

CITY OF SEBRING PURCHASING POLICY

TABLE OF CONTENTS

1-1	<u>CONTROL OBJECTIVE</u>	67
1-2	<u>AUTHORITY</u>	67
1-3	<u>APPLICABILITY</u>	67
1-4	<u>POLICY</u>	67
1-5	<u>RESPONSIBILITY</u>	67

DELEGATION:

2-1	<u>AUTHORITY</u>	69
2-2	<u>PURCHASING THRESHOLDS</u>	69
2-3	<u>SEEKING QUOTATIONS</u>	70

REQUISITIONS:

3-1	<u>PURPOSE</u>	70
3-2	<u>GENERAL PROCEDURES</u>	70
3-3	<u>REQUISITION PREPARATION</u>	71

PURCHASE ORDERS:

4-1	<u>PURPOSE</u>	72
4-2	<u>PROCEDURE</u>	72
4-3	<u>PURCHASE ORDER CHANGES</u>	73
4-4	<u>RECEIPT OF GOODS AND SERVICES</u>	73
4-5	<u>FIELD PURCHASE ORDER</u>	74
4-6	<u>FISCAL YEAR END PROCESSING</u>	74

PAYMENT:

5-1	<u>PURPOSE</u>	74
5-2	<u>PROCEDURE</u>	74
5-3	<u>REQUEST FOR PAYMENT WITHOUT A PURCHASE ORDER</u>	75
5-4	<u>REQUEST FOR PAYMENT OF INVOICE IN EXCESS OF PURCHASE ORDER</u>	75

SOLE SOURCE AND EMERGENCY PROCUREMENT:

6-1	<u>GENERAL</u>	75
6-2	<u>SOLE SOURCE PROCEDURES</u>	76
6-3	<u>EMERGENCY PURCHASE PROCEDURES</u>	76

CONTRACTS:

7-1	<u>GENERAL</u>	77
7-2	<u>TYPES OF CONTRACTS</u>	78
7-3	<u>ORIGINS OF CONTRACTS</u>	78
7-4	<u>USE OF CONTRACTS</u>	78
7-5	<u>APPROVALS</u>	79

COMPETITIVE SEALED BIDS:

8-1	<u>PURPOSE</u>	80
8-2	<u>AUTHORITY</u>	80
8-3	<u>DEFINITION</u>	80
8-4	<u>PROCEDURES</u>	80
8-5	<u>PROCESSING TIMES</u>	82
8-6	<u>LOCAL PREFERENCE POLICY</u>	82
8-7	<u>DETERMINATION OF NON-RESPONSIVENESS</u>	83
8-8	<u>DETERMINATION OF NON-RESPONSIBILITY</u>	83
8-9	<u>CONFIDENTIALITY</u>	84
8-10	<u>DISAGREEMENTS ABOUT RECOMMENDATIONS</u>	84

PURCHASING CARDS (ELAN ONE CARD):

	<u>PURPOSE</u>	85
	<u>SCOPE</u>	85
	<u>ACCOUNTABILITY</u>	86
	<u>BACKGROUND</u>	86
	<u>LIMITS & RESTRICTIONS</u>	86
	<u>BENEFITS</u>	86
	<u>TRAINING</u>	86
9-1	<u>CARDHOLDER SPENDING LIMITS</u>	87
9-2	<u>USE OF PURCHASING CARD</u>	87
9-2.3	<u>CARDHOLDER RESPONSIBILITY</u>	87
9-2.4	<u>CONDITIONS OF USE</u>	87
9-3	<u>DOCUMENTATION, RECONCILIATION, & PAYMENT</u>	89

9-4	TRANSACTION APPROVAL	90
9-5	DISPUTES/UNAUTHORIZED CHARGES	91
9-6	REQUEST FOR INITIAL, ADDITIONAL, OR CHANGES	92
9-7	ANNUAL INVENTORY	92
9-8	LOST OR STOLEN PURCHASING CARDS	92
9-9	EMPLOYEE TERMINATION OR TRANSFER	93
9-10	AUDITS/REVIEWS	93
9-11	FEEDBACK	93
9-12	ACCOUNTING/PURCHASING & ACCOUNTING/TRAVEL	93
9-13	MERCHANT SIGN-UP	94

1-1 CONTROL OBJECTIVE

To ensure that goods and services are acquired at fair and reasonable prices and the highest personal standards of conduct are maintained in all relationships with vendors, suppliers and subcontractors.

1-2 AUTHORITY

This policy is authorized by Sebring City Council with the Purchasing Division being the coordinating and implementing office for these procedures.

1-3 APPLICABILITY

All expenditures of funds by City Departments, regardless of fund source, for goods, services, construction or insurance, and all sale and disposal of City property will be made in accordance with these procedures, whether the City provides monetary or non-monetary consideration for the goods, services, insurance or construction procured.

1-4 POLICY

- a. Competitive sealed bidding or competitive negotiation, as appropriate, will be used to enter into contracts with non-governmental contractors for the purchase or lease of goods, services, insurance or construction.
- b. The procedures in this policy are designed to guarantee fair and equitable treatment of all persons involved in providing goods, services, construction or insurance to the City.
- c. It is unlawful to disclose the identity or information derived from competing proposals to any bidder or offeror that might provide an unfair advantage over a competing bidder or offeror.
- d. It is advised that local vendors (as defined in our local preference policy section 8-6) should be used except when justified that it shall save the City money to purchase from another source.

1-5 RESPONSIBILITY

- a. The **City Administrator** and **City Clerk**, acting as treasurer, exercises overall responsibility for the City's purchasing system.
 1. Is responsible for insuring proper authorization for requisitions above the Finance Director and Department Head levels.

2. Shall be informed by the Purchasing Agent of any violations of policies in this policy and discuss those with the respective departments.
- b. The **Finance Director** serves as accountant and auditor to the Sebring City Council, and is responsible for and has the ability to assign responsibilities within the department including the following:
1. Pre-auditing all payment requisitions prior to the disbursement to ensure legality, accuracy, and compliance with appropriate policies and procedures;
 2. Rejecting any requisition that is in violation of the policies of this policy or Florida Statutes;
 3. Oversees disbursement of funds for purchasing transactions which are legal and proper, and in compliance with all appropriate policies and procedures;
 4. Oversees the recording of all disbursements in the City's accounting record.
- c. The **Purchasing Agent** is the principal public purchasing official of the City.
1. Is responsible for insuring proper authorization and recording of all purchase transactions by its personnel;
 2. Shall maintain an up to date list of potential vendors to be utilized by the requesting department or purchasing to seek prices to procure goods or services;
 3. Is responsible for facilitating the disposition of all property.
- d. **Department Heads** are responsible for their departments' purchasing activities in accordance with these procedures.
1. Identify **sufficiently in advance**, their need for goods and services within their operations and activities.
 2. Submitting an electronic requisition including proper coding of account number and estimate for goods and services to insure proper approval is granted; indicating clear and precise specifications and item numbers for each item or service ordered.
 3. Determine that sufficient funds are available in their budgets for desired items.
 4. Inspect all items or services upon delivery and receive them electronically in order to authorize payment to the vendor.

