TOWN OF LOXAHATCHEE GROVES

TOWN HALL CONFERENCE ROOM

FINANCE ADVISORY AND AUDIT COMMITTEE AGENDA

MAY 16, 2019 – 6:30 P.M.

Anita Kane, Chair (Seat 1)
Peter Savino, Vice Chair (Seat 2)
Laura Cacioppo, Alt.
Janet Eick (Seat 4)
Bruce Cuningham (Seat 5)

Administration

Town Manager, James S. Titcomb
Assistant Town Manager, Francine L. Ramaglia
Town Clerk, Lakisha Q. Burch

Civility: Being "civil" is not a restraint on the First Amendment right to speak out, but it is more than just being polite. Civility is stating your opinions and beliefs, without degrading someone else in the process. Civility requires a person to respect other people's opinions and beliefs even if he or she strongly disagrees. It is finding a common ground for dialogue with others. It is being patient, graceful, and having a strong character. That's why we say "Character Counts" in Town of Loxahatchee Groves. Civility is practiced at all Town meetings.

Special Needs: In accordance with the provisions of the American with Disabilities Act (ADA), persons in need of a special accommodation to participate in this proceeding shall within three business days prior to any proceeding, contact the Town Clerk's Office, 155 F Road, Loxahatchee Groves, Florida, (561) 793-2418.

Quasi-Judicial Hearings: Some of the matters on the Agenda may be "quasi-judicial" in nature. Town Council Members are required to disclose all ex-parte communications regarding these items and are subject to voir dire (a preliminary examination of a witness or a juror by a judge or council) by any affected party regarding those communications. All witnesses testifying will be "sworn" prior to their testimony. However, the public is permitted to comment, without being sworn. Unsworn comment will be given its appropriate weight by the Town Council.

Appeal of Decision: If a person decides to appeal any decision made by the Town Council with respect to any matter considered at this meeting, he or she will need a record of the proceeding, and for that purpose, may need to ensure that a verbatim record of the proceeding is made, which record includes any testimony and evidence upon which the appeal will be based.

Consent Calendar: Those matters included under the Consent Calendar are typically self-explanatory, non-controversial, and are not expected to require review or discussion. All items will be enacted by a single motion. If discussion on an item is desired, any Town Council Member, without a motion, may "pull" or remove the item to be considered separately. If any item is quasi-judicial, it may be removed from the Consent Calendar to be heard separately, by a Town Council Member, or by any member of the public desiring it to be heard, without a motion.

CALL TO ORDER

ROLL CALL

REGULAR AGENDA

1. **Meeting Minutes**
2. **Mid-year Financial Report**
3. **CPA Update:**
   a. **OGEM Report**
   b. **Month & Year End Closing Policies**
4. **Policy & Procedures**
   a. **Purchasing**
   b. **Finance & Accounting**
   c. **Personnel**
5. **Budget**
6. **Workplan & Schedule**

COMMENTS FROM THE PUBLIC

COMMITTEE MEMBER COMMENTS

ADJOURNMENT

Comment Cards: Anyone from the public wishing to address the FAAC Committee, it is requested that you complete a Comment Card before speaking. Please fill out completely with your full name and address so that your comments can be entered correctly in the minutes. During the agenda item portion of the meeting, you may only address the item on the agenda being discussed at the time of your comment. During public comments, you may address any item you desire. Please remember that there is a three (3) minute time limit on all public comment. Persons with disabilities requiring accommodations in order to participate should contact the Town Clerk's Office (561-793-2418), at least 48 hours in advance to request such accommodation

TOWN OF LOXAHATCHEE GROVES
FINANCE ADVISORY AND AUDIT COMMITTEE MEETING
APRIL 17, 2019
audio available in the Town Clerk's Office

CALL TO ORDER
Town Manager James Titcomb called the meeting to order at 5:57 p.m.

ROLL CALL
Committee Member Anita Kane, Committee Member Peter Savino, Committee Member Laura Cacioppo and Committee Member Janet Eick (arrived at 6:40 p.m.)

REGULAR AGENDA
1. Oath of Office for Committee Members

Town Clerk Burch gave the Oath of Office to the Finance Advisory and Audit Committee members.

2. Section of Chair of the Finance Advisory and Audit Committee

Motion was made by Committee Member Laura Cacioppo seconded by Committee Member Peter Savino to nominate and select Anita Kane as Chair of the Finance Advisory and Audit Committee; it was voted as follows: Ayes: Committee Members Laura Cacioppo, Peter Savino and Anita Kane. Motion passed unanimously.

Motion was made by Committee Member Anita Kane seconded by Committee Member Laura Cacioppo to nominate and select Peter Savino as Vice Chair of the Finance Advisory and Audit Committee; it was voted as follows: Anita Kane, Laura Cacioppo and Peter Savino. Motion passed unanimously.

3. Meeting Schedule

Town Manager Titcomb presented the item to the committee. There was discussion among the Committee Members and Town staff regarding their availability of their schedules and what day and time would be best for the committee to meet.

There was a consensus of the committee to meet on the second Tuesday of the month or the next Tuesday after a Town Council meeting. The next meeting will be held on Tuesday, May 14, 2019 at 6:00 p.m.

4. Scope of Work

Town Manager Titcomb presented the item to the committee. There was discussion among the Committee Members, Town Manager Titcomb, Financial Consultant Rick Harley and Asst. Town Manager Francine Ramaglia.

Committee Member Janet Eick arrived at 6:40 p.m. and was administered the Oath of Office. Chair Kane gave Committee Member Eick an update of what has been taken place since her arrival. Committee Member Eick stated what she would like to see regarding financial reports.

Anita Kane asked about the Scholarship Fund. Staff responded to her concerns.

COMMENTS FROM THE PUBLIC
Mayor Shorr thanked the Committee Members for serving on this committee.

BOARD MEMBER COMMENTS
Committee Member Laura Cacioppo really glad about moving forward.

Committee Member Janet Eick stated that she is just glad to serve on the committee.

Vice Chair Peter Savino thankful for being asked to serve and hope to serve the Council well.

Chair Anita Kane thankful for being able to serve again and look forward to moving forward.

ADJOURNMENT
There being no further business the meeting was adjourned at 7:04 p.m.

TOWN OF LOXAHATCHEE GROVES, FLORIDA

ATTEST:

____________________ Mayor

____________________ Town Clerk

____________________ Vice Mayor

____________________ Councilmember

APPROVED AS TO LEGAL FORM:

____________________ Councilmember

____________________ Town Attorney

____________________ Councilmember

MID-YEAR FINANCIAL REPORT

Town of Loxahatchee Groves

as of March 31, 2019

MID-YEAR FINANCIAL SNAPSHOT

TOWN OF LOXAHATCHEE GROVES
MARCH 31, 2019

May 7, 2019

Total Budget by Fund

- Total 2019 budget of $13.4 million (***$5.2 million*** excluding borrowings & capital spending, interfund transfers, charges and use of reserves), down from a total 2018 budget of $17.2 million (***$4.2 million*** excluding borrowings & capital spending, interfund transfers, charges and use of reserves). District budgets are included for both years.

- Accounted for in 6 Funds:
  - *General*
  - *District (Roads & Drainage)*
  - *Transportation (Gas Taxes)*
  - *Local Option SurTax (LOST)*
  - *Solid Waste*
  - *CIP*

- Banking relationships with:

– *Wells Fargo*	*$2,354,048*
– *Florida Community Bank (Synovus)*	*$1,595,171*
– *Bank United (OGEM Funds for debt service & road resurfacing)*	*$ 591,473*

  *(**cash balances per March 31st bank statements**)*

- Investment held at Florida League of Cities Municipal Investment Trust — *$2,008,969*
  (held in escrow as required by Sod Farm developers agreement per March 15, 2019 FMIVT statement)

Reserves Available for Roads & Infrastructure...

- **Gas Tax** **$200,000** *(as of 3/31/19)*
  - *Both 5 & 6 cent taxes to be spent on eligible roads expenditures (5 cent designated for capital spending). By September 30, 2019, total available funds will be $400,000 based on collecting remaining FY2019 budgeted revenues.*
- **Surtax** **$500,000** *(as of 3/31/19)*
  - ***No projects designated for Surtax spending** since inception in 2017. Funds remain reserved until specific projects identified and approved by Oversight Board.*
  - *By September 30, 2019, total anticipated available funding for eligible infrastructure projects estimated to be $650,000 based on collecting remaining FY 2019 budgeted revenues.*
  - *Town can expect to receive approximately another $1,750,000 from surtax through its conclusion in 2027 (assuming $250,000 annually or same level of collections expected as in 2019).*
- **OGEM** **$330,000** *(as of 3/31/19)*
  - *Financing in 2012 provided for resurfacing of specified roads only (North A,C, D; South C & UD1)*

Status of Reserves in Other Funds...

- ***General Fund*** **$550,000 to 600,000** *(projected for 9/30/19)*
  - *Policy is to have 25% to 30% of budget; at 25%, required balance would be $570,000 and at 30% required balance would be $684,000.*
- **Solid Waste** ***$0 to ($300,000)*** *(projected for 9/30/19)*
  - *Policy is to have 25% of budget; at 25%, required balance would be $155,000*
  - *Estimated deficit is dependent upon timing of FEMA reimbursements. The $102,000 received in April 2019 offsets a portion of the deficit.*
- ***Roads & Drainage (District)*** ***$200,000*** *(projected for 9/30/19)*
  - *Policy of 25% of budget would require unassigned balance of $450,000 based on $1.5 million budget (excludes OGEM debt service)*

Where we are today...

- Overall revenues & expenses thru March 31st
  - *Total revenue collections 67% (taxes & assessments at **81-83%**) with total spending at 33% of 2019 budget (April spending on equipment & materials for roads & drainage moved this close to 60%) in **2019 YTD***
  - *Total revenue collections 65% (taxes & assessments at **82-84%**) with total spending at 42% of 2019 budget in **2018 YTD***

	2019			2018		
	Budget	Revenue	Expense	Budget	Revenue	Expense
General	$2,279,252	57%	47%	$1,699,198	58%	55%
Transportation (Gas Taxes) *	4,413,662	48%	-%	6,404,640	39%	67%
Local Option SurTax (LOST)	255,718	49%	-%	213,748	47%	-%
District Fund (Roads & Drainage)	1,800,439	81%	23%	1,495,998	85%	42%
Solid Waste	619,845	83%	50%	865,255	83%	59%
CIP *	4,020,000			6,520,073		
Total all funds	$13,388,916			$17,198,912		

* *Both funds include borrowings/capital spending of $8 million in total for 2019 & $11.5 million in total for 2018*

Contracted Services

Who we pay...

2019

(through March 31, 2019)

	Budget	Actual
Public Safety (PBSO)	$ 624,000	$ 362,950
Solid Waste (Waste Pro)	534,630	288,708
Management Services (UMSG)	497,237	247,868
Legal Services (Goren,Cherof/Caldwell Pacetti)	120,000	67,016
Engineering (Keshavarz)	139,500	20,984
Special Magistrates (Nicoletti, Davis)	25,000	10,879
Planning Services (LRM)	25,000	18,748
Lobbying/Grantwriting (Sluggett & Associates)	20,000	15,224
Total	$1,859,817	$1,032,377

The above represent the most significant contracts. Others include the following:

	Thru 3/31/19	
IT Services (MuniTech LLC)	$ 14,000	*Not to exceed $4,000 monthly*
Monthly internal audit (Rick Hartley CPA)	3,900	*Not to exceed $19,000*
HR/Payroll Processing (Paychex)	5,942	*Negotiating reduced pricing/ scope.*
	$ 23,842	

Operations & Maintenance

What we work on...

	2019 (through March 31, 2019) Budget	Actual
Roads Maintenance	$ 388,046	$ 88,147
Canals Maintenance	142,000	34,817
Operating Supplies	55,000	11,464
Other	69,386	54,012
Total	$654,432	$188,440

*Although 2019 YTD spending is less than half of that midway through 2018, it is a matter of timing in that during the month of April 2019 payments totaling approximately $130,000 were made. Additionally, purchase orders totaling approximately $150,000 for road materials were authorized. Considering these payments and purchase orders, total actual and committed expenditures are at **$414,000 or 63%** of the 2019 budget as of May 1, 2019.*

Compensation & Benefits

What we pay our staff…

2019
(through March 31, 2019)

	Budget	Actual
Regular Salaries	$ 392,312	$ 182,192
FICA & Medicare	31,252	15,175
FRS	72,514	12,941
Health, Life & Disability	64,730	35,823
Workers' Compensation	20,500	4,000
Total	$ 581,308	$ 250,131

*For comparison, the 2018 budget was **$513,883** of which **$243,059** was spent as of March 31, 2018. As of the referendum in June, the District had 6 employees (3 in office). Today, the Town has 8 employees (4 in office).*

Communications & Technology

What it costs for IT...

	2019 (through March 31, 2019) Budget	Actual
Communication Services	$32,560	$6,709
Hardware & Software	10,000	14,838
Computer Services	26,150	25,923
General Fund	68,710	47,470
Communication Services	1,500	4,292
Hardware & Software	2,000	2,000
Roads & Drainage Fund	3,500	6,292
Total	$72,210	$ 53,762

Capital Projects

Our active projects...

	2019 & 2018 (10/1/2018 thru 3/31/2019)	
	Budget	Actual
Catch Basin Project (1)	$ 890,073	$ 284,825
Road Maintenance Survey Maps (2)	100,000	95,400
Construction Band D Road (3)	100,000	-
Trails (4)	20,000	9,350
New Road Construction	(5)	9,261
Total	$1,110,073	$398,836

Total actual spending of ***$398,836*** above includes ***$221,101*** in 2019 & ***$177,735*** as discussed below:

(1) *The Town budgeted $890,000 for the catch basin project from its Transportation Fund in 2018. The actual work began in May 2018 and the total spending shown above is from that date through March 31, 2019. The project depends upon the collection of easements and moves slowly. Over 50 properties have been identified as priorities for phase I of which 30 +/- have agreed to provide easements, 20+/- of which have been received. If easements received from the 30 properties, the total cost is estimated to be approximately $550,000.*

(2) *The Town budgeted $100,000 in both 2019 & 2018 for the maintenance maps that identify public & private roads maintained—the first phase of residents were notified earlier this year; there are 2 additional phases for which residents will be notifed in the near future. To date, $95,000 was paid in 2018. We have not received any billings in 2019.*

(3) The Construction on D Road was requested by Big Dog Ranch prior to 2018 and was budgeted at $100,000 with a like amount to be contributed by Big Dog that has not yet occurred.

(4) *Trails were budgeted at $20,000 annually in both 2019 & 2018. Although no expenditures yet in 2019, $9,350 was paid in 2018 related to the North Road Equestrian Improvements project.*

(5) *The Town anticipated borrowing in both 2019 & 2018 for road construction. Although the borrowing has not occurred, the $9,300 reflected above as new road construction was paid to Keshavarz in 2019 for work on the horse crossing bridge at C Road and Collecting Canal culvert done in connection with the development of the 90 acres East of B Road.*

QUESTIONS?

May 7, 2019

MID-YEAR FINANCIAL REPORT MEMO

as of March 31, 2019 & 2018

Town of Loxahatchee Groves

Memo

To: James S. Titcomb

From: Francine L. Ramaglia

CC Mayor & Councilmembers
Lakisha Burch
Larry Peters

Date: May 1, 2019

Re: **Mid-Year Financial Snapshot as of March 31, 2019**

This year to date Financial Report (unaudited) provides an overview of the Town's financial activities for the six months ending March 31, 2019, representing 50.0% of the fiscal year. As summarized below, the Town has six funds with a total budget of $13.4 million for Fiscal Year 2019, down from a total budget of $17.2 million in Fiscal Year 2018. Included in both years' budgets are the activities for the now dependent Water Control District as well as anticipated borrowings for road improvements of approximately $4 million in 2019 and $5 million in 2018 that were not issued.

Financial Highlights by Fund

The following table highlights the fiscal year to date performance for each of those funds in terms of revenues and expenditures as compared to the current year budget and the prior year actual results for the same period is as follows

Revenue & Expenses by Fund as of March 31, 2019 & 2018

	2019			2018		
		Actual thru 3/31/19			Actual thru 3/31/19	
	Budget	Revenues	Expenses	Budget	Revenues	Expenses
General	$2,279,252	57%	47%	$1,699,198	58%	55%
Transportation	$4,413,662	48%	-%	$6,404,640	39%	67%
LOST	$ 255,718	49%	-%	$ 213,748	47 %	-%
Water Control District	$1,800,439	81 %	23%	$1,495,998	85%	42%
Solid Waste	$ 619,845	83 %	50 %	$865,255	83%	59%
CIP	$4,020,000			$6,520,073		
	$13,388,916			$17,198,912		

Percentages of budget exclude proposed borrowings/related capital spending and interfund transfers

Notes:

- *In the Transportation Fund, **no expenditures for FY 2019** have been incurred as the funds were budgeted to support debt service for a road borrowing. In 2018, spending was for Town contracted road maintenance.*
- *In the LOST (Local Option Surtax) Fund, there have been **no expenditures since its inception in 2017.** The total available to allocate for projects is $380K received in prior years and $255k anticipated FY2019.*
- *The totals budgeted for the CIP fund in 2019 and 2018 of $4,020,000 and $6,520,073, respectively, **represent previously anticipated borrowings that have not occurred.** Any other revenues in this fund are a result of transfers from other funds for specific projects. The only active project at this time is the catch basin project awarded in 2017 to WBI.*

The revenues and expenditures reflected in this report are unaudited and represent cash basis activity; accordingly, budget variances are often solely a result of timing of receipts and payments. Also, as these are midyear numbers they are subject to change as we progress.

Summary of Significant Revenue Sources

Overall, total Fiscal Year 2018-2019 revenues collected total approximately $2.9 million or 54% of budget through March 31, 2019 (*excluding proceeds of previously anticipated debt issuance noted above*). Total revenues collected for the same period last year totaled $2.5 million or 52% of budget (*again, excluding proceeds of previously anticipated debt issuance noted above).* The significant revenues have performed as follows:

Taxes & Assessments

- Ad Valorem Taxes collected in the amount of $753,901 of $907,718 budgeted in the General Fund. This is on trend with the first six months of last year with collections of 83% year to date in both 2019 & 2018.
- Non-Ad Valorem Assessments collected totaling $1,460,316 of $1,800,439 budgeted in the District Fund. This is on trend with the first six months of last year with collections of 81% year to date in both 2019 & 2018.
- Solid Waste Assessments collected totaling $515,721 of $614,745 budgeted in the Solid Waste Fund. This is on trend with the first six months of last year with collections of 84% year to date in both 2019 & 2018.

Franchise Fees, Communications Services Taxes and Intergovernmental Revenues

Franchise Fees, Communications Services Taxes and Intergovernmental revenues tend to lag behind in receipts as they are collected by outside agencies and remitted to the Town generally 1-3 months later. Intergovernmental revenues are comprised of local, state and federal sources with the majority being allocated by the Florida Legislature. As of March 31st collections are as follows:

	2019			2018		
		Actual thru 3/31/19			Actual thru 3/31/18	
	Budget	$	%	Budget	$	%
Franchise Fees:						
– Electric	$229,280	$103,589	45%	$229,280	$ 98,135	43%
– PBC W&S	26,000	7,427	29%	38,000	12,132	32%
– Solid Waste	106,000	4,713	5%	-	-	-
– Haulers	1,500	3,314	221%	1,500	1,545	103%
	$362,780	$119,044	33%	$258,780	$111,811	43%
Utility Services Tax:						
– Electric	$280,000	$84,680	30%	$280,000	$118,061	42%
– Gas	6,000	3,852	64%	3,700	2,818	76%
	$286,000	$88,533	31%	$283,700	$120,880	43%
Communication Services Tax	$93,794	$51,921	55%	$88,406	$37,929	43%
Intergovernmental Revenues:						
– Half-Cent Sales Tax	$269,156	$137,320	51%	$266,788	$113,263	43%
– Municipal Revenue Sharing	79,678	39,060	49%	87,726	32,826	37%
	$348,834	$176,380	51%	$354,514	$146,049	41%

The Solid Waste Franchise fee was implemented on October 1, 2018. To date, there are approximately 60 commercial dumpsters for which we had collected the just under $5,000 as of March 31st. We received an additional payment of $9,000 in April bringing the total to just over $13,000 or 13% of the budget. Based on commercial accounts currently serviced by Waste Pro, it appears our average monthly revenue is approximately $3,000 which will generate approximately $36,000 in 2019 as opposed to the $106,000 budgeted. Looking at it that way, we are at approximately 33% of expected revenues. The franchise ordinance required all current commercial accounts using other private haulers to use Waste Pro as of October 1, 2018 but no later than the termination of any existing contracts. We are working with Waste Pro with respect to both reporting and collection of franchise fees as well as identifying all commercial accounts that Waste Pro should be collecting.

License and Permit Fees

License and Permit Fees of $56,099 have been received through March 2019, including $26,979 (168% of 2019 total budget) from Building permits collected and remitted to the Town by the County and $29,120 (83% of 2019 total budget) from Business Tax Receipts (BTRs).

- With respect to building permits, 2019 mid-year collections of $27,000 exceed this year's total annual budget by over $10,000 and exceed last year's collections through March by $20,000. The budget for both 2019 & 2018 was $16,000. In that building permits fluctuate both with timing and activity, we are working with the County to develop a more efficient reporting, tracking and collection system.
- With respect to BTRs, the Town sent out 304 notices at the beginning of FY 2019 to business owners informing them of our BTR requirements; as of this report, we have collected from 127 business owners and are in process of sending delinquency notices to the other 177

businesses. We are also in process of identifying businesses in Town that have received County BTRs but not Town BTRs to ensure that they are included in both our delinquency notices for this year as well as in the upcoming billing notices in July for FY 2020.

Cost Recovery Fees

Cost Recovery Fees were budgeted at $35,000 for both 2019 & 2018. These fees represent reimbursement for professional services on P&Z matters; accordingly, they will fluctuate based on timing and activity. Total expenses incurred by the Town for which reimbursement is due from applicants totaled approximately $38,000 through March 31st. The account with the largest cost recovery reimbursement balance is Brightwork (Groves Town Center), which we billed and received approximately $32,000 or 91% of the budget in April. In addition to Brightwork, there are a handful of other projects with active cost recovery accounts, including the Sod Farm, Wendy's, Country Corners, and Merkert. Fees and expenses on these accounts depend on project activities at any given time. Through March 2018, the Town had received 55% of its cost recovery budget.

Revenues for Specific Use on Roads and Other Infrastructure

The following revenues are limited to specific use by statute and/or local ordinance for eligible road expenditures (gas tax monies) and infrastructure projects pursuant to the County's 2017 ordinance and approved by the Oversight Board established by the Palm Beach County League of Cities:

	2019			2018		
		Actual thru 3/31/19			Actual thru 3/31/18	
	Budget	$	%	Budget	$	%
Transportation Fund:						
– 5-cent Gas Tax	$130,536	$ 64,229	49%	$131,764	$ 51,563	39%
– 6-cent Gas Tax	283,126	136,068	48%	282,803	110,329	39%
	$413,662	$200,397	48%	$414,567	$161,892	39%
LOST Fund:						
– 1-cent Surtax	$255,718	$124,084	49%	$213,748	$101,167	47%

Since inception of the surtax in 2017, the Town has held all funds in reserve as there have been no expenditures. There has been a plan proposed in both the FY 2018 and 2019 budget documents to pledge the funds toward paying debt service on road improvement bonds; however, the anticipated borrowing has not yet been discussed or structured. Until and/or if the bond financing occurs or until specific projects are identified, the funds remain reserved. The total surtax monies available as of March 31st are:

Available Surtax Funds

Fiscal 2017 (**audited**)	$ 160,446
Fiscal 2018 (***unaudited***)	218,769
Fiscal 2019 thru March 31st (***unaudited***)	124,084
Total Available Funds as of March 31, 2019	$ 503,299

By September 30, 2019, the total anticipated available funding for eligible infrastructure projects is estimated to be $634,933 based on collecting all FY 2019 budgeted revenues of $255,718.

The total the Town can expect to receive approximately another $1,750,000 from the surtax through its conclusion in 2027 (assuming $250,000 annually or the same level of collections expected for 2019).

Other Revenues

- Code Enforcement Fines depend on decisions by the magistrate. In December of 2018, the Town was awarded $20,000 in fines from Bank of NY in settlement of its code case which puts revenues at 114% of the 2019 budget. In 2018, the Town only collected $5,000 in code fines or roughly 25% of its budget. Additionally, the Town recently entered into an agreement with Seth Brier for 13 $1,000 monthly installments in lieu of fines owed.
- Interest revenues in the General Fund exceed budget by over $10,000 year to date primarily due to a $8,000 check from the Tax Collectors Office (may be reclassified to tax revenues) as well as due to higher balances invested in 2019, including an escrow of nearly $2 million relative to the sod farm rezoning.
- Miscellaneous revenues in the General Fund exceed budget by over $12,000 year to date primarily due to return of insurance premium from prior insurance carrier ($8,000) and alarm fees ($3,800).

FEMA Reimbursements

The Town incurred nearly $600,000 in expenses due to IRMA and submitted various applications for reimbursement to FEMA. Ms. Miller has worked diligently with KPMG to support our submittals and facilitate return of our outlays. As a result of her efforts, we have received reimbursement of approximately $102,000 this month which has not yet been reflected in the financial statements as of March 31st.

Summary of Significant Expenditures

Overall, total Fiscal Year 2018-2019 expenditures are approximately $2 million or 38% of budget through March 31, 2019 (*excluding previously anticipated debt issuance noted above*). Total expenditures for the same period last year totaled $2.6 million or 44% of budget (*again, excluding previously anticipated debt issuance noted above).* The significant expenditures have been incurred are discussed below.

Contract Services

Since its incorporation, the Town has employed a contract management model and accordingly, contracted services are the most significant Town expenditures with the largest contracts being for Public Safety, Solid Waste Collection, Management Services, Legal Services (including Special Magistrates), Engineering and Planning Services as shown below:

	2019			2018		
		Actual thru 3/31/19			Actual thru 3/31/18	
	Budget	$	%	Budget	$	%
Public Safety (PBSO)	$ 624,000	$ 362,950	58%	$ 612,000	$ 355,833	58%
Solid Waste (Waste Pro)	534,630	288,708	54%	438,092	178,959	41%
Management Services (Underwood)	497,237	247,868	50%	495,737	289,180	58%
Legal Services (Goren,Cherof et al/Caldwell Pacetti)	120,000	67,016	56%	195,000	119,992	61%
Engineering (Keshavarz)	139,500	20,984	15%	5,000	13,847	260%
Special Magistrates (Nicoletti, Davis)	25,000	10,879	44%	11,388	8,000	73%
Planning Services (LRM)	25,000	18,748	76%	10,718	15,000	140%
Lobbying/Grantwriting (Sluggett & Associates)	20,000	15,224	75%	-	-	- %
Total	$1,985,367	$1,032,377	53%	$1,767,935	$ 980,811	55%

In addition to the above, the majority of Keshavarz engineering services are primarily charged to projects and cost recovery accounts (as are some portion of LRM and Goren, Cherof et al). The total paid to Keshavarz through March 31st was approximately $65,000 (see additional discussion in capital projects below). The Town also employs Simmons & White as needed for transportation/traffic related issues. Through March 31st, the Town has spent just under $15,000 with the firm of which $10,000 is to support the TPA grant while the rest is primarily charged to cost recovery accounts.

The public safety, solid waste and engineering services contracts are due for renewal this year while the management services contract terminates on May 19th and the legal services contract continues until an interim/new Town Attorney is seated.

As shown below, the services provided under the management services include administration, planning and code enforcement functions. Upon completion of the Underwood Management Services contract, there is a final payment due of approximately $80,000. Following this payment, there will be approximately $87,000 available to reallocate for the transition and until the new fiscal year begins on October 1, 2019.

	YTD	Thru May	Contract	Other	Total	Budget	Available
Administration	$ 148,816	$ 49,605	$ 198,421	$ 80,000	$ 278,421	$ 297,633	$ 19,212
Planning	44,462	14,821	59,283	-	59,283	88,924	29,641
Code	54,590	18,197	72,787	-	72,787	110,680	$ 37,893
Total	$ 247,868	$ 82,623	$ 330,491	$ 80,000	$ 410,491	$ 497,237	$ 86,746

The Town also utilizes other contracted professional services, some of them arising from the transition from the Underwood Management Services contract such as IT services, monthly internal audit functions and HR/payroll processing, each of which were implemented earlier this year and are being re-evaluated as part of implementing a new model for the Town:

	Thru 3/31/19	
IT Services (MuniTech LLC)	$ 14,000	Not to exceed $4,000 monthly
Monthly internal audit (Rick Hartley CPA)	3,900	Not to exceed $18,000 in total; billed hourly

HR/Payroll Processing (Paychex)	5,942	Based on avg of $40/month/employee. Negotiating lower pricing/reduced scope.
Total	$ 23,842	

Roads & Drainage Operations & Maintenance

	2019			2018		
	YTD	Budget	% YTD	YTD	Budget	% YTD
Traffic Control Signs 6c	$ -	$ -	-%	$ 3,193	$ 14,000	23%
Town Roads Maintenance 6c	-	-	-%	302,965	441,667	69%
Repair and Maintenance Service- Canal	-	-	-%	17,824	-	100%
Repair and Maintenance Svc -	34,817	142,000	25%	$3,029	-	100%
Repair and Maintenance - Machinery	-	-	-%	26,024	188,000	14%
Operating Supplies	11,464	55,000	21%	1,331	4,000	33%
Road Maintenance and Service	88,147	388,046	23%	-	3,000	-%
Total	$ 134,424	$ 581,308	23%	$ 354,366	$650,657	54%

Although 2019 YTD spending is less than half of that midway through 2018, it is a matter of timing in that during the month of April, 2019 payments totaling approximately $130,000 were made. Additionally, purchase orders totaling approximately $150,000 for road materials were authorized. Considering these payments and purchase orders, total committed expenditures are at $414,000 or 71% of the 2019 budget as of May 1, 2019.

