable state and federal laws, but in no way supersedes them.

**B. STATE AND FEDERAL PROCUREMENT LAWS**

When there may exist a conflict between state procurement law and federal procurement law, as a general rule, if both bodies of law do apply, and there is truly a conflict between them, then the federal law will take precedence over the state law. However, any questions regarding the applicability of law or determination as to whether laws conflict must be referred to the Department's Office of General Counsel.

**C. PRINCIPLES AND RESPONSIBILITIES**

**Principles:** The purpose of the procurement function at the Department is to ensure the availability of those required resources that are not provided by DEO employees, and to achieve the best value for the State of Florida. DEO has a centralized Purchasing Office which adheres to the following principles:

- **Legality and Ethics:** Strict adherence to the requirements of the law, unaffected by personal gain or personal relationships;
- **Effective Service:** Providing DEO users what they need when they need it;
- **Efficiency:** Achieving maximum value with minimum resources and time;
- **Economy:** Obtaining maximum benefit for the dollars expended;
- **Fairness:** Offering competitive opportunities to the maximum number of contacts and suppliers; and
- **Diversity:** Consider supplier diversity with every purchase.

**Responsibilities:** It is the policy of DEO's purchasing staff to provide procurement services that are responsive to the needs of the programs and facilities they support. These procurement responsibilities will be



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

accomplished within the framework of state and federal laws, F.S., Florida Administrative Code and DEO policies. Program Area personnel should assist in obtaining prices for purchases up to Category Two. (See DEFINITIONS, 12. Category Thresholds). Procurements in excess of Category Two require formal solicitation. All formal solicitations are the responsibility of the Office of General Services, Purchasing Office.

**1. Purchasing Office Responsibilities**

- Developing and implementing rules, operating procedures, and standards for DEO purchasing functions.
- Monitoring purchasing functions in all DEO program areas to ensure compliance with DEO's Purchasing policy and statutes and rules that govern public procurement.
- Providing technical assistance to all DEO program areas in order to support the purchasing function.
- Monitor and track DEO Contract Managers' certifications and provide notice of training opportunities offered by the Florida Department of Financial Services.
- Coordinating purchasing activities with other state and federal agencies.
- Coordinating audit and management review responses and corrective actions regarding purchasing functions.
- Reviewing proposed purchasing related legislation and its impact on DEO.
- Representing DEO before other agencies on statewide purchasing issues.
- Developing and implementing automated purchasing systems for DEO whenever feasible and economical.
- Assisting in budget preparation by providing cost information, appropriateness and commodity availability.
- Facilitating DEO solicitation and cost/price analysis and contract development process.
- Conducting special studies and projects relating to purchasing.
- Ensuring MFMP requisitions are properly completed, to include adequate descriptions of items requested, justification, and special approval documentation as necessary, and processing the requisitions.
- Developing and administering DEO's supplier diversity program in support of the One Florida Initiative and the Florida Service-Disabled Veteran Business Enterprise Opportunity Act.
- Manage vendor information and investigating complaints related to purchasing activities within DEO by:

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

- Facilitating and addressing vendor complaints regarding state term contracts to DMS.
- Addressing and enforcing contractual clauses of DEO contracts.
- Directing problems with PRIDE to PRIDE headquarters.
- Directing problems with RESPECT to RESPECT headquarters, and
- Supporting the One Florida Initiative and the Florida Service-Disabled Veteran Business Enterprise Opportunity Act, ensuring that purchases reflect the full diversity of Florida's population, and
- Coordinating responses.
- Planning and coordinating purchases to ensure that quality products and services are obtained in a timely manner from responsible vendors on a competitive basis.
- Reporting any violations of state, federal or DEO purchasing policies and procedures to the Director of Finance and Administration, the Office of the Inspector General and the Office of the General Counsel; and recommending corrective actions necessary to preclude the recurrence of such violations.
- Ensuring that all vendors doing business with DEO are treated equally and fairly in the awarding of solicitations and contracts.
- Serving as DEO's Contract Administrator and maintaining original DEO solicitation and contract files.
- Evaluating new or substitute products delivered to or under consideration for use within DEO.
- Conducting periodic meetings with DEO requisitioners and management to discuss purchasing topics of mutual concern and to promote professionalism within DEO.
- Taking recommendations to improve purchasing office operations.
- Reviewing professional and trade publications to determine market trends and product information that could affect DEO's purchasing operations.
- Providing administrative guidance to the Regional Workforce Boards as may be needed.
- DEO liaison to vendor community and point of contact for the dissemination of product information to appropriate staff within DEO.
- Serving as DEO's MFMP System Administrator. The MFMP System Administrator acts as the custodian and facilitator of all activities related to updating and maintaining user's roles within the system, including, but not limited to:
  - Assist with monitoring confidential data
  - Ensure proper training for individuals with access

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

- Create new MFMP accounts, including DEO's MFMP FLAIR encumbrance account
- Assign only necessary groups/roles for each customer
- Monitor, update and inactivate customer accounts
- Reset account passwords
- Establish and maintain DEO Ship To and Bill To addresses
- Maintain agency requisitions and invoice approval flows
- Assist with maintenance of MFMP DEO's distribution lists
- Distribute MFMP communications to all agency customers
- Setting up and maintaining the list of active and inactive users and their assigned roles.
- Maintaining evidence of the approval to add each new user to the system.
- Sending confirmation by e-mail or telephoning the Requestors upon completion of all change requests that are submitted in writing or via telephone (verbal requests must be confirmed via e-mail).
- Obtaining approval of all written change requests from the appropriate Program Area Supervisor.
- Providing MFMP Training to DEO end users, on an "as needed basis".
- Acting as the first point of contact for the reporting, tracking and resolution of MFMP related issues.
- Facilitating meetings as needed with the DMS MFMP Team and DEO Purchasing and Accounting representatives for issue follow up and resolution.
- Attending periodic MFMP meetings and reporting results to the Purchasing Manager.
- Facilitating communication of pertinent MFMP related issues to DEO MFMP users (i.e., e-mail communications from DMS MFMP Team, DMS MFMP Training Opportunities, etc.).
- Ensuring sufficient lead time is provided for commodity evaluation, prior approvals, bidding, and delivery.
- Ensuring that DEO personnel make no obligations against DEO until the purchasing staff has completed all required activities.
- Monitor purchasing activity to ensure competitive solicitations are issued in accordance with Chapter 287, F.S.

**2. Program Area Responsibilities**

- Ensuring that all requisitions are completed in their entirety, attaching supplemental quotes, justifications, and approvals prior to submitting the requisition to the 4000: Purchasing Gatekeeper approver.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- Ensuring that adequate time is provided for approval and purchasing activities to be accomplished.
- Confirming that identified vendors are registered to do business with the state in the MyFloridaMarketPlace (MFMP) system. If vendors are not registered in MFMP, then assisting the vendors to become registered in MyFloridaMarketPlace.
- Following state rules and regulations and procuring all commodities and services covered under any DEO implemented term contract through such contract.
- Meeting or exceeding prior year minority and women-owned business expenditures.
- Staying abreast of and monitoring the implementation of purchasing policies and procedures for compliance with state law and DEO's purchasing policy by attending training offered by the Purchasing Office.
- Developing competitive solicitations and cost/price analysis in conjunction with the Purchasing Office.
- Initiating purchase requests through the Purchasing Office.
- Making purchasing/business recommendations to DEO's Purchasing Manager.
- Managing vendor information and complaints by:
  - Facilitating solutions to vendor complaints.
  - Documenting vendor complaints and actions taken.
  - Addressing vendor complaints regarding state contracts to the Purchasing Office.
  - Addressing and enforcing contractual clauses of DEO's core contracts.
- Ensuring that appropriate written justification is included on requisitions or purchases that are not procured through the use of a state term contract, as applicable.
- Assigning a Project Manager, if needed, to serve as the Program Area procurement main point of contact (Project Manager), as well as the Contract Manager.

**D. ETHICS AND STANDARDS OF CONDUCT IN PROCUREMENT**

DEO shall maintain high standards of ethics and conduct in all procurement transactions.

Public employees possessing a Purchasing Card and employees engaged in the procurement process are required to maintain complete independence and impartiality in dealings with vendors, both in fact and in appearance, in order

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

to preserve the integrity of the competitive process and to ensure that there is public confidence that contracts are awarded equitably and economically. All procurement transactions, regardless of dollar value, shall be conducted in a manner so as to provide maximum open and fair competition. Personnel must be alert to conflicts of interest or noncompetitive practices among vendors that may restrict or eliminate competition or otherwise restrain trade.

Positive efforts will be made to utilize minority businesses as sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete.

No DEO employee may hold any type of employment or contractual relationship with a Contractor or Subcontractor that does business with DEO.

The ethical standards listed below have been paraphrased and are not intended to interpret or revise applicable statutes. Further guidance is contained in DEO's Policy Number 1.05, Code of Ethics, and Chapter 112, F.S.

DEO's Policy Number 1.05, Code of Ethics (see Appendix A).

1. **Solicitation or Acceptance of Gifts:** No employee of this Department shall solicit or accept anything of value, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the official action or judgment of the employee would be influenced. Section 112.313(2), F.S.
2. **Doing Business with One's Department:** No employee acting in his or her official capacity shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for this Department from any business entity that he or she, or his or her spouse, or child is an officer, partner, director, or proprietor of in that such officer, or his or her spouse or child, or any combination of them, has a material interest. Nor shall an employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to this Department. Section 112.313(3), F.S.
3. **Unauthorized Compensation:** No employee of this Department, or his or her spouse or minor child shall, at any time, accept any compensation, payment, or thing of value that may appear or be perceived to influence an action in that the employee is expected to participate in his or her official capacity. Section 112.313(4), F.S.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

4. **Misuse of Public Position:** No employee of this Department shall corruptly use or attempt to use his or her official position, or perform his or her official duties to secure special privilege, benefit, or exemption for himself, herself, or others. This section shall not be construed to conflict with Section 112.313(6), F.S.
  
5. **Conflicting Employment or Contractual Relationship:** No employee of this Department shall have or hold any employment or contractual relationship with any business entity or any Department that is subject to the regulation of, or is doing business with, this Department. Nor shall an employee of this Department have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties. Section 112.313(7), F.S.
  
6. **Disclosure or Use of Certain Information:** No employee of this Department shall disclose or use information not available to members of the general public and gained by reason of his or her official position for his or her personal benefit, personal gain, or benefit of any other person or business entity. Section 112.313(8), F.S.

**QUESTIONS REGARDING THE APPLICATION OF THESE STANDARDS SHOULD BE DIRECTED TO THE OFFICE OF THE GENERAL COUNSEL.**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**E. DISALLOWED PURCHASES**

State agencies may purchase only items necessary to carry out statutory duties and should select such items on an economically prudent and cost effective basis, not to satisfy the personal convenience or personal preference of individuals.

A list of prohibited expenditures may be found in the Department of Financial Service, Reference Guide for State Expenditures (see Appendix A).

The purchase of disallowed items may result in the Department of Financial Services refusing to pay the invoice and the individual who requested and/or received the item being held personally accountable for payment and subject to disciplinary action. When in doubt, contact the Purchasing Office for advice.

Examples of disallowed items include, but are not limited, to the following:

- Alcoholic beverages;
- Aspirin, band-aids, and other such items for personal benefit (first aid kits are permitted);
- Briefcases, lamps and clocks without specific justification;
- Congratulatory or condolence telegrams;
- Convenience appliances, such as heaters, fans, refrigerators, stoves, microwave ovens, dishwashers, coffee makers, mugs, smoke filters, etc.;
- Entertainment costs;
- Greeting cards;
- Meals, beverages, refreshments, except as authorized by DEO's Travel Policy 3.05.
- Office supplies, furniture, etc., more expensive than necessary to meet a legitimate need;
- Plants, flowers, pictures, statues, globes, picture frames, lamps and other decorative items.

**II. PURCHASING SYSTEM CONTROLS**

To establish the required control and at the same time adhere to the principles set forth above, the following procedures are established:

**A. PROCUREMENT DOCUMENT**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

The purchase of all commodities and services will be accomplished by use of one of the following methods:

1. State Purchasing Card (PCard)
2. Purchase Order (Direct Order) via MyFloridaMarketPlace (MFMP)
3. Contract (See SECTION TWO: CONTRACTS)

**B. FIXED CAPITAL OUTLAY**

All proposed expenditures relating to fixed capital outlay (FCO) should be handled in accordance with the policy guidelines established by the Governor's Office of Planning and Budgeting and the Department of Management Services.

**C. OPERATING CAPITAL OUTLAY**

All request for purchase of items classified as operating capital outlay (unit price \$1,000 or more, useful life 1 year or more and hard covered books \$250 or more) must be reviewed and approved by the "OCO Review Team". The OCO Review Team is comprised of the Division Directors for Finance and Administration, Workforce Services, Information Systems and Support Services and Community Development.

Approvals of all OCO allocations are contingent, in part, upon availability of appropriate and sufficient revenue to support the request.

**D. NONCONFORMING REQUEST FOR PURCHASE ORDER**

The Purchasing Manager is authorized to return any purchase request which does not meet the conditions required by DEO procedures or state/federal regulations governing the specific purchase.

**E. PERSONAL PREFERENCE**

It is the policy of DEO that all purchases will be justified for utilization reasons rather than for personal preference. This policy applies to the item(s) being purchased and the vendor(s) from whom they are acquired. The item(s) being requested and the vendor(s) selected will be determined on the basis of operational need, competition, and applicable purchasing regulations and not the personal tastes of an individual.



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**F. VENDOR RELATIONS AND SELECTION**

Unless directed otherwise, any DEO employee responsible for determining commodities and services to fill a need of his/her unit, or preparing a MFMP Purchase Requisition, may discuss commodities and/or services, delivery schedules, price ranges, types of contracts, etc., with vendor representatives, and/or obtain firm price quotes for purchases **under Purchasing Category Two**.

Vendor selection will be determined based on the quote/bid/proposal/offer that provides the best value to DEO. Best value will be determined based on the method of procurement being utilized for the particular procurement.

**G. EXEMPT ADMINISTRATIVE PURCHASES**

For purposes of this policy the following items may be exempted from the purchasing procedures outline herein:

1. Interagency Agreements
2. Grant Agreements
3. Journal Transfers
4. Reemployment Assistance unemployment compensation charges
5. Personnel charges from the Department of Management Services
6. Postage or post office box rental
7. Utilities
8. Contracts procured and executed by WFI where payments are made by DEO
9. CareerSource Florida [Regional Workforce Board (RWB)] Allocations

**H. FEDERAL APPROVALS**

It will be the responsibility of the applicable program area to request the purchase of goods or services to remain abreast of and comply with federal approval requirements.

**I. KEY DATES**

The state fiscal year begins July 1<sup>st</sup>, and runs through the following June 30<sup>th</sup>, of the following year. The federal fiscal year begins October 1<sup>st</sup>, and runs through September 30<sup>th</sup>, of each year. Prior to the end of the state or federal fiscal year, the Purchasing Office establishes deadlines for electronic MFMP

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Purchase Requisitions to be initiated and approved. A memorandum is issued annually identifying actual dates.

1. **State Fiscal Year Ending, purchase requisition deadlines:**

**April 15** – Requisitions involving funds to be encumbered by the end of the current state fiscal year should be submitted to the Purchasing Office by April 15<sup>th</sup> when the purchase requires competitive bidding or proposals, or various prior approvals by regulatory agencies outside DEO.

**June 1** – Routine requests for purchase order/direct orders not requiring formal competition or outside approvals should be submitted to the Purchasing Office by June 1st.

2. **State Fiscal Year Beginning, purchase requisition deadlines:**

**April 15** – All requisitions for annual orders of commodities or services, including blanket purchase orders/direct orders starting July 1<sup>st</sup>, should be submitted to the Purchasing office no later than May 1<sup>st</sup>. It will take several days for the Purchasing Office to process these requests and approve them to begin their course through the approval flow in MyFloridaMarketPlace (MFMP). Requisitioners must be sure to identify the appropriate fiscal year on the requisitions within MFMP and to mark the requisitions to hold for release until July 1st, after the new-year budget is available. On the date of release, the Purchase Order will be generated creating an encumbrance in FLAIR and allowing it to be issued to the vendor. If the order is released prior to the next fiscal year, current year funds will be encumbered, if available

3. **Federal Fiscal Year Ending, purchase requisition deadlines:**

**July 15** – Requisitions involving funds to be encumbered by the end of the current federal fiscal year should be submitted to the Purchasing Office by July 15<sup>th</sup> when the purchase requires competitive bidding or proposals, or various prior approvals by regulatory agencies outside DEO.

**September 1** – Routine requests for purchase orders not requiring formal competition or outside approvals should be submitted to the Purchasing Office by September 1<sup>st</sup>.

4. **Federal Fiscal Year Beginning, purchase requisition deadlines:**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**July 15** – All requisitions for annual orders of commodities or services, including blanket purchase orders starting October 1<sup>st</sup>, should be submitted to the Purchasing Office no later than July 15<sup>th</sup>. It will take several days for the Purchasing Office to process these requests and approve them to begin their course through the approval flow in MyFloridaMarketPlace (MFMP). Requisitioners must be sure to identify the appropriate fiscal year on the requisitions within MFMP and to mark the requisitions to hold for release until October 1<sup>st</sup>, after the new-year budget is available. On the date of release, the Purchase Order will be generated creating an encumbrance in FLAIR and allowing it to be issued to the vendor. If the order is released prior to the next fiscal year, current year funds will be encumbered if available.

5. **Late processing:**

Requisitions received after these deadlines may result in the loss of funds or interruptions in services or equipment leases.

The above referenced dates are subject to change pending receipt of final approval of the memorandum to Department staff regarding state or federal fiscal year deadlines.

### **III. PROCUREMENT INSTRUMENTS**

The procurement of all commodities and services will be accomplished by one of the following methods:

#### **A. STATE PURCHASING CARD (PCARD)**

Utilization of the State Purchasing Card is limited to the authorized Cardholder whose name appears on the face of the card. Purchasing Cards are issued by DEO's P-Card Administrator following:

- Completion (and approval) of a cardholder profile information form (see DEO's Purchasing Card Guidelines 3.06 (see Appendix A)).
- Completion of the DEO's Purchasing Card Program training
- When a PCard is issued to an employee, it constitutes a delegation of purchasing responsibilities to that employee. Therefore, cardholders must follow good purchasing practices and comply with all applicable purchasing statutes and procedures.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**The Purchasing Office encourages the use of the PCard for all purchases that are less than Category Two that does not require a written agreement or purchase order.** This process enables the cardholder to procure commodities and some services without issuance of a Purchase Order. It is incumbent upon the program area to maintain appropriate procurement documentation for the applicable procurement method utilized in their procurement file for each PCard purchase. Under the PCard Program, the cardholder may order commodities or services within procurement guidelines provided by the Purchasing Office and within their authorized monthly or single transaction dollar limit which is established by the PCard Administrator. Using the PCard will:

- Expedite the delivery of commodities and services.
- Reduce the number of small dollar value Purchase Orders.
- Reduce paperwork from vendors and provide immediate payment to vendors.
- Permit purchasing in emergency situations when Purchase Orders may be unavailable.
- Lower overall purchasing transaction costs and increase accountability.
- Provide electronically, certain management information that is currently unavailable.

The Purchasing Card function is managed by DEO's Bureau of Financial Management. Please refer to the DEO's Purchasing Card Policy Guidelines (Policy Number 3.06) for detailed guidelines, policy and procedures relating to the PCard functions.

**B. PURCHASE ORDER VIA MYFLORIDAMARKETPLACE (MFMP)**

An MFMP Requisition must be utilized for all purchases that require a written agreement, unless exempt from the written agreement requirement as provided in section 287.058, F.S. The MFMP Requisition is created utilizing the MyFloridaMarketPlace (MFMP) system. MFMP provides an online, statewide marketplace for government buyers and vendors to conduct business, and provides the State the opportunity to leverage its purchasing power as the State acts as one purchasing entity, with the objective of reducing the cost of goods and services purchased.

MFMP also provides the state with better visibility as to what is being purchased, and, as a result, provides better purchasing decisions and enables the state to negotiate better pricing with suppliers.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Section 287.057(22), F.S. provides that to enable the state to promote open competition and to leverage its buying power, agencies shall participate in the on-line procurement program (MFMP). Only vendors pre-qualified as meeting mandatory requirements and qualifications criteria shall be permitted to participate in on-line procurement. DMS may collect fees (transaction fees) for the use of the on-line procurement system.