Any purchase or contract entered into by any elected or appointed City official, Department Head or employee that violates the provisions of these procedures shall be the personal and financial responsibility of that individual. Violation of these policies and procedures shall be grounds for disciplinary action

DELEGATION

2-1 AUTHORITY

The City Council has delegated certain purchasing authority and responsibility to the City Administrator, Finance Director, City Clerk, and Department Heads.

2-2 PURCHASING THRESHOLDS

- a. The Department Head or his/her designee must approve Purchases with a **total value up to \$999.99.**
 - 1. No documented quotes are needed at this level; however, employee shall obtain product or service at the lowest possible price that meets desired criteria.
 - 2. The employee shall use the city purchasing card or enter a field purchase order in the computer.

- b. The Department Head or his/her designee must approve Purchase Requisitions with a **value between \$1000.00 and \$4999.99**
 - 1. Purchases shall not be split to fall below this threshold.
 - 2. At least three quotations (verbal or written) shall be documented on the electronic requisition.
 - 3. The Department Head/designee shall approve the quotations and enter the requisition and quotations in the computer. Quotes shall be filed with the requesting department.
 - 4. Capital items shall be in the Department's budget. Unbudgeted capital items shall be pre-approved by the Finance Director and City Administrator before issuance of the order. Approval must be documented with the Department and Purchasing file copies.

- c. The Department Head, Finance Director, and City Administrator must approve purchase requisitions with a **value between \$5,000. and F.S. 287.017 CATEGORY TWO.**
 - 1. Purchases shall not be split to fall below this threshold.
 - 2. Three written quotations shall be sought by the Department before any order is issued.
 - 3. The Department Head must express in detail every component of the purchase and the need thereof.

- 4. The Department Head/designee shall approve the quotations and enter the requisition and quotations in the computer. Quotes shall be filed with the requesting department.
 - 5. Capital items shall be in the Department's budget. Unbudgeted capital items shall be pre-approved by the Finance Director and City Administrator before issuance of the order. Approval must be documented with the Department and Purchasing file copies.
- e. Purchases **estimated to cost in excess of F.S. 287.017 CATEGORY TWO** must go through the competitive bid process or Request for Proposal (RFP) unless specifically exempted herein (sole source 6-2 or emergency purchase 6-3) and approved by city council.
- Purchase of bulk quantities of asphalt, unleaded fuel, and diesel fuel are exempt from the competitive bid process and may be purchased through competitive quotes. (Adopted 06/21/2006).
- f. All purchase requisitions initiated by an individual who would normally be authorized to approve said purchase requires approval of the next higher level supervisor.

2-3 SEEKING QUOTATIONS

- 1. Department personnel seeking quotations under delegated authority need to be certain that their actions guarantee fairness and competition for vendors wishing to do business with the City of Sebring.

REQUISITIONS

3-1 PURPOSE

The purpose of a Requisition is to communicate the need of a user to the Purchasing Division. Information entered in the Requisition provides the basis for Invitations to Bid or Requests for Proposals sent to bidders or offerors supplying the needed goods or services. An accurate and well-thought-out requisition is essential for assuring the completion of an economical and timely purchasing transaction.

3-2 GENERAL PROCEDURES

- A. The purchase is to be determined by lowest price, provided that the lowest price meets all required standards of quality, delivery date, support service, and

warrantees.

- B. Use a separate requisition for each vendor.
- C. Requisition must be filled out completely with information to identify the item or service, account number charged, and quotes from a minimum of three vendors. If quotes are not obtained a valid reason must be explained in the “comments” section of the requisition.
 - 1. “Sole Source”, “State Contract Pricing”, “City, County, or other governmental contract” are valid reasons while “we have gotten service from vendor before” is not a valid reason.
 - 2. Quotes are only good for the duration of that purchase. Quotes must be obtained each time the department seeks a purchase.

3-3 REQUISITION PREPARATION

- A. The City of Sebring, Purchase Requisition must be entered into the computer by each department so that proper procurement procedures are followed.
- B. The electronic requisition process will ensure proper approval levels.
 - 1. Department Head (any purchase \$.01 or more)
 - 2. Utility Director (401 fund)
 - 3. Asset Approval (any request charged to an asset account)
 - 4. Finance Director & City Administrator (any request of \$5000 or more)
- C. Requisition Review, at any approval level the request can be returned for incomplete information.
 - 1. The level returning the request shall explain in the “comments” section why this is being returned so that proper information may be resubmitted and go through the entire process again to review.
 - 2. Requests shall be returned for the following reasons:
 - a. Incomplete or wrong account number
 - b. Incomplete explanation of product or service desired
 - c. Missing vendor number information
 - d. There are no quotes, or explanation for lack of quotes.
 - 3. The Purchasing Department has final approval authority and request may be returned if it notices incomplete information or violation of policy.
- D. Once proper approval has been given it shall go to Purchasing Agent to process into a purchase order.

PURCHASE ORDERS4-1 PURPOSE

The purpose of a Purchase Order is to officially and formally commit to a purchase from a vendor (business, firm, agency, supplier, etc.) The purchase order form will be prepared and generated by the Purchasing Department to ensure encumbrance of all purchasing transactions on the City's financial system.

4-2 PROCEDURE

- A. After receipt of the requisition form, the selection of the vendor, and the award of the purchase, the Purchasing Department will complete and distribute the final version of the purchase order.
- B. The Purchasing Department will process the purchase order.
- C. The encumbrance and assignment of a purchase order number will be done through the H.T.E. purchasing system.
- D. The Purchasing Department will process the order and auto generate an email (if provided) to the vendor, or fax it directly to them **if a fax number is in the system**; and a copy will be emailed to the requesting department. Purchase Orders will not be mailed to vendors to prevent double orders.
- E. All purchases requiring a purchase order will be made **prior to making the purchase.**
 - 1. Purchases not requiring a purchase order are utility services, such as water, sewage, electricity, and telephone service, postage, travel reimbursement, registrations for schooling, car titles, tag fees, insurance, wire transfers, wage garnishments, non-expense accounts that cannot be entered through a requisition, and those made on the City purchasing card. All of the above shall be entered into the computer without a purchase order.
 - 2. Purchase orders for multiple departments shall be processed by the purchasing agent because individual department head's do not have authority over accounts outside of their department.

4-3 PURCHASE ORDER CHANGES

If a Department desires to change or cancel a purchase order after it has been encumbered, the Department must:

- A. Enter a new requisition for the amount of the change stating in the comments section the original purchase order number.
- B. If a purchase order is issued to the wrong vendor a new requisition will be entered to the correct vendor. The department shall be responsible for notifying purchasing to cancel the original order.
- C. The Purchasing Department shall have the authority to accept or reject proposed changes as it may affect any outside vendor or purchasing transaction that has already been agreed to. Any disputes will be referred to the City Administrator and Finance Director's Office.