Communications & Technology

	2019			2018		
	Budget	YTD	% YTD	Budget	YTD	% YTD
Communication Services	$32,560	$6,709	21%	$23,746	$6,154	26%
Hardware and Software	10,000	$14,838	148%	7,500	575	8%
Computer Services	26,150	25,923	99%	19,650	16,757	85%
General Fund	$68,710	$47,469	69%	$50,896	$23,487	46%
Communication Services	$1,500	$4,292	286%	$6,200	$2,032	33%
Hardware & Software	2,000	$2,000	100%	-	$1,998	%
District Fund	$3,500	$6,292	180%	$6,200	$4,031	65%
Total All Funds	$ 72,210	$ 54,632	76%	$57,096.	$27,519	48%

Compensation & Benefits

	2019			2018		
	Budget	YTD	% YTD	Budget	YTD	% YTD
Regular Salaries	$ 392,312	$ 182,192	46%	$ 363,647	$ 171,265	47%
FICA & Medicare	31,252	15,175	49%	27,590	13,072	47%
FRS	72,514	12,941	18%	40,646	20,672	51%
Health, Life & Disability	64,730	35,823	55%	66,000	24,542	36%
Workers' Compensation	20,500	4,000	20%	16,000	13,508	84%
Total	$ 581,308	$ 250,131	44%	$ 513,883	$ 243,059	47%

Summary of Capital Projects

	Total All Years		
	Budget	Actual	
Catch Basin Project (1)	$ 890,073	$ 284,824	The Town budgeted $890,000 for the catch basin project from its transportation funds in 2018. The actual work began in May, 2018 and the total spending shown above is from that date through March 31, 2019. The project depends upon the collection of easements and moves slowly. Over 50 properties have been identified as priorities for phase I of which 30+/- have agreed to provide easements, 20+/- of which have been received. If easements received from the 30 properties, the total cost is estimated to be roughly $550,000.
Road Maintenance Survey Maps (2)	100,000	95,400	The Town budgeted $100,000 in both 2019 & 2018 for the maintenance maps that identify public & private roads maintained—the first phase of residents were notified earlier this year; there are 2 additional phases for which residents will be notifed in the near future. To date, $95,000 was paid in 2018. We have not received any billings in 2019.
Construction Band D Road (3)	100,000	-	The Construction on D Road was requested by Big Dog Ranch prior to 2018 and was budgeted at $100,000 with a like amount to be contributed by Big Dog that has not yet occurred.
Trails (4)	20,000	9,350	Trails were budgeted at $20,000 annually in both 2019 & 2018. Although no expenditures yet in 2019, $9,350 was paid in 2018 related to the North Road Equestrian Improvements project.
New Road Construction	(5)	9,261	The Town anticipated borrowing in both 2019 & 2018 for road construction. Although the borrowing has not occurred, the $9,300 reflected above as new road construction was paid to Keshavarz in 2019 for work on the horse crossing bridge at C Road and Collecting Canal culvert done in connection with the development of the 90 acres East of B Road.
Total	$1,110,073	$398,836	

MID-YEAR REVENUE & EXPENSE REPORTS

as of March 31, 2019 & 2018

Town of Loxahatchee Groves
Budget to Actual
As of 3/31/2019 and 2018

		Thru March 31, 2019				Thru March 31, 2018			
		YTD	Budgeted	Variance	% Used	YTD	Budgeted	Variance	% Used
	001 - General Fund								
REVENUES									
001-01-31-311-31000	Ad Valorem Taxes	$753,901.81	$907,718.00	$153,816.19	83.05%	$511,511.10	$613,888.00	$102,376.90	83.32%
001-01-31-314-31410	Electric Utility Tax	$84,680.53	$280,000.00	$195,319.47	30.24%	$118,061.30	$280,000.00	$161,938.70	42.16%
001-01-31-314-31440	Gas Utility Tax Metered	$1,864.78	$2,000.00	$135.22	93.24%	$692.76	$0.00	($692.76)	0.00%
001-01-31-314-31480	Utility Service Tax- Propane	$1,987.65	$4,000.00	$2,012.35	49.69%	$2,126.01	$3,700.00	$1,573.99	57.46%
001-01-31-315-31500	Communication Services	$51,921.37	$93,794.00	$41,872.63	55.36%	$37,929.08	$88,406.00	$50,476.92	42.90%
001-01-31-316-31600	Local Business Tax	$29,120.04	$35,000.00	$5,879.96	83.20%	$9,140.67	$6,000.00	($3,140.67)	152.34%
001-01-32-323-30430	Electric Utility Franchise	$481.00	$0.00	($481.00)	0.00%	$0.00	$0.00	$0.00	0.00%
001-01-32-323-31900	Other Gen Govt Charges and Fees	$0.00	$1,000.00	$1,000.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-01-32-323-32310	FPL Franchise Fee	$103,108.80	$229,280.00	$126,171.20	44.97%	$98,133.50	$229,280.00	$131,146.50	42.80%
001-01-32-323-32330	PBC Water Utility Franchise	$4,542.14	$19,000.00	$14,457.86	23.91%	$9,554.60	$19,000.00	$9,445.40	50.29%
001-01-32-323-32360	PBC Sewer Utility Franchise	$2,884.97	$7,000.00	$4,115.03	41.21%	$2,577.62	$19,000.00	$16,422.38	13.57%
001-01-32-323-32370	Solid Waste Franchise	$4,712.96	$106,000.00	$101,287.04	4.45%	$0.00	$0.00	$0.00	0.00%
001-01-32-323-32390	Hauler's Franchise Fee	$3,313.70	$1,500.00	($1,813.70)	220.91%	$1,545.00	$1,500.00	($45.00)	103.00%
001-01-32-329-32900	Building Permits	$26,979.70	$16,000.00	($10,979.70)	168.62%	$7,225.10	$16,000.00	$8,774.90	45.16%
001-01-32-341-34135	Adiministrative Charge Dependent District	$0.00	$156,000.00	$156,000.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-01-33-335-35120	Municipal Revenue Sharing	$39,059.91	$79,678.00	$40,618.09	49.02%	$32,825.81	$87,726.00	$54,900.19	37.42%
001-01-33-335-35150	Alcoholic Beverage License Tax	$0.00	$1,600.00	$1,600.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-01-33-335-35180	Half Cent Sales Tax	$137,319.90	$269,156.00	$131,836.10	51.02%	$113,263.00	$266,788.00	$153,525.00	42.45%
001-01-34-341-34000	General Government Charges	$2,560.00	$3,500.00	$940.00	73.14%	($907.11)	$3,500.00	$4,407.11	-25.92%
001-01-34-341-34190	Cost Recovery Fees	$0.00	$35,000.00	$35,000.00	0.00%	$19,399.18	$35,000.00	$15,600.82	55.43%
001-01-35-351-35150	Court Fines	$2,888.85	$2,400.00	($488.85)	120.37%	$1,157.09	$0.00	($1,157.09)	0.00%
001-01-35-354-35400	Code Enforcement Fines	$22,750.00	$20,000.00	($2,750.00)	113.75%	$4,950.00	$20,000.00	($56.67)	24.75%
001-01-36-361-36110	Interest	$11,338.94	$1,200.00	($10,138.94)	944.91%	$352.67	$1,200.00	$6,100.00	29.39%
001-01-36-366-36991	Contributions & Donations - Private Sources	$0.00	$0.00	$0.00	0.00%	$7,200.00	$7,210.00	($100.91)	99.86%
001-01-36-369-36990	Other Miscellaneous Revenue	$13,821.03	$1,000.00	($12,821.03)	1382.10%	$5,294.83	$1,000.00	($4,294.83)	529.48%
001-01-36-369-36991	Contributions & Donations - Private Sources	$90.00	$7,426.00	$7,336.00	1.21%	$7,210.00	$0.00	($7,210.00)	0.00%
	Total Revenues	$1,299,328.08	$2,279,252.00	$979,923.92	57.01%	$989,242.21	$1,699,198.00	$699,990.88	58.22%
EXPENSES									
001-10-51-511-53100	Professional Service	$15,224.00	$20,000.00	$4,776.00	76.12%	$0.00	$5,000.00	$5,000.00	0.00%
001-10-51-511-54000	Travel	$4,269.13	$9,000.00	$4,730.87	47.43%	$5,354.60	$7,000.00	$1,645.40	76.49%
001-10-51-511-54100	Communication Services	$795.80	$2,100.00	$1,304.20	37.90%	$818.87	$1,600.00	$781.13	51.18%

Town of Loxahatchee Groves
Budget to Actual
As of 3/31/2019 and 2018

		Thru March 31, 2019				Thru March 31, 2018			
		YTD	Budgeted	Variance	% Used	YTD	Budgeted	Variance	% Used
001-10-51-511-54900	Other Operating Expenses	$1,961.84	$6,000.00	$4,038.16	32.70%	$1,985.95	$4,000.00	$2,014.05	49.65%
001-10-51-511-54990	Other Current Charges - Council Reimbursement	$21,750.00	$45,000.00	$23,250.00	48.33%	$22,500.00	$45,000.00	$22,500.00	50.00%
001-10-51-511-55100	Office Supplies	$0.00	$200.00	$200.00	0.00%	$0.00	$200.00	$200.00	0.00%
001-10-51-511-55200	Operating Supplies	$0.00	$500.00	$500.00	0.00%	$0.00	$500.00	$500.00	0.00%
001-10-51-511-55400	Books, Publications, Subscriptions	$3,574.00	$8,350.00	$4,776.00	42.80%	$4,235.88	$4,350.00	$114.12	97.38%
001-10-51-511-55500	Education & Training	$0.00	$3,000.00	$3,000.00	0.00%	$0.00	$3,000.00	$3,000.00	0.00%
001-10-51-511-58200	Special Events/ Contirbutions	$0.00	$6,500.00	$6,500.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-12-51-512-51200	Regular Salaries	$67,553.87	$122,572.00	$55,018.13	55.11%	$0.00	$0.00	$0.00	0.00%
001-12-51-512-52100	FICA & MedicareTaxes	$6,937.40	$9,671.00	$2,733.60	71.73%	$0.00	$0.00	$0.00	0.00%
001-12-51-512-52200	Retirement FRS	$4,609.32	$34,158.00	$29,548.68	13.49%	$0.00	$0.00	$0.00	0.00%
001-12-51-512-52300	Health and Life Insurance	$13,638.92	$12,000.00	($1,638.92)	113.66%	$0.00	$0.00	$0.00	0.00%
001-12-51-512-52400	Worker's Compensation	$0.00	$500.00	$500.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-12-51-512-53400	Other Services	$148,816.44	$297,633.00	$148,816.56	50.00%	$173,619.18	$297,633.00	$124,013.82	58.33%
001-12-51-512-54000	Travel	$1,435.56	$7,000.00	$5,564.44	20.51%	$2,190.59	$3,000.00	$809.41	73.02%
001-12-51-512-54100	Communication Services	$754.26	$1,600.00	$845.74	47.14%	$735.26	$400.00	($335.26)	183.82%
001-12-51-512-54200	Postage and Freight	$255.97	$3,000.00	$2,744.03	8.53%	$616.31	$2,000.00	$1,383.69	30.82%
001-12-51-512-54900	Other Operating Expenses (Misc.-Recording Fees)	$3,771.58	$4,000.00	$228.42	94.29%	$1,280.23	$2,000.00	$719.77	64.01%
001-12-51-512-54930	Election Expense	$11,661.11	$10,300.00	($1,361.11)	113.21%	$6,357.28	$10,300.00	$3,942.72	61.72%
001-12-51-512-54960	Legal Advertising	$7,998.13	$10,000.00	$2,001.87	79.98%	$4,539.04	$7,000.00	$2,460.96	64.84%
001-12-51-512-55100	Office Supplies	$6,184.17	$17,035.00	$10,850.83	36.30%	$5,312.26	$25,000.00	$19,687.74	21.25%
001-12-51-512-55400	Books, Publications, Subscriptions	$1,798.88	$4,250.00	$2,451.12	42.33%	$370.00	$1,820.00	$1,450.00	20.33%
001-12-51-512-55500	Education & Training	$339.00	$2,500.00	$2,161.00	13.56%	$1,225.00	$1,500.00	$275.00	81.67%
001-14-51-513-53200	Accounting and Auditing	$0.00	$16,700.00	$16,700.00	0.00%	$7,500.00	$16,700.00	$9,200.00	44.91%
001-14-51-513-54000	Travel	$2,037.96	$3,000.00	$962.04	67.93%	$0.00	$1,200.00	$1,200.00	0.00%
001-14-51-513-54700	Printing & Binding	$0.00	$1,000.00	$1,000.00	0.00%	$0.00	$1,500.00	$1,500.00	0.00%
001-14-51-513-54920	Computer Services	$7,834.86	$14,000.00	$6,165.14	55.96%	$12,473.26	$10,000.00	($2,473.26)	124.73%
001-14-51-513-54960	Legal Advertising	$0.00	$3,000.00	$3,000.00	0.00%	$0.00	$3,000.00	$3,000.00	0.00%
001-14-51-513-55400	Books, Publications, Subscriptions	$440.00	$1,630.00	$1,190.00	26.99%	$355.00	$1,310.00	$955.00	27.10%
001-14-51-513-55500	Education & Training	$375.00	$5,000.00	$4,625.00	7.50%	$1,960.52	$4,000.00	$2,039.48	49.01%
001-14-51-514-53110	Professional Service- Paychex	$2,805.86	$3,840.00	$1,034.14	73.07%	$0.00	$0.00	$0.00	0.00%
001-16-51-514-53100	Professional Services	$67,016.44	$120,000.00	$52,983.56	55.85%	$68,790.29	$120,000.00	$51,209.71	57.33%
001-20-51-515-53100	Professional Service	$19,687.50	$20,000.00	$312.50	98.44%	$5,027.50	$12,000.00	$6,972.50	41.90%
001-20-51-515-53400	Other Services	$44,462.04	$88,924.00	$44,461.96	50.00%	$51,872.38	$88,924.00	$37,051.62	58.33%
001-20-51-515-53420	Comprehensive Plan	$0.00	$30,000.00	$30,000.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-20-51-515-53450	Planning & Zoning Contract	$18,748.75	$25,000.00	$6,251.25	75.00%	$10,718.75	$15,000.00	$4,281.25	71.46%
001-20-51-515-53490	Cost Recovery Expenditure	$38,529.22	$35,000.00	($3,529.22)	110.08%	$17,349.80	$35,000.00	$17,650.20	49.57%
001-20-51-515-54960	Legal Advertising	$0.00	$7,000.00	$7,000.00	0.00%	$0.00	$7,000.00	$7,000.00	0.00%
001-22-51-511-54100	Communication Services(Code Enforcement)	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%

MID-YEAR REVENUE & EXPENSE REPORTS

as of March 31, 2019 & 2018

Town of Loxahatchee Groves
Budget to Actual
As of 3/31/2019 and 2018

Account	Description	Thru March 31, 2019 YTD	Budgeted	Variance	% Used	Thru March 31, 2018 YTD	Budgeted	Variance	% Used
001-22-51-519-53150	Special Magistrate	$10,879.35	$25,000.00	$14,120.65	43.52%	$11,387.95	$8,000.00	($3,387.95)	142.35%
001-22-51-519-53400	Other Services - Code	$54,589.98	$110,680.00	$56,090.02	49.32%	$63,688.31	$109,180.00	$45,491.69	58.33%
001-22-51-519-53430	Code Compliance	$0.00	$0.00	$0.00	#DIV/0!	$160.00	$0.00	($160.00)	0.00%
001-22-51-519-54000	Travel	$295.08	$2,000.00	$1,704.92	14.75%	$490.97	$2,000.00	$1,509.03	24.55%
001-22-51-519-54100	Communication Services	$300.37	$700.00	$399.63	42.91%	$154.26	$700.00	$545.74	22.04%
001-22-51-519-55500	Education & Training	$450.00	$2,000.00	$1,550.00	22.50%	$130.00	$1,000.00	$870.00	13.00%
001-26-52-521-53410	Law Enforcement (PBSO)	$362,950.00	$624,000.00	$261,050.00	58.17%	$355,833.31	$612,000.00	$256,166.69	58.14%
001-26-52-521-53420	Other Services - Plan Process Comp Plan	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-30-53-539-53400	Other Services	$0.00	$20,000.00	$20,000.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-32-51-513-54920	Other Current Charges -Computer Services (Hostir	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-32-51-519-51949	Other Operating Expenses	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-32-51-519-53400	Other Services	$4,149.00	$8,020.00	$3,871.00	51.73%	$4,819.00	$8,920.00	$4,101.00	54.02%
001-32-51-519-54100	Communication Services	$4,858.95	$28,160.00	$23,301.05	17.25%	$4,446.14	$21,046.00	$16,599.86	21.13%
001-32-51-519-54300	Utilities	$3,247.62	$10,000.00	$6,752.38	32.48%	$3,143.11	$6,700.00	$3,556.89	46.91%
001-32-51-519-54440	Rental and Leases - Equip, Storage, etc	$2,949.95	$6,400.00	$3,450.05	46.09%	$2,839.01	$6,400.00	$3,560.99	44.36%
001-32-51-519-54500	Insurance	$50,730.00	$70,000.00	$19,270.00	72.47%	$66,686.00	$67,000.00	$314.00	99.53%
001-32-51-519-54600	Repair and Maintenance - Building	$13,610.90	$20,000.00	$6,389.10	68.05%	$350.00	$0.00	($350.00)	0.00%
001-32-51-519-54910	Computer Hardware and Software	$14,837.76	$10,000.00	($4,837.76)	148.38%	$575.65	$7,500.00	$6,924.35	7.68%
001-32-51-519-54920	Computer Services	$18,087.92	$12,150.00	($5,937.92)	148.87%	$4,284.00	$9,650.00	$5,366.00	44.39%
001-32-51-519-54940	Inspector General Office	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-32-51-519-58220	Loxahatchee Groves - CERT	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-32-51-539-53400	Other Services	$0.00	$0.00	$0.00	0.00%	$61.97	$0.00	($61.97)	0.00%
001-90-51-519-56140	Land	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-51-519-56200	Capital Outlay - Buildings	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-51-519-58100	Aids to Government Agencies	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-51-519-58220	Loxahatchee Groves - CERT	$61.25	$2,000.00	$1,938.75	3.06%	$561.00	$2,000.00	$1,439.00	28.05%
001-90-51-519-59101	Transfer to Transportation Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-51-519-59305	Transfer to C.I.P Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-51-519-59405	Transfer to Solid Waste Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$100,165.00	$0.00	0.00%
001-90-51-519-59990	Contingency	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-58-581-59000	Transfer to Fund Balance	$0.00	$317,179.00	$317,179.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-58-581-59101	Transfer to Transportation Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-58-581-59103	Transfer to L.O.S.T Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
001-90-58-581-59305	Transfer to C.I.P Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
	Total Expenses	$1,067,265.14	$2,279,252.00	$1,211,986.86	46.83%	$926,798.63	$1,699,198.00	$672,234.37	54.54%

Town of Loxahatchee Groves
Budget to Actual
As of 3/31/2019 and 2018

		Thru March 31, 2019				Thru March 31, 2018			
		YTD	Budgeted	Variance	% Used	YTD	Budgeted	Variance	% Used
	101 - Transporation Fund								
REVENUES									
101-01-31-312-34100	1st Local option Fuel Tax (6c)	$136,068.15	$283,126.00	$147,057.85	48.06%	$110,328.72	$282,803.00	$172,474.28	39.01%
101-01-31-312-34200	2nd Local Option Fuel Tax(5c)	$64,229.17	$130,536.00	$66,306.83	49.20%	$51,562.82	$131,764.00	$80,201.18	39.13%
101-01-38-381-38100	Transfer from Fund Balance	$0.00	$0.00	$0.00	0.00%	$0.00	$890,073.00	$890,073.00	0.00%
101-01-38-381-38135	Transfer from CIP Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$100,000.00	$100,000.00	0.00%
101-01-38-384-38410	Debt Proceeds	$0.00	$4,000,000.00	$4,000,000.00	0.00%	$0.00	$5,000,000.00	$5,000,000.00	0.00%
	Total Revenues	$200,297.32	$4,413,662.00	$4,213,364.68	4.54%	$161,891.54	$6,404,640.00	$6,242,748.46	2.53%
EXPENSES									
101-40-54-541-54670	Traffic Control Signs 6c	$0.00	$0.00	$0.00	0.00%	$3,192.60	$14,000.00	$10,807.40	22.80%
101-40-54-541-54680	Town Roads Maintence 6c	$0.00	$0.00	$0.00	0.00%	$302,964.54	$441,667.00	$138,702.46	68.60%
101-40-54-541-57101	Principal	$0.00	$283,662.00	$283,662.00	0.00%	$0.00	$0.00	$0.00	0.00%
101-40-54-541-57201	Interest	$0.00	$130,000.00	$130,000.00	0.00%	$0.00	$108,900.00	$108,900.00	0.00%
101-40-54-541-57301	Other Debt Service Costs	$0.00	$200,000.00	$200,000.00	0.00%	$2,437.98	$150,000.00	$147,562.02	1.63%
101-40-58-581-59305	Transfer to C.I.P Fund	$0.00	$3,800,000.00	$3,800,000.00	0.00%	$0.00	$5,690,073.00	$5,690,073.00	0.00%
	Total Expenses	$0.00	$4,413,662.00	$4,413,662.00	0.00%	$308,595.12	$6,404,640.00	$6,096,044.88	4.82%
	103 - Local Option Sales Tax (L.O.S.T) Fund								
REVENUES									
103-01-31-312-31260	Sales Tax Infrastructure	$124,084.31	$255,718.00	$131,633.69	48.52%	$101,166.92	$213,748.00	$112,581.08	47.33%
103-01-31-381-38100	Transfer from Fund Balance	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
	Total Revenues	$124,084.31	$255,718.00	$131,633.69	48.52%	$101,166.92	$213,748.00	$112,581.08	47.33%
EXPENSES									
103-42-54-541-56130	Roads, Streets & Drainage - New Construction	$0.00	$255,718.00	$255,718.00	0.00%	$0.00	$213,748.00	$213,748.00	0.00%
	Total Expenses	$0.00	$255,718.00	$255,718.00	0.00%	$0.00	$213,748.00	$213,748.00	0.00%

Town of Loxahatchee Groves
Budget to Actual
As of 3/31/2019 and 2018

Account	Description	2019 YTD	2019 Budgeted	2019 Variance	2019 % Used	2018 YTD	2018 Budgeted	2018 Variance	2018 % Used
	105 - Water Control District								
REVENUES									
105-01-32-325-32510	Other Assesments	$0.00	$0.00	$0.00	0.00%	$2,557.60	$0.00	($2,557.60)	0.00%
105-01-32-325-32515	Road Debt Assessment	$241,277.07	$320,284.00	$79,006.93	75.33%	$233,993.13	$319,938.00	$85,944.87	73.14%
105-01-32-325-32520	Road and Canal Maintenance Assessment	$1,216,689.89	$1,545,865.00	$329,175.11	78.71%	$952,465.83	$1,134,010.00	$181,544.17	83.99%
105-01-32-325-32522	Discount Fees	$0.00	($65,710.00)	($65,710.00)	0.00%	$0.00	$0.00	$0.00	0.00%
105-01-32-325-32530	Excess Fees - Maintence	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-01-32-325-34600	Investment Earnings	$3,204.53	$0.00	($3,204.53)	0.00%	$0.00	$2,050.00	$2,050.00	0.00%
105-01-32-325-36990	Other Assessments - PBCSB	$441.73	$0.00	($441.73)	0.00%	$0.00	$0.00	$0.00	0.00%
105-01-33-330-33000	Intergovernmental Revenue	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-01-36-361-36110	Interest-Assessments	$1,231.44	$0.00	($1,231.44)	0.00%	$0.00	$0.00	$0.00	0.00%
105-01-36-361-36111	Interest (SBA)	$0.00	$0.00	$0.00	0.00%	$2.52	$0.00	($2.52)	0.00%
105-01-36-361-36112	Interest (PBC)	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-01-36-361-36113	Interest (SunTrust)	$0.00	$0.00	$0.00	0.00%	$0.05	$0.00	($0.05)	0.00%
105-01-36-361-36114	Interest (Suntrust MM)	$0.00	$0.00	$0.00	0.00%	$0.12	$0.00	($0.12)	0.00%
105-01-36-361-36115	Interest (Bank United P)	$130.77	$0.00	($130.77)	0.00%	$408.92	$0.00	($408.92)	0.00%
105-01-36-361-36116	Interest (Bank United NPF)	$102.00	$0.00	($102.00)	0.00%	$420.70	$0.00	($420.70)	0.00%
105-01-36-361-36117	Interest (Floridian)	$0.56	$0.00	($0.56)	0.00%	$1,078.71	$0.00	($1,078.71)	0.00%
105-01-36-361-36118	Interest (FCB MM)	$1,009.72	$0.00	($1,009.72)	0.00%	$0.00	$0.00	$0.00	0.00%
105-01-36-364-36400	Sales - Equipment/Materials	$0.00	$0.00	$0.00	0.00%	$73,165.55	$40,000.00	($33,165.55)	182.91%
105-01-36-369-36990	Miscellaneous Revenue	$2,111.52	$0.00	($2,111.52)	0.00%	$2,487.09	$0.00	($2,487.09)	0.00%
	Total Revenues	$1,466,199.23	$1,800,439.00	$334,239.77	81.44%	$1,266,580.22	$1,495,998.00	$229,417.78	84.66%
EXPENSES									
105-50-53-538-51200	Regular Salaries	$114,606.97	$266,740.00	$152,133.03	42.97%	$161,639.26	$360,647.00	$199,007.74	44.82%
105-50-53-538-51400	Overtime	$31.50	$3,000.00	$2,968.50	1.05%	$3,652.06	$3,000.00	($652.06)	121.74%
105-50-53-538-51500	Special Pay	$0.00	$0.00	$0.00	0.00%	$5,973.52	$0.00	($5,973.52)	0.00%
105-50-53-538-51520	Fringe Benefits	$0.00	$0.00	$0.00	0.00%	$3,025.00	$6,000.00	$2,975.00	50.42%
105-50-53-538-52100	FICA Taxes & Medicare	$8,237.75	$21,581.00	$13,343.25	38.17%	$13,072.58	$27,590.00	$14,517.42	47.38%
105-50-53-538-52200	Retirement FRS	$8,332.54	$38,356.00	$30,023.46	21.72%	$20,671.99	$40,646.00	$19,974.01	50.86%
105-50-53-538-52300	Health and Life Insurance	$22,183.95	$52,730.00	$30,546.05	42.07%	$21,516.73	$60,000.00	$38,483.27	35.86%
105-50-53-538-52400	Worker's Compensation	$4,000.00	$20,000.00	$16,000.00	20.00%	$13,508.00	$16,000.00	$2,492.00	84.43%
105-50-53-538-53100	Professional Service - Engineering	$5,246.25	$107,500.00	$102,253.75	4.88%	$13,847.81	$5,000.00	($8,847.81)	276.96%
105-50-53-538-53102	Professional Service - Drug Test	$0.00	$0.00	$0.00	0.00%	$210.00	$300.00	$90.00	70.00%