Rule 60A-1.030, F.A.C. provides that vendors desiring to sell commodities or contractual services as defined in section 287.012, F.S., to the state through the on-line procurement system be pre-qualified to do so and shall register in the MyFloridaMarketPlace system, unless exempted under subsection 60A-1.030, F.A.C. Information about the registration process is available, and registration may be completed at the MyFloridaMarketPlace website (link under business on the State portal at [www.myflorida.com](http://www.myflorida.com)). Interested persons lacking Internet access may request assistance from the MyFloridaMarketPlace Customer Service Section at (866) FLA-EPRO (866) 352-3776 or from the State Purchasing Customer Service Office at (850) 488-8440.

The Department shall not enter into an agreement for the sale of commodities or contractual services as defined in section 287.012, F.S., with any vendor not registered in the MyFloridaMarketPlace system, unless exempted under subsection 60A-1.030(3), F.A.C., provided, however, that a Department may do so if DEO's Purchasing Manager (or designee) determines in writing (or electronically) that it is necessary to do so to prevent significant interference with DEO's mission.

An automated purchase requisition is completed, initiated and submitted within the MyFloridaMarketPlace (MFMP) system following a determination that a specific item is needed and provided for in the program area budget. The Requisitioner in the program area prepares the requisition.

**1. Processing MFMP Purchasing Requisitions**

Each program area is responsible for ensuring that sufficient funds are available to cover commodities and/or services purchases prior to the issuance of a Purchase Requisition.

Purchase Requisitions received in the Purchasing Office are generally processed within three (3) business days of receiving a completed and approved purchase requisition with all supporting documentation.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Supporting documentation includes the following internal or external forms, as applicable:

- DFS Contract Summary Form/Certification Statement [see CFO Memorandum No. 1 (2012-2013)]
- Operating Capital Outlay (OCO),
- Request for Payment of Membership Dues,
- Certification of Availability of Records for Public Inspection
- Request of Authority to Pay Employee Moving Expenses,
- Alternate Contract Request, GSA Schedule 70
- Single Source PUR 7776 and PUR 7778
- Exceptional Purchase Request <\$35,000
- Attestation of No Conflict of Interest
- Conflict of Interest Questionnaire

All Purchase Requisitions should contain the following:

- a. Beginning and end dates;
- b. Scope of Work;
- c. Deliverables;
- d. Payment Methodology;
- e. Performance Standards;
- f. Description (Who, What, When, Where, How);
- g. Requisitioners phone number at the end of Requisitioners name in the "Deliver To" line, is optional;
- h. Supporting documentation; and
- i. Written Quotes

**NOTE: When preparing a requisition in MFMP, DO NOT select "lot" as the unit of measure for commodity requisitions. The information contained in the line item should match how the invoice will be received. Additionally, an MFMP Requisition Checklist is available as a reference tool for Requisitioners and may be downloaded from DEO's Forms Directory (see Appendix A).**

**2. MFMP Confidential Information**

Personal and Confidential information that is directly related to an individual is prohibited from being included in MFMP. This includes information included in the comments field, line item description as well as attachments. Refer to DEO Policy Number 4.10 entitled "MyFloridaMarketPlace Confidential Information Policy." (see Appendix A).

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**3. Review of MFMP Requisitions**

Purchase Requisitions are reviewed by the Purchasing Office every working day as the requisitions appear in the Purchasing Office's queue within MFMP. The Purchasing Office has a maximum of three (3) business days to process, review and approval each purchase requisition or change order request.

**4. MFMP Electronic Approvals**

Before a Purchase Order is issued, the Purchase Requisition must have all electronic approvals from all appropriate approving personnel. MFMP approvals are electronically generated by the use of the requestor's user name and password.

**5. Purchase Order**

The Purchase Order is the result of a fully approved MFMP requisition and serves as the web-based electronic agreement that formalizes a transaction between DEO and the vendor. The Purchase Order (previously referred to as a Direct Order) is the standard instrument for procuring the majority of commodities and services. Purchase Orders are automatically issued upon the final electronic approval of a MyFloridaMarketPlace electronic purchase requisition. Purchases equal to or greater than \$2,500 that are made prior to the issuance of a Purchase Order are unauthorized and, therefore, not binding on DEO. Unauthorized purchases may result in the requestor being held responsible for payment or subject to disciplinary action. The Purchase Order should contain statements of the name, part number, quantity, description, and price of goods or services ordered; agreed-to-terms as to payment, discounts, date of performance, and transportation; and all other agreements pertinent to the purchase and its execution by the vendor.

A good way to avoid last minute purchases of commonly used supplies and contractual services are to establish either a blanket/term Purchase Order, or purchase utilizing the purchasing card if the purchase is under \$2,500.

**IV. TYPES OF PROCUREMENT**

There are four (4) main types of procurements:

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

1. Small Purchases
2. Non-Competitive
3. Request for Information (comparative market analysis only)
4. Competitive

**A. SMALL PURCHASES**

There are two types of small purchases:

1. **Discretionary Purchases** with a value below \$2,500, per Rule 60A-1.002(2), requires one (1) quote. These purchases shall be carried out using good purchasing practices. Such practices include but are not limited to the receipt of written quotations or written records of telephone quotations.
2. **Informal Quotes** which meet or exceed \$2,500 up to Category Two, per Rule 60A-1.002(3). These purchases shall be carried using written quotations, written records of telephone quotations, or informal bids to be opened upon receipt, whenever practical. If DEO receives verbal quotations, the name and address of each respondent and the amount quoted shall be a part of the written documentation.

If DEO receives less than two quotations, it must include a statement as to why additional quotes were not received. If DEO determines that commodities or contractual services are available only from a single source, or that conditions warrant negotiation on the best terms and conditions, DEO may proceed with the procurement. DEO shall document the conditions and circumstances used to determine the procurement method.

For informal purchases with less than two quotes, the Program Area shall complete and submit the following forms to the Purchasing Office for review and approval:

- Exceptional Purchase Request <\$35,000
- Attestation of No Conflict
- Conflict of Interest Questionnaire

The Exceptional Purchase Request <\$35,000 form includes the Attestation of No Conflict of Interest Certification and the Conflict of Interest Questionnaire is available for download from DEO's Forms Directory (see Appendix A).



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Telephone quotes should be appropriately documented, stating at a minimum:

- the vendor name, address and phone number,
- who provided the quote,
- delivery date,
- quantity, item description, number of units, and
- the total price for the commodity and/or service provided.

Requestors within each Program Area are responsible for obtaining informal quotes. **At least one quote should be obtained from a certified minority business enterprise (CMBE).** If no CMBE is registered for the commodity or service that is being quoted, then the Requestor must include a statement on the purchase requisition or purchasing card transaction records that explains this fact, and/or why a CMBE was not contacted for a quote. The Purchasing Office will provide assistance in locating a vendor upon request. Additionally, when seeking quotes, Requestors should stress to the vendor(s) that an “order” is not being placed and that no commodities or services are to be shipped or provided until a Purchase Order has been issued and received by the Vendor, and/or until an order has been made via a Purchasing Card. The Requestor may, if desired, suggest potential vendors to the Purchasing Office. Regardless of who solicits quotes, identical specifications must be provided to each vendor in order to ensure an equitable comparison of prices (i.e., an apples to apples comparison).

**B. NON-COMPETITIVE**

There are nine (9) types of non-competitive purchases:

- Exempt Procurements
- Single Source >\$35,000
- Emergency Purchases
- State Term Contracts
- Request for Quotes
- Prison Rehabilitative Industries and Diversified Enterprises (PRIDE)
- RESPECT of Florida
- Alternate Contract Sources
- GSA Schedules
- State Purchasing Agreements (SPA)

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Listed below is a description of each of the nine (9) types of non-competitive purchases:

**1. Exempt Procurements**

Please refer to section 287.057(3)(f)(1-12) and 287.057(3)(g), F.S. for a detailed listing of exempt procurements.

**2. Single Source**

Rule 60A-1.045, F.A.C. provides that single source purchases in excess of Category Two for the purchase of commodities or contractual services that are available **only from a single source**. Pursuant to section 287.057(3)(c), F.S., such purchases are excepted from the competitive solicitation process. Contracts procured via the single source procurement method shall not be renewed.

**a. Single Source Procurement Procedures**

**1. Program Area Responsibilities**

- a. Identify need for single source procurement, and notify the Purchasing Office of same via e-mail.
- b. Each individual involved in the selection of the Contractor must complete and sign the Conflict of Interest Questionnaire and PUR 7662, Attestation of No Conflict forms and provide originals to the Purchasing Office.
- c. If the single source is for contractual services, the Program Area shall complete the Cost Analysis for Non-Competitive Procured Contractual Services Agreements in Excess of Category Two and certify that the cost is allowable, reasonable and necessary.
- d. Complete the DMS PUR 7776, Description of Intended Single Source Purchase form and forward the justification to the Purchasing Office via e-mail for preliminary review and approval.
- e. Once the Purchasing Office has completed the preliminary review, the Program Area is responsible for obtaining legal and executive leadership review and approval prior to the Purchasing Office posting the single source request to the Vendor Bid System.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

2. Purchasing Responsibilities

Upon receipt of an approved single source packet the Purchasing Office will facilitate the actions described below:

- a. The Purchasing Office shall electronically post the PUR 7776, "Description of Intended Single Source Purchase" to the Vendor Bid System. This notice shall be posted for at least seven (7) business days. If any information is received from prospective vendors as a result of the posting, the Program Area must address each prospective vendor's submission and explain why such submission does not meet DEO's requirements. The Program Area will draft the written determination for Purchasing and Legal review and approval.

After making the written determination required above, DEO shall provide notice of its intended decision to enter into a single source purchase by utilizing Form PUR 7778, "Notice of Intended Decision to Enter into a Single Source Contract". This notice shall be electronically posted in accordance with Section 120.57(3), F.S. for three (3) additional business days.

The Purchasing Office will notify the Program Area upon completion of the posting processes, and will provide further direction to the Program Area, as applicable.

3. Modifications to a Single Source Contract

If DEO issues a single source modification that increases the originally advertised award amount in excess of Category Two, DEO must process the modification in accordance with Rule 60A-1.045, F.A.C.

If DEO believes that the commodity or service continues to be available only from a single source, DEO must re-initiate the single source exemption process.

**Note: Conflict of Interest without Competition.** Section 287.057(19), F.S. and Rule 60A-1.002(6), F.A.C., provides that in any procurement that costs more than the threshold amount provided for in Category Two and is accomplished without

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

competition, the individuals taking part in the development or selection of criteria for evaluation, the evaluation process, or the award process shall attest in writing that they are independent of, and have no conflict of interest in, the entities evaluated and selected. The attestations shall be placed in DEO procurement file. The Attestation of No Conflict of Interest Certification and the Conflict of Interest Questionnaire are available for download from DEO's Forms Directory (see Appendix A).

Although not required for single source purchases less than Category Two, it is DEO's policy that all parties involved in the selection of the Contractor for any single source purchase must complete and sign a Conflict of Interest Questionnaire and Attestation of No Conflict of Interest Form PUR 7662 prior to completing the purchase. The original signed questionnaire and attestation forms are to be filed with the original procurement file in the Purchasing Office.

**3. Emergency Purchases**

The Department may make emergency purchases pursuant to section 287.057(3)(a), F.S. Emergency procurements shall be made by obtaining pricing information from at least two prospective vendors that must be retained in the contract file, unless the agency determines in writing that the time required to obtain pricing information will increase the immediate danger to the public health, safety, or welfare or other substantial loss to the state. The procedures for requesting and processing an emergency purchase are provided below:

- a. Program area identifies emergency need.
- b. Program area will forward communication to the Purchasing Office requesting approval to proceed with an emergency purchase. The communication shall contain the following information at a minimum:
  - 1) Name of Vendor;
  - 2) Amount of Purchase;
  - 3) Detailed Explanation as follows:
    - i. Request for approval to proceed with an emergency purchase;
    - ii. Circumstances that created the emergency;
    - iii. Identification of the danger to the public health, safety or welfare, or other substantial loss to the state;

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- iv. Description of efforts performed to obtain pricing from at least two vendors, or description of the immediate increased danger that would result from such efforts;
- v. Request for approval to proceed with an emergency purchase; and
- vi. List the names of all parties involved in the emergency purchase.

Upon receipt of the above information, the Purchasing Office will facilitate the Program Area in preparing the PUR 7800, "Notice of Emergency Purchase" PUR 7662, "Attestation of No Conflict of Interest" and Conflict of Interest Questionnaire (s) for all parties involved in the emergency purchase, and will route these forms for signature to the Agency Head or his/her designee. These forms must be signed and filed with the DSM within thirty (30) days after the date of issuance of the emergency purchase order or written two-party agreement. The Purchasing Office will print the cover e-mail to DMS documenting proof of the notice having been sent.

Emergency purchase contracts or purchase orders cannot be renewed. Emergency purchase contracts or purchase orders need not be posted electronically or by any other means. DMS approval is not required to make an emergency purchase, as the burden of proof rests with DEO approved designee who authorized the purchase.

If there is no emergency and DEO fails to have a purchase order or written two-party agreement signed as required, the Agency Head or his/her designee, no later than 30 days after the vendor begins rendering services or delivery of commodities, DEO shall certify the conditions and circumstances, as well as, document the action taken to prevent reoccurrence. The Purchasing Office will facilitate this process, as applicable and file with DMS the "Notice of Non-Compliance," Form PUR 1010.

**4. State Term Contracts**

DEO shall purchase commodities and contractual services from purchasing agreements established and state term contracts procured, pursuant to section 287.057 by the Department of Management Services. DEO agreements (written two-party agreements or MFMP Purchase Orders) shall contain the following provision:

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- a) A provision specifying a scope of work that clearly establishes all tasks that the Contractor is required to perform.
- b) A provision dividing the contract into quantifiable, measurable, and verifiable units of deliverables that must be received and accepted in writing by DEO's Contract Manager before payment. Each deliverable must be directly related to the scope of work and specify the required minimum level of service(s) to be performed and the criteria for evaluating the successful completion of each deliverable.
- c) A provision specifying the financial consequences that the agency must apply if the contractor fails to perform in accordance with the contract.

**5. Request for Quotes**

Used when making purchases from a State Term Contract in order to seek additional competition or to determine whether a price, term or condition more favorable to DEO is available in accordance with Rule 60A-1.043, F.A.C. If at least two vendors are on the State Term Contract and can provide the commodities or contractual services DEO seeks, DEO should solicit at least two (2) quotes, unless:

- a. the purchase is less than Category One, or
- b. the State Term Contract specifically contains other RFQ requirements, such as an increase, reduction or waiver of the requirement for obtaining at least two quotes.

As a reminder, when available on the applicable state term contract (including resellers), at least one quote should be obtained from a Florida Certified Minority Business Enterprise, if available.

Contractual services procured via a State Term Contract do not require a written two-party agreement; the program area may establish a MyFloridaMarketPlace Purchase Order that will serve as the official procurement file of record. **However, if the award resulting from a Request for Quote is greater than Category Four threshold a two-party contract agreement must be utilized.**

Agencies are required to use State Term Contracts in accordance with Rule 60A-1.044, F.A.C., except when:

- a. DEO determines that a standard configuration product will not meet DEO's needs and that it is therefore necessary for DEO to purchase

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

specific product options or additions to the standard configuration product,

DEO shall, in writing, specify why the standard configuration product(s) cannot meet DEO's needs due to:

1. unavailability of the product within Department schedule or delivery requirements,
  2. need for compatibility with existing equipment or systems; or
  3. failure to meet Department-required specifications, quality levels or technical requirements.
- b. The agencies' written determination for State Term Contract or standard configuration exceptions shall also include the price impact, both as a dollar amount and as a percentage of the price of the state contract or standard configuration item(s) that results because of the exception or deviation.

Commodities and services that are available on state term contract may be viewed at DMS State Contracts and Agreements (see Appendix A).

When the commodity or service to be purchased is anticipated to be equal to Category Two but more than Category One, the Requestor is responsible for obtaining quotes from vendors on State Term Contract, as delineated by the state term contract being utilized.

If the commodity or service to be purchased is anticipated to be greater than Category Two, the Requestor must contact the Purchasing Office for assistance with developing a Request for Quote.

The Purchasing Office is responsible for contacting, requesting and receiving Request for Quotes from State Term Contractors. The Program Area is responsible for determining which vendor offers the best value and will communicate their recommendation to management and obtain management approval in accordance with DEO Delegation of Authority of record. The Purchasing Office will then notify the awarded Vendor.

**DMS has established different instructions and requirements for each State Term Contract. Program areas are encouraged to consult Purchasing for assistance.**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

A copy of all responses to a Request for Quote(s) should be maintained by the Program Area. After receiving quotes from multiple vendors, DEO shall base its award decision on which vendor offers the best value, and shall document either the procurement file or the MFMP Purchase Order accordingly.

**6. Prison Rehabilitative Industries and Diversified Enterprises (PRIDE)**

PRIDE price agreement commodities and services are available for purchase by state agencies without competitive bid, but purchase of these commodities and services is not mandatory unless they are certified. The method of purchase from these PRIDE price lists by political subdivisions (cities, counties, school boards, etc.) is dependent upon local ordinances and regulations governing procurement. Current PRIDE price agreements are available at DMS State Contracts and Agreements (see Appendix A).

**7. RESPECT of Florida**

RESPECT products and services are available for purchase by state agencies, as required by section 413.036, F.S. Currently, the only available services under RESPECT is the program for the purchase of staffing services from the blind or other severely handicapped. This contract can be viewed at DMS State Contracts and Agreements (see Appendix A).

**8. Alternate Contract Sources**

Agencies may request from DMS permission to purchase commodities or services from term contracts competitively established by other governmental entities. Agencies must submit Form PUR 7102, "Department Request for Review of Alternate Contract Source". The contract must contain specific language or the legal authority authorizing third parties to make purchases from the contract with the vendor's consent. A list of pre-approved alternate contract sources, and the agencies authorized to use such contracts may be found at DMS State Contracts and Agreement (see Appendix A).

In order for a Department contract to be eligible as an alternate contract source, DEO must have included the following contract language in the solicitation and contract terms authorizing DMS to approve the contract as an alternate contract source if requested by another agency:

"As provided in section 287.042(16) F.S. other state agencies may purchase from the resulting contract, provided that DMS has determined that the contracts use is cost-effective and in the best interest of the State. Upon such approval, the Contractor may, at its



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

discretion, sell these commodities or services to additional agencies, upon the terms and conditions contained herein.”

Purchases from alternate contract sources by political subdivisions (cities, counties, school boards, etc.) cannot be approved or disapproved by the DMS, but are dependent upon local ordinances and regulations governing procurement for those political subdivisions.

**9. GSA SCHEDULE**

The GSA IT Schedule 70 contract is a DMS pre-approved alternate contract source that provides government agencies with information technology (IT) and telecommunications hardware, software, and professional services. The Schedule 70 is currently open for use by federal, state, and local government agencies. State and local government agencies are able to purchase off of GSA's IT Schedule 70 by way of cooperative purchasing.

Under Cooperative Purchasing, State and local government entities may purchase a variety of information technology (IT) from contracts awarded under the federal supply Schedule 70. The GSA IT Schedule 70 Contract list is available at the DMS State Contracts and Agreements (see Appendix A).

DMS has pre-approved agencies' use of Schedule 70 and has set forth the following important constraints:

- Agencies are not pre-approved to purchase from alternate contract sources any goods or services that are on a State Term Contract procured by State Purchasing, unless justified under Rule 60A-1.044(2)(3), F.A.C. When purchasing from Schedule 70, agencies shall follow the ordering procedures of Federal Acquisition Regulation (FAR) subpart 8.405, modified as follows:
  - a. At least one quote for purchases up to \$2,500;
  - b. At least three quotes for purchases of \$2,500.01 to \$150,000
  - c. More than three quotes necessary for purchases over \$150,000.01 to \$10,000,000.00; and
  - d. Schedule 70 may not be used for purchases over \$10 million.
- Agencies shall process Schedule 70 purchases in MyFloridaMarketPlace as a non-catalog purchase order and further document the transaction as provided in (FAR) subpart 8.405.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**10. State Purchasing Agreements**

State Purchasing Agreements (SPA) are administered by DMS and are similar to State Term Contracts. These agreements do not establish the vendors as the exclusive source of the items under contract, and other vendors may offer and sell similar products or services without establishing a State Purchasing Agreement. State agencies are not required to use these agreements, and SPA purchases are limited to expenditures not exceeding Category Two in a fiscal year per Vendor. Current SPA Agreements may be viewed at DMS State Contracts and Agreements (see Appendix A).