4-4 RECEIPT OF GOODS AND SERVICES

- A. When items have been delivered to a location, the Department Head / Designee is required to physically verify counts, condition of materials, or adequacy of services rendered and any irregularities noted in the comments section when receiving goods or services in the computer, along with the date received and your initials.
- B. No materials or services are to be accepted without a corresponding open purchase order or blanket order.
- C. All receipts must be entered into the computer by the department that received the goods or services, and stated that it was received in satisfactory condition. This step is in order to authorize payment to the vendor.
 1. When the entire order is received the department may receive this by choosing the "receive outstanding" option of the H.T.E. software.
 2. When a partial shipment is received the department shall enter the exact quantities received under each line item of the purchase order. For partial shipments **do not** click "receive outstanding" or the entire order will show received.
 3. Attach the printout of the receiving report and any packing slips the department has, and send them to purchasing.

4-5 FIELD PURCHASE ORDER

A field purchase order shall be permitted for the following circumstance:

- A. Emergency purchases (follow procedures 6-3 page 77)
- B. Expenditures made without a Purchase Order up to \$1000.00
- C. Any membership/contribution/sponsorship requested & approved by administration.
- D. Any expenditure involving multiple departments including but limited to:
 - 1. Fuel, Highlands County School Board
 - 2. Drug Testing Fees, LabCorp
 - 3. Newspaper advertising, (ie Highlands Today, News-Sun)

4-6 FISCAL YEAR END PROCESSING

- A. Purchase Orders: In order to provide sufficient time to complete the volume of requests for purchase orders prior to year end closing and get the invoices returned to City Hall, no additional requisitions will be accepted by the Purchasing Department during the last 15 calendar days of the fiscal year except for emergencies as defined in section 6-3.
- B. Inventory: In order to facilitate year-end processing, a physical inventory of warehouse stock is required. A date and time for conducting the physical inventory will be mutually agreed upon by all affected departments.

PAYMENT

5-1 PURPOSE

To initiate payment to an outside vendor for a received order or service.

5-2 PROCEDURE

- A. Upon receiving an invoice, the accounts payable department will process for payment in accordance with the appropriate procedure for processing invoices.
- B. All payments will be charged against the purchase order number encumbered for the order.
- C. The City requires that if a vendor did not include the original invoice with order

the invoice shall be mailed to the “Invoice to” address of the purchase order.

- D. Invoices received by accounts payable will be matched to the purchase order and receiving report for processing of payment.
- E. All payments processed will be submitted to Sebring City Council in the form of an Expenditure Approval List to be approved at regularly scheduled council meetings.
- F. Payment checks will be cut the first business day following the regularly scheduled Sebring City Council meeting, and signed off by the Finance Director and the City Clerk.

5-3 REQUEST FOR PAYMENT WITHOUT A PURCHASE ORDER

- A. There will be no purchases allowed without getting a purchase order except for those mentioned under section 2-2A, 4-2 E (Purchase Order Exceptions), & 6-3 B (Emergency Procedures), & Purchasing Cards.
- B. Invoices without a purchase order must be signed by the department head and City Administrator or City Clerk before being processed for payment. A written explanation of why a purchase order was not done shall be accompanied by invoice. Once signed these invoices will not require a purchase order but be entered directly into the computer for payment.

1. It shall be the department’s responsibility to have the above signatures and explanation before presenting to Accounts Payable.

5-4 REQUEST FOR PAYMENT OF INVOICE IN EXCESS OF PURCHASE ORDER

- A. Should a payment be in excess of the original purchase order excluding shipping charges by more than 5% accounts payable will contact the department head to get approval.

SOLE SOURCE AND EMERGENCY PROCUREMENT

6-1 GENERAL

- A. The City allows for exemption from the competitive process when a determination has been made

by the department head that there is only one source practicably available to supply a good or service.

- B. The City authorizes the Purchasing Agent to approve a waiver of competitive processes when an emergency situation develops that **threatens termination of essential services or that threatens the public safety, health or welfare.**

6-2 SOLE SOURCE PROCEDURES

- A. Criteria. The following are the criteria used for determining sole source:
 1. It is the responsibility of the department head to document in writing and provide to the purchasing agent sole source verification.
 2. The Vendor is the original equipment manufacturer and there are no regional distributors;
 3. The parts or equipment requested are not interchangeable with similar parts or equipment available from another manufacturer;
 4. No other equipment is available that will meet the specialized needs of the department or perform the intended function; or
 5. If 1-3 doesn't apply then purchasing agent shall post an informal request for quotes on the City web site for 1 calendar week to see if anyone has the product or service needed.
 6. Any item over the competitive bid threshold shall be submitted to Council for approval.

6-3 EMERGENCY PURCHASE PROCEDURES

- A. Criteria.
The following are the criteria for determining whether to use Emergency Purchase Procedures:
 1. An equipment breakdown or act of God threatens to terminate essential services; or
 2. Public safety, health or welfare is threatened by a dangerous condition or immediate need for supplies, equipment or services.

- B. Procedures. The following are procedures to be followed for emergency purchase situations:
1. Field Purchase Orders will be permitted on the limited basis and used only for emergency purchases under \$1000. The FPO will be approved by the department head.
 2. For emergency purchases between \$1,000-\$10,000:
 - a. The department head shall be notified.
 - b. The department head shall report to the City Administrator or City Clerk for approval prior to purchase. In the event that neither can be contacted then department shall contact Council President or Mayor.
 - c. The department head notifies the purchasing agent to issue a manual purchase order.
 3. For emergency purchases \$10,000 and above:
 - a. The department head shall be notified,
 - b. The department head reports to the City Administrator or City Clerk for approval prior to purchase. In the event that neither the City Administrator nor City Clerk can be contacted then department head shall contact Council President or Mayor.
 - c. The City Administrator or City Clerk then notifies the Council President or Mayor for approval, and then notifies City Council at the next regularly scheduled meeting.
 - d. The department head notifies the purchasing agent to issue a manual purchase order.

CONTRACTS

7-1 GENERAL

A contract is any written agreement, regardless of what it is called, for the procurement or disposal of supplies, services, insurance, equipment or construction. To be effective, a contract must include offer and acceptance by competent parties and the furnishing of some good or service for an agreed monetary consideration.

7-2 TYPES OF CONTRACTS

There are several types of contracts used by the City of Sebring.

- A. Blanket Agreements. These contracts establish the commitment of a Vendor to furnish the purchaser's requirements for items or services on an as-required, over-the-counter basis.
- B. Term Contracts. These contracts establish a source of supply for a good or service for a specified period of time.
- C. Requirements Contracts. These are indefinite-quantity agreements in which the purchaser is obligated to order and the Vendor is obligated to supply all of the purchaser's normal requirements for a specified price during a specified period.

7-3 ORIGIN OF CONTRACTS

Contracts may be originated in several ways before City of Sebring departments use them.

- A. State Contracts - These contracts are entered into by the State of Florida. If these agreements have a clause acknowledged by the contractor, they may be used by other political jurisdictions, such as the City.
- B. Cooperative Purchase Contracts - These contracts may be entered into by any other political subdivision in the State of Florida. If the contractors agree, they may be used by other political jurisdictions, such as the City.
- C. City Contracts - These contracts are specifically procured by the Purchasing Division either for citywide purposes or for a specific department.

7-4 USE

If the Purchasing Division or a Department becomes aware of a contract competitively entered by another jurisdiction that may be of use to the City, the Purchasing Division must first verify that the Vendor will extend the contract for City use. The Purchasing Division assigns a City contract number, and Departments may then use the contract.