Town of Loxahatchee Groves
Budget to Actual
As of 3/31/2019 and 2018

		Thru March 31, 2019				Thru March 31, 2018			
		YTD	Budgeted	Variance	% Used	YTD	Budgeted	Variance	% Used
105-50-53-538-53105	Professional Service- Land Surveying	$0.00	$0.00	$0.00	0.00%	$250.00	$5,000.00	$4,750.00	5.00%
105-50-53-538-53110	Professional Service-Paychex	$3,137.00	$15,360.00	$12,223.00	20.42%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-53160	Professional Service - Legal	$0.00	$0.00	$0.00	0.00%	$51,201.78	$75,000.00	$23,798.22	68.27%
105-50-53-538-53200	Accounting and Auditing	$0.00	$16,000.00	$16,000.00	0.00%	$12,500.00	$56,000.00	$43,500.00	22.32%
105-50-53-538-53400	Other Services - Engineering	$15,737.50	$32,000.00	$16,262.50	49.18%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-53480	Other Services - PBC Admin Fee	$3,220.00	$18,662.00	$15,442.00	17.25%	$14,646.90	$14,700.00	$53.10	99.64%
105-50-53-538-53834	Canal Maintence Service	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-53891	Transfer from Revenue	$0.00	$0.00	$0.00	0.00%	$42,926.95	$42,010.00	($916.95)	102.18%
105-50-53-538-54000	Travel	$0.00	$1,500.00	$1,500.00	0.00%	$3,249.40	$4,000.00	$750.60	81.24%
105-50-53-538-54100	Communication Services	$4,292.16	$1,500.00	($2,792.16)	286.14%	$2,032.78	$6,200.00	$4,167.22	32.79%
105-50-53-538-54200	Postage and Freight	$0.00	$750.00	$750.00	0.00%	$1,062.50	$2,000.00	$937.50	53.13%
105-50-53-538-54300	Utilities Services	$6,781.30	$15,000.00	$8,218.70	45.21%	$6,604.70	$12,700.00	$6,095.30	52.01%
105-50-53-538-54440	Retnal and Leases - Equip, Storage, etc	$316.95	$34,000.00	$33,683.05	0.93%	$100,239.24	$0.00	($100,239.24)	0.00%
105-50-53-538-54500	Insurance	$35,352.00	$46,000.00	$10,648.00	76.85%	$45,190.00	$50,000.00	$4,810.00	90.38%
105-50-53-538-54600	Repair and Maintenance Service- Canal	$0.00	$0.00	$0.00	0.00%	$17,823.90	$0.00	($17,823.90)	0.00%
105-50-53-538-54680	Repair and Maintenance Svc -	$34,816.83	$142,000.00	$107,183.17	24.52%	$3,028.98	$0.00	($3,028.98)	0.00%
105-50-53-538-54700	Printing & Binding	$0.00	$1,000.00	$1,000.00	0.00%	$1,332.30	$1,500.00	$167.70	88.82%
105-50-53-538-54901	Indirect Cost Allocations	$37.81	$156,000.00	$155,962.19	0.02%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-54910	Computer hardware & Software	$2,869.91	$2,000.00	($869.91)	143.50%	$1,998.35	$0.00	($1,998.35)	0.00%
105-50-53-538-54930	Election Expense	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-54960	Legal Advertising	$350.00	$1,000.00	$650.00	35.00%	$987.28	$1,500.00	$512.72	65.82%
105-50-53-538-54970	Other Current Charges - Permits	$0.00	$0.00	$0.00	0.00%	$350.00	$0.00	($350.00)	0.00%
105-50-53-538-54980	Other Current Charges - Miscellaneous	$0.00	$0.00	$0.00	0.00%	$170.72	$0.00	($170.72)	0.00%
105-50-53-538-54990	Bank Charges	$0.00	$0.00	$0.00	0.00%	$110.00	$0.00	($110.00)	0.00%
105-50-53-538-54999	Closing Bank Accounts	$0.00	$0.00	$0.00	0.00%	$1,000.17	$0.00	($1,000.17)	0.00%
105-50-53-538-55100	Office Supplies	$0.00	$3,000.00	$3,000.00	0.00%	$5,298.55	$6,500.00	$1,201.45	81.52%
105-50-53-538-55210	Fuel	$4,000.50	$50,000.00	$45,999.50	8.00%	$6,958.98	$20,200.00	$13,241.02	34.45%
105-50-53-538-55220	Lubricants	$448.08	$1,500.00	$1,051.92	29.87%	$467.90	$1,000.00	$532.10	46.79%
105-50-53-538-55400	Books, Publications, Subscriptions	$0.00	$2,700.00	$2,700.00	0.00%	$4,225.94	$1,000.00	($3,225.94)	422.59%
105-50-53-538-55500	Training	$0.00	$2,000.00	$2,000.00	0.00%	$90.00	$0.00	($90.00)	0.00%
105-50-53-538-56100	Right of Way Deed	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-56400	Machinery and Equipment	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-57101	Principal	$0.00	$271,000.00	$271,000.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-57200	Loan Payment	$0.00	$0.00	$0.00	0.00%	$0.00	$240,000.00	$240,000.00	0.00%
105-50-53-538-57201	Interest Expense	$17,290.63	$34,514.00	$17,223.37	50.10%	$0.00	$0.00	$0.00	0.00%
105-50-53-538-57210	Loan Interest Expense	$0.00	$0.00	$0.00	0.00%	$21,226.84	$65,514.00	$44,287.16	32.40%
105-50-53-538-57220	Capital Leases Principal	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-50-54-541-54440	Retnal and Leases - Equip, Storage, etc	$124.66	$0.00	($124.66)	0.00%	$0.00	$114,000.00	$114,000.00	0.00%

Town of Loxahatchee Groves
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		Thru March 31, 2019				Thru March 31, 2018			
		YTD	Budgeted	Variance	% Used	YTD	Budgeted	Variance	% Used
105-50-54-541-54680	Repair and Maintenance - Machinery	$0.00	$0.00	$0.00	0.00%	$26,024.18	$188,000.00	$161,975.82	13.84%
105-50-54-541-55200	Operating Supplies	$11,464.23	$55,000.00	$43,535.77	20.84%	$1,330.59	$4,000.00	$2,669.41	33.26%
105-50-54-541-55300	Road Materials & Supplies	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
105-50-54-541-55310	Road Maintence and Service	$88,146.61	$388,046.00	$299,899.39	22.72%	$0.00	$3,000.00	$3,000.00	0.00%
105-50-54-541-59001	Transfer to FB	$0.00	$0.00	$0.00	0.00%	$0.00	$62,991.00	$0.00	0.00%
	Total Expenses	$391,025.13	$1,800,439.00	$1,409,413.87	21.72%	$629,445.88	$1,495,998.00	$803,561.12	42.08%

305 - Capital Improvement Project (C.I.P) Fund

REVENUES

		YTD	Budgeted	Variance	% Used	YTD	Budgeted	Variance	% Used
305-01-38-381-38100	Transfer from Fund Balance	$0.00	$220,000.00	$220,000.00	0.00%	$0.00	$420,000.00	$420,000.00	0.00%
305-01-38-381-38111	Contributions from Transportatioin Fund	$0.00	$3,800,000.00	$3,800,000.00	0.00%	$0.00	$6,100,073.00	$6,100,073.00	0.00%
	Total Revenues	$0.00	$4,020,000.00	$4,020,000.00	0.00%	$0.00	$6,520,073.00	$6,520,073.00	0.00%

EXPENSES

		YTD	Budgeted	Variance	% Used	YTD	Budgeted	Variance	% Used
305-60-54-541-56120	Surveying Town Roads	$0.00	$100,000.00	$100,000.00	0.00%	$95,399.50	$200,000.00	$104,600.50	47.70%
305-60-54-541-56130	Road & Streets - New Construction	$9,261.25	$3,800,000.00	$3,790,738.75	0.24%	$0.00	$4,800,000.00	$4,800,000.00	0.00%
305-60-54-541-56140	Construction- Town Roads- Band D Rd.	$0.00	$100,000.00	$100,000.00	0.00%	$0.00	$100,000.00	$100,000.00	0.00%
305-60-54-541-56400	Drainage	$211,839.67	$0.00	($211,839.67)	0.00%	$72,985.50	$890,073.00	$817,087.50	8.20%
305-60-54-541-56500	Trails	$0.00	$20,000.00	$20,000.00	0.00%	$9,350.00	$20,000.00	$10,650.00	46.75%
305-60-54-541-56510	Trails - Town	$0.00	$0.00	$0.00	0.00%	$0.00	$0.00	$0.00	0.00%
305-60-54-541-59101	Transfer to Transportation Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$100,000.00	$100,000.00	0.00%
305-60-54-541-59405	Transfer to Sanitation Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$410,000.00	$410,000.00	0.00%
	Total Expenses	$221,100.92	$4,020,000.00	$3,798,899.08	5.50%	$177,735.00	$6,520,073.00	$6,342,338.00	2.73%

Town of Loxahatchee Groves
Budget to Actual
As of 3/31/2019 and 2018

		Thru March 31, 2019				Thru March 31, 2018			
		YTD	Budgeted	Variance	% Used	YTD	Budgeted	Variance	% Used
	405 - Solid Waste								
REVENUES									
405-01-32-325-32520	Solid Waste Assessments	$530,267.21	$647,100.00	$116,832.79	81.95%	$305,104.82	$368,516.00	$63,411.18	82.79%
405-01-32-325-32522	Discount Fees	($14,545.96)	($32,355.00)	($17,809.04)	44.96%	($11,388.66)	($18,426.00)	($7,037.34)	61.81%
405-01-34-343-34300	SWA Recycling Income	$220.40	$5,000.00	$4,779.60	4.41%	$963.33	$5,000.00	$4,036.67	19.27%
405-01-36-361-36110	Interest	$0.00	$100.00	$100.00	0.00%	$0.00	$0.00	$0.00	0.00%
405-01-38-381-38110	Contribution from General Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$100,165.00	$100,165.00	0.00%
405-01-38-381-38135	Transfer from CIP Fund	$0.00	$0.00	$0.00	0.00%	$0.00	$410,000.00	$410,000.00	0.00%
	Total Revenues	$515,941.65	$619,845.00	$103,903.35	83.24%	$294,679.49	$865,255.00	$570,575.51	34.06%
EXPENSES									
405-70-53-534-53409	Other Sanitation Service	$14,904.95	$5,005.00	($9,899.95)	297.80%	$327,203.90	$410,000.00	$82,796.10	79.81%
405-70-53-534-53440	Other Services - Solid Waste Contractor	$288,708.45	$534,630.00	$245,921.55	54.00%	$178,959.15	$438,092.00	$259,132.85	40.85%
405-70-53-534-53480	PBC Admin Fee 1%	$4,637.25	$6,759.00	$2,121.75	68.61%	$3,691.25	$3,685.00	($6.25)	100.17%
405-70-53-534-54200	Postage and Freight	$0.00	$1,000.00	$1,000.00	0.00%	$0.00	$1,000.00	$1,000.00	0.00%
405-70-53-534-54960	Other Services - Legal Advertising	$0.00	$500.00	$500.00	0.00%	$0.00	$500.00	$500.00	0.00%
405-70-53-538-55200	Operating Supplies	$0.00	$55,000.00	$55,000.00	0.00%	$0.00	$0.00	$0.00	0.00%
405-70-53-534-59990	Contingency	$0.00	$16,951.00	$16,951.00	0.00%	$0.00	$11,978.00	$11,978.00	0.00%
	Total Expenses	$308,250.65	$619,845.00	$311,594.35	49.73%	$509,854.30	$865,255.00	$355,400.70	58.93%
	Total Budget		$13,388,916.00				$17,198,912.00		
			$13,388,916.00				$17,198,912.00		
							$0.00		
	Total Adjusted Budget-no debt	$3,089,908.94	$5,368,916.00	$9,679,162.06	57.55%	$2,518,880.89	$5,678,839.00	$13,804,811.20	44.36%
		$1,987,641.84	$5,175,254.00	$11,401,274.16	38.41%	$2,552,428.93	$5,994,272.00	$14,483,327.07	42.58%

Town of Loxahatchee Groves, Florida

Open-Graded Emulsified Mix (OGEM)

Transactions Review

Richard E. Hartley, CPA
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PURPOSE

The overall purpose of the review was to determine if:

a. OGEM expenditures were recorded appropriately and accurately in accordance with financial requirements;
b. Any operating transfers between bank accounts in relation to the OGEM Project was properly authorized and documented.

SCOPE

The overall scope of the review included the review of spreadsheets prepared by Underwood Consulting and Templeton & Company and supporting documents of the OGEM Project.

PROCEDURES

Various documents were obtained from the Town's staff for review, including:

a. Summary spreadsheet of the OGEM Project (North A Road, North C Road, South C Road, North D Road, and Unit of Development 1)
b. Detail spreadsheets of the OGEM Project (North A Road, North C Road, South C Road, North D Road, and Unit of Development 1)
c. Final Estimated Project Budgets as of December 14, 2011
d. Bank United Project Costs Summary–Town Review – 2018-04
e. Loxahatchee Groves Water Control District OGEM Loan Expense Reimbursements Prior to October 13, 2011
f. $2,600,000 Loxahatchee Groves Water Control District, Special Assessment Promissory Note, Series 2011 Loan Documents
g. Loxahatchee Groves Water Control District Audited Financial Report for the Year Ended September 30, 2017

PROCEDURES (Continued)

The documents and spreadsheets were reviewed, traced to appropriate documentation, and the spreadsheets were checked for mathematical accuracy. The documents were found to be appropriate, except for the following:

a. Summary spreadsheet of the OGEM Project (North A Road, North C Road, South C Road, North D Road, and Unit of Development 1)

There was $15,875 of contractor costs that was not able to be verified by physical support documentation during the review.

b. Loxahatchee Groves Water Control District OGEM Loan Expense Reimbursements Prior to October 13, 2011

There was $181,025.87 wired to the District on December 20, 2011(Date of Loan Closing) for expense reimbursements prior to October 13, 2011. Per review, there was only $145,451.10 that could be verified physically. The remaining $35,574.77 was not able to be verified by physical support documentation during the review. The $181,025.87 was able to be verified electronically through the District's accounting software, which was audited by an independent auditor for the years ended September 30, 2012 through 2017.

RESULTS

There was $51,449.77 from above ($15,875 and $35,574.77) found during the review that could not be verified by any physical support documentation.

RECOMMENDATION

The recommendation is to transfer the $51,449.77 from the District's Operating Bank Account to the District's Resurfacing Bank Account to be used to resurface the OGEM Projects noted above.

Town of Loxahatchee Groves
Accounting Policies and Procedures

Month End Closing

Policy

The Town of Loxahatchee Groves will prepare a monthly status report of activities in the Finance Department for the Town Manager and the Town Council.

Procedures

The month end closing of the Town's accounting record will begin as soon as possible after the end of the month with the update or creation of a new set of work papers by the Chief Accountant.

The month end work papers will include reconciliations/calculations by fund for the following:

- Bank accounts
  - All bank accounts reconciled to the general ledger
  - Retain all voided/deleted checks and document the reason
- All SBA accounts reconciled to general ledger
- Accounts receivable
  - Verify all customers have been billed
  - Reconcile the Aging Accounts Receivable Report to general ledger
  - Write-off any uncollectible accounts
  - Any necessary changes or adjustments need to be documented
- Notes receivable
  - Verify monthly notes receivable deposit was received
  - Properly allocate between principal and interest income

- Interfund transactions (due to/due from and transfer in/out)
    - Verify all interfund transactions balance to the general ledger and all interfund transaction net to zero
- Advances to other funds
    - Verify all interfund transactions balance to the general ledger and all interfund transaction net to zero
- Prepaid items
    - Allocate any prepaid expenditures/expenses
- Capital assets
    - Record monthly depreciation expense in proprietary funds
    - Review monthly general ledger for additions
    - Review insurance proceeds, proceeds from sale of capital assets, miscellaneous revenue general ledger accounts, etc. for disposals
    - Update construction in progress workpapers
- Accounts payable
    - Determine all invoices have been paid
    - Verify all automatic payments, ACH, and any recurring payments have been posted to general ledger
    - Review all invoices on hand to determine if any invoices are for month being closed and post to accounts payable ledger
    - Reconciled accounts payable ledger to general ledger
    - Any necessary changes or adjustments need to be documented

- Customer deposits
  - Reconcile customer deposits subsidiary ledger to general ledger
- Long Term Debt
  - Determine all bonds and loans payable payments were paid
  - Properly allocate principal and interest expenditure/expense
  - Verify amortization schedule to general ledger
- Fund balance and net position
  - Beginning balances should agree to ending balances from prior year
  - Verify there are no postings to the fund balance or net position general ledger accounts, document any postings that are necessary
- Post all State revenue from FLDOR
- Post all Florida Power & Light (FPL) revenue
- Review all grant revenue and expenditure/expense general ledger accounts for any new grants
- Review the following
  - Assets with credit balances
  - Liabilities with debit balances
  - Revenues with debit balances
  - Expenditures/expenses with credit balances
- Review month end budget to actual expenditure report for budget overages

Town of Loxahatchee Groves
Accounting Policies and Procedures

Year-End Closing

Policy

The Town of Loxahatchee Groves will prepare a Comprehensive Annual Financial Report (CAFR) that meets the standards of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. The CAFR will also meet the requirements of the Auditor General of the State of Florida for submission of its annual financial statements and audit in a timely manner.

Procedures

The annual closing of the town's books, outside audit and preparation of its Comprehensive Annual Financial Report will begin prior to yearend with the creation of a new set of work papers by the Chief Accountant based on the prior year's closing.

The annual work papers will include reconciliations/calculations by fund for the following:

- Cash and investments
- Accounts receivable, including reserve for uncollectible accounts
- Notes receivable
- Due from other governments
- Interfund transactions (due to/due from and transfer in/out)
- Advances to other funds
- Inventory (supplies and goods for sale)
- Prepaid items
- Capital assets
    - Rollforward schedule

  - Detail listing of all capital assets
  - Construction in progress (CIP)
  - Contract commitments outstanding
  - Governmental Funds – Additions, identify capital outlay accounts
  - Review of repairs and maintenance accounts for capital assets
  - Schedule of depreciation by function
  - Gain or loss schedule for any capital assets disposed of
- Accounts payable
- Accrued liabilities
  - Salaries and wages payable
  - Interest payable
- Unearned revenue
- Customer deposits
- Long Term Debt
  - Bonds, capital leases, and loans payable, including maturity schedule
  - Unamortized premium
  - Net pension liability (information supplied by State)
  - Other Post-Employment Benefits (OPEB) (actuary report needed)
  - Compensated absences
  - Reclass of current long-term debt liabilities
- Fund balance and net position
  - Beginning balances should agree to ending balances from prior year

- State revenue using confirmation reports from FLDOR
- Florida Power & Light (FPL) revenue using confirmation from FPL website
- Grant revenues and expenditures
- Calculation of net assets and identification of restricted amounts

The following steps will be performed as part of the annual closing process:

- Review the following
    - Assets with credit balances
    - Liabilities with debit balances
    - Revenues with debit balances
    - Expenditures/expenses with credit balances
- Review yearend budget to actual expenditure report for budget overages
- Review prior year CAFR notes for any changes occurring in the current year
    - Summary of Significant Accounting Policies
    - Budget preparation
    - Deferred compensation plan assets
    - Defined contribution pension plan
    - Defined benefit pension plan
    - Other post-employment benefits
    - Risk management
    - Related party transactions
    - Interlocal agreements

- Perform the following steps to determine if any subsequent events exist
  - Review subsequent minutes
  - Review subsequent financial statements
  - Discuss with Town Manager and Town Clerk
- Review any negative cash balances, record due to/from if necessary
- Review prior year audit findings to determine if addressed properly

The following steps will be prepared/updated as part of the preparation of the CAFR:

- Transmittal Letter
- List of Principal Town Officials
- Organization Chart
- GFOA Certificate from GFOA
- Management's Discussion & Analysis
- Statistical Section
- Review GFOA's comments from prior year CAFR
- GFOA Certificate application for current year

DRAFT

Purchasing Ordinance

(a) Intent: All public purchases shall be made in such a manner as to invite and foster fair competition, to ensure procurement integrity and maximize the acquisition value of public funds while allowing for an efficient purchasing operation.

(b) Definitions: As used in this Section, the following words, terms or phrases shall be defined as follows:

(1) *Addenda* means any written or demonstrative information issued prior to the opening of bids or proposals which clarify correct or change the bid or proposal documents.

(2) *Amendment* is a method of changing the terms and conditions or requirements of a contract beyond what is specifically allowed by contract. All amendments must be approved in the same manner as the original contract unless the amendment changes the price to an amount requiring a higher level of approval authority.

(3) *Award* means the acceptance of a quote, bid or proposal by the proper approval authority. The Town Council must award all contracts which exceed TWENTY FIVE THOUSAND DOLLARS ($25,000).

(4) *Approval authority* is the designated authority under this Purchasing Code to approve Town purchases.

(5) *Bidder* is any person or entity who submits a bid in response to an Invitation to Bid.

(6) *Blanket purchase order* is a purchase order issued to a vendor against which multiple purchases may be made for a specified period of time. Blanket Purchase Orders are usually used for acquisition of small dollar value goods and/or services purchased on a repetitive basis.

(7) *Capital assets* include all tangible and intangible assets acquired for use in operations that will benefit more than one fiscal period (e.g., land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure and various intangible assets).

(8) *Competitive sealed bids* mean the response by bidders to an Invitation to Bid issued by the Town.

(9) *Contract* means a binding agreement, enforceable by law, between two (2) or more parties for the purchase or sale of goods and/or services. A purchase order is a contract. Town contracts and or purchase orders shall be utilized for all purchases unless the purchase is under $1,000.

(10) *Contractor* means any person or entity having a contract with the Town of Loxahatchee Groves.

(11) *Emergency purchase* means a procurement made in response to a need when the delay incident to complying with all governing rules, regulations, or procedures would be detrimental to the interests, health, safety, or welfare of the Town .

(12) *Goods* include but are not limited to commodities, equipment, machinery, furniture, computers, vehicles, tools, material and other tangible property, which may be purchased, leased or otherwise contracted for by the Town .

(13) *Invitation to bid* means a solicitation used in the formal competitive bid process to solicit sealed bids for the purchase of specified goods and/or services as required by this Ordinance or determined to be in the best interest of the Town.

(14) *Letter of Interest (LOI)* means a formal invitation from the Town to vendors to submit an offer. It identifies, in general terms, the work required and directs the respondents to provide a letter regarding the respondent's interest in working with the Town on the particular project(s).

(15) *Local bidder* means a person or entity authorized to transact business in this state and having a place of business located within the Loxahatchee Groves service area at which it was actually transacting business for a minimum of one (1) year prior to the date when any competitive solicitation for a public contract is first advertised or announced.

*(*16*)* *Local bidder preference* means the preference as more fully described herein given by the Town Council to bidders which have their place of business located within the Loxahatchee Groves service area.

(17) *Minor irregularity* means a variation from the bid invitation terms and conditions which do not affect the price of the bid, give the bidder an unfair advantage over other bidders, or adversely impact the interests of the Town. A bidder may not modify its bid after opening; however, calculation or typographical errors may be corrected by the Town.

(18) *Purchase order* is the primary means of purchasing goods and/or services for the Town. A purchase order is intended to provide some assurance that proper procedures are followed and all approvals have been obtained **prior** to placing the order for the goods and/or services. All Purchases Orders must be approved by

Town Manager or his designee. Certain items do not require a purchase order and are listed under "Exceptions to the use of Purchase Orders" Section (d)(5)(e).

(19) *Request for proposal* means a written solicitation for sealed proposals when the Town has not specifically defined the statement of work for which goods and/or services are required or when the Town has not established precise specifications defining the actual goods and/or services required. A request for proposal shall include, but is not limited to, the information required in an invitation to bid except that the identification and definition of the goods and/or services sought will be in more general terms.

(20) *Request for qualifications* means a written solicitation for sealed proposals when the Town desires to purchase services based on the qualifications of the respondents but has not specifically defined the statement of work for which a service is required, but has specified the overall type of service required. For example, engineering services, legal services, and auditing services are all types of services that may be solicited for with a request for qualifications.

(21) *Respondent* is a person or entity who submits a bid, quote, proposal or qualification in response to a Town request.

(22) *Responsible bidder, quoter, proposer or respondent* means a person or entity who has submitted a bid, proposal, quotation, or response demonstrating the capability in all respects to fully perform the contract requirements and who has the integrity and reliability to provide reasonable assurance of good faith and performance. Such determination shall be in the sole discretion of the approval authority subject to the requirements of the solicitation.

(23) *Responsive bidder, quoter, proposer, or respondent* means the person or entity who has submitted a bid, proposal, quotation, or response that conforms in all material respects to the solicitation. Such determination shall be in the sole discretion of the approval authority subject to the requirements of the solicitation.

(24) *Rotating contractor list* means a list established by Purchasing every two (2) years consisting of at least three (3) qualified contractors that may be utilized by a Town on a rotating basis to make purchases of goods and/or services estimated to be $2500 or less.

(25) *Services* mean the rendering by a contractor of its time, labor, effort, professional expertise, consulting, insurance, maintenance, cleaning and other assistance used by the Town.

(26) *Sole source purchase* is a purchase where there is **only** one (1) good and/or service that meets an essential requirement of the Town, as determined by a reasonable and thorough analysis of the marketplace, and that it is determined to be available from **only** one (1) source.

(27) *Single source purchase* is a purchase from one selected supplier that for strategic and possibly cost reasons the Town decides to use only a specific supplier, even though there are other supplies that provide similar products.

(28) *Vendor* means an actual or potential supplier of a good or service. A vendor can be a quoter, bidder, respondent, or proposer; however, upon execution of a contract with the Town, the vendor is referenced herein as a "contractor".

(c) *Capital Asset Purchases:* Capital Asset purchases shall comply with all purchasing requirements stated in this Purchasing Code and as may be required by Resolution setting forth other policies and procedures for purchasing Capital Assets.

(1) All Capital Asset purchases with an original cost of FIVE THOUSAND DOLLARS ($5,000) or more, including ancillary costs and with a useful life of one year or more will be capitalized for financial accounting purposes.

(2) *Monitored Expensed Assets Purchases*: Asset purchases with an original cost of ONE THOUSAND DOLLARS ($1000) or more and less than FIVE THOUSAND DOLLARS ($5,000), including ancillary costs and with a useful life of one year or more will be identified, and accounted for over the asset's life.

(3) *Unmonitored Expensed Asset Purchases*: Asset purchases with an original cost of less than ONE THOUSAND DOLLARS ($1000), including ancillary costs and with a useful life of one year or more that will not be monitored (e.g., chairs, cabinets, and bookcases), but will be included for insurance purposes.

(d) *Authority to Purchase or Contract*: Unless specifically delegated within this Section, the authority to enter a contract and amend a contract, which includes extensions, modifications of material terms and terminations, on behalf of the Town of Loxahatchee Groves rests solely with the Town Council as the approval authority. Without Town Council approval to enter or amend a contract, the contract or amendment is void and unenforceable.

(1) The Town Council shall approve in advance any purchase or contract having a value of over TEN THOUSAND DOLLARS ($10,000) or more and any amendment to such contract or any amendment that causes the amended purchase and/or contract to exceed a total of over TEN THOUSAND DOLLARS ($10,000) regardless of whether the original purchase or contract required Town Council approval. Such purchase or contract shall be awarded in accordance with Section (d) (6). Purchase and/or contract shall be reviewed, evaluated and approved by the Town Manager. This section shall not be applicable if the purchase qualifies as an emergency purchase, as described in Section (d) (5) (C).

(2) Delegation of approval authority: the Town Council delegates its approval authority to enter into contracts and/or purchases to the following staff as long as

sufficient budget appropriations are currently available for such contracts and or purchases:

(A) User Department may make purchases not to exceed ONE THOUSAND DOLLARS ($1000) without obtaining verbal or written proposals. However, in making this level of purchase User Department should always make a conscientious effort to acquire goods and/or services at the lowest total cost to the Town.

(B) Purchases of greater than an estimated cost of ONE THOUSAND DOLLARS ($1000) but less than or equal to FIVE THOUSAND DOLLARS ($5000) shall require obtaining and documenting at least three (3) quotations by telephone. All such purchases shall be approved in advance by the Town Manager or his designee.

(C) Purchases of greater than an estimated cost of FIVE THOUSAND DOLLARS ($5000) but no more than TWENTY FIVE THOUSAND DOLLARS shall require at least three (3) written quotes. All such purchases up to $10,000 shall be approved by the Town Manager, and all other purchases of $10,000 and more shall be approved in advance by Town Council.

(3) Purchase amounts shall not be divided or split to circumvent the approval authority.

(4) All contracts for real property (regardless of price), contracts involving exclusive rights or any other non-standard contracts shall require Town Council approval.

(5) Exceptions: variances from the standard purchasing procedures shall be handled as follows:

(A) Less than three (3) written quotes: when the Town Manager or his designee can only obtain two (2) written quotes or less for a purchase over FIVE THOUSAND DOLLARS ($5000), but not exceeding TEN THOUSAND DOLLARS ($10,000), written documentation must be submitted as to all of the steps taken to try to obtain three (3) written quotes, such documentation must include:

- all persons or entities contacted
- when contact was made with each
- who made contact with each
- each person's or entity's response

After it is determined that all requirements have been met then the documentation is submitted to Town Manager for approval

(B) Blanket Purchase Order: the approval authority for a Blanket Purchase Order is the same as the approval authority for a purchase order or contract depending on the anticipated annual total dollar amount of the Blanket Purchase Order. The use of a Blanket Purchase Order to circumvent the competitive pricing or bid procedure is prohibited. Blanket Purchase Orders may also be used for the purchase of goods and services for contracts that have been competitively bid and awarded by either the Town Manager or Town Council.

(C) Emergency purchases: in extreme emergencies, the Town Manager may bypass normal purchasing procedures and approve the purchase of those goods and/ or services necessary to remove or correct the emergency condition. Emergency purchases may be made when one or more of the following criteria apply:

- critical Town operations may be severely affected in an adverse manner
- creates a threat to public health, welfare or safety
- a delay in the procurement of goods and/or services is not in the public interest

Emergency purchases <u>may not</u> be used in place of a routine or recurring purchasing requirement, because of a lack of advance planning or to avoid seeking competitive quotes, bids, proposals or qualifications.

(1) If an emergency purchase is made for FIVE THOUSAND DOLLARS ($5000) or more, the Town Manager or his designee may make such purchase without obtaining the required written quotes. Town Manager shall certify in writing within forty-eight (48) hours of the purchase all of the circumstances that justify the emergency purchase by completing an Emergency Purchase Form which shall include the reason for the emergency purchase, a description of the good and/or service being purchased, total cost of the purchase and if quotes were obtained, the vendors names and amounts of each quote, and shall also certify on the Emergency Purchase Form the purchase was a bona fide emergency purchase.

(2) If an emergency purchase is required that exceeds FIVE THOUSAND DOLLARS ($5,000) but less than TEN THOUSAND DOLLARS ($10,000), the user Department with prior written authorization from the Town Manager, may make such purchase without obtaining the required written quotes. The user Department shall certify in writing the circumstances that justify the emergency purchase <u>before</u> the purchase is authorized by completing an Emergency Purchase Form which shall include

the reason for the emergency purchase, a description of the good and/or service being purchased, total cost of the purchase and if quotes were obtained, the vendors names and amounts of each quote. The Town Manager or designee shall also certify on the Emergency Purchase Form the purchase was a bona fide emergency purchase.

(3) If an emergency purchase is required that has a value of TEN THOUSAND DOLLARS ($10,000) or more, the Town Manager with the prior written authorization Town Council, may make such purchase without formal publication and issuance of an invitation to bid, request for proposal or request for qualifications. The Town Manager or designee shall obtain as many competitive verbal or written quotes from potential contractors as time permits. The Emergency Purchase Form shall include the reason for the emergency purchase, a description of the good and/or service being purchased, total cost of the purchase and listing all verbal or written quotes by vendor name and amount of each quote. The Emergency Purchase Form shall be submitted prior to the purchase and shall require additional certification of the Town Manager. Such emergency purchase and written certification shall be submitted to the Town Council for approval or ratification on a timely basis.