**C. REQUEST FOR INFORMATION**

Rule 60A-1.042, F.A.C. provides that a Department may request information by issuing a written Request for Information. Agencies may use Request for Information in circumstances including, but not limited to, determining whether or not to competitively procure a commodity or contractual service, determining what solicitation process to use for a particular need, or researching general, special and/or technical specifications for a solicitation. **A vendor's answer to a Request for Information is not an offer and DEO may not use the vendor's submission to justify a contract with that vendor without otherwise complying with Chapter 287, F.S., and Chapter 60A-1, F.A.C. Vendors submitting answers to a Department's Request for Information are not prohibited from responding to any related subsequent solicitation.**

**D. COMPETITIVE SOLICITATIONS**

There are three types of formal competitive solicitation methods:

1. Invitation to Bid,
2. Request for Proposal, and
3. Invitation to Negotiate.

State law requires that purchases greater than Category Two for commodities or contractual services must be made through a formal, competitive, sealed solicitation. Formal solicitations shall be conducted pursuant to Chapter 287, F.S., and Chapter 60A, F.A.C. Section 287.057(9) F.S., prohibits DEO from dividing the solicitation of commodities or contractual services into smaller purchases in order to avoid this requirement.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Any competitive solicitation shall be made available simultaneously to all vendors, must include the time and date for the receipt of bids, proposals, or replies and of the public opening date, and must include all contractual terms and conditions applicable to the procurement, including the criteria to be used in determining acceptability and relative merit of the bid, proposal or reply.

**1. Invitation to Bid**

The Invitation to Bid (ITB) shall be used when DEO is capable of specifically defining the scope of work for which a contractual service is required, or when DEO is capable of establishing precise specifications defining the actual commodity or group of commodities required. **An ITB award will be made to the responsible and responsive vendor who submits the lowest responsive bid.** Bidder qualifications and products/services will be compared to requirements of the ITB, but not to each other. An ITB should be used for acquisitions where some of the following characteristics apply:

1. Standard off-the-shelf products are known to meet the need.
2. Standard services of a usual commercial type and price structure, especially technical services, such as custodial or waste removal services, or equipment maintenance are known to meet the need.
3. Filling an immediate need one or a few times, or fulfilling a long term requirement with repetitive deliveries of same or similar products/services.
4. The vendor's experience, education, understanding of your mission, etc., don't greatly impact DEO's results.
5. Any concerns about vendor qualifications can be easily addressed by a simple submittal with a bid, e.g. copy of occupational licenses, certification by the manufacturer that the vendor is trained/authorized provider, three satisfactory references, etc.
6. Wide competition is available.
7. DEO desires to fulfill the requirement at the lowest possible price consistent with at least meeting its minimum standards.

All invitations to bid must include:

1. A detailed description of the commodities or contractual services sought; and
2. If DEO contemplates renewal of the contract, a statement to that effect.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Bids submitted in response to an invitation to bid in which DEO contemplates renewal of the contract must include the price for each year for which the contract may be renewed.

Evaluation of bids shall include consideration of the total cost for each year of the contract, including renewal years, as submitted by the vendor.

The solicitation document will be available for vendors to download off the Department of Management Services' Vendor Bid System (VBS) (see Appendix A).

**2. Request for Proposal**

DEO shall use the Request for Proposal (RFP) when the purposes and uses for which the commodity, group of commodities, or contractual services being sought can be specifically defined and DEO is capable of identifying necessary deliverables. Various combinations or versions of commodities or contractual services may be proposed by a responsive vendor to meet the specifications of the solicitation document.

Before issuing a Request for Proposal, DEO must determine and specify in writing the reasons that procurement by Invitation to Bid is not practicable. The Program Area will provide justification on the Procurement Routing Review Form as to why the Invitation to Bid is not practicable.

Vendor qualifications, experience and quality of service may be more important than price. RFPs specify the criteria which can be weighted, including but not limited to, price, which will be used to determine the award. Examples of criteria which may be considered in addition to price are the vendor's proposed method of achieving DEO's stated objective, past experience, present available resources, schedule, work samples, staff resumes, etc. Proposed qualifications will be compared to each other, as well as to the requirements of the RFP. Award will be made to the highest ranked vendor. The RFP is indicated for acquisitions involving at least some of the following:

1. Professional and technical expertise and quality of the vendor and proposed offering are critical to success.
2. Requirements include non-standard products/services, with some flexibility in what is ultimately purchased.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

3. There are believed to be more than two or three vendors who can submit a satisfactory offer.
4. DEO does not anticipate a need to review the solicitation and proposals after initial request.
5. DEO seeks to balance price and quality to achieve the best value.

All requests for proposals must include:

1. A statement describing the commodities or contractual services sought;
2. The relative importance of price and other evaluation criteria; and
3. If DEO contemplates renewal of the contract, a statement to that effect.

Criteria that will be used for evaluation of proposals shall include, but are not limited to:

1. Price, which must be specified in the proposal;
2. If DEO contemplates renewal of the contract, the price for each year for which the contract may be renewed; and
3. Consideration of the total cost for each year of the contract, including renewal year, as submitted by the vendor.

The solicitation document will be available for vendors to download off the Department of Management Services' Vendor Bid System (VBS) (see Appendix A).

**3. Invitation to Negotiate**

The Invitation to Negotiate (ITN) is a solicitation used by an agency which is intended to determine the best method of achieving a specific goal or solving a particular problem and identifies one or more responsive vendors with which the agency negotiates in order to receive the best value.

Before issuing an ITN, DEO must determine and specify in writing the reasons that a procurement by Invitation to Bid or Request for Proposal is not practicable. DEO's written determination must specify reasons that explain why negotiation may be necessary in order for DEO to achieve the best value and must be approved in writing by the agency head or his/her designee, prior to advertising the solicitation. The Program Area will provide justification on the Procurement Routing Review Form as to why the Invitation to Bid or Request for Proposal is not practicable.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

The negotiation process offers much more flexibility than the other formal competitive solicitation processes. An ITN is indicated for acquisitions involving at least some of the following:

1. The scope of work cannot be completely and accurately defined.
2. Responses may contain different levels of service than requested, requiring service or price negotiations to match available funds.
3. Responses to an ITN may contain innovative solutions that differ from what may have been originally specified.

The ITN must describe the questions being explored, the facts being sought, and the specific goals or problems that are the subject of the solicitation.

The criteria that will be used for determining the acceptability of the reply and guidelines on the selection of the vendors with which DEO will negotiate must be specified.

DEO shall evaluate replies against all evaluation criteria set forth in the ITN in order to establish a competitive range of replies reasonably susceptible of award. DEO may select one or more vendors within the competitive range with which to commence negotiations. After negotiations are conducted, DEO shall award the contract to the responsible and responsive vendor that DEO determines will provide the best value to the state, based on the selection criteria.

The contract file for a vendor selected through an Invitation to Negotiate must contain a short plain statement that explains the basis for vendor selection and that sets forth the vendor's deliverables and price, pursuant to the contract, along with an explanation of how these deliverables and price provide the best value to the state.

The solicitation document will be available for vendors to download off the Department of Management Services' Vendor Bid System (VBS) (see Appendix A).

**V. PROCUREMENT MATRIX (THRESHOLDS/DESCRIPTIONS/SPECIFICS)**

Chapter 287 and Rule 60-A, F.A.C., dictates specific purchasing practices that must be followed according to which threshold applies. As stated in the Preface of this

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

guideline, a procurement matrix is available for download from DEO's Forms Directory (see Appendix A).

The procurement matrix is a reference guide for the Program Areas to utilize to assist in determining the appropriate procurement activity for each category/threshold.

## **VI. SOLICITATION DOCUMENTS**

Rule 60A-1.002(7) provides that "all formal solicitations issued by an Department shall include the most current standard "General Contract Conditions" Form PUR 1000 and the most current standard "General Instructions to Respondents" Form PUR 1001. These forms are incorporated within DEO's solicitation templates.

PUR 1000 contains standard terms and conditions that apply to the contract which results from the solicitation event. DEO shall attach the DEO core contract and any special conditions to the solicitation. In the event of any conflict between the PUR 1000 form and any Special Conditions attached by DEO, the Special Conditions shall take precedence over the PUR 1000 form unless the conflicting term in the PUR form is required by a section of the Florida Statute, in which case the term contained in PUR 1000 shall take precedence.

PUR 1001 contains instructions explaining the solicitation process and the actions necessary to respond. DEO shall attach additional materials specific to each particular solicitation, including but not limited to contact information, a solicitation timeline, a location for the public opening, evaluation criteria, required information regarding renewal of the contact, and any other necessary information.

The Method of Procurement Decision Tree and Process Overview are available for download from DEO's Forms Directory (see Appendix A).

### **A. SOLICITATION DOCUMENT CONTENTS**

The solicitation document should contain the following sections, as applicable:

1. **Background:** Detailed description of the history of events that has led to the procurement of the identified need.
2. **Overview:** Detailed description of the identified need, including a short plain statement of why the selected procurement method was determined to be the procurement method that will result in the best value to the state.

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

3. **Purpose:** Detailed description of the purpose of the procurement and what benefit the state wishes to obtain.
4. **Major Program Goals:** Describe the major goals of the program which the contract will support. Describe any long range or broad objectives which are pertinent, and as appropriate, describe DEO's ultimate purpose for contracting for the services to be performed. DEO's outcome measures for the services provided will help identify the societal change that is a major goal of the program, if applicable.
5. **Definitions:** Provide a list of definitions for important contract terms. Include definitions for all terms that are unfamiliar, unusual, or unique to the solicitation, including those for contract terminology, program or service specific terminology, standards definitions, performance definitions, and acronyms (if necessary).
6. **Scope of Work:** A Scope of Work that clearly establishes all of the specific tasks the Contractor is required to perform. It shall not cover such requirements as should appear in the General Conditions and/or Special Conditions of bids, such as warranties, etc.
7. **Term of Agreement:** Describe the duration of the contract (include both start and end dates) that will result from this solicitation.
8. **Deliverables:** Divides the contract into quantifiable, measurable, and verifiable units of deliverables that must be received and accepted in writing by the Contract Manager before payment. Each deliverable must be directly related to the scope of work and specify the required minimum level of service to be performed and criteria for evaluating the successful completion of each deliverable. Reports usually are not deliverables. Rather, a report is the means to attest to the tasks performed during a given period of time.
9. **Task List:** Provide a list of specific tasks, e.g., counseling, transportation, day care, case management, etc. which will be performed under the contract along with a description of the task, and any specific elements which are included or must be considered in task performance. It is critical that this component of the solicitation be well developed. Include all minimum requirements for each task to be performed. Outline documentation required to be maintained by the vendor as evidence the completion of the tasks.
10. **Task Limits:** Provide a description of the limits within which the tasks must be performed. These limits may be programmatic, medical, financial, legal, or geographic.
11. **Staffing Levels:** Specify the number and type of staff members the successful vendor is required to have available to perform the work.



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- 12. Professional Qualifications:** As required, specify what professional licenses, certifications or experience the vendor's professional staff members are required to possess or obtain.
- 13. Background Checks:** Specify under what conditions the vendor employees may be subject to Level One or Level Two background checks.
- 14. Staffing Changes:** Specify under what conditions the vendor is required, or permitted to make staffing changes, specify what approvals or notification requirements are necessary to make staffing changes, and any lead times required for notifications or approvals.
- 15. Service Delivery Location:** Specify the street address, city, etc. where the services are to be delivered. If the vendor is supplying a facility or building as part of its performance under the contract, describe any specific physical or facility requirements which must be available for service delivery or client use.
- 16. Service Times:** Specify when the services must be available, the minimum or maximum frequency of the delivery of services, and any requirements for responding to emergencies or unexpected needs for service, and any information necessary to identify what constitutes service completion.
- 17. Changes in Location:** Specify who may approve changes in location during the course of the contract, advance notification requirements to change locations, and requirements for temporary arrangements which must be made in the event of location changes.
- 18. Equipment:** This section of the solicitation must describe any equipment that is to be provided by the agency to the vendor or what the vendor will use and provide that must be available for service delivery.
- 19. Service Unit:** Describe, specifically, what comprises a service unit, how many units, by type of service, will be provided under the contract, and if applicable, any limitations or special considerations that affect the delivery of service units. Other characteristics of the service to be provided, such as unit of measure and quantity must also be specified here. If the quantity of service units to be provided is expected to vary through the life of the contract, the variables affecting the service must be described.
- 18. Records and Documentation:** Describe the form, content, and construction of any records or documentation which the vendor is required to maintain, any limitations which are pertinent to the inspection and availability of the documentation, who makes final determinations regarding questions about records, and how to obtain such determinations. Include information regarding identifying which records must be maintained manually, electronically, or both.
- 19. Reports:** Specify the type, frequency, form, content and construction of any reports which the vendor is required to submit as part of the contract.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- 20. Invoicing and Payment of Invoices:** Identify issues related to vendor payment.
- 21. Performance Measures:** Detailed description of how the state will measure the performance of the deliverables of the procurement. Specify the criteria that will be used to determine the Contractor's successful performance. The outcomes and outputs must be measurable and expressed in mathematical terms (e.g., percentages, ratios, averages, units).
- 22. Security:** Identify security consideration involved in contract performance. Security issues must be considered in all contracts, even those that are unclassified, to ensure that all security aspects are considered. Early consideration of security issues is critical. Security issues can affect the timing of the procurement, particularly with respect to obtaining personnel and facilities clearances. Consider the time required to obtain personnel and facilities clearances with respect to the release of your statement of work and timing of the initial contractual effort.

If the Contractor will use a computer for classified work, you must determine the appropriate sanitization requirements for the Contractor's information technology and word processing equipment. These requirements must be set forth in the statement of work.

Check with the DEO security officer to determine if your requirements involve any security issues.

- 23. Financial Consequences:** Specify the financial consequences that DEO must apply if the Contractor fails to meet the minimum level of service identified in the agreement or other contract terms.
- 24. Intellectual Property:** Address the property rights of any intellectual property related to the contract and the specific right of the state regarding the intellectual property if the Contractor fails to provide the services or is no longer providing services.
- 25. Calendar of Events:** List the relevant events and deadlines proposed or anticipated for the resulting solicitation.
- 26. Instructions to Respondent:** Detailed description of the contents of the response that are to be submitted with the responses to the procurement in order to be responsive.
- 27. Cost Response Instructions:** Instruct the vendor about any requirements that must be followed in the preparation of the cost proposal, budget or rate justification. This component directly relates to the evaluation criteria that address costs proposals.
- 28. Contract Renewals:** Describe desired renewal options, if any.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- 29. Number of Copies Required:** This section states the number of copies of the vendor's response to the solicitation that DEO requires to be submitted with an original. Rule of Thumb: Usually the number of evaluators, if applicable, plus one.
- 30. Evaluation Criteria, Ranking, Scoring Methodology, and Rating Sheet(s) (if applicable):** Detailed evaluation criteria and scoring methodology for both the technical and cost proposal (if applicable) that will be utilized to determine the award of the contract.
- 31. Cost Proposal Form/Price Sheet(s):** Detailed format of how the cost proposal form/price sheet is to be submitted with the responses to the procurement in order to be responsive.
- 32. Special Conditions:** Detailed special conditions with clause titles, if applicable, for example, warranty clauses, etc.

**B. SOLICITATION DEVELOPMENT**

Developing the solicitation is a major part of competitive procurement. The clarity of the solicitation affects every aspect of procurement and delivery of the service or commodity. Producing a quality solicitation at the beginning will facilitate the contracting process by:

- Increasing the level and quality of services;
- Increasing the quality of responses submitted;
- Reduce future payment problems;
- Reduce the number of contract amendments;
- Ensure fewer issues to be negotiated at the time of contracting;
- Reduce incidences of protests;
- Reduce the number of inquiries and questions; and/or
- Help avoid complicated and time consuming problems later.

The solicitation development process is lengthy and Program Area Contract Managers should plan accordingly for the completion of the solicitation process.

Prior to the solicitation development process, the Program Area Contract Manager must:

1. Consult with their supervisor to obtain verbal approval to proceed with contacting the Purchasing Office to initiate the solicitation.
2. Meet with the Purchasing Office for guidance, technical and administrative assistance. During this meeting, the Purchasing Office and Program Area Contract Manager will review and sign off on the DEO Procurement

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Checklist. The original form is filed in the official procurement file and a copy provided to the Program Area Contract Manager. The purpose of the DEO Procurement Checklist is to provide a reference guide for both the Program Area and the Purchasing Office to ensuring compliance with all required procurement steps. This form is also utilized by the Purchasing Office to conduct post procurement file audits. The DEO Procurement Checklist is available for download from DEO's Forms Directory (see Appendix A).

3. Ensure that the appropriate funding source has been identified, and that adequate budget authority exists.
4. Organize a team of associates to assist in the writing of the solicitation and evaluation criteria, if applicable.
5. Anticipate problems that may occur. Research the project. Document everything. Develop a timeline.
6. Identify information that will be specified in the solicitation document for the respondent to provide.
7. Identify a minimum of three (3) Evaluation Committee Members, if applicable.
8. Identify a minimum of three (3) Negotiation Team Members, if applicable.
9. Scope of Work and Cost Response Sheet.
10. Special Conditions, if applicable.
11. Evaluation and Scoring Criteria
12. Individual Evaluator Workbooks, if applicable.

**C. EVALUATION AND NEGOTIATION TEAM APPOINTMENTS**

Section 287.057(16)(a-b), F.S. provides that contracts resulting from a RFP or ITN in excess of Category Four, the agency head or his/her designee shall appoint:

(a) At least three persons to evaluate proposals and replies who collectively have experience and knowledge in the program areas and service requirements for which commodities or contractual services are sought; and

(b) At least three persons to conduct negotiations during a competitive sealed reply procurement who collectively have experience and knowledge in negotiating contracts, contract procurement, and the program areas and service requirements for which commodities or contractual services are sought. If the value of a contract is in excess of \$1 million in any fiscal year, at least one of the persons conducting negotiations must be certified as a contract negotiator. If the value of a contract is in excess of \$10 million in any fiscal year, at least one of the persons conducting negotiations must be a

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Project Management Professional, as certified by the Project Management Institute. The Department of Management Services maintains a list of certification holders (see Appendix A).

**D. POTENTIAL CONFLICTS OF INTEREST**

1. DEO must avoid, neutralize, or mitigate significant potential organizational conflicts of interest before a contract is awarded. If DEO elects to mitigate the significant potential organizational conflict or conflicts of interest, an adequate mitigation plan, including organizational, physical, and electronic barriers, shall be developed.
2. If a conflict cannot be avoided or mitigated, DEO may proceed with the contract award if DEO head certifies that the award is in the best interests of the state. DEO head must specify in writing the basis for the certification.
3. DEO head may not proceed with a contract award under the aforementioned paragraph above number 2, if a conflict of interest is based upon the vendor gaining an unfair competitive advantage.
4. An unfair competitive advantage exists when the vendor competing for the award of a contract obtained:
  - a. Access to information that is not available to the public and would assist the vendor in obtaining the contract; or
  - b. Source selection information that is relevant to the contract but is not available to all competitors and that would assist the vendor in obtaining the contract.
5. A person who receives a contract that has not been procured pursuant to 287.057(1)-(3) to perform a feasibility study of the potential implementation of a subsequent contract, who participates in the drafting of a solicitation or who develops a program for future implementation, is not eligible to contract with DEO for any other contracts dealing with that specific subject matter, and any firm in which such person has any interest is not eligible to receive such contract. However, this prohibition does not prevent a vendor who responds to a request for information from being eligible to contract with DEO.

**E. BUSINESS CASE TO OUTSOURCE**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

1. It is the intent of the Legislature that each state agency focuses on its core mission and delivers services effectively and efficiently by leveraging resources and contracting with private sector vendors whenever vendors can more effectively and efficiently provide services and reduce the cost of government.

It is further the intent of the Legislature that business cases to outsource be evaluated for feasibility, cost-effectiveness, and efficiency before the agency proceed with any outsourcing of services.