7-5 APPROVALS

The Purchasing Agent or designee will sign standard purchase orders.

COMPETITIVE SEALED BIDS

8-1 PURPOSE

The purpose of this chapter is to establish procedures for the purchase of goods and services using competitive sealed bidding.

8-2 AUTHORITY

Purchases of goods and services expected to cost more than F.S. 287.017 CATEGORY TWO are to be procured by use of competitive sealed bidding, unless the City Council determines another method is more practicable.

8-3 DEFINITION

A competitive sealed bid is a method of source selection for a procurement estimated to be in excess of F.S. 287.017 CATEGORY TWO in which award is made to the lowest responsive and responsible bidder whose bid complies with the specifications contained in the Invitation for Bid. This means that price is the decisive criterion for determining the vendor who will receive the award.

8-4 PROCEDURES

A. General.

The competitive sealed bid process includes the following elements:

1. Issuance of a written Invitation for Bid;
2. Public notice of the Invitation by posting on a public bulletin board and advertising in a newspaper of general circulation;
3. Public opening at the date and time advertised, and announcement of all bids received;
4. Evaluation of bids based upon the requirements set forth in the IFB; and
5. Award to the lowest responsive and responsible bidder meeting all the specifications.

B. Department responsibilities. The using Department shall be responsible for the following during the competitive sealed bid process:

1. Submit a Purchase Requisition with an attached set of specifications describing the design or performance characteristics of the goods or services required;
 2. Review bid documents referred by the Purchasing Division to be certain that the bidders offered products meeting the specifications of the IFB;
 3. Document reasons **based on the specifications** why a Vendor should not be considered for an award;
 4. Recommend award to the lowest responsive and responsible vendor meeting the specifications.
- C. Purchasing responsibilities. The Purchasing Division is responsible for the following during the competitive sealed bid process:
1. Prepare bid documents based upon the requisition and specifications submitted by the Department, so that the process is open, equitable and fair to all potential vendors;
 2. Issue and advertise the sealed bid requirement no less than twice in a local newspaper; if no local vendors are available the bid may be advertised in other publications like trade journals;
 3. Receive and secure bids prior to bid opening;
 4. Open bids at the date and time given in the IFB;
 5. Analyze the bids to determine the apparent lowest responsive and responsible bidder;
 6. Provide copies of the apparent lowest responsive and responsible bid and the results of the Purchasing Division analysis to the requisitioning Department for its review; and make recommendation.
 7. The Council reserves the right to establish qualifications of prospective bidders, to accept any and all bids, and to require retainage, insurance, bid bonds, and/or performance bonds.
 8. A recommendation to award the lowest or best responsible bid shall be presented to City Council by the City Administrator or City Clerk. The City Council shall be the final authority with regard to awarding the bid.

- 9. Make the award to the lowest responsive and responsible bidder meeting the specifications.

8-5 PROCESSING TIMES

In most cases the bid results will be tallied by the purchasing agent, a copy forwarded to the department supervisor requesting the bid, and presented at the next regularly scheduled City Council meeting for their approval.

8-6 CITY OF SEBRING LOCAL PREFERENCE POLICY

- 1) Preference in Competitive Bidding, Quotes, and Request for Proposals: In purchasing or contracting for procurement services of, tangible personal property, materials, contractual services, construction, and commodities the Sebring City Council shall give preference to local businesses in making such purchases or awarding such contracts. Purchase Price shall include the base bid and all alternates or options to the base bid that are being awarded. Preference shall be based on the following scale:

	<u>Highlands County</u>	<u>City of Sebring</u>
\$0 - \$249,999.99	= 5%	7%
\$250,000 - \$999,999.99	= 4%	4%
\$1,000,000-1,999,999.99	= 3%	3%
\$2,000,000 and over	= 2%	2%

Verification shall be made through Property Appraiser’s records.

- 2) Local Business Definition: “Local business” shall mean a business in which:
 - a) Has a fixed office or distribution point located in and having a street address within the City of Sebring first, then Highlands County, Florida second for at least six months (i.e. utility bills) immediately prior to the issuance of the competitive bid, request for quote, or request for proposal by the City of Sebring; and
 - b) Holds a business license required by the City of Sebring.

3) Exceptions to Local Preference:

- a) The procurement preference set forth in this policy shall not apply to the following purchases or contracts:
 - 1) Goods or services provided under a cooperative purchasing, interlocal agreement, or “piggybacked” contract.

- 2) Contracts for professional services which is subject to the (CCNA) Consultant's Competitive Negotiation Act or subject to any competitive consultants selection policy or procedure adopted by or utilized by Sebring City Council.
 - 3) Purchases which are funded, in whole or in part, by a government entity and the laws, regulations, or policies governing such funding prohibit application of that preference;
 - 4) Purchases made or contracts let under emergency or noncompetitive situations or for litigation related services.
- b) The local preference established in this policy does not prohibit the Sebring City Council from giving any other preference permitted by law, in addition to local preference authorized in this policy.

8-7 DETERMINATION OF NON-RESPONSIVENESS

- A. The following are reasons that a bid may be declared non-responsive:
- 1. The bidder failed to sign the bid, the bidder did not provide an original signature on the bid form, or the bidder failed to complete required forms and certificates;
 - 2. The bidder changed delivery terms, i.e., the bidder changed "FOB Destination" to "FOB Shipping Point";
 - 3. The bidder did not offer goods or services that complied with the specifications of the bid; or
 - 4. The bidder did not offer firm prices.

8-8 DETERMINATION OF NON-RESPONSIBILITY

- A. The following are reasons a bidder may be declared non-responsive:
- 1. The bidder is not a regular dealer or supplier of the goods or services offered;
 - 2. The bidder does not have the ability to comply with the required delivery or performance schedule;

3. The bidder does not have a satisfactory record of performance as documented **prior to the receipt of bids** by the requesting department, the Division or other jurisdictions;
 4. The bidder does not have a satisfactory record of integrity, or the bidder is currently debarred or suspended by the Division or other jurisdiction; and
 5. The bidder does not have the necessary facilities, organization, experience, technical skills or financial resources to fulfill the terms of the purchase order or contract.
- B. When a bidder is declared non-responsive, the bidder shall be notified in writing and given an opportunity to appeal that determination.

8-9 CONFIDENTIALITY

After bids are opened and reviewed by persons present at the bid opening, they become confidential until the Purchasing Agent or designee awards the contract.

Department staff shall not discuss bids with competing vendors. Vendor questions must be referred to the Purchasing Division. Department staff shall not discuss with any vendor the recommended award or the reasons for awarding or not awarding to any bidder.

8-10 DISAGREEMENTS ABOUT RECOMMENDATIONS

If the Department and the Purchasing Division disagree about the award recommendation, the Department Head or designee and the Purchasing Agent or designee may meet personally to review the reasons for the disagreement. The mutual goal of the Department and the Division is to award a bid to the lowest responsive and responsible bidder for goods or services.