Note: If an executive order is issued by the Governor of the State of Florida for an incident relating to the Town of Loxahatchee Groves, all emergency purchase documentation regardless of the amount of the purchase shall document that the purchase is related to an executive order that has been issued by the Governor of the State of Florida. The Town Manager shall declare when and if the Departments shall begin tracking emergency purchases as "incident related purchases".

Note: If the Federal Emergency Management Agency (FEMA) declares an incident period affecting the Town of Loxahatchee Groves, all emergency purchase documentation regardless of the amount of the purchase shall document that the purchase is related to an incident as declared by FEMA. If the incident is named the documentation shall specify the named incident the purchase is related to. The Town Manager shall declare when and if the Departments shall begin tracking emergency purchases as "incident related purchases".

(D) Sole source purchase requires:

(1) Written documentation, the Town Manager or his designee justifying why the requested good and/or service is the **only** one (1) that will meet the Town's specific need or that the good and/or service is required in order to prevent voiding the warranty.

(2) Written documentation from the potential vendor/supplier stating that they are the **only** source of supply for the requested good and/or service. If the potential vendor/supplier is not the manufacturer, additional written documentation must be provided in which the manufacturer attests that the potential vendor/supplier is their sole supplier for the requested good and/or service.

A sole source purchase cannot be justified on the basis of quality or price, as quality can be a subjective evaluation based on individual opinion, and price considerations must be evaluated by competitive bidding or competitive quotes. If there is more than one (1) good and/or service that will perform essentially the same function under essentially the same conditions as the requested good and/or service, a sole source is deemed not to exist.

(E) Piggyback purchases occur when the Town desires to utilize an existing contract between a person or entity and another governmental agency or a recognized governmental-related association without the necessity of obtaining written quotes or publishing an invitation to bid, request for proposal or request for qualifications. The Town may "Piggyback" a contract with substantially the same terms and conditions as the existing contract. This may be done providing that the originating governmental agency or governmental-related association utilized a competitive process similar to the Town's; that substantially the same terms and conditions are extended to the Town; the "Piggyback" contract must be received by the Town and reviewed by the Town Manager and Town Attorney; and the contract terms and conditions are accepted by the Town. Some terms and conditions of the existing contract may be modified by the Town so long as they do not substantially change the purchase. The purchase order or contract must include the originating entity, the contract number, expiration date of the contract, and the name and phone number of the contract's administrator.

(1) For piggyback contracts less than TEN THOUSAND DOLLARS ($10,000), the Town Manager or his designee certifies in writing that the governmental agency or governmental-related association's contract substantially meets the requirements of the

Town, offers a competitive price and was awarded through the governmental agency or governmental-related association's own competitive purchasing procedures; and,

(2) For piggyback contracts having a value of TEN THOUSAND DOLLARS ($10,000) or more, in addition to the requirements in Section (d)(5)(E)(1), the Town Manager certifies in writing to the best of his or her knowledge that:

- utilizing the other governmental agency or governmental-related association's contract is in the best interest of the Town ; and
- all other requirements of this Purchasing Ordinance have been adhered to.

Piggyback contracts estimated to have an annual value of TEN THOUSAND DOLLARS ($10,000) or more shall be subject to Town Council approval.

(F) Exempt purchases: certain recurring or one time purchases or expenditures may be exempt from the competitive bidding process and normal purchase procedures because of unique circumstances. These purchases or expenditures include:

- water, sewer, electrical, telephone, and other utility services where competition is not available
- dues and memberships in professional organizations, seminars, registrations, and fees associated with such activities
- subscriptions to periodicals
- advertisements for legal, promotional or informative matters
- postage
- insurance premiums
- food service and retail leases and concessions
- vending machines
- goods purchased with petty cash in accordance with established Town procedures
- legal services, expert witnesses, court reporter services, and other expenses pertaining to claims or litigation
- lobbyist and any other unique or specialized professional consulting services except those subject to the Consultants Competitive Negotiations Act
- abstracts of titles or appraisals for real property
- artists, artistic services, music ensembles and related services for entertainment

- licensed computer software where competition is not reasonably available
- licensed computer software maintenance renewals
- services or commodities provided by governmental agencies or governmental-related associations
- full or part-time contractual services
- temporary personnel
- debt service costs and agent fees
- emergency drug screens and physicals
- payroll generated payments (e.g. child support, etc.)
- certain refunds and reimbursements (e.g. deposits, etc.)
- repairs and services on proprietary equipment or warranty services on such equipment
- other similar payments as approved by Town Manager

The foregoing purchase or expenditures shall, where possible, be competitively procured by the Town.

The foregoing purchases or expenditures require the approval of the Town Manager or his designee. Funds must be budgeted and available before the purchase or expenditure can be made.

(G) Local Bidder Preference: In any award of Bid, the Town Council may give preference to a local bidder's bid, if and only if, the local bidder is determined to be a responsive and responsible bidder and the local bidder's bid is determined to be within ten (10) percent or TEN THOUSAND DOLLARS ($10,000), whichever is less, of the lowest, responsive and responsible bid.

(H) Rotating Contractor List may be established in order to satisfy certain recurring goods and/or services. All rotating contractor lists shall be established by the Town Manager or his designee. Town Manager or his designee shall choose at least three (3) of the responsible bidders or respondents, if available, who provided the lowest and most responsive quote, bid, proposal or qualifications. The term of any rotating contractor list shall not exceed two (2) years. The Town Manger or his designee shall ensure that the contractors on the list receive equal opportunity to provide the required goods and/or services to the Town. Routine failure of any of the contractors to provide the required goods and/or services will be documented and cause that contractor to be removed from the rotating contractor list by the Town Manager.

(6) Invitation to Bid, Request for Proposals, Request for Qualifications, or Letter of Interest: Purchases having a value of TWENTY FIVE THOUSAND DOLLARS ($25,000) or more shall be made by Invitation to Bid, Request for Proposals, Request for Qualifications, or Letter of Interest.

(1) Invitations to Bid require all of the following:

(A) Specifications shall be prepared by the Town Manager or his designee. Specifications shall be written in a manner to ensure for an open and competitive bid process.

(B) Invitation to Bid is coordinated by the Town Manager or his designee which shall include instructions to bidders, identification and definition of the goods and/or services sought; applicable plans, drawings, specifications, or statement of work; identification of the location, date and hour of the due date for the bids; identifying the location, date and hour of the public bid opening, and identification of the evaluation criteria for determining the successful bidder. Terms and conditions may include, but not be limited to, the requirement of insurance or surety.

(C) Public notice of the Invitation to Bid shall be published as required by Florida Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town 's website and/or Town bulletin board.

(D) Bid Submission. Bids should state the name and address of the bidder on the outside of the envelope, package or container, and must be received no later than the time and date and at the location specified for bid opening in the Invitation to Bid. No bids shall be accepted after such time and date or at any location other than specified, and any bids received later or at any location other than specified shall be returned unopened to the bidder.

(E) Bid opening. Bids shall be opened publicly at the date, time and location specified in the Invitation to Bid. The name of each bidder and bid amount shall be stated and such other relevant information shall be recorded.

(F) Bid cancellation. The Town reserves the right to cancel any bid.

(G) Corrections, additions to and withdrawal of bids.

(1) The following shall govern the correction of information submitted in a bid when that information is a determinant of the responsiveness of the bid:

(a) Errors in the extension, addition or multiplication of unit prices stated in bid or in multiplication, division, addition, or subtraction in a bid shall be corrected by the Town Manager or his designee prior to award recommendation. However, actual unit prices included in the bid shall not be changed under this or any other circumstance.

(b) No bidder shall be permitted to correct a bid mistake after bid opening.

(c) Nothing herein is intended to prohibit the acceptance of a voluntary reduction in price from the lowest responsive, responsible bidder after bid opening, provided such reduction is not conditioned on, or does not result in, the modification or deletion of any specification or conditions contained in the Invitation to Bid or after the determination of which bidder is to be awarded the bid or portion thereof.

(2) A bidder who has made a clearly evident mistake of fact may be permitted to withdraw his/her bid only when it is determined by the Town Manager that there is reasonable proof that such a mistake was made. However, if a bidder unilaterally withdraws his/her bid without permission after bid opening, the Town Manager may suspend the bidder for up to two (2) years from the date of the unilateral withdrawal. Further, if the apparent lowest responsive, responsible bidder has made a mistake of any kind in a lump sum construction-related bid, the bid bond shall not be returned.

(H) Bid evaluation.

(1) The Town reserves the right to accept or reject any and all bids and to make award to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the Invitation to Bid and whose award will, in the opinion of the Town be in the best interest of and most advantageous to the Town.

(2) A bid shall be considered responsive only if it conforms to the requirements of the Invitation to Bid.

(3) Information in a bid that concerns the responsibility of the bidder shall not necessarily be considered conclusive at the time of bid opening.

(a) Factors to be considered in determining whether the standard of responsibility has been met may include, but not be limited to, whether a bidder has:

- the appropriate financial, material, equipment, facility, and personnel resources and expertise, or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;
- a satisfactory record of performance and experience;
- a satisfactory record of integrity;
- the capacity to legally contract with the Town ; and
- supplied all necessary information in connection with the inquiry concerning responsibility, including but not limited to any licenses, permits, or organization papers required.

(b) The bidder shall supply information requested by the Town concerning the responsibility of such bidder. If such bidder fails to supply the requested information, the Town shall base the determination of responsibility upon available information and may find the bidder non-responsible.

(c) The Town Manager may determine the information submitted concerning the responsibility of the bidder is so inadequate as to warrant a recommendation of rejection of the bid based upon a lack of demonstrated responsibility on the part of the bidder.

(d) Pursuant to the particular solicitation, the Town Manager, after bid opening, may request additional information of the bidder concerning his responsibility to perform. The Town Manager shall consider this and all other information gained prior to award recommendation to the Town Council.

(I) The Town Manager shall recommend to the Town Council which bidder or bidders in his or her opinion is the lowest, most responsive and responsible bidder or bidders, or may recommend that the Town Council reject all bids, cancel the Invitation to Bid and/or re-issue the Invitation to Bid.

(J) The Town Council has the ultimate authority to make an award to the bidder or bidders whom the Town Council determines in its sole discretion is the lowest, most responsive and responsible bidder or bidders, or it may reject all bids, cancel the Invitation to Bid and/or re-issue the Invitation to Bid or take such further action as is deemed appropriate in the sole discretion of the Town Council. The reasons for rejecting bids and cancelling solicitations shall be stated by the Town Council.

(K) The Town Council has the authority to waive all minor irregularities on any and all bids except timeliness and other matters that would provide an unfair competitive advantage.

(2) Requests for Proposals require all of the following:

(A) A general statement of work shall be prepared by the Town. A general statement shall be written in a manner to ensure for an open and competitive bid process.

(B) Request for Proposal is coordinated by the Town Manager or his designee identifying the date, time and place that the sealed proposals must be received by the Town; the date and time of opening the sealed proposals; and setting forth the general statement of work or disclose where the general statement of work may be obtained or examined. The Request for Proposal should also contain a list of selection factors to be used by the Town in determining the successful proposer.

(C) Public notice of the Request for Proposal shall be published as required by Florida Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town 's website and/or Town bulletin.

(D) The Town Manager or selection committee, if established, shall recommend to the Town Council which proposal or proposals offer the most advantageous opportunity to the Town or whether the Town Council should reject all proposals, cancel the Request for Proposal and/or re-issue the Request for Proposal.

(E) The Town Council has the ultimate authority to make an award to the respondent whom the Town Council determines in its sole discretion offers the most advantageous opportunity to the Town, or to reject all proposals, cancel the Request for Proposals and/or re-issue the Request for Proposal, and take such further action as is deemed appropriate in the sole discretion of the Town Council.

The reasons for rejecting bids and cancelling solicitations shall be stated by the Town Council.

(F) The Town Council has the authority to waive all minor irregularities on any and all proposals except timeliness and other matters that would provide an unfair competitive advantage.

(3) Requests for Qualifications require all of the following:

(A) A general statement of work and required qualifications shall be prepared by the Town. The general statement shall be written in a manner to ensure an open and competitive bid process.

(B) Request for Qualifications is coordinated by the Town Manager of his designee identifying the date, time and place that the sealed qualifications must be received by the Town; the date and time of opening the sealed qualifications; and setting forth the general statement of work or disclose where the general statement of work may be obtained or examined. The Request for Qualifications should also contain a list of selection factors to be used by the Town in determining the successful proposer.

(C) If the Request for Qualifications is for services identified in Florida's Consultant's Competitive Negotiation Act ("CCNA" hereafter), §287.055, Florida Statutes, the Request for Qualifications shall refer to the CCNA and shall utilize the procedures established in the CCNA.

(D) Public notice of the Request for Qualifications shall be published as required by Florida State Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town 's website and/or Town bulletin.

(E) The Town Manager or selection committee, if established, shall recommend to the Town Council which qualified respondent or respondents present the most advantageous opportunity to the Town, or shall recommend to the Town Council that it reject all respondents, cancel the Request for Qualifications and/or re-issue the Request for Qualifications.

(F) The Town Council has the ultimate authority to make an award to the most qualified respondent or respondents whom the Town Council determines in its sole discretion offer the most advantageous opportunity to the Town or to reject all respondents, cancel the Request for Qualifications and/or re-issue the Request for Qualifications, and take such further action as is deemed appropriate in the sole discretion of the Town Council.

(G) The Town Council has the authority to waive all minor irregularities on any and all responses except timeliness and other matters which would provide an unfair competitive advantage.

(4) Request for Letter of Interest requires all the following

An LOI is a formal invitation from the Town to vendors to submit an offer. It identifies, in general terms, the work required and directs the respondents to provide a letter regarding the respondent's interest in working with the Town on the particular project(s). Respondents provide a statement of experience and qualifications of key personnel. Costs or fees are not part of the response, but may be included as a separate sealed attachment.

Responses may be evaluated by an evaluation committee and facilitated by the Town Manager as described in the RFP section. Based on the experience and qualifications, the responses are ranked. This ranking is presented to the Council requesting authorization to enter into contract negotiations with the top ranked vendor. The resulting contract is then brought back to Council for final approval. Architectural, legal and management services are examples of when this type of solicitation would be used.

The Town may engage in negotiations with responders for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Responders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

(5) Bidder Protests.

(A) Right to protest: Any actual respondent who has a grievance in connection with an Invitation to Bid, request for proposals, request for qualifications or other purchasing solicitation may protest such purchase. Recommended awards less than TEN THOUSAND DOLLARS ($10,000) cannot be protested.

(B) Procedure: A protest must be in writing and shall state the reason for the protest. The written protest shall be submitted to the Town Manager within seven (7) calendar days of the first date that the aggrieved party knew or should have known of the facts giving rise to the protest. The Town Manager after consultation with the Town Attorney shall review such protest and shall issue a written decision as soon as practicable after such review is completed. The decision of the Town Manger may be appealed in writing to the Town Council within seven (7) calendar days after the date of the Town Manager's written decision. The decision of the Town Council shall be final. An appeal of the decision of the Town Council shall be to the appropriate court in the Fifteenth Judicial Circuit, Palm Beach County, Florida.

(C) Stay of procurement during protest: A purchase which is the subject of a timely protest shall be stayed until a written decision by the Town Manager is made and the time for appeal to the Town Council has expired. If an appeal is made to the Town Council, the purchase shall be stayed until a final decision by the Town Council has been made. This provision shall not apply if the Town Council makes a determination that the execution of a contract without delay is necessary to protect substantial interests of the Town. Scheduled respondent presentations or conferences shall not be stayed by such protest.

(D) Remedies for purchases in violation of law: If the Town Manager, after consultation with the Town attorney, determines that a purchase whether protested or not is in violation of federal, state, or local law, then the purchase shall be canceled or revised to comply with applicable law.

(e) *Procedural requirements:* Other specific procedural requirements necessary for accomplishing purchases in accordance with this Purchasing Ordinance shall be developed by the Town Manager or his designee.

(f) *Public construction bond*: All Town public construction projects that are estimated to exceed two hundred thousand dollars ($200,000), shall require that the contractor obtain a public construction payment and performance bond or other acceptable alternate form of security in accordance with § 255.05, Florida Statutes, as amended from time to time. The bond must be obtained, recorded in official records of Palm Beach County and copy provided to the Town prior to the contractor commencing any work for the Town. The Town Council in its sole discretion may require public construction payment and performance bonds, other bonds and/or other security on any Town project estimated to cost less than two hundred thousand dollars ($200,000).

(g) *Authorized purchases*: Any person authorized to make purchases under this Purchasing Ordinance shall make such purchases in accordance with the rules and regulations established in the Florida Code of Ethics for Public Officers and Employees, Ch. 112, Florida Statutes and the Palm Beach County Code of Ethics.

(h) *Violations*: Violation of any provision of this Purchasing Ordinance may result in termination of purchasing authority and/or disciplinary action taken in accordance with the Town policies. Any violation of this Purchasing Ordinance may also result in the Town Council refusing to ratify a purchase or in the Town Council rescinding its approval of a purchase. Any person who knew or should have known that a purchase was made in violation of this Purchasing Ordinance may be held personally liable for that purchase.

ORDINANCE NO. 2008-09

AN ORDINANCE OF THE TOWN OF LOXAHATTCHEE GROVES, FLORIDA ENACTING A NEW SECTION OF THE TOWN OF LOXAHATCHEE GROVES CODE OF ORDINANCES ENTITLED "BID PROCEDURES; PUBLIC FUNDS" ADOPTING PROCUREMENT REQUIREMENTS; PROVIDING FOR CODIFICATION; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR EFFECTIVE DATE.

WHEREAS, Town staff recommends the enactment of a new section of the Town of Loxahatchee Groves Code of Ordinances related to procurement procedures; and

WHEREAS, the Town Council deems it to be in the best interests of the citizens, residents and businesses within the Town of Loxahatchee Groves to enact a new section of the Town of Loxahatchee Groves Code of Ordinances as provided herein.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LOXAHATCHEE GROVES, FLORIDA THAT:

Section 1. The foregoing "WHEREAS" clauses are hereby ratified and confirmed as being true and correct and are hereby made a part of this Ordinance upon adoption hereof.

CODING: Words in ~~strike through~~ type are deletions from existing law;
Words in underlined type are additions.

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Section 2. The Town Council of the Town of Loxahatchee Groves hereby enacts a new section of the Code of Ordinances of the Town of Loxahatchee Groves, Florida, entitled "Bid Procedures; Public Funds", to read as follows:

BID PROCEDURES; PUBLIC FUNDS.

A. Definitions.

For the purpose of this Division of the Code, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

ADDENDA or ADDENDUM means written or graphic instruments issued prior to the opening of bids which clarify, correct or change the bidding documents or the contract documents.

BUSINESS LOCATION means a permanent office or other site where the vendor operates, conducts, engages in, or carries on all, or a portion of, its business. A post office box shall not be sufficient to constitute a "business location".

CHANGE ORDER means changes, due to unanticipated conditions or developments, made to an executory contract, which do not substantially alter the character of the work contracted for, and which do not vary so substantially from the original specifications as to constitute a new undertaking. Such changes must reasonably and conscientiously be viewed as being in fulfillment of the original scope of the contract rather than as departing therefrom. Further, such changes, when viewed against the background of the work described in the contract and the language used in the specifications, must clearly be directed either to the achievement of a more satisfactory result or the elimination of work not necessary to the satisfactory completion of the contract.

CHIEF PROCUREMENT OFFICER means the Town Manager, or his or her designee, who is responsible for the procurement of

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commodities and services as well as the management and disposal of commodities.

TOWN STANDARD COMMODITIES, refer to those situations where the Town has determined that a particular style, brand, make, or model is the only type that meets the Town's requirements for performance, compatibility or other salient characteristics.

COMMODITIES means personal property, including but not limited to, goods, supplies, apparatus, equipment, material and other forms of tangible personal property.

CONTRACTOR means any person or business entity having a contract with the Town.

COOPERATIVE PURCHASING refers to situations where the Town participates in joint procurement of commodities or services with other public entities within the state, in order to obtain lower prices through greater purchasing volume.

INVITATION FOR BID means a written solicitation for competitive sealed bids with the title, date and hour of the public bid opening designated therein and specifically defining the commodities or services for which bids are sought. The invitation for bid shall be used when the Town is capable of specifically defining the scope of work for which a service is required or when the Town is capable of establishing precise specifications defining the actual commodities required. The invitation for bid shall include instruction to bidders, plans, drawings and specifications, if any, bid form and other required forms and documents to be submitted with the bid.

QUOTATIONS means unsealed telephonic, facsimile or written bids for commodities or services.

REQUEST FOR LETTERS OF INTEREST means a written solicitation for offers with the title, date and hour of the submission deadline designated. A request for letters of interests shall include but is

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not limited to, general information and submission deadline. The town shall engage in competitive negotiations with responsible offerors determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion.

REQUEST FOR PROPOSALS means a written solicitation for competitive sealed proposals with the title, date and hour of the public opening designated. A request for proposals shall include but is not limited to general information, functional or general specifications, a statement of work, proposal instruction and evaluation criteria. All requests for proposals shall state the relative importance of price and any other evaluation criteria. The Town may engage in competitive negotiations with responsible proposers determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

REQUEST FOR QUALIFICATIONS means a written solicitation for competitive sealed offers with the title, date and hour of the public opening designated. A request for qualifications shall include but is not limited to, general information, functional or general specifications, statement of work, instructions for offer and evaluation criteria. All requests for qualifications shall state the relative importance of the evaluation criteria. The town may engage in competitive negotiations with responsible offerors determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of offers and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

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RESPONSIBLE BIDDER, RESPONSIBLE OFFEROR, RESPONSIBLE PROPOSER means a person or business entity having the capability in all respects to perform fully the contract requirements and sufficient experience, ability, reliability, capacity, facilities, equipment, financial resources and credit to give the Town a reasonable expectation of good faith performance, determined solely within the town's discretion.

RESPONSIVE BIDDER, RESPONSIVE OFFEROR, or RESPONSIVE PROPOSER means a person who has submitted a bid, offer, or proposal that conforms in all material respects to the Invitation for Bid, Request for Letters of Interests, Request for Qualifications, or Request for Proposals, determined solely within the Town's discretion.

SERVICES means the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end-product other than reports that are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.

SOLE SOURCE means that the commodities or services are available from only one (1) responsible vendor.

SURPLUS PROPERTY means any personal property belonging to the town, that is capable of being used but is in excess of the normal operating requirements of the Town, or which is no longer used or which has become obsolete, worn out or scrapped.

USING AGENCY means any department, agency, commission, bureau or other unit in the town government using commodities or procuring services as provided in this Division of the Town Code of Ordinances.

B. Compliance required.

It shall be unlawful for any town officer or employee to purchase any commodities or services or make any contract within the purview of this division unless there has been compliance with the requirements of this division. Any purchase made or contract executed contrary to the provisions hereof shall be null and void, and the Town shall not be bound thereby.

C. Competitive Bidding or Competitive Proposals Required; Exceptions.

(1) A purchase of or contract for commodities or services that is estimated by the Chief Procurement Officer to cost more than twenty-five thousand dollars ($25,000), shall be based on competitive bids or competitive proposals as determined by the Chief Procurement Officer, except as specifically provided herein.

(2) Only the following situations are exempt from the competitive bid and competitive proposal requirements of this section:

(a) *Emergency purchases.* In urgent cases of compelling emergency that require the immediate purchase of commodities or services, the Town Manager is empowered to waive competitive bidding or competitive proposals and authorize the Chief Procurement Officer to secure by open market procedure any commodities or services, notwithstanding the estimated cost of the commodities or services.

(b) *Professional services.* Contracts for professional services involving peculiar skill, ability, experience or expertise, which are in their nature unique and not subject to competitive bidding or competitive proposals, are exempt from this section of the Code; however, state laws, such as the Consultants' Competitive Negotiation Act of the Florida Statutes, as may be amended from time to time, to the extent applicable, shall be followed.

(c) *Town standard, commodities, single-source and sole-source commodities or services.* Town standard, single-source and sole-source commodities or services are exempt from this section of the Code.

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(d) *Disaster preparedness.* Contracts for and purchases of commodities or services that are made in contemplation and preparation for and in response to the occurrence of a natural or man-made disaster or civil unrest, where time or availability rather than price is the controlling factor, are exempt from this section of the Code.

(e) *Utilization of other governmental agencies' contracts.* Commodities or services that are the subject of contracts with the state, its political subdivisions or other governmental entities, including the United States government, are exempt from this section, provided, however, that this subsection shall apply only if the contract expressly permits or if the awarding jurisdiction and/or the vendor agree to allow the Town to purchase therefrom, and if either: (i) the commodities or services are the subject of a price schedule negotiated by the state or federal government or by competitive bid by another governmental agency and not on any preference; or (ii) the price offered for the commodity or service exactly equals or is lower than the governmental contract from vendors awarded such governmental contract. Where an award is made pursuant to this paragraph, the terms and conditions agreeable to the town may be used in lieu of those terms and conditions of the contract with the other governmental agency.

(f) *Cooperative purchasing.* Cooperative purchasing plans are exempt from this section of the Code.

(g) The following contractual services are not subject to the competitive procurement requirement:

(i) Services involving special skill, ability, training or expertise which are in their nature unique, original or creative.

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(ii) Academic program reviews or lectures or seminars by individuals.

(iii) Health services involving examination, diagnosis, treatment, prevention, medical consultation or administration.

(iv) Artistic services which are original and creative in character and skill in a recognized field of artistic endeavor such as music, dance, drama, painting and sculpture, photography, culinary arts, fashion design and the like.

(v) Performing artists and entertainers hired to provide entertainment for the benefit of the citizens of Loxahatchee Groves and the general public at any Town facility.

(vi) Maintenance service of equipment. When considered to be in the best interest of the Town and recommended by the using department and the services to be performed are by the equipment manufacturer, manufacturer's service representative, or a distributor of the manufacturer's equipment the services may be procured without following the competitive sealed bid process.

(vii) Utilities including but not limited to electric, water and communications.

(viii) Goods and services provided by not-for-profit organizations.

(ix) The foregoing enumeration of services deemed to be exempt from the competitive procurement requirements is not intended to be an exhaustive or exclusive list. The Town Manager or his or her designee may determine if a contractual service must be procured through the competitive procurement process, if not expressly indicated herein.

(x) copyrighted materials, except computer software.

(xi) Food, clothing and other promotional items purchased for resale or distribution to the public.

(h) *Best interest of the Town.* Purchases of, and contracts for, commodities or services are exempt from this section of the Code when the Town Council declares by a four-fifths (4/5) affirmative vote that the process of competitive bidding and competitive proposals is not in the best interest of the Town. The Town Council shall make specific factual findings that support its determination, and such contracts shall not be placed on the Town Council's Consent Agenda.

(3) Any other provision of this section of the Code to the contrary notwithstanding, Town purchasing shall be conducted in accordance with applicable Florida law, including §§ 180.24 and 255.20, Florida Statutes, as may be amended from time to time.

D. Competitive Bidding Procedure.

Procedure. The competitive bidding procedures below shall be followed:

(1) *Advertisement for bids required.* Notice of the competitive bid shall be advertised at least one (1) time in a newspaper of general circulation within the Town, calling for sealed bids for the work to be done under the proposed contract, at least ten (10) days before the bids are due to be received.

(2) *Surety.*

(a) *Bid deposits.* When deemed necessary by the Chief Procurement Officer, bid deposits or sureties shall be prescribed in

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the public notice inviting bids. Unsuccessful bidders shall be entitled to return of such deposit or surety where the Chief Procurement Officer has required same. A successful bidder shall forfeit any deposit or surety required by the Chief Procurement Officer upon failure on its part to enter a contract within fifteen (15) days after the award.

(b) *Sureties on performance.* For all competitive bids seeking commodities or services in excess of two hundred thousand ($200,000) dollars the Chief Procurement Officer or appropriate staff person, shall include as a requirement of such advertised bids a performance bond in the total contract amount. The Chief Procurement Office, in his or her discretion, may require such performance bonds for bids seeking commodities or services in an amount of two hundred thousand dollars ($200,000) or less. The Town Manager shall have the discretion to waive the performance bond requirement in the event of an undue hardship or emergency. Any bonding company used must be listed on the United States Department of the Treasury's Circular 570. Additionally, the bonding company must be rated at least "A," Class VI, by "Best's Key Rating Guide," published by A.M. Best Company, and be authorized to do business in Florida.

(3) *Addenda.* Written addenda will be issued when changes, clarification or amendments to the invitation for bid are deemed necessary.

(4) Bid opening procedure.

(a) Bids shall be submitted sealed to the Town Clerk and shall be identified as bids on the envelope.

(b) Bids shall be opened in public by the Town Clerk or designee at the time and place stated in the public notice.

(c) A tabulation of all bids received shall be posted for public inspection.

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(d) No late bids shall be accepted or opened, and, if received after the date and time called for in the bid notice, shall be retained unopened by the Town Clerk.

(e) Failure to properly sign bids may invalidate them and they shall not be considered.

(f) The bids opened shall contain a copy to be filed in the Clerk's office.

(g) The Town reserves the right to waive any irregularities in the bids, as determined by the Chief Procurement Officer.

(5) *Rejection of bids.* The Town Manager and Town Council may reject any bids, parts of all bids or all bids for any one or more commodities or services included in the proposed contract when the public interest will be served thereby. The Chief Procurement Officer shall not accept a bid from a contractor who is in default on the payment of taxes, licenses or other moneys due the Town.

(6) Contracts shall be awarded to the lowest responsive, responsible bidder. In determining the "lowest responsive, responsible bidder," the Chief Procurement Officer shall consider:

(a) The prices contained in the bid.

(b) The ability, capacity and skill of the bidder to perform the contract or provide the service required.

(c) Whether the bidder can perform the contract or provide the service promptly or within the time specified, without delay or interference.

(d) The character, integrity, reputation, judgment, experience and efficiency of the bidder.

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(e) The quality of performance of previous contracts of services, including, but not limited to, Town contracts.