The agency is required to complete a business case for any outsourcing project that has an expected cost in excess of \$10 million within a single fiscal year. The business case must be submitted pursuant to s. 216,023, F.S. The business case is required to be available as part of the solicitation but is not subject to challenge and shall include the following:

- a) A detailed description of the service or activity for which the outsourcing is proposed.
- b) A description and analysis of the agency's current performance based on existing performance metrics if the agency is currently performing the service or activity.
- c) The goals desired to be achieved through the proposed outsourcing and the rationale for such goals.
- d) A citation to the existing or proposed legal authority for outsourcing the service or activity.
- e) A description of available options for achieving the goals. If state employees are currently performing the service or activity, at least one option involving maintaining state provision of the service or activity shall be included.
- f) An analysis of the advantages and disadvantages of each option, including, at a minimum, potential performance improvements and risks.
- g) A description of the current market for the contractual services that are under consideration for outsourcing.
- h) A cost-benefit analysis documenting the direct and indirect specific baseline costs, savings, and qualitative and quantitative benefits involved in or resulting from the implementation of the recommended option or options. Such analysis must specify the schedule that, at a minimum, must be adhered to in order to achieve the estimated savings. All elements of cost must be clearly identified in the cost-benefit analysis, described in the business case, and supported by applicable records and reports. The state agency head shall attest that,

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

based on the data and information underlying the business case, to be best of his or her knowledge, all projected costs, savings, and benefits are valid and achievable. As used in this section, the term “costs” means the reasonable, relevant, and verifiable cost, which may include, but is not limited to, elements such as personnel, materials and supplies, services, equipment, capital depreciation, rent, maintenance and repairs, utilities, insurance, personnel travel, overhead, and interim and final payments. The appropriate elements shall depend on the nature of the specific initiative. As used in this paragraph, the term “savings” means the difference between the direct and indirect actual annual baseline costs compared to the projected annual cost for the contracted functions or responsibilities in any succeeding state fiscal year during the term of the contract.

- i) A description of differences among current state agency policies and processes and, as appropriate, a discussion of options for or a plan to standardize, consolidate, or revise current policies and processes, if any, to reduce the customization of any proposed solution that would otherwise be required.
  - j) A description of the specific performance standards that must, at a minimum, be met to ensure adequate performance.
  - k) The projected timeframe for key events from the beginning of the procurement process through the expiration of a contract.
  - l) A plan to ensure compliance with the public-records law.
  - m) A specific and feasible contingency plan addressing Contractor nonperformance and a description of the tasks involved in and costs required for its implementation.
  - n) A state agency’s transition plan for addressing changes in the number of agency personnel, affected business processes, employee transition issues, and communication with affected stakeholders, such as agency clients and the public. The transition plan must contain a reemployment and retraining assistance plan for employees who are not retained by the state agency or employed by the Contractor.
  - o) A plan for ensuring access by persons with disabilities in compliance with applicable state and federal law.
2. In addition to the contract requirements provided in s. 287.058, each contract for a proposed outsourcing, pursuant to this section, must include, but need not be limited to, the following contractual provisions:
- a) A scope-of-work provision that clearly specifies each service or deliverable to be provided, including a description of each deliverable or activity that is quantifiable, measureable, and verifiable. This provision must include a clause that states if a particular service or deliverable is inadvertently omitted or not clearly specified but

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

determined to be operationally necessary and verified to have been performed by the agency within the 12 months before the execution of the contract, such service or deliverable will be provided by the Contractor through the identified contract amendment process.

- b) A service-level-agreement provision describing all services to be provided under the terms of the agreement, the state agency's service requirements and performance objectives, specific responsibilities of the state agency and the Contractor, and the process for amending any portion of the service-level agreement. Each service-level agreement must contain an exclusivity clause that allows the state agency to retain the right to perform the service or activity, directly or with another Contractor, if service levels are not being achieved. A provision that identifies all associated costs, specific payment terms, and payment schedules, including provisions governing incentives and financial disincentives and criteria governing payment.
- c) A provision that identifies all associated costs, specific payment terms, and payment schedules, including provisions governing incentives and financial disincentives and criteria governing payment.
- d) A provision that identifies a clear and specific transition plan that will be implemented in order to complete all required activities needed to transfer the service or activity from the state agency to the Contractor and operate the service or activity successfully.
- e) A performance-standards provision that identifies all required performance standards, which must include, at a minimum:
  - 1. Detailed and measurable acceptance criteria for each deliverable and service to be provided to the state agency under the terms of the contract which document the required performance level.
  - 2. A method for monitoring and reporting progress in achieving specified performance standards and levels.
  - 3. The sanctions or disincentives that shall be imposed for nonperformance by the Contractor or state agency.
- f) A provision that requires the Contractor and its Subcontractors to maintain adequate accounting records that comply with all applicable federal and state laws and generally accepted accounting principles.
- g) A provision that authorizes the agency to have access to and to audit all records related to the contract and subcontracts, or any responsibilities or functions under the contract and subcontracts, for purposes of legislative oversight, and a requirement for audits by a service organization in accordance with professional auditing standards, if appropriate.



**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

- h) A provision that requires the Contractor to interview and consider for employment with the Contractor each displaced state employee who is interested in such employment.
- i) A contingency-plan provision that describes the mechanism for continuing the operation of the service or activity, including transferring the service or activity back to the state agency or successor Contractor if the Contractor fails to perform and comply with the performance standards and levels of the contract and the contract is terminated.
- j) A provision that requires the Contractor and its Subcontractors to comply with public records laws, specifically to:
  - 1. Keep and maintain the public records that ordinarily and necessarily would be required by the state agency in order to perform the service or activity.
  - 2. Provide the public with access to such public records on the same terms and conditions that the state agency would provide the records and at a cost that does not exceed that provided in chapter 119 or as otherwise provided by law.
  - 3. Ensure that records that are exempt or records that are confidential and exempt are not disclosed except as authorized by law.
  - 4. Meet all requirements for retaining records and transfer to the state agency, at no cost, all public records in possession of the Contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt. All records stored electronically must be provided to the state agency in a format that is compatible with the information technology systems of the state agency.
- k) A provision that provides that any copyrightable or patentable intellectual property produced as a result of work or services performed under the contract, or in any way connected with the contract, shall be the property of the state, with only such exceptions as are clearly expressed and reasonable valued in the contract.
- l) A provision that provides that, if the primary purpose of the contract is the creation of intellectual property, the state shall retain an unencumbered right to use such property.
- m) If applicable, a provision that allows the agency to purchase from the Contractor, at its depreciated value, assets used by the Contractor in the performance of the contract. If assets have not been depreciated, the agency shall retain the right to negotiate to purchase at an agreed-upon cost.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**F. SCOPE OF WORK DEVELOPMENT**

The Program Area should consider the following guidelines when developing the Statement/Scope of Work:

1. Confirm that funding is available for the project.
2. Allow sufficient time for research and development, processing and Department review and approval for all affected program offices.
3. Clearly state instructions to vendors for responsiveness.
4. Describe the commodities/services needed and ensure that the following questions are answered:
  - a. WHAT commodities or services are to be provided?
  - b. WHEN is it needed or WHEN is it planned to be utilized? WHEN will the commodities or services be provided?
  - c. WHERE will the commodities or services be delivered?
  - d. WHO will be responsible for WHAT? WHO is receiving the services? WHO is providing the services?
  - e. HOW is the supplier expected to perform?
    1. Clearly state the Performance Measures or Outcome Measures.
    2. Include a schedule of performance.
    3. State the types of service delivery records, and documents that the provider must maintain.
    4. State the type of service delivery reports, including their frequency and content that must be submitted to DEO.
    5. State the type of monitoring that will be performed, who will do the monitoring, and how often the monitoring will be completed.
- f. Licensing requirements must be specifically stated or referenced.
- g. The requirements of the users for whom the purchase is being made must be considered in the formulation of the characteristics, properties, features, etc., of the Scope of Work.
- h. In assembling technical data essential to the requirements of a specification, the Program Area should utilize all available and pertinent existing specifications and research findings of other governmental agencies, scientific and technical organizations.
- i. Regarding standardization of "quality", "size", "type", etc., of each commodity (or group of commodities) for which development of a Scope of Work is planned, the Program Area should consult with and

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

seek advice and/or recommendations from those responsible for procurement of the particular commodity.

- j. All instructions regarding bid samples should be specific and included in the Scope of Work in detail, if applicable.
5. The text of the Scope of Work shall be clear, in simple language, free of vague terms or those subject to variation in interpretation. The use of abbreviations shall be restricted to those in common usages and not subject to possible misunderstanding; wherever used, the meaning should be clear from the context and a genuine saving in space effected. Abbreviations may be used after the word has been spelled out the first time.
6. The necessity of a definition can be avoided in many cases, if requirements are properly stated. However, in those cases where proper interpretation of a specification may be dependent upon agreement as to definitions of terms which are to be accepted for a specification, such definitions of terms should be included. The location of definitions depends upon their use in the Scope of Work.
7. All dimensions, gauges, capacities, size designations, volumes, or temperatures shall be specified in accordance with established precedent and trade practice insofar as possible. Tolerances, minimum or maximum variations, shall be specified, where applicable.
8. Figures (illustrations, graphs, etc.) should be used wherever it is necessary to describe the item covered by the specification more clearly and accurately than can be stated in the text.
9. Tables should be used wherever such presentations will eliminate repetition or show relationships clearly.
10. Sections are to be listed in alpha and numerical sequence and all headings shall be sub-divided, as applicable by using paragraphs and subparagraphs numbered in the Dewey Decimal System, as follows:

Section A.0  
First paragraph A.1  
First sub-paragraph A.1.1

11. Essential requirements and descriptions applying to the commodity covered by the Scope of Work (or to one (1) or more types, grades, classes, etc., if the Scope of Work includes several) shall be stated in the Scope of Work. These requirements and descriptions shall refer, as applicable, to the character or quality of the principle and other materials, source materials, formula, design, construction, performance and product characteristics, chemical and physical requirements, dimensions, weight,

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

color, spare parts, product marking, etc., and workmanship. A logical source for information is manufacturers' representatives. Ask several manufacturers who produce the quality level you want to attain to have their representative call you and provide you with technical literature on the products you want to purchase. **However, if DEO hires a vendor to assist with the development of a Scope of Work, that vendor is then prohibited from responding to the solicitation.**

12. The Purchasing Office will:

- a. **Develop the Calendar of Events and Deadlines.** This is completed in a planning process backward from the date services are anticipated to begin to allow for the known and possibly unknown time restrictions. The Calendar of Events and Deadlines shall contain dates of all relevant deadlines to alert vendors of the significant milestones in the procurement process prior to the award of a contract and contract execution. Other considerations when developing the Calendar of Events and Deadlines are: developing the solicitation document, conducting the evaluation process, preliminary negotiations, negotiations, public meetings, posting time constraints, contract development and routing the contract for review and execution.
- b. **Upon receipt of the Scope of Work from the Program Area, the Purchasing Office will assign the solicitation number.** The solicitation will be assigned to the appropriate Purchasing staff member who will act as the administrative lead. The Purchasing Office will manage the administrative duties associated with all competitive solicitations as identified below:
  1. **Facilitate the Program Area with incorporating the scope of work into the solicitation boilerplate and uploading the document into SharePoint.** The Purchasing Office will review the Scope of Work for spelling, grammar, punctuation, ease of response, and to ensure compliance with Florida laws, rules and Department policy and procedure. The Purchasing Office will recommend revisions to the Scope of Work, if needed, and will work with the Program Area as required to facilitate the process. Once the Purchasing Office has finalized its preliminary review, the administrative lead will then notify the General Counsel's Office that the solicitation document is ready for their preliminary review. When the General Counsel's Office has finalized their review and approval in SharePoint the Program Area may then route the hard paper copy through the

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Procurement Routing Review process for approval to release the solicitation on the Vendor Bid System.

The Procurement Routing Review Form is available for download from DEO's Forms Directory (see Appendix A).

2. **Facilitate the Program Area with obtaining approval to release procurement.** Formal competitive solicitations and informal state term contract Request for Quotes, must undergo DEO's procurement review and approval process prior to being released to the public and/or to state term contract vendors as applicable. At a minimum, review and approval must be obtained from, the program area project manager, the program area project manager's supervisor, Purchasing, Grants, Budget, Information Technology (if applicable), Legal, and the applicable final approving authority as provided below:

- ITBs, RFPs, ITNs and RFQs that have an anticipated cost of Category Two but less than or equal to \$195,000 must be approved by the Division Director for the applicable Program Area.
- ITBs, RFPs, ITNs and RFQs that have an anticipated cost of greater than \$195,000 must be approved by the Chief Operating Officer.

3. **Track the solicitation from identification of need to contract execution and closeout.** Tracking will be executed via the Procurement and Contracts Tracking System Database (PACTS) by the Purchasing Office. The data tracked by the PACTS database includes, but is not limited to: procurement type, contract number, procurement number, Contractor name, contract amount, contract term, assigned Contract Manager, the history of the development of the solicitation, and resulting contract. Additionally this database allows the ability to run various ad hoc reports for management assistance and contract planning and reporting purposes, to ensure a sound Contract Administration process.

## **G. ISSUING THE SOLICITATION**

The Purchasing Office will facilitate all administrative functions such as advertising, issuing and receiving questions and requests for changes, pre-bid

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

conferences, necessary addenda, response opening, attending preliminary demonstrations and negotiations, posting of intent to award/Department decision and award notifications. Rule 60A-1.021, F.A.C. requires that all competitive solicitations shall be advertised by electronic posting for no less than 10 calendar days prior to the date for receipt of responses, unless DEO determines in writing that a shorter period of time is necessary to avoid harming the interests of the state.

Competitive solicitations subject to the Government Procurement Agreement (GPA) of the World Trade Organization (WTO) should be advertised for at least 40 days if the purchase threshold exceeds \$477,000 for commodities and contractual services. The Purchasing Office will ensure that these requirements are met. In the interest of creating the greatest competitive environment, a 30 day advertisement period will most often be required.

Occasionally, after a solicitation has been posted on the Vendor Bid System, it becomes necessary to make changes or modifications to the solicitation requirements. Changes/Modifications to solicitations where bids, proposals, or replies have not been received are accomplished through the development and posting of an addendum. The Purchasing Office facilitates this process as required. An example of the need to process an addendum is the need to delay the scheduled response opening date in order to allow sufficient time for responses.

#### **H. POSTING NOTIFICATIONS OF PUBLIC MEETINGS**

There are two separate statutory references providing the requirements for posting notifications of public meetings. The first is specific to purchasing solicitations:

Section 287.042(3)(b)2., F.S., states, in part, that: “The Department shall designate a centralized website on the Internet for the Department and other agencies to electronically post solicitations, decisions or intended decisions, and other matters relating to procurement.”

This “centralized website on the internet” has been identified as the Florida Vendor Bid System (VBS).

The second is statutory reference is more general and may apply to all public meeting by any agency:

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Section 120.525(1), F. S., states that: “Except in the case of emergency meetings, each agency shall give notice of public meetings, hearings, and workshops by publication in the Florida Administrative Weekly and on the agency’s website not less than 7 days before the event. The notice shall include a statement of the general subject matter to be considered.”

In order to harmonize these two statutory provisions, when advertising a new solicitation which requires a public meeting as defined in Section 286.011, FS., the Agency will post the initial advertisement in the Florida Administrative Weekly (FAW) notifying interested parties a solicitation was posted; the date, time and location of any public meeting(s); and that any subsequent changes would be notified on the VBS.

The FAW is published every Friday with the exception of a publication date that falls on a holiday. In such case, it will be publish on the following Monday. **The FAW advertisement deadline is Wednesday (noon) the week prior to the publication. Program Areas should allow a minimum of 10 or more days for scheduling purposes.**

Additionally, public meetings will be posted on the VBS in the Calendar of Events section within the solicitation document. Updates or changes will also be posted on the VBS and an addendum to the solicitation.

**I. PRE-RESPONSE CONFERENCE**

The purpose of the Pre-Response Conference is to review the solicitation and answer any questions with interested vendors. A Pre-Response Conference may be held at the discretion of the Program Area in consultation with the Purchasing Manager. If held, the time and place of the conference must be included in the Calendar of Events and published in the solicitation.

The Pre-Response Conference is a public meeting and should be conducted in accordance with section 286.011, F.S. and noticed on the Vendor Bid System along with the meeting agenda. As directed in subsection 287.057(2), F.S., vendors shall be accorded fair and equal treatment. The Purchasing Office shall ensure that all names, titles, and groups or firms attending the conference are recorded.

An agenda of items to be discussed, such as clarification of the scope of work provisions, billing and payment procedures, reporting requirements, and allowable costs determinations should be developed and distributed at the

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Pre-Response Conference. The Purchasing Office should present the items listed in the agenda.

After the initial presentation, the floor should be opened for questions. The Purchasing Office should ensure that either notes are taken or the conference is recorded so that the events of the conference are documented.

Vendor attendance at a Pre-Response Conference is not mandatory unless required in the solicitation document. A bid may be submitted and accepted from an individual or firm that has not attended the conference, providing attendance at the conference is not mandated in the solicitation.

The Purchasing Office will involve the Office of the General Counsel in the Pre-Response Conference, as necessary, along with appropriate Program Area and technical representation.

**J. TECHNICAL QUESTIONS AND ANSWERS**

Questions related to any formal competitive solicitation must be received in writing by the contact person listed in the solicitation document. The contact person listed is the applicable Purchasing Office administrative lead that is facilitating the solicitation. Verbal responses to verbal questions received from the public regarding competitive solicitations that have not been awarded are strictly prohibited unless they are recorded in a public meeting facilitated by DEO's Purchasing Office. All verbal questions must be submitted to DEO in writing by the time and date listed in the solicitation. All questions regarding solicitations that have not been awarded must be directed to DEO's Purchasing Manager or appropriate Purchasing Office administrative lead. Written questions may be sent via US mail, courier, e-mail, fax, or hand-delivered to the applicable Purchasing staff member. Written answers to written questions received by the time and date listed in the solicitation will be posted on the Vendor Bid System web site (see Appendix A).

**K. RECEIPT/OPENING OF RESPONSES**

The integrity of the solicitation process must be maintained at all times. In order to provide proper documentation of the timeliness of receiving responses, all documents must be date and time stamped immediately upon receipt by the Purchasing Office. The date responses are date-time stamped in the Purchasing Office is the official date and time received by DEO. If the package is of such size or construction to prohibit the use of the time stamping machine on the package, the person accepting the bid, proposal, or reply must



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

date and time stamp a blank piece of paper and tape or staple it to the response package.

Beginning on the date and time the responses are received, the Purchasing Office will perform an initial responsiveness and responsibility determination of each response, and communicate with the Office of General Counsel as may be needed to determine minor or major irregularities, and determine responsiveness.

Should a formal response to a solicitation be opened by mistake, the envelope must be immediately resealed by the person opening the response and the following statement must be placed on outside of the envelope: "Response opened by mistake – Contents not revealed." This statement must be legibly signed, dated and include the name and telephone number of the person who mistakenly opened the response for any required verification.

**L. EVALUATION OF PROPOSALS OR REPLIES**

The Purchasing Office will coordinate evaluations and evaluation training sessions. If the solicitation document utilized was a RFP or an ITN, the Purchasing Office will prepare evaluation workbooks or electronic folders for the evaluation team, facilitate the approval of the evaluation and negotiation team members, schedule and facilitate evaluation and negotiation training for the appointed team members.

**M. RECEIPT OF LESS THAN TWO RESPONSIVE BIDS, PROPOSALS, OR REPLIES**

Section 287.057(5), F.S. provides that if less than two responsive bids, proposals or replies for commodity or contractual services purchases are received, DEO may negotiate the best terms and conditions. The program area shall provide the Purchasing Office justification to document the reason(s) that such action is in the best interest of the state in lieu of resoliciting competitive sealed bids, proposals, or replies. The Purchasing Office is required to report all such actions to the Department of Management Services on a quarterly basis, in a manner and form prescribed by DMS.

**N. TIE BIDS**

Section 287.057(11), F.S. provides that if two equal responses to a solicitation or Request for Quotes are received and one response is from a certified minority business enterprise, DEO shall enter into a contract with the certified minority business enterprise.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Rule 60A-1.011, F.A.C. provides that whenever identical bids are received, preference shall be given to the bid certifying a drug-free workplace has been implemented in accordance with Section 287.087, F.S.

Section 295.187 - Florida Service-Disabled Veteran Business Enterprise Opportunity Act: (4) Vendor Preference (b): Notwithstanding s.287.57(11), if a service-disabled veteran business enterprise entitled to the vendor preference under this section and one or more businesses entitled to this preference or another vendor preference by law submit bids, proposals, or replies for procurement of commodities or contractual services that are equal with respect to all relevant considerations, including price, quality, and service, then DEO shall award the procurement or contract to the business having the smallest net worth.