9- PURCHASING CARDS

PURPOSE: To establish those procedures under which departments will control the use of Purchase Cards assigned to and utilized by City of Sebring employees for purchasing non restricted commodities and services on behalf of the City. These procedures are intended to accomplish the following:

1. To ensure that the procurement with Purchasing Cards is accomplished in accordance with the policy and procedures established within this and other Sections of this manual.
2. To enhance productivity, significantly reduce paperwork, improve controls, and overall cost associated with purchases.
3. To ensure appropriate internal controls are established within each department procuring with Purchasing Cards so that they are used only for authorized purposes.
4. To have timely and meaningful management reports which detail and summarize periodic activity.
5. To ensure that the City bears no legal liability from inappropriate use of Purchasing Cards.
6. To provide a convenient method for purchases, consolidate payments, improve customer service, reduce transaction cost, streamline processes, and capture spending information.
7. Ensure prompt payment to vendors.
8. Provide hard data on purchase activity with vendors in order to achieve savings by negotiated discounts based upon the volume of business with the vendor.
9. Specific advantages within the Purchasing Card Program itself include the various ways that limits and restrictions can be established that allow the tailoring of individual cards to fit the needs of the user. This will extend purchasing responsibility to more individuals than in the current purchasing environment, while maintaining or even increasing accountability.

The success of the Purchasing Card Program relies on the cooperation and professionalism of all personnel associated with this initiative. The most important participant is the Cardholder. The individual user is the key element in making this program successful.

Finally, it is intended that the procedures established herein are viewed as minimum standards for each department, who may wish to establish additional controls beyond those suggested by the procedures.

SCOPE: This procedure will be applicable to those departments who have selected employees to use Purchasing Cards to purchase goods, services, travel and training, or for specific expenditures

incurred under conditions approved by this procedure, i.e.: emergencies. The decision of when a Purchasing Card is issued, to whom, and the dollar limitations will be as requested by the Department head and approved by Purchasing and/or the Purchasing Card Program Administrator.

APPLICABILITY: This procedure applies to all departments of the City of Sebring.

BACKGROUND: A number of unique controls have been developed for this program that do not have to exist in a traditional credit card environment. These controls ensure that each card can be used only for specific purposes and within specific dollar limits.

In addition, certification of all purchases is required by each Cardholder, with verification performed by their immediate supervisor before payment is made to the vendor.

LIMITS AND RESTRICTIONS: The following limits can be uniquely established:

1. **Spending amount per day, billing cycle, and month.** The Cardholder can only incur transactions totaling a predetermined dollar amount within any defined period.
2. **Number of transactions per day, billing cycle and month.** The Cardholder can only incur a predetermined number of transactions within a predefined period.
3. **Single Purchase Amount.** A limited dollar amount for any single transaction. Cardholders **shall not** split transactions to stay within their limits.
4. **Merchant Category Codes (MCC).** The MCC are assigned by VISA to a merchant which identifies the primary type of goods or service they provide. The MCC are designed to offer every combination possible and restrictions are imposed at the point of sale if the blocked merchant requests authorization for the transaction.

BENEFITS: There are many benefits to using the Purchasing Card including:

1. **City of Sebring Benefits:**
 - a. Simplifies the purchasing process for the large number of low dollar purchases, freeing up time for large dollar purchases.
 - b. Significantly reduces the overall transaction processing cost per purchase.
 - c. Increased accountability.
 - d. Provides management information electronically which is currently unavailable.
2. **Cardholder Benefits:**
 - a. Convenience of purchasing without an intensive Requisition/Purchase Order processing system.
 - b. Expedites the delivery of goods or services to the job site.
 - c. Expands the list of merchants from whom purchases can be made.
3. **Merchant Benefits:**
 - a. Expedites payment to the merchant within 48 hours.
 - b. Reduces merchant maintained Accounts and paperwork.
 - c. Lowers risk of nonpayment.

TRAINING: All Cardholders will complete training before they are issued a Purchasing Card.

1. Participating in the Purchasing Card Program is a privilege being offered by the City. If the

Purchasing Card Program Administrator and/or the Clerk's Office becomes aware of any inappropriate or late approval of transactions, Cardholder privileges may be canceled.

2. It is expected that the Purchasing Card Procedures and training program will assist you in making this program a success.

9-1. CARDHOLDER SPENDING LIMITS

9-1.1 The Delegation of Authority that has been provided to each Cardholder will set the maximum dollar amount for each single transaction up to a maximum of \$999.99 at the Director level for small non-stocked products and services or for travel and training. Each time a Cardholder makes a purchase with his/her Purchasing Card, this limit will be checked, and the authorization request will be declined should the amount exceed the limitation.

9-1.2 Purchasing Cards issued to the City Administrator, Assistant City Administrator, Purchasing Agent may be authorized for a higher maximum amount per purchase.

9-1.3 The Purchasing Card Program Administrator / Purchasing Agent with the advice and consent of the City Administrator and/or the Assistant City Administrator may establish different limits for each employee as recommended by the employee's Director.

9-2. USE OF PURCHASING CARD

9-2.1 THE PURCHASING CARD IS TO BE USED FOR CITY PURCHASES ONLY. CASH ADVANCES THROUGH BANK TELLERS OR AUTOMATED TELLER MACHINES ARE PROHIBITED.

9-2.2 The Purchasing Card will not be used for personal purchases. When traveling, if meal charges, individually, exceed the authorized subsistence rates (currently \$6.00 for breakfast, \$11.00 for lunch, and \$19.00 for dinner), the traveler will be required to reimburse the City for the difference in the amounts.

9-2.3 CARDHOLDER RESPONSIBILITY - The Purchasing Card that the Cardholder receives has his/her name embossed on it and the card **shall not** be lent to any other person.

9-2.3.1 Every Cardholder is responsible for the security of their Purchasing Card. All precautions shall be used to maintain confidentiality of the Cardholder's account number and expiration date of the Purchasing Card.

9-2.4 CONDITIONS FOR USE - The total of a single purchase to be paid for using the card may be comprised of multiple items but cannot exceed the authorized single invoice limitation. Purchases will be denied if any preset limits are exceeded. Payments for purchases **are not to be split in order to stay within the single purchase limit.**

9-2.5 When using the Purchase Card, Cardholders should:

- 9-2.5.1 Ensure that the goods or services to be purchased are allowable.
- 9-2.5.2 Determine if the intended purchase is within Cardholder's Purchasing Card limits.
- 9-2.5.3 Advise the supplier/merchant that the purchase will be made using the VISA Purchasing Card.
- 9-2.5.4 Inform the merchant that the purchase is tax-exempt. Review the receipt **before** leaving the store and if taxes were included, request a credit.
- 9-2.5.5 If using the Purchasing Card for travel, membership dues, conference, training or other transactions that require prior approval, make sure all appropriate forms are completed and approved prior to making the purchase.