(f) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.

(g) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.

(h) The quality, availability and adaptability of the commodities, or services to the particular use required.

(i) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.

(j) The number and scope of conditions attached to the bid.

(k) The overall cost to the Town.

(l) The best interests of the Town.

(7) *Determination and Findings Statement.* When the award is not given to the most responsive, responsible bidder, a Determination & Findings statement shall be prepared by the Chief Procurement Officer and filed with the other papers relating to the transaction.

(8) *Tie bids.*

(a) If the determination of lowest responsive, responsible bidder results in a tie, the contract may be split when it is to the Town's advantage as determined by the Chief Procurement Officer.

(b) If the Chief Procurement Officer determines not to split the bid, the contract shall be awarded by first preference to businesses with drug free workplace programs as described in hereinbelow and then by publicly drawing lots.

(9) *Prohibition against subdivision.* No contract of purchase shall be subdivided to avoid the requirements of this section.

(10) *Inspection of bids.* Inspection of the Town's formal bids and proposals shall be conducted in accordance with applicable Florida law, including §119.07 and §120.53, Florida Statutes, as said sections may be amended from time to time.

E. Competitive Negotiations. When the use of competitive bidding is not in the best interest of the Town for a purchase of, or contract for, commodities and/or services estimated to cost in excess of twenty-five thousand dollars ($25,000), such commodities and/or services may be purchased by competitive negotiations. A request for proposals, or a request for qualifications, or a request for letters of interest shall be issued. Adequate public notice of the solicitation shall be given in the same manner as provided in Section D above. Other procedural provisions applicable to the sealed bid process shall also apply. To assure full understanding of and responsiveness to the solicitation requirements and full understanding of qualified proposals or offers, discussions may be conducted with qualified proposers or offerors who submit responses determined to be reasonably acceptable of being selected for award for the purpose of clarification and to assure full understanding of, and responsiveness to, the solicitation requirements. The respondents shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of responses, and such revisions may be permitted through negotiations prior to award for the purpose of obtaining best and final proposals or offers. The award shall be made to the responsible proposer or offeror whose proposal or offer is determined to be the most advantageous to the Town taking into consideration price and the evaluation factors set forth in the solicitation. No other criteria shall be used in the evaluation. A summary of the basis on which the award is made shall be included in the contract file.

F. Award of Contract.

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(1) *Town Council approval.*

(a) An initial purchase of, or contract for, commodities or services, in excess of ten thousand dollars ($10,000), shall require the approval of the Town Council, regardless of whether the competitive bidding or competitive proposal procedures were followed. However, emergency purchases as described in Section C, shall not require advance Town Council approval. In such emergency situations, the Town Manager may approve the purchase or contract, subject to later ratification by the Town Council. Emergency purchases are to be made only when the normal function and operation of the Town would be hampered to such an extent by submittal of a requisition in the usual manner that it may effect the life, health or convenience of citizens.

(b) Purchases exceeding the sum of thirty thousand dollars ($30,000.00) in the aggregate shall not be purchased from the same person or entity during the course of any fiscal year, unless such purchases are first authorized by the Town Council. The above provision shall not apply to purchases of utilities or to ongoing contracts.

(2) *Town Manager approval.* A purchase of, or contract for, commodities or services in an amount of twenty-five thousand dollars ($25,000) or less, shall require the approval of the Town Manager.

G. Town Attorney to review and approve form of purchasing contracts.

The Town Attorney shall review all contracts awarded under this Article of the Code and shall approve said contracts as to form prior to their execution by the appropriate Town officials. Notwithstanding the above, the Town Attorney, in his or her discretion, may approve form contracts bearing a pre-printed Town Attorney approval, provided that the provisions of the form contracts are not modified.

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H. Debarment and suspensions.

(1) *Authority and requirement to debar and suspend.* After reasonable notice to an actual or prospective contractual party, and after reasonable opportunity to such party to be heard, the Town Manager, after consultation with the Town Attorney, shall have the authority to debar a person or entity for the causes listed below from consideration for award of town contracts. The debarment shall be for a period of not fewer than three years. The Town Manager shall also have the authority to suspend a contractor from consideration for award of town contracts, if there is probable cause for debarment, pending the debarment determination. The authority to debar and suspend contractors shall be exercised in accordance with regulations that shall be issued by the Town Manager.

(2) *Causes for debarment or suspension.* Causes for debarment or suspension include the following:

(a) Conviction of a criminal offense incident to obtaining or attempting to obtain a public or private contract or subcontract, or incident to the performance of such contract or subcontract.

(b) Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty.

(c) Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.

(d) Violation of the Town's contract provisions, which is regarded by the Chief Procurement Officer to be indicative of non-responsibility. Such violation may include failure without good cause to perform in accordance with the terms and conditions of a Town contract or to perform within the time limits provided in the town contract, provided that failure to perform caused by acts

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beyond the control of a party shall not be considered a basis for debarment or suspension.

(e) Debarment or suspension of the person or entity by any federal, state or other governmental entity.

(f) False certification pursuant to paragraph (3) below.

(g) Any other cause judged by the Town Manager to be so serious and compelling as to affect the responsibility of the person or entity performing town contracts.

(3) *Debarment and suspension decisions.* Subject to the provisions of paragraph (1), the Town Manager shall render a written decision stating the reasons for the debarment or suspension. A copy of the decision shall be provided promptly to the contractual party.

I. Availability of funds.

Except in cases of emergency, Town Manager or designee shall not issue any order for delivery on a contract or any open-market order unless and until the Town Manager, or his designee, certifies that there are unencumbered funds available in the using agency's budget, in excess of all unpaid obligations, to defray the cost of such commodities or services.

J. Open Market Procedure.

A purchase of, or contract for, commodities or services that is estimated by the Chief Procurement Officer to cost one thousand dollars ($1,000) or less, may be purchased either in the open market, without newspaper advertisement and without observing the procedures prescribed by Section D above, or in accordance with the competitive bidding procedure prescribed by Section D above, as deemed appropriate by the Chief Procurement Officer. However, all such purchases of greater than the estimated cost of one thousand dollars ($1,000.00) but less than or equal to five thousand dollars ($5,000.00) shall require at least three (3) quotations by telephone. For purchases of an estimated cost greater than five thousand dollars ($5,000.00) but less than twenty-five thousand dollars shall require at least three (3) quotations in written form.

(1) *Notice inviting quotations.* When using the open market procedure, the Chief Procurement Officer may solicit, or oversee the solicitation of quotations by:

(a) Direct mail requests to prospective vendors;

(b) Telephone;

(c) Public notice;

(d) Facsimile;

(e) Internet

(2) *Recording.* The Chief Procurement Officer shall keep a record of all open market orders and the bids submitted in competition thereon and such records shall also be open to public inspection.

K. Inspection, Testing of Purchased Items or Services.

The Chief Procurement Officer shall inspect, or supervise the inspection of, all deliveries of commodities or services to determine their conformance with the specifications set forth in the order or contract.

(1) *Inspection by using agency.* The Chief Procurement Officer shall have the authority to authorize using agencies having the staff and facilities for adequate inspection to inspect all deliveries made to such using agencies under rules and regulations prescribed by the Chief Procurement Officer.

(2) *Testing.* The Chief Procurement Officer shall have the authority to require chemical and physical test of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with the specifications. In the performance of such tests the Chief Procurement Officer shall have the authority to make

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use of laboratory facilities of any agency of the Town government or of any outside laboratory.

L. Disposal Of.

(1) *Disposal of property.* The disposal of property requires Town Council approval.

M. Change Orders.

(1) *Town Manager's authority.* Subject to the restrictions contained in paragraph (2) below, the Town Manager is authorized to approve and initial work on the following types of change orders determined in his/her judgment, to be in the public interest, as follows:

(a) All change orders decreasing the cost of the contract to the Town that do not materially alter the character of the work contemplated by the contract.

(b) A change order where the net change increases the cost of the contract to the Town by an amount less than or equal to five percent (5%).

(c) On a unit price contract, a change order consisting of unit quantity increases at the unit price bid, which do not exceed ten percent (10%) of the original unit quantity for each line item.

(2) Notwithstanding the provisions of paragraph (1) above, the Town Manager is not authorized to approve a change order without authorization of the Town Council where the sum of all change orders issued under the contract exceeds five percent (5%) of the original contract amount.

N. Term, Termination, Extension and Renewal of Contracts.

(1) *Term.*

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(a) Unless otherwise provided by law, a contract for supplies or services may be entered into for any time period deemed to be in the best interests of the Town provided the extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for future fiscal periods shall be subject to the availability of funds.

(b) Price Adjustment. Contracts may be awarded with provisions of upward or downward price adjustments provided this allowance is part of the original bid solicitation and the adjustments are based on a nationally recognized or published index or other criteria acceptable to the Chief Procurement Officer.

(2) *Termination.* The Town Manager or his/her designee is authorized to terminate any contract entered into by the Town when (s)he determines that a party to the contract has breached or failed to perform one or more of its obligations under the contract. Except in the case of an emergency, where such advance notice is not possible, or where the contract was entered into without Town Council approval, the Town Manager or his/her designee must provide sufficient prior written notice to the Mayor and each Council Member so that they can make any necessary inquiries at the next Town Council meeting. When a contract is entered into by the Town pursuant to Town Council approval and is terminable by the town without cause, only the Town Council is authorized to terminate the contract without cause. If the Mayor or any Town Council Member desires that a contract be terminated without cause, he/she shall notify the Town Manager in writing and request that the item be placed on the next Town Council agenda.

(3) *Extensions.* The Town Manager or his/her designee is authorized to extend, for operational purposes only and for a maximum of one hundred eighty (180) days, any contract entered into by the Town pursuant to Town Council approval. Any further extensions of such contract require the approval of the Town Council.

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(4) *Renewals.*

(a) *General.* When a contract is entered into by the Town pursuant to Town Council approval and provides for one or more renewals by affirmative action of the Town, the Town Manager may approve such renewals only with the approval of the Town Council.

(b) *Automatic.* When a contract is entered into by the Town pursuant to Town Council approval and provides for one or more automatic renewals unless one party notifies the other of its intent not to renew, only the Town Council is authorized to decide not to renew the contract.

(5) *Employment contracts.* The provisions of this section shall not apply to the employment contract of the Town Manager.

(6) *Application to existing and future contracts.* The provisions of this section shall apply to every contract in existence on the effective date of this section and every contract entered into thereafter.

O. Preference to Businesses with Drug-Free Workplace Programs.

(1) The Town hereby adopts by reference §287.087, Florida Statutes, as amended, regarding bidding preferences for businesses with drug-free workplace programs.

(2) Whenever two (2) or more bids which are equal with respect to price, quality and service are received by the town for the procurement of commodities or services, a bid received from a business that certifies that it has implemented a drug-free workplace program shall be given a preference, provided that the drug-free workplace program complies with §287.087, Florida Statutes, and any other applicable state law. An announcement of this preference may be included in the bid documents.

P. Non-Discrimination.

Vendor shall not discriminate against any person in its operations, activities or delivery of services. Vendor shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws and shall not engage in or commit any discriminatory practice against any person based on race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation or any other factor which cannot be lawfully used as a basis for service delivery.

Q. Non-Collusion.

A Bidder shall not collude, conspire, connive or agree, directly or indirectly, with any other Bidder, firm, or person to submit a collusive or sham Bid in connection with the Work for which the Bid has been submitted; or to refrain from bidding in connection with such work; or have in any manner, directly or indirectly, sought by person to fix the price or prices in the Bid or of any other Bidder, or to fix any overhead, profit, or cost elements of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against any other Bidder, or any person interested in the proposed work.

Section 3. It is the intention of the Town Council of the Town of Loxahatchee Groves, Florida that the provisions of this ordinance shall become and be made a part of the Town of Loxahatchee Groves Code of Ordinances. The sections of this ordinance may be renumbered or relettered and the word "ordinance" may be changed to "section," "article," or such other appropriate word or phrase in order to accomplish such intentions.

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Section 4. All ordinances inconsistent or in conflict herewith shall be and are hereby repealed insofar as there is conflict or inconsistency.

Section 5. If any section, sentence, clause, or phrase of this ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this ordinance.

Section 6. This ordinance shall become effective upon its passage and adoption by the Town Council.

PASSED AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF LOXAHATCHEE GROVES, FLORIDA ON THE FIRST READING THIS 18th DAY OF November, 2008.

PASSED AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF LOXAHATCHEE GROVES, FLORIDA ON THE SECOND READING THIS 2nd DAY OF December, 2008.

TOWN OF LOXAHATCHEE GROVES, FLORIDA

ATTEST:

David Browning
Mayor David Browning

Marge Herzog
Vice Mayor Herzog

Matthew Lyman
TOWN CLERK or Authorized Representative

Council Member Autrey

APPROVED AS TO LEGAL FORM:

CODING: Words in ~~strike-through~~ type are deletions from existing law; Words in underlined type are additions.

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Office of the Town Attorney

Council Member Louda

Council Member Lipp

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Words in underlined type are additions.

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DRAFT

Purchasing Ordinance

(a) Intent: All public purchases shall be made in such a manner as to invite and foster fair competition, to ensure procurement integrity and maximize the acquisition value of public funds while allowing for an efficient purchasing operation.

(b) Definitions: As used in this Section, the following words, terms or phrases shall be defined as follows:

(1) *Addenda* means any written or demonstrative information issued prior to the opening of bids or proposals which clarify correct or change the bid or proposal documents.

(2) *Amendment* is a method of changing the terms and conditions or requirements of a contract beyond what is specifically allowed by contract. All amendments must be approved in the same manner as the original contract unless the amendment changes the price to an amount requiring a higher level of approval authority.

(3) *Award* means the acceptance of a quote, bid or proposal by the proper approval authority. The Town Council must award all contracts of FIFTEEN THOUSAND DOLLARS ($15,000) and over. (4) *Approval authority* is the designated authority under this Purchasing Code to approve Town purchases.

(5) *Bidder* is any person or entity who submits a bid in response to an Invitation to Bid.

(6) *Blanket purchase order* is a purchase order issued to a vendor against which multiple purchases may be made for a specified period of time. Blanket Purchase Orders are usually used for acquisition of small dollar value goods and/or services purchased on a repetitive basis.

(7) *Capital assets* include all tangible and intangible assets acquired for use in operations that will benefit more than one fiscal period (e.g., land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure and various intangible assets).

(8) *Competitive sealed bids* mean the response by bidders to an Invitation to Bid issued by the Town.

(9) *Contract* means a binding agreement, enforceable by law, between two (2) or more parties for the purchase or sale of goods and/or services. A purchase order is a contract. Town contracts and or purchase orders shall be utilized for all purchases unless the purchase is under $1,000.

(10) *Contractor* means any person or entity having a contract with the Town of Loxahatchee Groves.

(11) *Emergency purchase* means a procurement made in response to a need when the delay incident to complying with all governing rules, regulations, or procedures would be detrimental to the interests, health, safety, or welfare of the Town .

(12) *Goods* include but are not limited to commodities, equipment, machinery, furniture, computers, vehicles, tools, material and other tangible property, which may be purchased, leased or otherwise contracted for by the Town .

(13) *Invitation to bid* means a solicitation used in the formal competitive bid process to solicit sealed bids for the purchase of specified goods and/or services as required by this Ordinance or determined to be in the best interest of the Town.

(14) *Local bidder* means a person or entity authorized to transact business in this state and having a place of business located within the Loxahatchee Groves service area at which it was actually transacting business for a minimum of one (1) year prior to the date when any competitive solicitation for a public contract is first advertised or announced.

*(*15*)* *Local bidder preference* means the preference as more fully described herein given by the Town Council to bidders which have their place of business located within the Loxahatchee Groves service area.

(16) *Minor irregularity* means a variation from the bid invitation terms and conditions which do not affect the price of the bid, give the bidder an unfair advantage over other bidders, or adversely impact the interests of the Town. A bidder may not modify its bid after opening; however, calculation or typographical errors may be corrected by the Town.

(17) *Purchase order* is the primary means of purchasing goods and/or services for the Town. A purchase order is intended to provide some assurance that proper procedures are followed and all approvals have been obtained **<u>prior</u>** to placing the order for the goods and/or services. All Purchases Orders must be approved by Town Manager or his designee. Certain items do not require a purchase order and are listed under “Exceptions to the use of Purchase Orders” Section (d)(5)(e).

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(18) *Request for proposal* means a written solicitation for sealed proposals when the Town has not specifically defined the statement of work for which goods and/or services are required or when the Town has not established precise specifications defining the actual goods and/or services required. A request for proposal shall include, but is not limited to, the information required in an invitation to bid except that the identification and definition of the goods and/or services sought will be in more general terms.

(19) *Request for qualifications* means a written solicitation for sealed proposals when the Town desires to purchase services based on the qualifications of the respondents but has not specifically defined the statement of work for which a service is required, but has specified the overall type of service required. For example, engineering services, legal services, and auditing services are all types of services that may be solicited for with a request for qualifications.

(20) *Respondent* is a person or entity who submits a bid, quote, proposal or qualification in response to a Town request.

(21) *Responsible bidder, quoter, proposer or respondent* means a person or entity who has submitted a bid, proposal, quotation, or response demonstrating the capability in all respects to fully perform the contract requirements and who has the integrity and reliability to provide reasonable assurance of good faith and performance. Such determination shall be in the sole discretion of the approval authority subject to the requirements of the solicitation.

(22) *Responsive bidder, quoter, proposer, or respondent* means the person or entity who has submitted a bid, proposal, quotation, or response that conforms in all material respects to the solicitation. Such determination shall be in the sole discretion of the approval authority subject to the requirements of the solicitation.

(23) *Rotating contractor list* means a list established by Purchasing every two (2) years consisting of at least three (3) qualified contractors that may be utilized by a Town on a rotating basis to make purchases of goods and/or services estimated to be $2500 or less.

(24) *Services* mean the rendering by a contractor of its time, labor, effort, professional expertise, consulting, insurance, maintenance, cleaning and other assistance used by the Town.

(25) *Sole source purchase* is a purchase where there is **only** one (1) good and/or service that meets an essential requirement of the Town, as determined by a reasonable and thorough analysis of the marketplace, and that it is determined to be available from **only** one (1) source.

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(26) *Single source purchase* is a purchase from one selected supplier that for strategic and possibly cost reasons the Town decides to use only a specific supplier, even though there are other supplies that provide similar products.

(27) *Vendor* means an actual or potential supplier of a good or service. A vendor can be a quoter, bidder, respondent, or proposer; however, upon execution of a contract with the Town, the vendor is referenced herein as a "contractor".

(c) *Capital Asset Purchases:* Capital Asset purchases shall comply with all purchasing requirements stated in this Purchasing Code and as may be required by Resolution setting forth other policies and procedures for purchasing Capital Assets.

(1) All Capital Asset purchases with an original cost of FIVE THOUSAND DOLLARS ($5,000) or more, including ancillary costs and with a useful life of one year or more will be capitalized for financial accounting purposes.

(2) *Monitored Expensed Assets Purchases*: Asset purchases with an original cost of ONE THOUSAND DOLLARS ($1000) or more and less than FIVE THOUSAND DOLLARS ($5,000), including ancillary costs and with a useful life of one year or more will be identified, and accounted for over the asset's life.

(3) *Unmonitored Expensed Asset Purchases*: Asset purchases with an original cost of less than ONE THOUSAND DOLLARS ($1000), including ancillary costs and with a useful life of one year or more that will not be monitored (e.g., chairs, cabinets, and bookcases), but will be included for insurance purposes.

(d) *Authority to Purchase or Contract*: Unless specifically delegated within this Section, the authority to enter a contract and amend a contract, which includes extensions, modifications of material terms and terminations, on behalf of the Town of Loxahatchee Groves rests solely with the Town Council as the approval authority. Without Town Council approval to enter or amend a contract, the contract or amendment is void and unenforceable.

(1) The Town Council shall approve in advance any purchase or contract having a value of FIFTEEN THOUSAND DOLLARS ($15,000) or more and any amendment to such contract or any amendment that causes the amended purchase and/or contract to exceed a total of FIFTEEN THOUSAND DOLLARS ($15,000) regardless of whether the original purchase or contract required Town Council approval. Such purchase or contract shall be awarded in accordance with Section (d) (6). Purchase and/or contract shall be reviewed, evaluated and approved by the Town Manager. This section shall not be applicable if the purchase qualifies as an emergency purchase, as described in Section (d) (5) (C).

(2) Delegation of approval authority: the Town Council delegates its approval authority to enter into contracts and/or purchases to the following staff as long as

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sufficient budget appropriations are <u>currently</u> available for such contracts and or purchases:

(A) Town Manager or his designee may make purchases not to exceed TWO THOUSAND FIVE DOLLARS ($2,500) without obtaining verbal or written proposals. However, in making this level of purchase Town Manager or designee should always make a conscientious effort to acquire goods and/or services at the lowest total cost to the Town.

(B) Purchases of greater than an estimated cost of TWO THOUSAND FIVE DOLLARS ($2500) but less than SEVEN THOUSAND FIVE DOLLARS ($7500) shall require obtaining and documenting at least three (3) quotations by telephone. All such purchases shall be approved in advance by the Town Manager or his designee.

(C) Purchases of greater than an estimated cost over SEVEN THOUSAND FIVE DOLLARS ($75000) but less than FIFTEEN THOUSAND DOLLARS ($15,000) shall require at least three (3) written quotes. All such purchases shall be approved in advance by the Town Manager.

(3) Purchase amounts shall not be divided or split to circumvent the approval authority.

(4) All contracts for real property (regardless of price), contracts involving exclusive rights or any other non-standard contracts shall require Town Council approval.

(5) Exceptions: variances from the standard purchasing procedures shall be handled as follows:

(A) Less than three (3) written quotes: when the Town Manager or his designee can only obtain two (2) written quotes or less for a purchase over FIVE THOUSAND DOLLARS ($5000), but not exceeding TEN THOUSAND DOLLARS ($10,000), written documentation must be submitted as to all of the steps taken to try to obtain three (3) written quotes, such documentation must include:

- all persons or entities contacted
- when contact was made with each
- who made contact with each
- each person's or entity's response

After it is determined that all requirements have been met then the documentation is submitted to Town Manager for approval

(B) Blanket Purchase Order: the approval authority for a Blanket Purchase Order is the same as the approval authority for a purchase order or

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contract depending on the anticipated annual total dollar amount of the Blanket Purchase Order. The use of a Blanket Purchase Order to circumvent the competitive pricing or bid procedure is prohibited. Blanket Purchase Orders may also be used for the purchase of goods and services for contracts that have been competitively bid and awarded by either the Town Manager or Town Council.

(C) Emergency purchases: in extreme emergencies, the Town Manager may bypass normal purchasing procedures and approve the purchase of those goods and/ or services necessary to remove or correct the emergency condition. Emergency purchases may be made when one or more of the following criteria apply:

- critical Town operations may be severely affected in an adverse manner
- creates a threat to public health, welfare or safety
- a delay in the procurement of goods and/or services is not in the public interest

Emergency purchases <u>may not</u> be used in place of a routine or recurring purchasing requirement, because of a lack of advance planning or to avoid seeking competitive quotes, bids, proposals or qualifications.

(1) If an emergency purchase is made for FIVE THOUSAND DOLLARS ($5000) or more, the Town Manager or his designee may make such purchase without obtaining the required written quotes. Town Manager shall certify in writing within forty-eight (48) hours of the purchase all of the circumstances that justify the emergency purchase by completing an Emergency Purchase Form which shall include the reason for the emergency purchase, a description of the good and/or service being purchased, total cost of the purchase and if quotes were obtained, the vendors names and amounts of each quote, and shall also certify on the Emergency Purchase Form the purchase was a bona fide emergency purchase.

(2) If an emergency purchase is required that exceeds FIVE THOUSAND DOLLARS ($5,000) but less than TEN THOUSAND DOLLARS ($10,000), the user Department Director with prior written authorization from the Director of Finance and Town Manager, may make such purchase without obtaining the required written quotes. The user Department Director shall certify in writing the circumstances that justify the emergency purchase <u>before</u> the purchase is authorized by completing an Emergency Purchase Form which shall include the reason for the emergency purchase, a description of the good and/or service being

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purchased, total cost of the purchase and if quotes were obtained, the vendors names and amounts of each quote. Both the Director of Finance and Town Manager shall also certify on the Emergency Purchase Form the purchase was a bona fide emergency purchase.

(3) If an emergency purchase is required that has a value of TEN THOUSAND DOLLARS ($10,000) or more, the Town Manager or his designee with the prior written authorization Town Council, may make such purchase without formal publication and issuance of an invitation to bid, request for proposal or request for qualifications. The Town Manager or designee shall obtain as many competitive verbal or written quotes from potential contractors as time permits. The Emergency Purchase Form shall include the reason for the emergency purchase, a description of the good and/or service being purchased, total cost of the purchase and listing all verbal or written quotes by vendor name and amount of each quote. The Emergency Purchase Form shall be submitted prior to the purchase and shall require additional certification of the Town Manager. Such emergency purchase and written certification shall be submitted to the Town Council for approval or ratification on a timely basis.

Note: If an executive order is issued by the Governor of the State of Florida for an incident relating to the Town of Loxahatchee Groves, all emergency purchase documentation regardless of the amount of the purchase shall document that the purchase is related to an executive order that has been issued by the Governor of the State of Florida. The Town Manager shall declare when and if the Departments shall begin tracking emergency purchases as "incident related purchases".

Note: If the Federal Emergency Management Agency (FEMA) declares an incident period affecting the Town of Loxahatchee Groves, all emergency purchase documentation regardless of the amount of the purchase shall document that the purchase is related to an incident as declared by FEMA. If the incident is named the documentation shall specify the named incident the purchase is related to. The Town Manager shall declare when and if the Departments shall begin tracking emergency purchases as "incident related purchases".

(D) Sole source purchase requires:

(1) Written documentation, the Town Manager or his designee justifying why the requested good and/or service is the **only** one

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(1) that will meet the Town's specific need or that the good and/or service is required in order to prevent voiding the warranty.

(2) Written documentation from the potential vendor/supplier stating that they are the **only** source of supply for the requested good and/or service. If the potential vendor/supplier is not the manufacturer, additional written documentation must be provided in which the manufacturer attests that the potential vendor/supplier is their sole supplier for the requested good and/or service.

A sole source purchase cannot be justified on the basis of quality or price, as quality can be a subjective evaluation based on individual opinion, and price considerations must be evaluated by competitive bidding or competitive quotes. If there is more than one (1) good and/or service that will perform essentially the same function under essentially the same conditions as the requested good and/or service, a sole source is deemed not to exist.

(E) Piggyback purchases occur when the Town desires to utilize an existing contract between a person or entity and another governmental agency or a recognized governmental-related association without the necessity of obtaining written quotes or publishing an invitation to bid, request for proposal or request for qualifications. The Town may "Piggyback" a contract with substantially the same terms and conditions as the existing contract. This may be done providing that the originating governmental agency or governmental-related association utilized a competitive process similar to the Town 's; that substantially the same terms and conditions are extended to the Town ; the "Piggyback" contract must be received by the Town and reviewed by the Town Manager and Town Attorney; and the contract terms and conditions are accepted by the Town . Some terms and conditions of the existing contract may be modified by the Town so long as they do not substantially change the purchase. The purchase order or contract must include the originating entity, the contract number, expiration date of the contract, and the name and phone number of the contract's administrator.

(1) For piggyback contracts less than TEN THOUSAND DOLLARS ($10,000), the Town Manager or his designee certifies in writing that the governmental agency or governmental-related association's contract substantially meets the requirements of the Town, offers a competitive price and was awarded through the governmental agency or governmental-related association's own competitive purchasing procedures; and,

(2) For piggyback contracts having a value of TEN THOUSAND DOLLARS ($10,000) or more, in addition to the requirements in

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Section (d)(5)(E)(1), the Town Manager certifies in writing to the best of his or her knowledge that:

- utilizing the other governmental agency or governmental-related association's contract is in the best interest of the Town ; and
- all other requirements of this Purchasing Ordinance have been adhered to.

Piggyback contracts estimated to have an annual value of TEN THOUSAND DOLLARS ($10,000) or more shall be subject to Town Council approval.

(F) Exempt purchases: certain recurring or one time purchases or expenditures may be exempt from the competitive bidding process and normal purchase procedures because of unique circumstances. These purchases or expenditures include:

- water, sewer, electrical, telephone, and other utility services where competition is not available
- dues and memberships in professional organizations, seminars, registrations, and fees associated with such activities
- subscriptions to periodicals
- advertisements for legal, promotional or informative matters
- postage
- insurance premiums
- food service and retail leases and concessions
- vending machines
- goods purchased with petty cash in accordance with established Town procedures
- legal services, expert witnesses, court reporter services, and other expenses pertaining to claims or litigation
- lobbyist and any other unique or specialized professional consulting services except those subject to the Consultants Competitive Negotiations Act
- abstracts of titles or appraisals for real property
- artists, artistic services, music ensembles and related services for entertainment
- licensed computer software where competition is not reasonably available
- licensed computer software maintenance renewals
- services or commodities provided by governmental agencies or governmental-related associations
- full or part-time contractual services
- temporary personnel

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- debt service costs and agent fees
- emergency drug screens and physicals
- payroll generated payments (e.g. child support, etc.)
- certain refunds and reimbursements (e.g. deposits, etc.)
- repairs and services on proprietary equipment or warranty services on such equipment
- other similar payments as approved by Town Manager

The foregoing purchase or expenditures shall, where possible, be competitively procured by the Town.

The foregoing purchases or expenditures require the approval of the Town Manager or his designee. Funds must be budgeted and available before the purchase or expenditure can be made.

(G) Local Bidder Preference: In any award of Bid, the Town Council may give preference to a local bidder's bid, if and only if, the local bidder is determined to be a responsive and responsible bidder and the local bidder's bid is determined to be within ten (10) percent or TEN THOUSAND DOLLARS ($10,000), whichever is less, of the lowest, responsive and responsible bid.