**O. RECEIPT OF NOTICE OF INTENT TO PROTEST**

Chapter 120, F.S. describes the procedures, including time frames, for Department action when a notice of intent to protest is received from a potentially adversely affected bidder, proposer, or offeror. Protest proceedings are described in Section 120.57(3), F.S.

Any person who files an action protesting a decision or intended decision pertaining to contracts administered by DEO pursuant to s. 120.57(3)(b) shall post with the Department at the time of filing the formal written protest a bond payable to DEO in an amount equal to 1 percent of the estimated contract amount, see s. 287.042(2)(c). The estimated contract amount shall be based upon the contract price submitted by the protestor. If no contract price was submitted, DEO shall estimate the contract amount based on factors including, but not limited to, the price of previous or existing contracts for similar commodities or contractual services, the amount appropriated by the legislature for the contract, or the fair market value of similar commodities or contractual services. The estimated contract amount is not subject to protest pursuant to s. 120.57(3). In lieu of a bond, DEO may, in either case, accept a cashier's check, official bank check, or money order in the amount of the bond.

**Upon receipt of a formal written protest that has been timely filed, the agency shall stop the solicitation or contract award process until the subject of the protest is resolved by final agency action, unless the agency head sets forth in writing particular facts and circumstances which require the continuance of the solicitation or contract award process without delay in**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

order to avoid an immediate and serious danger to the public health, safety, or welfare. Any protest received must be immediately delivered to the Office of the General Counsel.

Additionally, upon receipt of a formal written protest, the receiving party must stamp the date and time received on the face of the notice and no communication, verbal or written, is to be made with the protesting vendor or his or her attorney by Department Staff. All inquiries or attempts to discuss the matter are to be referred to the Office of General Counsel. Purchasing Office staff under the direction of legal staff handling a protest can communicate with vendors during the protest to provide acknowledgement or receipt of records requests, responses to public records requests, letters of notices of contract value for posting protest bonds and other similar communications.

**P. DMS PROTEST TIMELINES FOR THE STATE OF FLORIDA**

1. A written notice of protest must be filed within 72 hours of receipt of bid documents or posting of tabulations. The rule requires filing with DEO and does not provide any additional time for mailing.
2. DEO shall provide the estimated contract amount to the vendor within 72 hours, excluding Saturdays, Sundays, and state holidays, after the filing of the service of the notice of protest by the vendor.
3. A formal written protest and protest bond must be filed within 10 days of filing the notice of protest. The formal written protest must state with particularity the facts and law on which it is based.
4. DEO must offer to hold a settlement conference within 7 days of filing of a formal written protest. If no settlement occurs DEO either conducts an informal hearing or transfers the protest to the Division of Administration Hearings (DOAH) for formal proceedings.
5. After transfer to DOAH, the hearing must begin within 30 days.
6. The administrative law judge's recommended order must be filed within 30 days of the hearing or receipt of the hearing transcript or videotape, whichever is later.
7. Parties are allowed 10 days to submit written exceptions to the recommended order and an additional 10 days to respond to exceptions.
8. DEO must enter a final order with 30 days of the recommended order. An appeal to the district court of appeal may follow.

Once DEO receives the formal written protest stating the grounds with particularity, the procurement must stop until the dispute is resolved by final Department action. Thus, except in certain emergency situations, the

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

contract may not be awarded until after final Department action on the protest thereby preserving the availability of specific performance to a successful protester. Once DEO enters a final order, the automatic stay expires. Even if the final order is appealed to a district court of appeal, DEO may proceed with the award or to re-let the contract. However, the appellant may motion the appellate court for a stay.

**Q. AWARD**

**Invitations to Bid** shall be awarded to the responsive and responsible vendor who submits the lowest responsive bid.

**Requests for Proposals**, the contract shall be awarded by written notice to the responsible and responsive vendor whose proposal is determined in writing to be the most advantageous to the state, taking into consideration the price and other criteria set forth in the request for proposals. The contract file shall contain documentation supporting the basis on which the award is made.

**Invitations to Negotiate**, DEO shall award the contract to the responsible and responsive vendor that DEO determines will provide the best value to the state, based on the selection criteria. Additionally, the contract file for a vendor selected through an invitation to negotiate must contain a short plain statement that explains the basis for the selection of the vendor and that sets forth the vendor's deliverables and price, pursuant to the contract, along with an explanation of how these deliverables and price provide the best value to the state. Prior to posting an ITN intent to award to the Vendor Bid System, the Negotiation Team recommendation of award must be approved by the Agency Head or his/her designee.

Upon completion of the posting of the Intent to Award (three business days), and assuming no protests are received, the Purchasing Office will notify the Program Area, and the Program Area may begin development of a written two-party agreement (core contract).

**VII. RECEIPT AND INSPECTION OF GOODS**

**A. RECEIVING COMMODITIES**

MFMP generates receipts for order that contain goods. Once the receiving process begins, if you receive a partial shipments, the receipt reflects a 'Receiving' status and MFMP places another receipt in 'Composing' status.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Order will remain in 'Receiving' status until the order is fully received, over received, or manually closed for receiving.

**B. APPROVING SERVICES**

MFMP identifies services based on the selected commodity codes. Commodity codes beginning with '9' indicate services. MFMP routes invoices for services to the requester for approval to confirm receipt of services. Invoice should be approved timely to ensure prompt payment.

Services require the appropriate customer to approve the IR prior to the IR routing to the Finance and Accounting office. MFMP identifies the appropriate customer as the 'On Behalf Of' field.

The Florida Chief Financial Officer allows only five (5) working days from receipt of commodities or services for inspection and acceptance. Orders should be inspected immediately upon receipt, compared to the description and quantity on the purchase order, and checked for damage, before completing the Receiving Report or approving the invoice.

**C. SHIPMENTS DELIVERY**

Before signing the carrier's delivery receipt, make sure the delivery address is correct, the number of cartons, etc., on the receipt is correct, and cartons do not show damage. If the shipment is short or appears damaged, note so on the delivery receipt, sign it, and ask the deliverer to sign. Keep a copy of the delivery receipt.

**D. SHIPMENTS INSPECTION**

After delivery has been made, open the shipment, compare the items to your file copy of the Purchase Order, and check for damages.

When an order is not satisfactory, the Purchasing Office should be immediately informed by memorandum or via e-mail. Staff should be specific and precise when describing their dissatisfaction with the vendor's performance. The Purchasing Office will make every attempt to remedy poor vendor performance utilizing DMS' Complaint to Vendor process.

**E. DAMAGED SHIPMENTS**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

The procedures listed below should be followed when damaged shipments are received. If damage is severe, the receiving office has the option of refusing shipment; however, the Program Area must notify the Vendor if a refusal is made and then contact the Purchasing Office if further assistance is needed. It is recommended that each office have at least one person primarily responsible for receiving orders and that the individual(s) become familiar with the following procedures:

1. Record any evidence of visible or concealed damage on the MFMP receiving report. Concealed damage can be noted as an unusual rattle within a carton or physical damage to the outside of the carton which might indicate concealed damage.
2. Open the carton(s) and inspect the order immediately after it is delivered even though it may be stored for a period of time before it is used. Damage not noticed until after an item has been stored for some time may have to be repaired or replaced at the expense of DEO.
3. Report damages (visible or concealed) to the Purchasing Office in writing, by telephone, fax or e-mail immediately. The Purchase Order number, carrier name, copy of the carrier's delivery receipt, and a description of the extent of damage should be included in this notification. **NOTE:** Delays in reporting damages may result in the carrier's refusal to take action.
4. Retain the item and its shipping container, including inner packing materials, until an inspection has been performed.

**F. INCORRECT ITEMS OR UNACCEPTABLE DELIVERY**

If the incorrect item(s) are received, one of the following steps should be taken:

- If the item(s) received are different from that which was ordered but is both similar and acceptable, the Requestor should make a note of the discrepancy on the electronic MFMP Receiving Report and submit it for payment.
- If the item(s) received are different from that which was ordered and is unacceptable, the Requestor should immediately call the vendor. The item should not be used and the Receiving Report should be submitted by rejecting the items.

The Purchasing Office will guide the Requestor through the appropriate corrective action.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Payment must be made for receipt of partial orders in the same timely manner as when complete orders are received. Therefore, when a partial order is received, the following steps should be taken:

- Inspect the items as described above and proceed accordingly.
- Print a copy of the original Receiving Report for your file.
- MFMP will perform an automatic three-way match. Any discrepancies are noted and the invoice is routed to an exception handler.

**VIII. EQUITY IN CONTRACTING**

**A. MINORITY-, WOMEN-, AND VETERAN-OWNED BUSINESS ENTERPRISE**

**DEO shall annually develop and implement a Small Business Participation Plan outlining its prospective related activities for such businesses for the upcoming year. The plan shall provide the following:**

1. DEO's proposed establishment of a small business enterprise contracting program and/or other programs aimed at promoting the participation of small businesses, including those owned by minority-, women-, and veteran-owned.
2. DEO's proposed outreach activities targeted towards small businesses, including minority-, women-, and veteran-owned firms, to inform such firms of the availability of particular public contracting opportunities and to encourage such firms to seek work on public projects through the normal procurement process as applied to all businesses.
3. The programs DEO plans to conduct to educate business owners in the various processes used by DEO and the steps DEO plans to take in an attempt to ensure that these programs reach small businesses, including those owned by minority-, women-, and veteran-owned.
4. A summary addressing DEO's current contracting with small businesses, including a breakdown of related contracting with minority-, women-, and veteran-owned businesses.
5. A detailed summary of prospective spending allocations, per object code, for the current fiscal year.

**B. AUTHORITY**

1. Executive Order #99-281
2. Florida Statutes, Chapter 287
3. Florida Administrative Code, Chapter 60A

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**C. MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE PARTICIPATION**

1. DEO is committed to supporting the One Florida Initiative in the procurement of goods and services. Toward this aim, DEO's Minority Business Enterprise Coordinator provides assistance to purchasing and contracting offices in guiding them towards increasing diversity. DEO has established a corporate culture that embraces the One Florida concept.
2. The long-term focus of DEO is to encourage business with all minorities and women owned businesses whether they are certified, non-certified or minority non-profit organizations.

**D. TECHNIQUES**

**The following techniques can be used to increase DEO's participation with small and minority businesses:**

1. When possible, advertise in appropriate minority publications.
2. Develop additional vendors through contacting local concerns such as:
  - (a) Regional offices of minority purchasing councils (Miami, Tampa, and Orlando).
  - (b) Certified Minority-, Women-, and Veteran-owned businesses already identified. Request their assistance in obtaining additional minority vendors.
3. Establish contacts with Certified Minority-, Women-, and Veteran-Owned Business Enterprises by:
  - (a) Soliciting the aid of organizations, such as the Minority Business Development Centers, Florida Small Business Development Centers, Small Business Administration, National Minority Supplier Development Council of Florida, and the Urban League.
  - (b) Attending, sponsoring, or co-sponsoring local or regional small, minority-, women-, and veteran-owned business purchasing conferences and trade fairs.
  - (c) Developing programs in conjunction with small business development centers, to recruit small, minority and women-owned businesses.
  - (d) Encouraging minority-, women-, and veteran-owned business participation in all solicitations.
  - (e) Include language in solicitation and contract documents to request a plan of how the Contractor intends to address the use of minority-,



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

women-, and veteran-owned vendors within their subcontracting opportunities;

- (f) At pre-solicitation conferences inform vendors of the One Florida Initiative and encourage them to become certified or subcontract with a certified vendors;
  - (g) When obtaining informal bids/quotes, obtain one quote from a certified minority business enterprise.
4. Providing interested minority-, women-, and veteran-owned businesses with adequate information about the plans, specifications, and requirements of contracts for the availability of jobs.
  5. Effectively utilizing the services and resources of available minority community organizations, minority Contractors' groups, local, state, or federal minority business assistance offices, and other organizations that provide assistance in the recruitment and placement of minority-, women-, and veteran-owned businesses.

**E. DIRECT ASSISTANCE**

Educational efforts to teach minority-, women-, and veteran-owned businesses how to do business with DEO are encouraged. Methods to make it easier for these vendors to do business with DEO and to demonstrate good faith effort may include:

1. Providing assistance to potential vendors on how to prepare bids.
2. Conducting seminars to explain general and specific conditions and other requirements of the solicitation document to prospective minority-, women-, and veteran-owned businesses.
3. Requesting time at local or state meetings to discuss these issues.
4. Requesting assistance from the Department of Management Services, Office of Supplier Diversity, in organizing, planning, and participating in seminars.
5. Attending Matchmaker and vendor trade fair events.
6. Assisting vendors in the registration and certification process.

**F. ANALYSIS**

Copies of monthly expenditure reports will be provided to the Executive Director, Assistant Director, and all executive staff members, as requested.

**G. PROCEDURES AND ASSIGNED RESPONSIBILITY**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

All individuals involved in the purchase of goods and services, i.e., Contract Managers, P-Card holders, Requesters, and other delegated purchasing authorities should work through the Purchasing Office or DEO's Minority Business Enterprise Coordinator to identify minority businesses for the requested goods and services.

1. The following procurement procedures will be adhered to:
  - (a) The purchasing staff and Requisitioners are encouraged to provide adequate time for all businesses, minority and non-minority alike, to respond with quotes.
  - (b) It is the responsibility of all purchasing authorities (Contract Managers, P-Card holders, Purchasing Staff, Requisitioners, etc.) to aggressively seek, identify, and assist Minority-, Women-, and Veteran-owned businesses.

**IX. FRAUD PROCEDURES**

DEO requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. Fraud is an ever-present threat to these resources and must be a concern to all Department staff. The purpose of this section is to set out Department staff responsibilities with regard to the prevention and detection of fraud.

**A. WHAT IS FRAUD?**

The term "fraud" is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

**B. RESPONSIBILITIES**

1. With regard to purchasing functions, the Purchasing Office is responsible for:
  - a) developing and maintaining effective controls to prevent fraud; and
  - b) escalating reports of possible fraud to the Inspector General's Office.
2. The Inspector General's Office is responsible for:
  - a) carrying out vigorous and prompt investigations of fraud reports;

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- b) taking appropriate legal and/or disciplinary action against perpetrators of fraud; and
  - c) taking disciplinary action against supervisors where supervisory failures have contributed to the commission of the fraud.
3. The Program Area Supervisors' are responsible for:
- a) identifying the risks to which systems and procedures are exposed;
  - b) developing and maintaining effective controls to prevent and detect fraud;
  - c) ensuring that controls are being complied with; and
  - d) escalating reports of fraud to the Purchasing Manager and Inspector General's Office.
4. The Program Area Contract Managers' and Requestors' are responsible for:
- a) acting with propriety in the use of official resources and in the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with Contractors; and
  - b) reporting details immediately to their supervisor or Division Director if they suspect that a fraud has been committed or see any suspicious acts or events.

DEO will not tolerate internal fraud in its procurement, contract administration or contract management functions. In an effort to reduce fraudulent activity and fraudulent behavior, DEO's Purchasing Office, Inspector General's Office and the State Auditor General's Office routinely perform audits of the internal control functions of procurement, contract administration and contract management.

The goals of auditing internal control systems include such items as identifying the controls that exist, whether those controls operate properly and what controls are periodically overridden. Conducting these audits and testing the current processes helps to identify needed improvements in DEO's internal controls.

Additionally, communication and training significantly contribute to reducing fraud within DEO. All Department staff that are tasked with procurement, contract administration, contract management, and accounts payable duties are educated by DEO's General Counsel's Office and Purchasing Office as to what constitutes a violation of the State and DEO's Code of Ethics. The actions listed below are established mechanisms for educating Department staff and vendors on reporting suspicious activity:

- Attend DEO Code of Ethics Training Program;

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- Development of materials to post on DEO's Intranet and Internet.
- Communication with Vendors during Vendor/Department Business Development Meetings.
- As applicable, obtaining completed, signed and dated conflict of interest forms from Department staff, evaluation and negotiation team members, and vendors.
- Development, maintenance and regular internal auditing of master contract listings, contract and procurement files and verification of appropriate documentation and references on electronic purchase orders.

DEO's Code of Ethics Policy 1.05 articulates the core values of DEO. This policy identifies the acceptable behavior of Department staff and also identifies unacceptable behavior.

**X. SPECIFIC PROCUREMENTS**

**A. CONSTRUCTION PROCUREMENTS – CHAPTER 255, F.S.**

The following procedures shall be followed in advertising for bids for construction contracts in determining the eligibility of potential bidders, proposer's, or respondents to submit responses for construction bids or proposals or offer requests, in awarding construction contracts, for waiver of non-material bid deviations, for rejection of bids, for disqualification of Contractors, in requesting authority to negotiate contracts, and in negotiating contracts.

The established contract levels for construction bidding are listed below:

**Level One:** Contracts not exceeding \$10,000;

**Level Two:** Contracts having a value greater than \$10,000 but not exceeding \$25,000;

**Level Three:** Contracts having a value greater than \$25,000 but not exceeding \$200,000;

**Level Four:** Contracts having a value exceeding \$200,000 but not exceeding \$500,000;

**Level Five:** Contracts having a value exceeding \$500,000.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**1. Bid Bond**

On projects where the bid exceeds \$100,000 the bidder must provide with the bid, a good faith deposit in the amount of 5% of the bid by way of a bid bond from a surety insurer authorized to do business in this State, or a certified check accompany the bid, such requirement may be satisfied by the bidder depositing in lieu of such certified check, a cashier's check, treasurer's check or bank draft of any national or state bank.

**2. Performance and Payment Bonds**

On projects where the bid exceeds \$100,000, unless such requirement has been waived in accordance with Rule 60D-5.0041, F.A.C., the bidder must provide with the bid or within ten (10) days after the effective date of the contract or purchase order. Such bond shall be maintained throughout the term of the contract, issued by a reliable surety that is licensed to do business in the State of Florida, and must include the following conditions:

- (a) Beneficiary – DEO/State of Florida shall be named as the beneficiary of the bond. Contractor's bond shall provide that the insurer or bonding company shall pay losses suffered by DEO directly to the State.
- (b) Notice of Attempted Change – DEO shall receive thirty (30) days prior written notice of any attempt to cancel or to make any other material change in the status, coverage or scope of the required bond or of Contractor's failure to pay bond premiums.
- (c) Premiums – State shall not be responsible for any premiums or assessments of the bond.
- (d) Purpose of Bond – The performance and payment bond is to protect DEO against any loss sustained through failure of Contractor or any of its employees to faithfully perform the services required by the Contract. No payments shall be made to Contractor until the performance bond is in place.

For contract amounts not exceeding \$500,000, the provisions of section 287.0935, F.S. shall govern.

**3. Advertising, Negotiation and Opening of Construction Bids**

Pursuant to Rule 60D-5.0073, F.A.C., DMS determined that it is in the best interest of the State to waive the requirements of advertising required under Rule 60D-5.003, F.A.C., and bidding required under Rule 60D-5.007, F.A.C. DMS permits negotiation of contracts within Levels One, Two and Three. Contracts within Level One may be negotiated with the firm whose proposal, in DEO's judgment; best meets the needs of DEO. DEO shall

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

request at least three firms to submit sealed written proposals based on a written specification. The written proposals shall all be opened publicly at the same date, time and place named by DEO. A tabulation of the negotiation results shall be furnished to each firm if requested. Competitive sealed bids are required for contracts within Level Four, which shall be publicly advertised in the Florida Administrative Weekly once, at least 21 calendar days prior to the established bid opening, based on approved plans and specifications. Except as otherwise authorized by law or rule, competitive sealed bids are required for contracts within Level Five, which shall be publicly advertised in the Florida Administrative Weekly at least 30 days prior to the established bid opening and at least once in a newspaper of general circulation in the county where the project is located at least 30 days prior to the established bid opening at least 5 days prior to any scheduled pre-bid conference. The announcement may also be published on the Vendor Bid System.

If amending a construction contract and if the price will increase to equal to or greater than \$100,000, then obtain a bid bond, performance bond, and payment bond from the Contractor upon receipt of the fully executed amendment, and add the appropriate bid bond language via the amendment.

**4. Building Plans Exemption – Public Records Law Subsection 119.071(3)(b)**

Building plans, blueprints, schematic drawings, and diagrams, including draft, preliminary, and final formats, which depict the internal layout and structural elements of a building, arena, stadium, water treatment facility, or other structure owned or operated by DEO are exempt from section 119.07(1) and s. 24(a), Art. I of the State Constitution.