9-2.6 When placing telephone or mail orders, Cardholders should:

- 9-2.6.1 If you place a telephone or mail order and sales tax was charged, contact the merchant and request that a credit be processed for the amount of the tax charged.
- 9-2.6.2 Purchases made in Florida and for use in Florida are exempt from Florida sales and use taxes. The City tax exempt identification number is printed on the Purchasing Card.
 - 9-2.6.2.1 As with all City purchases, the Cardholder must be diligent when dealing with the merchant regarding taxes.
- 9-2.6.3 **Make sure the merchant understands that charges are not to be billed until the item(s) has been shipped.** Florida law prohibits payment to a merchant prior to receipt of goods or services except in specific circumstances.
- 9-2.6.4 If an item(s) is not currently in stock, and is back ordered, remind the merchant that the Purchasing Card cannot be billed until the back ordered item(s) have been shipped.
- 9-2.6.5 To ensure prompt delivery of items ordered by telephone or by mail, provide the merchant with the appropriate delivery information - do not use a Post Office Box for a Ship To address. Request that your name and Ship To address with room number (where applicable) are clearly marked on the outside of the package.
- 9-2.6.6 Instruct the merchant to send the sales receipt directly to the Cardholder and not to send an invoice to the City Hall, since the merchant will be paid by the merchant's financial institution.
- 9-2.6.7 Tell the supplier/merchant that any shipping or delivery fees must be included in the unit

price - FOB: Destination. (A delivery point in the City of Sebring.)

9-2.7 Returning Merchandise Purchased with the Card - Cardholder is responsible for managing any returns/exchanges and ensuring that proper credit is received for returned merchandise.

9-2.7.1 Contact the vendor and obtain instructions for return.

9-2.7.2 Review your next card statement to ensure that your account is properly credited for the return.

9-2.7.3 A pattern of returns and exchanges that indicate improper or inaccurate initial product selection shall be reviewed and may result in loss of privileges for the card holder.

9-3. DOCUMENTATION, RECONCILIATION AND PAYMENT PROCEDURES

9-3.1 Documentation - Any time a purchase is made that will be paid using the Purchasing Card, the Cardholder is to obtain a customer copy of the charge slip, which will become the accounting document. Make sure all carbons, if used, and any excess copies are destroyed.

9-3.2 Missing Documentation - If for some reason the Cardholder does not have documentation of the transaction to send with the statement, he/she must attach an explanation with a reconciliation statement that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation. Instances of frequent abuse, as determined by the Cardholder's Department Director, Purchasing Card Program Administrator and/or the Clerk's Office, of this provision will result in cancellation of the Cardholder's Purchasing Card.

9-3.3 Payment and Invoice Procedures - Purchases made by employees will be paid by Accounts Payable once the Cardholder's certification and the approving official's verification has been completed and the account number has been assigned for each transaction.

9-3.3.1 Receipts: The Purchasing Card receipt or vendor's sales receipt for purchases must be supplied. When purchases are conducted by telephone, you must fill out the Telephone Order Forms and request the vendor to forward the receipt to you. These receipts, and any Telephone Order Forms, are to be stapled to the monthly statement in the order that they appear on the statement. **Failure to keep adequate receipts will lead to the loss of Purchasing Card privileges.** If receipts are lost, attach a note indicating the item(s) purchased in accordance with section 3.2.

9-3.3.2 The Purchasing Card Issuer, Highlands Independent Bank, will provide one copy of the billing statement to the Cardholder and one copy to Accounts Payable, at the end of a billing cycle. The copy of the statement will be mailed to the individual Cardholder. This statement will have a listing of all items processed within the billing cycle.

9-3.3.3 The Cardholder is required to review the statement and to note any errors on the bill. The receipts will then be stapled to the statement. The Cardholder signs the statement certifying items purchased and forwards to the department's director, via their immediate supervisor, within two (2) work days after it is received. Non compliance may mean denial of future use.

9-3.3.4 The department's director reviews the statements received from the Cardholder and where applicable, A Statement of Dispute, is attached. Once review is completed, the department's director will forward to the Purchasing Card Program Administrator within two (2) days after receipt from Cardholder. The department's director will fax all Statement of Disputes to Highlands Independent Bank.

9-3.3.5 **Travel:** The Purchasing Card Issuer will issue the Statement on a scheduled basis each month. It will be the responsibility of the Cardholder to provide his/her designated representative with the receipts for that month should travel or extended leave be scheduled at the time the statement is due and he/she will not be able to complete the statement. The designated representative will complete and make a copy of the statement for the absent employee, and shall forward the copy of the statement to the Purchasing Card Administrator with the rest of the Cardholder's statements. **The original Cardholder statement will be signed by the employee at the time he/she returns and submitted.**

9-3.3.6 The Purchasing Card Program Administrator will be responsible for reviewing completed statements from all Cardholders, verifying approval of purchases, resolving any questions on the purchases, and signing the cover letter that accompanies the statements and forwarding completed package with all attachments to Accounts Payable within three (3) working days after receipt from the department directors. All statements should be furnished to Accounts Payable at the same time. Should the Purchasing Card Program Administrator not receive all of the statements, it will be his/her responsibility to contact the appropriate department director and have the statements furnished at once. If, however, one or more statements are for some reason not received, the remaining statements shall not be held while that one or more are pending.

9-3.3.6.1 All attachments to the Statement must be stapled to the statement and be sent to the Accounts Payable not later than the third working day after being received by the Card Administrator.

9-3.3.7 If a Cardholder had no purchase activity on his credit card for a particular billing cycle, no Statement will be generated for that Cardholder (unless adjustments for previously billed trans- actions are processed during that cycle).

9-4. TRANSACTION APPROVAL

9-4.1 Approval of the transactions that a Cardholder has made using their Purchasing Cards, will not

be totally defined in this procedure. Department Directors, because of his/her knowledge of the job responsibilities of Cardholder, are required to look at each Cardholder's purchases, and at the merchant who made the sale in order to determine if these items were for Official Use and if they were items allowed to be purchased in accordance with the instructions provided.

9-4.1.1 If for any reason the Department Director questions the purchase(s), it is his/her responsibility to resolve the issue with the Cardholder. If they cannot be satisfied that the purchase was necessary and for Official Use, then the Cardholder must provide a Credit Voucher proving item(s) had been returned for credit.

9-4.2 The City Administrator will be responsible for resolving abuses by each Cardholder. Appropriate disciplinary action will be taken against any Cardholder who misuses their privileges of up to and including dismissal.

9-4.2.1 Should it be evident that an unauthorized purchase was knowingly made, the City Administrator will determine what action will be taken based on the facts presented by the Purchasing Card Program Administrator.

9-5. DISPUTES/UNAUTHORIZED CHARGES

9-5.1 If a suspicious charge appears on a monthly statement, the Cardholder should first attempt to verify the charge with records of purchase. If the Cardholder does not agree with the charge posted on the statement, the Cardholder must notify the bank in writing, using the Cardholder Dispute Form. A copy of the Cardholder Dispute Form will be forwarded with the statement through the end-of-month processing cycle for the statement. The bank will research the disputed charge and make the necessary adjustments. For Disputes contact card services at 800-344-5696.

9-5.2 Credit to Account - When the bank receives proper notification of a disputed charge, the charge amount will be removed from the total owed by City and shown on the monthly statement as a suspense item. When the dispute is resolved, the charge will either be removed from the monthly statement (if the charge was improper) or charged to the Cardholder's department (if research shows the charge was valid).

9-5.3 If items purchased with the Purchasing Card are found defective or the repair or services faulty, the Cardholder has the responsibility to return item(s) to the merchant for replacement or to receive a credit on the purchase. **CASH REFUNDS WILL NOT BE PERMITTED.** If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in DISPUTE.