(H) Rotating Contractor List may be established in order to satisfy certain recurring goods and/or services. All rotating contractor lists shall be established by the Town Manager or his designee. Town Manager or his designee shall choose at least three (3) of the responsible bidders or respondents, if available, who provided the lowest and most responsive quote, bid, proposal or qualifications. The term of any rotating contractor list shall not exceed two (2) years. The Town Manger or his designee shall ensure that the contractors on the list receive equal opportunity to provide the required goods and/or services to the Town. Routine failure of any of the contractors to provide the required goods and/or services will be documented and cause that contractor to be removed from the rotating contractor list by the Town Manager.

(6) Invitation to Bid, Request for Proposals or Request for Qualifications: Purchases having a value of TWENTY FIVE THOUSAND DOLLARS ($25,000) or more shall be made by Invitation to Bid, Request for Proposals or Request for Qualifications.

(1) Invitations to Bid require all of the following:

(A) Specifications shall be prepared by the Town Manager or his designee. Specifications shall be written in a manner to ensure for an open and competitive bid process.

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(B) Invitation to Bid is coordinated by the Town Manager or his designee which shall include instructions to bidders, identification and definition of the goods and/or services sought; applicable plans, drawings, specifications, or statement of work; identification of the location, date and hour of the due date for the bids; identifying the location, date and hour of the public bid opening, and identification of the evaluation criteria for determining the successful bidder. Terms and conditions may include, but not be limited to, the requirement of insurance or surety.

(C) Public notice of the Invitation to Bid shall be published as required by Florida Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town 's website and/or Town bulletin board.

(D) Bid Submission. Bids should state the name and address of the bidder on the outside of the envelope, package or container, and must be received no later than the time and date and at the location specified for bid opening in the Invitation to Bid. No bids shall be accepted after such time and date or at any location other than specified, and any bids received later or at any location other than specified shall be returned unopened to the bidder.

(E) Bid opening. Bids shall be opened publicly at the date, time and location specified in the Invitation to Bid. The name of each bidder and bid amount shall be stated and such other relevant information shall be recorded.

(F) Bid cancellation. The Town reserves the right to cancel any bid.

(G) Corrections, additions to and withdrawal of bids.

(1) The following shall govern the correction of information submitted in a bid when that information is a determinant of the responsiveness of the bid:

(a) Errors in the extension, addition or multiplication of unit prices stated in bid or in multiplication, division, addition, or subtraction in a bid shall be corrected by the Town Manager or his designee prior to award recommendation. However, actual unit prices included in the bid shall not be changed under this or any other circumstance.

(b) No bidder shall be permitted to correct a bid mistake after bid opening.

(c) Nothing herein is intended to prohibit the acceptance of a voluntary reduction in price from the lowest responsive, responsible bidder after bid opening, provided such reduction is not conditioned on, or does not result in, the modification or deletion of any specification or conditions contained in the Invitation to Bid or after the determination of which bidder is to be awarded the bid or portion thereof.

(2) A bidder who has made a clearly evident mistake of fact may be permitted to withdraw his/her bid only when it is determined by the Town Manager that there is reasonable proof that such a mistake was made. However, if a bidder unilaterally withdraws his/her bid without permission after bid opening, the Town Manager may suspend the bidder for up to two (2) years from the date of the unilateral withdrawal. Further, if the apparent lowest responsive, responsible bidder has made a mistake of any kind in a lump sum construction-related bid, the bid bond shall not be returned.

(H) Bid evaluation.

(1) The Town reserves the right to accept or reject any and all bids and to make award to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the Invitation to Bid and whose award will, in the opinion of the Town be in the best interest of and most advantageous to the Town.

(2) A bid shall be considered responsive only if it conforms to the requirements of the Invitation to Bid.

(3) Information in a bid that concerns the responsibility of the bidder shall not necessarily be considered conclusive at the time of bid opening.

(a) Factors to be considered in determining whether the standard of responsibility has been met may include, but not be limited to, whether a bidder has:

- the appropriate financial, material, equipment, facility, and personnel resources and expertise, or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;

- a satisfactory record of performance and experience;
- a satisfactory record of integrity;
- the capacity to legally contract with the Town ; and
- supplied all necessary information in connection with the inquiry concerning responsibility, including but not limited to any licenses, permits, or organization papers required.

(b) The bidder shall supply information requested by the Town concerning the responsibility of such bidder. If such bidder fails to supply the requested information, the Town shall base the determination of responsibility upon available information and may find the bidder non-responsible.

(c) The Town Manager may determine the information submitted concerning the responsibility of the bidder is so inadequate as to warrant a recommendation of rejection of the bid based upon a lack of demonstrated responsibility on the part of the bidder.

(d) Pursuant to the particular solicitation, the Town Manager, after bid opening, may request additional information of the bidder concerning his responsibility to perform. The Town Manager shall consider this and all other information gained prior to award recommendation to the Town Council.

(I) The Town Manager shall recommend to the Town Council which bidder or bidders in his or her opinion is the lowest, most responsive and responsible bidder or bidders, or may recommend that the Town Council reject all bids, cancel the Invitation to Bid and/or re-issue the Invitation to Bid.

(J) The Town Council has the ultimate authority to make an award to the bidder or bidders whom the Town Council determines in its sole discretion is the lowest, most responsive and responsible bidder or bidders, or it may reject all bids, cancel the Invitation to Bid and/or re-issue the Invitation to Bid or take such further action as is deemed appropriate in the sole discretion of the Town

Council. The reasons for rejecting bids and cancelling solicitations shall be stated by the Town Council.

(K) The Town Council has the authority to waive all minor irregularities on any and all bids except timeliness and other matters that would provide an unfair competitive advantage.

(2) Requests for Proposals require all of the following:

(A) A general statement of work shall be prepared by the Town. A general statement shall be written in a manner to ensure for an open and competitive bid process.

(B) Request for Proposal is coordinated by the Town Manager or his designee identifying the date, time and place that the sealed proposals must be received by the Town; the date and time of opening the sealed proposals; and setting forth the general statement of work or disclose where the general statement of work may be obtained or examined. The Request for Proposal should also contain a list of selection factors to be used by the Town in determining the successful proposer.

(C) Public notice of the Request for Proposal shall be published as required by Florida Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town 's website and/or Town bulletin.

(D) The Town Manager or selection committee, if established, shall recommend to the Town Council which proposal or proposals offer the most advantageous opportunity to the Town or whether the Town Council should reject all proposals, cancel the Request for Proposal and/or re-issue the Request for Proposal.

(E) The Town Council has the ultimate authority to make an award to the respondent whom the Town Council determines in its sole discretion offers the most advantageous opportunity to the Town, or to reject all proposals, cancel the Request for Proposals and/or re-issue the Request for Proposal, and take such further action as is deemed appropriate in the sole discretion of the Town Council. The reasons for rejecting bids and cancelling solicitations shall be stated by the Town Council.

(F) The Town Council has the authority to waive all minor irregularities on any and all proposals except timeliness and other matters that would provide an unfair competitive advantage.

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(3) Requests for Qualifications require all of the following:

(A) A general statement of work and required qualifications shall be prepared by the Town. The general statement shall be written in a manner to ensure an open and competitive bid process.

(B) Request for Qualifications is coordinated by the Town Manager of his designee identifying the date, time and place that the sealed qualifications must be received by the Town; the date and time of opening the sealed qualifications; and setting forth the general statement of work or disclose where the general statement of work may be obtained or examined. The Request for Qualifications should also contain a list of selection factors to be used by the Town in determining the successful proposer.

(C) If the Request for Qualifications is for services identified in Florida's Consultant's Competitive Negotiation Act ("CCNA" hereafter), §287.055, Florida Statutes, the Request for Qualifications shall refer to the CCNA and shall utilize the procedures established in the CCNA.

(D) Public notice of the Request for Qualifications shall be published as required by Florida State Statute 255.0525(2) in a newspaper of general circulation in the Town or Palm Beach County and may be posted on the Town 's website and/or Town bulletin.

(E) The Town Manager or selection committee, if established, shall recommend to the Town Council which qualified respondent or respondents present the most advantageous opportunity to the Town, or shall recommend to the Town Council that it reject all respondents, cancel the Request for Qualifications and/or re-issue the Request for Qualifications.

(F) The Town Council has the ultimate authority to make an award to the most qualified respondent or respondents whom the Town Council determines in its sole discretion offer the most advantageous opportunity to the Town or to reject all respondents, cancel the Request for Qualifications and/or re-issue the Request for Qualifications, and take such further action as is deemed appropriate in the sole discretion of the Town Council.

(G) The Town Council has the authority to waive all minor irregularities on any and all responses except timeliness and other matters which would provide an unfair competitive advantage.

(4) Bidder Protests.

(A) Right to protest: Any actual respondent who has a grievance in connection with an Invitation to Bid, request for proposals, request for qualifications or other purchasing solicitation may protest such purchase. Recommended awards less than TEN THOUSAND DOLLARS ($10,000) cannot be protested.

(B) Procedure: A protest must be in writing and shall state the reason for the protest. The written protest shall be submitted to the Town Manager within seven (7) calendar days of the first date that the aggrieved party knew or should have known of the facts giving rise to the protest. The Town Manager after consultation with the Town Attorney shall review such protest and shall issue a written decision as soon as practicable after such review is completed. The decision of the Town Manger may be appealed in writing to the Town Council within seven (7) calendar days after the date of the Town Manager's written decision. The decision of the Town Council shall be final. An appeal of the decision of the Town Council shall be to the appropriate court in the Fifteenth Judicial Circuit, Palm Beach County, Florida.

(C) Stay of procurement during protest: A purchase which is the subject of a timely protest shall be stayed until a written decision by the Town Manager is made and the time for appeal to the Town Council has expired. If an appeal is made to the Town Council, the purchase shall be stayed until a final decision by the Town Council has been made. This provision shall not apply if the Town Council makes a determination that the execution of a contract without delay is necessary to protect substantial interests of the Town. Scheduled respondent presentations or conferences shall not be stayed by such protest.

(D) Remedies for purchases in violation of law: If the Town Manager, after consultation with the Town attorney, determines that a purchase whether protested or not is in violation of federal, state, or local law, then the purchase shall be canceled or revised to comply with applicable law.

(e) *Procedural requirements:* Other specific procedural requirements necessary for accomplishing purchases in accordance with this Purchasing Ordinance shall be developed by the Town Manager or his designee.

(f) *Public construction bond*: All Town public construction projects that are estimated to exceed two hundred thousand dollars ($200,000), shall require that the contractor obtain a public construction payment and performance bond or other acceptable alternate form of security in accordance with § 255.05, Florida Statutes, as amended from time to time. The bond must be obtained, recorded in official records of Palm Beach County and copy provided to the Town prior to the contractor commencing any work for the Town. The Town Council in its sole discretion may require public construction payment and performance bonds, other bonds and/or other security on any Town project estimated to cost less than two hundred thousand dollars ($200,000).

(g) *Authorized purchases*: Any person authorized to make purchases under this Purchasing Ordinance shall make such purchases in accordance with the rules and regulations established in the Florida Code of Ethics for Public Officers and Employees, Ch. 112, Florida Statutes and the Palm Beach County Code of Ethics.

(h) *Violations*: Violation of any provision of this Purchasing Ordinance may result in termination of purchasing authority and/or disciplinary action taken in accordance with the Town policies. Any violation of this Purchasing Ordinance may also result in the Town Council refusing to ratify a purchase or in the Town Council rescinding its approval of a purchase. Any person who knew or should have known that a purchase was made in violation of this Purchasing Ordinance may be held personally liable for that purchase.

Florida's Last Frontier

Town of
LOXAHATCHEE GROVES

Purchasing Policy Manual

Prepared By: Town Management

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PART I

Section I

General Provisions

A. PURPOSE

The purpose of the Purchasing Policy & Procedure Manual is to provide guidance and support for the formal rules adopted by the Town Council governing the purchasing process contained in the Town's purchasing ordinance, Ordinance No. _______.

This manual is intended to guide the user through the purchasing process within the Town of Loxahatchee Groves. The Town maintains a unified purchasing system with decentralized responsibility. The Town's purchasing process provides for increased economy in purchasing activities, enabling the Town to maximize, to the fullest extent practical, the purchasing value of public funds by fostering effective broad-based competition, while ensuring fair and equitable treatment of all vendors who deal with Town purchasing. In addition, this manual provides safeguards for maintaining a purchasing system of quality and integrity and also is intended to provide for increased public confidence in the procedures followed by Town purchasing.

This policy shall apply to all purchasing activity, except real property, of the Town of Loxahatchee Groves, as well as the disposal of all Town property other than real property.

For purposes of this manual the purchasing process is defined in five phases as follows:

1. Vendor selection – Identification and subsequent selection of the vendor best meeting identified Town requirements for goods and services.

2. Town commitment to purchase goods or services – The process by which the Town commits to do business with a selected vendor.

3. Contract oversight – The process by which the Town ensures the vendor is in compliance with a contract for goods or services.

4. Payment – Procedures for payment for goods and services.

5. Disposition – The process by which the Town disposes of surplus, obsolete or damaged property.

Attachment 1 provides purchasing terms and definitions.

The remainder of this manual addresses these topics in this order.

B. LEGAL PROVISIONS

The principles of law and equity, including the Uniform Commercial Code of this State, the law relative to ethics, and the law relative to capacity of Town to contract, agency, fraud, misrepresentation, duress, coercion, and mistake of bankruptcy shall supplement the provisions of this policy.

In any situation where compliance with this policy will place the Town in conflict with State or Federal Law or terms of any grant, or cooperative agreement, the Town shall comply with such Federal or State law, grant requirements, or authorized regulations that are mandated and which are either not reflected in this policy or are contrary to provisions of this policy.

C. REQUIREMENT OF GOOD FAITH

This policy requires all parties involved in the negotiation, development, performance, or administration of Town contracts to act in good faith.

D. ETHICS

All applicable provisions of the Palm Beach County Code of Ethics, and Town Ethics Ordinance are incorporated herein by reference and made a specific part of this manual.

Section II

Vendor Selection Methods

A. GENERAL GUIDELINES

There are five vendor selection methods used by the Town: Quotes, Invitations to Bid (ITB), Requests for Proposals (RFP), Requests for Qualifications (RFQ), and Letters of Interest (LOI). Quotes, written and or verbal, are normally used when the expected cost of goods or services is under $10,000 or less. This is the informal method of vendor selection. The remaining four methods, ITB, RFP, RFQ, and LOI, are formal competitive vendor selection methods. Formal competitive vendor selection methods must be used when costs are expected to be $25,000 or more and may be used for smaller purchases when the Town will derive sufficient additional benefit to justify their use.

Exceptions to the required vendor selection methods are permitted in specific instances (See Part D. below in this section) or when pre-approved by Town Manager in other limited instances.

Under no circumstances may known or anticipated annual requirements for goods and services from a vendor be broken into smaller quantities to circumvent the requirement to use a formal vendor selection process. The Town's purchasing policies are based on the total dollar amount of purchases made with a vendor in a given fiscal year. An annual purchase order must reflect the anticipated total amount of business to be done with a vendor for the year.

B. INFORMAL VENDOR SELECTION METHODS

The informal vendor selection method~~s~~ may be utilized where the cost of goods or services does not exceed $25,000, with the exception of public improvement capital projects in excess of $5,000 as discussed immediately below. The following procedure must be followed:

TABLE 1 – COST LEVELS / REQUIRED DOCUMENTATION

AMOUNT	REQUIRED DOCUMENTATION
Up to $1,000.00	None
$1,000.01 to $5,000.00	Three verbal documented quotes
$5,000.01 to $10,000.00	Three written documented quotes
$10,000 and over	Town Council approval required

Quotes must be consistent in content for comparison purposes. Quotes must include the vendor name, contact person, date, a clear description of the goods or services being offered by the vendor, a statement of price, and the terms of the sale. Written quotes may substitute for verbal quotes. Verbal quotes must be documented by the user department and retained on file. Written quotes must be signed and dated by the vendor.

Exception:

- Initial purchase of, or contract for, commodities or services in excess of $10,000 shall require the approval of Town Council regardless of whether the competitive bidding or competitive proposal procedures were followed.

- All purchases of, or contract for, commodities or services of less than $25,000 shall require the approval of the Town Manager.

- Public improvement capital projects in excess of $10,000 require formal competitive bidding.

- Purchases exceeding $30,000 in the aggregate shall not be purchased from the same person or entity during the course of any fiscal year

C. FORMAL COMPETITIVE VENDOR SELECTION METHODS

Formal competitive vendor selection methods utilize competitive bidding to allow a maximum degree of competition among a number of suppliers offering similar products or services. All purchases of goods and services, where the total annual cost of the purchases or contract will exceed $25,000, must be approved by the Town Council. In addition, public improvement capital projects in excess of $10,000 require formal competitive vendor selection.

A determination is made by the Town Manager, after consultation with the user department, as to which formal competitive vendor selection method will be used.

Invitation to Bid (ITB), Request for Proposals (RFP), Request for Qualifications (RFQ) and Letters of Interest (LOI) are effective formal procedures for soliciting competition from vendors in the purchasing sector. The ITB is awarded primarily on price alone. The RFP uses several different evaluation criteria, including price, to determine award. The RFQ ranks respondents based on their qualifications and experience. The LOI, the least formal process, sends out letters to interested parties to see if they are interested in applying for the work being offered. Evaluation is based on the experience of the responders and follow-on discussions with them.

Attachment 2 provides vendor evaluation guidelines.

1. Invitation to Bid (ITB)

An ITB is used when specifications are well-defined, competition is prevalent, and substitutions are allowable. The ITB shall include instructions to bidders, plans, drawings and specifications if any, bid form, and other required forms and documents to be submitted with the bid. As a result, prices obtained are generally lower than "list" pricing. Under this type of solicitation, normally the recommendation of award must go to the lowest responsive and responsible bidder. There are generally no other evaluation criteria considered in this type of solicitation.

2. Request for Proposal (RFP)

An RFP is a formal request from the Town to vendors to submit proposals. The proposal is to provide a solution to a need the Town has specifically identified. The vendor's experience and qualifications, together with the proposed solution, is evaluated and may take precedence over price. The evaluations of the proposals may be completed by an evaluation committee comprised of at least three (3) voting members, at least one of whom is Town staff. (In some instances a person outside of Town staff, who has experience with the need identified, may be a voting member also). If an evaluation committee is to be used the committee members are generally selected by the user department, and the Town Manager facilitates the evaluation process.

All RFPs shall state the relative importance of price and any other evaluation criteria. The Town may engage in negotiations with offerors for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

3. Request for Qualifications (RFQ)

An RFQ is a formal invitation from the Town to vendors to submit a statement of qualifications. This approach differs from the traditional request for proposals approach in that it places greater emphasis on the actual qualifications of the potential contractor, (his or her track record), rather than how well the potential contractor responds to detailed project specifications and requirements.

The RFQ identifies the desired minimum qualifications of the firm, a scope of work statement, any project requirements, and states the relative importance of selection criteria that will be used in compiling the short list of prospective firms for further consideration.

Responses are evaluated by an evaluation committee and facilitated by the Town Manager. Depending on the number of qualification responses received, a shortlist of three to five firms are identified for further consideration. These short listed firms are then interviewed by the evaluation committee. Based on the interview, experience and qualifications, the short listed firms are ranked. This ranking is presented to the Council for approval along with a request for the proper Town officials to be authorized to negotiate and execute the contract.

4. Letter of Interest (LOI)

An LOI is a formal invitation from the Town to vendors to submit an offer. It identifies, in general terms, the work required and directs the respondents to provide a letter regarding the respondent's interest in working with the Town on the particular project(s). Respondents provide a statement of experience and qualifications of key personnel. Costs or fees are not part of the response.

Responses may be evaluated by an evaluation committee and facilitated by the Town Manager as described in the RFP section. Based on the experience and qualifications, the responses are ranked. This ranking is presented to the Council requesting authorization to enter into contract negotiations with the top ranked vendor. The resulting contract is then brought back to Council for final approval. Architectural, legal and management services are examples of when this type of solicitation would be used.

The Town may engage in negotiations with responders for the purpose of clarification to assure full understanding of and conformance to the solicitation requirements. Responders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offer.

D. Exceptions

The following are exceptions from the requirements of the competitive vendor selection process. Please refer to the Town Purchasing Ordinance _____, Section II, (F) Exempt purchases to competitive procurement requirement, for further details. Exceptions must be pre-approved by the Town Manager. Purchases not subject to the competitive procurement requirement must still have the same levels of approval as purchases subject to the regular competitive vendor selection process.

1. Sole source – only one vendor's goods or services will meet Town requirements. Approval requires written justification by purchasing department.

2. Emergency purchases – requires written justification.

3. Purchase of goods or services under contracts of the federal government, the State of Florida, or its political subdivisions (also referred to as "piggybacking").

4. Certain contractual services.

5. Cooperative Purchasing - Contracts available through the City's participation in governmental purchasing cooperative groups.

Section III

Formal Selection Solicitation Process

Once the appropriate vendor selection method has been determined, the solicitation process will be overseen by the Town Manager or designee, as shown below.

A. SPECIFICATIONS

The Town Manager or designee will ensure the solicitation documents include specifications that are as well-defined as possible. The user department is responsible for developing specifications, such as bid specifications, scope of service and evaluation criteria. As the prime user, the department is best aware of any special characteristics, any new developments in the field, as well as the technical specifications of the product or service. The Town Manger or designee may review specifications and make suggestions, such as alternate products, when appropriate.

The Town Manager of designee shall strive to assure that all specifications issued by the Town provide for free and open competition among all vendors and preclude lock-in of any vendor or brand, unless items are purchased under approved sole source or sole brand provisions. Any specification may eliminate some vendors or brands if the vendor or brand does not meet the legitimate needs of the City.

There are many different types of specifications; however, all specifications regardless of the type must be clear and complete. A specification is an essential communication link between the Town and the vendor. The specification must clearly and completely express the needs of the Town in such a manner that the vendor will have the same understanding as that of the Town in what is required. The following are some of the more common type of specifications:

1. Brand Name Specification
A specification using one or more manufacturers' brand names, with identifying model numbers, to describe the acceptable items; all other items will be excluded. Since use of a brand name specification is restrictive of product competition, it may be used only when pre-approved by the Town Manager or designee.

2. Brand Name "or Equal" Specification
These specifications describe the characteristics of the item required by reference to a particular manufacturer's product, referring to that product by its brand name and model number. These specifications describe the standards of quality, performance, and other characteristics needed to meet the requirements of the solicitation, and invites bids for equivalent products from any manufacturer. These are often used to obtain low-value, commercially available products, such as janitorial supplies, office supplies and chemicals.

3. Design Specification
A design specification is also known as a material and method of manufacture specification. This type of specification spells out in great detail the physical characteristics including size and shape, the materials to be used and the manner in which they are to be assembled or processed. Design specifications may also reference engineering drawings or plans. A design specification is generally not appropriate for standard commercial items; its use being reserved for "made-to-order" products.

4. Performance Specifications

Performance specifications describe the functions which must be performed without or with only a limited reference to materials to be used or construction details. Performance specifications are non- restrictive, they spell out standards of performance, define operating limits, describe a specific task, emphasize dependability and reliability and look at the end result. Performance specifications are non-restrictive and encourage vendors to be innovative and propose a variety of means to accomplish a stated performance measure and to determine whether or not a performance specification has been satisfied.

B. SOLICITATION DOCUMENTS

The Town Manager will ensure all solicitation documents are properly prepared, with particular emphasis on effective specifications as discussed in the prior section, and distributed as appropriate. In conjunction with the preparation of the solicitation documents, the Town Manager or designee will make himself / herself available to provide information to all potential responders.

C. PUBLIC NOTICE

Public notice of the ITB, RFP, RFQ or LOI shall be given not less than ten (10) calendar days prior to the date set forth in the notice for the opening of the responses. Such notice shall be given by publication in a newspaper of general circulation within Palm Beach County, at a minimum, and may be posted on the Town's website and/or Town bulletin board. The notice shall state the place, date, and time of the opening of the responses.

D. RESPONSE SUBMISSIONS

All responses shall be submitted in sealed envelopes which shall be clearly identified with the name and number of the response on the exterior of the envelope and delivered to the Town Clerk office.

E. BID / PROPOSAL BOND

Bid bonds (also known as proposal bonds) may be required in conjunction with responses. They guarantee the responders will not withdraw their bids for a specified time period and will accept a contract, if offered, or will forfeit the bond amount.

Bid bonds shall be required for all construction projects when the total contract price is estimated to exceed two hundred thousand dollars ($200,000). In all other cases the Town reserves the right to require a bid or proposal bond when deemed necessary by the Town Manager. The Town Council in its sole discretion may require public construction payment and performance bonds, other bonds and/or other security on any Town project estimated to cost less than two hundred thousand dollars ($200,000).

Bid bonds shall be by cash, a certified or cashier's check, a surety bond or an irrevocable standby letter of credit, or other acceptable form of security in an amount not less than five percent (5%) of the amount of response. If a surety bond is provided, the surety company must be authorized to do business as a surety in Florida.

F. CANCELLATION OR POSTPONEMENT OF RESPONSE OPENING

Any time prior to the response opening date and time, the Town Manager may postpone the opening, or cancel the solicitation in its entirety.

G. FORMAL OPENING OF RESPONSES

Responses shall be opened by the Town Clerk or designee at the time and place designated in the public notice. The opening shall be witnessed by staff. No late responses shall be accepted or opened if received after the date and time specified in the public notice. All late responses shall be returned unopened to the bidder.

For ITB responses, names and amounts of each bid shall be read aloud by the Town Clerk or designee, and a list of all responses shall be made available for public inspection after the opening.

For RFP, RFQ and LOI responses, a list of the names of all responders shall be prepared by the Town Clerk or designee and made available for public inspection after the opening of the responses.

All response documents shall become the property of the Town and will not be returned to the responders. When the contract is awarded, all documentation produced as part of the contract shall become the exclusive property of the City.

For an RFP, RFQ or LOI response, the Town Manager or designee, or if an evaluation committee's if used and within a reasonable time period after the response opening, request additional or corrective information of the responder concerning his/her responsibility to perform, and the bidder may voluntarily, after bid opening, provide additional or corrective information concerning his/her responsibility as a vendor.

H. MODIFICATION OR WITHDRAWAL OF RESPONSES

Responses may be modified or withdrawn by an appropriate document duly executed and delivered to the office of the Town Manager at any time prior to the submission deadline. A request for withdrawal or modification must be in writing and signed by a person duly authorized to do so. Any modifications made by the Town to the solicitation documents prior to the opening of the responses shall be by addenda provided in writing to the same potential responders to whom the original solicitation documents were presented.

After expiration of the period for receipt of responses, no withdrawal or modification is permitted, except in extenuating circumstances. If within twenty four (24) hours after responses are opened, any responder files a duly signed written notice with the Town, through the office of the Town Manager and within five (5) calendar days, thereafter demonstrates to the satisfaction of the Town, by clear and convincing evidence, that there was a material mistake in the preparation of the response, or that the mistake is clearly evident on the face of the response document but the intended correct response is not similarly evident, then the responder may withdraw its response document. Thereafter, the responder will be disqualified from further bidding on the contract for which the response was withdrawn.

Section IV

Formal Solicitation Evaluation Process and Award of Contract

Once the solicitation has been completed and all responses have been received and opened, the responses will be evaluated and a contract awarded as follows:

A. REJECTION OF RESPONSES

After an initial review of responses, responses may be rejected for any of the following reasons:

- If the evidence submitted by a responder or if investigation of a responder fails to satisfy the Town that the responder is properly qualified to carry out the obligations and to complete the requested work.

- If there is reason to believe collusion exists among responders.

- If the response is not responsive, not delivered by the due date and time or not delivered to the Town Clerk's office, not properly signed or is unsigned, shows serious omissions, alterations in form, additions not called for, conditions or unauthorized alterations, or irregularities of any other kind. The Town reserves the right to waive such technical errors as may be deemed in the best interest of the City.

B. EVALUATION AND AWARD OF CONTRACT - INVITATION TO BID

The contract shall be awarded to the most responsive and responsible responder whose response meets the requirements and criteria set forth in the solicitation documents except as otherwise provided below.

If two or more qualified responders are tied, as reflected by cost, the tie may be broken by the following criteria, presented in order of importance and consideration, as reflected in the solicitation document:

1. Quality of the items or services bid if such quality is ascertainable
2. Delivery time if provided in the response

If the above criteria do not resolve the issue, the award will be given to the response received earliest by the Town as indicated by the Town time clock stamp on the response. This criterion will also be indicated in the solicitation document.

Multiple award contracts may be used only when it is determined by the Town Manager that the use of more than one vendor is in the best interest of the Town.

A recommendation for vendor selection, together with the criteria used for selection, will be presented to Town Council by the Town Manager or designee for approval, along with a request to approve authorization to sign a contract with the recommended vendor.

C. EVALUATION AND AWARD OF CONTRACT - REQUESTS FOR PROPOSALS, REQUESTS FOR QUALIFICATIONS, AND LETTERS OF INTEREST

The award shall be made to the responder whose proposal is the most advantageous to the Town, taking into consideration evaluation criteria set forth in the solicitation document. The vendor selection process may be done through an evaluation committee, (Committee), appointed by the Town Manager and comprised of a member of the user department, together with at least two other members familiar with the goods or services being evaluated. Each committee member shall complete a “Conflict of Interest Statement” upon appointment to the committee and prior to review of submittals (See Attachment 6).

The Committee shall review all qualifications and submittals of those firms responding based on predetermined criteria contained in the solicitation document. The Committee will then score each qualified response using the predetermined criteria.

Depending on the number of qualified responses received, the Committee may reduce the number of responders to be evaluated further to a minimum of three (called a “short list”), based on the ranking (highest points). If less than three qualified responses have been received, all qualified responses must be considered. The Committee may choose to hold discussions with all responders on the “short list”. Such discussions may encompass formal presentations by each responder. The format of the discussion must be the same for each responder.