This exemption applies to building plans, blueprints, schematic drawings, and diagrams, including draft, preliminary, and final formats, which depict the internal layout and structural elements of a building, arena, stadium, water treatment facility, or other structure owned or operated by an Department before, on, or after the effective date of this act.

Information made exempt by this paragraph may be disclosed:

- a) To another governmental entity if disclosure is necessary for the receiving entity to perform its duties and responsibilities;

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- b) To a licensed architect, engineer, or Contractor who is performing work on or related to the building, arena, stadium, water treatment facility, or other structure owned or operated by an Department; or
- c) Upon a showing of good cause before a court of competent jurisdiction.

The entities or persons receiving such information shall maintain the exempt status of the information.

**B. ROUTINE PURCHASES**

**1. Office Supplies**

Each Program Area will coordinate and control the purchase of office supplies for their respective areas.

Office supplies that are available from state term contract, PRIDE, or RESPECT must be purchased from those respective sources.

The Program Area Requester must check the electronic state term contract system to verify if the item is available on state contract. The Purchasing Office is available to assist in finding this information.

Blanket Purchase Orders may be issued based on approved purchase requisitions initiated by the Program Area Requester.

The blanket Purchase Orders for office supplies will be controlled by the Program Area Requester and appointed backup contact person listed on the Purchase Order. This identified person is responsible for tracking the open balance left against the blanket Purchase Order to avoid becoming overdrawn.

Miscellaneous office supplies not available from state term contracts, PRIDE, or RESPECT should be purchased by obtaining two quotations unless the total purchase is \$2,500.00 or less. One of the quotes must be from a certified minority business enterprise when available.

The Purchasing Office recommends that all office supplies and other purchases \$2,500 or less be purchased utilizing the Purchasing Card, subject to applicable purchasing card limits.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**2. Prepayment and Advance Payments**

Most purchases entail payment only after the receipt of commodities or the performance of services. However, there may be instances where payment must be furnished to the vendor in advance.

a) Advance payment may be made for **maintenance agreements, software licenses, and subscriptions** that meet one of the following criteria:

- Advance payment will result in a savings to the State that is equal to or greater than the amount the State would earn by investing the funds and paying in arrears.
- The goods or services are essential to the operation of the state agency and are available only if advance payment is made.

Prior approval by the DFS Bureau of Auditing is not required for advance payments that are equal to or less than the threshold of Category Two as defined in Section 287.017, F.S., and meets one of the above criteria.

Prior approval by the DFS Bureau of Auditing is required for advance payments that exceed the threshold of Category Two

b) Advance payment may also be made for **other goods and services** if approved in advance, such as membership dues, registrations and sponsorships. If the advance payment for other goods and services is equal to or greater than \$1,800, prior approval from the Chief Financial Officer in accordance with DFS Agency Addressed Memorandum (No. 2, 1998-99) is required.

**3. Legal Services**

Legal services should be sought first through the General Counsel's Office. If it is determined by the General Counsel's Office that outside legal service is required due to excessive workload or a need for specialized legal expertise, prior approval must be obtained from the Attorney General's Office. Past and present work experience, legal work reputation, and availability must be considered as a selection criteria in evaluating proposed private counsel. For further information and additional requirements, consult section 287.059, F.S., and the Office of the General Counsel.



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**4. Memberships**

Memberships may be purchased only for organizational entities, not for individuals, unless the organization accepts only individual memberships. Memberships must serve a statutory purpose. All requests for the payment of membership dues must also include a statement that the records of the organization, as they pertain to the public agency from which or on whose behalf the payments are made shall be public records pursuant to section 119.01(3), F.S. Prepayment of membership is often required and, if so, must be so noted on the requisition. Membership dues are exempt from bid/single source approval requirements regardless of dollar amount. Memberships can either be paid by P-Card or processed through issuance by a MFMP Purchase Order.

**5. Moving Expenses**

DEO may pay moving expenses for an employee, provided the move is in the best interest of the state, and must be coordinated through DEO's Human Resource Officer and approved by the agency head or his/her designee prior to the move. The state will not pay for storage, unpacking, insurance beyond the liability of the carrier, or cleaning of any residence. A copy of the delegation may be obtained from the Office of the General Counsel.

The Request for Authority to Pay Moving Expenses form is available for download from DEO's Forms Directory (see Appendix A).

**6. Printing**

Printing is the method used when quality or material requirements of a job cannot be achieved on a copier. Requisitions for printing that do not require bidding or those less than Category Two should be submitted at least 45 days before the items are required. Requisitions for printing that require bidding or those Category Two and over should be submitted at least 90 days before the items are required.

Specifications must be included on all requisitions for printing. Specifications must include such things as type, weight and color of paper, colors and numbers of inks, size and number of pages, folds, and type of binding and special features. A sample of any artwork must be attached to

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

the requisition. If ordering reprints of previous printing jobs, please note the prior Purchase Order number on the requisition.

Printing will be conducted in accordance with Chapter 283, F.S. The vendor submitting a bid for a contract for printing is required to certify in writing the percentage of recycled content of the material used for such printing or the vendor may also certify that the material contains no recycled contract.

When awarding a contract to have materials printed, the Department shall grant a preference to the lowest responsible and responsive vendor having a principal place of business within this state. The preference shall be 5 percent if the lowest bid is submitted by a vendor whose principal place of business is located outside the state and if the printing can be performed in this state at a level of quality comparable to that obtainable from the vendor submitting the lowest bid located outside the state.

**7. Copying Equipment**

All copying equipment will be acquired by the issuance of a Purchase Order.

a) **Copier Acquisition**

These acquisitions can be categorized as either a new installation or a replacement of an existing copier. All copiers, whether a new installation or an upgrade, will be acquired from state term contract unless specific justification is provided when identified unique capabilities are not included in the equipment on state contract. The following procedures will be used for acquiring copiers:

b) **New Installation**

It is often difficult to determine exactly what copying capabilities are needed for a new installation or what the actual copying volume will be. Requestors should contact the Purchasing Office to obtain assistance with new copier installation.

c) **Changing Existing Copying Equipment**

When copying equipment is needed to replace an existing machine, the Purchasing Office will contact the vendor and request an analysis from

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

the vendor to identify the specific replacement need and to obtain a quote.

Additionally, when a leased copier that is not Department owned is replaced, the program area should send a letter to the servicing dealer requesting that the vendor remove the "old" copier. Included in the letter should be the model and serial number of the copier along with the appropriate address where the copier should be picked up.

**8. Copier Supplies**

Frequently, service personnel will offer to sell supplies during a service call. As with all other commodities, these supplies may be acquired with the issuance of a Purchase Requisition, or if the purchase amount is \$2,500 or less, then the supplies may be purchased with the Purchasing Card.

For leased copiers, supplies are generally included with the lease with the exception of paper. Supplies should be ordered as needed for anything that is not included in a lease or maintenance agreement.

For Department owned copiers, supplies are generally included in the quarterly maintenance agreements.

**9. Copier Usage**

Since a change in use of equipment can have a significant impact on its cost effectiveness, the following should be considered:

- a) A review to compare the present use of the equipment (volume, duplexing, etc.) with the use which was anticipated when the equipment was first obtained; in other words, an attempt to determine if and how the use of the equipment has changed.
- b) Promoting duplexing (two-sided copying) on all equipment with that capability.

**10. Pricing Plans for Copier Equipment**

The Program Area should perform a purchase vs. lease cost/price analysis prior to processing a requisition or P-Card transaction for copier equipment and/or service. Copiers can be acquired through a number of different types of pricing plans. The following descriptions of the general

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

types of pricing plans include the chief benefit and drawback of each; this listing is not intended to be comprehensive, but can serve as a general guideline for determining which pricing plan is the most appropriate:

**Extended Lease**

Commits the user to keep the equipment for a period of two or three years.

**BENEFIT:** Good pricing plan.

**DRAWBACK:** Less flexibility because of the extended commitment; there are substantial penalty charges for early cancellation.

**Outright Purchase**

- This option may be a less expensive method of acquiring copiers depending on individual program area needs.
- Must have anticipated use of three years or more.
- Must have OCO Budget approval.

**BENEFIT:** Least expensive over time.

**DRAWBACK:** Highest initial outlay, least flexible as requirements and/or technology change.

**11. Equipment Leases**

Where prudent and cost effective, equipment may be leased rather than purchased outright. It is the responsibility of the Requestor to evaluate and maintain documentation to support that a lease is economically prudent and cost effective. Prior approval from the Florida Department of Financial Services will be required for equipment leases (including copiers) that have an annual cost anticipated exceeding Category Two. In order to obtain prior approval, the requestor must complete the DFS Checklist for Requesting Department of Financial Services Approval to Lease Equipment," and submit it along with the requisition. This form is available through the Purchasing Office. Special needs for leasing equipment on a short-term basis are exempt from the requirements to obtain prior approval from the DFS Chief Financial Officer.

**12. Consolidated Equipment Financing Program**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Under the provisions of section 287.064(1), F.S., the Chief Financial Officer entered into an agreement under which all state agencies may finance the purchase of equipment when deferred payments are necessary. The program established is the Consolidated Equipment Financing Program (CEFP). Interest rates offered through CEFP have been less than commercial installment purchase rates. Therefore, installment purchases shall be made through the CEFP rather than commercial financing unless specifically exempted by the Chief Financial Officer.

Financing arrangements are generally available for a variety of terms and require quarterly payments of principal and interest. Since the actual title or ownership of the item being purchased transfers to the purchaser, all installments and CEFP payments for equipment in excess of \$1,000 require OCO funding. Generally deferred payment purchases will not be approved for purchases under \$30,000 unless there are extenuating circumstances. Information on the CEFP program may be found in Agency Addressed Memoranda FY 2013-2014, No. 17 on the DFS website (see Appendix A).

Examples of equipment this program has financed are computers, copiers, communication systems, laboratory equipment, medical equipment and printers.

**13. Data Processing Commodities and Services**

All purchases of data processing equipment, software services, and data communications equipment or services must be coordinated by the Chief Information Officer (CIO) or his/her designee.

All requests for any computer related hardware, new software, IT training, mobile storage devices, desk and conference phones or services made via the PCard require the approval of an Information Resource Acquisition (IRA) form prior to the order being placed and/or purchase being made.

For all other purchases of IT products/services, please follow DEO Purchasing procedures for MFMP.

**All commodities over \$1,000 must have prior Operating Capital Outlay (OCO) approval, and if processed through MFMP, the Property Administrator must be added to the approval flow. If purchased via P-Card, a copy of the receipt must be forwarded to the Property Administrator.**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**14. Computer Maintenance**

Purchase Orders for maintenance of computer equipment shall include a list of model numbers, serial numbers and current location of all equipment. An additional amount of money may be included on the initial Purchase Order to cover any additional equipment to be added during the fiscal year. Equipment to be covered by per-call maintenance does not need to be listed; only a line item that states the amount of money that is to be encumbered for this service. Should a change order be necessary, and the dollar amount of the Purchase Order need to be changed, a Change Order must be processed in MFMP. **NOTE:** The warranty may be extended only at the time of purchase or during the initial year of ownership. After that time, equipment should be placed on either maintenance or per-call service with the appropriate vendor.

Additions/deletions of equipment shall be accomplished through a change order in MFMP.

Repairs to equipment not covered by maintenance shall be accomplished on a per-call basis by following applicable procurement statutes and rules accordingly. Equipment may be added to maintenance coverage following completion of repair, should continuing maintenance be desired.

**15. Promotional Items**

Payment requests for the purchase of promotional and/or advertising expenses must cite the statutory authority and document the purchase.

**16. Motor Vehicles**

Section 287.151, F.S., requires specific legislative budget authority for purchasing motor vehicles with funds provided in the General Appropriations Act. Additionally, when the purchase or lease of a motor vehicle is desired, the applicable state term contract must be utilized and the instructions for ordering off of the applicable state term contract must be followed. All forms which may be required by the applicable state term contract must be completed and approved by DMS, if applicable, prior to the purchase requisition being submitted in MFMP.

**17. Recycled Products**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

In order to comply with the intent of Chapter 283, F.S., and in accordance with recycled content criteria established by DEO of Management Services, State Purchasing Office regarding the procurement of products with recycled content, DEO may elect, for individual bid solicitations, to allow a price preference of up to ten percent for bidders offering products that meet minimum recycled content requirements, over lower bidders not offering products that minimum recycled content requirements.

**18. Recycled Paper**

When adequate quality of recycled paper can be obtained and it is economical, section 282.32(3), F.S. upon evaluation of bids for each printing contract, DEO shall identify the lowest responsive bid and any other responsive bids in which it has been certified that the materials used in printing contain at least the minimum percentage of recycled content that is set forth by DEO. If no vendors offer materials for printing that contain the minimum prescribed recycled content, the contract shall be awarded to the responsible vendor that submits the lowest responsive bid.

**19. Subscriptions**

Original and renewal subscriptions such as newspapers, magazines, trade journals, periodical reports, etc., shall be requested in advance on properly authorized Purchase Orders. Revisions or additions to series or sets of legal or other volumes, etc., will be requested in advance also. If available, the subscription order form should be submitted with the Purchase Requisition. If the subscription is a renewal, also submit the vendor's mailing label, as it will assist the vendor in identifying your account.

**a. Term of Subscription**

Renewal or start dates of subscriptions should be noted on the Purchase Order, in addition to the term of the subscription. If utilizing a PCard, please ensure that the subscription terms are noted on file and that all purchasing requirements have been met.

**b. Prepayment of Subscription**

If prepayment is required, it should be stated in the description section, and either an invoice or a properly completed order form must accompany the Purchase Order.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**20. Meeting Rooms**

In accordance with Executive Order Number 07-126, effective January 1, 2008, state agencies or Departments under the direction of the Governor may not contract for meeting and conference space with hotels or conference facilities that have not received DEO of Environmental Protection's (DEP) "Green Lodging" certification for best practices in water, energy, and waste efficiency standards, except when certified to the Governor by the responsible Department head that no other viable alternative exists. The availability of "free space" is not exempt from this requirement.

Hotels or conference centers that have received certification may be found at the Department of Environmental Protections website (see Appendix A).

Free space is to be utilized whenever possible. DEO employees coordinating meetings/training sessions should give priority to using DEO meeting rooms, which are available in Tallahassee and other cities around the state. When considering other sites, employees should pay attention to handicap accessibility, transportation from place of lodging and the overall cost of rental space vs. access to free space. This includes the use of meeting rooms for which there is no additional charge at hotels when booking overnight rooms.

Department staff may seek an outside marketing/site selection company to negotiate and reserve meeting facilities for the following reason only: If it is determined that no free or normal free space is available and when staff time to arrange these functions would not be cost effective, Department contacts should obtain and compare estimates from the hotels to ensure the best deal for DEO. The comparison should include the number of meeting rooms, guaranteed sleeping rooms, the audio/visual equipment required, parking requirements, etc.

When negotiating for a meeting room, never include food, beverages and entertainment in the price. The negotiated price must be for the meeting room facilities and equipment only. If one is selected, it should be the responsibility of DEO contact to inform the vendor what constitutes acceptable meeting room expense.

**Purchase Orders for the meeting rooms must contain the following statement:**



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

*“This order is issued in compliance with Rule 69I-40.103 of the F.A.C., which in part prohibits the expenditure of state funds for refreshments. Food or beverage charges are specifically excluded.”*

Responsible employees must adequately justify to the Purchasing Office any increase to an existing Purchase Order for meeting room space.

Acceptable examples are:

- Unexpected need for audio visual equipment
- Increase in the number of attendees

If the hotel requires DEO to sign a hotel agreement, the agreement must be routed through DEO’s contract routing review process utilizing the most recent contract routing review form. The agreement must be signed by the appropriate Department delegated authority of record. This delegation may be viewed at DEO’s intranet webpage, under the Employee Resources – Delegations of Authority (see Appendix A).

**21. Cellular Phones**

It shall be the policy of DEO to provide cellular telephones for employees engaged in activities that require access to continuous communications as an integral part of assigned responsibilities as established in DEO Policy 4.04 – Assignment and Control of Wireless Devices.

**SECTION TWO: CONTRACTS**

**I. CONTRACT DEVELOPMENT**

Section 287.058 (1), F.S. provides that every procurement of contractual services in excess of the threshold amount for Category Two, except for the providing of health and mental health services or drugs in the examination, diagnosis or treatment of sick or injured state employees or the providing of other benefits as required by the provisions of Chapter 440, F.S., shall be evidenced by a written two-party agreement embodying all provisions and conditions of the procurement of such services, which shall, where applicable, include but not be limited to a provision:

- (a) That bills for fees or other compensation for services or expenses be submitted in detail sufficient for a proper pre-audit and post-audit thereof.

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

- (b) That bills for any travel expenses be submitted in accordance with s. 112.061. A state agency may establish rates lower than the maximum provided in s. 112.061.
- (c) Allowing unilateral cancellation by the agency for refusal by the Contractor to allow public access to all documents, papers, letters, or other material made or received by the Contractor in conjunction with the contract, unless the records are exempt from s. 24(a) of Art. I of the State Constitution and s. 119.07(1).
- (d) Specifying a scope of work that clearly establishes all tasks the Contractor is required to perform.
- (e) Dividing the contract into quantifiable, measurable, and verifiable units of deliverables, that must be received and accepted in writing by the Contract Manager before payment. Each deliverable must be directly related to the scope of work and specify the required minimum level of service to be performed and criteria for evaluating the successful completion of each deliverable.
- (f) Specifying the criteria and the final date by which such criteria must be met for completion of the contract.
- (g) Specifying that the contract may be renewed for a period that may not exceed 3 years or the term of the original contract, whichever period is longer, specifying the renewal price for the contractual service as set forth in the bid, proposal, or reply, specifying that costs for the renewal may not be charged, and specifying that renewals shall be contingent upon satisfactory performance evaluations by the agency and subject to the availability of funds. Exceptional purchase contracts pursuant to s. 287.057(3)(a) and (c) may not be renewed.
- (h) Specifying the financial consequences that the agency must apply if the Contractor fails to perform in accordance with the contract.
- (i) Addressing the property rights of any intellectual property related to the contract and the specific rights of the state regarding the intellectual property if the Contractor fails to provide the services or is no longer providing services.

However, in lieu of a written two-party agreement, the agency may authorize the use of an MFMP purchase order for contractual services, if the provisions of Section 287.058 (1)(a-i), F.S. are included in the purchase order or solicitation.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

The purchase order must include, but need not be limited to, an adequate description of the services, the contract period, and the method of payment. Additionally, in lieu of printing the provisions of paragraphs (a)-(i) in the contract document or purchase order, DEO may incorporate the requirements of paragraphs (a)-(i) by reference. All MFMP purchase orders over the Category Two threshold per purchase order must be handled through a certified state Contract Manager.

The written two-party agreement shall be signed by the agency head or the appropriate delegated authority and the Contractor prior to the rendering of any contractual services the value of which is in excess of Category Three, except in the case of a valid emergency as certified by the agency head, or delegated authority. The certification of an emergency shall be prepared within 30 days after the Contractor begins rendering the service using DMS Form PUR7800 "Notice of Emergency Purchase" shall state the particular facts and circumstances which precluded the execution of the written agreement prior to the rendering of the service. If DEO fails to have the contract signed by the agency head or delegated authority, and the Contractor prior to the rendering of the contractual service, and if an emergency does not exist, the Purchasing Manager using DMS Form PUR1010, "Notice of Non-Compliance" shall no later than 30 days after the Contractor begins rendering the service, certify the specific conditions and circumstances to DMS as well as describe actions taken to prevent recurrence of such noncompliance. A copy of the certification shall be furnished to the Chief Financial Officer with the voucher authorizing payment. DMS will report repeated instances to the Auditor General.

Section 287.057(18), F.S. provides that DEO shall establish a review and approval process for all contractual services contracts in excess of Category Three shall include, but not be limited to, program, financial and legal review and approval. Such reviews and approvals shall be obtained before the contract is executed. **Although the statute only requires reviews for contracts over Category Three, DEO requires program, financial and legal review and approval for all contracts regardless of amount.**

Contractual services procured via a State Term Contract can be accomplished in one of two ways; either by issuing a written two-party agreement or an MFMP purchase order, which would then be the official procurement file of record.

Step by step instructions for the contract routing review process are detailed on DEO's Contract Routing Review Form. DEO's Contract Routing Review Form is available for download from DEO's Forms Directory (see Appendix A).