9-5.4 A disputed item must be noted on the Cardholder's Statement. In addition, a Cardholder's Statement of Questioned Item form must be completed by the Cardholder with appropriate documentation attached, if necessary. This form will be forwarded with the statement through the end-of-month processing cycle for the statement.

9-5.5 Disputed items will be paid at the full amount. A credit will be received if dispute rules in favor of the City. When the dispute is resolved the result will be shown on the Cardholder's Statement.

9-5.6 It is essential that the time frames and documentation requirements established by the Purchasing Card Issuer be followed to protect the Cardholder's rights in dispute. Dispute policies and procedures issued by the Purchasing Card Issuer will be provided at the time Purchasing Cards are issued to Cardholder.

9-6. REQUEST FOR INITIAL, ADDITIONAL, OR CHANGES TO PURCHASING CARD

9-6.1 Requests for a new Cardholder or changes to a current Cardholder will be done by submitting *Request for Purchasing Card* form. The form will be processed by the affected Department Director, who will forward the request to the Purchasing Card Program Administrator.

9-6.2 All requests for Purchasing Cards must be approved by the Purchasing Card Program Administrator under the direction of the City Clerk and the City Administrator.

9-6.3 The Purchasing Card Program Administrator's name must be provided to Accounts Payable/Receivable Division and kept current.

9-6.4 When Purchasing Card Program Administrator receives the Purchasing Card from the credit card issuer, they shall print on the back of the card the following statement:

"SEE DRIVER'S LICENSE"

9-7. ANNUAL INVENTORY OF PURCHASING CARDS

On an annual basis, the Purchasing Card Program Administrator will provide a list of Purchasing Cards issued to employees for each department. The Purchasing Card Program Administrator will conduct a physical inventory of Purchasing Cards and prepare a report on the results of the physical inventory. Additionally, spot check inventories, of partial or whole departments, may be held at any time and without prior notification.

9-8. LOST OR STOLEN PURCHASING CARDS

9-8.1 Should an employee lose or have their Purchasing Card stolen, it is the responsibility of the Cardholder to immediately notify the credit card issuer, their Department Director, the Purchasing Card Program Administrator and Accounts Payable/Receivable Division of the loss. The telephone number of the credit card issuer will be provided when the Purchasing Card is issued to the Cardholder.

9-8.2 **To report a lost/stolen card:** The cardholder must call Highlands Independent Bank, Customer Service, at 800-344-5696 immediately upon discovering that the card has been lost or

stolen. Help is available 24 hours a day. Also call the Purchasing Card Administrator as early as possible on the first available business day during normal business hours at (863) 471-5110.

9-8.3 Failure to promptly notify the issuing bank of the theft, loss, or misplacement of the Purchasing Card could make the City and/or the Cardholder responsible for any fraudulent use of the card and result in loss of privileges and/or disciplinary action for the Cardholder.

9-9. EMPLOYEE TERMINATION/TRANSFER

9-9.1 A Cardholder who terminates their employment must relinquish their Purchasing Card at the time of the separation from City to their Department Director who will forward the card to the Purchasing Card Program Administrator. The Purchasing Card Program Administrator will notify the bank and the Cardholder's card will be immediately deactivated. A Cardholder who fraudulently uses the Purchasing Card after separation from City will be subject to legal action.

9-9.2 Transfer of an employee within their Department - If a Cardholder is transferred within their department, it will be the responsibility of the Department Director to determine if the Cardholder should retain his/her current Purchasing Card. If it is determined that the Purchasing Card should be kept by the Cardholder, the master file will be changed upon notification to the Purchasing Card Program Administrator, using the *New Card/Change Form*, thereby eliminating the need for issuing a new Purchasing Card.

9-9.3 Transfer of an employee to another Department - If a Cardholder is transferred to another department, it will be the responsibility of the new Department Director to determine if the Cardholder should retain his/her current Purchasing Card. If it is determined that the Purchasing Card should be kept by the Cardholder, the master file will be changed upon notification to the Purchasing Card Program Administrator, using the *New Card/Change Form*, thereby eliminating the need for the issuing of a new Purchasing Card.

9-9.4 Purchasing Cards canceled for any reason, shall be destroyed by cutting it down the center of the magnetic strip and returning both parts to the Purchasing Card Program Administrator for recording and submission to the credit card issuer.

9-10. AUDITS / REVIEWS

9-10.1 The Card Program Administrator may randomly review Card activity and usage and receipt retention for compliance.

9-10.2 The Clerk's Office may conduct random audits on card activity and usage and receipt retention, reconciliations, compliance, etc.

9-11. FEEDBACK

Your feedback regarding this program is important. The Purchasing Card Program Administrator needs to know if you have any issues and we welcome suggestions for improvement.

9-12. Accounting/Purchasing procedures and Accounting/Travel and Training Procedures along with the State of Florida Purchasing Card Guidelines are incorporated, by reference, in these procedures, where applicable.

9-13. MERCHANT SIGN-UP

It is important to the success of the Purchasing Card Program that merchants interested in doing business with the City via the Purchasing Card receive assistance in doing so. If merchants currently accept VISA credit cards, they are already equipped to accept City Purchasing Cards. A merchant who is not currently accepting VISA credit cards should contact the Highlands Independent Bank merchant service provider, their own financial institution, or other merchant service provider.

9.14. QUICK REFERENCE

1. What is a Purchasing Card?

A credit card that is used as an alternative payment method for small dollar and travel and training expenditures for non-stocked products and services, for travel and training, or as otherwise approved for the individual Cardholder.

2. What are the advantages of using the Purchasing Card?

Improved user satisfaction due to prompt order confirmation and accelerated product receipt.

Improved vendor relations by eliminating the potential for late payments, the vendor is paid within 48 hours.

3. Who may have a Purchasing Card, and how do you obtain one?

Any employee responsible for making purchases that is recommended by their Department Director and is approved by the Purchasing Card Program Administrator.

4. What is the responsibility of the Cardholder?

Upon acceptance of the Purchasing Card, employee must sign a Cardholder Agreement. Signing this agreement, acknowledges employee receipt of the card and acceptance of responsibility for abiding by the terms and conditions of the agreement.

Ensure that usage of the card conforms to procedures and that the card is used only for official business purposes.

Cardholder will retain and verify charge receipts and attach to the monthly statement.

Cardholder must obtain their Department Director's approval on a statement.

5. What is the Department Director's responsibility?

Identify and recommend employees who should be issued a Purchasing Card.

Identify and recommends limitations.

Ensure that the Purchasing Cards used in their department conform to City policy and program guidelines as well as the Purchasing Manual.

Review and sign detailed statement monthly.

Forward statements with receipts to the Purchasing Card Program Administrator.

6. What is the responsibility of the Purchasing Card Program Administrator?

Manage, authorize, terminate, and maintain a file of individuals authorized to conduct Purchasing Card transactions.

Respond to questions concerning Purchasing Card expenditures.

7. How are purchases made?

Cardholder calls or visits vendor and places order.

Cardholder provides the vendor with the Purchasing Card number and delivery instructions.