If the Committee requires clarification of the original response, they may request revised proposals.

For an RFP, once the Committee has ranked the qualified responses, the ranking information will be presented to Town Council by theTown Manager or designee with a request for approval along with a request for the proper Town officials to be authorized to negotiate and execute the contract.

For an RFQ or LOI, a recommendation for vendor selection, together with the ranking information, will be presented to Town Council by the Town Manager or designee. Additionally, it will be requested that staff be given direction to negotiate a contract, subject to final Counsel approval.

Following vendor approval by the Council, the next step in the RFQ or LOI process is for the Town Manager and Town Attorney to negotiate a contract with the highest ranked vendor at a compensation determined to be fair and reasonable. If this proves unsuccessful, negotiations will be formally terminated and negotiations will begin with the next highest ranked vendor. This will continue until an acceptable contract is agreed to or until negotiations with all vendors on the short list have been unsuccessful. If no contract can be negotiated with any vendor on the short list, a new solicitation must be initiated. If a successful contract is negotiated with a vendor, a recommendation will be presented to the Council by the Town Manager or designee to approve the contract with the indicated vendor.

D. NOTICE OF AWARD

Upon approval by the Council, the successful vendor will receive a Notice of Award indicating the vendor’s selection. The Notice of Award is contingent on a contract being executed and the required certificates of insurance and applicable bond coverage have been received and approved.

If the selected vendor fails to provide the required coverage documents or fails to deliver the signed contract within the specified time, the Town may annul the Notice of Award.

E. BOND RELEASE

All responders' bid bonds, if required for a solicitation, will be retained until the selected vendor has met all requirements for the final contract award. At that time, the bid bonds of the unsuccessful responders will be returned. If the successful vendor fails to meet these requirements and the Town annuls the Notice of Award, the successful vendor's bid bond shall be forfeited.

F. NOTIFICATION TO RESPONDENTS

After the contract award has been finalized, Town Manager or designee will notify the remaining respondents of the selection.

PART II

Section I

Conducting Business With A Vendor

The purchase order will be the Town's commitment to conduct business with a vendor and will be subject to the approval authority limits delineated later in this section. Vendors may submit quotes or contracts, depending on the process, whether informal or formal, and the dollar amount of the purchase.

For the informal vendor selection process, normally for purchases under $25,000, the selection will be accomplished through quotes. For purposes of this manual, the term "quote" will include proposed scope of service statements when submitted as a quote. Quotes must be signed by authorized representatives of the responders when submitted in writing; however the Town will not normally sign these documents. When a quote requires a signature by a representative of the Town, it will be processed together with the related purchase order and will be subject to the same approval authority limits as a purchase order. In no instance shall the quote be signed by a person not authorized to be the final approving authority on the accompanying purchase order.

Quotes normally relate to goods and identify the type and quantity of the goods to be provided and possibly the associated payment terms. When the proposed goods or services are more complicated, there will normally be more comprehensive terms involved which would necessitate a formal contract requiring the signature of both the vendor and the Town. Formal contracts will always be required for formal competitive vendor selection situations. This will normally be for purchases greater than $25,000, which require Commission approval.

Once approved by Council, the contract will be processed with the related Purchase Approval Request (PAR). The Town Council or Town Manager if so authorized will sign the contract at the same time as he/she approves the PAR. As discussed previously, the formal competitive vendor selection process can be utilized for purchases under $25,000 when the additional effort is justified. The resulting contract will be processed at the same time as the related purchase approval request in accordance with the approval authority limits discussed in "D" below. Even when a contract has been signed, the vendor is not authorized to begin work until a fully approved purchase order has been issued.

The following sections will discuss contracts and purchase orders used to commit the Town to do business with a vendor.

A. CONTRACTS

1. Contract Period

Unless otherwise provided by law, a contract for supplies or services may be entered into for any time period deemed to be in the best interests of the Town provided the extension beyond the current fiscal year, if any, is included in the solicitation and funds are available for the current fiscal year at the time of contracting. Payment and performance obligations for future fiscal years shall be subject to the availability of funds.

2. Price Adjustment

Contracts may be awarded with the provisions for upward or downward price adjustments provided this allowance is part of the original bid solicitation and the adjustments are based on a nationally recognized or published index or other criteria acceptable to the City.

3. Advance Payments

The Town may make advance payments not to exceed one (1) year to vendors for maintenance service contracts and lease agreements when it would be economically efficient to do so, or when the vendor offers a discount for advance payments.

4. Amendments

Any changes to a contract that materially alter the terms and conditions of a contract, or provide for a change in the scope of the contract, must be contained in a formal amendment to the contract executed by the same authority as the original contract.

5. Insurance Requirements

All contracts shall contain requirements for the protection of the Town through sufficient insurance as specified in the bid documents. The selected vendor shall be required to obtain, at the vendor's expense, all required insurance coverage and shall submit evidence of insurance to the Town for approval before the contract award will be finalized. The Town Manager will review insurance certifications, approving those which comply with the requirements of the solicitation. Non–approved certifications will be returned to the user department with the reasons for non-approval and instructions as to how the certification may be corrected by the vendor. The user department shall not allow a contract to be finalized, nor work commence, until the Town Manager has approved the sufficiency of insurance coverage.

6. Payment and Performance Bonds

When a contract is estimated to exceed two hundred thousand dollars ($200,000) for the construction of a public building, for the completion of a public work or for repairs upon a public building, or other public work as provided in Florida Statute Section 255.05, as amended, or when the Town Manager or designee deems it to be reasonably necessary to protect the best interests of the Town, the following bonds shall be executed and delivered to the Town Manager or designee before the contract award will be finalized and shall become binding on the parties upon the execution of the contract:

A. A performance bond guarantees the selected vendor will perform all requirements of the contract. It protects the Town from loss due to the selected vendor's inability to complete the work. A performance bond satisfactory to the Town in an amount equal to one hundred percent (100%) of the price specified in the contract must be provided to the Town and is conditioned on the selected vendor performing the contract in the time and manner prescribed in the contract.

B. A payment bond guarantees the selected vendor will make all required payments to the subcontractors and suppliers providing goods and services to the selected vendor. A payment bond satisfactory to the Town in an amount equal to one hundred percent (100%) of the price specified in the contract must be provided to the Town and is conditioned on the selected vendor promptly making payments to all persons and entities supplying labor, materials or commodities used directly or indirectly in the performance of the work provided for in the contract.

7. Indemnification
All vendors shall indemnify and hold harmless the Town, its officers, agents and employees from any injuries or damages received by any person during any operations connected with the construction project, by use of any improper materials, or by any act or omission of the contractor, or subcontractor, agents or employees.

B. CONSTRUCTION CONTRACT REQUIREMENTS

In addition to the requirements under Section A, the following shall apply to construction contracts:

1. Construction Contract Change Orders
The Town shall have the right, based on a clause contained in each construction contract, to require changes in quantities, additions or deletions of work or other changes within the original intent of the contract. All change orders, where the amount of the entire contract, including the change order, is over $25,000 shall be approved, in advance, by the Town Council. The approval of change orders equal to or under this amount for both construction contracts and professional design services shall be approved, in advance, by the Town Manager or his/her designee.

2. Amendments To Construction Contracts
All changes to construction contracts that materially alter the terms and conditions of the contract or provide for a change in scope of the project beyond the original intent, must be contained in a formal amendment to the contract. Such an amendment must be approved with equal dignity and formality as the original contract and signed by the individuals holding the positions of the original signatories. If the amendment causes the total dollar amount of the contract to move to the next dollar threshold (see "approval authority limits), approval is required, approval must be given as named for that threshold.

C. ONGOING CONTRACT ADMINISTRATION

After the award of any contract, the user department will ensure that both the Town and the vendor are in compliance with all terms and conditions of the contract, including, but not limited to, maintaining current insurance certificates.

In cases where the vendor does not adhere to delivery and specifications or is in technical breach of a contract, the user department must attempt to rectify the situation with the vendor and maintain written record of these attempts. This written record should contain specific instances of non-compliance with the contract requirements and a timeframe for resolution of the issues involved.

In cases where the user department is unable to rectify a breach of contract with the vendor, the user department may recommend to the Town Manager or Town Council (depending on the amount of the contract) that the contract be cancelled, the vendor be suspended or debarred (the Town will no longer conduct business with the vendor), or to begin appropriate legal action through the Town Attorney.

The Town may suspend a contract for a period not to exceed thirty (30) days following a determination by the Town Manager that there has been a material deviation by the vendor from the requirements of the contract. Any suspension of contract shall be provided in writing to the affected vendor within three (3) working days of such determination. The Town reserves the right to obtain goods or services, which are the subject of the contract, from alternate sources during the suspension period.

Contracts originally approved by the Town Council shall be canceled or revoked only after specific Town Council action.

D. PURCHASE ORDER

A fully executed purchase order (PO) is the user department's authority to purchase goods or services. As discussed elsewhere, a purchase order must reflect the anticipated total amount of business to be done with a vendor for the year. The total shall not be broken into smaller amounts to keep from crossing a dollar threshold with additional approval requirements, including the requirement for formal competitive vendor selection. Without exception, all PO's must be fully approved before the issuing department may place the order. This is true even when a contract with the vendor has been fully executed. Supporting documentation must be maintained within the department for purchases of less than $10,000, and forwarded, as discussed below, for greater amounts.

A purchase order is the vendor's authorization to ship goods or perform services as specified. The purchase order constitutes a contract (in some instances a second contract if a more formal contract is also being utilized) between the Town and the vendor, and as such, is a legal document. The purchase order also reserves (encumbers) the funds within the financial system so the funds cannot be allocated for other purposes before the transaction has been completed and the purchase order fully closed out.

A purchase order will normally be for a specified dollar amount for specified goods or services. Additionally, an open end purchase order can be issued for a specific not-to-exceed dollar amount and may also be for a specific length of time, not to exceed one fiscal year. The open purchase order is utilized to facilitate multiple purchases from a single vendor over a given term. Purchase orders are not required for certain vendors; see Attachment 5.

TABLE 2 – APPROVAL AUTHORITY LIMITS

APPROVAL	DOLLAR THRESHOLD
User Department	Up to $1,000.00
Town Manager designee	$1,000.01 to $3000.00
Town Manager	Up to $10,000
Town Council	$10,000.01 and above

The PO preparer will use the financial system to prepare a PO, including requesting authorization to purchase goods or services. The preparer will enter sufficient information to convey the need for the purchase. For purchase orders over $5,000, a Purchase Approval Request (PAR) form must also be completed. The PAR must include supporting documentation, which varies, depending on the basis of the purchase order.

TABLE 3 – REQUIRED DOCUMENTATION FOR PAR

BASIS OF PURCHASE ORDER	REQUIRED DOCUMENTATION
Three written quotes	Copies of each quote, signed by vendor
Sole Source - Purchase Admin Approval	Written justification
Exempt Contractual Service*	Note exempt category
Emergency procurement	Written justification
Professional services procedures**	Note service category
Cooperative purchasing	Note entity, attach other entity contract
Existing contract – other government entity	Note entity, attach other entity contract
Renewal contract	Copy of contract, executed by both parties
Competitive sealed bidding	Copy of contract, executed by both parties

* Town Purchasing Ordinance No. ________
**Consultants Competitive Negotiations Act, Florida Statutes 287.055 (1991)

In addition to the required documentation noted in the table above, all PAR’s for purchases which have been submitted to the Town Council for approval must be accompanied by a fully executed Resolution or other approval documentation. When an exception to the formal vendor competitive selection process has been used, the justification must be clearly identified and documented. Refer to Attachment 3, Sample PAR form.

PAR’s and supporting documentation are routed for approvals as follows:

1. Requesting department, signature of department user
2. Management Department, signature of Town Manger designee
3. Town Manager

E. EMERGENCY PURCHASES

Emergency purchases may be made by the requesting department user on approval of the Town Manager Designee when the cost does not exceed three thousand dollars ($3,000.00) and on approval by the Town Manager when the cost does exceed seven thousand five hundred dollars ($10,000.00) without receiving written quotes.

The Town Manager may authorize emergency purchases where the cost exceeds ten thousand dollars ($10,000) or more with authorization by Town Council, and at next scheduled council meeting certification shall be submitted to the Town Council for approval or ratification.

Section II

Payment For Goods And Services

A. INVOICES

Invoices are itemized statements of goods or services provided and are a means of settlement of financial obligations. The timeliness of processing invoices may affect the relationship between the Town and its vendors and must be processed within 30 days of receipt (20 days in the case of construction services), per State Statute 218.70, Local Government Prompt Payment Act. Invoices should contain the following basic information:

- Purchase order number (if applicable)
- Itemized listing of materials or services rendered
- Quantity of each item
- Unit price with extensions
- Discount terms if applicable
- Services provided, including hours and billing rates where applicable

B. PAYMENT – PURCHASE ORDER

The PO instructs vendors to send invoices directly to the user department. The user department should hold the PO while waiting for an invoice. The Town will pay only from an original invoice and not a fax copy or photocopy. The user department will follow the PO "receiving" procedures [as required by the financial system upon completion of implementation] and will then forward the original invoice, with the required approval signatures, and a copy of the PO for payment.

Only individuals authorized to normally receive goods or services may do so. The receiving individual must certify that the quantity, brand name, or model ordered is received or that the required services have been provided.

C. PAYMENT – CHECK REQUEST

Check requests should be used only in exceptional situations. Refer to Attachment 4a-d, Sample Check Request forms.

D. PAYMENT – PETTY CASH

In some instances it may be necessary for a staff member to go to a local store to purchase small items, in total under $200, without a purchase order. The staff member will be reimbursed through a Check Request form signed by Town Manager or designee, and submitted for payment.

E. CHANGING OR LIQUIDATING PURCHASE ORDERS

Purchase Order Changes:
Changes on purchase orders may be made at the department user when the change does not exceed 5% or $50.00 (whichever is greater) of the total amount of the purchase order.
When a change exceeding 5% or $50.00 of the total on the Purchase Order is required, the initiating department requests the change by forwarding a written request and brief explanation to the Town Manger or designee for approval. Freight, shipping & handling charges & back-order related changes do not require an explanation.

If the original PO total was under $7500.00 and the change will make the total over $7500.00 then a PO Approval form must be filled out and routed for proper approval signatures.

If the original PO was awarded by Council action, and a change order is being made, sufficient documentation (copy of the resolution, change order, written authorization from the Town Manager etc.) authorizing the change must be submitted before further processing.

If the original PO total was for less than $10,000.00 and the change will make the total over $10,000.00 then the change order must be approved by Council before further processing.

Changes may also be done to correct errors, omissions, or discrepancies; cover acceptable overruns and freight costs; and incorporate requirements to expand or reduce the scope of goods or services order.

Purchase Order Liquidations:
A purchase order is liquidated when a partial receipt has been done on a purchase order and the remainder of the total will not be received. When a liquidation is done, the purchase order is closed and no other transactions can take place against that particular purchase order. Any remaining funds that had been encumbered on that purchase order are released back into the account that had been encumbered.

Accounts Payable is notified by the using department when a purchase order is to be liquidated. The using department documents on the purchase order to liquidate the balance after the invoice has been processed. Accounts Payable then notifies the Town Manager or designee of any purchase orders to be liquidated.

Section III

Transfer or Disposal of Surplus and Obsolete Equipment

In order to dispose of an item that has become surplus or obsolete to the user department, the department user must send a memorandum to the Town Manager listing the description, condition, serial number and asset tag number of the item being disposed of. The Town Manager or designee will attempt to relocate the item directly to another department in need of such equipment. If no need exists, it may be traded in on new purchase of similar equipment whenever feasible to do so.

Items will be kept at the user department until they can be transferred or disposed of. If the items are damaged or worn beyond repair, after inspection by the Town Manager designee, the items will be declared to have no further value to the Town and Town Clerk will ensure all necessary documents are completed to dispose of the items.

When equipment is still usable but it has been determined over a period of time that no need exists within the Town Departments and further storage is impractical, surplus equipment may be offered for sale or auction. This will be coordinated by the City Clerk in conformance with competitive conditions, including when necessary, advertising and sealed bids. Permission to sell or auction the item must be obtained from the Town Council if the estimated value of an item is twenty thousand dollars ($20,000) or greater.

ATTACHMENT 1

Purchasing Terms and Definitions

The purchasing profession is characterized by various terms and definitions that may not be commonly used by other disciplines. As a reference, the National Institute of Government Purchasers (NIGP) "Dictionary of Purchasing Terms" is the standard being used by the Town of Loxahatchee Groves. As used in this manual, the following terms shall mean:

Addenda: written or graphic instruments issued prior to the opening of formal solicitations which clarify, correct, or change the response documents or contract documents.

Advertising: giving notice in the official local newspaper that sealed responses will be received at a set time and place.

Alternates: substitutes offered by vendors that differ materially from the specifications as set forth in the purchasing solicitation.

Amendment: a method of substantially changing the terms and conditions of a response or contract beyond what is specifically required by the contract.

Award: the acceptance of a bid, offer, or proposal by the proper authority.

Bidders' List: is a current file of vendors who have indicated a desire to supply goods and or services for Townuse.

Bid Closing: the time and date set for termination of accepting bids.

Bid Bonds (also known as proposal bonds): guarantee the responders will not withdraw their bids for a specified time period and will accept a contract, if offered, or will forfeit the bond amount. They may be by cash, a certified or cashier's check, a surety bond or an irrevocable standby letter of credit

Brand Name or Equal Specifications: a specification limited to one or more items by manufacturers' names or catalog numbers to describe the standard of quality, performance or other salient characteristics needed to meet the City's requirements and which provides for the submission of equivalent products.

Brand Name Specification: a specification limited to one or more items by manufacturers' names or catalogs

Change Order: a written order amending a purchase order to correct errors, omissions, or discrepancies in purchase orders to cover acceptable overruns and freight costs; incorporate requirements to expand or reduce the scope of goods or services ordered; or to direct other changes in contract execution to meet unforeseen field, regulatory or market conditions.

Competitive Bids or Offers: the solicitation of two or more bids or offers submitted by responsive and qualified bidders or offerors.

Construction: the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property.

Construction Change Order: is a written order authorized by the proper authority, directing the contractor to make changes, which the changes clause of the construction contract authorizes.

Consultants Competitive Negotiation Act (CCNA): is the common name for Section 287.055 of the Florida Statutes concerning the purchasing of Architectural, Engineering (including testing), Landscape Architecture, and Registered Land Surveying and Mapping Services.

Contract: all types of binding agreements, including purchase orders, of the Town of Loxahatchee Groves, regardless of what they may be called, for the purchasing of supplies and contractual services.

Contractor: any person or business entity having a contract with the Town of Loxahatchee Groves to perform a service or sell a product (same as vendor).

Contractual Services: the rendering of time and effort by a contractor rather than furnishing specific supplies. Contractual services shall not include exempt contractual services as more specifically identified in the Purchasing Ordinance.

Cooperative Purchasing: the purchasing conducted by or on behalf of more than one governmental entity.

Emergency Purchase: A purchase made to alleviate a situation in which there is a threat to health, welfare, or safety under certain conditions defined as an emergency by the jurisdiction, that does not allow for the normal, competitive purchasing procedures.

Evaluation Committee: is a group of persons appointed to rank in preferential order those professional firms or individuals interested in providing services on a particular project.

Goods: Supplies or anything purchased or available for purchase, other than real property or services.

Governmental Agency: any agency of the Federal, State, or any Local Government.

Invitation to Bid (ITB): a written solicitation for competitive, sealed bids with the title, date, and time of the public bid opening designated therein and specifically defining the supplies or contractual services for which bids are sought. The Invitation to Bid shall be used when the Towncan establish precise specifications that define the scope of work for which a contractual service is required or that define the actual supplies required.

Letter of Interest (Request for Letter of Interest - LOI): a method of selecting a vendor whereby all vendors are invited to submit a summary of their qualifications and state their interest in performing a specific job or service.

Mandatory Bid Amount: the dollar amount at which the formal bid process is required, unless an exemption is provided in the Ordinance.

Multiple Award Contracts: contracts which provide awards to more than one vendor for the same item.

Notice of Award: the written notice by the Town to the apparent successful bidder or offeror stating that upon compliance by the apparent successful bidder or offeror with the conditions precedent to the contract within the time specified, the Town will sign and deliver the contract.

Obsolete Property: any personal property belonging to the Town which can no longer be used for its intended purpose, which has completed its useful life cycle, or whose use has become economically impracticable as determined by the Town Manager or designee.

Personal Property: all Town owned property other than real estate.

Professional Services: any services where the Town is obtaining advice, instruction, or specialized work from an individual specifically qualified in a particular area. Professional service may include a report, or written advice which may be lengthy; however, the main thrust of the service is not considered labor, but the exercise of intellectual ability. The purchasing of professional services does not lend itself to normal competitive bidding and price competition alone. These services may be procured by Letter of Interest or Requests for Proposals and selected through competitive selection and negotiation.

Proposals (Request For Proposals - RFP): a written solicitation for sealed proposals with the title, date and hour of public opening designated. A Request for Proposals shall include, but is not limited to, general information, functional or general specifications, statement of work, proposal instructions and evaluation criteria.

Public Improvements: Municipal and other public buildings, bridges, tunnels, streets, trails, and sidewalks.

Town Manager: the principal purchasing official for the Town who is responsible for purchasing of commodities and contractual services, as well as the management and disposal of commodities. Where Town Manger is used in this document, it may be a designee when assigned.

Purchase Order: a purchaser’s document to formalize a purchase transaction with the vendor, conveying acceptance of a vendor’s proposal. The purchase order should contain statements as to quantity, description, and price of the supplies, services, or construction ordered and applicable terms as to payment, discounts, date of performance, transportation, insurance and other factors or suitable references, pertinent to the purchase and performance by the vendor. The purchase order constitutes a contract between the Town and the vendor and, as such, is a legal document.

Purchase Order, Open-end: a purchase order whereby a vendor provides supplies, services, or construction on demand or on a prescribed schedule not to exceed the amount of the purchase order. An open-end purchase order may be used as a release and encumbrance document to authorize the Using Agency to order any predetermined amount from an open–end contract on an as–needed basis.

Qualifications (Request For Qualifications – RFQ): An RFQ is a formal invitation from the Town to vendors to submit a statement of qualifications. The RFQ identifies the desired minimum qualifications of the firm, a scope of work statement, any project requirements, and states the relative importance of selection criteria that will be used in compiling the short list of prospective firms for further consideration.

Quote: notice by a vendor to the buyer stating the prices, terms, and conditions under which he/she will furnish certain goods or services.

Responsible Bidder or Responsible Offeror: a person or business entity having the capability in all respects to fully perform the contract requirements and the experience, ability, reliability, capacity, facilities, equipment, financial resources and credit which will give a reasonable expectation of good faith performance.

Responsive Bidder or Responsive Offeror: a person who has submitted a bid, which conforms in all material respects to the Invitation to Bid or Request for Proposals.

Services: the furnishing of labor, time, and effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements but shall include both professional and general services.

Specifications: any description of the physical or functional characteristics or of the nature of a supply, service or construction item that is prepared by the requesting department. It may include a description of any requirement for inspecting, testing, or preparing a supply, service or construction item for delivery. Specifications may also contain provisions for inclusion of factors that will lead to the ultimate calculation of lowest total cost. All specifications shall seek to promote overall economy for the purposes intended, and encourage competition in satisfying the Town’s needs and shall not be unduly restrictive.

Sole Brand: the only known reasonable brand capable of fulfilling the needs of the City.

Sole Source: the only known responsible vendor capable of providing supplies or contractual services to the City.

State Contracts: are annual term contracts released by the State of Florida Department of Management Services Purchasing Division or any other State of Florida Agency (University, College etc.) that may be utilized at the option of local government using agencies.

Surplus Property: any personal property belonging to the Town, which is capable of being used but is in excess of the normal operating requirements of the Town.

User Department: any department or division of the Town which utilizes any goods, services, or construction procured.

Vendor: any person or business entity having a contract with the Town of Loxahatchee Groves to perform a service or sell a product (same as contractor).

ATTACHMENT 2

Vendor Evaluation Guidelines

Responsiveness
Vendors can be determined to be responsive or non-responsive to the solicitation. Vendors are basically responsive to the solicitation if they have provided all the information required as mandatory and have signed the solicitation making the response a bona fide offer. Vendors are basically non-responsive if they have not provided all the required information or have not signed the solicitation.

Depending on the specifications, vendors who meet or exceed the minimum specifications are considered responsive while those that do not meet the required minimum specifications are considered non-responsive.

Responsible
A vendor can also be evaluated to determine if they are "responsible" or "not responsible." A vendor shall be found to be "not responsible" for reasons including, but not limited to the following;

- The vendor has failed to perform in a satisfactory manner under a prior contract with the Town of Loxahatchee Groves.
- The vendor has shown poor performance based upon comments from previous and current clients, especially those in the governmental sector. The Town reserves the right in all solicitations issued to contact previous vendor clients to determine the satisfaction or dissatisfaction with the work performed.
- A vendor shows a lack of financial resources to assure contract completion on a timely basis.
- A vendor lacks the necessary training and or experience to fulfill the contract requirements with the proper skill level.
- The vendor has inadequate equipment and/or personnel to properly complete all contract requirements in a timely manner.
- The vendor is unable to secure necessary insurance and bonding (if required by the Town).
- The vendor fails to comply with any other factors relating to completion of the contract on a timely basis and in a proper manner as determined by the Town.

ATTACHMENT 3

CITY OF OAKLAND PARK

Purchase Order Approval Request

Date	____________	Date Approved By Commission	____________
Department	____________	Resolution No.	____________
Requested By:	____________	Purchase Order No.	____________
		Purchase Order Date	____________

Vendor / Contractor: ______________________________

Requisition Amount		Account Number	
Requisition Amount		Account Number	
Requisition Amount		Account Number	
TOTAL	$0.00		

Briefly explain the purpose of the purchase and competitive process that resulted in the recommendations of this vendor / Contractor for this purshase.

Routing	Signature	Date	Print Name of Signature
(1) Requesting Department (1)			
(2) Related Department			
(3) Financial Services			Catherine Graham, Financial Services Director
(4) City Manager			John Stunson, City Manager

This form MUST be used for ALL purchases or Contracts for $7,500.00 or more

(1) The City Purchasing Ordinance states purchases of $7,500.00 up to $25,000.00 require three written quotes. Documentation of these quotes include: business name, contact person , date, what is being purchased and the cost. Exceptions to this requirement are: Sole Source, exempt contractual services, emergency procurement and the use of an existing contract from another entity "piggybacking". Purchases of $25,000.00 or more require Commission approval and require either competitive sealed bidding, competitive request for proposals or request for a Letter of Interest.

Please indicate basis of this purchase order

- ________ Three quotes
- ________ Sole Source - Purchase Administrator Approval: ____________
- ________ Exempt Contractual Service - Indicate Exempt Category: ____________
- ________ Emergency Procurement
- ________ Professional Services Procedures
- ________ Existing Contract From Another Government Entity - Entity: ____________
- ________ Competitive Sealed Bidding, Competitive Request For Proposals Or Request For A Letter Of Interest ($25,000.00 Or More)

Revised - May 6, 2006

ATTACHMENT 4a

CITY OF OAKLAND PARK
FINANCE DEPARTMENT
ACCOUNTS PAYABLE
CHECK REQUEST FORM
CHECK REQUESTS UNDER $1,000.00

Department:		Date:
Vendor Name:		Vendor Number:
Street:		Invoice Number:
City / State / ZIP:		Invoice Amount:

Description of payment request:

Account Number	Available Budget ($)	Amount ($)
	Total Check Request Amount:	**$0.00**

Approval:

Department Director

Check Information:
- Mail
- Return to Originating Department

ATTACHMENT 4b

FINANCE DEPARTMENT
ACCOUNTS PAYABLE
CHECK REQUEST FORM
CHECK REQUESTS - $1,000.00 - $4,999.99

Department:		Date:	
Vendor Name:		Vendor Number:	
Street:		Invoice Number:	
City / State / ZIP:		Invoice Amount:	

Description of payment request:

Supporting documentation for payment (must be attached to request):

Account Number	Available Budget ($)	Amount ($)
	Total Check Request Amount:	**$0.00**

Approval:

Department Director	Purchasing Department

Check Information:

- MAIL
- Return to Originating Department

ATTACHMENT 4c

CITY OF OAKLAND PARK
FINANCE DEPARTMENT
ACCOUNTS PAYABLE
CHECK REQUESTS - $5,000.00 - $7,499.99

Department:		Date:	
Vendor Name:		Vendor Number:	
Street:		Invoice Number:	
City / State / ZIP:		Invoice Amount:	

Description of payment request:

Supporting documentation for payment (must be attached to request):

Account Number	Available Budget ($)	Amount ($)
	Total Check Request Amount:	**$0.00**

Approval:

Department Director	Purchasing Department - M. Turner
	Senior Accountant - M. Voight

Check Information:
- Mail
- Return to Originating Department

ATTACHMENT 4d

CITY OF OAKLAND PARK
FINANCE DEPARTMENT
ACCOUNTS PAYABLE
CHECK REQUESTS - $7,500.00 AND GREATER

Department: ______________________ Date: __________

Vendor Name: ______________________ Vendor Number: __________

Street: ______________________ Invoice Number: __________
City / State / ZIP: ______________________ Invoice Amount: __________

Description of payment request:

Supporting documentation for payment (must be attached to request):

Account Number	Available Budget ($)	Amount ($)
	Total Check Request Amount:	**$0.00**

Approval:

Department Director

Purchasing Department - M. Voight

Check Information: ___ Mail
___ Return to Originating Department

Financial Services - C. Graham

City Manager - J. Stunson

ATTACHMENT 5

PURCHASE ORDER EXCEPTION VENDORS

The following vendors do **not** require a Purchase Order:

Vendor

20/20 Eye Care (02450)
All Service Refuse / Waste Pro
American Bankers Insurance
iFone
Broward County Sheriff's Office

Town of Loxahatchee Groves/Refuse/ Waste Pro – all services

Florida Municipal Insurance Trust (02563)

FPL (00375)

DUES / MEMBERSHIP

Palm Beach County League of Cities (00140)
FGFOA (01053)
GFOA (01526)
Florida League of Cities

ATTACHMENT 6

CONFLICT OF INTEREST STATEMENT

For the purposes of determining any possible conflict of interest, all voting members of the Selection/Evaluation Committee for ____*Solicitation # and Name*______ must disclose if they have an interest in any of the firms responding to the above solicitation as an owner, Corporate Officer, employee of the business or consultant of the firm. Indicate either "yes" (this Townemployee is associated with the firm(s) indicated and in what capacity) or "no". If yes, give firm(s) name(s) and position(s) held with the firm(s).