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Each reviewing entity, upon receipt of a contract document for review and approval, has a maximum of three (3) business days to process for review and approval. If the contract document is received after 5:00 p.m. EST, the first business day starts at 8:00 a.m., on the following business day. **It is imperative that a written two-party agreement be properly documented and follow the sequence of reviewers as listed on DEO's Contract Routing Review Form, and approved by the appropriate delegated authority prior to it being sent to the vendor for execution.**

The table below shows the order of approval by the reviewing entity and describes the purpose of the review at each step in the process:

| Reviewing Entity                    | Review Purpose  |
|-------------------------------------|---|
| Bureau Chief/Program Manager        | Content, Accuracy, Completeness, and utilization of appropriate core contract.  |
| General Services Purchasing Manager | Content, Format, Accuracy and Completeness. Comparison to original contract and previous amendments, and procurement documents. To ensure that purchasing processes are being followed, consistent with established policy, and that the contract document is in compliance with statutes and rules that govern procurement in Florida. |
| IT Manager, if applicable           | Scope of Work/Specifications are consistent with current Departmental information and technology standards and will not impede existing systems.  |
| Grant Manager                       | Verification of appropriate grant funding.  |
| Budget Manager                      | Allotment availability and appropriate accounting codes have been utilized.   |
| General Counsel                     | Content, Accuracy, Completeness, Legality, and appropriate Terms and Conditions.  |
| Assistant/Deputy Division Director  | Content, Accuracy, Completeness and Funding.  |
| Division Director                   | Content, Accuracy, Completeness and Funding.  |
| Chief Operating Officer             | Content, Accuracy, Completeness and Funding. Final approval for new contracts greater than \$195,000. Any contract  |

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

|  |   |
|--|---|
|  | amendment with fiscal impacts, renewals and extensions, grant agreements and settlement agreements. |
|--|---|

**A. CONTRACT DEVELOPMENT PROCESS**

DEO's Contract Development Process Overview is available for download from DEO's Forms Directory (see Appendix A).

The overview should be utilized by the Program Areas as a reference tool to view a diagram of DEO's Contract Development process flow.

DEO written two-party agreement consists of the following:

1. Standard Core Contract Document – Prepared and maintained by the Office of General Counsel contains DEO's standard provisions. There are currently three different standard core contracts and they are as follows:
  - a. Vendor Core Contract: utilized for vendor contracts.
  - b. Subrecipient Procured Core Contract: utilized for grants, or subrecipient agreements that are competitive procured pursuant to Chapter 287, F.S.
  - c. Subrecipient Exempt Procurement Core Contract: utilized for grants, or subrecipient agreements that are exempt from the competitive procurement process.

The three standard core contracts may be downloaded from DEO's Forms Directory (see Appendix A).

2. Scope of Work that clearly establishes the tasks to be performed.
3. Deliverables that specify quantifiable units of deliverables that must be received and accepted in writing by DEO before payment. Each deliverable must be directly related to the scope of work and must specify the minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable
4. Certifications and Assurances signed by the Vendor or Subrecipient.
5. Any other attachments relative to the contract terms identified in the Scope of Work or required.

DEO's standard core contracts are documents that contain the basic contract terms and conditions required in all Department contracts. This includes

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

administrative, financial and non-programmatic terms and conditions mandated by federal and state statutes, rules, regulations and policies of DEO and other applicable state agencies, such as the Department of Financial Services.

Whenever DEO's standard core contract is intended to be used as a result of a Department solicitation, the standard core contract shall be included as an attachment to the solicitation.

The standard core contract must not be changed under any circumstances. If it is determined that the terms and conditions provided in the standard core contract are not adequate for a specific procurement, Legal needs only to be given an opportunity to determine that proposed changes will not render the contract legally insufficient.

Attachment 1 contains the scope of work, deliverables, documentation requirements, financial consequences and all the contract terms and conditions which are not covered by the standard core contract conditions such as the invoicing process and payment methodology.

This section should be outlined in the same format as the standard core contract. The sequence and all headings shall be sub-divided, as applicable by using paragraphs and subparagraphs, as follows:

- First paragraph I.
- First sub-paragraph A.
- Second sub-paragraph 1.

DEO's Contract Manager determines what type of contract is most appropriate. (i.e., how and when is the vendor to be paid and how and when is the vendor to provide deliverables.) The contract type should be selected based on which type of contract best ensures the delivery of the commodities or services, promotes efficiencies and effectiveness, and provides the best value to the state.

**B. TYPES OF CONTRACTS**

**1. Fixed Price/Fixed Rate Price**

- Price is a set (fixed) amount/Rate is a set (fixed) amount.
- Provides the greatest incentive for efficient and economical performance.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

- Should only be used if competitively procured and/or historical costs are available to provide a basis for the price.

**2. Cost Reimbursement**

- Vendor will be reimbursed for expenditures incurred during the contract time period that are directly related to the project.
- Should be used when no competitive procurement and/or there is no historical cost information available.
- Should include budget detailing how funds are to be spent and state that all expenditures must be directly related to the project.
- Requires more fiscal monitoring.
- Requires a cost/price analysis to determine if the cost are allowable, reasonable and necessary.

**3. Performance Based**

- Allows DEO to acquire commodities or services via contracts that define what is to be achieved, providing best-value products and services.
- Increased likelihood of meeting Department's needs.
- Allows focusing on intended results, not the process.
- Provides better value and enhanced performance.
- Less performance risk.
- Contractor buy-in and shared interests.
- Shared incentives permit innovation and cost effectiveness.
- Less likelihood of a successful protest.
- Less frequent and more meaningful monitoring.

**4. Combination**

- Cost plus firm fixed fee.
- Cost plus percentage of cost should be avoided, as it offers no incentive for the provider to control costs.

**C. CONTRACT REVIEW, APPROVAL, EXECUTION, DISTRIBUTION AND FILE SET UP**

DEO's Core Contract Checklist is available for utilization by the Program Area and the Contract Administrator as a reference tool during the contract review, approval, execution, distribution and file set up process. This checklist may be downloaded from DEO's Forms Directory (see Appendix A).

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

DEO's Contract Manager shall input all required information in the fields on the applicable standard core contract, including completing all necessary certifications and attachments to the contract and complete the DEO Contract Routing Review Form. DEO's Contract Routing Review Form may be downloaded from DEO's Forms Directory (see Appendix A).

DEO's contract review process consist of:

- 1) **Preliminary Review** – the Purchasing Office or the Contract Manger will upload the applicable standard core contract to SharePoint, the contract document will go through multiple electronic iterations until the final document is approved by Purchasing and Legal at which time the contract document may then route through the hard copy paper review process;
- 2) **DEO's Contract Routing Review** – the hard copy paper contract and supporting documentation is routed through DEO's contract routing review process. The entire should consist of the following as applicable: DEO Contract Routing Review Form, Vendor vs Subrecipient Checklist, cost/price analysis (if applicable), the original DEO Core Contract Checklist signed by the Contract Manager (if not already completed), and FACTS Spreadsheet. The Contract Manager is responsible for routing the contract package through DEO's review and approval process. The contract package should be routed in the order outlined on the DEO Contract Routing Review Form and returned to the Purchasing Office.
- 3) **Contractor's Signature** – After completion of the fully routed hard copy review and approval process the packet is delivered to the Purchasing Office. The Purchasing Office is responsible for sending three (3) original copies of the contract to the vendor in Adobe .pdf format, for execution, or send originals via regular or overnight mail for Contractor execution.
- 4) **Legal Sufficiency and Final Execution** – Upon receipt of the three (3) signed originals from the Contractor, the Purchasing Office will then obtain final Department execution.

The originals must be signed by the appropriate Department delegated authority as delineated by DEO Delegation of Authority. This delegation may be viewed at DEO's intranet webpage, under the Employee Resources – Delegations of Authority (see Appendix A).

Upon receipt of the three (3) fully executed original contracts, the Purchasing Office will complete the original Department contract file, and distribute one original to the vendor, one original to the Program Area and maintain one original in the Contract Administration file. The Purchasing Office will e-mail a scanned version of the fully executed contract to Financial Services.



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

The Contract Manager should prepare a Program Area contract file. This file should mirror the Purchasing Office's original contract file; only to the extent that the Contract Managers contract file contain copies of the original contract, amendments, renewals and/or extensions, to ensure that necessary documentation is being properly maintained.

**D. CONTRACT AMENDMENTS**

If a contract needs to be amended, the Contract Manager should notify the Purchasing Office of the need to process an amendment and determine whether the amendment is within the scope of the contract.

The execution of the amendment will follow the same process as the original contract as outlined above.

**E. CONTRACT EXTENSIONS**

Section 287.057(12), F.S. provides that extension of a contract shall be in writing for a period not to exceed six (6) months and shall be subject to the same terms and conditions set forth in the initial contract. There shall be only one extension of a contract unless the failure to meet the criteria set forth in the contract for completion of the contract is due to events beyond the control of the Contractor. Extensions must be executed prior to expiration of the contract.

If a contract is to be extended, the Contract Manager should notify the Purchasing Office of the need to process an extension and determine whether the extension is within the scope of the contract.

The execution of the amendment will follow the same process as the original contract as outlined above.

**F. CONTRACT RENEWALS**

Section 287.057(13), F.S. provides that Contracts for commodities or contractual services may be renewed for a period that may not exceed three years or the term of the original contract, whichever period is longer. Additionally, Rule 60A-1.048(1)(a-b), F.A.C. provides that the renewal may be divided into increments (e.g., three one-year renewals), may be for a complete term (e.g., one renewal for three years of the original term of the contract), or a combination thereof (e.g., one two-year renewal followed by a one one-year

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

renewal). DEO must provide documentation justifying that the renewal is in the best interest of the State and keep such justification in the contract file.

Renewals are contingent upon satisfactory performance evaluations by DEO, and must be authorized by mutual agreement in writing. Renewal of a contract shall be in writing and shall be subject to the same terms and conditions set forth in the initial contract. Renewal is not permitted for contracts that are procured via the single source or emergency purchase procurement methods.

If a contract is to be renewed, the Contract Manager should notify the Purchasing Office of the need to process a renewal and determine whether the renewal is within the scope of the contract.

The execution of a renewal will follow the same process as the original contract as outlined above.

**Special Note:** Section 287.057(1)(a), (b) and (c), F.S. provides that bids/proposals/replies shall include the price for each year for which the contract may be renewed. Evaluation of bids/proposals/replies shall include consideration of the total cost for each year as submitted by the respondent. Criteria that were not set forth in the solicitation may not be used in determining acceptability of the bid.

**G. CONTRACTOR BREACH**

DEO's standard core contracts include several contract termination clauses and also addresses breach of contract. Additionally, Rule 60A-1.006(3), F.A.C. provides further direction regarding DEO's actions when determining a Contractor in Breach. The rule states that if a vendor is in default on any contract with DEO, DEO shall:

“Notify, in writing, any vendor who fails to adhere to contract terms and conditions. This notice shall state the nature of the failure to perform and provide a time certain for correcting the failure (such reasonable time should not generally be less than 10 days after receipt of such notice). The notification will also provide that, should it fail to perform within the time provided, the vendor will be found in default and removed from DEO's approved vendor list.

Unless the vendor corrects its failure to perform within the time provided, or unless DEO determines on its own investigation that the vendor's failure is

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

legally excusable, DEO shall find the vendor in default and shall issue a second notice stating:

- The reasons the vendor is considered in default;
- That DEO will re-procure or has re-procured the commodities or services; and
- The amount of the re-procurement if known.

The defaulting vendor will not be eligible for award of a contract by DEO until such time as DEO is reimbursed by the defaulting vendor of all re-procurement costs. Re-procurement of substitute commodities or contractual services may be accomplished by first attempting to contract with the next eligible awardees under the original solicitation, when applicable. If DEO fails to contract with the next eligible awardees, it may continue in this manner sequentially through all eligible awardees until a vendor willing to perform at acceptable pricing under the solicitations terms and conditions is found. Alternatively, an Department may elect to disregard previous solicitations, if any, and re-procure the commodity or contractual service pursuant to all applicable requirements of Chapter 287, F.S.”

Pursuant to Section 120.57, F.S. the defaulting vendor will be advised of the right to petition for an administrative hearing on the intended decision to remove the vendor from the list and shall be given a time certain within which to submit the petition.

Until such time as it reimburses DEO for all re-procurement costs and DEO is satisfied that further instances of the default will not occur, the defaulting vendor shall not be eligible for award of a contract by DEO. To satisfy DEO that further instance will not occur, the defaulting vendor shall provide a written correction action plan addressing the original grounds for default.

The foregoing provision does not limit, waive or exclude the State’s remedies against the defaulting Contractor at law or in equity.

## **II. CONTRACT MANAGEMENT**

This section outlines the role of the Contract Manager and contract monitoring functions in all Department procurements.

Section 287.057(14), F.S. provides that for each contractual services contract, DEO shall designate an employee to function as a Contract Manager who shall be

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

responsible for enforcing performance of the contract terms and conditions and serve as a liaison to the Contractor.

Each DEO Contract Manager who is responsible for contracts in excess of the threshold amount of Category Two must attend training conducted by the Chief Financial Officer for Accountability in Contracts and Grant Management. DEO Contract Managers' must attend training at least once every two years (based on the date of last attendance).

DEO's Contract Manager is an individual who is primarily responsible for negotiating, monitoring and enforcing the terms and conditions of the contract. This individual is responsible for the success of the contract. Contract Manager duties include, but are not limited to carrying out preparation of the contract with the Purchasing Office, developing procedures for monitoring and documenting the Contractor's performance, reviewing and documenting all deliverables for which payment is requested by vendors, providing written certification of the agency's receipt of goods and services, and maintaining a comprehensive file on the contract.

DEO's Contract Manager is the primary point of contact through which all contracting information flows between DEO and the vendor in coordination with the Purchasing Office. All actions related to the contract shall be initiated by or coordinated with the Contract Manager.

Every contract issued by DEO shall be monitored with the exception of those granted an exclusion.

**A. ROLES AND RESPONSIBILITIES OF DEO'S CONTRACT MANAGER**

Contract Manager's responsibilities include, but are not limited to the following:

1. Enforcing the terms and conditions of the contract;
2. Carrying out the preparations for contracting;
3. Provides the scope of work documents to the Purchasing Office for soliciting and analyzing responses;
4. Acting as the liaison with the Contractor;
5. Monitoring the Contractor's performance and assessing financial consequences as appropriate;
6. Reviewing and approving invoices;
7. Maintaining a complete Contract Manager File on the contract;

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

8. Working with the Purchasing Office during contract development and execution of a contract;
9. Communicating to the Purchasing Office of upcoming contract actions for new and existing contracts at least three to six months before the action is/are required to take place; and
10. Performing contract closeout procedures.

**B. MONITORING CONTRACTS**

Contract monitoring is the process by which the DEO Contract Manager verifies the Contractor's progress to ensure that their performance meets the contracts performance standards. A contract monitoring process includes the following components:

- Risk Assessment
- Monitoring Plan
- Monitoring Procedures and Criteria
- Evidence to support conclusions reached during its monitoring process
- Corrective Action Plan (if required)
- Follow-up on Corrective Action (if required)

Contract monitoring is the primary tool used to guard against contracting problems after the contract is executed. The purpose of performing contract monitoring procedures is to:

1. Ensure provider/Contractor compliance with the contract;
2. Ensure Program Area is getting what is required under the contract;
3. Track provider/Contractor fiscal responsibilities (are funds being used appropriately?);
4. Detection of non-compliance; problem resolution;
5. Ensure corrective action where necessary; and
6. Ensure acceptable levels of service are provided.

Contract monitoring involves a range of activities that tell interested parties what was and is happening with a service purchased under contract.

To view monitoring solely as information collection is to miss its most fundamental and powerful function. Monitoring information must be analyzed and understood. What does it tell you about:

- What is going well – is it succeeding?
- What is going wrong – where is corrective action needed to fix problems?
- What can be improved – where is service development needed?

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Effective monitoring can help identify and resolve such matters in a timely and effective way.

Contract monitoring includes two quite different approaches – reactive and proactive. Reactive methods are where another person/notifier tells the Contracts Manager there is a problem or concern. Pro-active methods involve planned collection and collation of information, ideally on a routine and regular basis.

Planned contract monitoring usually involves proactive approaches. It has the potential to be more comprehensive and complete, depending on exactly how the monitoring is done. Reactive information is only brought to the Contract Manager's attention if the notifier considers it to be needed. Different people may have very different thresholds about when to notify of a concern or complaint. Also, reactive information usually refers to individual circumstances. One fundamental reason for monitoring contracts is to have all the individual reactive information in order to see the wider picture of performance of DEO's providers/Contractors.

There are twelve questions contract monitoring should enable you to answer:

1. Has the agreed services been delivered? If not, why not?
2. Are all, most, some or none of the services purchased of an acceptable quality, i.e. does it meet the standards required in the contract?
3. To what extent have agreed outcomes for individuals been achieved?
4. Why are some/all outcomes not achieved? Does any specific corrective action need to be put in place?
5. Has the service changed or improved since the last monitoring?
6. Have agreed actions been taken to resolve identified problems?
7. How are the effects of these actions seen in the information obtained through monitoring? Has the problem been solved?
8. Are there any longer term trends in provisioning that need to be strategized?
9. How do customers judge this service? Does this have any implications for the contract?
10. How do day-to-day working relationships promote or impede the effective operation of the contract?
11. Does anyone have difficulties fulfilling their roles and responsibilities under the contract, particularly because of any system problems?
12. Is there any pattern or underlying worry about concerns/complaints being raised by anyone about the service?

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Effective monitoring can assist the Contract Manager by alerting them to activities that are beginning to go wrong at an early stage. It can be a form of early warning. Through investing time and energy – both the Contractor and DEO have a greater chance of creating conditions for success.

**C. DECIDING HOW TO MONITOR A CONTRACT**

When deciding how to monitor a particular contract or range of contracts for similar services, a number of decisions need to be made. The main ones are:

1. What are the risks associated with this type of service and contract?

In general, there should be a proportional investment in monitoring, with levels of activity based on risk. In understanding risks you should consider the value of the contract, the number and nature of the service users, political factors, or the strategic importance of the service. The level and types of risk should also influence the monitoring methods used.

2. What will be the balance of proactive and reactive methods of monitoring?

It is very hard to ignore reactive information. When information is broad and generalized, it can be harder to know how to respond. Does the information raise sufficient concerns to require action? Can it be added to the general understanding and intelligence about a service or a particular Contractor?

3. How directly involved will contract monitoring staff be with the provision of the service and the service users?

The fullest involvement means visiting the service users, talking to them about their experience and possibly talking to Contractor staff at the same time. There is a simple relationship between approach and resources. More direct approaches require more monitoring resources. Sometimes, it will be the (limited) resources available that will most strongly determine what monitoring methods are chosen.

4. Is the focus the whole service, certain aspects of the service, or one issue or concern?

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

The wider and deeper the focus, the more resources, primarily staff time, will be required. Reactive monitoring is more likely to have a narrower focus. If monitoring is being used to develop service standards, looking at a particular aspect of practice across several providers/Contractors can prove instructive.

5. What timescales are used? This has two distinct elements: what time period does the monitoring cover and how frequently is the contract being monitored?

In terms of time period, monitoring information can be continuous or a snapshot. Both approaches have particular strengths and weaknesses. Continuous information ensures that the full picture of a service is obtained. However, snapshots can give greater depth at a particular point in time. Continuous monitoring is essential for certain aspects of contract monitoring

6. How is the whole process organized and managed?

Contract monitoring cannot be an 'add on' function that is thought about after a contract has started. The main elements of how a contract will be monitored should be described fully in the service specifications. The Contractor must understand how they will be required to contribute towards contract monitoring (both continuously and reactively) before they commit themselves to the contract.

**D. MANAGING POOR PERFORMANCE.**

In order to manage poor performance, you must first be able to determine that the performance is unacceptable. So, how do you know performance is (or may be) unacceptable?

- Routine monitoring shows that service volume or contract standards are not being met.
- Monitoring of service outcomes does not reach the target levels set for the service and/or are lower for one particular service compared with other similar services.
- An individual concern or complaint implies, if the allegations are true, that the provider has not met certain contract requirements.
- A number of concerns or complaints suggest a serious problem in meeting contract requirements.



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

**E. DETERMINING APPROACH TO POOR PERFORMANCE**

If monitoring reveals something is not right, the immediate question is what do you do about it?