8. Does the Purchasing Card have a spending limit?

Individual transactions limited up to a pre-approved amount for small non-stocked products and services, for travel and training, or as otherwise approved by the Purchasing Card Program Administrator under the direction of the City Clerk and the City Administrator.

9. What happens if the statement is incorrect or an item needs to be returned?

Cardholder notifies credit card issuer if incorrect charge is identified on the statement.
Cardholder works with the vendor to arrange for returns and credit.
Cardholder verifies that credit appears on next statement.

10. What types of purchases are allowable?

The Purchasing Card is to be used for purchases of small dollar expenditures. These items can be purchased and picked up directly at the vendor, or can be ordered by telephone, fax, or online and delivered to the Cardholder.

11. What purchases are disallowed?

The Purchasing Card cannot exceed limitations placed on the individual card for non-stocked products and services, for travel and training or as otherwise approved by the Purchasing Card Program Administrator.

Splitting of requirements - not allowed.

Entertainment

Personal use

Cash advance

Alcoholic beverages

Tobacco products

Non-work or personal use items and services.

Services such as consultants or construction.

Telephone Credit Card

Food Purchases

12. It should be noted that the Purchasing Card will be used by designated personnel to pay for issued Purchase Orders and other purchases not available to the general users.

9.15. DEFINITIONS

Appointed Representative - An individual the Department Director selects to act on their behalf.

Approver - A person delegated the responsibility of reviewing Cardholder transactions to ensure the appropriateness of activity and timely processing of charges (Department Director).

Billing Cycle - The monthly billing period that begins the 4th day of each month and ends the 27th day of each month with a 14-day grace period before payment is due.

Cardholder - The City employee to whom a written Delegation of Authority has been given granting the use of the Purchasing Card to make purchases within present limits on behalf of City.

Cardholder Profile - Parameters that are set for a designated Cardholder that identify the Cardholder, sets default accounting codes and provides restrictions or spending limitations in the Purchasing Card system.

Cash Advance - Prohibited on the Purchasing Card as well as personal purchases.

Charge Slip/Documentation - Itemized list of individual purchases on receipt.

Contractor/Issuer – Highlands Independent Bank.

Credit - Charged amount removed from total owed by the City.

Cycle Limit - A maximum dollar value of charges and/or number of transactions that may be applied to a Cardholder's purchasing authority for the billing cycle.

Daily Limit - A maximum dollar value of charges and/or number of transactions that may be applied to a Cardholder's purchasing authority per day.

Delegation of Authority - A document issued by the Purchasing Card Program Administrator that establishes the individual as an authorized Cardholder. The delegation of authority will specify spending and usage limitations unique to that Cardholder.

Delivery Address - Complete address including Cardholder's name and room number (where applicable).

Designated Representative - Department Director is to review Cardholder's monthly statements, receipts, and transactions to ensure the appropriateness of activity and timely processing of charges and/or credits applied to that department.

Dispute - For items purchased and found defective or faulty, the Cardholder can return the item to the merchant who will initiate a credit that will appear on the next month's statement of account.

MCC - Merchant Category Code assigned to a merchant by the Credit Card Company, i.e. VISA, which identifies the primary goods or services provided by the merchant.

Monthly Limit - A maximum dollar value of charges and/or number of transactions that may be applied to a Cardholder's purchasing authority during a month.

Non-stock Materials - Materials not available through supply inventory.

Official Use - Necessary merchandise purchased for City use.

Payer - The payer will be City of Sebring, through the Finance Department, ensuring that adequate or appropriate accounting codes are assigned. Normally, this will be the last level of review prior to processing for payment but is not part of the approval levels.

Purchasing Card - A credit card that is used as an alternative payment method.

Purchasing Card Program Administrator - The individual who is responsible for the Purchasing Card Program.

Reconciler - The individual who reconciles Cardholder receipts.

Reconciliation - Balancing charge slips with bank statement.

Services - Non-personal temporary work.

Single Purchase Limit - Each Cardholder will be limited to a preset maximum amount on any single small non-stocked product or service, for travel and training or as otherwise determined by the Purchasing Card Program Administrator.

Small Purchase - An acquisition of supplies, and non-personal services in the amount of \$999.99 or less and purchased without a Purchase Order.

Statement - Monthly record of charges and credits.

Tax Exemption - All purchases shall be exempt from state and local taxes, in accordance with state law.



REQUEST FOR PURCHASING CARD

To: Purchasing Card Program Administrator

From: _____
DEPARTMENT NAME

Subject: REQUEST FOR PURCHASING CARD

Request the following employee be authorized a BCC Purchasing Card:

Full Name: (Type or Print) _____

Sample Signature: _____

Title: _____ Department: _____

Immediate Supervisor: _____

Restrictions: Single limitation: \$ _____ Monthly limitation: \$ _____
(not to exceed \$999.99)

Types of products to be authorized: _____

TYPED OR PRINTED NAME OF DEPARTMENT DIRECTOR

SIGNATURE OF DEPARTMENT DIRECTOR

SIGNATURE OF CITY ADMINISTRATOR

SIGNATURE OF CITY CLERK

SIGNATURE OF PURCHASING CARD ADMINISTRATOR

cc: Authorized Employee



CITY OF SEBRING
CARDHOLDER AGREEMENT

Please review the terms stated below and sign:

I agree to use this Purchasing Card only for actual and necessary City of Sebring business expenses incurred by me in accordance with the City Purchasing Card Procedures.

I have read the Purchasing Card Procedures, and agree to abide by the procedures contained therein. I acknowledge that use of this card for any purpose other than City approved business expenses are prohibited and will be grounds for corrective action, up to and including termination. In addition, I must reimburse the City for any such charges.

I agree to surrender the Purchasing Card immediately upon retirement, termination, or upon request of an authorized representative of the City. I understand that use of the Purchasing Card after privileges are withdrawn is prohibited.

If the card is lost or stolen, I will immediately notify the issuing bank (Highlands Independent Bank) by telephone. I will confirm the telephone notification by mail or facsimile to the issuing bank and with a copy to my Department Director and the Purchasing Card Program Administrator. I understand that failure to promptly notify the issuing bank of the theft, lost, or misplaced Purchasing Card could make me responsible for any fraudulent use of the card.

Bank Contact: Jeri Winkleblack, Vice President, Florida Account Manager
850-561-1737 Fax: 850-561-1965
Customer Service: 800-822-5985 Fax: 757-823-7473

Cardholder: _____
TYPE OR PRINT NAME

Signature: _____

Date: _____

Department: _____

Phone Number: _____

cc: Cardholder

PURCHASING CARD TELEPHONE ORDER
(For Internal Use Only, Retain With Receipts)

Reminder: City of Sebring is exempt from Florida Sales Tax.
Give vendor the tax exemption number on the Purchasing Card.

It is the Cardholder's responsibility to obtain receipts from telephone purchases, attach them to this form, and forward this form and the receipts with their monthly statements.

Supplier Name	
Phone Number	
Date Order Placed	
Order called in by (cardholder's name)	
Order called to (Name of vendor's representative)	

Item #	Description	U/I	Qty	Cost per U/I	Ext Cost

TOTAL PURCHASE:	
------------------------	--