YES______ **NO______**

Firm name(s) and position(s) held:____

____

____

____

_________________________________ _________________

Signature of Committee Member Date

(Note: if answer is "yes", you must file a statement with the Supervisor of Elections, pursuant to Florida State Statutes 112.313)

ATTACHMENT 5

PURCHASE ORDER EXCEPTION VENDORS

The following vendors do **not** require a Purchase Order:

VENDOR

Utilities

PBC Water
FPL
IP Phone

Building Security

ADT Security
AT&T

Legal Advertising

Cox Media/PB Post
El Latino
Town Crier

Insurance:

Florida Municipal Ins. Trust

Dues/Memberships

PBC League of Cities
Florida League of Cites
Palms West Chamber of Commerce
PBC League of Cities - Small Cities

Computer Services

Internet Services/Comcast
Email Service/Microsoft Exchange
Computer/Caronite
Website/e-City Services

Professional Services

Goren Cherof Doody & Ezrol
Caldwell & Pacetti
Underwood Management Services
Land Research Management
Keshavrz & Associates
Simmons & White
A&B Engineering
Municipal Code Corporation

Refuse Services

Waste Pro

Law Enforcement Services

PBC Sheriff

Rentals/Leases

Storage/Easy Self-Storage
Copier/TGI Automation

Maintenance Services

Lawn/Exterminator/Armand
Cleaning/N.America Coverall

Fiscal Policies

The Town of Loxahatchee Groves has adopted a comprehensive series of fiscal policies which embody recognized sound financial management concepts. It is anticipated that these policies will be amended as necessary as part of the Town's annual budget process and reconfirmed each year as a part of budget development.

The fiscal policies are organized under four subject headings:

- General Fiscal Policy presents the overall guidelines for financial and accounting practices, including the basic framework for preparing the Town's operating and capital budgets, maintaining accounting records, and funding services on a non-discriminatory basis.

- Fiscal Policy for Operating Revenue, Expenditures, and Fund Balance/Net Assets outlines the policies for budgeting and accounting for revenue and expenditure requirements, and providing adequate fund balance and net assets in the Town's various operating funds. This section includes several references to capital project funding in relation to the amount and type of support to be provided by the operating funds.

- Fiscal Policy for Investments provides guidelines for investing operating and capital balances.

- Fiscal Policy for Capital Revenue and Expenditures, and Debt Financing directly relates to the resources and requirements of the Capital Improvement Program. Included are overall policies on issuance of debt, as well as specific guidelines applicable to specific fund types.

The Town will normally adhere to these fiscal policies in the conduct of its operations. However, it must be noted that these policies are guidelines and not statutory limitations. Some of the policies, particularly with regard to unassigned fund balance or unrestricted net assets, are designed as goals to be pursued, not necessarily achieved on an annual or ongoing basis. The Town reserves the right to deviate from any or all of the fiscal policies if such action is determined by Town Council to be in the best interest of the Town.

I. GENERAL FISCAL POLICY

A. GENERAL GUIDELINES

1. The Annual Operating Budget of the Town of Loxahatchee Groves, Florida, shall balance the public service needs of the community with the fiscal capabilities of the Town. It is intended to achieve those goals and objectives established by the Council for the next fiscal year. Service programs will represent a balance of services, but with special emphasis on the Town's public safety, environmental health, and economic development. Services shall be provided on a most cost-effective basis.

Underwood Management Services Group
FAAC Review & Modifications -09/11/2012
Town Council Adopted – 09/18/2012
Town Council Adopted based on actions taken at 07/18/2014 – 09/23/2014
Town Council Adopted – 09/20/2016
Town Council Adopted – 09/21/2017

2. New programs, services, or facilities shall be based on general citizen demand, need, or legislative mandate, and ability of funding.

3. The Town shall provide funding for public services on a fair and equitable basis, and shall not discriminate in providing such services on the basis of race, color, national origin, religion, sex, sexual preference, marital status, age, or disability.

B. SPECIFIC GUIDELINES

1. The Town recognizes that its citizens deserve a commitment from the Town for fiscal responsibility, and that a balanced operating budget is the cornerstone of fiscal responsibility. Operating expenditures will be fiscally balanced with revenues that can be expected to be received during the fiscal year. New programs or changes in policies that would require the expenditure of additional operating funds will be funded either through a reduction in programs of lower priority or through adjustments to rates, service charges or taxes. Requests for new or changes to programs or policy will be accompanied by an analysis of the short and long-term impact on the operational budget caused by such change or new program or policy.

2. The Town will maintain adequate minimum fund balance/net assets in the Town's various operating funds to provide the capacity to: a) provide sufficient cash flow for daily financial needs, b) secure and maintain investment grade bond ratings, c) provide funds for unforeseen expenditures related to emergencies. General fund will maintain fund balance categories in accordance with GASB Statement 54 Fund Balance Reporting and Governmental Fund Type Definitions. Within the governmental funds of the Town, fund balance shall be composed of Non-spendable, Restricted, Committed, Assigned, and Unassigned amounts.

   - Non-spendable fund balance consists of amounts that are not in spendable form such as inventory and prepaid items.
   - Restricted fund balance consists of amounts which can be spent only for the specific purposes stipulated by external resource providers such as creditors and grantors or imposed by law through constitutional provisions or enabling legislation.
   - Committed fund balance consists of amounts that can be used only for specific purposes determined by formal action of the Council, the Town's highest level of decision making authority, and may be changed only by the same formal action.
   - Assigned fund balance consists of amounts that the Town intends to use for specific purposes that are neither restricted nor committed; the intent shall be expressed by the Town Manager.
   - Unassigned fund balance is the residual amounts available for any purpose for the General fund and includes amounts that are not contained in the other classifications.

   With regard to the spending order of the fund balances, the Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing so, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

3. The Town shall prepare and implement a Capital Improvement Program (CIP), consistent with State requirements, which shall schedule the funding and construction of projects for a five-year period, including a one-year CIP Budget. The Capital Improvement Program shall balance the needs for improved public facilities and infrastructure, consistent with the Town's Comprehensive Plan, within the fiscal capabilities of the Town.

4. The Town shall maintain its accounting records in accordance with generally accepted accounting principles (GAAP), applied to governmental units as promulgated by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

5. The Town shall maintain its capital and non-capital asset records in accordance with the policy and procedures set forth by the Town Manager. Individual asset costing $5,000 or more shall be capitalized. However, non-capital mobile assets costing $1,000 or more and electronic equipment shall be tracked for inventory purposes. Asset inventory shall be performed annually to ensure the accountability of Town assets. Missing assets shall be reported to appropriate law enforcement and Town Council.

6. Budgets and expenditures for the Town shall be under Council appropriation control at the departmental level.

7. Inter-fund loans must be supported by a fiscally sound source of funds available for repayment.

8. Preparation of the Town's Budget shall be in such format as to allow correlation with the costs reported in the Town's Comprehensive Annual Financial Report, with content of said Budget to include that required by Town Charter, Florida Statute, or as later revised by Resolution of the Town Council. Detailed estimates shall be by account at the division or program level, and summarized and adopted at departmental level.

9. An analysis shall be made to determine the project life cycle cost of ownership where it is proposed that facilities be leased or rented, and if such cost will commit the Town to $50,000 or more in any one year.

II. FISCAL POLICY FOR OPERATING REVENUE, EXPENDITURES AND FUND BALANCE/NET ASSETS

A. GENERAL GUIDELINES

1. Revenue

a. Revenue projections will be based on an analysis of historical trends and reasonable assumptions made on a conservative basis of future conditions to ensure that estimates are realized.

b. The Town will not use long-term debt to finance expenditures required for current operations.

c. As a general rule, operating budgets will be balanced using current year revenues to finance current year expenditures. Unassigned fund balance shall not normally be budgeted as a resource to support routine annual operating expenses. However, balances exceeding the policy targets may be budgeted as a resource to support capital, debt, or extraordinary major maintenance needs on a non-recurring basis, or for specific purposes, as designated.

2. Expenditures

a. Normal maintenance requirements necessary to sustain the basic asset value will be included in the expenditure budget of the proper operating fund.

b. Funding will be provided for major improvements and automation of services based on multiple-year planning, appropriate cost-benefit analysis, and life cycle costing.

c. Future capital improvement requirements and equipment replacement will be included in operating budget plans or in the CIP. The annual amount set aside to provide reserves for future capital requirements, will be tailored to the needs of the specific operation, if not established by bond resolution, and will be above the specified fund balance or net assets.

3. Unassigned Fund Balance/ Unrestricted Net Assets

a. Maintaining an adequate fund balance or net assets is essential to the Town's financial health. The unassigned fund balance for fiscal reserve and unrestricted net assets will be considered adequate between a minimum of 25% and a maximum of 30% of the current year's operating appropriations, including transfers, for the General Fund; a minimum of ~~0~~25% and a maximum of ~~25~~35% of the current year's operating appropriations, including transfers, will be considered adequate unrestricted net assets for the Enterprise Operating Funds.

b. Amounts above those indicated in paragraph 3.a. may be assigned or committed within unassigned fund balance or unrestricted net assets for non-recurring purposes.

c. The balances of each fund will be maintained by using a conservative approach in estimating revenues and by ensuring expenditures do not exceed appropriations.

Underwood Management Services Group
FAAC Review & Modifications -09/11/2012
Town Council Adopted – 09/18/2012
Town Council Adopted based on actions taken at 07/18/2014 – 09/23/2014
Town Council Adopted – 09/20/2016
Town Council Adopted – 09/21/2017

d. Any anticipated deficit of operating expenditures over revenues at year-end will be provided for in the current year's budget amendment process through fund balance/net asset appropriations.

e. In the event that sufficient unassigned fund balance/unrestricted net asset targets are not met, a proposed revenue enhancement and/or service level reduction plan to achieve the target shall be submitted to the Council for the subsequent year budget consideration. The replenishment to the expected minimum level shall be completed within five years.

B. SPECIFIC GUIDELINES

1. General Fund

a. The General Fund is the principal operating fund of the Town and will account for activities not reported in another type of fund for legal or managerial reasons.

b. The operating budget of the General Fund will be prepared based on 95% of the certified taxable value of the property tax roll and conservative estimates of other sources of General Fund revenue.

c. Service charges and user fees for all General Fund services will be analyzed to ensure an appropriate proportional recovery of direct costs and overhead.

2. Special Revenue Funds

a. Special revenue funds will be used to account for specific revenue sources that are restricted to expenditures for specific purposes. Dedicated operations that cover only a substantial portion of their costs by user fees and charges, and therefore require ongoing operating subsidies, will be classified as special revenue funds.

3. Proprietary or enterprise Funds

a. Proprietary funds will be used to account for those activities where the costs are expected to be funded by user fees and charges.

b. Proprietary Funds will pay the General Fund their proportionate share of the cost of general administrative departments. Solid Waste is able to produce sufficient revenue from service charges to fully recover all direct operating costs and overhead. Initial startup of operations or specific circumstances may require an individual enterprise to be subsidized for a limited period of time; however, it is fully expected that these operations will be totally self-supporting over time and will repay any subsidy to the General Fund as revenues permit.

c. Service charges, rent and fee structures will be established to ensure recovery of all costs.

d. The expenditure requirements of the Proprietary Funds will include all expenses of the operations, as well as any transfers to capital project funds and debt service funds.

e. A review of service cost and rate structures for Solid Waste charges will be performed on an annual basis. The adopted budget will set forth the cost requirements to be recovered by the service charges, which will be based on the cost of services provided.

III. FISCAL POLICY FOR INVESTMENTS

A. GENERAL GUIDELINES

1. The investment of Town funds shall be controlled by the Town's "Investment Policy" and shall conform to Florida Statutes Chapters 166.261 and 218.415.

2. Sufficient operating funds are to be deposited with a Qualified Florida Public Depository. The balance of investible cash may be deposited with the investment pools of the State or the Florida League of Cities, or be invested in authorized money market funds and other investment vehicles held at other asset management firms as defined in the Town investment policy, if applicable.

3. Bond or loan proceeds for construction and reserve funds are to be held in a qualified financial institution or LGIP type of pool, separate from the Town's operating accounts, if applicable. The proceeds temporarily invested are excluded from the investment portfolio for the purpose of calculating maximum exposure per investment service provider.

IV. FISCAL POLICY FOR CAPITAL REVENUE AND EXPENDITURES AND DEBT FINANCING

A. GENERAL GUIDELINES

1. Revenue

a. Revenue projections for the one-year Capital Improvement Program Budget and five-year Capital Improvement Program Plan shall be based on conservative assumptions of dedicated revenue sources.

2. Expenditures

a. Capital projects shall be justified in relation to the Town's Comprehensive Plan.

b. Estimated requirements for capital projects shall include all costs reasonably associated with the completion of the project.

Underwood Management Services Group
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Town Council Adopted – 09/18/2012
Town Council Adopted based on actions taken at 07/18/2014 – 09/23/2014
Town Council Adopted – 09/20/2016
Town Council Adopted – 09/21/2017

c. The impact of each project on the operating revenues and expenditures of the Town shall be analyzed as required by the General Fiscal Policy stated above.

d. Consistent with IRS regulations, debt repayment will not exceed the average life of improvements.

3. Debt Financing

The Town can only enter into Debt obligations of any form through a Referendum of the Electorate pursuant to Town of Loxahatchee Groves Charter Section Section 6. Budget and Appropriations. (5) Bonds; Indebtedness (a).

a. Long Term Debt: Annual debt service payments may be structured to provide level cost over the life of a bond issue, unless fiscal or other constraints dictate an alternative approach. A policy of full disclosure will be followed in all financial reports and official statements for debt.

b. Medium Term Debt: Lease-purchase agreements, bonds, loans, or other debt instruments may be used as a medium-term (3 to 10 years) method of borrowing for the financing of vehicles, other specialized types of equipment, or other capital improvements. The equipment or improvement must have an expected life of more than three years. The Town will determine and utilize the least costly financing methods available. Such debt arrangements will be repaid within the expected life of the equipment or improvement acquired.

c. Short Term Debt: Short-Term borrowing may be utilized for temporary funding of anticipated tax revenues; anticipated grant payments, anticipated bond proceeds, or other expected revenues. Anticipated funding is defined as an assured revenue source with the anticipated amount based on conservative estimates. Such borrowing may utilize a short-term note maturing before the end of the current appropriation period. Other short-term debt, such as tax-exempt commercial paper, bond anticipation notes, tax anticipation notes, or grant anticipation notes, may be used when it provides immediate financing and an interest advantage, or delays long-term debt until market conditions are more favorable. The Town will determine and utilize the least costly method for short-term borrowing. Short-term debt may be refunded in accordance with applicable Federal laws.

B. SPECIFIC GUIDELINES

1. General Capital Improvements: General capital improvements, or those improvements not related to Town-owned enterprises, may be funded from General Fund revenues or fund balances, the sale of revenue bonds or general obligation bonds/loans, and from special revenues, special assessments and grants.

a. Pay-As-You-Go Capital Improvements*:* Pay-as-you-go capital improvements may be funded from General Fund revenues or fund balances, state and federal grants, special assessments, or other sources of revenue which may become available to the Town. Major capital projects related to the delivery of general public services shall be paid from general purpose revenues. It is recognized that the allocation of funds in any given year of the program may vary significantly from these parameters due to prioritization and scheduling of projects.

b. Special Assessments: When special assessments are used, the interest rate charged will be established by Town Council consistent with State law.

c. Revenue Bond Debt Limit: Sale of revenue bonds for capital improvements will be limited to that amount which can be supported from the pledge of the specific revenue.

2. Enterprise Capital Improvements: Enterprise funds improvements may be funded from operating revenue or unrestricted net assets, the sale of revenue bonds, loans, special assessments and grants.

   a. Pay-As-You-Go Capital Improvements: Enterprise funds may support needed capital improvements on a pay-as-you-go basis from operating revenues or from unrestricted net assets, assessments, and grants. Major capital projects related to the delivery of Town owned enterprises will be paid from the revenue of that enterprise fund.

   b. Special Assessments: When special assessments are used for enterprise-related improvements, the interest rate charged will be established by Town Council consistent with State law.

   c. Revenue bond Debt Limit*:* Sale of revenue bonds will be limited to that amount which can be supported from user fees generated, or combination of other revenues.

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Town of Loxahatchee Groves

Finance and Accounting Procedures Manual

Revised January 2012

GENERAL INFORMATION

- The Town Council formulates financial policies, delegates administration of the financial policies to the Town Manager and reviews operations and activities.
- The Town Manager has management responsibility including financial management.
- Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.
- Professional financial service providers will be established annually such as Florida Municipal Insurance Trust (F.M.I.T.) *(insurance),* and Nowlen, Holt & Minor, PA *(auditors).*
- The Town's Management Firm will maintain a current and accurate log of the chart of accounts, job accounts and accounting classifications.
- These policies and procedures will be reviewed annually by the Finance Advisory & Audit Committee.

REVENUE SOURCES

Ad Valorem Taxes: Palm Beach County Property Appraiser and Tax Collector place the ad-valorem assessment on their Property Tax Notice each year. The Town adopts the millage rate through its budget hearings and provides that information to the Property Appraiser's Office. Once the notices are sent out and the revenues are collected, they are directly deposited electronically into the Town's QPD Accounts.

Communications Service Tax: The 2001 law establishing the communications services tax was designed to restructure taxes on telecommunications, cable, direct-to-home satellite, and related services. The law replaced and consolidated several different state and local taxes with a single tax comprised of two parts: the Florida communications services tax and the local communications services tax. Through the adoption of Ordinance 2007-004, the Town adopted the levying of the Communications Service Tax. The budgeted amount is taken from the information provided by Florida Legislative Committee on Intergovernmental Relations 2010-2011 estimates. The Town receives this revenue monthly in the form of direct deposit from the State of Florida. The revenue deposits are deposited electronically into the Town's QPD Accounts.

Electric Utility Tax (FPL):
Florida Power and Light collect the Utilities Service Tax on behalf of the Town. The Utility Tax is directly deposited electronically into the Town's QPD Accounts.

FPL Franchise Fee:
The Town adopted Ordinance 2007-001 which stated that FPL and the Town of Loxahatchee Groves desired to enter into a franchise agreement providing for the payment of fees to the Town of Loxahatchee Groves in exchange for the nonexclusive right and privilege of supplying electricity and other services within the Loxahatchee Groves free of competition from the Town of Loxahatchee Groves, pursuant to certain terms and conditions as per the current franchise agreement. The Town receives 5.9% of the net revenue generated to F.P.& L. for the Town. The Franchise Fee is directly deposited electronically into the Town's QPD Accounts.

State Revenue Sharing: The budgeted amount is taken from the information provided by Florida Office of Economic and Demographic Research estimates. The revenue is directly deposited electronically into the Town's QPD Accounts.

Half Cent Sales Tax: The budgeted amount is taken from the information provided by Florida Office of Economic and Demographic Research. The revenue is received monthly via electronic funds transfer from the State of Florida. The deposit is directly deposited electronically into the Town's QPD Accounts.

County Occupational Licenses
Palm Beach County is responsible for issuing and collecting fees relating to Business Tax Licenses on behalf of the Town through the Inter-Local Agreement executed between the Town and Palm Beach County. The Town receives a certain percentage of all of the new and renewed Business Tax Licenses for businesses located in the Town. This revenue is directly deposited electronically into the Town's QPD Accounts.

Interest
The YTD amount is based on the interest earnings received by the Town through its authorized and approved investment policy or State of Florida statutes.

SOLID WASTE ASSESSMENT AND COLLECTION

In July 2008, the Town Council adopted Ordinance 2008-005 entitled Special Assessments. Consistent with the requirements of Chapter 170, Florida Statutes, the ordinance authorizes the Town Council to impose special assessments including the solid waste special assessment, as well as any other special assessments for public improvements, such as service programs or public works projects.

In July of each year, the Town adopts the preliminary Solid Waste Assessment to be included on the annual TRIM Notice sent out by Palm Beach County Property Appraiser's Office. Annually, during the month of September, the Town will adopt the final Solid Waste Assessment which will be included in the final property tax bill sent to each of the Loxahatchee Groves property owners. The Town's Solid Waste Non-Ad-Valorem (NAV) Assessment will be included in all property tax bills and payments are made to the County. After the County's 2% Administrative Fee is deducted, these funds are directly deposited into the Town's QPD Accounts by the Palm Beach County Tax Collector.

By the third week in July each year, Town Management is responsible for transmitting the solid waste assessment database to the Palm Beach County Property Appraiser's Office and Tax Collector's Office. The database must be submitted in a specific format as prescribed by the County. Town Management is responsible for maintaining the database by tracking new residential Certificates of Occupancy that have been issued throughout the year. New residential units shall be added to the database.

CASH RECEIPTS (includes checks)

- Town Management is responsible for opening all mail addressed to the Town of Loxahatchee Groves as well as mail without specific addressee.
- Town Management will endorse all checks by rubber stamp to read as follows:

  PAY TO THE ORDER OF
  Name of Bank
  FOR DEPOSIT ONLY
  Town of Loxahatchee Groves
  Account Number

- Town Management is responsible for the documentation of all receipts. All receipts will be deposited intact. Town Management will complete deposit slips in duplicate. Copies of all checks and deposit slips will be scanned and filed electronically. No disbursements will be made from cash or check receipts prior to deposit.
- Town Management will make bank deposits weekly or as often as necessary, as deemed by the Town Manager.

CHECK DISBURSEMENTS

- CHECK AUTHORIZATION
  - All invoices will be immediately forwarded to the Town Manager who will review the invoices for mathematical accuracy, validity, conformity to the budget (or other board authorization) and compliance with contract and bid requirements.
  - Prior to payment, all invoices will be approved (indicated by initialing) by the Town Manager. The Town Manager or Town Clerk will code the invoice with an appropriate expense or other chart of accounts line item number, class and/or job number (where applicable).

  - The Town Manager will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled prior to any disbursement of payment. The Town Manager is responsible for prompt follow-up on any discrepancies and/or payments, and for documenting all correspondence related to such matters.

  - By approving an invoice, the Town Manager indicates that the invoice has been reviewed by management for accuracy and recommends a check for payment.

- Town Management Services firm will ensure that approved invoices will be entered into the accounting system so that checks may be generated on pre-numbered check stock.

- Check stubs are attached to all paid invoices and paid invoices are filed in folders by month. (such as JAN. 2010 - PAID INVOICES)

- Authorized signers on the Town of Loxahatchee Groves bank accounts include all members of Town Council.

- All checks must be signed by two members of the Town Council.

- The Town Manager will present the invoices and checks to the two authorized signers for their signatures.

- All signed checks shall be mailed promptly to the respective vendors and original invoices shall be filed.

- Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.

- Lost checks over $35 (or current bank stop payment charge) will have a stop payment applied through the bank. Lost checks under $35 (or current bank stop payment charge) will be monitored for clearance.

- Under no circumstances will:

  - Invoices be paid unless approved by the Town Manager.

  - Blank checks (checks without a date or payee designated) be signed in advance

  - Checks be made out to "cash", "bearer", "petty cash", etc.

  - Checks be prepared on verbal authorization.

BANK RECONCILIATIONS

- Original bank statements will be kept on file at the Town Office.
- The Town Management Services firm will reconcile the bank statements monthly.

PURCHASING

- All purchasing procedures will be followed as outlined in the Town of Loxahatchee Groves Procurement Code as outlined in Ordinance 2008-09.

CONSULTANTS

- Before contracting for new services, consideration will be made of internal capabilities to perform these same services.
- Written contracts clearly defining work to be performed, terms and conditions will be required for all consultant and contract service agreements.
- The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.
- Consultants and contractors must provide adequate proof of insurance as deemed necessary by the contract.
- Consultant and/or contractual services will be paid for work completed on a pro-rata basis or as outlined in the contract.
- The Town Manager is responsible for the adherence to all terms and condition of the contracts and to make sure all duties are fulfilled before payment is made to the vendor/contractor.
- Consultants will be evaluated for performance on an annual basis as per the Town Manager's contract.

PROPERTY

- EQUIPMENT
  - Equipment shall be defined as all items (purchased or donated) with a unit cost of $1000 or more and a useful life of more than one year.
  - Descriptions and serial numbers of all such equipment shall be recorded and kept in the Town Office fire-proof safe. In addition all equipment shall be asset tagged to identify ownership as belonging to the Town of Loxahatchee Groves.
  - In case of loss, a police report will be filed and appropriate insurance company notified.

- An annual physical inventory of fixed assets will be conducted in accordance with Florida Statute 274.02

INSURANCE

- Reasonable, adequate insurance coverage will be maintained to safeguard the assets of the Town. Such coverage will include property and liability insurance, and other insurance deemed necessary.
- The Town Manager will maintain insurance policies in insurance files at the Town Office.
- All insurance policies shall be kept in the fire-proof safe.

BOOKS OF ORIGINAL ENTRY

- The Town of Loxahatchee Groves will maintain its accounting records on the accrual at least annually in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles, IRS regulations, and GASB (Government Accounting Standards Board).
- Individual monthly financial statements are based on cash basis.
- Adequate documentation will be maintained to support all general journal entries.
- At the end of each month, a Balance Sheet, Check Register, Financial Statements for all funds (with budget comparisons) will be reviewed by the Town Manager and forwarded to the Finance Advisory & Audit Committee.
- The Finance Advisory & Audit Committee will subsequently review the financial statements at their monthly meetings, and make recommendations to the Town Council to either “approve” or “approve as amended” said financials.
- Upon approval by the Town Council, monthly financial statements shall be posted on the Financial Page of the Town Website.

GRANTS AND CONTRACTS

- The Town Manager will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The Town Clerk will maintain originals of all grants and contracts in a file.
- The Town Clerk will prepare and maintain on a current basis a Grant/Contract Summary form for each grant or contract awarded to the Town of Loxahatchee Groves This form shall include the name, address, contact person, and phone number for the funding organization; the time period applicable to expenditures.

BUDGETS

- The Town Management Services firm in consultation with its Town Manager will prepare the financial budget. This process will begin atleast 3 months before the maximum millage needs to be set (July of each year).
- The budget will be discussed and presented to the Finance Advisory & Audit Committee, in various workshops leading up to the 1st and 2nd Budget Hearing of each year.
- The Town Management Services firm will be responsible for the T.R.I.M. (Truth in Millage) compliance (see T.R.I.M. flowchart).
- The Town Clerk will ensure that the budget hearings are properly noticed and that the proposed budget and final approved budget is kept on file.
- **Budget Timeline Tentative:**
- May: Create the first draft for the next fiscal year budget and begin to discuss with the Finance Advisory & Audit Committee as well as each Council Member individually. It is advised that an agenda item be placed on each regular meeting agenda between May 1st and the 1st budget hearing.
- June: The Town will receive its preliminary total taxable property value from the Palm Beach County Property Appraiser's Office.
- July: The Town will receive its final total taxable property value from the Palm Beach County Property Appraiser's Office. This is the number that will be used on the DR-420 and the number, which in turn will determine the millage used for the preliminary budget.
- July: A resolution shall be adopted to set the "maximum" millage rate (the date will be determined by the Property Appraiser's Office). The date shall be set so that the "maximum" millage will be transmitted to the Property Appraiser's Office, through the DR 420, in time be placed on the TRIM Notice.
- August: The TRIM Notice is sent out by Palm Beach County Tax Collector's Office. The notice serves as the legal advertisement for the Town's 1st budget hearing.
- September: The Town will hold its first and second Budget Hearings. The dates shall be coordinated with the Palm Beach County Property Appraiser's Office and cannot be in conflict with the School Board or County Budget hearings. The Town Clerk will be responsible for the legal advertisement of the 2nd budget hearing.
- September: Once the Town Council adopts the budget and millage rate, the Finance Director is responsible to submit the final TRIM package to the

Florida Department of Revenue and a copy is to be sent to the Palm Beach County Property Appraiser's Office.

- The Town Management Services firm and its town Manager will prepare the financial budget annually.
- The Town Clerk will ensure that the final adopted budget is posted to the Town Website.

OTHER

MINUTES OF MEETINGS

- The Town Management Services firm will prepare accurate minutes of all Finance Advisory & Audit Committee meetings. Approved meeting minutes will be available to the public and posted on the Town website after being signed off by the Chairperson.
- The Town Manager will note all items in the minutes relating to finance and take prompt and appropriate action.

FINANCIAL PROCEDURES

- Financial procedures will be reviewed annually by the Finance Advisory & Audit Committee. The Town Council must approve changes to the Finance Accounting and Procedures Manual prior to implementation.

AUDITS

- The Town Council shall contract with an independent auditing firm for an audit of the Town's financial records annually, to be completed prior to the first March of the following year, whenever possible, subject to mitigating circumstances.
- The Finance Advisory & Audit Committee serves as the Audit committee for the Town per Town Council Resolution 2009-014.

RECORDS

- All financial records will be retained or destroyed in accordance with Florida General Records Schedule for State and local government agencies.

PERSONNEL

BUDGET

WORKPLAN & SCHEDULE