Although such decisions must take into account the particular local circumstances, the following factors shape what the Contract Manager does:

1. The seriousness of the matter

Where the delivery of the service and/or the quality of care being provided is in question, this will always be more serious than administrative or financial problems, e.g. late submission of inaccurate invoices, or non-submission of routine monitoring information. Seriousness will often be linked to risk.

2. The risk(s) involved

This will usually be focused on service users, though risks to staff are equally relevant. Another key area of risk is to consider whether the service as a whole is at risk. Generally, the higher the risks, the more immediate and substantial the response must be.

3. Has the contract been breached?

Has the Contractor failed to comply fully with the requirements of the contract? When considering poor performance, it is vital to refer back to the contract, to focus on exactly how the Contractor has not complied with the contract. Where a clear breach can be identified, you are in a stronger position. If you cannot identify how the contract has been breached, this may influence how you can approach resolving the matter.

4. The relationship with the Contractor

The realities of limited contract monitoring resources and variable provider/Contractor performance require us to embrace proportionality, What is critical to remember here is what the history/reputation is based on – is it clear, evidence-based assessment of the quality of the service.

5. The Contractor's view and response to the poor performance

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

When asked about poor performance, a Contractor may openly confirm where things have gone wrong and show they have or are planning to prevent them from recurring. At the other extreme, the Contractor may either deny there is a problem or, as more frequently happens, provide a series of excuses. It is easier to engage the former type of Contractor in developing and implementing a constructive corrective action plan than the latter.

**F. DEALING WITH POOR PERFORMANCE**

The Contract Manager is responsible for making the first attempts at resolving Contractor performance issues. Once performance issues are identified, the Contract Manager must attempt to verbally resolve the performance issues and document all actions to do so in the contract file. The documentation should, at a minimum identify the precise nature of the poor performance, the performance measure(s) that is/are not being met (include contract cite reference), the actions taken to resolve the performance issues and the outcome of those action. When problems do occur, DEO shall follow the four (4) step process listed below:

1. Contract Manager should work directly with the Contractor's Contract Manager to document and attempt to resolve any problems through meetings, telephone calls, e-mails, letters, etc. If problems persist, then the Contract Manager should move forward to step 2 below.
2. Contract Manager should contact the Department's Contract Administrator in the Purchasing Office and request that the formal complaint to vendor process be initiated. Purchasing will work directly with the Department's Contract Manager and the Contractor's Contract Manager to attempt to resolve the problems(s). If the problem(s) persist, then Purchasing will move forward with step 3 below.
3. Contract Manager will work with the Department's Legal Office and Purchasing Office to exercise the appropriate contract financial consequence. If the problems persist, then the Contract Manger will proceed to step 4 below.
4. Contract Manager will work with the Department's Legal Office and Purchasing Office to exercise the appropriate contract termination clause.

**G. WHAT DOES CONTRACT MONITORING CONSIST OF?**

1. Maintaining Contract Manager's file;
2. Identifying reports to be submitted by the Contractor;
3. Preparing schedules of anticipated products;

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

4. Projections of performance and costs;
5. Reviewing and analyzing reports received from the Contractor;
6. Determine if invoices received are in proper format;
7. Approving invoices and forwarding to Finance and Accounting; and
8. Answers the following questions:
  - a. Has the Contractor demonstrated satisfactory performance under the contract?
  - b. Is the information in the Contractor's reports correct?
  - c. Are fiscal requirements met, i.e., did the Department get what it paid for?
  - d. Are funds properly accounted for?
  - e. Are expenditures authorized, supported in accordance with contract and law?
  - f. Are total payments within contract amount?

**H. ASSESSING RISK**

The purpose of this section is to describe the process used by the Department to assess the risk associated with contracts. Consistent and uniform risk assessment permits the Program Areas to efficiently apply its contract monitoring resources systematically to the areas of greatest need.

Risk Assessment - An element of risk is always present when a public entity contracts with an external entity to provide services. Because the Department's mission is to advance the economic well-being and self-sufficiency of all Floridians through premier community development and workforce services, the Department must carefully evaluate the risk associated with awarding each of its contracts.

Development of the Risk Assessment Instrument – The risk assessment tool uses predetermined factors to rank contracts. The weights applied to individual factors may be adjusted, as appropriate, but will be applied uniformly Department wide. Program Areas may change or add specific risk factor as long as these factors are applied to all contracts. The risk factors that, at a minimum, must be considered in assigning a risk level include:

1. Annual Dollar Value of the Contract – The higher the annual contract dollar figure, the higher the risk the Department assumes in contracting with a Contractor.
2. The Nature of Service – Weights are assigned to the type of service depending upon the risk associated with each service category.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

3. Prior Contractor Performance and Corrective Actions – Contractors who have previously had serious financial, administrative or program deficits or have had difficulty being responsive to Department requirements should be considered to present a higher risk than those who have not.
4. Last Contract Monitoring Visit – The period of time since the last contract monitoring visit will be a heavily weighted factor in the risk assessment, with the longer time period representing higher risk. New Contractors with no contract monitoring history are considered higher in risk in this factor.

Assigning Weight to Factors

1. Weight Within Factors – The Program Areas will determine a scale of weights for each of the variables within the factors. The highest risk variable receives the greatest weight. Weights can be changed annually but will be the same for all contracts being considered in the same time period.
2. Weight Among Factors – In developing the risk levels for its workload, the Program Areas must rank the factors with respect to each other. This ranking or weighting of the risk factors assumes that certain factors are more important than others in establishing the level of contract monitoring for each contract or Contractor. Program Areas may revise the weights according to its experience or its current priorities in contract monitoring. The weights will then be applied consistently across all contracts or Contractors.

Outcome of the Risk Assessment – The risk assessment will be initially completed within the first 60 days of the fiscal year. At the conclusion of the risk assessment process, all contracts will be assigned a relative rating of high, medium or low risk. This information will be used in determining which contracts pose the highest risk to the Department.

**I. MONITORING PLAN**

Every Contract Manager should establish a written Contract Monitoring Plan, which is approved in writing by the Contract Managers' Supervisor. The Contract Managers' Supervisor should consider the Contract Managers duties as part of the employee's job expectations. The Contract Manager is hereby responsible for ensuring that the written Monitoring Plan is executed. The Contract Manager is also responsible for maintaining written documentation to substantiate the execution of the Plan. Maintaining written supporting

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

documentation is critical. The written Plan **should** include the following elements:

1. Periodic Provider (Contractor) Reporting: The Plan should include a written description of any Periodic Provider Reporting required by the contract or good business practice and a written description of how the periodic reporting material will be utilized by the Contract Manager to monitor the services being provided.
2. Monitoring of Contract Deliverables by On-site Reviews and Observations: The Plan should require that not less frequently than annually, or the term of the contract if less than one year, the Contract Manager should evaluate the contract deliverables. A technique that could be utilized is for the Contract Manager to produce a copy of the contract document and use the copy as a working document to monitor (review) the provider's performance to ensure that all contract requirements, contract responsibilities, contract deliverables, etc. have been complied with by the provider. The working copy of the contract should be maintained on file by the Contract Manager and should show written notes next to each contract requirement/responsibility (complied, not complied, etc.). In addition, the working copy should be signed and dated by the Contract Manager and titled as "Evaluation of Contract Deliverables". Appropriate supporting documentation should also be attached to the working copy. All "not complied" answers and non-performance issues should be timely resolved and documented. Finally, alternative contact monitoring (review) techniques (procedures) accomplishing written and fully documented results as noted above, are also acceptable for the evaluation of contact deliverables.
3. Client Surveys: The Plan should require that not less frequently than annually, or the term of the contract if less than one year, the Contract Manager should produce a document to survey a sample of the recipients of the provider's services to determine if the services are satisfactory. Results of the survey should be summarized in writing and any performance issues should be timely resolved and documented.
4. Other periodic Contact with the Provider and On-going Monitoring of Performance: The Plan should include a written description of other periodic contacts with the Provider and how these contacts will be utilized to monitor the provider's performance. In addition, the Plan should describe in writing the on-going process that will be implemented to alert the Contract Manager of any non-performance issues by the provider. As

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

noted above, all performance issues should be timely resolved and documented.

5. Review of Audit Reports: The Plan should include a written description of any audit reports or other independent evaluation reports of the Provider. Reports should be signed and dated by the Contract Manager after being reviewed and should be brought to a satisfactory conclusion, documented in writing and maintained on file.
  
6. Review and Approval of Provider Invoices for Payment: The Plan should include a written description of the process that has been established in the unit to fully verify and document that the quantity and type of services noted on the vendor's invoice have in fact been received and are satisfactory. In addition, the plan should include a written description of the process that has been established in the unit to fully verify and document that the rates or costs that the vendor is invoicing are in fact correct when compared with the contract. Finally, the Plan should include a written description of the process that has been established in the unit to fully verify and document that the amount of the invoice is within the limits noted on the contract and that the contract amount has not been over-expended. The above written descriptions should include the internal controls that the unit has established to ensure all invoices items have been fully verified, reviewed, and approved. The above written descriptions should require the Contract Manager to maintain written documentation to fully support the invoice verification process for each invoice.
  
7. Statement of Independence: The Plan should include a statement that the Contract Manager is independent of and has no conflict with the entity or entities being monitored. The Contract Manager should provide a signature next to this statement.
  
8. Automation: All of the above elements should be viewed in a context to determine if the element or procedure could be performed electronically. For example, the client surveys could be performed on-line.

**J. MONITORING PROCEDURES AND CRITERIA**

Methods and Tools Used to Monitor Contracts – The quality and adequacy of services delivered by each contract shall be monitored using one or more of the following three methods: records review, interview, and observation. Information is analyzed by monitors and recorded on tools.

**STATE OF FLORIDA**  
**DEPARTMENT OF ECONOMIC OPPORTUNITY**  
**PURCHASING AND CONTRACTING GUIDELINES**

1. Records Review – in some projects, programmatic contract monitoring and administrative contract monitoring calls for review of the same records.
  - a. Surveys, Activity Records, and Interview Records – The Contract Manager uses these records to verify that the Department is being billed correctly based upon services received. Additionally, the Contract Manager seeks verification in programmatic records that the services have been actually been delivered; are appropriate to the Department’s needs; are meeting programmatic terms of the contract;; and are in compliance with applicable Florida Administrative Code provisions and the F.S..
  - b. Personnel Records, Payroll Records, and Organization Charts – The Contract Manager reviews the Contractor’s administrative policies and records for contract compliance. These records are also reviewed to assure that the Contractor has an adequate number of appropriately trained staff that delivers Department services.
  - c. Invoices and Supporting Documentation – The Contract Manager reviews financial documents to verify that expenditures have been made in compliance with the approved budget, as amended. The same records may be reviewed to verify that the contractual terms for services to the Department have been met.
2. Interviews – in some projects, programmatic contract monitoring and administrative contract monitoring calls for interviews of staff, partners or clients
  - a. Interview may be conducted on-site. Interviews will be held in a location that allows for privacy whenever possible.
  - b. Separate interview questions should be developed for each group of staff, board members, and Department clients. All respondents in each category shall be asked the same set of questions in order to assure comparability of responses and to reduce bias.
  - c. The Department, not the Contractor, selects those to be interviewed.
3. Observation – Certain observable contract terms and conditions can be monitored only at the site. These terms and conditions are specific to each program. The Contract Manager should modify its list to fit each contact being monitored.
4. Tools – Program Areas should use standardized programmatic monitoring tools that must be customized based on the terms or conditions of a particular contract.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Each monitoring tool must:

- a. Identify critical monitoring indicators based on contract terms and conditions.
  - b. Utilize a rating system of compliance and non-compliance.
  - c. Specify how the ratings were derived (interview, observation or record review).
  - d. Allow for explanations and supporting documentation, especially where the Contractor is non-compliant.
5. Contract Manager(s) in reviewing financial records, must be able to trace financial transactions from individual purchase orders(s), voucher(s), receiving reports or invoice, journals, and the general ledger to ensure proper interpretation and processing within the Contractor organization.
- a. Fixed Price Contracts – In a fixed price contract, payment is based on a price per unit. The following should be verified:
    - i. The rate per unit of service charged on the Contractor’s invoice is the same as the rate specified in the contract.
    - ii. The documentation supporting units of service delivered supports the units listed for payment.
    - iii. The payment received versus the amount invoiced are the same, using the contract as a reference.
    - iv. Copies of expenditure reports submitted by the Contractor, if applicable, are in compliance with contract requirements.
  - b. Cost Reimbursement Contracts – In a cost reimbursement contract, the Contractor is reimbursed for actual expenditures incurred during the contract period. Contract Managers review invoices or vouchers submitted to DEO for any irregularities. The Contract Manager should be assured that:
    - i. Revisions have been properly made to the operating budget (for example, transfer of funds from salaried employees to other budget items).
    - ii. Expenditures were:
      1. Made in accordance with the approved line item budget.
      2. Incurred or encumbered during the contract period.
    - iii. Adequate documentation shows that:



**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

1. Professional service fees are based on time spent and allowable expenditures agreed upon.
2. Receipts are available for any purchases made from outside vendors or where expenditures were made (e.g., office supplies, printing, long distance calls.)
3. Usage logs are available for in-house postage meters.
4. Records are available for names of recipients where service was provided.
5. The Contractor has complied with all applicable rules for cost reimbursement as specified in its contract.

**K. CONTRACT PROBLEMS WARRANTING FORMAL CORRECTIVE ACTION**

Contract problems that may require formal corrective action include, but are not limited to the following:

1. Significant negative audit or monitoring findings;
2. Inferior quality of deliverables;
3. Failure to perform all or part of the agreement;
4. Late performance;
5. Late submission of reports on a recurring basis; and
6. Inadequate, unclear or excessive billing.

**L. CRITICAL CONTRACT COMPLIANCE DEFICIENCIES**

During the course of contract reviews, if an individual performing monitoring identifies any situation meeting one or more of the following criteria, he or she shall immediately inform the Program Area Division Director who will notify the Inspector General:

1. Any threat to the health, safety or welfare of the Department's clients, staff or members of the public, including a reasonable probability that a threat could occur if remedial action is not initiated without delay.
2. Misuse, waste or loss of a significant amount of public funds.
3. Evidence of demonstrated and egregious lack of judgment in the use of public funds.
4. Verifiable indications that state or federal laws, state rules or federal regulations have been violated.

**M. WHAT IS A CONTRACT FILE?**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

A contract file is a device used by the Contract Manager and the Purchasing Office to maintain pertinent information related to the contract in a logical and coherent manner.

The files are maintained for a period of five (5) years following contract closeout or resolution of pending action (e.g., legal, audit, etc.) whichever is later.

Contract Managers are encouraged to compare their contract files with the Purchasing Office's original contract files; only to the extent that the Contract Managers contract files contain copies of the original contract, amendments, renewals and/or extensions, to ensure that necessary documentation is being properly maintained.

A Contract Manager's file should be neat, complete, organized, and contain at least the following data:

1. Copy of fully executed contract, amendments, renewals, extensions;
2. Vendor Contact Information;
3. Copies of all correspondence;
4. Schedule of dates regarding deliverables, reporting, payment contract period;
5. Documentation of all invoices, payments, and associated financial documents;
6. Documentation of annual insurance certificates and/or performance bonds;
7. Documentation of annual preferred-pricing clause affidavit, if applicable;
8. Verification documents regarding provider performance;
9. Documentation of any corrective action; and
10. Close-out documentation.

**N. PREFERRED-PRICING CLAUSE – MOST FAVORED STATE STATUS**

Each contract executed, renewed, extended, or modified on or after July 1, 2010, which includes a preferred-pricing clause, must require an affidavit from an authorized representative of the Contractor attesting that the contract is in compliance with the preferred-pricing clause. Such affidavit must be submitted at least annually. The Contractor's failure to comply with a preferred-pricing clause is grounds for terminating the contract at the Department's sole discretion.

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

This affidavit may be downloaded from the Department's Forms Directory (see Appendix A).

### **III. CONTRACT CLOSEOUT**

Prior to initiating a contract termination or contract expiration date, the Contract Manager should complete the contract closeout process. It is recommended that closeout procedures begin 60 days prior to contract closeout. The Contract Manager must complete the DEO Contract Manager's Contract Closeout Guide check list. The purpose of the contract closeout process is to document the success (or failure) of the contractual commitment and to provide reference materials for possible use in evaluating future procurement proposals submitted by that Contractor. Contract closeout is the process by which the Contract Manager:

- Ensures that all contract deliverables have been completed and received.
- All inspections have been completed and accepted.
- All testing reports have been received and analyzed.
- All discrepancies have been corrected and accepted.
- Every change order/amendment has been reconciled.
- All payments have been made and reconciled, except the final payment.
- Budget has been reconciled.
- Government furnished equipment/resources have been returned and accounted for, if applicable.
- All Legal disputes have been settled.
- All security badges, keys, etc. have been returned and accounted for.
- Debriefing with the Contractor's Contract Manager and Customer has been completed.
- Final Invoice has been submitted and paid.
- Contractor's final performance evaluation has been completed by the Contract Manager.
- Contract Analysis has been completed (Review of all documentation to determine if future changes would be beneficial. Were the goals adequate? More training needs? Any unanticipated problems arise? What could have been done differently or better?)

A copy of DEO's Contract Manager's Contract Closeout Guide is available on the Department's Forms Directory (see Appendix A).

### **IV. CONTRACT ADMINISTRATION**

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

Section 287.057(15), F.S. provides that the Department shall designate at least one employee who shall serve as a contract administrator responsible for maintaining a contract file and financial information on all contractual services contracts and who shall serve as a liaison with the Contract Managers and DMS. It is the Department's policy that this requirement is applicable to Department contracts, Workforce Florida, Inc. contracts, interagency agreements, data sharing agreements and memoranda of understandings.

Only Department contracts are required to be routed through the Purchasing Office for the Department review and approval process. For all other contracts (i.e., Workforce Florida, Inc.) the Purchasing Office shall not be included in the Department review and approval process. However, a fully executed copy of these contracts shall be provided to the Purchasing Office for tracking and filing purposes.

For the Department of Economic Opportunity, the Bureau of General Services Purchasing Analyst serves as the Contract Administrator, and the responsibilities of this designation are carried out by the Department's Purchasing Office.

**A. CONTRACT ADMINISTRATOR RESPONSIBILITIES**

1. Works with the Contract Manager to develop contracts and performs preliminary contract review prior to contracts being sent to the Contractor for signature;
2. Coordinates the duties and responsibilities of the contract with the Contract Manager;
3. Facilitates the contract tracking function while the contract is being routed through the Department for review and approval;
4. Maintains original contract and bid files;
5. Provides technical assistance to the Contract Managers;
6. Monitor and track the Department certified Contract Managers and provide notice of DFS training opportunities;
7. Provides reports to Program Areas through the Contract Manager upon request of upcoming contract expirations; and
8. Assist in the Contract Review process.

**B. IMPORTANT RELATIONSHIPS IN CONTRACT MANAGEMENT AND ADMINISTRATION**

Listed below are all areas that have involvement in contract management and contract administration:

1. Program Area

**STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY  
PURCHASING AND CONTRACTING GUIDELINES**

2. Purchasing Office
3. Information Technology
4. Grants Management
5. Budget Office
6. Financial Management
7. General Counsel's Office
8. Contractor

**C. CONTRACT MANAGEMENT AND ADMINISTRATION RESOURCES**

Listed below are available contract management and contract administrative resources:

1. Florida Statutes
2. Florida Administrative Code
3. Procurement and Contract Tracking System (PACTS)
4. DEO Department Addressed Memoranda
5. DMS State Purchasing Memoranda
6. DFS Reference Guide for State Expenditures
7. DFS Comptroller/Chief Financial Officer Memoranda
8. DFS Agency Addressed Memoranda
9. DFS Advancing Accountability –Best Practices for Contract & Grant Management
10. DFS Contract and Grant Monitoring: Steps for Success Training
11. DFS Florida Single Audit Act Training
12. OMB Circulars
13. MyFloridaMarketPlace Took Kit
14. Internet
15. DEO Intranet
16. Contract Monitoring Tools

**APPENDIX A:**

[DEO Delegations of Authority](#)

[DEO Forms Directory](#)

[DEO Policies and Procedures](#)

[DEP Florida Green Lodging Program](#)

[DFS Memoranda](#)

[DFS Reference Guide for State Expenditures](#)

[DMS Certifications for the Public Procurement Professional](#)

[DMS State Contracts and Agreements](#)

[DMS Vendor Bid System](#)